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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Simplification
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements. - Consolidation of comments

Delegations will find enclosed further consolidated comments received from BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI and SE on the Omnibus I proposal on sustainability reporting and due diligence (doc. 7952/25).

CSRD/CS3D - (doc.7952/25) Deadline: ***2 May 2025***

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency Compromise text

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

Guidelines to be followed

Please kindly provide your contributions in the table below.

Drafting suggestions: you may use '**track changes**' or formatting (for example **bold-underline** for additions and ~~strike-through~~ for deletions, **where necessary, in a different colour**).

Name of document: please add the **two initials** of your delegation's country followed by a space (to the MS Word document name), followed by any optional text, for example, for Austria: **AT comments on … .docx**

Thank you for your cooperation!

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	DE (Justifications): German delegation general remarks: CSRD: On the proposal concerning sustainability reporting in general: - GER welcomes the substantive proposals for significant relief and simplification in the area of sustainability reporting. • Proposed measures have the right level of ambition. We need significant relief for companies in the CSRD. • Remain firmly committed to the policy objectives of the Green Deal. However, achieving these objectives must not be accompanied by disproportionate bureaucratic burdens for European companies. • Therefore, we fully support the substantive proposals put forward by the Commission and are convinced of their necessity and urgency. Germany maintains a general scrutiny reservation. EE (Justifications): EE: GENERAL COMMENTS Estonia would like to thank the Presidency for its work so far in developing the compromise text of the Omnibus I initiative. We generally consider the proposals made to be a step in the right direction. We would like to submit following comments regarding the proposed simplification of CSDDD. **Firstly, Estonia proposes to make the implementation of sustainability due diligence requirements voluntary.** - We believe that establishing CSDDD as a mandatory due diligence obligation for companies will not necessarily guarantee a leap forward in the already ongoing developments in the implementation of sustainable principles. Given the problematic

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	content of CSDDD, it is very likely that the addition of mandatory regulation will only increase the administrative burden on countries and companies, but the actual impact on promoting sustainable business activities will remain modest. - The CSDDD does not go far enough to solve global human rights and environmental problems, but would apply primarily within the European Union, where companies are already increasingly consciously adapting their activities to be more sustainable, doing it voluntarily. - In practice, this is expressed, for example, in the preparation of internal codes of ethics and sustainability rules within groups or associations, the creation of transparent and non-discriminatory salary systems, voluntary internal controls and audits are also carried out, and the most important indicators of the company are systematically analyzed. A smart entrepreneur voluntarily maps the greatest risks and develops plans to mitigate them, regardless of whether there is a legal obligation to do so or not. - It is known that financial regulations already currently restrict the support of such economic activities that do not comply with the principles of green and sustainability. - The biggest problem with the current EU regulation in the field of sustainability (including CSDDD) is considered by entrepreneurs to be the excessive volume of data collection, analysis/measurement and reporting. The goal of all these norms is undeniably correct, but they do not take real life into account. At the same time, companies are voluntarily already moving in a more sustainable direction. Placing such a heavy administrative burden on entrepreneurs works against the achievement of the

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	sustainability goal and strongly conflicts with the entire principle of sustainability. **Secondly, the proposed amendments to the CSDDD, must have a real simplifying effect or impact on reducing administrative burden.** Not all proposals appear to have a clear simplifying or mitigating effect on administrative burden. Our comments on proposed changes in the PRES compromise text would be as follows: IT (Justifications): We support the general comments of: (i) LU under paragraph 1), 1st bullet (sustainability-related professional qualifications imposed upon the majority of shareholders and board members of audit firms); (ii) NL on CSRD LU (Justifications): **LU** Luxembourg welcomes the inclusion of the proposed amendments to paragraphs 19a(10) and 29a(9), as included in the compromise proposal dated 16 April 2025. However, at this stage we would still like to raise the following main remarks, without limitation for future intervention and for the additional comments contained herein:

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

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	1. We regret that our proposal regarding the amendment of art. 3(4) of Directive 2006/43/CE was not reflected in the compromise text. We remain of the view that professional qualifications currently imposed upon the majority of shareholders and board members of audit firms required to provide limited assurance opinions under CSRD create an unnecessary burden that could have a detrimental impact on the audit market. Please refer to the amendments suggested below in this document. 2. We do believe that the reformulation of the first of art. 5(2) of Directive proposed in the compromise text would in our view increase the overall level of complexity for financial years 2025 and 2026, ultimately creating a misalignment with the overall spirit of simplification, which is the driving force behind the Omnibus I proposal. 3. We do believe that the 5 years term for periodic assessment under article 15 of Directive (EU) 2024/1760 as contained in the original proposal of the Commission is to be preferred to the 3 years reference embodied in the compromise text. Please do note that our comments and suggestions summarised above and contained in this document may evolve during the upcoming negotiations and be supplemented by further analysis or observations. FI (Justifications): FI: all comments shared here are still preliminary.

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

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	A general comment: Like many other Member States, we also have concerns about how financial institutions will obtain the data they need to fulfil their requirements. The issue should be closely examined and with time to avoid inconsistencies and incoherence between legislation. Perhaps the best solution would be to look this in an omnibus that would focus on financial market legislations. However, financial institutions will need some form of guidance on how to navigate periods of incoherence between financial market legislations and the CSRD. One possible approach could be to require the Commission to provide non-binding guidelines on how they believe financial market players should apply these EU legislations until clarifying amendments are made. These guidelines should be issued when the directive is published or within a month or two thereafter.
Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 50 and 114 thereof,	
Having regard to the proposal from the European Commission,	
After transmission of the draft legislative act to the national parliaments,	ES (Justifications): **ES: GENERAL COMENT ON PROCESS** **Prior to engaging in detailed drafting discussions, we strongly encourage that the working party devote sufficient time to conduct a strategic, high-level exchange on the most critical components of the Omnibus proposal. These discussions should encompass, inter alia, the following key issues:**

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

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	• **The determination of the scope of undertakings subject to mandatory sustainability reporting** • **The delineation of entities eligible under the opt-in regime concerning the Taxonomy** • **The definition and implementation of a clear mandate for the simplification of data points** • **The mechanisms required to ensure coherence between the CSRD and relevant sectoral regulatory frameworks, including CRR, CRD, and Solvency II** • **The structure and implications of transitional provisions** • **Identification of potential adverse impacts under CSDDD** • **Civil liability under CSDDD** • **SME shield** **We would strongly encourage the Presidency to present, for each of these areas, the range of policy options that have been put forward by member states, along with the underlying rationale. This will allow the working party to assess the level of support for the respective approaches and contribute to a more coherent and informed negotiation process.**
Having regard to the opinion of the European Economic and Social Committee[1],	
Acting in accordance with the ordinary legislative procedure,	
Whereas:	IT

[1] OJ C […], […], p. […].

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

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	(Justifications): We express general support to DE comments
(1) In its Communication of 11 February 2025 entitled 'A simpler and faster Europe: Communication on implementation and simplification',[2] the European Commission set out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business on the ground. This requires more than an incremental approach and the Union must take bold action to achieve this goal. The Commission, the European Parliament, the Council, Member States' authorities at all levels and stakeholders need to work together to streamline and simplify EU, national and regional rules and implement policies more effectively.	
(2) In the context of the Commission's commitment to reduce reporting burdens and enhance competitiveness, it is necessary to amend Directives 2006/43/EC[3], 2013/34/EU[4], (EU) 2022/2464[5] and (EU) 2024/1760 of the	DE (Drafting suggestions): **(2a) Directive (EU) 2022/2464 requires undertakings in scope to report sustainability information according to mandatory European**

[2] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 February 2025, 'A simpler and faster Europe: Communication on implementation and simplification', COM/2025/47 final.

[3] Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87, ELI: http://data.europa.eu/eli/dir/2006/43/oj).

[4] Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).

[5] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: http://data.europa.eu/eli/dir/2022/2464/oj).

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European Parliament and of the Council[6], whilst maintaining the policy objectives of the European Green Deal[7], and the Sustainable Finance Action Plan[8].	**Sustainability Reporting Standards (ESRS). In July 2023 the Commission adopted a first set of ESRS. To deliver swiftly on the simplification and streamlining of sustainability reporting the Commission will adopt a delegated act as soon as possible, and at the latest six months after the entry into force of this directive, to revise the first set of ESRS to substantially reform the standards by: (i) removing datapoints deemed least important for general purpose sustainability reporting, (ii) prioritising quantitative datapoints over narrative text and (iii) further distinguishing between mandatory and voluntary datapoints. The revision will clarify provisions that are deemed unclear. It will improve consistency with other pieces of EU legislation. It will provide clearer instructions on how to apply the materiality principle, to ensure that undertakings only report material information and to reduce the risk that assurance service providers inadvertently encourage undertakings to report information that is not necessary or dedicate excessive resources to the materiality assessment process. It will simplify the structure and presentation of the standards. It will further enhance the already very high degree of interoperability with global sustainability reporting standards. It will also make any other modifications that**

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6 Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1760/oj).

7 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 December 2019, '*The European Green Deal*', COM/2019/640 final.

8 Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions of 8 March 2018, '*Action Plan: Financing Sustainable Growth*', COM/2018/097 final.

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	may be considered necessary considering the experience of the first application of ESRS. DE (Justifications): The commitment to reform the ESRS should be laid down in a separate recital dealing with the review of the ESRS. We would be open to changes in the legal text in this regard (in particular due to the Level 1 requirements in Article 29b (2) Accounting Directive).
(3) Article 26a(1) of Directive 2006/43/EC requires Member States to ensure that statutory auditors and audit firms carry out the assurance of sustainability reporting in compliance with limited assurance standards to be adopted by the Commission. Article 26a(3) of that Directive requires the Commission to adopt those standards by 1 October 2026. Undertakings have raised concerns on the work carried out by the assurance providers and have expressed the need for flexibility in addressing specific risks and critical issues identified in the areas of sustainability assurance. To enable the Commission to take account of those concerns, it should be given more flexibility in adopting those standards. In any case, the Commission will issue targeted assurance guidelines by 2026 that clarify the necessary procedures that assurance providers are to perform as part of their limited assurance engagement before adopting the standards by delegated act.	
(4) Article 26a(3), second subparagraph, of Directive 2006/43/EC empowers the Commission to adopt standards for reasonable assurance by 1 October 2028, following an assessment of feasibility. To avoid an increase in costs of assurance for undertakings, the requirement to adopt such standards for reasonable assurance should be removed.	LU (Justifications): **LU**

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	Please see under Article 1 of this directive our suggestion to further amend 2006/43/EC to limit the burden on the shareholders and board of directors of audit firms with respect to professional qualifications.
(5) Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings **and to achieve the objectives of reporting in a more proportionate way**, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large undertakings with an average of more than 1000 employees during the financial year. Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject toto the reporting requirements an undertakings must have an average of more than 1000 employees during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.	CZ (Drafting suggestions): Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings and to achieve the objectives of reporting in a more proportionate way, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large undertakings with an average of more than 1000 employees **and net turnover exceeding EUR 450 000 000** during the financial year. ~~Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject toto the reporting requirements an undertakings must have an average of more than 1000 employees during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.~~ DE (Drafting suggestions): Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings and to achieve the objectives of

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	reporting in a more proportionate way, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large undertakings with an average of more than 1000 employees during the financial year. Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject toto the reporting requirements an undertaking must have an average of more than 1000 employees **and a net turnover above EUR 450 million** during the financial year. ~~and either a net turnover above EUR 50~~ **450** ~~million or a balance sheet total above EUR 25 million.~~ DE (Justifications): The net turnover threshold should be fully aligned with CSDDD in order to achieve meaningful reduction for EU businesses. The current proposal appears to be stopping half-way. On the one hand, COM proposes to raise the net turnover threshold to 450 million Euro with regard to third country undertakings (cf. the proposed changes to Art. 40a). On the other hand, however, EU companies do not benefit the same way since for them the net turnover threshold remains unchanged (i.e. 50 million Euro, Article 3(4) Accounting Directive). There should be full alignment by introducing a 450 million net turnover threshold in Article 19a (and Article 29a respectively). IT (Drafting suggestions): (5) Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to

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	trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings and to achieve the objectives of reporting in a more proportionate way, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large undertakings with an average of more than ~~1000~~ **500** employees during the financial year. **In order to simplify reporting obligation on certain categories of undertakings, those large undertakings with more which do exceed the following thresholds: (a) net turnover: EUR 450 000 000; and (b) average number of employees during the financial year: 1 000** ~~with an average of more than 1000 employees~~ during the financial year **shall report on the basis of simplified standards.** ~~Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject toto the reporting requirements an undertakings must have an average of more than 1000 employees during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.~~ IT (Justifications): We do not support CZ comments. We do not support MT comments We do not support AT comments SK (Drafting suggestions):

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	The proposed wording "a sustainability statement" is not defined in the Accounting Directive and therefore it should be replaced by a more appropriate term (e.g. a management report containing a sustainability reporting). SE (Justifications): **SE comments:** According to the proposal, the threshold should be measured as 1,000 employees on average during the financial year. For undertakings that are close to the threshold, it may be difficult to determine whether they will be required to report for a given financial year. A calculation based on the previous financial year or the two previous financial years is preferable as it provides for greater predictability.
(6) A balance needs to be found between the objectives of data generation and reduction of administrative burden. Sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council[9], of large undertakings with an average of more than 1000 employees during the financial year is indispensable to understand the transition to a climate-neutral economy. In the light of the balance to be found between the objectives of data generation and reduction of administrative burden, large undertakings within the new scope for sustainability reporting that have a net turnover not exceeding EUR 450 000 000 during the financial year **[and are not subject to corporate sustainability due diligence**	BG (Justifications): **BG**: We acknowledge the proposed clarification in recital. However, we would prefer to ensure legal certainty in Article 19b. Therefore, in order to clarify further we suggest to be explicitly stated that the companies with net turnover below 450 million euro **which do not claim that their activities qualify fully or partially as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 are not obliged to report.**

[9] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

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requirements in accordance with Directive (EU) 2024/1760] should be ~~able to~~**given more flexibility regarding the** disclos**ur**e **of** information referred to in Article 8 of Regulation (EU) 2020/852 ~~in a more flexible way~~. **In order to reduce the administrative burdens on those undertakings and to achieve the objectives of such reporting in a more proportionate way, the specific disclosure obligations provided in this Directive should apply only when such undertakings claim through any communication or representation to external stakeholders and the public at large that their activities are associated with environmentally sustainable activities under Regulation (EU) 2020/852. To facilitate the financing of the transition of economic activities of undertakings towards environmental sustainability, it should be ensured that undertakings that wish to claim that their activities meet only certain sustainability criteria under Regulation (EU) 2020/852, but do not yet qualify as environmentally sustainable, are able to disclose that information under harmonised disclosure rules laid down in this Directive. That information on partial alignment of economic activities with the Taxonomy may be a useful indication to investors, financial markets or other third parties about the current environmental performance of the activities concerned, their transition towards full alignment with the Taxonomy and the financing needs to achieve that transition.** The Commission should be empowered to set out rules supplementing the reporting regime for those undertakings **set out in this Directive by means of a delegated act**. It should in particular be clarified that the Commission is empowered to specify the reporting regime for activities that are only partially ~~taxonomy~~ **Taxonomy-**aligned. **In order to ensure coherence and consistency insofar as appropriate, in adopting that delegated act the Commission should take into**	In addition, in our opinion the term "associated" should not be used as it should be clear that the activities are in compliance with the technical screening criteria in the Taxonomy delegated acts. IT (Drafting suggestions): (6) A balance needs to be found between the objectives of data generation and reduction of administrative burden. Sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of large undertakings with an average of more than **500** ~~1000~~ employees during the financial year is indispensable to understand the transition to a climate-neutral economy. In the light of the balance to be found between the objectives of data generation and reduction of administrative burden, large undertakings within the new scope for sustainability reporting that have a net turnover not exceeding EUR 450 000 000 **and less the 1 000 avarage number of employees** during the financial year [and are not subject to corporate sustainability due diligence requirements in accordance with Directive (EU) 2024/1760] should be able to given more flexibility regarding the disclosure of information referred to in Article 8 of Regulation (EU) 2020/852 in a more flexible way. In order to reduce the administrative burdens on those undertakings and to achieve the objectives of such reporting in a more proportionate way, the specific disclosure obligations provided in this Directive should apply only when such undertakings claim through any communication or representation to external stakeholders and the public at large that their activities are associated with environmentally sustainable activities under Regulation (EU) 2020/852. To facilitate the financing of the transition of economic activities of undertakings towards environmental sustainability, it should

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account, amongst other things, the delegated act adopted pursuant to Article 8(4) of Regulation (EU) 2020/852.	be ensured that undertakings that wish to claim that their activities meet only certain sustainability criteria under Regulation (EU) 2020/852, but do not yet qualify as environmentally sustainable, are able to disclose that information under harmonised disclosure rules laid down in this Directive. That information on partial alignment of economic activities with the Taxonomy may be a useful indication to investors, financial markets or other third parties about the current environmental performance of the activities concerned, their transition towards full alignment with the Taxonomy and the financing needs to achieve that transition. The Commission should be empowered to set out rules supplementing the reporting regime for those undertakings set out in this Directive by means of a delegated act. It should in particular be clarified that the Commission is empowered to specify the reporting regime for activities that are only partially taxonomy Taxonomy-aligned. In order to ensure coherence and consistency insofar as appropriate, in adopting that delegated act the Commission should take into account, amongst other things, the delegated act adopted pursuant to Article 8(4) of Regulation (EU) 2020/852. IT (Justifications): We do not support MT comments NL (Justifications): Regarding the first addition, which is currently placed between brackets, it remains unclear what is the exact relationship between the two conditions set out (>450mln revenue and >1000 employees). Could the presidency explain if that means that both conditions have to be met or

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	that it is either one condition or the other? Is it either/or? It would be helpful if the text could explicate this. FI (Drafting suggestions): (6) A balance needs to be found between the objectives of data generation and reduction of administrative burden. Sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council[10], of large undertakings with an average of more than 1000 employees during the financial year is indispensable to understand the transition to a climate-neutral economy. In the light of the balance to be found between the objectives of data generation and reduction of administrative burden, large undertakings within the new scope for sustainability reporting that have a net turnover not exceeding EUR 450 000 000 for sustainability reporting that have a net turnover not exceeding EUR 450 000 000 during the financial year **[and are not subject to corporate sustainability due diligence requirements in accordance with Directive (EU) 2024/1760]** should be able to**given more flexibility regarding the** disclos**ur**e **of** information referred to in Article 8 of Regulation (EU) 2020/852 in a more flexible way. **In order to reduce the administrative burdens on those undertakings and to achieve the objectives of such reporting in a more proportionate way, the specific disclosure obligations provided in this Directive should apply only when such undertakings claim through any communication or representation to external stakeholders and the public at large that their activities are**

[10] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

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	associated with environmentally sustainable activities under Regulation (EU) 2020/852. To facilitate the financing of the transition of economic activities of undertakings towards environmental sustainability, it should be ensured that undertakings that wish to claim that their activities meet only certain sustainability criteria under Regulation (EU) 2020/852, but do not yet qualify as environmentally sustainable, are able to disclose that information under harmonised disclosure rules laid down in this Directive. That information on partial alignment of economic activities with the Taxonomy may be *used as* ~~a useful~~ indication to investors, financial markets or other third parties about the current environmental performance of the activities concerned, their transition towards full alignment with the Taxonomy ~~and the financing needs to achieve that transition~~. The Commission should be empowered to set out rules supplementing the reporting regime for those undertakings set out in this Directive by means of a delegated act. It should in particular be clarified that the Commission is empowered to specify the reporting regime for activities that are only partially taxonomy Taxonomy-aligned. In order to ensure coherence and consistency insofar as appropriate, in adopting that delegated act the Commission should take into account, amongst other things, the delegated act adopted pursuant to Article 8(4) of Regulation (EU) 2020/852. FI (Justifications): 3. We have also an example of the incoherence of the legislative framework, which concerns the amended recital 6, and a comment concerning that. Currently recital 6 states as follows: “That information on partial alignment of economic activities with the Taxonomy may be a

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	useful indication to investors, financial markets or other third parties about the current environmental performance of the activities concerned, their transition towards full alignment with the Taxonomy and the financing needs to achieve that transition." This argument is only partially correct, since many investors and other financial market players can't take advantage of the partial taxonomy reporting for their own taxonomy re-porting, because they can only report on full taxonomy alignment. Yes, it can be agreed that this partial taxonomy reporting can be a tool for indicating that a company is interested in being a part of the transition, but it is unclear why investors would be interested in this kind of information, if they cannot benefit from it. The current text might give too positive perspective on how the financial sector will use the information regarding the partial taxonomy reporting. For this reason, we would propose the change:
(7) Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more than 1000 employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings.	CZ (Drafting suggestions): Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more than 1000 employees **and net turnover exceeding EUR 450 000**

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	000 during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings. DE (Drafting suggestions): Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more than 1000 employees **and above EUR 450 million net turnover** during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings. DE (Justifications): See recital 5. IT (Drafting suggestions): Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more

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	than ~~1000~~ **500** employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings IT (Justifications): We may support deletion as proposed by AT (no need to repeat recital 5) for credit and insurance institutions). We do not support CZ and MT suggestions.
(8) The European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement is subject to the sustainability reporting requirements set out in Directive 2013/34/EU, although it is exempted from the sustainability reporting regime set out in Directive 2004/109/EC of the European Parliament and of the Council[11] pursuant to Article 8 of that Directive. Despite it being a large undertaking incorporated in a legal form listed in Annex I to Directive 2013/34/EU, the EFSF has a mandate - i.e. to safeguard financial stability in the Union by providing temporary financial assistance to Member States whose currency is the euro – that is largely similar to the one of the European Stability Mechanism (ESM), which is not subject to sustainability reporting requirements. For the EFSF to benefit from the same treatment as the ESM as regards sustainability reporting, and for consistency with the exemption regime provided by Directive 2004/109/EC, the EFSF should be exempted from the regime on sustainability reporting provided by Directive 2013/34/EU. **(8a) Article 19(1), fourth subparagraph, of Directive 2013/34/EU**	CZ (Drafting suggestions):

[11] Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 39, 31.12.2004, p. 38, ELI: http://data.europa.eu/eli/dir/2004/109/oj).

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requires large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities as defined in point (a) of point (1) of Article 2, that is the undertakings which are subject to mandatory sustainability reporting, to report information on key intangible resources and their role in the undertaking's business model and value creation. In order to ensure consistency with the new scope in art. 19a(1) and to achieve the objectives of such reporting in a more proportionate way, this requirement should only apply to large undertakings that have more than 1 000 employees.	Article 19(1), fourth subparagraph, of Directive 2013/34/EU requires large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities as defined in point (a) of point (1) of Article 2, that is the undertakings which are subject to mandatory sustainability reporting, to report information on key intangible resources and their role in the undertaking's business model and value creation. In order to ensure consistency with the new scope in art. 19a(1) and to achieve the objectives of such reporting in a more proportionate way, this requirement should only apply to large undertakings that have more than 1 000 employees **and their net turnover exceeds EUR 450 000 000**. DE (Drafting suggestions): (8a) Article 19(1), fourth subparagraph, of Directive 2013/34/EU requires large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities as defined in point (a) of point (1) of Article 2, that is the undertakings which are

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	subject to mandatory sustainability reporting, to report information on key intangible resources and their role in the undertaking's business model and value creation. In order to ensure consistency with the new scope in art. 19a(1) and to achieve the objectives of such reporting in a more proportionate way, this requirement should only apply to large undertakings that have more than 1 000 employees **and above EUR 450 million net turnover**. DE (Justifications): See recital 5. IT (Drafting suggestions): (8) [no comments] (8a) Article 19(1), fourth subparagraph, of Directive 2013/34/EU requires large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities as defined in point (a) of point (1) of Article 2, that is the undertakings which are subject to mandatory sustainability reporting, to report information on key intangible resources and their role in the undertaking's business model and value creation. In order to ensure consistency with the new scope in art. 19a(1) and to achieve the objectives of such reporting in a more proportionate way, this requirement should only apply to large undertakings that have **more than 500 employees on average during the financial year** ~~that have more than 1 000 employees~~.
(9) Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking's own operations and about its	BE

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value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking~~,~~ ~~for the purposes of reporting sustainability information at individual or at consolidated level, as required by Directive 2013/34/EU, and without prejudice to Union requirements to conduct a due diligence process,~~ should therefore ~~not~~ **be prohibited from** seek**ing, for the purpose of reporting of information as required by that Directive,** to obtain from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. **Furthermore, this prohibition is limited to requests for the purposes of reporting sustainability information as required by Directive 2013/34/EU, and amongst other things does not affect Union requirements to conduct a due diligence process.** Undertakings reporting on their value chain in accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report	(Drafting suggestions): **[…]** for the purpose of reporting of information as required by that Directive, to obtain **or to request assurance** from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average during the financial year […] BE (Justifications): Better alignment with the transposition of CSRD in Member States, such as Belgium, where there is also a prohibition to request an assurance of the information from the undertakings in the VC. CZ (Drafting suggestions): Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking's own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking should therefore be prohibited from seeking, for the purpose of reporting of information as required by that Directive**,** to obtain from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average **and their net turnover does not exceed EUR 450 000 000** during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between

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on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information.	undertakings in the sector concerned. Furthermore, this prohibition is limited to requests for the purposes of reporting sustainability information as required by Directive 2013/34/EU, and amongst other things does not affect Union requirements to conduct a due diligence process. Undertakings reporting on their value chain in accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 1000 employees on average **and their net turnover does not exceed EUR 450 000 000** during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information. **New recital should be inserted:** **Some information may be very sensitive and its disclosure could also be harmful to small and medium size undertakings in the value chain in particular, therefore it should be allowed that companies do not have to provide such information. Therefore, the fourth**

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	subparagraph of Article 19a(3) also applies to companies in the value chain. CZ (Justifications): In the case of value chains, the question arises in relation to the possible modification of the scope of the Directive. At the moment, the proposal relates to the fact that only large companies with more than 1 000 employees are obliged to do so. This means that all enterprises in the value chain that are not required to sustainability reporting will only provide information to the extent of the voluntary standards. If the scope is changed, i.e. a net turnover criterion is added, this should be reflected in the value chain requirements and therefore there should be a change here as well.

