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OPINION OF THE EUROPEAN CENTRAL BANK

of 8 May 2025

**on proposals for amendments to corporate sustainability reporting and due diligence requirements
(CON/2025/10)**

Introduction and legal basis

On 26 February 2025, the European Commission published a proposal for a Directive of the European Parliament and of the Council amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements¹ (hereinafter the 'proposed postponement of the CSRD and CSDDD') and a 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 requirements² (hereinafter the 'proposed amendments to the CSRD and CSDDD' and, together with the proposed postponement of the CSRD and the CSDDD, the 'proposed directives').

The European Central Bank (ECB) has decided to deliver an opinion on the proposed directives. The ECB is obliged to deliver an opinion in accordance with Articles 127(2), 127(6) and 282(5) of the Treaty on the Functioning of the European Union, since the proposed directives contain provisions falling within the ECB's fields of competence, including, in particular, the implementation of monetary policy pursuant to Article 127(2), first indent, and Article 282(1) of the Treaty, the prudential supervision of credit institutions pursuant to Article 127(6) of the Treaty, the contribution to the smooth conduct of policies pursued by competent authorities relating to the stability of the financial system pursuant to Article 127(5) of the Treaty, and the collection of statistical information pursuant to Article 5 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'). In accordance with Article 17.5, first sentence, of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. General observations

- 1.1 The ECB supports the Commission's goal of enhancing the European economy's long-term competitiveness, whilst maintaining the objectives of the European Green Deal³ and Sustainable Finance Action Plan⁴. Sustainable, long-term economic growth and resilience supports price stability

¹ COM(2025) 80 final of 26 February 2025.

² COM(2025) 81 final of 26 February 2025.

³ Communication from the Commission, 'The European Green Deal', COM(2019) 640 final of 11 December 2019.

⁴ Communication from the Commission, 'Strategy for Financing the Transition to a Sustainable Economy', COM/2021/390 final of 6 July 2021.

and the effectiveness of the ECB's monetary policy. To that end, the ECB supports the Commission's efforts to streamline and simplify sustainability reporting and due diligence requirements, and thereby ensure that compliance costs for companies are proportionate.

- 1.2 The ECB also supports the Commission's holistic approach to enhancing European competitiveness. Building on the Letta⁵ and Draghi⁶ reports, the Commission's Communication on a Competitiveness Compass for the EU⁷ sets out a concrete roadmap to support European innovation, decarbonisation and economic security. Progress in key areas, such as developing a Savings and Investment Union⁸ (SIU) and lowering barriers to the Single Market, is essential to achieve these objectives and foster competitiveness. Simplifying the regulatory environment can also play an important role, provided that the fundamental objectives of the relevant legislation are preserved.
- 1.3 In simplifying sustainability legislation, it is important to strike the right balance to ensure that the benefits of sustainability reporting for the European economy and for the financial system are retained while ensuring that the framework is proportionate. Well-calibrated sustainability reporting requirements can support the Union's priorities, including those set out in the Competitiveness Compass. In particular, the availability of harmonised, standardised and reliable sustainability information contributes to the SIU's objectives by ensuring that investors have access to sound data to inform their investment decisions⁹. This is essential to facilitate the allocation of capital to the most rewarding projects across the Union. The Clean Industrial Deal¹⁰ will require substantial investments in clean technologies, renewable energy and energy-efficient infrastructures, as well as designing incentives to support energy-intensive industries in their climate transition pathway. The sustainability reporting framework, in particular the reporting standards on climate change, offers valuable metrics to inform investments in low-carbon industries, renewable energy projects, transition finance and other clean and green initiatives, thereby supporting both competitiveness and the achievement of the Union's climate targets. Harmonised reporting, rather than fragmented individual data collection, and interoperability with international standards, serve to avoid unnecessary compliance costs for both reporting companies and users of the data. A harmonised approach enables a comprehensive understanding of potential risks and opportunities for the benefit of companies, market participants and policymakers, thus facilitating informed and strategic decision-making.

⁵ Enrico Letta, 'Much more than a market', April 2024, available on the Council's website at www.consilium.europa.eu.

⁶ Mario Draghi, 'The future of European competitiveness', September 2024, available on the Commission's website at www.commission.europa.eu.

⁷ Communication from the Commission, 'A Competitiveness Compass for the EU', COM(2025) 30 final of 29 January 2025.

⁸ Communication from the Commission, 'Savings and Investment Union: A Strategy to foster citizens' wealth and economic competitiveness in the EU', COM(2025) 124 final of 19 March 2025.

⁹ See paragraph 1.4 of Opinion CON/2021/27 of the European Central Bank of 7 September 2021 on a proposal for a directive amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting (OJ C 446, 3.11.2021, p. 2). All ECB opinions are published on EUR-Lex.

¹⁰ Communication from the Commission, 'The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation', COM(2025) 85 final of 26 February 2025.

