

Joint Industry Statement on the implementing act laying down rules on the details and format for the disclosure of information on discarded unsold consumer products

The undersigned organisations express their **strong opposition to the proposal for verification through mandatory limited assurance** included in the draft implementing act on the formats and details for the disclosure of unsold consumer products. The draft act proposes that economic operators falling under the scope of Articles 19a or 29a of the Corporate Sustainability Reporting Directive (CSRD) shall seek a third-party auditing/assurance service provider's opinion based on a limited assurance engagement. On the contrary, **we recommend that third-party verification should not be mandatory for any economic operator – whether in the scope of the CSRD or not.**

While we acknowledge the Commission's effort to streamline the reporting process for disclosing information on discarded unsold consumer goods with reporting obligations from other pieces of legislation, we stress that this approach would introduce significant administrative and financial burdens for businesses, directly contradicting the European Commission's intended objective to reduce administrative complexity and boost EU competitiveness recalled in recital 3 of the draft act.

Limited assurance would entail **significant additional expenses and disproportionate burden**. Companies would face both one-time costs (such as setting up systems, defining protocols, and acquainting assurance providers with company-specific data) and recurrent costs (like audit preparation and performance reviews), potentially amounting to several hundred thousand euros per company. Extrapolations from CSRD suggest they could be considerable, potentially up to 30% of average CSRD reporting costs.¹

Beyond the financial implications, tying this requirement to a limited assurance process also introduces **legal ambiguity and implementation risks** due to the lack of a detailed standard. While ISAE3000 and CEA OB guidance exist, these leave wide room for interpretation by auditors. Moreover, an auditor's ex-ante opinion will also likely lead to unnecessary delays, since third parties could put the report on hold for few months before it is issued.

Furthermore, there's **no built-in synergy between ESPR and the CSRD**. According to the ESPR text, companies may decide to integrate the disclosure of discarded unsold consumer goods into CSRD sustainability reports, but it's optional. Moreover, the timing of the two legislations is not aligned: the date of application of the CSRD is different from the implementing act on reporting of discarded unsold consumer products, since the Commission Omnibus Proposal – currently under discussion in EU institutions - postpones the application of the CSRD by two years for Wave 2 companies (from 2026 to 2028) and for Wave 3 companies (from 2027 to 2029). Even when both regulations apply, reporting might occur at different organizational levels. For instance, a company might consolidate CSRD reporting across subsidiaries but handle ESPR reporting at the subsidiary level—or vice versa. In all scenarios, businesses would need to establish two separate compliance processes. This dual effort increases complexity without improving traceability or oversight.

Finally, **the ESPR text already includes other verification tools**. Article 24(2) and Chapter XI on Market Surveillance outline proportionate, risk-based verification mechanisms led by national authorities. This method empowers national competent authorities to conduct oversight using a targeted, ex-post approach, without unnecessary upfront costs. Such a system enables faster internal workflows and is

¹ See estimates from EFRAG (2022):

<https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/05%20EFRAGs%20Cover%20Letter%20on%20the%20Cost-benefit%20analysis.pdf>

fully auditable, allowing authorities to verify disclosures while keeping enforcement cost-effective. It is also worth noting that in the European Commission’s targeted consultation (Q3–Q4 2024), when comparing verification methods, a majority of respondents preferred “risk-based verification by national authorities” and “other” (18% and 19% respectively) over limited assurance (17%). Though the difference is small, limited assurance was still less preferred—especially considering that some “other” responses proposed a hybrid “risk-based +” model, combining internal self-checks with ex-post verification by national authorities.

We therefore call on the Commission to revise the current verification proposal in the draft implementing act and instead **adopt the risk-based, ex-post verification approach by national competent authorities already outlined in Article 24(2) the ESPR text** and supported by a majority of stakeholders. We stand ready to collaborate with the Commission to co-create a robust, transparent, and feasible verification model that serves both sustainability goals and business realities.

Signatories:



AIM – European Brands Association



AISE – International Association for Soaps, Detergents and Maintenance Products



AmCham EU



Applia – Home Appliance Europe



Cosmetics Europe – The Personal Care Association



DigitalEurope



EDANA – The Voice of the Nonwovens Industry



EFIC – European Furniture Industries Confederation



Federation of the European
Sporting Goods Industry

FESI – Federation of the European Sporting Goods
Industry



JBCE – Japan Business Council in Europe



Lighting Europe



TIE - Toy Industries of Europe