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	Some SMEs in particular complain that the information requested by reporting undertakings is very sensitive and could jeopardise their business position. They are also concerned about the misuse of information by large undertakings to their advantage. It would therefore be appropriate to introduce a provision similar to Article 19a (3) fourth subparagraph or such subparagraph modify to be clear that such "safe harbour" can be also use by undertakings in value chain. DE (Drafting suggestions): **(9)** Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking's own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking, should therefore not be prohibited from seeking, for the purpose of reporting of information as required by that Directive, to obtain from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. Furthermore, this prohibition is limited to requests for the purposes of reporting sustainability information as required by Directive 2013/34/EU, and amongst other things does not affect Union requirements to conduct a due diligence process. Undertakings reporting on their value chain in

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	accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information. **They shall be aligned with the voluntary Union scheme for environmental reporting of Regulation (EC) No 1221/2009 (EMAS) to the greatest extent possible.** **(9a) It is not the objective of sustainability reporting to require undertakings to disclose information such as intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Directive (EU) 2016/943 of the European Parliament and of the Council. Reporting requirements provided for in this amending Directive should therefore be without prejudice to Directive (EU) 2016/943. [COM measures to be added].** DE (Justifications):

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	The new sentence emphasizes the need to ensure overall coherence with EMAS regime

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	We see the need for adding a separate Recital addressing the issue of trade secrets. Based on the experiences of the first undertakings reporting under CSRD, the provisions of the CSRD (and a restrictive interpretation

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	by auditors) might require the disclosure of business sensitive information, even if this was not intended by the co-legislator. COM has stated in the last Antici meeting that it is aware of this issue and is working on measures to deal with it. The new Recital should describe the issue and refer to measures which COM will be further exploring. The content of Recital 34 CSRD should be reiterated to give companies legal certainty (in the new Recital or even the legal text). IT (Drafting suggestions): Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking's own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking should therefore be ~~prohibited~~ **refrain** from seeking, for the purpose of reporting of information as required by that Directive, to obtain from undertakings established in or outside of the Union in its value chain that have up to **500** ~~1000~~ employees on average during the financial year any information that goes beyond the information specified in the standards **set out under article 29b and 29c, as applicable** ~~for voluntary use by undertakings that are not required to report on their sustainability~~. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. Furthermore, this ~~prohibition is limited~~ **limitation is applicable only** to requests for the purposes of reporting sustainability information as required by Directive 2013/34/EU, and amongst other things does not affect Union requirements to conduct a due diligence process. Undertakings reporting on their value chain in accordance with

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	those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to ~~obtain from undertakings in their value chain that have up to 1000 employees on average during the financial year~~ any information that goes beyond the information specified in the standards **set out under article 29b and 29c, as applicable,** ~~for voluntary use by undertakings that are not required to report on their sustainability~~. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for **simplified reporting** ~~voluntary use by undertakings that are not required to report on their sustainability~~. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information. IT (Justifications): We believe that this wording is much more in line with the wording proposed under 19a(3). We do not support CZ proposal on scope, we maintain a scrutiny on the proposal of a “safe harbour” clause for SME. We do not support DE and AT comments SE (Drafting suggestions): SE suggests the following amendments:

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	Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking's own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking, for the purposes of reporting sustainability information at individual or at consolidated level, as required by Directive 2013/34/EU, and without prejudice to Union requirements to conduct a due diligence process, should therefore not seek to obtain from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. **These restrictions limit what information a reporting undertaking can demand from an undertaking in its value chain but does not hinder an agreement between the two undertakings on contractual basis regarding sustainability information.** Furthermore, ~~**this prohibition is**~~ **these restrictions are** limited to requests for the purposes of reporting sustainability information as required by Directive 2013/34/EU, and amongst other things does not affect Union requirements to conduct a due diligence process. Undertakings reporting on their value chain in accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 1000 employees on

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	average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information. SE (Justifications): **SE comments:** SE is in favour of limiting the information that reporting undertakings may obtain from undertakings in its value chain in accordance with the information required by the voluntary standard. However, the Directive should not prevent parties from making an agreement, on a contractual basis, to provide and receive additional information. SE is of the opinion that undertakings always should be able to enter into voluntary agreements about sustainability information, regardless of the information that can be demanded in accordance with Article 19a(3). The proposed prohibition violates the fundamental principle of freedom of contract.
(10) Article 29c(1) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market, small and non-complex institutions and captive re(insurance) undertakings, to report sustainability information in accordance with the	IT (Drafting suggestions):

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limited set of standards to be adopted by the Commission. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, the empowerment for the Commission to adopt delegated acts to provide for sustainability reporting standards for those small and medium-sized undertakings should be removed. **References to Article 29c should accordingly be deleted from that Directive.**	Article 29c(1) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market, small and non-complex institutions and captive re(insurance) undertakings, to report sustainability information in accordance with the limited set of standards to be adopted by the Commission. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, the empowerment for the Commission to adopt delegated acts to provide for sustainability reporting standards for those small and medium-sized undertakings should be removed. ~~References to Article 29c should accordingly be deleted from that Directive.~~
(11) Article 19a(7) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market to opt out from sustainability reporting for the first two years of application of those requirements. Considering that small and medium-sized undertakings should be excluded from the sustainability reporting, the provision allowing for the two-year opt out should be removed.	
(12) Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced to parent undertakings of large groups with an average of more than 1000 employees, on a consolidated basis, during the financial year.	CZ (Drafting suggestions): Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced to parent undertakings of large groups with an average of more than 1000 employees **and net turnover exceeding EUR 450 000 000**, on a consolidated basis, during the financial year. DE

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	(Drafting suggestions): Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced to parent undertakings of large groups with an average of more than 1000 employees **and above EUR 450 million net turnover**, on a consolidated basis, during the financial year. DE (Justifications): See recital 5. IT (Drafting suggestions): Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced to parent undertakings of large groups with an average of more than ~~1000~~ **500** employees, on a consolidated basis, during the financial year. IT (Justifications): We do not support other delegations' suggestions.
(13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt sector-specific reporting standards by way of delegated acts, with a first set of such standards to be adopted by 30 June 2026. To avoid an increase in the number of prescribed	DE (Drafting suggestions):

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datapoints that undertakings should report, that empowerment should be removed.	Article 29b (1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt sector-specific reporting standards by way of delegated acts, with a first set of such standards to be adopted by 30 June 2026. To avoid an increase in the number of prescribed datapoints that undertakings should report, that empowerment should be removed. **The Commission may support undertakings with sector-specific guidance for the double materiality assessment identifying material elements relevant for a representative undertaking in a given sector. These should take into consideration any relevant international standards.** FR (Drafting suggestions): (13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt sector-specific reporting standards by way of delegated acts, with a first set of such standards to be adopted by 30 June 2026. To avoid an increase in the number of prescribed datapoints that undertakings should report, that empowerment should be removed. **Yet, the European Commission shall add in the sector-agnostic revised reporting standard delegated act some specification in order to ensure the consistency of some requirements for financial institutions.** FR (Justifications): The deletion of the Commission's empowerment to adopt sector-specific reporting standard is consistent with the simplification objective and with the upcoming revision of the sector-agnostic ESRS. Yet, financial institutions may face difficulties in implementing those ESRS that are not taking into account the specificities of financial institutions. Some target

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	amendments specifying the relevance for financial institutions of certain requirements or the way it should be applied would allow to ease its application and increase the statement's usability. IT (Justifications): We support DE proposal on sector-specific non-binding guidance for the double materiality assessment.
(14) Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability, the sustainability reporting standards should not specify disclosures requiring undertakings to obtain from undertakings in their value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. **Undertakings should not be prevented from continuing to share sustainability information that is common to a particular sector and that they already share. In some sectors, there are established mechanisms and practices for the sharing of sustainability information between undertakings. Typically, these**	CZ (Drafting suggestions): Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability, the sustainability reporting standards should not specify disclosures requiring undertakings to obtain from undertakings in their value chain that have up to 1000 employees **and their net turnover does not exceed EUR 450 000 000** on average during the financial year any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Undertakings should not be prevented from continuing to share

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mechanisms and practices take the form of suppliers providing sustainability information to buyers. In some cases, there are collaborations between multiple suppliers and buyers in the same sector, where the sharing of information is facilitated through common digital platforms. In other cases, a large buyer may have its own proprietary platform to facilitate the collection of sustainability information from its suppliers. Common characteristics of these mechanisms and practices are that they are generally accepted as standard commercial practice by the suppliers and buyers, and they facilitate the sharing of sustainability information that is relevant in the sectors in which the undertakings operate.	sustainability information that is common to a particular sector and that they already share. In some sectors, there are established mechanisms and practices for the sharing of sustainability information between undertakings. Typically, these mechanisms and practices take the form of suppliers providing sustainability information to buyers. In some cases, there are collaborations between multiple suppliers and buyers in the same sector, where the sharing of information is facilitated through common digital platforms. In other cases, a large buyer may have its own proprietary platform to facilitate the collection of sustainability information from its suppliers. Common characteristics of these mechanisms and practices are that they are generally accepted as standard commercial practice by the suppliers and buyers, and they facilitate the sharing of sustainability information that is relevant in the sectors in which the undertakings operate. CZ (Justifications):

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	We understand the idea, but we are not sure that this explanation is the proper one. We do not know whether this provision would result in reporting companies developing their own forms in an effort to obtain additional information, which could increase the burden. In our view, there should be a discussion on Article 29b(2) in order to allow for a major revision of ESRS. The question is whether the Directive should reduce the information to be included in the standards. For example, removing the obligation to report information under scope 3, which increases the burden on many, especially small, companies. The Commission's commitment to a significant revision of ESRS should be mentioned in this context.

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	At the same time, the situation where undertakings report the same or similar information should be addressed, so that in this case they no longer have to provide such information and only need to refer to it At the working group we discussed the need for adjustment for certain sectors, e.g. the financial sector. Should Article 29b be amended in this context, particularly with regard to removal of sectoral standards? There should be also set out a framework for voluntary standards. IT (Drafting suggestions): (14) Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for undertakings in the value chain ~~that are not required to report on their sustainability~~, the sustainability reporting standards should not specify disclosures requiring **large** undertakings to obtain from undertakings in their value chain that have up to ~~1000~~ **500** employees on average during the financial year any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards **set out under article 29b and 29c, as applicable** ~~for voluntary use by undertakings that are not required to report on their sustainability~~.

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	Undertakings should not be prevented from continuing to share sustainability information that is common to a particular sector and that they already share. In some sectors, there are established mechanisms and practices for the sharing of sustainability information between undertakings. Typically, these mechanisms and practices take the form of suppliers providing sustainability information to buyers. In some cases, there are collaborations between multiple suppliers and buyers in the same sector, where the sharing of information is facilitated through common digital platforms. In other cases, a large buyer may have its own proprietary platform to facilitate the collection of sustainability information from its suppliers. Common characteristics of these mechanisms and practices are that they are generally accepted as standard commercial practice by the suppliers and buyers, and they facilitate the sharing of sustainability information that is relevant in the sectors in which the undertakings operate. IT (Justifications): We do not support other delegations' suggestions. SK (Drafting suggestions): We welcome the effort to clarify "information that is commonly shared between undertakings in the sector concerned". However, the wording is still vague and therefore we would welcome a specific example (e.g. of the current practice). SE

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	(Justifications): **SE comments:** SE is in favour of limiting the information that reporting undertakings may obtain from undertakings in its value chain in accordance with the information required by the voluntary standard. However, the Directive should not prevent parties from making an agreement, on a contractual basis, to provide and receive additional information. SE is of the opinion that undertakings always should be able to enter into voluntary agreements about sustainability information, regardless of the information that can be demanded in accordance with Article 19a(3). The proposed prohibition violates the fundamental principle of freedom of contract. SE does not object to the clarifications that PRES has made regarding information that is "commonly shared".
(15) Article 29d of Directive 2013/34/EU requires undertakings subject to the requirements in Articles 19a and 29a of that Directive to prepare their management report, or consolidated management report, where applicable, in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815[12] and to mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the	CZ (Drafting suggestions): Article 29d of Directive 2013/34/EU requires undertakings subject to the requirements in Articles 19a and 29a of that Directive to ~~prepare~~ **publish** their management report, or consolidated management report, where applicable, in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815[14] and to mark up their

[12] Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).

[14] Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).

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Council[13]; **or in Articles 19b and 29aa of Directive 2013/34/EU, as applicable,** in accordance with the electronic reporting format to be specified in that Delegated Regulation. To provide clarity to undertakings, it should be specified that until such rules on the marking up are adopted by way of that a Delegated Regulation, for the marking up of sustainability reporting is adopted, undertakings ~~are~~ should not be required to mark-up their sustainability reporting.	sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council[15] or in Articles 19b and 29aa of Directive 2013/34/EU, as applicable, in accordance with the electronic reporting format to be specified in that Delegated Regulation. To provide clarity to undertakings, it should be specified that until such rules on the marking up are adopted by way of that a Delegated Regulation, for the marking up of sustainability reporting is adopted, undertakings ~~are~~ should not be required to mark-up their sustainability reporting. CZ (Justifications): Only publication of management report in electronic format and tagging sustainability information is important and it will helps to reduce administrative burdens. IT (Drafting suggestions): The current methodology for **digital tagging** is too burdensome, while the increased use of artificial intelligence by investors will likely render XBRL tagging obsolete. Responsibility shall be excluded in order for companies to implement digital technologies available from time to time.
(16) Article 33(1) of Directive 2013/34/EU specifies that the members of the administrative, management and supervisory bodies of an	IT

[13] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

[15] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

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undertaking have collective responsibility for ensuring that ~~the following~~ **certain** documents are drawn up and published in accordance with the requirements of that Directive. To provide flexibility ~~do~~ for **Member States who may have different legal systems, they should be given an option to provide**~~undertakings and reduce their reporting burden, it should be specified~~ that the collective responsibility of the members of the administrative, management and supervisory bodies of an undertaking for compliance with the requirements of Article 29d of that Directive as regards the digitalisation of the management report is limited to its publication in the single electronic format, including the marking up of the sustainability reporting therein.	(Drafting suggestions): Please see comment above. Responsibility for digitalisation shall be excluded. NL (Justifications): The Netherlands supports the addition in this recital. Additionally we kindly want to suggest to adjust the words “to provide” to “to set out”. The underlying meaning would be the same, but it would clarify this text.
(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-county undertaking that generates a net turnover of more than EUR 150 million in the Union, or, in the absence of such subsidiary, a branch in the Union that generates a net turnover of more than EUR 40 million, is to publish and make accessible sustainability information at the group level of the third-country parent undertaking. To reach closer alignment with the criteria used to define which undertakings are in the scope of Directive (EU) 2024/1760, the net turnover threshold for the third-country undertaking should be raised from EUR 150 000 000 to EUR 450 000 000. F**urthermore, f**or reasons of consistency and burden reduction, the size for a subsidiary undertaking and a branch to be in scope of Article 40a should be adjusted. The size of the subsidiary undertaking should be that of a large undertaking, whilst the net turnover criteria for the branch should be raised from EUR 40 000 000 to EUR 50 000 000, to align with the net turnover threshold for large undertakings.	CZ (Drafting suggestions): Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-county undertaking that generates a net turnover of more than EUR 150 million in the Union, or, in the absence of such subsidiary, a branch in the Union that generates a net turnover of more than EUR 40 million, is to publish and make accessible sustainability information at the group level of the third-country parent undertaking. To reach closer alignment with the criteria used to define which undertakings are in the scope of Directive (EU) 2024/1760, the net turnover threshold for the third-country undertaking should be raised from EUR 150 000 000 to EUR 450 000 000. Furthermore, for reasons of consistency and burden reduction, the size for a subsidiary undertaking and a branch to be in scope of Article 40a should be adjusted. The size of the subsidiary undertaking should be that of a large undertaking **with an average of more than 1000 employees and net turnover that exceeds EUR 450 000 000**, whilst the net turnover

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	criteria for the branch should be raised from EUR 40 000 000 to EUR 50 000 000, to align with the net turnover threshold for large undertakings. CZ (Justifications): There is no reason why large undertaking without obligation to report on sustainability should be obligated to publish and make accessible sustainability information. According to Article 40a/1 the second subparagraph, the obligation under the first subparagraph applies only to large subsidiaries and listed SMEs. This corresponds to the scope of Article 19a. And the proposed text should be the same, the obligation should have only subsidiary which falls under the scope of the proposal.
(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be removed.	CZ (Drafting suggestions): Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees on average **and net turnover that exceeds EUR 450 000 000** during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be

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	adjusted, and the reference to small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be removed. DE (Drafting suggestions): (18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees **and above EUR 450 million net turnover** on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be removed. DE (Justifications): See recital 5.
(18a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), first subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of undertakings subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first	BE (Justifications): Question regarding the last sentence of 18a: Could this lead to an additional unlevel playing field between MS that have transposed and decide not to exempt for FY 2026 and MS that will exempt for FY 2026?

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subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of undertakings subject to that Directive, should apply. Accordingly, undertakings that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for undertakings that are public-interest entities with between 501 and 1000 employees on average during the financial year, and public-interest entities that are parent-undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such undertakings from reporting obligations during the financial year beginning between 1 January and 31 December 2026.	BG (Drafting suggestions): (18a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), first subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of undertakings subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of undertakings subject to that Directive, should apply. Accordingly, undertakings that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for undertakings that are public-interest entities with between 501 and 1000 employees on average during the financial year, and public-interest entities that are parent-undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such undertakings from reporting obligations during the financial year**s beginning between 1 January 2025 and 31 December 2026.** BG (Justifications): **BG:**

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	Regarding the proposed option for Member states in the fifth subparagraph, we support the provision of such option which aims at ensuring level playing field for first wave companies. We have expressed our concerns that large companies according to the current scope of CSRD with employees between 500 and 1000 would have to report only for a short time and then stop reporting. This would not be in line with the simplification efforts as these companies would bear an administrative burden which would not be justified. In our view, the provided exemption should be extended to include also and the financial year starting on or after 1 January 2025. We believe that extending the exemption would be in better alignment with this proposal's aim for simplification and burden reduction and would prevent unnecessary costs for those undertakings. For Member States which have transposed CSRD it is very important to ensure that companies are not subject to unjustified administrative burden, especially those that would fall out of the scope of CSRD. We acknowledge the fact that companies from wave 1 are gathering data necessary for the report. However, this data could be used also for voluntary reporting. DE (Drafting suggestions): ~~(18a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), first subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of undertakings subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of~~

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	~~Directive (EU) 2022/2464, on the second set of undertakings subject to that Directive, should apply. Accordingly, undertakings that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for undertakings that are public-interest entities with between 501 and 1000 employees on average during the financial year, and public-interest entities that are parent undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such undertakings from reporting obligations during the financial year beginning between 1 January and 31 December 2026.~~ DE (Justifications): The proposed provisions, in particular on the scope of application, should enter into force as soon as possible. We therefore very much welcome the COM's original proposal. This would be a strong signal for European companies for quick and substantial burden relief. It should not be excluded that – if negotiations take place as quick as envisaged by the Presidency – entities shall be able to enjoy any burden reduction by the new proposal already in the financial year ending 2025. Alternatively, it should at least be allowed for member states to provide for an early implementation if such the new legal framework is put in place in 2025. IT

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	(Drafting suggestions): According to our proposal of mid-large company, this recital should be deleted. Failing that, see comments below. It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), first subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of undertakings subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of undertakings subject to that Directive, should apply. Accordingly, undertakings that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for undertakings that are public-interest entities with between 501 and 1000 employees on average during the financial year, and public-interest entities that are parent-undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such undertakings from reporting obligations from ~~during the~~ financial year **2025**~~beginning between 1 January and 31 December 2026~~. IT (Justifications):

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	We support the inclusion of a mid-large category which should ease the reporting requirement for 1wave companies from FY 2025. The opt-out regime proposed by the Commission for FY 2026 would not reach the goal of relieving undertaking falling outside CSRD scope from 2027 from unnecessary costs (since they should be report, in any case, for FY 2025)) and, also, would jeopardize the level playing field across EU member states, also increasing uncertainty.
(19) Article 5(2), third subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2004/109/EC, with different dates depending on the size of the issuer concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings should be removed.	CZ (Drafting suggestions): Article 5(2), third subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2004/109/EC, with different dates depending on the size of the issuer concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees on average **and net turnover exceeds EUR 450 000 000** during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings should be removed.
(19a) **It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), third subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of issuers subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For**	DE (Drafting suggestions): ~~(19a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), third subparagraph, point~~

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financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of issuers subject to that Directive, should apply. Accordingly, issuers that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for issuers that are large undertakings with between 501 and 1000 employees on average on their balance sheets during the financial year, and issuers that are parent undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such issuers from reporting obligations during the financial year beginning between 1 January and 31 December 2026.	~~(a) of Directive (EU) 2022/2464, on the first set of issuers subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of issuers subject to that Directive, should apply. Accordingly, issuers that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for issuers that are large undertakings with between 501 and 1000 employees on average on their balance sheets during the financial year, and issuers that are parent undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such issuers from reporting obligations during the financial year beginning between 1 January and 31 December 2026.~~ DE (Justifications): See recital 18a. IT (Drafting suggestions): Please see comments under (18a) NL (Justifications): The Netherlands strongly supports this recital since it believes that this would provide clarity and ensures administrative burden reduction for

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	these issuers in wave 1 that are already reporting under the CSRD while in the future they are not included in the scope of the CSRD. PT (Drafting suggestions): (19a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), third subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of issuers subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of issuers subject to that Directive, should apply. Accordingly, issuers that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. That is the case for issuers that are large undertakings with between 501 and 1000 employees on average on their balance sheets during the financial year, and issuers that are parent undertakings of a large group with between 501 and 1000 employees on average, on its balance sheet dates, on a consolidated basis during the financial year. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such issuers from reporting obligations during the financial year beginning between 1 January **2024** and 31 December 2026, **enabling issuers to report voluntarily**. PT (Justifications):

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	To assure the level-playing field between MS, and to avoid regulatory costs and burdens that will not represent a benefit to the reporting companies nor to the market, considering that such reports will be subject to significant changes via Omnibus I implementation, not only at the reporting entities level, but also on the reported information. Therefore, by granting such possibility to MS, to exempt first wave companies from 2024, will allow for voluntary reporting for companies who have or will choose to do so, refraining the need for enforcement actions towards those who have reported with possible errors, and preventing companies that are currently included in CSRD but that will not be included in the CSRD review. On the other hand, companies that are included in CSRD and will continue to be on the CSRD review, the current report may represent, in a great extent, an inefficient cost, considering that the report itself will not be kept as it is and additional adjustments and costs will be required to adapt.
(19b) **In the context of this and other ongoing simplification initiatives, is important to ensure coherence between the sustainability information that undertakings must disclose, on the one hand, and the information that financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088 need in order to comply with those obligations, on the other. This Directive does not remove the obligation for the sustainability reporting standards adopted under Article 29b(1) of Directive 2013/34/EU to require disclosure, by the undertakings and parent undertakings within scope, of at least the latter information. Maintaining coherence more broadly, including as regards undertakings outside of the scope of the mandatory sustainability reporting standards, will require careful attention from the**	DE (Drafting suggestions): In the context of this and other ongoing simplification initiatives, is important to ensure coherence between the sustainability information that undertakings must disclose, on the one hand, and the information that financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088 need in order to comply with those obligations, on the other. This Directive does not remove the obligation for the sustainability reporting standards adopted under Article 29b(1) of Directive 2013/34/EU to require disclosure, by the undertakings and parent undertakings within scope, of at least the latter information. Maintaining coherence more broadly, including as regards undertakings

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Commission and co-legislators in the context of these ongoing simplification initiatives.	outside of the scope of the mandatory sustainability reporting standards, will require careful attention from the Commission and co-legislators in the context of these ongoing simplification initiatives **To ensure policy coherence with this Directive, the European Commission, the European Central Bank and the European Supervisory Authorities should strictly observe the principle of proportionality, especially in support of small and medium sized companies regarding any sector specific obligations on financial market actors. Regarding information requests not relevant for the financial market actors' risk management, the European Commission, the European Central Bank and the European Supervisory Authorities should work towards avoiding a "trickle-down" effect via financial institutions' sectoral reporting and disclosure obligations, e.g do not cause institutions to obtain information from undertakings that go beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability unless such information is commonly shared within the respective undertaking's value chain or with financial institutions.** DE (Justifications): The European Commission, the European Central Bank and the European Supervisory Authorities should ensure policy coherence also concerning sectoral sustainability reporting to financial market actors. IT (Justifications):

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	We would support a strong commitment from the EU Commission in reviewing the prudential framework. Please see comments to article 29c, para 5). NL (Justifications): The Netherlands strongly supports this recital since it believes that this would provide clarity and ensures administrative burden reduction for these undertakings in wave 1 that are already reporting under the CSRD while in the future they are not included in the scope of the CSRD. FI (Drafting suggestions): (19b) **In the context of this and other ongoing *legislative work, including* simplification initiatives, is important to ensure coherence between the sustainability information that undertakings must disclose, on the one hand, and the information that financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088 need in order to comply with those obligations, on the other. This Directive does not remove the obligation for the sustainability reporting standards adopted under Article 29b(1) of Directive 2013/34/EU to require disclosure, by the undertakings and parent undertakings within scope, of at least the latter information.** ***Furthermore, the amendments with links to the Regulation (EU) 2020/852 will affect financial market participants ability to fulfil their disclosure obligation under the aforementioned Regulation in regard to the financial products that they offer. As the corporate sustainability***

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	reporting directive forms the core of sustainability reporting, ***m~~M~~*****aintaining coherence more broadly, including as regards undertakings** ***inside and*** **outside of the scope of the mandatory sustainability reporting standards, will require careful attention from the Commission and co-legislators in the context of** ***legislative work, including*** **these ongoing simplification initiatives.** ***This is particularly important with EU's financial services legislation, which concerns many institutions that have to fulfil their obligations arising from the corporate sustainability reporting directive, the sustainable finance regulation and sector specific financial services legislations.*** FI (Justifications): 2. We are happy to see this new recital. Recital 19b highlights the problems caused by not paying enough attention to different links between the sustainable finance disclosure regulation (SFDR) and the CSRD in the preparation of the proposal. However, as we have previously pointed, there are also other links between the CSRD and financial market legislation, such as the Taxonomy Regulation, the banking package (CRR/CRD) and recent amendments to the Solvency II. For this reason, we have a text proposal, which would highlight that we, the legislators, already acknowledge that all the links between the CSRD and EU's financial services legislation has not been thoroughly considered in the drafting phase: SE (Justifications):

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	SE comments: The text could also include other financial market regulatory frameworks (for example the Banking Package and European green bond standard, EuGB).
(20) Article 4(1) of Directive (EU) 2024/1760 prohibits Member States from introducing, in their national law, provisions within the field covered by the Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Article 8(1) and (2), and Article**s** 10(1) **and 11(1)** of that Directive. To ensure that Member States do not go beyond that Directive and to avoid the creation of a fragmented regulatory landscape resulting in legal uncertainty and unnecessary burden, the full harmonisation provisions of Directive (EU) 2024/1760 should be expanded to additional provisions regulating the core aspects of the due diligence process. That includes, in particular, the identification duty, the duties to address adverse impacts that have been or should have been identified, ~~the duties to engage with stakeholders in certain cases~~ and the duty to provide for a complaints and notification mechanism. At the same time, Member States should **continue to** be allowed to introduce more stringent ~~or more specific~~ provisions on other aspects~~, including to address emerging risks linked to new products or services~~ **or provisions that are more specific in terms of the objective or the field covered. The latter concept includes provisions of national law regulating specific adverse impacts or specific sectors of activity, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate. To increase legal certainty and to ensure necessary regulatory freedom, in particular as regards emerging specific risks, this concept should be further clarified. It should be clarified that the concept includes the regulation of specific products or services, such as how the company should handle certain hazardous materials required for**	

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production, or of specific situations, such as specific safety or health regulations for the workplace or what measures to take to detect and prevent specific risks, for example from harmful emissions, including across value chains (for example through specific requirements for documentation or the exchange of information). Conversely, national rules going beyond a specific objective or field, for instance by regulating the due diligence process in general, do not fall within this concept.	
(21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To reduce burdens on companies that have to comply with that obligation, the required due diligence should, as a general rule, be limited to the company's own operations, those of its subsidiaries and those of its direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have plausible information that suggests an adverse impact at the level of an indirect business partner. Plausible information **should be defined** ~~means~~ **as** information **that objectively has a reasonable likelihood of being true, taking into account amongst other things the credibility of the source. Those sources could include data produced by government bodies, baseline studies or impact assessments commissioned by other parties, local community grievances and demand records, studies and indices by academics, NGOs, government agencies and industry bodies, available reports prepared by other enterprises operating in the local area or region, studies and reports by inter-governmental**	CZ (Drafting suggestions): (21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To reduce burdens on companies that have to comply with that obligation, the required due diligence should, as a general rule, be limited to the company's own operations, those of its subsidiaries and those of its direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have plausible information that suggests an adverse impact at the level of an indirect business partner. Plausible information ~~should be defined~~ **could be specified** as information that objectively has a reasonable likelihood of being true, taking into account amongst other things the credibility of the source. Those sources could include data produced by government bodies, baseline studies or impact assessments commissioned by other parties, local community grievances and demand records, studies and indices by

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organisations and multilateral and bilateral development institutions, studies undertaken by communities about key issues that may be relevant to project development, land mapping and other information about the project or activity. Examples of information suggesting an adverse impact could include a notification or complaint, stakeholder engagement, credible reports in the media or from international organisations or NGOs, environmental and social impact assessments, geographical risk assessments, reports of recent incidents, or information about recurring problems in the sector in which the company operates or at certain locations ~~of an objective character that allows the company to conclude that there is a reasonable likelihood that the information is true. This may be the case where the company concerned has received a complaint or is in the possession of information, for example through credible media or NGO reports, reports of recent incidents, or through recurring problems at certain locations about likely or actual harmful activities at the level of an indirect business partner. Where the company has such information, it should carry out an in-depth assessment. Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company.~~ **Using such information sources constitutes good practice under the OECD Due Diligence Guidance for Responsible Business Conduct. Where the company has, or can reasonably be expected to know of, such information, it should carry out an in-depth assessment. Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks**	academics, NGOs, government agencies and industry bodies, available reports prepared by other enterprises operating in the local area or region, studies and reports by inter-governmental organisations and multilateral and bilateral development institutions, studies undertaken by communities about key issues that may be relevant to project development, land mapping and other information about the project or activity. Examples of information suggesting an adverse impact could include a notification or complaint, stakeholder engagement, credible reports in the media or from international organisations or NGOs, environmental and social impact assessments, geographical risk assessments, reports of recent incidents, or information about recurring problems in the sector in which the company operates or at certain locations. Using such information sources constitutes good practice under the OECD Due Diligence Guidance for Responsible Business Conduct. Where the company has, or can reasonably be expected to know of, such information, it should carry out an in-depth assessment. ~~Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company.~~ ~~In each of these cases~~ **In such a case**, the in-depth assessment should be aimed at obtaining accurate and reliable information in particular about the nature and extent, causes, severity and likelihood of the identified adverse impacts, to enable the company to conduct the prioritisation in accordance with Article 9 and adopt appropriate measures to address them in accordance with Articles 10 to 12. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. **This rule does not limit in any way a company's rights or obligations**

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economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. In each of these cases, the in-depth assessment should be aimed at obtaining accurate and reliable information in particular about the nature and extent, causes, severity and likelihood of the identified adverse impacts, to enable the company to conduct the prioritisation in accordance with Article 9 and adopt appropriate measures to address them in accordance with Articles 10 to 12. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. In addition, companies should **be able to request** ~~seek to ensure~~ that their code of conduct – which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations – is followed throughout the chain of activities ~~in accordance with contractual cascading~~**by communicating their expectations to business partners and providing** ~~and~~ SME support.	**in cases where it does not have such plausible information. In particular, it does not prevent the company from considering available information about indirect business partners when selecting direct business partners.** In addition, companies should be able to request that their code of conduct – which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations – is followed throughout the chain of activities by communicating their expectations to business partners and providing SME support. CZ (Justifications): CZ supports the detailed additions made by PRES in relation to plausible information. We believe that the additions are sufficient and the separate definition in the operative part of the text is no longer necessary. For further proposals and justifications please see our commentary to the definition of 'plausible information'. We propose some deletions to accommodate for our proposal to delete the second and third sentence of the first subparagraph of para 2a in Article 8. Finally, we propose moving the second subparagraph of para 2a in Article 8 here with only minor modifications. FR (Drafting suggestions): *[Starting from "plausible information"]*

