Federation of the European Sporting Goods Industry

FESI feedback to the *have your say* consultations on the disclosure of information on unsold consumer products

July 2025

Federation of the European Sporting Goods Industry

The Federation of the European Sporting Goods Industry (FESI), representing around 1,800 sporting goods manufacturers covering 85% of the European market, welcomes the opportunity to provide feedback on the European Commission's draft implementing act on the regulation and disclosure format on the disclosure of discarded unsold consumer products. While fully supporting the EU's overarching sustainability goals, FESI would like to highlight a number of critical points to ensure that the rules are proportionate, workable, and legally sound.

1. Product classification and reporting granularity

FESI welcomes the Commission's approach to maintain CN code-based classification at the 2-digit level for most products, and the exhaustive list of 4-digit codes is provided in Annex II, that provides a degree of legal clarity. For sectors such as apparel, footwear, and sporting goods, requiring disclosure at the 4-digit level still creates disproportionate burdens without adding meaningful value, as these categories are already subject to the ban on destruction. In consequence, FESI reiterates its request that the last remaining codes 4203 and 4303 of the product groups already covered by the ban, would also be moved to the 2-digits level of reporting, in order to provide clarity for the economic operators from the sector and decrease unnecessary complexity.

2. Simplification of waste treatment reporting

The proposed requirement to report data on waste treatment operations (preparing for reuse, recycling, recovery, disposal, unknown, etc.) remains highly granular and challenging. In many cases, companies do not have access to detailed breakdowns provided by waste operators. In consequence, the industry calls to simplify waste treatment data to require reporting only on quantities delivered for preparation for reuse and destruction, without further subcategorisation. More detailed

breakdowns should remain the responsibility of licensed waste operators, rather than economic operators.

In case the economic operators decide to use PRO to manage the discarded products, there should be clarity on the reporting format, as economic operators might not have access to data on the further processing of the goods nor ability to influence it. It shall be noted that handing unsold discarded goods to PROs should remain voluntary.

Additionally, the current draft appears to categorise 'unknown' treatment under the same grouping as 'destruction', implying that products for which treatment information is unavailable are likely to have been destroyed. This assumption is problematic in the context of EPR schemes, where discarded products may be sorted for preparation for reuse, even if their exact destination is not known to the producer. Therefore, 'unknown' should be recognised as a neutral and separate category that may include preparation for reuse, recycling, or other forms of treatment whose exact outcome is not traceable at the level of the individual producer.

3. Verification and limited assurance

The industry wishes to share its concerns regarding the proposal for economic operators falling under the scope of Articles 19a or 29a of the Corporate Sustainability Reporting Directive (hereafter CSRD), to follow a limited assurance approach, rather than a risk-based approach.

The industry is particularly concerned with the following:

- The scope of the CSRD is still under revision through the Omnibus I package, which generates legal uncertainty for economic operators. Moreover, some economic operators may temporarily fall under the limited assurance requirements, only to exit in subsequent years as the CSRD scope narrows.
- A dual enforcement regime risks generating inconsistencies in EU-level data.
- Additional unnecessary costs associated with third-party fees and companies' resources needed to go through a third-party verification, diverting financial and human resources away from much-needed investments. This includes both one-time costs (such as setting up systems, defining protocols and acquainting assurance providers with company-specific data) and recurrent costs (such as audit preparation and performance reviews).

In consequence, we urge the Commission to postpone the introduction of mandatory limited assurance for unsold goods reporting until the CSRD scope is definitively stabilised and to allow companies to decide whether they would like to undertake limited assurance via CSRD or not.

If the Commission nonetheless decided to require that economic operators bound by the sustainability reporting obligations under CSRD seek an option based on limited assurance regarding their unsold goods report, we request that the Commission provide detailed guidance on assurance standards to be used in line with the relevant notions under the Waste Framework Directive and the Ecodesign for

Sustainable Products Regulation as well as on what falls within the scope of the reporting obligation set out in Article 24 of the Regulation.

As the Commission is aware, clarity on limited assurance standards under the CSRD is one of the key concerns raised by stakeholders during the CSRD review process. Requiring limited assurance on unsold goods needs to similarly provide such clarity in advance, e.g. details on which products are in scope of reporting and which products fall under which reporting category. This is to ensure consistent interpretation of the requirements set out in the ESPR by the statutory auditors, audit firms or independent assurance services providers concerned, and this is necessary to avoid unnecessary administrative burdens and divergent assurance practices while allowing for a proportionate and efficient verification process, in line with Recital 7 of the draft Implementing Act.

4. Clarifications needed on the scope of exclusions

The industry calls the Commission to provide explicit clarification in the implementing act that:

- Donations are not considered discarding and subsequently not falling under the reporting requirements;
- Refurbished/remanufactured products only become reportable if ultimately destroyed;
- Counterfeit goods, consumer returns from third parties, or products outside an operator's control are excluded from both reporting and the ban on the destruction;
- Spare parts linked to products subject to destruction are not automatically reportable.

5. Transitional regime and timing

FESI remains concerned that the timing of the entry into force and first reporting obligations creates significant implementation challenges. It shall especially be ensured that specific disclosure obligations that were not in place earlier should not apply retroactively for financial years. Many companies have already started collecting data without having final legal certainty on formats or requirements. In this regard, we welcome the Commission's draft text for reporting and would like to strongly support the proposal for a formal transitional regime allowing:

- Flexible reporting formats during the first financial year(s);
- Acceptance of estimates and best-available data for earlier reporting periods;
- A 12-month deferred date of application after entry into force, as now foreseen in the draft.

6. Administrative burden

Finally, we recall that ESPR Recital 75, the Draghi report, and the Commission's own commitment to reduce reporting burdens by 25% call for minimising additional administrative burdens on businesses. Expanding reporting requirements without operational feasibility risks running counter to these high-level political objectives. Especially remaining unclarities mentioned under section "Clarifications needed on scope exclusion" are urgently needed, as legal uncertainty will lead to over-reporting creating unnecessary burden for operators as well as minimally comparable numbers on unsold goods, which contain limited value for authorities.

Conclusions

FESI remains committed to supporting the successful implementation of the ESPR and stands ready to collaborate further to ensure the final implementing regulation is clear, proportionate, and fit for purpose.

Federation of the European Sporting Goods Industry

Founded in 1960 FESI - the Federation of the European Sporting Goods Industry represents the interests of approximately 1.800 sporting goods manufacturers (85% of the European market) through its National member Sporting Goods Industry Federations and its directly affiliated companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 700.000 EU citizens and has an annual turnover of some 81 billion euro.

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