- 1.4 In addition to supporting competitiveness, a well-calibrated sustainability reporting framework is essential for market participants to understand and price sustainability-related financial risks. By ensuring an appropriate quality and quantity of corporate-level sustainability information, the reporting framework can ensure that meaningful, reliable and comparable information is available to investors, credit institutions, other financial market participants and public authorities, including central banks and prudential supervisors. Moreover, such a framework can help to prevent investment decisions being taken on the basis of incomplete information, thus ensuring that such decisions adequately take into account sustainability-related risks. The absence of sustainability information, on the other hand, could give rise to systemic risks that threaten financial stability. Issues with the availability, quality and granularity of environmental, social and governance (ESG) data, as well as the lack of comparability and transparency of such data, remain a major challenge, not only for investors but also for credit and financial institutions and public authorities¹¹. Therefore, the ECB considers that a well-calibrated sustainability reporting framework is essential to address data gaps in sustainability policy, risk assessment and risk monitoring frameworks for the financial sector, in line with the objectives of the Union's sustainable finance framework¹². In that respect, it is essential that where the proposed amendments to Directive (EU) 2022/2464 of the European Parliament and of the Council¹³ (hereinafter the 'Corporate Sustainability Reporting Directive' (CSRD)) seek to reduce reporting costs for companies, including through the value chain, they continue to support the application of policies and actions related to the identification and management of risks to the financial sector.
- 1.5 To support the achievement of the Commission's objective and to ensure that the sustainability reporting framework is calibrated appropriately and proportionately, the ECB offers some specific technical observations and suggestions on the proposed amendments to the CSRD and CSDDD, with a view to further enhancing the revised framework.
- 1.6 Moreover, the ECB supports the Commission's further efforts to streamline and simplify the sustainable finance framework, in order to reduce the reporting costs for companies, increase its usefulness for investors and end-users, and support green investment¹⁴. First, the forthcoming review of Regulation (EU) 2019/2088 of the European Parliament and of the Council¹⁵ and of Commission Delegated Regulation (EU) 2021/2178¹⁶ will offer important opportunities for

11 See also European Banking Authority, 'Report on data availability and feasibility of common methodology for ESG exposures', EBA/REP/2025/06, 24 February 2024, available on the European Banking Authority's website at www.eba.europa.eu.

12 See paragraph 1.3 of Opinion CON/2021/27.

13 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: <https://data.europa.eu/eli/dir/2022/2464/oj>).

14 ECB, 'Investing in Europe's green future, Green investment needs, outlook and obstacles to funding the gap', Occasional Paper No 367, 5 February 2025, available on the ECB's website at www.ecb.europa.eu.

15 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: <https://data.europa.eu/eli/reg/2019/2088/oj>).

16 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by

streamlining. Second, the integration of sustainability information into the European Single Access Point (ESAP) offers opportunities to significantly reduce barriers to access and ultimately lower the cost of collecting and analysing sustainability information¹⁷. Third, the ECB recalls that it supports the requirement that data must be reported in accordance with the single electronic reporting format¹⁸. This will support the processing of the data and facilitate standardisation within corporate IT software, which will help reduce companies' reporting costs. To fully reap the benefits of the single electronic reporting format, the ECB recommends that the Commission should explore options to make the complete dataset accessible to end-users for analysis in a suitable format, in particular to facilitate both bulk data exchange and direct access via a suitable database portal. This could be achieved, for example, by further enhancing the features of the ESAP.

- 1.7 The ECB encourages the Union legislators to reach an agreement on the proposals as soon as possible, and by the end of 2025 at the latest. Moreover, the ECB calls on Member States to transpose the CSRD in a timely manner and supports the Commission's intention to prepare and adopt the necessary delegated acts in good time prior to the entry into force of the proposed directives. These actions are critical to provide legal certainty for companies as regards sustainability reporting, and to ensure that companies subject to Directive (EU) 2024/1760 of the European Parliament and of the Council¹⁹ (hereinafter the 'Corporate Sustainability Due Diligence Directive' (CSDDD)) have sufficient time to prepare for sustainability due diligence and to put in place transition plans under the CSDDD in a timely manner.

2. Relevance of the proposed directives for the activities and tasks of the ECB and the Eurosystem

- 2.1 Sustainability-related issues, and the climate and nature crises in particular, can affect how central banks discharge their mandates, especially in the fields of banking supervision, financial stability, monetary policy and the collection of statistical information²⁰.
- 2.2 *Relevance for banking supervision*
 - 2.2.1 In the context of its prudential supervisory tasks and its contribution to financial stability, the ECB has been a strong supporter of Union policy efforts aimed at improving the identification and

undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443, 10.12.2021, p. 9, ELI: https://data.europa.eu/eli/reg_del/2021/2178/oj).

17 See also paragraph 1.3 of Opinion CON/2022/20 of the European Central Bank of 7 June 2022 on the establishment and functioning of the European Single Access Point (ESAP) (OJ C 307, 12.8.2022, p. 3).

18 Article 2, point (9), of the proposed amendments to the CSRD and CSDDD, replacing Article 29d of 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: <https://data.europa.eu/eli/dir/2013/34/oj>).

19 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: <https://data.europa.eu/eli/dir/2024/1760/oj>).

20 See paragraph 2.4 of Opinion CON/2021/12 and paragraph 2 of Opinion CON/2021/27.

management of financial risks related to sustainability, with a view to enhancing the safety and soundness of credit institutions and the stability of the financial system²¹.