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	~~Plausible~~ **Objective and verifiable** information should be defined as information that objectively has a reasonable likelihood of being true, taking into account amongst other things the credibility of the source. Those sources could include data produced by government bodies, baseline studies or impact assessments commissioned by other parties, local community grievances and demand records, studies and indices by academics, NGOs, government agencies and industry bodies, available reports prepared by other enterprises operating in the local area or region, studies and reports by inter-governmental organisations and multilateral and bilateral development institutions, studies undertaken by communities about key issues that may be relevant to project development, land mapping and other information about the project or activity. Examples of information suggesting an adverse impact could include a notification or complaint, stakeholder engagement, credible reports in the media or from international organisations or NGOs, environmental and social impact assessments, geographical risk assessments, reports of recent incidents, or information about recurring problems in the sector in which the company operates or at certain locations FR (Justifications): *"Plausible information" lacks a legal background and the suggested definition here is not helping to dispel confusion. Instead, the terms "objective and verifiable information" should be used, as this formulation already appears in Regulation "Deforestation" (EU) 2023/1115 (Article 2 (31) – Definitions), therefore bringing coherence between related regulations (Deforestation and CS3D) and helping to build legal background and certainty for companies applying them, which is also the goal pursued by the omnibus process.*

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	IT (Drafting suggestions): (21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To reduce burdens on companies that have to comply with that obligation, the required due diligence should, as a general rule, be limited to the company's own operations, those of its subsidiaries and those of its direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships if they have plausible information that suggests an adverse impact at the level of an indirect business partner. Plausible information means information of an objective**, verifiable and factual** character that allows the company to conclude that there is a reasonable likelihood that the information is true. **An information is deemed to have an objective character if the company has actual indications that suggest that an adverse impact at the level of an indirect business partner may be possible.** ~~This may be the case where the company concerned has received a complaint or is in the possession of information, for example through credible media or NGO reports, reports of recent incidents, or through recurring problems at certain locations about likely or actual harmful activities at the level of an indirect business partner.~~ Where the company has such information, it should carry out an in-depth assessment. Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct business partner where the

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	structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. In addition, companies should seek to ensure that their code of conduct – which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations – is followed throughout the chain of activities in accordance with contractual cascading and **providing** SME support. IT (Justifications): The proposed amendment aims to further clarify the definition and criteria for what qualifies as plausible information to ensure legal certainty and consistency.
(22) To limit the trickle-down effect on small and medium-sized undertakings and small midcap companies when it comes to mapping the value chain to identify adverse impacts, large companies should limit information requests to the information specified in the standards for voluntary use referred to in Article 29a of Directive (EU) 2013/34/EU, unless they need additional information to carry out the mapping and they cannot obtain that information in any other reasonable way.	
(23) Companies may find themselves in situations where their production heavily relies on inputs from one or several specific suppliers. At the same time, where the business operations of such a supplier are linked to severe adverse impacts, including child labour or significant environmental harm, and the company has unsuccessfully exhausted all due diligence measures to address those impacts, the company, as a last	IT (Drafting suggestions): (23) Companies may find themselves in situations where their production heavily relies on inputs from one or several specific suppliers. At the same time, where the business operations of such a supplier are linked to severe

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resort should suspend the business relationship while continuing to work with the supplier towards a solution, where possible using any increased leverage resulting from the suspension.	adverse impacts, including child labour or significant environmental harm, and the company has unsuccessfully exhausted all due diligence measures to address those impacts, the company, as a last resort should suspend the business relationship while continuing to work with the supplier towards a solution, where possible using any increased leverage resulting from the suspension. **The suspension of the business relationship shall be temporary and last only for the minimum time necessary to effectively exercise the leverage derived from the suspension.**
(24) To reduce burdens on companies and make stakeholder engagement more proportionate, companies should only have to engage with workers, their representatives including trade unions, and individuals and communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners, and that have a link to the specific stage of the due diligence process being carried out. That includes individuals or communities in the neighbourhood of plants operated by business partners where those individuals or communities are directly affected by pollution, or indigenous people whose right to lands or resources are directly affected by how a business partner acquires, develops or otherwise uses land, forests or waters. Moreover, stakeholder engagement should only be required for certain parts of the due diligence process, namely at the identification stage, for the development of (enhanced) action plans and when designing remediation measures.	FR (Drafting suggestions): (24) To reduce burdens on companies and make stakeholder engagement more proportionate, companies should only have to engage with workers, their representatives including trade unions, and individuals and communities, whose rights or interests are or could be directly affected by ~~the products, services and~~ operations of the company, its subsidiaries and its **direct** business partners, and that have a link to the specific stage of the due diligence process being carried out. That includes individuals or communities in the neighbourhood of plants operated by **direct** business partners where those individuals or communities are directly affected by pollution, or indigenous people whose right to lands or resources are directly affected by how a **direct** business partner acquires, develops or otherwise uses land, forests or waters. Moreover, stakeholder engagement should only be required for certain parts of the due diligence process, namely at the identification stage, for the development of (enhanced) action plans and when designing remediation measures. FR (Justifications):

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	The suggested limitation in the stakeholders' list is done to reflect only the stakeholders directly reachable by the company covered by CSDDD
(25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced to 26 July 2026. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group of companies should be deferred to 26 July 2028 in accordance with Directive (EU) XXX/XXX[16]. That two-year interval will should provide companies with sufficient time to take into account the practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures.	FR (Drafting suggestions): (25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced to 26 July 2026. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group of companies should be deferred to ~~26 July 2028 in accordance with Directive (EU) XXX/XXX.~~**12 months after the deadline for Member States to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive**. That ~~two-year~~ interval ~~will~~ should provide companies with sufficient time to take into account **the national laws, regulations and administrative provisions as well as the** practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures. FR (Justifications): The necessary time to transpose CSDDD was initially estimated to be 24 months. This transposition work has been suspended due to the omnibus and Member States need to wait until the end of the omnibus process to continue this transposition process. Therefore, it is requested for this directive to give Member States a 24 months delay to transpose it (i.e., building a whole new and well-functioning supervisory authority in just 12 months cannot be realistically envisaged). The application of CSDDD to

[16] Directive (EU) 2025/XX of …….

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	companies should be adapted as well to give 12 months to companies to start implementing these new rules after the transposition deadline for Member States. IT (Drafting suggestions): (25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced to 26 July 2026. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group of companies should be deferred to 26 July 2028 in accordance with Directive (EU) XXX/XXX[17]. That two-year interval ~~will~~ should provide companies with sufficient time to take into account the practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures. IT (Justifications): The typo evidenced by LU should be removed.
(26) To ensure better alignment of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effect the transition plan for climate change mitigation should be replaced by a clarification that the obligation of companies to adopt a transition plan includes outlining implementing actions, planned and taken. The obligation to adopt the plan and its initial and updated design remains subject to administrative supervision.	FR (Drafting suggestions): (26) To ensure better alignment of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effect the transition plan for climate change mitigation should be replaced by a ~~clarification that the obligation of companies to adopt a transition plan includes outlining implementing actions, planned and taken.~~ **a simple reference to the requirements**

[17] Directive (EU) 2025/XX of …….

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	created by this directive regarding transition plans, with the adoption being compulsory for companies covered by CSDDD as well as an obligation to implement it through "reasonable efforts" which clarifies the obligation of means. The obligation to adopt the plan and its initial and updated design remains subject to administrative supervision. **This modification also aims at clarifying that there is a harmonized basis for transition plans' requirements in EU legislations, both for corporate and prudential transition plans, which lies in Directive (EU) 2022/2464.** IT (Drafting suggestions): If Article 22 is deleted as we propose (see infra), recital 26 should be deleted as well. As a second best, if Article 22 is not deleted, recital 26 should be amended as follows: "(26) To ensure better alignment of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effect the transition plan for climate change mitigation **and adaptation** should be replaced by a clarification that the obligation of companies to adopt a transition plan includes outlining implementing actions, planned and taken. ~~The obligation to adopt the plan and its initial and updated design remains subject to administrative supervision.~~" IT (Justifications):

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	The proposed amendments aim to align the proposed amendments to Articles 22, 24 paragraph 1 and 25 paragraph 1 with the provision at hand.
(27) Article 27(1) of Directive EU 2024/1760 requires Member States to lay down penalties that are to be "effective, proportionate and dissuasive". Article 27(2) of that Directive requires Member States, when deciding whether to impose penalties and, if so, when determining their nature and appropriate level, to take due account of a series of factors that determine the gravity of the infringement and attenuating or aggravating circumstances. Article 27(4) of that Directive requires Member States to base any imposed pecuniary penalties on the net worldwide turnover of the company concerned. However, given the fact that Member States already have to take into account the series of factors laid down in Article 27(2) of that directive, the need to base pecuniary penalties on the net worldwide turnover of the company concerned is superfluous. However, to ensure a level playing field across the Union, Member States should be prohibited from introducing in their national law a ceiling or cap for any pecuniary penalties imposed on companies under their jurisdiction that would prevent supervisory authorities from imposing penalties in accordance with the factors laid down in Article 27(2). Moreover, to harmonise enforcement practices across the Union, the Commission, in collaboration with the Member States, should develop guidelines to assist supervisory authorities in determining the level of penalties.	
(28) To limit possible litigation risks linked to the harmonised civil liability regime of Directive (EU) 2024/1760, the specific, Union-wide liability regime currently provided for in Article 29(1) of that Directive should be removed. At the same time, as a matter of both international and Union law, Member States should be required to ensure that victims of adverse impacts have effective access to justice and to guarantee their	FR (Drafting suggestions): *Delete all* FR

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right to an effective remedy, as enshrined in Article 2(3) of the International Covenant on Civil and Political Rights, Article 8 of the Universal Declaration of Human Rights, Article 9(3) of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and Article 47 of the EU Charter of Fundamental Rights. Member States should therefore ensure that, in case a company is held liable for a failure to comply with the due diligence requirements laid down in Directive (EU) 2024/1760, and that where such failure caused damage, victims are able to receive full compensation, which should be granted in accordance with the principles of effectiveness and equivalence, while balancing this through safeguards should prevent against overcompensation. In view of the different rules and traditions that exist at national level when it comes to allowing representative actions, the specific requirement in that regard in Directive (EU) 2024/1760 should be deleted. Such deletion is without prejudice to any provision of the applicable national law allowing a trade union, non-governmental human rights or environmental organisation, other non-governmental organisation or a national human rights institution to bring actions to enforce the rights of the alleged injured party, or to support such actions brought directly by such party. Furthermore, for the same reason, the requirement for Member States to ensure that the liability rules are of overriding mandatory application in cases where the law applicable to claims to that effect is not the national law of the Member State should be deleted. That deletion does not restrict the possibility for Member States to provide that the provisions of national law transposing Article 29 of Directive EU 2024/1760 are of overriding mandatory application in accordance with Article 16 of Regulation (EC) No 864/2007, in cases where the law applicable to claims to that effect is not the national law of a Member State.	(Justifications): The harmonized civil liability regime must be reintroduced as its removal was not justified by simplification – which it is not bringing – but by subsidiarity principles. This subsidiarity goes against the harmonization principle that was the very justification of this directive, creates level-playing field major concerns and clear risks of forum shopping. Besides, it creates legal uncertainty for companies having a multi-country presence as they would be exposed to different legal systems.

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(29) Article 36(1) of Directive (EU) 2024/1760 requires the Commission to submit by no later than 26 July 2026 a report to the European Parliament and to the Council on the necessity of laying down additional sustainability due diligence requirements tailored to regulated financial undertakings with respect to the provision of financial services and investment activities, and the options for such due diligence requirements and their impacts. As that review clause does not leave any time to take into account the experience with the newly established, general due diligence framework, it should be removed.	
(30) Since the objectives of this Directive cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.	
(31) Directive 2006/43/EC, Directive 2013/34/EU, Directive (EU) 2022/2464 and Directive (EU) 2024/1760 should therefore be amended accordingly,	
HAVE ADOPTED THIS DIRECTIVE:	
Article 1	
Amendments to Directive 2006/43/EC	
Directive 2006/43/EC is amended as follows:	ES (Drafting suggestions):

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	ES: Article 3.4 3(4) The competent authorities of the Member States may approve as audit firms only those entities which satisfy the following conditions: (a) the natural persons who carry out statutory audits on behalf of an audit firm must satisfy at least the conditions imposed by Articles 4 and 6 to 12 and must be approved as statutory auditors in the Member State concerned; (b) a majority of the voting rights in an entity must be held by audit firms which are approved in any Member State or by natural persons who satisfy at least the conditions imposed by Articles 4 and 6 to 12. Member States may provide that such natural persons must also have been approved in another Member State. For the purpose of the statutory audit of cooperatives, savings banks and similar entities as referred to in Article 45 of Directive 86/635/EEC, a subsidiary or legal successor of a cooperative, savings bank or similar entity as referred to in Article 45 of Directive 86/635/EEC, Member States may lay down other specific provisions in relation to voting rights; (c) a majority — up to a maximum of 75 % — of the members of the administrative or management body of the entity must be audit firms which are approved in any Member State or natural persons who satisfy at least the conditions imposed by Articles 4 and 6 to 12. Member States may provide that such natural persons must also have been approved in another Member State. Where such a body has no more than two members, one of those members must satisfy at least the conditions in this point; (d) the firm must satisfy the condition imposed by Article 4. Member States may set additional conditions only in relation to point (c). Such conditions shall be proportionate to the objectives pursued and shall not go beyond what is strictly necessary.

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	In the case of audit firms seeking approval to carry out assurance of sustainability information, the conditions set out in points (b) and (c) shall not apply. ES (Justifications): ARTICLE 3.4 The requirements included in article 3.4 for audit firms should not be extended to audit firms that will carry out assurance of the sustainability information. Imposing these obligations on assurance providers could create an excessive burden, potentially discouraging new entrants into this emerging market and exacerbating market concentration—an issue already recognized in the audit sector and one that should not be replicated in the assurance domain. Article 3.4 should clearly specify that these requirements apply exclusively to statutory audit activities. ARTICLE 45 The requirements foreseen in this article for third country auditors issuing assurance reports on the sustainability information should not be required/or should be adapted for their application in the first years of application of the Directive since otherwise we might face a situation where national competent authorities cannot register them and their reports shall have no legal effect. ARTICLE 47

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	This article has not been amended and therefore it is only applicable for working papers relating to audits of financial statements and not for the assurance of the sustainability information. It should be amended so that it covers both activities Drafting suggestions Member States may allow the transfer to the competent authorities of a third country of audit working papers, or assurance on sustainability information working papers or other documents held by statutory auditors or audit firms approved by them, and of inspections or investigations reports relating to audits or, where applicable, assurance on sustainability information in question, provided that: (a) those audit or assurance working papers or other documents relate to audits of companies which have issued securities in that third country or which form part of a group issuing statutory consolidated accounts in that third country; (…) 2. The working arrangements referred to in paragraph 1(d) shall ensure that: (a) justification as to the purpose of the request for audit or assurance working papers and other documents is provided by the competent authorities; (…)

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	(c) the competent authorities of the third country may use audit or assurance working papers and other documents only for the exercise of their functions of public oversight, quality assurance and investigations that meet requirements equivalent to those of Articles 29, 30 and 32; (d) the request from a competent authority of a third country for audit or assurance working papers or other documents held by a statutory auditor or audit firm can be refused: (…) 4. In exceptional cases and by way of derogation from paragraph 1, Member States may allow statutory auditors and audit firms approved by them to transfer audit or assurance working papers and other documents directly to the competent authorities of a third country, provided that: (…) (b) the transfer does not conflict with the obligations with which statutory auditors and audit firms are required to comply in relation to the transfer of audit or assurance working papers and other documents to their home competent authority; (c) there are working arrangements with the competent authorities of that third country that allow the competent authorities in the Member State reciprocal direct access to audit or assurance working papers and other documents of that third-country's audit entities;

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	(…)
(1) in Article 26a, paragraph 3 is replaced by the following:	
'3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a in order to supplement this Directive in order to provide for limited assurance standards setting out the procedures that the auditor(s) and the audit firm(s) shall perform in order to draw his, her or its conclusions on the assurance of sustainability reporting, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting, or, where relevant, in the audit report.	BE (Drafting suggestions): The Commission shall be empowered to adopt by delegated acts in accordance with Article 48a **and international assurance** standards, in order to supplement this Directive in order to provide for limited assurance standards setting out the procedures that the auditor(s) and the audit firm(s) shall perform in order to draw his, her or its conclusions on the assurance of sustainability reporting, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting, or, where relevant, in the audit report BE (Justifications): Due to the fact that in the proposal the time limits for the Commission to adopt standards for limited assurance are deleted and no harmonization on assurance standards will be provided in the short term, a reference to the international assurance standards, in the same way that there is a reference to the international audit standards in article 26.1. in the audit directive is necessary. Paragraph 1 should be modified in the same way. ES (Justifications):

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	ES: A provision could be added to foresee that the Commission assesses in a 5-year time (or other appropriate deadline) the introductions of a requirement of reasonable assurance FR (Drafting suggestions): '3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a **before 1 October 2027** in order to supplement this Directive in order to provide for limited assurance standards setting out the procedures that the auditor(s) and the audit firm(s) shall perform in order to draw his, her or its conclusions on the assurance of sustainability reporting, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting, or, where relevant, in the audit report. **4. The Commission shall issue targeted assurance guidelines by 2026 that clarify the necessary procedures that assurance providers are to perform as part of their limited assurance engagement before adopting the standards by delegated act**. FR (Justifications): In order to ensure the harmonisation of audit practices, the Commission should adopt an audit norm form limited assurance regarding sustainability reporting. The lack of a European audit norm would pave the way for fragmentation of the single market regarding sustainability reporting audit. Meanwhile, the Commission could publish guidelines, especially dealing with the double materiality analysis' audit. LU

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	(Drafting suggestions): New Paragraph (1a) to be added: "(1a) Article 3, paragraph 4 is replaced by the following: "4. The competent authorities of the Member States may approve as audit firms only those entities which satisfy the following conditions: (a) the natural persons who carry out statutory audits on behalf of an audit firm must satisfy at least the conditions **for statutory audit imposed by Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12** of this Directive and must be approved as statutory auditors in the Member State concerned; (b) a majority of the voting rights in an entity must be held by audit firms which are approved in any Member State or by natural persons who satisfy at least the conditions **for statutory audit imposed by Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12** of this Directive. Member States may provide that such natural persons must also have been approved in another Member State. For the purpose of the statutory audit of cooperatives, savings banks and similar entities as referred to in Article 45 of Directive 86/635/EEC, a subsidiary or legal successor of a cooperative, savings bank or similar entity as referred to in Article 45 of Directive 86/635/EEC, Member States may lay down other specific provisions in relation to voting rights; (c) a majority — up to a maximum of 75 % — of the members of the administrative or management body of the entity must be audit firms which are approved in any Member State or natural persons who satisfy at least

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	the conditions **for statutory audit imposed under Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12** of this Directive. Member States may provide that such natural persons must also have been approved in another Member State. Where such a body has no more than two members, one of those members must satisfy at least the conditions in this point; LU (Justifications): **LU** According to article 3(4) of the Audit Directive, audit firms wishing to issue limited assurance opinions must fulfil a number of requirements relating to professional qualifications (see article 4 and articles 6 to 12 of the Audit Directive). In particular, a majority of voting rights and a majority board members must fulfil those professional qualifications with respect to sustainability information. This interpretation, which stems from the Commission's answer to question #70 of the final Q&As on CSDR Amendments to Directive 2006/43/EU, is debatable because art. 3(4) of the said Directive has not been amended by the CSRD. This creates an undue administrative constraint for audit firms given that the scope of entities falling under CSRD will be substantially reduced. We are of the view that such limitations could hamper competitiveness, as they would likely have the effect of driving an indefinite number of audit

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	firms out of the sustainability audit market, thereby reducing the diversity and innovation to the ultimate detriment of the entire sector. We therefore propose to amend the said article 3(4) of the Audit Directive so as to ensure that the conditions imposed by articles 4 and articles 6 to 12 only relate to statutory audit (and not to audit of sustainability information).
The Commission may adopt the assurance standards referred to in the first subparagraph only where those standards:	BE (Drafting suggestions): The Commission may adopt the **international** assurance standards referred to in the first subparagraphs only if those standards: BE (Justifications): Along the same lines as stated just above.
(a) have been developed with proper due process, public oversight and transparency;	
(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and	
(c) are conducive to the Union public good.’;	IT (Drafting suggestions): In Article 45 the following paragraph 5b is inserted: “**5b. Member States shall not apply the above paragraphs from 1 to 5a concerning assurance reports of annual or consolidated sustainability reporting, issued for financial years starting during the period from 1 January 2024 to 31 December 2030 in cases where the third-country auditor or audit entity concerned provides the competent authorities of the Member State with all of the following:**

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	a) the name and address of the auditor or audit entity concerned and information about its legal structure; **b) the third-country auditor carrying out the assurance of sustainability reporting on behalf of the third-country audit entity and the majority of the members of the administrative or management body of the third-country audit entity are approved as auditors in the home country before 1 January 2026;** **c) the level of knowledge obtained via continuous professional education on the subjects in article 8(3);** **d) where the auditor or the audit entity belongs to a network, a description of the network;** **e) the assurance standards and independence related requirements which have been applied to the assurance of sustainability reporting concerned;** **e) a description of the internal quality control system of the audit entity that covers the assurance of the sustainability reporting;** **(f) an indication of whether and when the last quality assurance review of the auditor or audit entity for the sustainability assurance engagements was carried out and necessary information about the outcome of the review."** Article 46 - Derogation in the case of equivalence Paragraph 2 is amended as follows: "2. In order to ensure uniform conditions for the application of paragraph 1 of this Article, the Commission shall be empowered to decide upon the equivalence referred to therein by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination

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	procedure referred to in Article 48(2). Once the Commission has recognised the equivalence referred to in paragraph 1 of this Article, Member States may decide to rely on such equivalence partially or entirely and thus to disapply or modify the requirements in Article 45(1) and (3) partially or entirely. Member States may assess the equivalence referred to in paragraph 1 of this Article or rely on the assessments carried out by other Member States as long as the Commission has not taken any such decision. If the Commission decides that the requirement of equivalence referred to in paragraph 1 of this Article is not complied with, it may allow the third-country auditors and third-country audit entities concerned to continue their audit and sustainability assurance activities in accordance with the **requirements of the relevant Member State** during an appropriate transitional period." [4] Article 47 is amended as follows Article 47 - Cooperation with competent authorities from third countries Paragraphs from 1 to 4 are amended as follows: 1. Member States may allow the transfer to the competent authorities of a third country of audit **and sustainability assurance** working papers or other documents held by statutory auditors or audit firms approved by them, **and of inspection or investigation reports relating to the audits and, where applicable, to the sustainability assurance in question,** provided that: (a) those audit and **sustainability assurance** working papers or other documents relate to audits **and assurance of sustainability** reporting of companies which have issued securities in that third country or which form part of a group issuing statutory consolidated **financial statements and consolidated sustainability reporting** ~~accounts~~ in that third country;

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	(b) the transfer takes place via the home competent authorities to the competent authorities of that third country and at their request; (c) the competent authorities of the third country concerned meet requirements which have been declared adequate in accordance with paragraph 3; (d) there are working arrangements on the basis of reciprocity agreed between the competent authorities concerned; (e) the transfer of personal data to the third country is in accordance with Chapter IV of Directive 95/46/EC. 2. The working arrangements referred to in paragraph 1(d) shall ensure that: (a) justification as to the purpose of the request for audit **and sustainability assurance** working papers and other documents is provided by the competent authorities; (b) the persons employed or formerly employed by the competent authorities of the third country that receive the information are subject to obligations of professional secrecy; (ba) the protection of the commercial interests of the ~~audited~~ entity **subject to audit or assurance of sustainability reporting**, including its industrial and intellectual property, is not undermined; (c) the competent authorities of the third country may use audit **and sustainability assurance** working papers and other documents only for the exercise of their functions of public oversight, quality assurance and investigations that meet requirements equivalent to those of Articles 29, 30 and 32; (d) the request from a competent authority of a third country for audit **and sustainability assurance** working papers or other documents held by a statutory auditor or audit firm can be refused:

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	— where the provision of those working papers or documents would adversely affect the sovereignty, security or public order of the Community or of the requested Member State, — where judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the requested Member State~~.~~, **or** **— where final judgment has already been passed in respect of the same actions and on the same statutory auditors or audit firms by the competent authorities of the requested Member State.** 3. ~~The adequacy referred to in paragraph 1(c) shall be decided upon by the Commission in accordance with the procedure referred to in Article 48(2) in order to facilitate cooperation between competent authorities. The assessment of adequacy shall be carried out in cooperation with Member States and be based on the requirements of Article 36 or essentially equivalent functional results.~~ **In order to facilitate cooperation, the Commission shall be empowered to decide upon the adequacy referred to in point (c) of paragraph 1 of this Article by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 48(2).** Member States shall take the measures necessary to comply with the Commission's decision. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of establishing the general adequacy criteria in accordance with which the Commission is to assess whether the competent authorities of third countries may be recognised as adequate to cooperate with the competent authorities of Member States on the exchange of audit and sustainability assurance working papers or other documents held by statutory auditors and audit firms. The general adequacy criteria shall be based on the requirements of Article 36 or essentially equivalent functional results relating to a direct exchange of

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	audit and sustainability assurance working papers or other documents held by statutory auditors or audit firms. 4. In exceptional cases and by way of derogation from paragraph 1, Member States may allow statutory auditors and audit firms approved by them to transfer audit **and sustainability assurance** working papers and other documents directly to the competent authorities of a third country, provided that: (a) investigations have been initiated by the competent authorities in that third country; (b) the transfer does not conflict with the obligations with which statutory auditors and audit firms are required to comply in relation to the transfer of audit **and sustainability assurance** working papers and other documents to their home competent authority; (c) there are working arrangements with the competent authorities of that third country that allow the competent authorities in the Member State reciprocal direct access to audit **and sustainability assurance working** papers and other documents of that third-country's audit entities; (d) the requesting competent authority of the third country informs in advance the home competent authority of the statutory auditor or audit firm of each direct request for information, indicating the reasons therefor; (e) the conditions referred to in paragraph 2 are respected.
(2) in Article 48a(2), the second subparagraph is replaced by the following:	
'The power to adopt delegated acts referred to in Article 26a(3) shall be conferred on the Commission for an indeterminate period of time.'.	

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Article 2	
Amendments to Directive 2013/34/EU	SK (Drafting suggestions): **new Article 19b and Article 29aa – optional taxonomy reporting** In our opinion the proposed wording of the Article 19b (2) and (3) and Article 29aa (2) and (3) should be more in line with the new wording in the recital 6 (when an undertaking is considered to be "an undertaking that claims"). Furthermore, the term "a non-financial undertaking" should be defined.
Directive 2013/34/EU is amended as follows:	
(1) Article 1 is amended as follows:	
(a) in paragraph 3, the introductory wording is replaced by the following:	
'The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that	BE (Justifications): General comment regarding the scope: our drafting suggestions are without prejudice of the Belgian position related to the scope

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those undertakings are large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year:’;	CZ (Drafting suggestions): The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), **Article 40a** and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that those undertakings are large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year: CZ (Justifications): Under Article 40a, certain subsidiaries are required to publish a sustainability report on the third country undertaking. Does this obligation also apply to subsidiaries that are credit institutions or insurance undertakings when they do not have the legal form listed in the Annex to the Directive? DE (Drafting suggestions): ‘The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that

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	those undertakings are large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and EUR 450 million net turnover** during the financial year:'; DE (Justifications): See recital 5. ES (Drafting suggestions): ES: 'The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that those undertakings are large undertakings ~~which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year~~:'; ES (Justifications): ES: While we support the exclusion of listed SMEs from the scope, we propose maintaining the scope of CSRD and the obligation to publish a sustainability report to all large undertakings, without imposing a minimum threshold on the average number of employees. The current Commission proposal would lead to inconsistent outcomes: - First, a significant number of companies that have been publishing non-financial information would no longer be required to disclose sustainability-related data.

