

Rue Belliard 40 |
Belliardstraat 40
1040 Brussels – Belgium
T +32 (0)2 786 30 45
E secreteriat@ceemet.org
www.ceemet.org
EU Transparency Register
[61370904700-45](https://ec.europa.eu/transparency/regexp1/index.cfm?do=entity.entityDetail&entityId=61370904700-45)

Brussels, 18/05/2022

Subject: Interinstitutional negotiations on corporate sustainability reporting Directive

Dear trilogue negotiators of the corporate sustainability Directive,

In view of the upcoming interinstitutional negotiation meeting on the corporate sustainability reporting Directive (CSRD) taking place on 19 May, Ceemet wishes to express its main concerns in this respect.

Ceemet fears that this Directive will inevitably create a significant administrative and financial burden for these companies. We therefore call on the co-legislators to carefully take the needs of companies into account and cut the red tape and reduce the financial impact.

First of all, Ceemet underlines that there are several legislative proposals and their subsequent delegated acts in the area of sustainability that threaten to add a long list of new obligations for companies in terms of stricter reporting obligations, i.e. the CSRD, but also the Taxonomy Regulation and the Directive on corporate sustainability due diligence. This will inevitably have a critical impact on European based companies, their operations and supply chains, as well as on their global competitiveness.

The heavy additional administrative costs and procedural burden on companies, following all these legislative initiatives and notably the CSRD as proposed by the European Commission, will be challenging for all companies, even for the big ones. Therefore, smaller companies, which often have fewer resources, should be excluded or will otherwise have to shift the majority of their time and resources away from their core corporate activities. In that sense, we highly appreciate the position from the European Parliament which says that **all Small and Medium Sized Enterprises** – regardless whether they are listed companies or not – should be able to **adhere to the reporting standards on a voluntary basis**. Moreover, it is of great importance that Member States acknowledge their part on this topic and support the SMEs by measures, such as certified labels or financial support.

Secondly, as already stated above, this Directive will cause a significant amount on administrative burden on companies. Therefore, Ceemet is of the opinion that all **obligations on companies would need to be proportionate** and we strongly support the position of the Council's general approach, stating that standards shall take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to publish sustainability as this may relieve a little of the administrative burden on companies.

About Ceemet

Ceemet represents the metal, engineering and technology-based industry employers in Europe, covering sectors such as metal goods, mechanical engineering, electronics, ICT, vehicle and transport manufacturing.

Member organisations represent 200,000 companies in Europe, providing over 17 million direct and 35 million indirect jobs.

Ceemet is a recognised European social partner at the industrial sector level, promoting global competitiveness for European industry through consultation and social dialogue.

Finally, we note that also from a timing perspective, all newly proposed legislative initiatives will be extremely challenging for companies as they are introduced within a very short timeframe. *Enclosure 1* will give you an overview of the foreseen and constantly changing rules stemming from different pieces of legislation for companies in the coming years.

More specifically, the timetable to comply with the new requirements under the CSRD as proposed by the European Commission **is completely unrealistic** as the suggested timing would give companies, many of which never had to do sustainability reporting before, only two months after establishing the standard and only one month after the implementation into national laws until they would have to comply with all the proposed requirements. **Ceemet therefore highly appreciates the position of both the Council and the European Parliament in this respect** and urge you to compromise on a position which will give companies some more time to prepare for these intrusive measures.

We remain at your disposal should you have any further question in this regard.

Yours sincerely,

Delphine Rudelli
CEEMET DIRECTOR GENERAL