2.2.2 To that end, the ECB has strongly supported legislative initiatives to enhance the requirements with respect to ESG risks for credit institutions and the respective mandate for competent authorities²². In particular, competent authorities, including the ECB, are required to ensure that credit institutions have robust governance and risk management arrangements to identify, measure, manage and monitor ESG risks over the short, medium and long term, and that credit institutions test their resilience to long-term negative impacts of ESG factors²³. This includes understanding and managing the financial risk implications of a broad range of environmental factors, including biodiversity loss and nature degradation²⁴. Furthermore, competent authorities must assess and monitor credit institutions' plans to address the financial risks arising from the process of adjustment, and transition, in accordance with relevant Union, Member State, and if applicable, third-country regulatory objectives, in particular the objective of achieving climate neutrality²⁵.

2.2.3 In this context, the availability of high-quality sustainability-related information, at both granular and aggregated levels, is essential in order to adequately identify, assess and manage ESG-related financial risks. Moreover, the availability of such information will also facilitate market pricing of such risks in line with the principle of an open market economy. It is critical that any simplification of sustainability reporting and due diligence requirements do not restrict data collection by credit institutions related to their risk management activities and processes or impede prudential supervisory activities.

2.3 *Relevance of financial stability*

As noted by the ECB and the European Systemic Risk Board (ESRB) in several reports, reliable, consistent and comparable information, from a sufficiently broad set of firms, on the exposure of firms across different sectors to sustainability-related risks is a prerequisite for accurately assessing the financial risks arising from the climate and nature crises, and firms' adjustment towards a more sustainable economy²⁶. Such information is essential to enhance the capability of the ECB and

21 See paragraph 2 of Opinion CON/2021/27, paragraph 1.1 of Opinion CON/2022/16 of the European Central Bank of 27 April 2022 on the proposal for a Directive of the European Parliament and of the Council amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, environmental, social and governance risk (OJ C 248, 30.6.2022, p. 87) and paragraph 1.2 of Opinion CON/2023/2 of the European Central Bank of 16 January 2023 on a proposal for a Directive on the energy performance of buildings (OJ C 89, 10.3.2023, p. 1).

22 Paragraph 1.1 of Opinion CON/2022/16.

23 See Article 87a(1) to (3) of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: <https://data.europa.eu/eli/dir/2013/36/oj>).

24 See Article 4(1), points (52d) to (52g), of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <https://data.europa.eu/eli/reg/2013/575/oj>). See also 'Climate and nature plan 2024-2025 at a glance', available on the ECB's website at www.ecb.europa.eu.

25 See Article 87a(4) of Directive 2013/36/EU.

26 See the following reports: 'Positively green: measuring climate change risks to financial stability', June 2020, 'Climate-related risk and financial stability', July 2021, 'The macroprudential challenge of climate change', July 2022, and 'Towards macroprudential frameworks for managing climate risk', December 2023, available on the ESRB's website at www.esrb.europa.eu.

financial stability authorities to monitor and address the impact of sustainability-related risks, especially the risks posed by the climate and nature crises, on financial stability²⁷. To fully benefit from the sustainability reporting framework, it is beneficial to ensure both that information is reported by a sufficiently broad set of firms and that the reporting standard is simple and properly focused. This approach can support the effectiveness of the framework and help to prevent key information from being obscured, thereby ensuring that reporting is appropriately targeted and the framework is not overly complex.

2.4 *Relevance for monetary policy*

2.4.1 Physical and transition risks related to the climate and nature crises have profound implications for both price and financial stability through their impacts on the structure and cyclical dynamics of the economy and the financial system. The ECB accordingly needs to take into account the implications of these crises to determine the appropriate monetary policy stance and deliver on its price stability mandate²⁸. The availability of sustainability information is a minimum requirement to enable it to do so²⁹.

2.4.2 Following the ECB's 2021 monetary policy strategy review, the ECB, in July 2022, announced several measures aimed at incorporating climate-related considerations into its monetary policy operations³⁰. In addition, in March 2024, the ECB further announced that the design of the operational framework will aim to incorporate climate-related considerations into future structural monetary policy operations³¹. The sustainability reporting framework is relevant to the design of these monetary policy measures, as it can provide information on, inter alia, greenhouse gas (GHG) emissions, transition plans and decarbonisation targets, green investment, and the use of green financing instruments at the firm level. The planned measures announced by the ECB may therefore be impacted by the proposed amendments to the CSRD. In particular, the reduction in the scope of undertakings subject to sustainability reporting requirements under the CSRD would limit the availability of firm-level data, thereby weakening the Eurosystem's ability to perform a granular assessment of climate-related financial risks in its monetary policy operations. Moreover, the Eurosystem's ability to implement the measures it has previously announced may be adversely affected by delays in the transposition of the CSRD into the national laws of euro area Member States, and by the proposed postponement of the CSRD and CSDDD.

2.4.3 Finally, as part of the ECB's climate and nature plan³², the ECB has committed to assessing the implications of nature degradation – and its interplay with climate – on the economy and financial

²⁷ See Financial Stability Board, 'Assessment of Climate-related Vulnerabilities: Analytical framework and toolkit', 16 January 2025, available on the website of the Financial Stability Board (FSB) at www.fsb.org.

²⁸ See 'An overview of the ECB's monetary policy strategy', 8 July 2021, available on the ECB's website at www.ecb.europa.eu.

²⁹ See paragraph 2 of Opinion CON/2021/27 and paragraph 2.1 of Opinion CON/2023/30 of the European Central Bank of 4 October 2023 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities (OJ C, C/2023/1354, 1.12.2023, p. 1, ELI: <https://data.europa.eu/eli/C/2023/1354/oj>).