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	- Second, some companies included in the first wave of reporting would publish sustainability reports but later fall outside the scope, despite having already made efforts and investments to disclose this information. From a substantive perspective, providing reliable, relevant, and comparable information is essential for assessing sustainability-related risks, opportunities and impacts. Retaining the CSRD's scope to include all large companies is crucial for addressing existing data gaps and enhance the availability of sustainability-related information across the economy. This broader scope is fully compatible with the introduction of proportionality measures for large companies below a defined threshold—through a simplified reporting framework (i.e. new Article 29ca)—. Such an approach helps manage compliance costs while still ensuring the availability of key data points on sustainability matters. While CSRD currently applies to all large undertakings , the current proposal's suggested reduction in scope—to include only those with up to 1,000 employees—would cut mandatory data coverage by 80%. This significant decrease could jeopardize the effectiveness of risk assessments within prudential disclosures and supervisory reviews in the banking and insurance sector, as they would rely on a data set that may not represent the financial system's overall exposure. Hence, to ensure that the assessment of sustainability-related risks, opportunities and impacts is based on representative, reliable and comparable information, it is important to maintain the scope of CSRD to cover all large undertakings. Conversely, if the scope of the CSRD is narrowed and the sustainability-related supervisory frameworks of

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	financial institutions are subsequently diluted—driven by inevitable data gaps—the overall usefulness and representativeness of these risk-assessment exercises will be significantly undermined. IT (Drafting suggestions): 'The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that those undertakings are large undertakings which, on their balance sheet dates, exceed the average number of **500**~~1000~~ employees during the financial year:';
(b) paragraph 4 is replaced by the following:	
'4. The coordination measures prescribed by Articles 19a, 29a and 29d shall not apply to the European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement nor to financial products listed in Article 2, point (12), (b) and (f) of Regulation (EU) 2019/2088 of the European Parliament and of the Council*.	
_____	
* Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/2088/oj).';	

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(1a) **Article 19(1), fourth subparagraph is replaced by the following:**	
'Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year, shall report information on the key intangible resources and explain how the business model of the undertaking fundamentally depends on such resources and how such resources are a source of value creation for the undertaking.'	CZ (Drafting suggestions): Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year, shall report information on the key intangible resources and explain how the business model of the undertaking fundamentally depends on such resources and how such resources are a source of value creation for the undertaking.' DE (Drafting suggestions): 'Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and EUR 450 million net turnover** during the financial year, shall report information on the key intangible resources and explain how the business model of the undertaking fundamentally depends on such resources and how such resources are a source of value creation for the undertaking.' DE (Justifications): To align the threshold with that for sustainability reporting the net turnover should also be added. ES (Justifications):

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	ES: We are still scrutinizing this proposal. In any case, this is a very specific topic, and we should first begin by discussing more fundamental aspects of the changes proposed by this directive, including its scope and the general mandate for simplification. NL (Justifications): The Netherlands wants to ask the presidency how this article would relate to the (revision) of the ESRS.
(2) Article 19a is amended as follows:	
(a) in paragraph 1, the first subparagraph is replaced by the following:	
'Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year shall include in their management report information necessary to understand the undertaking's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking's development, performance and position.';	BE (Drafting suggestions): Large undertakings which, on their balance sheet dates, exceed the average number of [1000] employees, **as defined in the national transposition of the accounting directive,** shall include in their management report information necessary to understand the undertaking's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking's development, performance and position. BE (Justifications):

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	It should be clear that "during the financial year" is to be understood as defined in the national transposition of the accounting directive (i.e in Belgium: for each of the last 2 consecutive financial years). COM had confirmed this orally and also in its CSRD FAQ of 7 August 2024. However this is not specified in the modified articles, while it is included regarding third-country undertakings in Article 40a, paragraph 1 of this proposal. Belgium reserves the right to insist on this point, pending satisfactory feedback from the Council Legal Service as requested by the Belgian delegation during the Antici Group on Simplification on 25/04. With this drafting suggestion, Belgium does not take a position on the scope. The same applies for Article 29a. CZ (Drafting suggestions): Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year shall include in their management report information necessary to understand the undertaking's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking's development, performance and position. DE

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	(Drafting suggestions): ‘Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees **and EUR 450 million net turnover** during the financial year shall include in their management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.’ DE (Justifications): See recital 5 ES (Drafting suggestions): ES: ‘Large undertakings ~~which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year~~ shall include in their management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.’; ES (Justifications): ES: See explanation above about the scope IT (Drafting suggestions):

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	‘Large Undertakings which, on their balance sheet dates, exceed **the following thresholds:** **(i) net turnover: EUR 450 000 000;** **(ii) average number of employees during the financial year: 1000,** ~~the average number of 1000 employees during the financial year~~ shall include in their management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.”; IT (Justifications): The proposal is aimed at including in the CSRD scope all the large undertakings, but with a two fold system. 1. Large undertakings according to the EC proposal, with adjusted threshold of net turnover therefore aligning the scope with the CS3D; and 2. Large undertakings which have more than 500 and a net turnover between 50 000 000 and EUR 450 000 000 (please see comments to article 29c below). The second category of companies would be subject to an even further simplified ESRS (please see article 29c) compared to the simplified ESRS already planned by the EC proposal. The further simplification would also entail the value chain (please see article 19a and 29a). In fact, a reduction in the scope such as the one proposed by the Commission (large undertaking with >1000 employees) would result in an

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	mis coordinated simplification, jeopardizing the aim of the directive and generating inefficient data gaps. SE (Justifications): **SE comments:** According to the proposal, the threshold should be measured as 1,000 employees on average during the financial year. For undertakings that are close to the threshold, it may be difficult to determine whether they will be required to report for a given financial year. A calculation based on the previous financial year or the two previous financial years is preferable as it provides for greater predictability.
(b) paragraph 3 is amended as follows:	
(i) the first subparagraph is replaced by the following:	FR (Drafting suggestions): ~~(i) the first subparagraph is replaced by the following:~~ The last subparagraph is replaced by the following: "Undertakings may omit information when the disclosure of such information would be seriously prejudicial to their commercial position, provided that such omission does not prevent a fair and balanced understanding of the undertaking development, performance, position, and of the impact of its activity."

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	FR (Justifications): According to articles 19a (3) and 29a (3) of the directive 2013/34/UE Member States can allow undertakings to avoid the publication of "information relating to impending developments or matters in the course of negotiation […] in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity". This amendment aims to ensure that the publication of sustainability information is not seriously prejudicial to the commercial position of businesses and therefore allow undertakings to omit such information as long as this omission does not prevent "a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity
'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.	CZ (Drafting suggestions): Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial

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Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'; year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph. **New subparagraph is added** **All micro-undertakings are exempted from obligation pursuant to paragraph 3 first subparagraph./Obligation pursuant to first subparagraph.** CZ (Justifications):

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	CZ proposes to exempt micro-undertakings from the obligation to provide information in the value chain. CZ supports that these undertakings should burdened as little as possible. DE (Justifications):

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	Scrutiny reservation. ES (Drafting suggestions): ES: 'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which~~, on their balance sheet dates,~~ do not **qualify as large undertakings** ~~exceed the average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which~~, on their balance sheet dates,~~ do not **qualify as large undertakings** ~~exceed the average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'; ES (Justifications): ES: See explanation above about the scope

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	FR (Drafting suggestions): ~~"Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph~~ FR (Justifications): The Commission directive proposal defines the value chain cap by reference to the voluntary standard for SME (VSME). This provision is useful to limit the trickle-down effects of the CSRD. Yet the obligation for member States the ensure its application raises important issues regarding

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	commercial and contractual freedom. Therefore, it is proposed to maintain the definition of the value chain cap by reference to the VSME but to delete the provisions related to its enforcement by member States. IT (Drafting suggestions): 'Where applicable, the information referred to in paragraphs 1 [and 2] shall contain information about the undertaking's own operations and about its **direct business partners in the value chain** ~~value chain, including its products and services, its business relationships and its supply chain~~. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from ~~undertakings in their value chain~~ direct business partners - ~~which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards ~~for voluntary use~~ referred to in Article ~~29ca~~ **29 b and Article 29c, as applicable,** ~~a, except for additional sustainability information that is commonly shared between undertakings in the sector concerned~~. Undertakings that report the necessary value chain information **in accordance with the above** ~~without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned,~~ shall be deemed to have complied

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	with the obligation to report value chain information set out in this paragraph;" IT (Justifications): The proposal is aimed at aligning the information request (value chain cap) along the value chain with the new proposed scope of the directive. Furthermore, the proposal limits the information requirements to direct partners (i.e. tier 1 companies) consistently with CS3D provisions, which shall be defined in the Accounting directive according to the CS3D. SE (Justifications): **SE comments:** SE is in favour of limiting the information that reporting undertakings may obtain from undertakings in their value chain in accordance with the information required by the voluntary standard. However, the Directive should not prevent parties from making an agreement, on a contractual basis, to provide and receive additional information. SE is of the opinion that undertakings always should be able to enter into voluntary agreements about sustainability information, regardless of the information that can be demanded in accordance with Article 19a(3). The proposed prohibition violates the fundamental principle of freedom of contract. SE would also like to understand how undertakings are supposed to have knowledge of the number of employees of their business partners for every given year.
(ii) the following subparagraph is added:	

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'The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.';	CZ (Drafting suggestions): **The second subparagraph should be amended as follows:** **For the first three years when company becomes obliged to report on sustainability, and in the event that not all the necessary information regarding its value chain is available, the undertaking shall explain the efforts made to obtain the necessary information about its value chain, the reasons why not all of the necessary information could be obtained, and its plans to obtain the necessary information in the future.** **The new subparagraph should be inserted:** **In exceptional cases, an undertaking shall not disclose information within the value chain if one or more undertakings in the value chain do not cooperate or the information cannot be obtained without unreasonable costs. The undertaking shall provide reasons why not all of the necessary information could be obtained and its plans to obtain the necessary information in the future.** CZ (Justifications): The possibility not to report on information in the value chain should be linked to the obligation for the undertaking and not to the obligation under Article 5 of CSRD. This will allow undertakings to spread administrative burden of mapping their value chain and obtaining the necessary information.

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	The same applies also to the consolidated report. The wording of the forth subparagraph in Article 19a (3) should be modified to be clear that this "safe harbour" may use also undertakings in value chain. Some SMEs in particular complain that the information requested by reporting undertakings is very sensitive and could jeopardise their business position. They are also concerned about the misuse of information by large undertakings to their advantage. It would therefore be appropriate to introduce a provision similar to Article 19a (3) fourth subparagraph or such subparagraph modify to be clear that such "safe harbour" can be also use by undertakings in value chain. The same applies also to the consolidated report. There may be situations where an undertaking cannot obtain the information it needs because one of the undertakings in the value chain does not cooperate or because it is costly to obtain such information. All this increases the burden on undertakings. The same applies also to the consolidated report.
(c) paragraphs 6 and 7 are deleted;	FR (Drafting suggestions): (c) ~~paragraphs 6 and 7 are deleted;~~

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	Article 18 is amended as follow: **Point (b) of paragraph (1) is completed as follow:** **"When the undertaking is subject to article 19a or 29a, it shall also publish the fees charged for the audit of its sustainability statement".** FR (Justifications): Pursuant to Article 18 (1b) of the directive 2013/34/UE, large undertakings and public-interest entities shall disclose in the notes of their financial statements the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statement and for other assurance services, tax advisory services and other non-audit services. As the sustainability audit fees is an important dimension of the implementation of the CSRD, the publication of the sustainability statement audit fees in the notes of the financial statement would be a way to ensure transparency on audit costs.
(d) **paragraph 9 second subparagraph point (c) is replaced by the following:**	
'if the parent undertaking is established in a third country, the disclosures laid down in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council or in Article 19b and Article 29aa of this Directive, as applicable, covering the activities carried out by the exempted subsidiary undertaking established in the Union and its subsidiary undertakings, are included in the management report of the exempted subsidiary undertaking, or in the consolidated	ES (Justifications): ES: we support this amendment

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sustainability reporting carried out by the parent undertaking established in a third country.'	
(e) **paragraph 10 is replaced by the following:**	ES (Justifications): ES: we support this amendment NL (Justifications): The Netherlands does not support this amendment. A divergence in reporting regimes would arise between financial reporting and sustainability reporting for the same issuers, leading to increased regulatory complexity. At this moment, the group exemption applies to PIEs with the exception of large listed companies. Therefore, large listed companies are always required to prepare their own sustainability reporting, even if they are subsidiaries of a parent undertaking that prepares consolidated sustainability reporting. This is consistent with financial reporting law, where exemptions available to many undertakings do not apply to listed companies or other PIEs. With the suggested amendment, listed companies that are, for example, subsidiaries of a large, non-listed parent undertaking will no longer be required to prepare their own sustainability reporting. This deviates from the financial reporting regime.

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	In our view from an investor protection perspective, granting a group-level exemption for large listed undertakings is undesirable. When investing in a publicly listed subsidiary, investors require sustainability-related disclosures specific to that entity—not merely the consolidated group-level information. A group may not be sustainable as a whole, whereas a specific subsidiary might be; conversely, the group may appear sustainable, while the subsidiary in question is not. This distinction is important information for an investor who wants the invest in sustainable undertakings.. Moreover, information concerning financially material sustainability risks and opportunities is often far more relevant at the individual entity level than at the group level, particularly for investors holding shares in the subsidiary itself. Lastly, from an undertakings point of view, this could lead to less legal certainty and stability for these undertakings.
‘The exemption laid down in paragraph 9 shall also apply to public-interest entities subject to the requirements of this Article’.	LU (Justifications): **LU** We support the deletion of the limb reading “*with the exception of large undertakings which are public-interest entities defined in point (a) of point (1) of Article 2 of this Directive.*”.
(3) the following Article 19b is inserted:	

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
'Article 19b	BE (Justifications): Scrutiny reservation on Art 19b CZ (Justifications): CZ has a general comment on this Article. We are still not convinced that this issue falls under this Directive. We still think that the Taxonomy Regulation itself should be amended. This is also in the context of greater clarity and legal certainty for undertakings. DE (Justifications): Scrutiny reservation
Optional taxonomy reporting for certain undertakings	
1. Member States shall ensure that~~, by way of derogation from Article 8 of Regulation (EU) 2020/852,~~ undertakings as referred to in Article 19a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000 during the financial year shall apply the paragraphs 2, 3 and 4 of this ~~Directive~~**Article**.	ES (Drafting suggestions): ES: 1. Member States shall ensure that, by way of derogation from Article 8 of Regulation (EU) 2020/852, undertakings as referred to in Article 19a(1) of this Directive which, on their balance sheet dates, do not exceed **the average number of 1000 employees** ~~a net turnover of EUR 450 000 000~~ during the financial year shall apply the paragraphs 2, 3 and 4 of this Directive. ES (Justifications):

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	ES: From a legal standpoint, we would like to receive some clarification about why this provision is not be introduced as a new Article 8a in Regulation (EU) 2020/852 rather than as a new article in this Directive. Substantively, we support aligning this threshold with the threshold of CSRD. The €450 million turnover threshold relates to the CSDDD, whose purpose fundamentally differs from that of the CSRD and the Taxonomy, as the latter two focus on reporting requirements. To ensure proportionality, it is logical to align the thresholds in CSRD and Taxonomy, allowing large undertakings with fewer than 1,000 employees to access both optional taxonomy reporting and simplified sustainability reporting standards. IT (Drafting suggestions): "Member States shall ensure thatundertakings as referred to in Article 19a(1) of this Directive which **report applying the standards referred to in Article 29c**~~, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000 during the financial year~~ shall apply the paragraphs 2, 3 and 4 of this Directive"; IT (Justifications): The proposal is aimed at ensuring that information on Taxonomy regulation are not missed in the sustainability reporting of all companies

Presidency compromise text	Drafting suggestions and Justifications
	included in the CSRD scope (as proposed), including those large companies which apply further simplified reporting standards. LU (Justifications): **LU** As already anticipated in the context of the Antici simplification group meeting held on 25 April 2025, we do believe that the exemptions provided in the Omnibus proposal regarding article 8 of the Taxonomy Regulation shall be reflected in the Taxonomy Regulation itself. This would specifically be required in order to ensure a certain level of legal security and avoid legislative dispersion of Taxonomy relevant rules.
Article 8 of Regulation (EU) 2020/852 shall not apply to undertakings referred to in the first subparagraph.	BG (Justifications): **BG:** We acknowledge the proposed clarification in recital 6. However, we would prefer to ensure legal certainty in Article 19b. Therefore, in order to clarify further we suggest to be explicitly stated that the companies with net turnover below 450 million euro **which do not claim that their activities qualify fully or partially as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 are not obliged to report.** DE (Justifications):

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
	Welcome clarification SE (Justifications): **SE comments:** SE questions the appropriateness of making changes to the scope of application of Regulation (EU) 2020/852 through changes in the Directive. The ambition of the proposed regulatory simplifications is to ease the regulatory burden for undertakings and make the regulatory framework easier to understand. This proposal makes it difficult to understand the regulatory framework. Even if the Council Legal Service has stated that this proposal is possible from a legal point of view, SE is not supportive of this way of making the changes.
2. An undertaking as referred to in paragraph 1 that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 or with economic activities that fulfil only certain requirements of that provision shall include in its management report information on how and to what extent its activities are associated with those economic activities.	BG (Justifications): **BG:** In our opinion the term “associated” should not be used as it should be clear that the activities are in compliance with the technical screening criteria in the Taxonomy delegated acts.
3. In particular, a non-financial undertaking that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 shall disclose the following indicators:	
(a) the proportion of its turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation;	

Presidency compromise text	Drafting suggestions and Justifications
(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	
A non-financial undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852.	
4. In particular, a non-financial undertaking that claims that its activities are associated with economic activities that fulfil only certain requirements of Article 3 of Regulation (EU) 2020/852 shall disclose the following indicators:	
(a) the proportion of its turnover derived from products or services associated with economic activities fulfilling only certain requirements of Article 3 of that Regulation;	
(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation;	
A non-financial undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of Regulation (EU) 2020/852.	
5. The Commission shall adopt a delegated act in accordance with Article 49 of this Directive to supplement paragraphs 1, 2, 3 and 4 of this Article to specify the content and presentation of the information to be disclosed pursuant to those paragraphs, including the content of the information concerning economic activities that fulfil only certain of the criteria set out in Article 3 of Regulation (EU) 2020/852, and the	

Presidency compromise text	Drafting suggestions and Justifications
methodology to be used in order to comply with them, taking into account **the delegated act adopted under Article 8(4) of that Regulation,** the specificities of both financial and non-financial undertakings**,** and the technical screening criteria established pursuant to that Regulation.’;	
(4) Article 29a is amended as follows:	
(a) in paragraph 1, the first subparagraph is replaced by the following:	
‘Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees, on a consolidated basis, during the financial year, shall include in the consolidated management report information necessary to understand the group’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group’s development, performance and position.’;	BE (Drafting suggestions): Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of [1000] employees, on a consolidated basis, during the financial year, **as defined in the national transposition of the accounting directive,** shall include in the consolidated management report information necessary to understand the group’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group’s development, performance and position. BE (Justifications): Same remark as Art. 19a We would like to keep [1000] between brackets for the time being, given the Belgian scrutiny reserve on this point. CZ

Presidency compromise text	Drafting suggestions and Justifications
	(Drafting suggestions): Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees **and net turnover of EUR 450 000 000**, on a consolidated basis, during the financial year, shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group's development, performance and position. DE (Drafting suggestions): 'Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees **and EUR 450 million net turnover**, on a consolidated basis, during the financial year, shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group's development, performance and position.'; DE (Justifications): See recital 5. ES (Drafting suggestions): ES: ~~'Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees, on a consolidated~~

Presidency compromise text	Drafting suggestions and Justifications
	~~basis, during the financial year, shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group's development, performance and position.';~~ ES (Justifications): ES: keep the current text of Article 29a(1), which refers to large groups. The proportionality provisions to published under a simplified framework would also be applicable to large groups. IT (Drafting suggestions): "Parent undertakings of a large group which, on their balance sheet dates, exceed, ~~the average number of 1000 employees,~~ on a consolidated basis, **the following thresholds:** **(i) net turnover: EUR 450 000 000;** **(ii) average number of employees during the financial year: 1000,** ~~during the financial year,~~ shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group's development, performance and position."; IT

Presidency compromise text	Drafting suggestions and Justifications
	(Justifications): The proposal is aimed at including in the CSRD scope all the large undertakings, but with a two fold system. 1. Large undertakings according to the EC proposal, with adjusted threshold of net turnover according to CS3D; and 2. Large undertakings which have more than 500 which do not exceed the thresholds for companies under no.1 (please see comments to article 29c below). SE (Justifications): **SE comments:** According to the proposal, the threshold should be measured as 1,000 employees on average during the financial year. For parent undertakings that are close to the threshold, it may be difficult to determine whether they will be required to report for a given financial year. A calculation based on the previous financial year or the two previous financial years is preferable as it provides for greater predictability.
(b) paragraph 3 is amended as follows:	
(i) the first subparagraph is replaced by the following:	FR (Drafting suggestions): ~~((i) the first subparagraph is replaced by the following:~~ **The last subparagraph is replaced by the following:** **"Undertakings may omit information when the disclosure of such information would be seriously prejudicial to the commercial position**

Presidency compromise text	Drafting suggestions and Justifications
	of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, position, and of the impact of its activity." FR (Justifications): According to articles 19a (3) and 29a (3) of the directive 2013/34/UE Member States can allow undertakings to avoid the publication of "information relating to impending developments or matters in the course of negotiation […] in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity". This amendment aims to ensure that the publication of sustainability information is not seriously prejudicial to the commercial position of businesses and therefore allow undertakings to omit such information as long as this omission does not prevent "a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity"
'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do	CZ (Drafting suggestions): Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group's own operations and about its value

Presidency compromise text	Drafting suggestions and Justifications
not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'; chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph. ES (Drafting suggestions): ES: 'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not **qualify as large undertakings** ~~exceed the~~

Presidency compromise text	Drafting suggestions and Justifications
	~~average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not **qualify as large undertakings** ~~exceed the average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'; ES (Justifications): ES: See explanation above about the scope FR (Drafting suggestions): ~~Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group's own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information~~

Presidency compromise text	Drafting suggestions and Justifications
	~~specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph~~ FR (Justifications): The Commission directive proposal defines the value chain cap by reference to the voluntary standard for SME (VSME). This provision is useful to limit the trickle-down effects of the CSRD. Yet the obligation for member States the ensure its application raises important issues regarding commercial and contractual freedom. Therefore, it is proposed to maintain the definition of the value chain cap by reference to the VSME but to delete the provisions related to its enforcement by member States. IT (Drafting suggestions): 'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group's own operations and about its **direct business partners in the** value chain~~, including its products and services, its business relationships and its supply chain~~. Member States shall ensure that, for the reporting of sustainability information as required by this

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	Directive, undertakings do not seek to obtain from **direct business partners** ~~undertakings in their value chain~~ - which, on their balance sheet dates, do not exceed ~~the average number of 1000 employees during the financial year~~ any information that exceeds the information specified in the standards ~~for voluntary use~~ referred to in Article **29b and Article** 29c~~a~~, **as applicable,** ~~a, except for additional sustainability information that is commonly shared between undertakings in the sector concerned~~. Undertakings that report the necessary value chain information **in accordance with the above** ~~without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned,~~ shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'; IT (Justifications): The proposal is aimed at aligning the information request (value chain cap) along the value chain with the new proposed scope of the directive. Furthermore, the proposal limits the information requirements to direct partners (i.e. tier 1 companies) consistently with CS3D provisions.
(ii) the following subparagraph is added:	

Presidency compromise text	Drafting suggestions and Justifications
'The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.';	
(c) **paragraph 8, second subparagraph, point (c) is replaced by the following:**	
'if the parent undertaking is established in a third country, the disclosures laid down in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council or in Article 19b and Article 29aa of this Directive, as applicable, covering the activities carried out by the subsidiary undertaking established in the Union and exempted from sustainability reporting on the basis of Article 19a(9) of this Directive, shall be included in the management report of the exempted parent undertaking, or in the consolidated sustainability reporting carried out by the parent undertaking established in a third country.'	ES (Justifications): ES: we can support this proposal
(d) **paragraph 9 is replaced by the following:**	LU (Justifications): **LU** We support the deletion of the limb reading "*with the exception of large undertakings which are public-interest entities defined in point (a) of point (1) of Article 2 of this Directive.*".
'The exemption laid down in paragraph 8 shall also apply to public-interest entities subject to the requirements of this Article'.	
(5) the following Article 29aa is inserted:	BE (Justifications): Scrutiny reservation on Art 29aa

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'Article 29aa	
Optional taxonomy reporting for certain parent undertakings	DE (Justifications): Scrutiny reservation
1. Member States shall ensure that~~, by way of derogation from Article 8 of Regulation (EU) 2020/852,~~ parent undertakings as referred to in Article 29a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000, on a consolidated basis, during the financial year shall apply the paragraphs 2, 3 and 4 of this Directive.	BG (Drafting suggestions): Member States shall ensure that~~, by way of derogation from Article 8 of Regulation (EU) 2020/852,~~ parent undertakings as referred to in Article 29a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000, on a consolidated basis, during the financial year shall apply the paragraphs 2, 3 and 4 of this ~~Directive~~ **Article**. BG (Justifications): BG Technical note. ES (Drafting suggestions): ES: 1. Member States shall ensure that, by way of derogation from Article 8 of Regulation (EU) 2020/852, parent undertakings as referred to in Article 29a(1) of this Directive which, on their balance sheet dates, do not exceed **the average number of 1000 employees** ~~a net turnover of EUR 450 000 000, on a consolidated basis,~~ during the financial year shall apply the paragraphs 2, 3 and 4 of this Directive.

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	ES (Justifications): ES: From a legal standpoint, we believe this provision should be introduced as a new Article 8a in Regulation (EU) 2020/852 rather than as a new article in this Directive. Substantively, we support aligning this threshold with the threshold of CSRD. The €450 million turnover threshold relates to the CSDDD, whose purpose fundamentally differs from that of the CSRD and the Taxonomy, as the latter two focus on reporting requirements. To ensure proportionality, it is logical to align the thresholds in CSRD and Taxonomy, allowing large undertakings with fewer than 1,000 employees to access both optional taxonomy reporting and simplified sustainability reporting standards. IT (Drafting suggestions): "Member States shall ensure that parent undertakings as referred to in Article 29a(1) of this Directive which **report applying the standards referred to in Article 29c**~~a , on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000, on a consolidated basis, during the financial year~~ shall apply the paragraphs 2, 3 and 4 of this Directive." SE (Drafting suggestions): SE suggests the following amendment:

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Presidency compromise text	Drafting suggestions and Justifications
	1. Member States shall ensure that~~, by way of derogation from Article 8 of Regulation (EU) 2020/852,~~ parent undertakings as referred to in Article 29a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000 during the financial year shall apply the paragraphs 2, 3 and 4 of this ~~Directive~~**Article**. SE (Justifications): **SE comments:** The same change that has been done in Article 19b should be done in this Article.
Article 8 of Regulation (EU) 2020/852 shall not apply to parent undertakings referred to in the first subparagraph.	BG (Justifications): **BG:** We acknowledge the proposed clarification in recital 6. However, we would prefer to ensure legal certainty in Article 19b. Therefore, in order to clarify further we suggest to be explicitly stated that the companies with net turnover below 450 million euro **which do not claim that their activities qualify fully or partially as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 are not obliged to report.** DE (Justifications): Welcome clarification SE (Justifications):

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Presidency compromise text	Drafting suggestions and Justifications
	SE comments: SE questions the appropriateness of making changes to the scope of application of Regulation (EU) 2020/852 through changes in the Directive. The ambition of the proposed regulatory simplifications is to ease the regulatory burden for undertakings and make the regulatory framework easier to understand. This proposal makes it difficult to understand the regulatory framework. Even if the Council Legal Service has stated that this proposal is possible from a legal point of view, SE is not supportive of this way of making the changes.
2. A parent undertaking as referred to in paragraph 1 that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 or with economic activities that fulfil only certain requirements of that provision shall include in its management report information on how and to what extent its activities are associated with those economic activities.	
3. In particular, a non-financial parent undertaking that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 shall disclose the following indicators:	
(a) the proportion of its turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation;	
(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	

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Presidency compromise text	Drafting suggestions and Justifications
A non-financial parent undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	
4. In particular, a non-financial parent undertaking that claims that its activities are associated with economic activities that fulfil only certain requirements of Article 3 of Regulation (EU) 2020/852 shall disclose the following indicators:	
(a) the proportion of its turnover derived from products or services associated with economic activities fulfilling only certain requirements of Article 3 of that Regulation;	
(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation;	
A non-financial parent undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation.	
5. The Commission shall adopt a delegated act in accordance with Article 49 of this Directive to supplement paragraphs 1, 2, 3 and 4 of this Article to specify the content and presentation of the information to be disclosed pursuant to those paragraphs, including the content of the information concerning economic activities that fulfil only certain of the criteria set out in Article 3 of Regulation (EU) 2020/852, and the methodology to be used in order to comply with them, taking into account **the delegated act adopted under Article 8(4) of that Regulation,** the	ES (Justifications): ES: please, provide some context about this change

Presidency compromise text	Drafting suggestions and Justifications
specificities of both financial and non-financial undertakings and the technical screening criteria established pursuant to this Regulation.’;	
(6) Article 29b is amended as follows:	CZ (Justifications): CZ has a general comment on the content of the standards. In our view, there should be a discussion on Article 29b in order to allow for a major revision of ESRS. The question is whether the Directive should reduce the information to be included in the standards. For example, removing the obligation to report information under scope 3, which increases the burden on many, especially small, companies. The Commission’s commitment to a significant revision of ESRS should be mentioned in this context. At the same time, the situation where undertakings report the same or similar information should be addressed, so that in this case they no longer have to provide such information and only need to refer to it At the working group we discussed the need for adjustment for certain sectors, e.g. the financial sector. Should Article 29b be amended in this context, particularly with regard to removal of sectoral standards? There should be also set out a framework for voluntary standards. NL (Justifications): The Netherlands does not support the deleting of paragraph 1, sixth subparagraph.

Presidency compromise text	Drafting suggestions and Justifications
	Although ensuring legal certainty wherever possible is highly important within the current simplification exercise, we need to stay responsive to feedback from preparers and users of sustainability information to make the reporting obligations set out for undertakings more efficient and meaningful wherever possible. In that regard, The Netherlands regards periodic evaluations to be an important part of the policy cycle and would like to discuss with the Chair whether this could be reconsidered.
(a) in paragraph 1, the third**,** ~~and~~ fourth **and sixth** subparagraphs are deleted;	ES (Justifications): ES: please, provide some context about this change
(b) in paragraph 4, first subparagraph, the last sentence is replaced by the following:	
'Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of1000 employees during the financial year any information that exceeds the information to be disclosed pursuant to the sustainability reporting standards for voluntary use referred to in Article 29ca.';	CZ (Drafting suggestions): Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees **and net turnover of EUR 450 000 000** during the financial year any information that exceeds the information to be disclosed pursuant to the sustainability reporting standards for voluntary use referred to in Article 29ca. ES (Drafting suggestions): ES: 'Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value

Presidency compromise text	Drafting suggestions and Justifications
	chain which, on their balance sheet dates, do not **qualify as large undertakings** ~~exceed the average number of1000 employees during the financial year~~ any information that exceeds the information to be disclosed pursuant to the **simplified** sustainability reporting standards ~~for voluntary use~~ referred to in Article 29ca.' ES (Justifications): ES: See explanation above about the scope and the explanation of the amendments proposed in Article 29ca. IT (Drafting suggestions): "Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from **direct business partners** ~~undertakings in their value chain~~ - ~~which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year, on their balance sheet dates, do not exceed the average number of1000 employees during the financial year~~ any information that exceeds the information to be disclosed pursuant to the sustainability reporting standards ~~for voluntary use~~ referred to in Article **29b and Article** 29c~~a~~**, as applicable**.'
(7) Article 29c is deleted;	
(8) the following Article 29ca is inserted:	IT (Drafting suggestions): Article 29ca should be deleted IT

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	(Justifications): In fact, mentioning the VSME in the directive may cause that such standards shall not qualify (anymore) as voluntary. Furthermore, their application along the value chain would confirm such interpretation, making – in fact – such standards applicable to many companies, without being them included in the scope. This may cause uncertainty: companies which are not obliged under CSRD to report on VSME may be suddenly requested to report once included in a value chain. This would require companies to organize adequately on urgency basis, with the relevant raise of costs and potential decrease in the quality of information. In this sense, we would support the deletion of article 29ca with a reintroduction of an amended version of article 29c (please see above), aimed at clarifying that mid-sized companies shall report sustainability information based on simplified standards, independently from their inclusion into a value chain. At the same time, once included in the value chain, they shall not be requested to provide further information other than those reported under the 29c. This will ensure certainty in application of the standards, simplification and reduction of costs for undertakings.

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'Article 29ca	IT (Drafting suggestions): Article 29c shall be amended as follows: "**Article 29c**
Sustainability reporting standards for voluntary use	CZ (Justifications): CZ general comment. We do not support general empowerment for voluntary standards, because we are not sure, whether such general wording is sufficient. We are concerned about a situation similar to ESRS where they are very detailed and have to be revised for that reason. We believe that there should be a framework for what information will be subject to voluntary standards. ES (Drafting suggestions): **ES: Simplified s~~S~~ustainability reporting standards ~~for voluntary use~~** IT (Drafting suggestions): **Simplified sustainability reporting ~~standards~~ obligations for ~~small and medium-sized~~ certain large undertakings**
1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1) **and to limit the information that may be requested from such**	ES (Drafting suggestions):

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undertakings for the purposes of this Directive, the Commission shall adopt a delegated act by [*4 months after entry into force of this Directive*] in accordance with Article 49 supplementing this Directive to provide for sustainability reporting standards for voluntary use by such undertakings.	ES: 1. ~~To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1), the~~ **The** Commission shall adopt a delegated act by [4 months after entry into force of this Directive] in accordance with Article 49 supplementing this Directive to provide for **simplified** sustainability reporting standards ~~for voluntary use by such undertakings~~. **These standards shall be used by those undertakings referred to in Articles 19a(1) and 29a(1) when their balance sheets do not exceed the average number of 1000 employees, on a consolidated basis, during the financial year. They may also be used on a voluntary basis by undertakings other than those referred to in Articles 19a(1) and 29a(1).** ES (Justifications): ES: This drafting proposal aligns with the purpose of the Commission's objective of applying simplified sustainability reporting standards to SMEs and to large undertakings with fewer than 1.000 employees. However, it differs by requiring large undertakings below 1.000 employees to publish a sustainability report, following these simplified reporting standards, while SMEs may publish this information voluntarily. A mandatory approach for all large undertakings upholds the original purpose of CSRD to provide key data points on sustainability-related matters on a broad scope of companies, while also helping companies manage compliance costs through a proportionate framework. With this proposal, barriers to business growth are avoided through a gradual approach: voluntary reporting with simplified standards for SMEs, mandatory reporting with simplified standards for large companies

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	with less than 1000 employees, and finally, a full framework with the ESRS for large companies exceeding 1000 employees. IT (Drafting suggestions): **Article 19a and 29a shall apply also to large undertakings and parent companies of large groups which, on their balance sheet dates, exceed the average number of employees during the financial year of 500 and meet (also on consolidated basis) a net turnover between 50 000 000 and EUR 450 000 000;** **1.** The Commission shall, by ~~30 June 2024~~ **31 December 2025**, adopt delegated acts in accordance with Article 49 supplementing this Directive to provide for sustainability reporting standards proportionate and relevant to the capacities and the characteristics **of companies under paragraph 1 of this Article - as well as to the scale and the complexity of the activities carried -** of ~~small and medium-sized~~ ~~of their activities~~. ~~Those sustainability reporting standards shall specify for the small and medium-sized undertakings referred to in point (1)(a) of Article 2 the information that is to be reported in accordance with Article 19a(6).~~ **Such standards shall not require more than 40 datapoints and it should at least include the data points financial intermediaries need to fulfill the obligations that apply to them, provided that the Commission shall include additional datapoints to be disclosed on voluntary basis.**

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	2. The reporting requirements laid down in the delegated acts referred to in the first subparagraph shall not enter into force earlier than four months after their adoption by the Commission. 3. **The** sustainability reporting standards for ~~small and medium-sized~~ large undertakings **referred into paragraph 1** shall take into account the criteria set out in Article 29b(2) to (5). They shall also, to the extent possible, specify the structure to be used to present that information. 4. The Commission shall, at least every three years after their date of application, review the delegated acts adopted pursuant to this Article, taking into consideration the technical advice of the EFRAG and, where necessary, it shall amend such delegated acts to take into account relevant developments, including developments with regard to international standards. IT (Justifications): The proposal is aimed at including in the CSRD scope all the large undertakings, but with a two fold system. 1. Large undertakings according to the EC proposal, with adjusted threshold of net turnover according to CS3D; and 2. Large undertakings which have more than 500 employees and a net turnover between 50 000 000 and EUR 450 000 000

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	Article 29c shall be reintroduced, requesting the EU Commission to approve delegated acts containing reporting standards extremely simplified, to be applied to medium sized undertakings. Such standard shall be drafted based on VSME and shall not enclose more than 40 data points, with a specific focus on those data points financial intermediaries need to fulfill the obligations that apply to them. SE (Justifications): **SE comments:** SE is in favour of limiting the information that reporting undertakings may obtain from undertakings in their value chain in accordance with the information required by the voluntary standard. SE does not mind if that information is specified in the delegated act. However, the Directive should not prevent parties from making an agreement, on a contractual basis, to provide and receive additional information. SE is of the opinion that undertakings always should be able to enter into voluntary agreements about sustainability information, regardless of the information that can be demanded in accordance with Article 19a(3). The proposed prohibition violates the fundamental principle of freedom of contract.
2. The sustainability reporting standards referred to in paragraph 1 shall be proportionate to and relevant for the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities. They shall also, to the extent possible, specify the structure to be used to present such sustainability information.’;	BE (Justifications): Scrutiny reservation. ES (Drafting suggestions):

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	ES: 2. The sustainability reporting standards referred to in paragraph 1 shall be proportionate to and relevant for the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities. **These standards shall prioritize quantitative information, define key performance indicators and may require different disclosures based on the undertaking's size, as categorized in article 3 of Directive 2013/34/EU, as well as the 1000-employee threshold for large undertakings.** They shall also, to the extent possible, specify the structure to be used to present such sustainability information **and follow a structure aligned with the sustainability reporting standards referred to in Article 29b**.'; ES (Justifications): ES: Provides further Level 1guidance on the simplified sustainability reporting standards by: - Prioritizing quantitative data points and the provision of key performance indicators - Allowing for an incremental approach in data provision, so that for example: o micro-undertakings report fewer data points than small undertakings o small undertakings report fewer data points than medium-sized undertakings o medium-sized undertakings report fewer data points than large undertakings below 1.000 employees - Ensuring that the simplified reporting standards and the ESRS follow aligned structures.

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	This guidance helps prioritize key data points and supports a phased approach, enabling companies to transition from simpler to more comprehensive disclosures as they grow.
(9) Article 29d is replaced by the following:	
'Article 29d	SK (Drafting suggestions): We consider the last sentences in paragraph 1 and 2 as superfluous and therefore they should be deleted.
Single electronic reporting format	
1. Undertakings subject to the requirements of Article 19a of this Directive shall prepare their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815* and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852~~,~~ **or Article 19b of this Directive, as applicable,** in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, undertakings shall not be required to markup their sustainability reporting.	CZ (Drafting suggestions): Undertakings subject to the requirements of Article 19a of this Directive shall ~~prepare~~ **publish** their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815* and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 or Article 19b of this Directive, as applicable, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, undertakings shall not be required to markup their sustainability reporting. CZ

Presidency compromise text	Drafting suggestions and Justifications
	(Justifications): The obligation should apply only to publication and not to preparation. It should also be linked to article 33. DE (Drafting suggestions): Undertakings subject to the requirements of Article 19a of this Directive shall ~~prepare~~ **publish** their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 or Article 19b of this Directive, as applicable, in accordance with the electronic reporting format specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, undertakings shall not be required to markup their sustainability reporting.
2. Parent undertakings subject to the requirements of Article 29a shall prepare their consolidated management report in the electronic reporting format specified in Article 3 of Delegated Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852~~,~~ **or Article 29aa of this Directive, as applicable,** in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, parent undertakings shall not be required to markup their sustainability reporting.;	CZ (Drafting suggestions): Parent undertakings subject to the requirements of Article 29a shall ~~prepare~~ **publish** their consolidated management report in the electronic reporting format specified in Article 3 of Delegated Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 or Article 29aa of this Directive, as applicable, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, parent undertakings shall not be required to markup their sustainability reporting.;

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	CZ (Justifications): The obligation should apply only to publication and not to preparation. It should also be linked to article 33.
_____	
* Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).’;	
(10) in Article 33, paragraph 1 is replaced by the following:	
‘1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted pursuant to Regulation (EC) No 1606/2002, with Delegated Regulation (EU) 2019/815, with the sustainability reporting standards referred to in Article 29b of this Directive, and with the requirements of Article 29d of this Directive:	
(a) the annual financial statements, the management report and the corporate governance statement when provided separately; and	

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(b) the consolidated financial statements, the consolidated management reports and the consolidated corporate governance statement when provided separately.	
By way of derogation from subparagraph 1, Member States **may provide** ~~shall ensure~~ that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, do not have collective responsibility for ensuring that the management report, or consolidated management report, where applicable, is prepared in accordance with Article 29d.’;	DE (Drafting suggestions): By way of derogation from subparagraph 1, Member States may provide that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, do ~~not~~ have collective responsibility for ensuring that the management report, or consolidated management report, where applicable, is ~~prepared~~ **published** prepared in accordance with Article 29d.’; DE (Justifications): The wording of the new derogation should take up the wording in para. 1 sentence 1 (“drawn up and published”). NL (Justifications): The Netherlands kindly asks the Presidency for the reasonings behind changing the wording to ‘may provide’. In our view this change could lead to less harmonisation between member states on how the handle the collective responsibility for ensuring that the management report, or consolidated management report is prepared according to article 29d of the CSRD.
(10a) In Article 33a(1), the first subparagraph is replaced by the following:	

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‘1. From 10 January 2028, Member States shall ensure that, when making public the management report, consolidated management report, including for both reports the information required in Article 8 of Regulation (EU) 2020/852 or in Articles 19b and 29aa of this Directive, as applicable, as well as the annual financial statements, consolidated financial statements, audit report, assurance report, sustainability reports concerning third-country undertakings and related assurance opinion, the statement referred to in Article 40a(2), fourth subparagraph, of this Directive, the report on payments to governments, and the consolidated report on payments to governments referred to in Article 30, Article 40d and Article 45 of this Directive, the undertakings referred to in Articles 19a, 29a and 40a of this Directive submit those statements and reports at the same time to the collection body referred to in paragraph 4 of this Article for the purpose of making them accessible on the European single access point (ESAP) established under Regulation (EU) 2023/2859 of the European Parliament and of the Council.’.	CZ (Drafting suggestions): ‘1. From 10 January 2028, Member States shall ensure that, when making public the management report, consolidated management report, including for both reports the information required in Article 8 of Regulation (EU) 2020/852 or in Articles 19b and 29aa of this Directive, as applicable, as well as the annual financial statements, consolidated financial statements, audit report, assurance report, sustainability reports concerning third-country undertakings and related assurance opinion, the statement referred to in Article 40a(2), fourth subparagraph, of this Directive, the report on payments to governments, and the consolidated report on payments to governments, **the report on income tax information** referred to in Article 30, Article 40d and Article 45 of this Directive, the undertakings referred to in Articles 19a, 29a and 40a of this Directive submit those statements and reports at the same time to the collection body referred to in paragraph 4 of this Article for the purpose of making them accessible on the European single access point (ESAP) established under Regulation (EU) 2023/2859 of the European Parliament and of the Council. CZ (Justifications): Is there any reason why report on income tax information under Chapter 10a is not included? ES (Justifications): ES: please, provide some context and explanation about this change.

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(11) Article 34 is amended as follows:	CZ (Justifications): CZ general comment: analysis is still ongoing.
(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:	
‘(aa) where applicable, express an opinion based on a limited assurance engagement as regards the compliance of the sustainability reporting with the requirements of this Directive, including the compliance of the sustainability reporting with the sustainability reporting standards adopted pursuant to Article 29b, the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards, and the compliance with the requirement to mark up sustainability reporting in accordance with Article 29d, and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 **or Articles 19b and 29aa of this Directive, as applicable**;’;	IT (Drafting suggestions): aa) where applicable, express an opinion based on a limited assurance engagement as regards the compliance of the sustainability reporting with the requirements of this Directive, including the compliance of the sustainability reporting with the sustainability reporting standards adopted pursuant to Article 29b **and Article 29c**, the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards, and the compliance with the requirement to mark up sustainability reporting in accordance with Article 29d, and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 or Articles 19b and 29aa of this Directive, as applicable;’;
(b) the following paragraph 2a is inserted:	
‘2a. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the obligation on undertakings not to seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for	ES (Drafting suggestions): ES_~~‘2a. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the obligation on undertakings not to seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the~~

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voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.’;	~~average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.’;~~ ES (Justifications): ES: This is more an obligation for the entity that should be dealt with in the ESRS. We do not see the content of this paragraph adequate for a Directive but instead its inclusion in the standards. Besides the conclusion issued by the assurance service provider has to consider whether the entity has fulfilled all the obligations it has in relation to the presentation of the sustainability information, highlighting this obligation for the entity in this respect in the Directive could create confusion. We therefore propose the deletion of this new paragraph. IT (Drafting suggestions): ‘2a. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the obligation on undertakings not to seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of **500**~~1000~~ employees during the financial year any information that exceeds the information specified in the standards **set out under Article 29b and 29c, as applicable** ~~for voluntary use referred to in Article 29ca~~, except for addi

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	SE (Justifications): **SE comments:** SE is in favour of limiting the information that reporting undertakings may obtain from undertakings in its value chain in accordance with the information required by the voluntary standard. However, the Directive should not prevent parties from making an agreement, on a contractual basis, to provide and receive additional information. SE is of the opinion that undertakings always should be able to enter into voluntary agreements about sustainability information, regardless of the information that can be demanded in accordance with Article 19a(3). The proposed prohibition violates the fundamental principle of freedom of contract. SE would also like to understand how undertakings are supposed to have knowledge of the number of employees of their business partners for every given year.
(12) in Article 40a, paragraph 1 is amended as follows:	
(a) the second subparagraph is replaced by the following:	
'The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive';	IT (Drafting suggestions): "The first subparagraph shall only apply to large subsidiary undertakings **which fall within the scope of Directive 2022/2464/UE** ~~as defined in Article 3(4) of this Directive~~;

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(b) the fourth and fifth subparagraphs are replaced by the following:	
'The rule referred to in the third subparagraph shall only apply to a branch where the third-country undertaking does not have a subsidiary undertaking as referred to in the first subparagraph, and where the branch generated a net turnover exceeding the threshold referred to in Article 3(4) point (b) of this Directive in the preceding financial year.	CZ (Drafting suggestions): The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive **which, on their balance sheet dates, exceed the average number of 1000 employees and net turnover of EUR 450 000 000**' CZ (Justifications): Under current provisions, a subsidiary falling within the scope of the first subparagraph of Article 19a(1) is required to publish a sustainability report of the third country undertaking. According to the proposal, however, there is no link between this provision and Article 19a(1).
The first and third subparagraphs shall only apply to the subsidiary undertakings or branches referred to in those subparagraphs where the third-country undertaking, at its group level, or, if not applicable, the individual level, generated a net turnover in the Union exceeding EUR 450 000 000 for each of the last two consecutive financial years.';	ES (Drafting suggestions): ES: The first and third subparagraphs shall only apply to the subsidiary undertakings or branches referred to in those subparagraphs where the third-country undertaking, at its group level, or, if not applicable, the individual level, generated a net turnover in the Union exceeding EUR ~~450~~ **150** 000 000 for each of the last two consecutive financial years. **When the third-country undertaking, at its group level, or, if not applicable, the individual level, generated a net turnover in the Union exceeding EUR 150 000 000 but not exceeding EUR 450 000 000, the**

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	information requirements under the first and third subparagraphs shall be met through the simplified sustainability reporting standards referred to in Article 29ca.' ES (Justifications): ES: To ensure a level playing field, the CSRD's scope for third-country undertakings remains as originally defined (€150 million net turnover). However, a proportionality provision is introduced for companies with a net turnover between €150 million and €450 million, requiring them to publish their sustainability report under a simplified standard, in line with Article 29ca.
(12a) in Article 48i(1), the second subparagraph is replaced by the following:	
'Until 6 January 2030, Member States shall permit the consolidated sustainability reporting referred to in the first subparagraph of this paragraph to include the disclosures laid down in Article 8 of Regulation (EU) 2020/852 or Articles 19b and 29aa of this Directive, as applicable, covering the activities carried out by all Union subsidiary undertakings of the parent undertaking referred to in the first subparagraph of this paragraph that are subject to Article 19a or 29a of this Directive.';	ES (Justifications): ES: please, provide some context and explanation about this change.
(13) Article 49 is amended as follows:	
(0a) in paragraph 2, first sentence, the reference to Article 29c is deleted;	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c

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(0b) in paragraph 3, first sentence, the reference to Article 29c is deleted;	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c
(0c) paragraph 3b is amended as follows:	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c
(i) in the first subparagraph, introductory wording, the reference to Article 29c is deleted;	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c
(ii) in the fourth subparagraph, the reference to Article 29c is deleted;	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c
(iii) in the sixth subparagraph, the reference to Article 29c is deleted.	IT (Drafting suggestions): To be coordinated with the re-introduction of article 29c
(a) the following paragraphs 3c to 3e are inserted:	
‘3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5) and 29ca shall be conferred on the Commission for an indeterminate period from *[date of entry into force of amending Directive]*.	IT (Drafting suggestions): ‘3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5) and 29c~~a~~ shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive].

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3d. The delegations of powers referred to in Articles 19b(5), 29aa(5) and 29ca may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	IT (Drafting suggestions): 3d. The delegations of powers referred to in Articles 19b(5), 29aa(5) and 29c~~a~~ may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
3e. The Commission shall gather all necessary expertise, prior to the adoption and during the development of delegated acts pursuant to Articles 19b(5) and 29aa(5), including through the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852.'; 	IT (Drafting suggestions): 3e. The Commission shall gather all necessary expertise, prior to the adoption and during the development of delegated acts pursuant to Articles 19b(5), ~~and~~ 29aa(5)~~,~~ **and Article 29c** including through the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852.';
(b) paragraph 5 is replaced by the following: 	
'5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29ca or 40b, or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.'.	IT (Drafting suggestions): A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29c~~a~~ or 40b, or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both

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	informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.'.
Article 3	
Amendments to Directive (EU) 2022/2464	
In Directive (EU) 2022/2464, Article 5(2) is amended as follows:	IT (Drafting suggestions): Article 5 shall be amended as follows:
(1) the first subparagraph is amended as follows:	IT (Drafting suggestions): (a) LU (Drafting suggestions): (1) the first subparagraph is amended as follows:
(a) ~~point (a) is deleted;~~**in point (a), the introductory text is replaced by 'for financial years starting between 1 January 2024 and 31 December 2026 inclusive:'**	BG (Justifications): **BG:** We would like to express our support for the proposal which in our view ensures legal certainty for the companies from the first wave. DE

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	(Drafting suggestions): **point (a) is deleted**;~~in point (a), the introductory text is replaced by 'for financial years starting between 1 January 2024 and 31 December 2026 inclusive:'~~ DE (Justifications): We prefer the original Commission proposal, see recital 18a IT (Drafting suggestions): ~~point (a) is deleted;~~in point (a), the introductory text is replaced by 'for financial years~~ starting between 1 January~~ 2024 ~~and 31 December 2026 inclusive:~~**'** IT (Justifications): Full ESRS shall be limited to 1st wave companies only to FY 2024 LU (Drafting suggestions): (a) **point (a) is deleted;** LU (Justifications): **LU** While we value the efforts towards providing more clarity for financial years 2025 and 2026 - especially in the light of the entry into force of

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	Directive (EU) 2025/794 ('stop-the-clock') - we do believe that the wording initially proposed by the Commission shall be reincluded. Although we appreciate that this would be transitional, keeping a reference to a 500 employees' threshold would deviate substantially from the overall reduction in scope for companies with more than 1000 employees generally envisaged by this proposal, thus enhancing the level of regulatory complexity. We believe that this is inconsistent with the spirit of overall simplification, which is the driving factor behind the Omnibus proposal. SE (Justifications): **SE comments:** SE cannot support PRES proposal. COM text, which is more beneficial for undertakings, should remain. As a compromise, SE can support that the first and third paragraphs of Article 5(2) in the CSRD are instead formulated as an option for MS, i.e. "2. Member States ~~shall~~ **may** apply the measures necessary to comply". As a last option, if PRES proposal regarding point (a) in the first and third paragraphs is adopted, SE is of the opinion that the exemption in paragraph five should be extended to financial year 2025. Even if the financial year 2025 has started, MS should have the ability to exempt undertakings from reporting for that year. The undertakings that want to report for financial year 2025 still have the possibility to do so according to the voluntary standards.

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(b) point (b) is amended as follows:	IT (Drafting suggestions): Point (b) is amended as follows: for financial years starting on or after 1 January 2025
(i) point (i) is replaced by the following:	
'(i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;';	IT (Drafting suggestions): to large undertakings which, on their balance sheet dates, exceed the average number of **500** ~~1000~~ employees during the financial year;'
(ii) point (ii) is replaced by the following:	
'(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees, on a consolidated basis, during the financial year;';	IT (Drafting suggestions): to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of **500** ~~1000~~ employees, on a consolidated basis, during the financial year;';
(c) point (c) is deleted;	ES (Drafting suggestions): ES: (c) point (c) is ~~deleted~~ **amended as follows:** **(c) for financial years starting on or after 1 January 2028:**

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	‘(i) to large undertakings other than those referred to in point (b)(i) of this subparagraph; **’(ii) to parent undertakings of a large group other than those referred to in point (b)(ii) of this subparagraph;** ES (Justifications): ES: proposal to adopt a sequenced approach, with application beginning in the 2027 financial year for large undertakings with more than 1,000 employees, and in the 2028 financial year for the remaining large undertakings.
(2) the third subparagraph is amended as follows:	LU (Drafting suggestions): (2) the third subparagraph is amended as follows:
(a) ~~point (a) is deleted;~~ **in point (a), the introductory text is replaced by ‘for financial years starting between 1 January 2024 and 31 December 2026 inclusive:’**	DE (Drafting suggestions): **point (a) is deleted;** ~~in point (a), the introductory text is replaced by ‘for financial years starting between 1 January 2024 and 31 December 2026 inclusive:’~~ DE (Justifications): See previous justification IT (Drafting suggestions):

Presidency compromise text	Drafting suggestions and Justifications
	in point (a), the introductory text is replaced by 'for financial years ~~starting between 1 January~~ 2024 ~~and 31 December 2026 inclusive:~~ LU (Drafting suggestions): (a) **point (a) is deleted**; LU (Justifications): **LU** While we value the efforts towards providing more clarity for financial years 2025 and 2026 - especially in the light of the entry into force of Directive (EU) 2025/794 ('stop-the-clock') - we do believe that the wording initially proposed by the Commission shall be reincluded. Although we appreciate that this would be transitional, keeping a reference to a 500 employees' threshold would deviate substantially from the overall reduction in scope for companies with more than 1000 employees generally envisaged by this proposal, thus enhancing the level of regulatory complexity. We believe that this is inconsistent with the spirit of overall simplification, which is the driving factor behind the Omnibus proposal.
(b) point (b) is amended as follows:	IT (Drafting suggestions): Point (b) is amended as follows:

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Presidency compromise text	Drafting suggestions and Justifications
	for financial years starting on or after 1 January 2025
(i) point (i) is replaced by the following:	
'(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings within the meaning of Article 3(4) of Directive 2013/34/EU which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;';	IT (Drafting suggestions): '(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings within the meaning of Article 3(4) of Directive 2013/34/EU which, on their balance sheet dates, exceed the average number of **500** ~~1000~~ employees during the financial year;'
(ii) point (ii) is replaced by the following:	
'(ii) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are parent undertakings of a large group which, on its balance sheet dates, exceed the average number of 1000 employees , on a consolidated basis, during the financial year;';	IT (Drafting suggestions): to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are parent undertakings of a large group which, on its balance sheet dates, exceed the average number of **500** ~~1000~~ employees , on a consolidated basis, during the financial year;';
(c) point (c) is deleted.	
(3) **The following fifth subparagraph is inserted:**	DE (Drafting suggestions): ~~(3) The following fifth subparagraph is inserted:~~ DE

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Presidency compromise text	Drafting suggestions and Justifications
	(Justifications): See above IT (Drafting suggestions): The proposed paragraph shall be deleted LU (Drafting suggestions): ~~**(3) The following fifth subparagraph is inserted:**~~
'By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial year starting between 1 January and 31 December 2026.'	BG (Drafting suggestions): **By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial years starting between 1 January 2025 and 31 December 2026. '** BG (Justifications): **BG:**

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	Regarding the proposed option for Member states in the fifth subparagraph, we support the provision of such option which aims at ensuring level playing field for first wave companies. We have expressed our concerns that large companies according to the current scope of CSRD with employees between 500 and 1000 would have to report only for a short time and then stop reporting. This would not be in line with the simplification efforts as these companies would bear an administrative burden which would not be justified. In our view, the provided exemption should be extended to include also and the financial year starting on or after 1 January 2025. We believe that extending the exemption would be in better alignment with this proposal's aim for simplification and burden reduction and would prevent unnecessary costs for those undertakings. For Member States which have transposed CSRD it is very important to ensure that companies are not subject to unjustified administrative burden, especially those that would fall out of the scope of CSRD. We acknowledge the fact that companies from wave 1 are gathering data necessary for the report. However, this data could be used also for voluntary reporting. CZ (Justifications): Although CZ supports opt-out for the first wave undertakings that have between 500 and 1 000 employees, this provision should have been part of stop the clock. Undertakings could already use the opt-out for 2025 reports. At the moment, it is not clear when the draft directive will be adopted and publish in the Official Journal. In addition, this provision needs to be transposed. The proposed transposition date is very short

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	given the uncertainty as when the Directive will be adopted and it is therefore questionable whether it will be realistic to use the opt-out at all. How, the CZ supports the intention. We do not understand why number of emplyees is related to the consolidated basis. Futhermore, it is not entirely clear to which Directive (AD or CSRD) the references to articles refer. DE (Drafting suggestions): ~~'By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial year starting between 1 January and 31 December 2026.~~ Alternatively, if our changes are not agreed upon: By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial year starting between 1 January and 31 December **2025**. DE

Presidency compromise text	Drafting suggestions and Justifications
	(Justifications): See recital 18a ES (Drafting suggestions): ES: (c) point (c) is ~~deleted~~ **amended as follows:** **(c) for financial years starting on or after 1 January 2028:** **'(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings within the meaning of Article 3(4) of Directive 2013/34/EU other than those referred to in point (b)(i) of this subparagraph;** **'(ii) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are parent undertakings of a large group other than those referred to in point (b)(ii) of this subparagraph;** ES (Justifications): ES: proposal to adopt a sequenced approach, with application beginning in the 2027 financial year for large undertakings with more than 1,000 employees, and in the 2028 financial year for the remaining large undertakings. LU (Drafting suggestions): ~~**'By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the**~~

Presidency compromise text	Drafting suggestions and Justifications
	~~**financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial year starting between 1 January and 31 December 2026.'**~~ LU (Justifications): **LU** This comment shall be read in conjunction with Luxembourg's comments under articles 3(1)(a) and 3(2)(a) above. We cannot support inclusion under article 3(3). Although we appreciate that this would be transitional, allowing Member States to derogate on an individual discretionary basis from the applicable number-of-employees threshold for waive one companies would ultimately lead to excessive market fragmentation and would substantially increase the level of legal uncertainty throughout the EEA for the reporting for financial year 2026. We believe that this is inconsistent with the spirit of overall simplification, which is the driving factor behind the Omnibus proposal. NL (Justifications):

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	The Netherlands strongly supports this article since it believes that this would provide clarity and ensures administrative burden reduction for these issuers in wave 1 that are already reporting under the CSRD while in the future they are likely no longer included in the scope of the CSRD. PT (Drafting suggestions): 'By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed the average number of 1000 employees, on a consolidated basis, where applicable, during the financial year, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial year**s** starting between 1 January **2024** and 31 December 202~~6~~.' PT (Justifications): To allow MS to exempt first wave companies from reporting and provide for voluntary disclosures for those that opt in.