³⁰ See press release of 4 July 2022, 'ECB takes further steps to incorporate climate change into its monetary policy operations', available on the ECB's website at www.ecb.europa.eu.

³¹ See the statement by the Governing Council of 13 March 2024, 'Changes to the operational framework for implementing monetary policy', available on the ECB's website at www.ecb.europa.eu.

³² See ECB, 'Climate and nature plan 2024-2025 at a glance', available on the ECB's website at www.ecb.europa.eu.

system and to assessing the ECB's own exposure to related risks through its portfolio holdings on its balance sheet. To be able to do so, the ECB needs access to robust data, more specifically including sustainability reporting requirements under the CSRD pertaining to biodiversity and ecosystems. While still nascent, data pertaining to other environmental factors, such as pollution, water and marine resources, resource use and the circular economy, could also be factored into the ECB's assessments.

2.5 *Relevance for the collection of statistical information*

In order to carry out its tasks and activities, the ECB relies as far as possible on existing official data to limit the burden placed on reporting agents. In this context, the availability of highly standardised sustainability-related information from a sufficiently broad set of firms would enable the ECB to better fulfil its functions by compiling statistical indicators of higher coverage and quality relating to sustainable finance, carbon emissions and physical risks.

3. **Corporate sustainability reporting**

3.1 *Scope of the reporting obligation*

3.1.1 Under the proposed amendments to the CSRD, the scope of the sustainability reporting obligation will be reduced to large undertakings, and parent undertakings of large groups, with an average of more than 1 000 employees during the financial year³³.

3.1.2 The ECB sees benefits in some elements of the change in scope. From the perspective of the SIU, removing the distinction between listed and non-listed undertakings could have positive effects. It is important that undertakings have access to adequate financing at different phases in their lifecycles, and public listing can play an important role, especially in later stages of growth.³⁴ It should therefore be ensured that the cost of complying with the CSRD requirements does not act as a disincentive for companies that are considering public listing.

3.1.3 However, the ECB observes that the proposed reduction in scope is a significant change to the CSRD. As noted in the proposal, the number of undertakings subject to sustainability reporting requirements would be reduced by about 80 %. This amendment could significantly limit stakeholders' access to important information and potentially lead to the following unwanted outcomes.

3.1.4 First, the proposed reduction in scope would reduce the overall availability of sustainability-related information, including information on GHG emissions produced by undertakings. For instance, the current scope of the CSRD is estimated to cover only around 37 % of CO₂ emissions produced by undertakings in the Union³⁵. The proposed reduction in scope will further reduce that percentage considerably and may even result in certain significant emitters – including fossil fuel companies –

³³ Article 2, points (2) and (4), of the proposed amendments to the CSRD and CSDDD, amending Articles 19a(1) and 29a(1) of Directive 2013/34/EU.

³⁴ See ECB, 'Capital markets union: a deep dive', Occasional Paper No 369, 10 March 2025, available on the ECB's website at www.ecb.europa.eu.

³⁵ SMEs collectively contribute to approximately 63 % of all CO₂ and GHG emissions by enterprises. See Commission, 'Statement by the Chair of the Platform on Sustainable Finance: Facilitating Access to Sustainable Finance for SMEs', 27 May 2024 and 'Eurobarometer: EU SMEs working towards sustainability', 28 March 2022, available on the Commission's website at www.commission.europa.eu.

falling outside the scope of the reporting obligation. The resulting lack of data may mask climate-related financial risk. More generally, it can reduce the role played by sustainability information in supporting the Union's priorities, including those set out in the Competitiveness Compass, as outlined in paragraph 1.3.

3.1.5 Second, the proposed amendments to the CSRD will result in some undertakings that currently report under Directive 2014/95/EU of the European Parliament and of the Council³⁶ (hereinafter the 'Non-Financial Reporting Directive' (NFRD)) no longer being subject to sustainability reporting requirements. The NFRD set out sustainability reporting requirements for large undertakings which are public interest entities with an average of more than 500 employees during the financial year. These undertakings account for a significant part of the overall turnover of large undertakings in the Union, estimated at 77 %. This is the case even though such undertakings represent only a minority of the universe of large undertakings, estimated at 33 %³⁷.

3.1.6 Third, the reduction in the scope of the reporting obligation will impact the scope of credit institutions subject to sustainability reporting requirements. Under the current CSRD, all credit institutions are subject to sustainability reporting requirements³⁸. However, the ECB estimates that the proposed reduction in the scope of the CSRD would lead to approximately one in eight significant institutions and the vast majority of less significant institutions no longer being subject to sustainability reporting requirements. This would lead to an incomplete set of publicly available ESG information from the banking sector, thus impeding the objective of the Union's sustainable finance framework of guaranteeing comprehensive transparency to the financial markets. Moreover, to properly assess the ESG risks posed by credit institutions and financial markets, supervisors and authorities need to obtain adequate and sufficient granular data from all institutions exposed to such risks. In that respect, it is worth noting that ESG risks are not necessarily proportionate to an institution's size. In this regard, sustainability reporting by significant institutions would provide additional information compared with disclosures under Pillar 3 of the prudential framework³⁹, notably on ESG risks beyond climate. For these reasons, the ECB recommends that at least all significant institutions, regardless of the number of employees, should remain subject to sustainability reporting requirements.