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Presidency compromise text	Drafting suggestions and Justifications
Article 4	DE (Justifications): We broadly welcome the compromise text proposed by the POL Presidency. Overall, this corresponds to the aim of the Commission's omnibus to simplify the CSDDD through amendments without lowering the level of protection. Despite answers to some questions by the Presidency and the Commission, the questions that we have submitted in writing on the topics of "liability", "stakeholder involvement", "transition plan to mitigate climate change" and "scope of application to companies from third countries" continue to be relevant. Please continue to bear these questions in mind. Please also refer to the points below. Specific comments on the Presidency's proposed amendments are marked with "new". In all other respects, the CSDDD comments we submitted to the Presidency on 8 April 2025 remain applicable.
Amendments to Directive (EU) 2024/1760	
Directive (EU) 2024/1760 is amended as follows:	
(1) in Article 1(1), point (c) is replaced by the following:	CZ (Drafting suggestions): **(1a) Article 2 is amended as follows:** **(a) in paragraph 1, point (c) is deleted;** **(b) in paragraph 2, point (c) is deleted.**

Presidency compromise text	Drafting suggestions and Justifications
	(2) in Article 3(1), point (n) is replaced by the following: CZ (Justifications): During the last meeting of the WP, multiple Member states asked for alignment of scopes between CSRD and CSDDD. In order to align the scopes, it is necessary also to slightly change the scope of CSDDD and leave out companies that that entered into franchising or licencing agreements in return for royalties. In the sake of comfort, please see our justification for this step from the last round of comments below. The Commission proposed a change in the personal scope of the CSRD, in order to better align it with the personal scope of the CSDDD. However, it did not propose any changes to the personal scope of the CSDDD, even though a significant category of companies remains unaligned. According to Article 2(1)(c) and 2(2)(c) CSDDD, companies that entered into franchising or licencing agreements in return for royalties exceeding EUR 22 500 000, while maintaining a net worldwide turnover (or turnover in the Union) of at least 80 000 000 EUR per year, fall into the personal scope of the CSDDD. Originally introduced by the European Parliament as an anti-circumvention measure, these provisions were not reevaluated or significantly revised during the final stretches of the trilogue negotiations due to time constraints, even as the rest of the provisions on personal scope were completely overhauled. As a result, they do not align with the overall logic of the personal scope and create unjustified discrepancies between companies. Moreover, the inclusion of these provisions imposes a considerable administrative burden on both companies and national supervisory authorities. The data required to determine whether a company falls into

Presidency compromise text	Drafting suggestions and Justifications
	this category – specifically, information on royalties received from franchising or licensing agreements – is not readily accessible to supervisory authorities, nor are companies obliged to report it in an easily accessible form. This means that the Member States will either have to put up an obligation for all companies to report this data, and therefore significantly increase the administrative burden of all companies, not just those covered by the CSDDD, or selectively request it from companies that, based on other indicators, might fall within this category. Both approaches would increase administrative burden and regulatory uncertainty of companies, stakeholders, and supervisory authorities. Furthermore, the provisions lack clarity and may create significant uncertainties. For instance, only agreements entered into "in the Union" are to be considered. The precise meaning of this condition is unclear, as it could possibly encompass all agreements where the counterparty has its registered office in a Member State, agreements governed by the law of a Member State, or even agreements signed by the parties within the territory of a Member State. Any literal interpretation of this wording would lead to confusion and could open the door to circumvention - for example by subjecting the agreements to the US law. Additionally, the requirement that the agreements must ensure a common identity, a common business concept and the application of uniform business methods is also ambiguous and would require substantial effort to verify or contest. In order to attain the goal stated by the Commission and align the personal scopes of the CSRD and CSDDD, we propose to strike Article 2(1)(c) and 2(2)(c) out of CSDDD. This will not undermine the policy objectives of the CSDDD, as only a minor number of companies would fall into this category, while a significant administrative effort would be needed in order to identify them.

Presidency compromise text	Drafting suggestions and Justifications
‘(c) the obligation for companies to adopt a transition plan for climate change mitigation, including implementing actions which aim to ensure, through best efforts, compatibility of the business model and of the strategy of the company with the transition to a sustainable economy and with the limiting of global warming to 1,5 ºC in line with the Paris Agreement.’;	BE (Justifications): Belgium wishes to express a study reserve. Guidelines provided by the European Commission, based on the work already done by EFRAG, will be most welcome. DE (Justifications): 8/4/2025: See questions to Art. 22 below. FR (Drafting suggestions): ‘(c) the obligation for companies to adopt a transition plan for climate change mitigation **according to Directive 2013/34 Article 29a (2) (a) (iii) such as modified by Directive 2022/2464** ~~including implementing actions which aim to ensure, through best efforts, compatibility of the business model and of the strategy of the company with the transition to a sustainable economy and with the limiting of global warming to 1,5 ºC in line with the Paris Agreement.’;~~ FR (Justifications): To avoid requiring companies to adopt and publish different transition plans for each legislation (an issue that exists even beyond CSRD and CSDDD), it is necessary to completely harmonize requirements between CSRD and CSDDD. In this regard, it is important to clarify what is expected from companies reporting on their climate transitions plan according to the CSRD’s

Presidency compromise text	Drafting suggestions and Justifications
	ESRS. The regulation should not be prescriptive with regard to the GHG emissions reduction targets the company sets itself, while requiring a comparison with a benchmark trajectory aligned with the EU climate objectives. IT (Drafting suggestions): In the first place, Article 1 paragraph 1 lett. c) shall be deleted (following the proposed deletion of Article 22). As a secondary choice (if Article 22 is not deleted), Article 1 paragraph 1 lett. c) shall be amended as following: '(c) the obligation for companies to adopt a transition plan for climate change mitigation **and adaptation**, including implementing actions which aim to ~~ensure, through best efforts, compatibility of the business model and of the strategy of the company with the transition to a sustainable economy and with the limiting of global warming to 1,5 oC in line with the Paris Agreement.'~~ **tackle risks associated with climate change and the transition towards a lower-carbon economy**; IT (Justifications): The proposed amendment offers a definition of transition plan aiming to both climate change mitigation and adaptation.
(2) ~~in~~ Article 3(1) **is amended as follows:**~~;~~	

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(a) point (n) is replaced by the following:	
‘(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers’ representatives, and individuals or communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities;’;	BE (Justifications): Belgium wishes to express a study reserve. CZ (Drafting suggestions): ‘(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers’ representatives, and individuals or communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners ~~and the legitimate representatives of those individuals or communities~~;’; CZ (Justifications): In both the current and amended texts of the definition of stakeholders [Article 3(1)(n)], “legitimate representatives” of certain stakeholders are included. The inclusion of representatives in the definition of stakeholders is unsystematic and legally wrong, as it is the nature of representation that the representative is not affected himself or herself, but represents an affected person (or, for the purpose of CSDDD, affected community). It also raises the administrative burden of consultation for companies, as they will be forced to look for any possible legitimate representatives of the affected individuals or communities and include them in their consultations, even though they are not themselves affected and the affected communities might not even ask for their representation.

Presidency compromise text	Drafting suggestions and Justifications
	It should come without question that the stakeholders listed in the definition are entitled to the use of representation even without stating the fact in the definition itself. In an absurd turn of events, a legitimate representative of the affected individual or community might himself or herself appoint a representative to act on his or her behalf. This would trigger a circular reading of the provision, possibly even broadening it to many more persons than what was originally envisaged. DE (Justifications): 8/4/2025: We support the COM's proposal to simplify and specify the stakeholder consultation. However, companies should also be given a legally secure framework in order to be able to decide on which occasions they effectively involve which interest groups. FR (Drafting suggestions): (n) 'stakeholders' means the company's employees, the employees of its subsidiaries and of its **direct** business partners, and their trade unions and workers' representatives, and individuals or communities whose rights or interests are or could be directly affected by ~~the products, services and~~ operations of the company~~,~~ its subsidiaries and its **direct** business partners. ~~and the legitimate representatives of those individuals or communities;';~~ FR (Justifications): The suggested limitation in the stakeholders' list is done to reflect only the stakeholders directly reachable by the company covered by CSDDD. IT

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	(Justifications): Support both FR and CZ comments
(b) **the following point (w) is inserted:**	CZ (Drafting suggestions): ~~(b) the following point (w) is inserted:~~ FR (Drafting suggestions): *Delete all* FR (Justifications): *See below* NL (Drafting suggestions):]
'(w) 'plausible information' means information that objectively has a reasonable likelihood of being true.'	CZ (Drafting suggestions): ~~'(w) 'plausible information' means information that objectively has a reasonable likelihood of being true.'~~ CZ (Justifications): While we understand the urge to have the notion of plausible information clarified further, we fail to see the added value of a definition in the operative part of the text. The clarification proposed by the Presidency in

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	the recitals is sufficient in our view. It is not possible to define such a concept for every situation and every company, therefore any attempt to do so will only create other unclarities. FR (Drafting suggestions): *Delete all* FR (Justifications): "Plausible information" lacks a legal background and the suggested definition here is not helping to dispel confusion. Instead, the terms "objective and verifiable information" should be used, as this formulation already appears in Regulation "Deforestation" (EU) 2023/1115 (Article 2 (31) – Definitions), therefore bringing coherence between related regulations (Deforestation and CS3D) and helping to build legal background and certainty for companies applying them, which is also the goal pursued by the omnibus process.
(3) Article 4 is replaced by the following:	

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'Article 4	PT (Justifications): PT believes that, in the context of this Article 4 on the level of harmonisation, the internal market clause should be extended to cover other provisions of the Directive – namely the scope, definitions, all due diligence obligations, powers of supervisory authorities, prioritisation, transition plan requirements, and stakeholder engagement. This would help reduce fragmentation during the transposition phase, as several key provisions currently remain under minimum harmonisation.
Level of harmonisation	
1. Without prejudice to Article 1(2) and (3), Member States shall not introduce, in their national law, provisions within the field covered by this Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Articles 6 and 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14.	DE (Justifications): 8/4/2025: We welcome this provision as proposed by the COM. Germany is in favour of implementing the Directive as uniformly as possible in the member states.
2. Notwithstanding paragraph 1, this Directive shall not preclude Member States from introducing, in their national law, more stringent provisions diverging from those laid down in provisions other than Articles 6 and, 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14, or provisions that are more specific in terms of the objective or the field covered, including by regulating specific products, services or situations, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate.'; (4) Article 8 is amended as follows:	PT (Justifications): PT believes that this paragraph should be deleted (and Recital 31 adjusted accordingly), because the current wording may include language that contradicts the internal market clause and could encourage Member States to introduce additional rules during transposition. ES (Drafting suggestions):

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	ES: Article 8, Paragraph 2(a), is amended as follows: carry out a **scoping exercise** ~~mapping~~ to identify general areas **across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners** where adverse impacts are most likely to occur and to be most severe, **drawing on reasonably available information;** ES (Justifications): ES: Article 8, Paragraph 2(a) as currently written could incentivise companies to seek information from/on suppliers (entity-level information) which might not always be needed to identify risks, and which may not always be feasible (for example, on indirect suppliers in remote tiers of the supply chain). The suggested amendment aims to reduce burdens compared to the original CSDDD and omnibus wording, by: o Removing language that implies the scoping is at entity-level. o Making clearer that the requirement is a "scoping", based on "reasonably available" information. Using the term "scoping" is more straight-forward as it helps companies understand that it is not a comprehensive supply chain mapping requirement. Compared to our original suggestions, we re using the concept of 'reasonably available information' instead of 'readily available information. This addresses the Commission's concern that companies might miss many risks, because 'reasonably' implies that

Presidency compromise text	Drafting suggestions and Justifications
	companies have a responsibility to gather information that is reasonably available. This information could include audit data where that is already available to the company, but it could also include information that is publicly available or that can be obtained through sector initiatives they are part of or through existing stakeholder relationships such as a Global Framework Agreement with a trade union. 'Reasonably available information' could be defined with these examples in the recitals. ES is also open for other wordings of the text, for example changing the word 'scoping' back to 'mapping' in line with original CSDDD. These suggestions have the goal of strengthening the risk-based approach which aligns with previous comments submitted by other MS (BE, NL, CZ). ES also supports ideas of other MS that aim to strengthen the risk based approach and reducing the regulatory burden for companies (SE, PT, FI). IT (Justifications): We support LU drafting suggestion related to art. 8 paragraph 2 lett. a). "LU (Drafting suggestions): Article 8, paragraph (a) is amended as follows:

Presidency compromise text	Drafting suggestions and Justifications
	(a) map their own operations, those of their subsidiaries and, where related to their chains of activities, those of their **direct** business partners, in order to identify general areas where adverse impacts are most likely to occur and to be most severe; LU (Justifications): Coherence with proposed changes in Article 8 paragraph 2 (b) see below." We are open to consider, as suggested by ES and NL, the term scoping instead of mapping in line with the OECD approach NL (Drafting suggestions): Article 8, Paragraph 2(a), is amended as follows a) ~~map their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners, in order to~~ **carry out a scoping exercise** to identify general areas **across** their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners~~, in order to identify general areas~~ where adverse impacts are most likely to occur and to be most severe, **drawing on reasonably available information;** NL (Justifications):

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	In addition to below original justification, compared to our original amendment some changes are proposed: - using the concept of 'reasonably available information' instead of 'readily available information; This addresses the Commission's concern that companies might miss many risks, because 'reasonably' implies that companies have a responsibility to gather information that is reasonably available. This information could include audit data where that is already available to the company, but it could also include information that is publicly available or that can be obtained through sector initiatives they are part of or through existing stakeholder relationships such as a Global Framework Agreement with a trade union. 'Reasonably available information' could be defined with these examples in the recitals (replacing the definition of 'plausible information' which would become obsolete as a concept), or further defined in the text itself. - NL is also open for other wordings of the text, for example changing the word 'scoping' back to 'mapping' in line with original CSDDD. These suggestions have the goal of strengthening the risk-based approach which aligns with previous comments submitted by other MS (BE, ES, CZ). NL also supports ideas of other MS that aim to strengthen the risk based approach and reducing the regulatory burden for companies (SE, POR, FIN).

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	Original justification: The proposed mapping requirement risks being interpreted as a comprehensive supply chain mapping at entity-level, rather than a general, overarching scoping exercise as envisaged under the international standards. This entity-level focus also flows into the requirements for in-depth assessments and could incentivise companies to seek information from/on suppliers (entity-level information) which might not always be needed to identify risks, and which may not be (for example, on indirect suppliers in remote tiers of the supply chain). Amendment aims to reduce burdens compared to original CSDDD and omnibus wording, by: - Remove language that implies the scoping is at entity-level. - Make clearer that the requirement is a "scoping", based on "readily available" information, of general areas where adverse impacts are likely to occur and to be severe. Using the term "scoping" is more straight-forward as it helps companies to understand that it is not a comprehensive supply chain mapping requirement. - Introduce alternative language for paragraph 2(a) to clarify that a prioritization process follows the scoping, and aims to identify a limited number of impacts that are most severe and most likely to occur, for further assessment under para 2(b). PT (Justifications):

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	The Omnibus proposal attempts to devise a system by which due diligence is mainly carried out on companies' own operations, their subsidiaries, and on direct business partners. However, the proposed wording creates unnecessary complexity (e.g., by adding new and ambiguous concepts, such as 'plausible information') and seems to move away from the risk-based approach across the supply chain inspired by international standards, which enables companies to focus resources on the most severe impacts. Mapping and identification of risks under Article 8(1) should continue to be a risk-based-approach type of exercise for both the mapping and in-depth assessment regarding the due diligence activities. It should not mean identifying every single risk nor checking every single entity in a chain of activities, even where it concerns Tier 1 only. Moreover, applying due diligence to business partners already covered by the CSDDD – who are subject to higher compliance standards – is a significantly different process (implies lower risks), as acknowledged in Recital 41 of the current CSDDD text. In addition, legal clarity is necessary when it comes to hard legal requirements subject to sanctions and liability. PT supports the drafting suggestions made by NL. FI (Justifications): FI: We have some reservations concerning the solution proposed in the Article 8 where we feel the is rather mechanical by nature and shifts the focus away from a risk-based approach. For us it is important that the solution we take does not de facto increase the administrative burden on companies in the scope and that the

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	companies are able to meet their obligations in a practical and appropriate manner. We could support amending the text in a way that would increase the clarity on the risk-based nature and take us closer in alignment to OECD guidelines. *FI can support ideas and proposals of other MS which aim to strengthen the text in terms of risk-based approach and reducing regulatory burden for companies (SE, PT, NL, ES, CZ).*
(a) in paragraph 2, point (b) is replaced by the following:	CZ (Drafting suggestions): **(a) in paragraph 1, point (a) is replaced by the following:** **'(a) map their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners, in order to identify general areas where adverse impacts are most likely to occur and to be most severe, drawing on reasonably available information;';** (a**a**) in paragraph 2, point (b) is replaced by the following: CZ (Justifications): During the last meeting of the WP, multiple Member States asked for further amendments of Article 8 to follow more risk-based approach in the phase of identification. We propose a possible solution to this issue which, we believe, goes in the same direction as the written contributions of BE, ES and NL, supported during the last meeting of the WP by at least FI, PT and SE.

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	In order to simplify the process of identification of adverse impacts, we propose that the mapping exercise is based solely on "reasonably available information". After this change, companies falling under the scope would still be obliged to carry out a broad mapping exercise but without the necessity to demand information from their business partners. Firstly, this would reduce the administrative burden on the business partners of companies falling under the scope which is fully in line with the goals of the proposed Directive. Secondly, it would be fully in line with the idea of a broad mapping exercise taken as a first step. During such mapping exercise, it is not necessary to go as deep as during the in-depth assessment. The goal is to identify where the adverse impacts may be, and which areas or business partners are riskier. It does not have to be so precise that the company would need exact data from the business partners. See the closely linked proposed change in para 5. SE (Justifications): **SE comments**: SE is positive about changes of the due diligence requirements that would make it easier to implement those, for both the large companies that are in scope of CS3D and the smaller once which are not in scope but that will be affected by the requirements since they are part of the chain of activity of companies in scope. However, SE is not convinced that the amendments proposed by COM will lead to the intended simplification and SE has a similar concern about the PRES compromise text. SE believes that the general risk-based approach should be preserved, and that it is better to make amendments that clarifies that the first stage of the

Presidency compromise text	Drafting suggestions and Justifications
	risk identification (i.e. the mapping) should be about a broad scoping exercise using information that can easily be obtained and does not require a comprehensive entity-level assessment and that the second stage (i.e. the in-depth assessment) should be about further assessing areas where adverse impacts were identified to be most likely to occur and most severe. SE is in favour of amending article 8 paragraph 2 points (a) and (b) in line with the previous drafting suggestions submitted by NL and ES, which (as a consequence) would include deletion of the new article 8.2.a.
‘(b) based on the results of the mapping as referred to in point (a), carry out and in-depth assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners, in the areas where adverse impacts were identified to be most likely to occur and most severe.’;	BE (Drafting suggestions): Belgium attaches a particular attention to high-risk sectors. BE (Justifications): Belgium would like to reduce the administrative burden of European companies by aligning the work regarding due diligence more with the existing international practices and standards focusing on high risk sectors, and thus allowing them to focus on where they can have an impact, rather than a bureaucratic “tick the box” exercise. This would also align more closely to the initial legitimate policy objectives of the Directive. In order to help companies in this exercise, dedicated guidelines from the European Commission would be most welcome. ES

Presidency compromise text	Drafting suggestions and Justifications
	(Drafting suggestions): ES: (b) ~~based on the results of the mapping referred to in point (a),~~ carry out ~~and in-depth assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners,~~ **further assessment**, in the areas where adverse impacts were identified to be most likely to occur and most severe. **Further assessment may focus on, for example, a geographical context, sector, product, service, business partner or group of business partners**. ES (Justifications): ES: The omnibus proposal's focus on own activities and TIER1 diverts from the risk-based approach, with the risk of creating more burdens (both for in-scope companies and TIER 1 suppliers) whilst creating less impact. Usually, risks that are to be addressed by this Directive will be beyond TIER 1 in the chain of activities. Therefore, our perception is that focusing due diligence resources on TIER 1 is not an efficient approach. Moreover, there is a risk of circumvention, and with that, of supervisory authorities' resources going into investigation thereof (which is a different type of supervision than due diligence supervision). In addition to that, there is a risk of mismatch with companies' current practice based on international standards, and misalignment with other

Presidency compromise text	Drafting suggestions and Justifications
	EU and national legislations with a due diligence component based on the international standards. There is also less clarity as a result of the introduction of the concept of 'plausible information'. We find it easier to base all in-depth assessment in the same information obtained in the 'scoping' exercise provided in paragraph 2, point (a), instead of using that exercise for TIER 1 only, and relying on 'plausible information' for indirect business partners, as this would: • Risk resulting in a reactive approach to 'plausible information' and risk identification instead of the desired proactive one. • Involve different approaches/practices to treat direct and indirect partners, adding complexity and confusion for affected companies. The suggested amendments aim to limit administrative burdens compared to original CSDDD wording, and provide more flexibility for companies in performing the in-depth assessment, based on the remaining information needs following the general scoping exercise. It is also clarified that such information may not necessarily be at an entity level, which sometimes could be extremely difficult to attain (for example, reaching individual small producers in remote layers of the chain of activities). Instead, areas for such further assessment may include business partners, but could also be based in a geographical context, sector, product, service, or group of business partners. ES is open to change the wording of 'further assessment' into 'in-depth assessment' in line with current CSDDD.

Presidency compromise text	Drafting suggestions and Justifications
	While not included in the suggestions, we are open for proposals to amend article 9 on prioritisation, to clarify that companies can always prioritize (not only 'if not feasible to bring all adverse impact to an end'). If combined with the risk-based approach in line with our suggestions for article 8, this reduces the administrative burden for companies and creates legal certainty. Also open for suggestions to clarify: - that companies should address impacts that are prioritized (not necessary to address all impacts that are identified). - that prioritization as such is subject to supervision by supervisory authority. However, any amendments to article 9 and 10 should be combined with amendments to article 8 to reintroduce the risk-based approach and remove the reliance on 'plausible information'. Furthermore, it would be worthwhile to explore whether the terms 'scoping' and 'mapping' could be defined in the text to avoid diverging interpretations NL (Drafting suggestions): (b) based on the results of the mapping as referred to in point (a), carry out ~~and in-depth assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners,~~ **further assessment** in the areas where adverse impacts were identified to be most likely to occur and most severe. **Further assessment may focus on, for example, a geographical context, sector, product, service, business partner or group of business partners.** NL

Presidency compromise text	Drafting suggestions and Justifications
	(Justifications): NL is open to change the wording of 'further assessment' into 'in-depth assessment' in line with current CSDDD. Proposed changes aim at simplifying the text, whilst keeping the risk-based approach and flexibility for companies. Original justification: The omnibus proposal's focus on own activities and tier 1 diverts from the risk based approach, with the risk of creating more burdens (both for in-scope companies and tier 1 suppliers) whilst creating less impact. Other risks include circumvention and with that supervisory authorities' resources going into investigation thereof (which is a different type of supervision than due diligence supervision), mismatch of companies' current practice based on international standards, and misalignment with other EU and national legislations with a due diligence component based on the international standards. And unclarity as a result of the introduction of the concept of 'plausible concept'. Amendments aim to limit administrative burdens compared to original CSDDD wording whilst addressing issues of omnibus proposal. Amendments provide more flexibility for companies in performing the in-depth assessment, based on the remaining information needs following the general scoping exercise. While not included in the suggestions, we are open for suggestions to amend article 9 on the prioritisation, to clarify that companies can always prioritize (not only 'if not feasible to bring all adverse impact to an end').

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
	If combined with the risk-based approach in line with our suggestions for article 8, this reduces the administrative burden for companies and creates legal certainty. Also open for suggestions to clarify: - that companies should address impacts that are prioritized (not necessary to address all impacts that are identified). - that prioritization as such is subject to supervision by supervisory authority. However, any amendments to article 9 and 10 should be combined with amendments to article 8 to reintroduce the risk-based approach and remove the reliance on 'plausible information'. Furthermore, it would be worthwhile to explore whether the terms 'scoping' and 'mapping' could be defined in the text to avoid diverging interpretations.
(b) the following paragraph 2a is inserted:	ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to amendments above
'2a. Where a company has**, or can be reasonably expected to know of,** plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or **have a reasonable prospect of arising**~~may arise~~, it shall carry out an in-depth assessment. The company shall always carry out such an assessment where the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified.	BE (Justifications): Scrutiny reservation on the wording. CZ (Drafting suggestions): '2a. Where a company has~~, or can be reasonably expected to know of,~~ plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or have a reasonable prospect of arising, it shall carry out an in-depth assessment. ~~The~~

Presidency compromise text	Drafting suggestions and Justifications
	~~company shall always carry out such an assessment where the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified.~~ ALTERNATIVELY: '2a. Where a company has~~, or can be reasonably expected to know of,~~ plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or have a reasonable prospect of arising, it shall carry out an in-depth assessment. The company shall always carry out such an assessment where **it has plausible information that** the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). ~~Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified.~~ CZ (Justifications): The suggested inclusion of words "or can be reasonably expected to know of" would in our opinion go against the set goal of simplification. We are worried that it would create even more uncertainty in the identification phase, leading to unwarranted actions by some companies, worsening the trickle-down effect. If the concept of plausible information should remain, we prefer the original wording.

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	On the other hand, we support the clarification regarding the arising of the adverse impact. Regarding the other two sentences, we remain at our former position and ask for those to be deleted. Concerning the anti-circumvention measure, we again propose an alternative solution using the concept of plausible information, if there will not be sufficient support for a full deletion. Please see the justifications we submitted the last time below. The third sentence is superfluous and would create avoidable problems in the transposition phase. The company within the scope has to go beyond tier 1 in two cases – (i) it has plausible information about the adverse impacts bellow the tier 1, (ii) it knows (there is no limit to the knowledge, e.g. that it believes or has plausible information) that the indirect nature of relationship is "the result of an artificial arrangement that does not reflect economic reality but point to a circumvention". CZ believes that the second requirement is too strict and unrealistic for the companies within the scope. How can the company be certain that the sole reason for its business partners to be organised in some form of groups of companies is to circumvent the due diligence obligations? That there is no economic reason for such an arrangement? The company could be held liable if it makes an incorrect judgment. The requirement on companies goes in our view too far, companies are not supervisory authorities and do not have the same resources. Also, if the company should be certain, it will often require some information from the business partner, broadening its administrative burden.

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	As regards the deletion of the last sentence, it is absolutely unnecessary. The same applies for the adverse impacts that are identified during the in-depth assessment according to para 2, point (b). ALTERNATIVELY Instead of deletion of the whole sentence, it could be reformulated to require less certainty from the company, potentially using the notion of the "plausible information". DE (Justifications): 8/4/2025: We generally welcome the graduated approach to risk analysis with regard to direct and indirect business partners, as proposed by the COM. We are familiar with this approach from the German Act on Corporate Due Diligence in Supply Chains. It is important that - compared to the Act on Corporate Due Diligence in Supply Chains - a more restrictive understanding of the graduated approach does not prevail. ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to amendments above ES (Justifications): ES: Using 'plausible information' as a trigger for requiring in-depth assessment may weaken the ability and flexibility of companies to prioritise/deprioritise risks. Having to react to such information could

Presidency compromise text	Drafting suggestions and Justifications
	reduce predictability for companies and force them to address issues reactively. They could also be forced to focus their in-depth assessment efforts on issues that they would not otherwise prioritise under a risk-based approach. The plausible information criterion could also potentially distort incentives for companies, business partners and stakeholders related to gathering information that might trigger in-depth assessment beyond direct business partners. This could include a distorting effect on practices of covered companies related to stakeholder engagement, complaints mechanisms, and sustainability disclosures. Moreover, the concept of 'plausible information' creates new ambiguities for companies as to when this criterion is fulfilled FR (Drafting suggestions): 2a. Where a company ~~has, or can be reasonably expected to know of, plausible information~~ **collects or receives objective and verifiable information** ~~that suggests~~ that adverse impacts at the level of the operations of an indirect business partner have arisen or have a reasonable prospect of arising, it shall carry out an in-depth assessment. The company shall always carry out such an assessment where the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified. FR (Justifications):

Presidency compromise text	Drafting suggestions and Justifications
	The suggested modifications represent a major pushback to simplification and the objective to limit verifications to tier-1 business partners as, in practice, they shall lead to a significant extension: the initial CSDDD had a risk-based approach only. With the current version, the verifications would be compulsory for tier-1 and risk-based for the others, which is a clear complexification. The following changes are then requested: 1. The information that a company "has" is subject to various interpretations, it then suggested to precise how the company has access to this information to avoid misinterpretation. 2. Adding "can be reasonably expected to know of" is bringing unnecessary confusion and is subject to interpretation for its legal understanding. 3. Plausible information" lacks a legal background Instead, the terms "objective and verifiable information" should be used, as this formulation already appears in Regulation "Deforestation" (EU) 2023/1115 (Article 2 (31) – Definitions), therefore bringing coherence between related regulations (Deforestation and CS3D) and helping to build legal background and certainty for companies applying them, which is also the goal pursued by the omnibus process. 4. The wording "that suggests" may also be interpreted as it's difficult to assess how an information "suggests". IT (Drafting suggestions): , We concur with FR on replacing "has" with "collects and receives".