3.1.7 In view of these drawbacks, the ECB invites the Union legislators to give further consideration to the scope of sustainability reporting, in order to ensure that it remains well calibrated. There may be further options that could support the Commission's goal of simplification, while retaining more of the

³⁶ Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15.11.2014, p. 1, ELI: <https://data.europa.eu/eli/dir/2014/95/oj>).

³⁷ European Commission, [Study on the Non-Financial Reporting Directive: Final Report](#), April 2021, available at <https://op.europa.eu/en>.

³⁸ Credit institutions may fall within the definition of large undertakings which are 'public interest entities' under Articles 1(3) and 2(1) of Directive 2013/34/EU and Article 5(2) of 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: <https://data.europa.eu/eli/dir/2022/2464/oj>). In addition, credit institutions may fall within the definition of small and non-complex institutions, under Article 4(1), point (145), of Regulation (EU) No 575/2013. Small and non-complex institutions are subject to sustainability reporting requirements for SMEs under Article 19a(6) of Directive 2013/34/EU.

³⁹ See Article 449a of Regulation (EU) No 575/2013.

benefits of sustainability reporting for competitiveness and for managing climate and nature-related risks. The inclusion in the proposed amendments to the CSRD of a reporting obligation for large undertakings, and parent undertakings of large groups, with an average number of employees that is more than 500 but fewer than 1 000 during the financial year (hereinafter 'medium-large undertakings'⁴⁰) would be one possibility. Medium-large undertakings could be subject to a reporting requirement in accordance with dedicated simplified sustainability reporting standards that are proportionate and relevant to the capacities and the characteristics of such undertakings and to the scale and complexity of their activities. Furthermore, as noted in paragraph 3.1.6, the ECB suggests that at least all significant institutions are subject to sustainability reporting requirements. This includes significant institutions with fewer than 500 employees, which should be subject to the same requirements as medium-large undertakings.

3.1.8 This option would have the benefit of combining a broad scope of undertakings subject to reporting requirements with simplified and proportionate sustainability reporting standards. In doing so, it has the potential to considerably improve the availability and reliability of information, while reducing the reporting effort for undertakings. Moreover, the proposed amendments to the CSRD introduce a 'cliff effect' for sustainability reporting. This gives rise to a risk that large undertakings and parent undertakings of large groups with an average of more than 1 000 employees during the financial year may outsource work, and thereby artificially reduce employee numbers below that threshold, to avoid sustainability reporting. By offering a more staggered approach to the reporting obligation, the introduction of simplified reporting standards for medium-large undertakings could effectively limit incentives for undertakings to artificially reduce the reported number of employees.

3.1.9 Finally, the ECB notes that the scope of the sustainability reporting obligation has also been reduced in respect of third-country undertakings, by substantially increasing the net turnover thresholds for sustainability reporting⁴¹. These amendments would mean that a larger number of third-country undertakings with activities in the Union would not be required to comply with sustainability reporting requirements than is the case under the current CSRD. This would increase the gap in data availability between Union and third-country undertakings, with negative consequences for financial institutions' risk management. In the short term, it may also create a competitive disadvantage for large undertakings that are headquartered in the Union. Therefore, the ECB recommends that the turnover thresholds in respect of third-country undertakings should not be amended.

3.2 *Voluntary reporting standards*

3.2.1 The ECB welcomes that the proposed amendments to the CSRD establish voluntary reporting standards for undertakings that are not subject to sustainability reporting under the CSRD⁴². Such voluntary standards should be designed to help undertakings to provide the most important

⁴⁰ This would be consistent with the initiative announced in the Competitiveness Compass to establish a small mid-cap category of enterprises, considered by the European Investment Bank (EIB) to be 'crucial to the economic transition'. See EIB, 'Hidden champions, missed opportunities: Mid-caps' crucial role in Europe's economic transition', 10 January 2024, available on the EIB's website at www.eib.org.

⁴¹ Article 2, point (12), of the proposed amendments to the CSRD and CSDDD, amending Article 40a of Directive 2013/34/EU.

⁴² Article 2, point (8), of the proposed amendments to the CSRD and CSDDD, inserting Article 29ca into Directive 2013/34/EU.

sustainability information in a structured and harmonised form. However, there are significant drawbacks to voluntary reporting if the population of undertakings making use of voluntary standards is too large and diverse in terms of size and complexity.

3.2.2 These drawbacks are likely to negatively impact the quality, availability and reliability of sustainability data, at both individual and aggregate levels. First, voluntary reporting may result in a self-selection bias where undertakings that perform well regarding sustainability matters will report voluntarily, while those that do not perform well will refrain from reporting. Second, to the extent that the voluntary standard allows for optional reporting, there is a risk of greenwashing: undertakings may selectively disclose information and thereby convey a misleading picture of their sustainability performance. Third, it should be emphasised that voluntary reporting will not be subject to any form of verification, such as a limited assurance by auditors. Fourth, limited quality and comparability of data can expose companies to increased legal risks. These issues can lead to systematic and unquantifiable bias in the computation of aggregate sustainability information by data users, including undertakings, investors, credit institutions and public authorities. For example, undertakings that are subject to sustainability reporting requirements under the CSRD may need to rely on proxies, which must be conservative, to address data gaps. It is important that such proxies are calculated in a robust manner, since if they are based on biased and unreliable sector averages the reported data will be of low quality, thus impeding the undertaking's ability to understand its sustainability risks, impacts and opportunities. Over-reliance on voluntary reporting could thus lead to a system-wide lack of sound and comparable data. This may create difficulties for central banks and supervisors to obtain accurate and good data, which is crucial for the fulfilment of their mandate. Moreover, a lack of sound and comparable data may limit credit institutions' ability to effectively manage sustainability risks, leading to risks to financial stability and to the wider economy.