Presidency compromise text	Drafting suggestions and Justifications
	We also propose to include after "plausible information" this : "understood as a reasonable indication based on objective, reliable, and verifiable information," LV (Drafting suggestions): Latvia maintains a general scrutiny reservation. ~~**Article 8 (2a)**~~ ~~LV has concerns that the formulation of paragraph 2a may deviate from the Directive's simplification objective. The obligation to act based on the presence or reasonable expectation of plausible information about indirect business partners, as well as the identification of artificial structures, could introduce legal uncertainty and require companies to assess and document not only what they know, but also what they *should have known*. This may result in a higher administrative burden than a purely risk based approach. LV is concerned that this provision, if not clearly framed, could increase~~

Presidency compromise text	Drafting suggestions and Justifications
	~~companies exposure under Articles 27 and 29, especially in cases where expectations regarding available information are unclear or disputed.~~ LV (Justifications): **Article 8 (2a)** LV has concerns that the formulation of paragraph 2a may deviate from the Directive's simplification objective. The obligation to act based on the presence or reasonable expectation of plausible information about indirect business partners, as well as the identification of artificial structures, could introduce legal uncertainty and require companies to assess and document not only what they know, but also what they *should have known*. This may result in a higher administrative burden than a purely risk based approach. LV is concerned that this provision, if not clearly framed, could increase companies exposure under Articles 27 and 29, especially in cases where expectations regarding available information are unclear or disputed.

Presidency compromise text	Drafting suggestions and Justifications
	LU (Drafting suggestions): Where a company has, or can be ~~**reasonably**~~ expected to know of, plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or have a reasonable prospect of arising, it shall carry out an in-depth assessment. The company shall always carry out such an assessment where the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified. LU (Justifications): **LU** Given the notion of 'reasonably' as part of the definition of 'plausible information', there would be no need to repeat 'reasonably' in the context of knowing the information. PT (Justifications): The new Article 8(2a) provides that in the case of "plausible information" that suggests adverse impacts beyond Tier 1, the company should conduct an in-depth assessment. This amounts to a Tier 1+ approach to due diligence. We have reservations both on the introduction of the new concept of "plausible information" as well as on the consequences

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	following such information. The risk-based approach should also apply when there is a need to go beyond Tier 1, meaning that the focus should be on the most severe and relevant risks, rather than every single risk, in the relevant parts of the chain of activities (e.g. relevant sector, product, service and/or specific geographical areas), and not at the level of every single indirect business partner linked to the company's activities. In practice, the following is suggested: i) Amend Article 8 to clarify that the risk-based approach also applies to the mapping of risk and in-depth assessments, even at the level of direct business partners; ii) Avoid introducing new concepts such as "plausible information"; if a specific concept to trigger going beyond Tier-1 is to be used, such a concept should not require an in-depth assessment on all indirect business partners, and the risk-based approach must continue to apply; iii) Make sure the future guidelines to be issued by the Commission will provide clear and simple guidance on what is needed/expected from companies when applying a risk-based approach. PT supports the drafting suggestions made by NL.
The first subparagraph ~~is without prejudice to the company considering available information about indirect business partners and whether those business partners can follow the rules and principles set out in the company's code of conduct when selecting a direct business partner.~~ **does not limit in any way a company's rights or obligations in cases where it does not have plausible information as referred to in that subparagraph. In particular, it does not prevent the company from considering available information about indirect business partners when selecting direct business partners.'**	CZ (Drafting suggestions): ~~The first subparagraph does not limit in any way a company's rights or obligations in cases where it does not have plausible information as referred to in that subparagraph. In particular, it does not prevent the company from considering available information about indirect business partners when selecting direct business partners.'~~ CZ (Justifications):

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	The changes made by the Presidency are more acceptable than the wording proposed by the Commission. However, we still prefer to delete the provision altogether. The obligations of companies falling under the scope when selecting its business partners are not part of the identification process, thus should not be in Article 8. If the aim of the new text is to affirm the companies of their possibilities, it would be sufficient to put it into a recital. We propose the corresponding changes in the recital 21. DE (Drafting suggestions): ~~The first subparagraph is without prejudice to the company considering available information about indirect business partners and whether those business partners can follow the rules and principles set out in the company's code of conduct when selecting a direct business partner.~~ **~~does not limit in any way a company's rights or obligations in cases where it does not have plausible information as referred to in that subparagraph. In particular, it does not prevent the company from considering available information about indirect business partners when selecting direct business partners.'~~** **The first subparagraph is without prejudice to the company considering** **available information about indirect business partners and whether those** **business partners can follow the rules and principles set out in the company's** **code of conduct when selecting a direct business partner.**

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
	DE (Justifications): NEW: we reject the amendment proposed by the Presidency to Article 8 (2a) subpara 2. The Presidency's proposal, which is more vague than the Commission's proposal, would lead to legal ambiguity. We therefore propose retaining the original Commission proposal on Article 8 (2a) subpara 2. ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to amendments above FR (Drafting suggestions): The first subparagraph does not limit in any way a company's rights or obligations in cases where it does not have **objective and verifiable** ~~plausible~~ information as referred to in that subparagraph. In particular, it does not prevent the company from considering available information about indirect business partners when selecting direct business partners.'
~~Notwithstanding the first subparagraph, i~~**I**rrespective of whether ~~plausible information is available about indirect business partners~~**the first paragraph applies**, a company ~~shall seek contractual assurances from~~ **may request that** a direct business partner ~~that that business partner will ensure~~ **creates expectations of** compliance with the company's code of	CZ (Drafting suggestions): ~~Notwithstanding the first subparagraph, irrespective of whether plausible information is available about indirect business partners, a company shall seek contractual assurances from a direct business partner that that~~

Presidency compromise text	Drafting suggestions and Justifications
conduct by ~~establishing corresponding contractual assurances from~~ **communicating corresponding requests to** ~~its~~ **the company's indirect** business partners**, together with requests to inform the company of adverse impacts and any measures taken to address them. Where the company makes such a request, it shall provide the support referred to in** Article 10(2), points~~ (b) and~~ (e)**, where relevant** ~~shall apply accordingly~~. **This subparagraph is without prejudice to Article 10(2)(b), Article 10(4), Article 10(5), Article 11(3)(c), Article 11(5) and Article 11(6).**';	~~business partner will ensure compliance with the company's code of conduct by establishing corresponding contractual assurances from its business partners. Article 10(2), points (b) and (e) shall apply accordingly.';~~ CZ (Justifications): Even though the changes proposed by the Presidency are going in the right direction by changing the obligation of companies into a possibility of companies, we would still strongly support the deletion of the whole subparagraph. We have doubts whether this subparagraph is in line with the goal of the proposed Directive to simplify the duties stemming from the CSDDD. Irrespective of the current wording as a possibility of companies, it still creates new obligations for the companies. We need to keep in mind that the same obligation is already provided for in Articles 10 and 11 as confirmed by the Commission during the meeting of the WP. Therefore, we do not see any reason for keeping it in this subparagraph. DE (Justifications): **NEW: We take a critical view of Article 8 (2a) 3 insofar as the measures described there relate to preventive measures that are based on the risk analysis pursuant to paragraph 2 of that Article. In this respect, we request clarification of the wording of the provision.** If, in light of the risk disposition, the use of codes of conduct is necessary in principle, it should be noted that existing supply contracts must be protected by the principle of legitimate expectations. ES

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	(Drafting suggestions): ES: Deletion of this paragraph. ES (Justifications): ES: We are in favour of eliminating the obligation to create a contract chain with the companies' codes of conduct, as it could be too complex for small suppliers to comply with different codes of conduct simultaneously. This notwithstanding, we believe it preferable to delete the paragraph as a whole, so as to simplify the text and avoid confusion. IT (Drafting suggestions): The third subparagraph of paragraph 2a of Article 8 shall be replaced by the following: "**Notwithstanding the first subparagraph, irrespective of whether plausible information is available about indirect business partners, a company shall seek contractual assurances from a direct business partner that that business partner will ensure compliance with the company's code of conduct by establishing corresponding contractual assurances from its business partners. Article 10(2), points (b) and (e) shall apply accordingly.';**" IT (Justifications): We believe the proposed amendments regarding the request for expectations to the business partner concerning compliance with the company's code of conduct are critical, given that the grant of

Presidency compromise text	Drafting suggestions and Justifications
	expectations lacks juridical effect and risks impairing the effectiveness and scope of the provision at hand.
(c) paragraph 4 is replaced by the following:	
'4. Where information necessary for the in-depth assessment provided for in paragraph 2, point (b), and in paragraph 2a can be obtained from different business partners, the company shall prioritise requesting such information, where reasonable, directly from the business partner or partners where the adverse impacts are most likely to occur.';	ES (Drafting suggestions): ES: 4. Where information necessary for the ~~in-depth~~ **further** assessment provided for in paragraph 2, point (b), ~~and in paragraph 2a can~~ **cannot** be obtained from ~~different business partners,~~ **existing and/or secondary data sources**, the company ~~shall prioritise requesting~~ **may seek to obtain** such information, where reasonable**,** directly from **the** business partner or partners where the adverse impacts are most likely to occur. **Information may be sought individually or collaboratively.** ES (Justifications): ES: The suggested amendment recognizes that in many contexts it will not be possible or effective to engage directly with those business partners that are closest to the impact. In many situations, it will be more effective to engage with other entities in the supply chain and/or assess risk at a more general level before engaging at an entity-level.
(d) the following paragraph 5 is added:	
'5. Member States shall ensure that, for the **purposes of** mapping provided for in paragraph 2, point (a), companies **only** ~~do not seek~~ **request** ~~to obtain~~ information from direct business partners **where that information is necessary and, in case of direct business partners with**	CZ (Drafting suggestions): '5. Member States shall ensure that, for the purposes of ~~mapping~~ **in-depth assessment** provided for in paragraph 2, point **(b)**~~(a)~~, companies

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fewer than 1 000 employees, cannot reasonably be obtained by other means. ~~with fewer than 500 employees that exceeds the information specified in the standards for voluntary use referred to in Article 29a of Directive 2013/34/EU~~.	only request information from direct business partners where that information is necessary and, in case of direct business partners with fewer than 1 000 employees, cannot reasonably be obtained by other means. CZ (Justifications): We support the proposal of the Presidency to limit the information requests made by companies in scope in respect to their business partners. We propose further amendments contributing to the protection of SMEs from trickle-down effect. This proposal follows the logic of the paragraph 2, point a) as proposed above. For the mapping exercise, it would be sufficient to draw only on reasonably available information. The company within the scope should require the information from its business partners only in the phase of in-depth assessment. As a first step, companies should require only some of the information according to the commented provision. If the changes of para 2, point a) proposed by us or other similarly minded Member States won't be supported, we propose as an alternative solution to extend the provision to both phases of identification – mapping and in-depth assessment. ES (Drafting suggestions): ES: 5. Member States shall ensure that, for the ~~mapping~~ **further assessment** provided for in paragraph 2, point **(b)** ~~(a)~~, companies do not seek to obtain information from ~~direct~~ business partners with fewer than

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	500 employees that exceeds the information ~~specified in the standards for voluntary use~~ referred to in Article ~~29a~~ **29ca** of Directive 2013/34/EU. ES (Justifications): ES: clarify that any limitations on entity-level information requests are tied to para 2(b), not the generalized scoping in para 2(a). With the amendments we propose, the scoping exercise in para 2(a) should already be understood not to be entity based, but restricted to reasonably available information. IT (Drafting suggestions): "Member States shall ensure that, for the **purposes of** mapping provided for in paragraph 2, point (a), companies **only** ~~do not seek~~ **request** ~~to obtain~~ information from direct business partners **where that information is necessary and, in case of direct business partners with fewer than 1 000 employees, cannot reasonably be obtained by other means** ~~with fewer than 500~~ **1000** ~~employees that~~ **and provided that it does not** exceed~~s~~ the information specified in the standards for voluntary use referred to in Article ~~29a~~**29ca** of Directive 2013/34/EU." LU (Drafting suggestions): '5. Member States shall ensure that, for the purposes of mapping provided for in paragraph 2, point (a), companies only request information from direct business partners where that information is necessary **for the**

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	mapping and, in case of direct business partners with fewer than 1 000 employees, cannot reasonably be obtained by other means. LU (Justifications): **LU** Wording included for the sake of better clarity. SE (Justifications): **SE comments**: SE is still concerned that this provision may limit the contractual freedom of companies and would like to understand the Presidency's and the Commission's view on that. Could it be clarified in recitals that ***the intention not is to hinder an agreement between two undertakings on contractual basis regarding sustainability information***? SE would also like to understand how companies will know the number of employees of their business partners from time to time.
The guidelines issued under Article 19(1) on the identification process shall include guidance in respect of the first subparagraph.	CZ (Justifications): We would like to hear examples from the Presidency of the envisaged content of the guidelines. It is not clear how could the Commission ever envisage all possible scenarios and provide guidance on requesting the information by every company in the scope from every direct or indirect business partner. DE

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	(Justifications): NEW: We welcome the Presidency's proposal to regulate further details on the request for information pursuant to Article 8 (5) within the framework of the guidelines pursuant to Article 19 (1).
~~By way of derogation to the first sub-paragraph, where additional information is necessary for the mapping provided for in paragraph 2, point (a), in light of indications of likely adverse impacts or because the standards do not cover relevant impacts, and where such additional information cannot reasonably be obtained by other means, the company may seek such information from that business partner.';~~	ES (Drafting suggestions): ES: By way of derogation to the first sub-paragraph, where additional information is necessary for the ~~mapping~~ **further assessment** provided for in paragraph 2, point (~~a~~**b**), in light of indications of likely adverse impacts or because the standards do not cover relevant impacts, and where such additional information cannot reasonably be obtained by other means, the company may seek such information from that business partner. **The company shall exercise restraint, prioritise using publicly available sources, including where applicable the information specified in the standards for voluntary use referred to in Article 29ca of Directive 2013/34/EU, and make best efforts to obtain information through collective action, including through the use of industry or multistakeholder initiatives and stakeholder consultation.** ES (Justifications): ES: This amendment ensures that unreasonable requests are not imposed on SMEs, by clarifying that companies may use stakeholder engagement, collective initiatives (including industry initiatives) and, where applicable, information published through the VSME standard.

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	This provides a more flexible and adaptive approach than the one advanced by the Omnibus proposal, by clearly giving companies the flexibility to choose appropriate sources of information and clarifying that restraint is to be exercised when the business partner is an SME.
(5) in Article 10, paragraph 6 is replaced by the following:	LV (Justifications): ~~**Articles 10 (6) (b) and 11 (7) (b)**~~ ~~LV can support the IT drafting suggestion to qualify the term "suspension of the business relationship" with the word "temporary." LV agrees with the rationale that this clarifies that the suspension is intended as a time limited measure and not one that leads to de facto termination.~~
'6. As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall, as a last resort~~,~~ **and until the impact is addressed**:	CZ (Justifications): The proposed change is superfluous, but we could accept it in the spirit of the compromise. DE (Justifications): 8/4/2025: We are open to the new concept as proposed by the COM, which refrains from terminating a business relationship and instead provides for a suspension. We understand the provision to mean that the primacy of human rights should continue to apply in the same way.

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	IT (Drafting suggestions): '6. As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall, as a last resort~~,~~ **and until the impact is addressed**: LU (Drafting suggestions): '6. As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall, as a last resort, and until the impact is addressed **by mitigation measures**: LU (Justifications): **LU** Wording included for the sake of better clarity.
(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	
(b) where the law governing its relation with the business partner concerned so entitles it, ~~adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed~~ **suspend the business relationship with respect to the activities**	IT (Drafting suggestions): (b) where the law governing its relation with the business partner concerned so entitles it, ~~adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided~~

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concerned, including with a view to using or increasing its leverage, and	~~that there is a reasonable expectation that those efforts will succeed~~ **temporary** suspend the business relationship with respect to the activities concerned, including with a view to using or increasing its leverage, and IT (Justifications): The proposed amendment preserves the effectiveness of the provision by specifying that the suspension shall be temporary, so that it does not result in a de facto termination. In fact, the provision aims to offer a leverage tool to the company for finding a solution with the business partner to address the adverse impact. If it lasted forever, it would lose its function. LV (Justifications): **Articles 10 (6) (b) and 11 (7) (b)** LV can support the IT drafting suggestion to qualify the term "suspension of the business relationship" with the word "temporary." LV agrees with the rationale that this clarifies that the suspension is intended as a time limited measure and not one that leads to de facto termination.
(c) ~~use or increase its leverage through the suspension of the business relationship with respect to the activities concerned.~~ **adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed.**	EE (Justifications): **Art 4 (5)** – *amendment of CSDDD art 10 (6)*: - Art 10(6) (c): it is not clear, what is the impact of this proposal. It seems to add another obligation of adopting and implementing an action plan and it is not clear how this contributes to easing the application of CSDDD and accompanying administrative burden.

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As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not ~~trigger~~ **expose** the company~~'s~~ **to penalties pursuant to Article 27 or to** liability **under Article 29**.	IT (Drafting suggestions): As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not trigger expose the company's to penalties pursuant to Article 27 or to liability under Article 29. **Adequate consideration shall be given of the company's efforts and the existence of external factors that could hinder the fulfillment of the enhanced prevention action plan**
Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	FR (Drafting suggestions): Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision. **By way of derogation, the company shall not be required to completely suspend the business relationship in cases where available alternative to that business relationship, that provides a raw material, product or service essential to the company's production of goods or provision of services, does not exist.** FR

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	(Justifications): A derogation to the suspension requirements is added to consider strategic industries with a limited number of business partners located in specific areas and providing very rare products or services and for which there is no realistic alternative. IT (Drafting suggestions): Support FR proposal to introduce **By way of derogation, the company shall not be required to completely suspend the business relationship if no alternative compatible with its business model exists for the provision of a raw material, product, or service essential to its production of goods or provision of services**"
Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	
Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	
Where the company decides not to suspend the business relationship pursuant to this Article, it shall monitor the potential adverse impact and periodically assess its decision and whether further appropriate measures are available.'; (6) in Article 11, paragraph 7 is replaced by the following:	EE

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	(Justifications): **Art 4 (6) –** *amendment of CSDDD art 11(7):* - Art 11(7)(c): please see the previous comment regarding art 10(6)(c).
'7. As regards actual adverse impacts as referred to in paragraph 1 that could not be ~~prevented or adequately mitigated~~ **brought to an end or the extent of which could not be minimised** by the measures set out in paragraphs 3, 5 and 6, the company shall, as a last resort **and until the impact is addressed**:	CZ (Justifications): The proposed change at the end of the provision is superfluous, but we could accept it in the spirit of the compromise. DE (Justifications): 8/4/2025: See above comment on Article 10 para 6 IT (Drafting suggestions): '7. As regards actual adverse impacts as referred to in paragraph 1 that could not be ~~prevented or adequately mitigated~~ **brought to an end or the extent of which could not be minimised** by the measures set out in paragraphs 3, 5 and 6, the company shall, as a last resort **and until the impact is addressed**:
(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	
(b) where the law governing its relation with the business partner concerned so entitles it, **suspend the business relationship with respect to the activities concerned, including with a view to using or increasing its leverage** ~~adopt and implement an enhanced prevention~~	IT (Drafting suggestions): (b) where the law governing its relation with the business partner concerned so entitles it, ~~adopt and implement an enhanced prevention~~

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~~action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed~~ and	~~action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed~~ **temporary** suspend the business relationship with respect to the activities concerned, including with a view to using or increasing its leverage, and IT (Justifications): The proposed amendment preserves the effectiveness of the provision by specifying that the suspension shall be temporary, so that it does not result in a de facto termination. In fact, the provision aims to offer a leverage tool to the company for finding a solution with the business partner to address the adverse impact. If it lasted forever, it would lose its function. LV (Justifications): **Articles 10 (6) (b) and 11 (7) (b)** LV can support the IT drafting suggestion to qualify the term "suspension of the business relationship" with the word "temporary." LV agrees with the rationale that this clarifies that the suspension is intended as a time limited measure and not one that leads to de facto termination.
(c) **adopt and implement a corrective action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed** ~~use or increase its leverage through the suspension of the business relationship with respect to the activities concerned.~~	
As long as there is a reasonable expectation that the enhanced ~~prevention~~ **corrective** action plan will succeed, the mere fact of continuing to engage	IT

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with the business partner shall not ~~trigger~~ **expose** the company~~'s~~ **to penalties pursuant to Article 27 or to** liability **under Article 29**.	(Drafting suggestions): As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not trigger the company's liability. **Adequate consideration shall be given of the company's efforts and the existence of external factors that could hinder the fulfillment of the enhanced prevention action plan**
Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	CZ (Drafting suggestions): Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be ~~prevented or adequately mitigated~~ **brought to an end or the extent of which could not be adequately minimised**. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision. CZ (Justifications): Minor change to correct a technical mistake in the proposal.
Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	
Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the	

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suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	
Where the company decides not to suspend the business relationship pursuant to this Article, it shall monitor the ~~potential~~ **actual** adverse impact and periodically assess its decision and whether further appropriate measures are available.’;	
(7) in Article 13, paragraph 3 is amended as follows:	DE (Justifications): 8/4/2025: We support the Commission’s proposal to simplify and specify the stakeholder consultation. However, companies should also be given a legally secure framework in order to be able to decide on which occasions they effectively involve which interest groups. Question: Why were precisely these measures deleted from Article 13 para. 3?
(a) the introductory wording is replaced by the following:	
‘Consultation of relevant stakeholders shall take place at the following stages of the due diligence process:’;	
(b) points (c) and (e) are deleted;	FR (Drafting suggestions): (b) points (c), **(d)** and (e) are deleted; FR (Justifications):

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	(d) "when adopting appropriate measures to remediate adverse impacts pursuant to Article 12;" should be deleted as remediation actions are often negotiated bilaterally with the affected / potentially-affected people or entity. Involving third parties automatically could complexify the process and would not always be at the benefit of the affected / potentially-affected people or entity.
(8) in Article 15, the second sentence is replaced by the following:	DE (Justifications): 8/4/2025: We welcome the extension of the inspection interval for regular effectiveness checks and, in return, the appropriate organisation of the obligation to carry out ad hoc checks on an ad hoc basis. ES (Drafting suggestions): ES: Deletion of this paragraph LV (Justifications): ~~**Article 15**~~ ~~LV joins the MS who have asked for more information regarding the administrative burden of a 5 year reporting cycle and why a 3 year cycle would be considered significantly less burdensome. The length of the~~

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	~~reporting interval in Article 15 should be clearly justified and linked coherently to other procedural elements within the Directive.~~
'Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every ~~5~~ **3** years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.';	BE (Justifications): Belgium has a positive scrutiny reservation regarding the direction of the Presidency proposal. CZ (Drafting suggestions): 'Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every **5** ~~3~~ years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.'; CZ (Justifications): We respectfully disagree with the proposed change as we prefer the text tabled by the Commission. As the obligation to carry out an assessment after every significant change remains, no harm will be done by keeping the obligatory period longer. On the contrary, every assessment carried out only due to the lapse of the time period (and therefore without any significant change occurring) represent administrative burden that can be avoided and should therefore be as limited as possible.

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	EE (Justifications): **Art 4 (8) –** *amendment of CSDDD art 15:* - Estonia is in favour of keeping the assessment period of 5 years (as proposed by the Commission in the Omnibus I text). ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to the changes above. ES (Justifications): ES: Regular assessments help verify whether prevention and mitigation plans are working and allow for the timely identification of new risks. An annual assessment would be aligned with reporting obligations (such as the CSRD) and can help ensure that due diligence remains a continuous rather than a one-off exercise. Therefore, we propose maintaining the annual assessment. FR (Drafting suggestions): 'Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every **5** ~~3~~ years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.';

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	FR (Justifications): The main justification for reducing to 3 years is the administrative burden created for companies when having to update their plan every five years, whereas a more frequent exercise would create less burden. From our consultations with the companies covered, this administrative burden would not be different and the reduction would not represent a simplification. It is therefore recommended to maintain the five-year period. LV (Justifications): **Article 15** LV joins the MS who have asked for more information regarding the administrative burden of a 5 year reporting cycle and why a 3 year cycle would be considered significantly less burdensome. The length of the reporting interval in Article 15 should be clearly justified and linked coherently to other procedural elements within the Directive. LU (Drafting suggestions): 'Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every ~~3~~5 years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.';

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	LU (Justifications): **LU** We request to revert to original proposal, which in our view is more in line with the overall spirit of simplification.
(9) in Article 19, paragraph 3 is replaced by the following:	DE (Justifications): 8/4/2025: Germany's businesses need clarity and planning security as soon as possible. From our own experience, we would like to point out that there is already a lot of good guidance concerning the international due diligence frameworks of the UN and OECD. These frameworks and the corresponding guidance have been used by companies for many years. The CSDDD is based on these frameworks. Our national authority BAFA has also already published guidance on our national supply chain law. We have received very good feedback on this from the companies. The BAFA's guidance is also based on the experience that the BAFA has been continuously gathering for over two years as part of its dialogue-based control approach. We would be happy to provide you with a collection of these documents.
'3. The guidelines referred to in paragraph 2, point (a), shall be made available by 26 July 2026, those referred to in paragraph 2, points (d) and (e), by 26 January 2027, and those referred to in paragraph 2, points (b), (f) and (g), by 26 July 2027.';	
(10) in Article 22(1), the first subparagraph is replaced by the following:	DE (Justifications):

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	8/4/2025: Questions: Will the cancellation of the implementation obligation have an impact on the EU's climate targets, and if so, in what way? Has the COM already looked into the possibilities of standardising the different definitions and implementation obligations for climate action plans in the various sustainability dossiers and thus ensuring that companies do not have to draw up and implement several divergent climate plans?
'Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c), and Article 2(2), points (a), (b) and (c), adopt a transition plan for climate change mitigation, including implementing actions, which aim to ensure, through best efforts, that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil- and gas-related activities.';	FR (Drafting suggestions): 'Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c), and Article 2(2), points (a), (b) and (c), adopt a transition plan for climate change mitigation, **according to Directive 2013/34 Article 29a (2) (a) (iii) such as modified by Directive 2022/2464, and make reasonable efforts to implement it.** FR (Justifications): To avoid requiring companies to adopt and publish different transition plans for each legislation (an issue that exists even beyond CSRD and CSDDD), it is necessary to completely harmonize requirements between CSRD and CSDDD and reintroduce the necessity to implement this transition plan, with the precision that it should be made through "reasonable efforts" which clarifies the obligation of means behind this concept ("best efforts" being subject to interpretation between a simple obligation of means / a reinforced obligation of means and in some cases an obligation of results.