3.2.3 For these reasons, the ECB recommends better calibration of the scope of mandatory sustainability reporting in order to capture a sufficiently large reporting population, as proposed in section 3.1.

3.3 *Value chain cap*

3.3.1 The ECB acknowledges the objective of the value chain cap introduced by the proposed amendments to the CSRD⁴³. The value chain cap specifies that, for the reporting of sustainability information as required by the CSRD, Member States must ensure that undertakings do not seek to obtain from undertakings in their value chain any information that exceeds the information specified in the voluntary standards, except for information commonly shared within that sector. It is designed to reduce the trickle-down effect of the sustainability reporting requirements on smaller undertakings.

3.3.2 It is essential that financial market participants are able to make informed lending and investment decisions and carry out appropriate risk management activities and processes. For that reason, the ECB welcomes that the drafting of the value chain cap does not appear to prevent undertakings from requesting sustainability information for purposes other than sustainability reporting under the CSRD. It would seem that undertakings may continue to request such information, particularly for the

⁴³ Article 2, point (2)(b), and point (4)(b), of the proposed amendments to the CSRD and CSDDD, amending Articles 19a(3) and 29a(3) of Directive 2013/34/EU respectively.

effective assessment and management of sustainability risks. The ECB recommends some drafting suggestions to further clarify this point.

3.4 *Sustainability reporting standards*

3.4.1 The ECB welcomes the Commission's intention to adopt a delegated act to revise and streamline the first set of European Sustainability Reporting Standards (ESRS)⁴⁴. Reporting in accordance with the ESRS may be challenging for some undertakings, especially in the first years of implementation and particularly for entities not previously subject to sustainability reporting requirements⁴⁵. Given the novelty and complexity of the ESRS and the rapid evolution of the regulatory landscape and reporting practices, targeted improvements of the standards are useful to address any shortcomings that become apparent over time as undertakings, auditors and users gain more experience. The ECB supports a comprehensive effort to simplify and streamline the architecture of the ESRS to improve usability and reduce redundancies⁴⁶. These efforts should be subject to a careful review and consultation process. To that end, the ECB stands ready to provide input to the Commission's work in revising the ESRS, in developing a simplified reporting standard for medium-large undertakings as recommended in paragraph 3.1.7, and in developing voluntary standards under the proposed amendments to the CSRD.

3.4.2 It is important that efforts to streamline and simplify the ESRS retain data points that are relevant from the prudential and monetary policy perspectives. To that end, the ECB recommends that most data points under ESRS E1 (climate change) should be retained, along with the most important data points under ESRS E4 (biodiversity and ecosystems). The data points under these ESRS are important to assess and manage physical and transition risks to which companies and financial institutions are exposed, and to develop risk management techniques to address climate and nature-related risks. First, information provided in sustainability reporting, such as geolocation data in respect of corporate assets, can help to identify assets and revenues exposed to physical risks, and to estimate losses caused by extreme weather events. Second, with respect to transition risks, it is essential to have information on, inter alia, the anticipated financial effects of transition policies, along with data on emissions, emission reduction targets, energy efficiency, and stranded assets. Moreover, information on corporate transition plans, including on decarbonisation levers and on investments and resources allocated to the plan, is crucial for managing transition risks. This also includes the requirement that disclosed transition plans must ensure that the undertaking's business model and strategy are compatible with the transition to a sustainable economy and with the objectives of limiting global warming to 1,5 °C in line with the Paris Agreement and achieving climate

⁴⁴ Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023, EL: https://data.europa.eu/eli/reg_del/2023/2772/oj).

⁴⁵ ECB, 'ECB staff opinion on the first set of European Sustainability Reporting Standards', January 2023, available on the ECB's website at www.ecb.europa.eu.

⁴⁶ ECB, 'ECB response to the EFRAG's public consultation on the first set of draft European Sustainability Reporting Standards', 22 July 2022, available on the ECB's website at www.ecb.europa.eu.

neutrality in the Union by 2050, as established in the European Climate Law⁴⁷. That said, the ECB recommends a review of other parts of the ESRS to improve the focus, relevance and usability of the standards. Moreover, the ECB welcomes that the revisions aim to provide further guidance on the application of the materiality principle and further clarify the distinction between mandatory and voluntary data points under the ESRS⁴⁸.

3.4.3 The ECB strongly welcomes the work already done to ensure interoperability between the ESRS and international standards and frameworks for sustainability reporting⁴⁹. A high level of interoperability makes it easier to integrate and compare frameworks and reporting systems and tangibly reduces the costs of reporting for undertakings, especially those that operate in multiple jurisdictions. The ECB recommends that any simplification of the Union sustainability reporting framework should not lead to a reduced level of interoperability. Any review of the ESRS should aim to preserve or improve the level of interoperability between Union and international standards, without prejudice to the objectives of the European Green Deal and Sustainable Finance Action Plan.

3.5 *Limited assurance engagement*

3.5.1 The proposed amendments to the CSRD remove the time limit for the Commission to adopt standards for limited assurance engagement by October 2026 and delete the provision empowering the Commission to adopt standards for reasonable assurance⁵⁰. Instead, the Commission will issue guidelines on limited assurance engagement by 2026.

3.5.2 The ECB underlines the importance of a robust and harmonised verification process in respect of undertakings' sustainability reporting, including audit requirements⁵¹. Audit requirements are essential to providing clarity to all stakeholders and ensure the credibility and reliability of the information reported by undertakings. The increased reliability of the information will support the development and subsequent deepening of financial markets, not only with respect to the financing of the transition but also for the management, by undertakings and credit institutions, of their sustainability-related risks.

3.5.3 For that reason, the ECB recommends that the Commission's guidelines on limited assurance engagement should be adopted and published as soon as possible. Ideally, these guidelines should be followed promptly by binding standards for limited assurance engagement. Moreover, the ECB recommends the retention of the possibility for the Commission to further enhance the verification process, by adopting standards for reasonable assurance engagement. The Commission should

⁴⁷ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>).

⁴⁸ ECB, 'ECB staff opinion on the first set of European Sustainability Reporting Standards', January 2023, available on the ECB's website at www.ecb.europa.eu.

⁴⁹ International Financial Reporting Standards Foundation and European Financial Reporting Advisory Group, 'ESRS-ISSB Standards: Interoperability Guidance', 2 May 2024, available on IFRS's website at www.ifrs.org; TNFD and EFRAG, 'Correspondence Mapping', 20 June 2024, available on EFRAG's website at www.efrag.org.

⁵⁰ Article 1 of the proposed amendments to the CSRD and CSDDD, amending Article 26a of 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: <https://data.europa.eu/eli/dir/2006/43/oj>).

⁵¹ See paragraph 8 of Opinion CON/2021/27.

consider doing so once sufficient time has elapsed following the first years of reporting under the CSRD.

3.6 *Sector-specific standards*

3.6.1 The proposed amendments to the CSRD remove the Commission's empowerment to adopt sector-specific standards⁵².

3.6.2 The design of the sustainability reporting framework under the CSRD comprises three layers: sector-agnostic standards, sector-specific standards and entity-specific disclosures. This design sought to ensure that reporting can be harmonised and comparable, while also ensuring the reporting can capture common aspects of the risks, opportunities and impacts faced by undertakings in specific sectors. The role of sector-specific standards was to create comparability of reporting by undertakings in the same sector, which is valuable for investors, public authorities and other users of sustainability information. Comparability of reporting limits the scope for different interpretations of the same ESRS data point by undertakings belonging to the same sector, and thereby supports a level playing field for undertakings, along with the possibility for users and public authorities to generate meaningful aggregate ESG data and statistical indicators. The benefits of sector-specific standards would be particularly relevant for financial institutions, as aggregators of information from multiple economic sectors. First, sector-specific standards would enable financial institutions to perform intra-sectoral ESG risk differentiation, i.e. to assess and compare undertakings in a given sector, and thereby channel investments to those undertakings best prepared for the transition. Second, sector-specific standards for the financial sector would mitigate the risk of divergent interpretation and approaches being developed and applied by individual financial institutions when preparing their own disclosures. In turn, these benefits would support effective and efficient prudential supervision by competent authorities.

3.6.3 Given the benefits of sector-specific standards, the ECB would, in the event of the removal of the Commission's empowerment to adopt sector-specific standards, nevertheless encourage the Commission to consider adopting sector-specific guidelines in order to foster a common approach to implementing the ESRS within individual sectors.

4. **Corporate sustainability due diligence**

4.1 *Transition plans*

4.1.1 The ECB welcomes the retention of the obligation under the CSDDD for undertakings to adopt and implement clear, high-quality transition plans for climate change mitigation. Robust transition planning is an important tool not only for undertakings to structure, articulate and monitor their overall strategy to adjust their business to the low-carbon transition, but also to establish the necessary risk-management practices to manage the related financial risks. The availability of forward-looking information from non-financial companies' transition plans can enable the ECB to understand the actions that individual companies commit to taking on their path to decarbonisation, as well as the

⁵² Article 2, point (6), of the proposed amendments to the CSRD and CSDDD, amending Article 29b of Directive 2013/34/EU.

transition risks faced by companies and by the economy as a whole. Thus, such information may constitute relevant input for the design of monetary policy measures. Moreover, such information is relevant for the business development and risk management processes of financial institutions. Having such information allows financial institutions to understand the transition needs and risks of their clients and help them adapt their product offering. In addition, transition plans enable financial institutions, investors, central banks and prudential supervisors to assess potential financial risks arising from the misalignment of their portfolios with relevant Union regulatory objectives. Finally, transition plans are an essential source of information for authorities in the exercise of their competences in the fields of prudential supervision⁵³ and financial stability⁵⁴.

- 4.1.2 The ECB is concerned that the proposed amendments to the CSDDD that adjust the relevant provision on transition plans may lead to ambiguity⁵⁵. There is a risk that the revised drafting may be misinterpreted as meaning that undertakings are obliged to adopt transition plans but not to implement them. This could undermine the purpose of the requirement, increase the risk of greenwashing and reduce the usefulness of transition plans for investors and financial institutions as a means of channelling investment to those undertakings that are preparing for the transition. Consequently, the ECB recommends that the drafting of the relevant provision should be clarified in the proposed amendments to the CSDDD to ensure that transition plans are put into effect.