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	In this regard, it is important to clarify what is expected from companies reporting on their climate transitions plan according to the CSRD's ESRS. The regulation should not be prescriptive with regard to the GHG emissions reduction targets the company sets itself, while requiring a comparison with a benchmark trajectory aligned with the EU climate objectives. IT (Drafting suggestions): In the first place, Article 22 shall be deleted, together with recital 73, Article 1 paragraph 1 lett. c), Article 6 paragraph 3, Article 19 paragraph 2 lett. b) and Article 36 paragraph 2 lett. e). As a secondary choice, Article 22 paragraph 1 shall be replaced by the following: **"Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c), and Article 2(2), points (a), (b) and (c), adopt a climate-related transition plan. ~~for climate change mitigation, including implementing actions, which aim to ensure, through best efforts, that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil- and gas-related activities.';~~ A climate-**

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	related transition plan is part of an entity's overall strategy, outlining targets, actions including implementing actions, and resources needed to address climate change risks and facilitate the transition to a lower-carbon economy. **The design of the transition plan for climate change mitigation and adaptation referred to in the first subparagraph shall contain:** **(a) quantifiable targets and processes to monitor and address the financial risks arising in the short, medium and long term from environmental factors, including those arising from the process of adjustment and from transition trends in the context of the relevant regulatory objectives. Such quantifiable targets and processes to address the financial risks referred to in lett. a) of the second subparagraph of this paragraph shall consider the latest reports and measures prescribed by the European Scientific Advisory Board on Climate Change, in particular in relation to the achievement of the climate targets of the Union;** **(b) time-bound targets related to climate change for 2030 and in five-year steps up to 2050 based on conclusive scientific evidence and, where appropriate, absolute emission reduction targets for greenhouse gas for scope 1, scope 2 and scope 3 greenhouse gas emissions for each significant category;** **(c) a description of decarbonisation levers identified and key actions planned to reach the targets referred to in point (b);**

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	(d) an explanation and quantification of the investments and funding supporting the implementation of the transition plan for climate change mitigation and adaptation; **(e) a description of the role of the administrative, management and supervisory bodies with regard to the transition plan for climate change mitigation and adaptation; and** **(f) a description of the implementing actions.** **Where the undertaking does not adopt the abovementioned transition plan or some of it components, it shall provide a clear and reasoned explanation for not doing so."** Article 24 paragraph 1. shall be amended as follows: "1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in the provisions of national law adopted pursuant to Articles 7 to 16 ~~and Article 22~~." Article 25 paragraph. 1 shall be amended as follows: "1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to require companies to provide information and carry out

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	investigations related to compliance with the obligations set out in Articles 7 to 16. ~~Member States shall require the supervisory authorities to supervise the adoption and design of the transition plan for climate change mitigation in accordance with the requirements provided for in Article 22(1).~~" IT (Justifications): Transition plans are a cross-sectorial matter, regarding not only disclosure obligations but having also prudential effects and repercussions. It follows that their regulation shall be coordinated, precise and result in a cost-effective instrument for companies, in order to ensure that transition plans are well implemented and reach their objectives. We believe that the current proposal of article 22 of the CS3D does not reach the above-mentioned goals, leaving the regulation of transition plans still unclear and mis-coordinated. In order to ensure that this may not turn into an excessive burden on companies (especially on those operating in the energy sector, which shall be considered sensitive at the light of the recent geopolitical events), we propose to delete article 22 from the CS3D text proposal, in order to be more comprehensively discussed and treated with a coordinated approach among different EU rule on the matter (i.e CSRD, CRD VI, Solvency II). Only as a second best options, we propose the following amendments providing for a more targeted content of the transition plans and a "comply or explain" approach. In particular, the proposed wording

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	encompasses both climate change mitigation and adaptation aspects, thereby aligning and streamlining existing prudential and non-prudential EU requirements related to transition plans. Additionally, the proposal suggests removing the reference to the 1.5°C target. Given the current absence of a sufficiently robust and widely recognised science-based methodology to assess the consistency of individual plans with the 1.5°C scenario, the current provision would pose significant operational challenges for companies. Furthermore, in the absence of a supporting regulatory framework, a "comply or explain" approach could serve as a more effective incentive for market participants, while also ensuring sufficient flexibility for undertakings to tailor their transition efforts to the specific needs and realities of their business activities. We also propose amendments to Article 24 paragraph 1 and Article 25 paragraph 1 (see infra) aim to allow supervisory authorities to sufficiently prepare to carry out such meaningful supervision tasks with a more consistent regulatory framework. PT (Drafting suggestions): Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c) and Article 2(2), points (a), (b) and (c), adopt a transition plan for climate change mitigation, ~~**including implementing actions, which aim to ensure**~~, through ~~**best efforts**~~ **reasonable efforts**, **to ensure** that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement and the objective of achieving climate neutrality as established in Regulation

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	(EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil- and gas-related activities.'; PT (Justifications): Regarding the two proposed changes, PT considers the following: i) We propose deleting the reference to "implementing actions", as it is redundant. The adoption of a transition plan implies that such "implementing actions" will be undertaken. ii) The expression "best efforts" should be replaced with "reasonable efforts" in Article 1 (1), point (c) and 22 (1) of the CSDDD to establish a more realistic standard of conduct for companies. Both proposed changes aim to facilitate the interpretation of these obligations by companies.
(11) in Article 27, paragraph 4 is replaced by the following:	IT (Drafting suggestions): Article 27 paragraph 2. shall be amended as follows: "2. In deciding whether to impose penalties and, if such penalties are imposed, in determining their nature and appropriate level, due account shall be taken of: (a) the nature, gravity and duration of the infringement, and the severity of the impacts resulting from that infringement; (b) any investments made and any targeted support provided pursuant to Articles 10 and 11; (c) any collaboration with other entities to address the impacts concerned;

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	(d) where relevant, the extent to which prioritisation decisions were made in accordance with Article 9; (e) any relevant previous infringements by the company of the provisions of national law adopted pursuant to this Directive found by a final decision; (f) the extent to which the company carried out any remedial action with regard to the subject matter concerned; (g) the financial benefits gained or losses avoided by the company due to the infringement; (h) any other aggravating or mitigating factors applicable to the circumstances of the case concerned~~.~~**;** **(i) whether the company has already been sanctioned for the infringement of a provision of national law establishing an obligation referred to in Articles 16 (2) and 22 (2).**" Article 27 paragraph 4 shall be replaced by the following: **"4. The Commission, in collaboration with Member States, shall issue guidance to assist supervisory authorities in determining the level of penalties in accordance with this Article. Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.**

Presidency compromise text	Drafting suggestions and Justifications
	IT (Justifications): The proposed amendment to Article 27 paragraph 2 aims to avoid possible overlaps with other legislation (such as the CSRD) at the sanctions level (e.g., those related to transition plans and the disclosure of due diligence obligations). The proposed replacement of Article 27 paragraph 4 aims not to limit supervisory authorities in the assessment of the amount of the penalties in accordance with the criteria set out in Article 27 paragraph 2. FI (Justifications): FI: On Article 27 the proposed compromise text on how and when the pecuniary penalties are imposed is more coherent than the provision we have now in the CS3D. Combined with the upcoming guidance from the Commission this could make the overall sanctions framework more consistent.
'4. The Commission, in collaboration with Member States, shall issue guidance to assist supervisory authorities in determining the level of penalties in accordance with this Article. Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.';	EE (Justifications): **Art 4 (11) –** *amendment of CSDDD art 27 (4):* - Estonia would prefer keeping the 5% threshold as set in the current text of CSDDD. - The proposed wording of art 27(4) in the PRES compromise text does not seem to be the same as it is in the current text of CSDDD. We would like to hear additional explanation about the differences

Presidency compromise text	Drafting suggestions and Justifications
	in the meaning of two wordings of art 27(4) in current and in PRES compromise text. - Estonia does not support the Commission's initial proposal in the Omnibus I to remove the minimum threshold for the maximum amount of financial penalties (5% of the company's worldwide turnover) from the text of the Directive. o Replacing the specific amount with the European Commission's so-called sentencing guidelines (the content of which is currently unknown) leaves it unclear how to properly transpose the Directive into Estonian law and creates a fertile ground for infringement proceedings. o Estonia also does not support the fragmentation of criminal law and the blurring of sentencing principles that an EU-level sentencing guideline would inevitably entail. FR (Drafting suggestions): '4. The Commission, in collaboration with Member States, shall issue guidance to assist supervisory authorities in determining the level of penalties **and harmonize this amount across Member States' supervisory authorities** in accordance with this Article. Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.'; FR (Justifications):

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	In order to avoid forum shopping due to the different levels of penalties across Member States, it is suggested that the Commission carries out the necessary work to harmonize the practices. LV (Drafting suggestions): ~~**Article 27 (4)**~~ ~~LV would appreciate clarification regarding Article 27 (4) of the Directive. While the first part of the provision states that MS must not set a maximum limit on pecuniary penalties that would restrict supervisory authorities, the second part appears to establish a fixed maximum limit of 5% of the company's net worldwide turnover. LV would like to understand whether COM sees any contradiction between these two provisions and, if not, how they should be interpreted together to ensure correct transposition.~~ LV (Justifications): **Article 27 (4)** LV would appreciate clarification regarding Article 27 (4) of the Directive. While the first part of the provision states that MS must not set a maximum limit on pecuniary penalties that would restrict supervisory

Presidency compromise text	Drafting suggestions and Justifications
	authorities, the second part appears to establish a fixed maximum limit of 5% of the company's net worldwide turnover. LV would like to understand whether COM sees any contradiction between these two provisions and, if not, how they should be interpreted together to ensure correct transposition.
When pecuniary penalties are imposed, they shall be based on the company's net worldwide turnover. Member States shall ensure that the maximum limit of pecuniary penalties is set at 5% of the net worldwide turnover of the company in the financial year preceding that of the decision to impose the fine. Member States shall ensure that, with regard to companies referred to in Article 2(1), point (b), and Article 2(2), point (b), pecuniary penalties are calculated taking into account the consolidated turnover reported by the ultimate parent company.'	BE (Drafting suggestions): Return to the original CSDDD text BE (Justifications): Belgium is in favour of harmonisation of sanctions, with the maximum limit of pecuniary penalties not less than 5% of the net worldwide turnover of the company The proposal of the Presidency is a step into the right direction, as it improves the level playing field. Guidelines from the European Commission are desirable. CZ (Drafting suggestions): ~~When pecuniary penalties are imposed, they shall be based on the company's net worldwide turnover. Member States shall ensure that the maximum limit of pecuniary penalties is set at 5% of the net worldwide turnover of the company in the financial year preceding that of the decision to impose the fine. Member States shall ensure that, with regard to companies referred to in Article 2(1), point (b), and Article 2(2), point~~

Presidency compromise text	Drafting suggestions and Justifications
	~~(b), pecuniary penalties are calculated taking into account the consolidated turnover reported by the ultimate parent company.'~~ CZ (Justifications): We respectfully disagree with the proposal and prefer the text tabled by the Commission. We support the deletion of the obligatory minimal maximum limit because we see it as one of the most positive changes made by the Proposal. By returning the obligatory maximum limit of pecuniary penalties (with minor changes) while leaving the first subparagraph in place, the directive would only become stricter and more inflexible. This would go against the simplification goal of the proposal. Further, the two subparagraphs are not aligned, as they both order Member States to set a maximum limit of pecuniary penalties, but in a different manner. DE (Justifications): NEW: We welcome the Presidency's proposal in Article 27 (4) to establish a common turnover-related framework for penalties. In Germany's Act on Corporate Due Diligence in Supply Chains, we provided for penalties of up to 2% of the annual turnover. With regard to Article 27 (4) 2 sentence 1, we ask for clarification that this provision is (only) to be understood as meaning that the member

Presidency compromise text	Drafting suggestions and Justifications
	states must introduce a turnover-related framework for penalties, e.g. "~~When pecuniary penalties are imposed~~ Member States shall set a maximum limit of pecuniary penalties on companies based on the company's net worldwide turnover." We would like to ask whether sentence 2 of paragraph 4 of that Article should be deleted as a consequential amendment? („*Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.*“) FR (Drafting suggestions): *Delete all* FR (Justifications): Reintroducing financial sanctions based on the company’s net worldwide appears as a major pushback from the simplification objective. This basis for setting the sanctions’ level is creating a barrier for foreign investment in the EU as the risk of a significant penalty overshadows the potential return on investment for non-EU investors having only a minor share of their activity in the internal market. Besides, sanctions cannot be based on the consolidated financial statements while CSDDD scope does not necessarily cover companies on a consolidated basis and the obligations can apply only to certain subsidiaries. (Recital 77 of the current CSDDD text should also be modified accordingly)

Presidency compromise text	Drafting suggestions and Justifications
	IT (Drafting suggestions): We propose to strike out the whole par. PT (Justifications): Further to the comments made by PT at the last meeting regarding Article 27(4), and taking into account the position and interpretation of the SJC, the Commission, and the Presidency – that the two paragraphs of the article are not contradictory and that the imposition of a cap is not precluded – we request confirmation that, during transposition into national law, Member States may set in the national legal text the 5% limit as the maximum applicable penalty, at the discretion of the competent authority. If this is not the case, we refer back to our previous comments, highlighting the need for clarity and sufficient legal precision in sanctioning provisions, which are essential for ensuring legal certainty and confidence. We underline that, under our national law, a financial penalty must have its maximum amount explicitly and legally defined in the legal text to uphold the principles of transparency, legal certainty, and proportionality. As we understand it, the current wording still does not clearly allow Member States to establish such maximum amounts in national legislation, even though the Directive now provides for a cap. We believe this point requires clarification. The imposition of fines must ensure that companies are able to know in advance the maximum amount that may be imposed.
(12) Article 29 is amended as follows:	BE

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
	(Drafting suggestions): Return to the original CSDDD text BE (Justifications): Belgium attaches the utmost importance to safeguarding legal certainty, improving the level playing field and increasing harmonisation. In that context, Belgium is a staunch defender of reverting back to the original text. DE (Justifications): 8/4/2025: Questions: 1. a) How will access to justice for victims of human rights violations be affected if the claim for damages under para. 1 and the overriding mandatory provision under para. 7 are deleted and Member State courts continue to apply foreign tort law in transnational cases? b) Are there gaps in tort law in foreign legal systems? (The question relates to the case where an affected person takes a case to court in the EU and this court has to apply the tort law of a third country because the damage occurred in this third country). c) How should progress be made on "access to remedy" for rights holders from third countries?

Presidency compromise text	Drafting suggestions and Justifications
	d) Could there be situations in which a person is de facto left without legal protection? 2. Can the Commission please explain to what extent there would be liability under national law for breaches of the CSDDD following the deletion of Article 29 (1)? To what extent is there a connection between national tort law and the due diligence obligations under the CSDDD? 3. Can the Commission please explain in which cases the provisions in paragraphs 2 to 6 of Article 29 will apply if Article 29 (1) is deleted? Can the COM please differentiate in its answer between the constellation in which the damage occurred abroad and in which the damage occurred in a member state, as this determines whether domestic tort law or foreign tort law, in particular the law of a third country not bound by the CSDDD Directive, applies (Art. 4 Rome II Regulation). 4. Could the COM explain - also against the background of the impact assessment in the original COM proposal - what considerations speak in favour of and against the inclusion of third-country companies? 5. Can the Commission please explain how the deletion of Art. 29 (1) would affect liability in cases where a parent company fulfils due diligence obligations on behalf of subsidiaries in the group of companies in accordance with Art. 6 (1)? We reserve the right to propose technical changes in Article 6 para 1 Sentence 2 in order to ensure coherence with Article 29. EE (Justifications):

Presidency compromise text	Drafting suggestions and Justifications
	Art 4 (12) – *amendment of CSDDD art 29 – civil liability:* - Throughout the processing of the CSDDD, Estonia has been against the idea of adding the civil liability provision in the CSDDD, considering that many aspects of the due diligence obligations have been legally unclear (and still are in the current wording as well). - That said, we support the changes in the art 29 proposed by the Commission and we consider them as the step to the right direction. FR (Drafting suggestions): 1. Member States shall ensure that a company can be held liable**, under national law,** for damage caused to a natural or legal person, provided that~~:~~ the company intentionally or negligently failed to comply with the obligations laid down in Articles 10 and 11~~, when the right, prohibition or obligation listed in the Annex to this Directive is aimed at protecting the natural or legal person; and~~ (a) ~~as a result of the failure referred to in point (a), damage to the natural or legal person's legal interests that are protected under national law was caused.~~ A company cannot be held liable if the damage was **exclusively** caused ~~only~~ by its business partners in its chain of activities~~. as a result of the failure referred to in point (a),~~ FI (Justifications):

Presidency compromise text	Drafting suggestions and Justifications
	FI: Article 29 on Civil Liability was a key point for us in the negotiations on the original directive and we have been satisfied with the approach that was agreed upon at the time. Therefore, we do not see the proposed changes to the original directive necessary. It is important that the directive provides the necessary safeguards for the affected parties.
(a) paragraph 1 is deleted;	CZ (Drafting suggestions): **(a) paragraph 1 is replaced by the following:** **'1. Member States shall ensure that they have rules on liability of a company for damage caused to a natural or legal person by a failure to comply with the *[option 1]* obligations laid down in Articles 10 and 11 *[or option 2 more generally]* due diligence requirements under this Directive *[and under both options]* in line with the national legal systems.';** CZ (Justifications): During the last meeting of the WP, multiple Member States expressed their doubts about the reduction in the civil liability harmonisation. The drafting suggestions we have made last time could present a compromise solution, that clarifies the text while retaining the simplification goal of the proposal. See our justification for this change as proposed last time below. As was explained by the Commission, the aim of the proposed changes is to de-harmonize the key elements of the civil liability (fault, failure to comply, etc.) but not to make civil liability optional for Member States. Such an important provision should be without any question otherwise

Presidency compromise text	Drafting suggestions and Justifications
	the Member States would face severe problems during transposition. Therefore, we propose to state expressly that Member States need to have some rules on civil liability of companies. ES (Drafting suggestions): ES: Deletion of this paragraph; ES (Justifications): ES: Removing the EU-wide civil liability regime undermines harmonisation amongst Member States and leads to fragmentation and undermines the level playing field for companies operating in multiple Member States. This is unfavourable for companies having to deal with diverging national liability regimes. Moreover, an EU-wide civil liability regime, including a legal requirement to allow victims to be represented in court, guarantees EU-wide access to justice. LV (Drafting suggestions): **Article 29** (1) ~~(1)~~ LV supports the inclusion of Article 29 and agrees that civil liability is best harmonised at EU level based on clear and common criteria, rather than left to fragmented national rules. It is essential that the key principles under which a company can be held liable are set out directly in the Directive. For this reason, LV does not oppose keeping Article 29 in its earlier version, as proposed.

Presidency compromise text	Drafting suggestions and Justifications
	(2) LV agrees with the CZ comment regarding inconsistent terminology within the Article 29. The use of terms such as *"infringement"*, *"behaviour"*, and *"harm"* in paragraph 3 deviates from the terminology used in the rest of the Article 29. This inconsistency creates legal uncertainty and presents challenges in the transposition process. If Article 29 is retained, the terminology should be aligned throughout the Article, unless a clear and justified reason for deviation exists. LV (Justifications): ~~**Article 29 (1) and (2)**~~ ~~LV would appreciate clarification on whether the deletion of paragraph 1 and the replacement of paragraph 2 with the new wording has resulted in a broader scope of liability. The previous version referred to breaches of specific provisions of the Directive, while the current paragraph 2 refers generally to non-compliance with the due diligence requirements under the Directive. Does this imply that liability could now arise from any breach under the Directive, rather than specific provisions only?~~
(b) paragraph 2 is replaced by the following:	CZ (Drafting suggestions):

Presidency compromise text	Drafting suggestions and Justifications
	~~(b) paragraph 2 is replaced by the following:~~ CZ (Justifications): If the modification of para 1 is accepted, para 2 could remain the same (unchanged). ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to the changes above. LV (Justifications): **Article 29 (1) and (2)** LV would appreciate clarification on whether the deletion of paragraph 1 and the replacement of paragraph 2 with the new wording has resulted in a broader scope of liability. The previous version referred to breaches of specific provisions of the Directive, while the current paragraph 2 refers generally to non-compliance with the due diligence requirements under the Directive. Does this imply that liability could now arise from any breach under the Directive, rather than specific provisions only?
'2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.';	CZ (Drafting suggestions): ~~'2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure~~

Presidency compromise text	Drafting suggestions and Justifications
	~~that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.';~~ CZ (Justifications): If the modification of para 1 is accepted, para 2 could remain the same (unchanged). ES (Drafting suggestions): ES: Deletion of this paragraph, obsolete due to the changes above. FR (Drafting suggestions): 2. Where a company is held liable **pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive**~~in accordance with paragraph 1~~**, Member States shall ensure that those**~~a natural or legal~~ persons ~~shall~~ have ~~the~~ a right to full compensation~~ for the damage, in accordance with national law~~. Full compensation **under this Directive** shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages IT (Drafting suggestions): We propose to include at the end of the par. also this specification

Presidency compromise text	Drafting suggestions and Justifications
	"A company cannot be held liable if the damage was caused only by its business partners in its chain of activities." Therefore: '2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages. A company cannot be held liable if the damage was caused only by its business partners in its chain of activities. LV (Drafting suggestions): **Article 29** ~~(2) LV agrees with the CZ comment regarding inconsistent terminology within the Article 29. The use of terms such as *"infringement"*, *"behaviour"*, and *"harm"* in paragraph 3 deviates from the terminology used in the rest of the Article 29. This inconsistency creates legal uncertainty and presents challenges in the transposition process. If Article~~

Presidency compromise text	Drafting suggestions and Justifications
	~~29 is retained, the terminology should be aligned throughout the Article, unless a clear and justified reason for deviation exists.~~
(c) in paragraph 3, point (d) is deleted;	CZ (Drafting suggestions): **(ba) in paragraph 3, point (a) is replaced by the following:** **'(a) national rules on the beginning, duration, suspension or interruption of limitation periods do not unduly hamper the bringing of actions for damages and, in any case, are not more restrictive than the rules on national general civil liability regimes;** **the limitation period for bringing actions for damages under this Directive shall ~~be at least five years and, in any case,~~ not <u>be</u> shorter than the limitation period laid down under national general civil liability regimes;** **~~limitation periods shall not begin to run before the infringement has ceased and the claimant knows, or can reasonably be expected to know:~~** **~~(i) of the behaviour and the fact that it constitutes an infringement;~~** **~~(ii) of the fact that the infringement caused harm to them; and~~** **~~(iii) the identity of the infringer;';~~** (c) in paragraph 3, point (d) **<u>and (e) are</u>** ~~is~~ deleted; **(ca) in paragraph 3, point (e) is replaced by the following:**

Presidency compromise text	Drafting suggestions and Justifications
	'when a claim is brought, and a claimant presents a reasoned justification containing reasonably available facts and evidence sufficient to support the plausibility of their claim for damages and has indicated that additional evidence lies in the control of the company, courts are able to order that such evidence be disclosed by the company in accordance with national procedural law' CZ (Justifications): We repeat our suggestions from the last round of comments. In para 3, point (a), the same logic as for para 1 should apply. That means harmonising the rules to an extent necessary, not forcing Member States to amend their civil liability regimes significantly and inconsistently. There is no sound reason why a different limitation period (of at least 5 years) should apply when the civil liability regime as such is not being harmonised and is therefore left to the Member States. Furthermore, the terminology of the provision is totally inconsistent with the rest of the Article. Terms like "infringement", "behaviour", nor "harm" are used in the whole Article. This creates unnecessary legal uncertainty as well as problems for Member States during transposition. We shall bear in mind that we are regulating rules applicable in Member States, not in any third country from all around the world. It should be sufficient that the national provisions shall not "unduly hamper the bringing of actions for damages", that the provisions "are not more restrictive than the rules on national general civil liability", and the length of the limitation period is "not shorter than the limitation period laid down under national general civil liability regimes". The national general civil liability regimes in all of the Member States are sufficiently robust to protect the rights of conflict parties.

Presidency compromise text	Drafting suggestions and Justifications
	The disclosure of evidence represents a significant threat to commercially sensitive data combined with an increase of administrative burden in the case of civil liability litigation. The provision also significantly raises legal uncertainty as it does not regulate the disclosure process in its entirety. It draws inspiration from another piece of legislation, but fails to replicate it completely, creating regulatory uncertainties and transposition issues. Significant reduction of point (e) from paragraph 3 would help reduce administrative burden and prevent exaggerated reaction of companies within scope. A complete deletion of point (e) is also an option. In addition to the drafting suggestion made, CZ indicates its support for a possible deletion of the whole paragraph 3 as it unnecessarily disrupts Member States civil liability systems. DE (Drafting suggestions): ~~(c) in paragraph 3, point (d) is deleted;~~ DE (Justifications): 8/4/2025: It is important that the CSDDD empowers those affected to access justice, or makes it possible for them to access justice in the first place. That is why we are in favour of retaining the capacity to sue in Art. 29 para. 3 (d). IT (Drafting suggestions):

Presidency compromise text	Drafting suggestions and Justifications
	(c) in paragraph 3, points (d) **and (e)** are is deleted; IT (Justifications): Provisions on the disclosure of evidence (Article 29, paragraph 3, point e) risk to significantly increase litigation risks and relative burdens. This is particularly concerning in cases involving commercially sensitive information. Moreover this approach does not appear consistent with national rules on the availability of evidence, which provide that the judge may order the production of a document in court when it appears essential to establish the facts of the case. The regulation of such matters should instead be left to the principles of each national legal system. LV (Drafting suggestions): **Article 29 (3)** (1) Regarding point (d) of paragraph 3, LV supports the MS who called for its retention in the original wording. As DE pointed out, enabling affected persons to access justice is essential, and representative action by organisations plays a key role in achieving this. In LV view, allowing such organisations to represent victims does not increase the administrative burden, as liability will follow from a breach regardless of who initiates the action. Moreover, case law shows that involving organisations in litigation

Presidency compromise text	Drafting suggestions and Justifications
	can be instrumental in ensuring access to justice and achieving effective redress. (2) LV would suggest considering the deletion of point (b) in paragraph 3 instead. Ensuring that proceedings "are not prohibitively expensive" may be problematic for transposition, as litigation costs often include a wide range of components beyond court fees, such as costs for evidence collection, translation, expert opinions, and legal representation. The notion of "prohibitively expensive" is inherently vague and difficult to implement consistently in practice.
(d) paragraph 4 is replaced by the following:	DE (Justifications): 8/4/2025 : See questions on Article 29 para 1.
'4. Companies that have participated in industry or multi-stakeholder initiatives, or used independent third-party verification or contractual clauses to support the implementation of due diligence obligations may nevertheless be held liable in accordance with national law.';	FR (Drafting suggestions): 4. Companies that have participated in industry or multi-stakeholder initiatives, or used independent third-party verification or contractual clauses to support the implementation of due diligence obligations may nevertheless be held liable in accordance with ~~national law~~ **this Article**.

Presidency compromise text	Drafting suggestions and Justifications
(e) in paragraph 5, the first subparagraph is replaced by the following:	
'The civil liability of a company for damages as referred to in this Article shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the chain of activities of the company.';	
(f) paragraph 7 is deleted;	DE (Justifications): 8/4/2025 : See questions on Article 29 para 1. FR (Drafting suggestions): (f) ~~paragraph 7 is deleted;~~ **Member States shall ensure that the provisions of national law transposing this Article are of overriding mandatory application in cases where the law applicable to claims to that effect is not the national law of a Member State.** LV (Justifications): **Article 29 (7)** LV believes that where a violation arises from non-compliance with the CSDDD, the Directive's own provisions should apply as the primary legal basis. That said, LV remains flexible with regard to overriding mandatory

Presidency compromise text	Drafting suggestions and Justifications
	provisions. LV appreciates the COM clarification regarding the interaction with the Brussels I and Rome II Regulations, and notes that existing case law provides a level of legal certainty for national courts in applying those instruments.
(13) in Article 36, paragraph 1 is deleted.	IT (Drafting suggestions): If Article 22 is not deleted, as proposed in the first place, Article 36 paragraph 2 lett. e) shall be amended as follows: "(e) whether the rules on combatting climate change provided for in this Directive, especially as regards the design **and adoption** of transition plans for climate change mitigation **and adaptation**~~, their adoption and the putting into effect of those plans by companies, as well as the powers of supervisory authorities related to those rules, need to be revised~~;" IT (Justifications): The proposed amendments aim to align the deletion of the "put into effect" requirement in Article 22 with the provision at hand. Furthermore, the proposed amendments aim to align the proposed amendments to Article 22 with the provision at hand.

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
Article 5	
Transposition	
1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive**, with the exception of Article 3(3), and Article 4** by [*12 months after entry into force*] at the latest. They shall forthwith communicate to the Commission the text of those provisions.	CZ (Drafting suggestions): Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive**, with the exception of Article 3(3), and Article 4** by [~~*12*~~ ***18*** *months after entry into force*] at the latest. They shall forthwith communicate to the Commission the text of those provisions. CZ (Justifications): However we understand the proposed transposition period, 18 months is the minimum for national legislative process. The same transposition period was for CSRD. FR (Drafting suggestions): 1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive, ~~with the exception of Article 3(3), and Article 4 by~~ [*12 months after entry into force*] **at the latest, with the exception of Article 3(3), and Article 4 for which the deadline is *[24 months after entry into force]***. They shall forthwith communicate to the Commission the text of those provisions.

Presidency compromise text	Drafting suggestions and Justifications
	FR (Justifications): The necessary time to transpose CSDDD was initially estimated to be 24 months. This transposition work has been suspended due to the omnibus and Member States need to wait until the end of the omnibus process to continue this transposition process. Therefore, it is requested for this directive to give Member States a 24 months delay to transpose it (i.e., building a whole new and well-functioning supervisory authority in just 12 months cannot be realistically envisaged). The application of CSDDD to companies should be adapted as well to give 12 months to companies to start implementing these new rules after the transposition deadline for Member States. LU (Drafting suggestions): 1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive, with the exception of ~~**Article 3(3), and**~~ Article 4 by [*12 months after entry into force*] at the latest. SE (Justifications): **SE comments**: SE proposes that the measures should be implemented by 31 December 2026 at the latest, i.e. when the extra time given by the "stop-the-clock directive" has passed. However, such a change should only be made if it gives MS more than 12 months for implementation. If adoption is delayed, SE supports the PRES proposal.

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
Member States relying on the derogation provided for under Article 3(3) shall bring into force the laws, regulations and administrative provisions necessary to comply with that provision by [1 July 2026] at the latest. They shall forthwith communicate to the Commission the text of those provisions.	CZ (Justifications): The proposed transposition date is very short given the uncertainty as when the Directive will be adopted and it is therefore questionable whether it will be realistic to use the opt-out at all. LU (Drafting suggestions): ~~**Member States relying on the derogation provided for under Article 3(3) shall bring into force the laws, regulations and administrative provisions necessary to comply with that provision by [1 July 2026] at the latest. They shall forthwith communicate to the Commission the text of those provisions.**~~ LU (Justifications): **LU** This comment shall be read in conjunction with Luxembourg's comments under articles 3(1)(a), 3(2)(a) and 3(3) above. Without prejudice to our contrary opinion to the inclusion of a new fifth sub-paragraph to art. 5(2) of Directive (EU) 2022/2464 as contemplated under art. 3(3) of the compromise proposal, we believe that providing for a differentiated regime regarding the entry into force of such rule would further increase the level of regulatory complexity.

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
	We are therefore against a differentiated transitional regime for the entry into force of article 3(3), as this would be contrary to the overall spirit of simplification underpinning the Omnibus proposal. SE (Justifications): **SE comments**: SE proposes that the measures should be implemented by 31 December 2026 at the latest, i.e. when the extra time given by the "stop-the-clock directive" has passed. However, such a change should only be made if it gives MS more than 12 months for implementation. If adoption is delayed, SE supports the PRES proposal.
Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Article 4 of this Directive by 26 July 2027 at the latest. They shall forthwith communicate to the Commission the text of those provisions.	
When Member States adopt th~~ose~~ provisions **referred to in the first, second and third subparagraphs**, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	
2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	

From: BE, BG, CZ, DE, EE, ES, FR, IT, LV, LU, NL, PT, SK, FI, SE **Updated: 06/05/2025 11:22**

Presidency compromise text	Drafting suggestions and Justifications
Article 6	
Entry into force	
This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.	
Article 7	
Addressees	
This Directive is addressed to the Member States.	