4.2 *Review clause for the financial sector*

- 4.2.1 The proposed amendments to the CSDDD delete the review clause requiring the Commission to submit, no later than 26 July 2026, a report to the European Parliament and the Council on the necessity of introducing additional sustainability due diligence requirements tailored to regulated financial undertakings⁵⁶. The ECB agrees that the timeline for the preparation of the report does not allow sufficient time for review.
- 4.2.2 That said, the ECB considers that regulated financial undertakings should not be treated differently from undertakings in other sectors, including in the context of the CSDDD. For private finance to effectively manage risks and support the green transition of the real economy, it is crucial that regulatory and legislative requirements are consistent across sectors. In particular, the CSDDD's due diligence requirements can help to ensure that financial institutions systematically integrate sustainability matters into their decision-making and risk management practices. This will also help

⁵³ See Network for Greening the Financial System, 'Stocktake on Financial Institutions' Transition Plans and their Relevance to Micro-prudential Authorities', 3 January 2025, available on the Network for Greening the Financial System's website at www.ngfs.net.

⁵⁴ See Financial Stability Board, 'The Relevance of Transition Plans for Financial Stability', 14 January 2025, available on the FSB's website at www.fsb.org.

⁵⁵ Article 4, point (10), of the proposed amendments to the CSRD and CSDDD, amending Article 22(1) of Directive (EU) 2024/1760.

⁵⁶ Article 4, point (13), of the proposed amendments to the CSRD and CSDDD, amending Article 36 of Directive (EU) 2024/1760.

to create greater certainty around financial institutions' obligations in this area and around climate and environment-related litigation risks for the financial sector⁵⁷.

4.2.3 For these reasons, the ECB recommends the retention of the review clause in the CSDDD but proposes that it should set out a longer timeline for the preparation of the report by the Commission.

Where the ECB recommends that the proposals are amended, specific drafting proposals are set out in a separate technical working document accompanied by an explanatory text to this effect. The technical working document is available in English on EUR-Lex.

Done at Frankfurt am Main, 8 May 2025.

[signed]

The President of the ECB

Christine LAGARDE



⁵⁷ Frank Elderson, 'Making finance fit for Paris: achieving "negative splits"', Keynote speech at the conference on 'The decade of sustainable finance: half-time evaluation' organised by S&D and QED, Brussels, 14 November 2023, available on the ECB's website at www.ecb.europa.eu.

Agrocapital



EUROPEAN CENTRAL BANK
EUROSYSTEM

Technical working document

produced in connection with ECB Opinion CON/2025/10¹

Drafting proposals on the 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

Text proposed by the Commission	Amendments proposed by the ECB ²
Amendment 1 Recitals 3 and 4	
<p>(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(2) 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.</p> <p>(4) Article 26a(3), second subparagraph, of</p>	<p>(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(2) 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 for limited assurance engagement 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 at the earliest opportunity thereafter.</p>

¹ This technical working document is produced in English only and communicated to the relevant Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

² Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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.'</p>	<p>(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 ensure that sufficient time is given to develop these standards, and thereby to avoid an increase in costs of assurance for undertakings, the timeline for the requirement to adopt such standards for reasonable assurance should be removed extended to 1 October 2030.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the Commission's targeted assurance guidelines (i.e. guidelines for limited assurance engagement) should be adopted and published as soon as possible. Ideally, these guidelines should be followed promptly by binding standards for limited assurance engagement. Moreover, the ECB recommends retention of the possibility for the Commission to further enhance the verification process, by adopting standards for reasonable assurance engagement, with an extended timeline.</i></p> <p><i>See section 3.5 of the ECB Opinion.</i></p> <div style="text-align: center;">  </div> <p style="text-align: center;">Amendment Recital 5</p>	
<p>'(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, 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 to the reporting requirements an undertakings must have an average of more than 1000 employees</p>	<p>'(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, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large. Large undertakings with an average of more than 1 000 employees during the financial year should report in accordance with sustainability reporting standards. Large undertakings with an average number of employees during the financial year that is more than 500, but fewer than 1 000 (hereinafter "medium-large undertakings") should report in accordance with simplified</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.’</p>	<p>sustainability reporting standards, to be developed and adopted by the Commission through delegated acts no later than 12 months after entry into force of this Directive. 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 to the reporting requirements an undertaking must have an average of more than 1 000 or 500 employees, respectively, during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million. The simplified sustainability reporting standards for medium-large undertakings should be proportionate and relevant to the capacities and characteristics of such undertakings, to the scale and complexity of their activities, and to the associated environmental, social and governance (ESG) risks and opportunities.</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>To ensure that the scope of the sustainability reporting requirement is well calibrated, the ECB recommends the inclusion in the proposed amendments to the Corporate Sustainability Reporting Directive (CSRD) of a reporting obligation for large undertakings, and parent undertakings of large groups, with an average of more than 500 but fewer than 1 000 employees. These medium-large undertakings could be subject to a reporting requirement in accordance with dedicated simplified sustainability reporting standards that are proportionate and relevant to the capacities and characteristics of such undertakings, and to the scale and complexity of their activities.</i></p> <p><i>See section 3.1 of the ECB Opinion.</i></p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
<p style="text-align: center;">Amendment 3</p> <p style="text-align: center;">Recital 7</p>	
<p>'(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.'</p>	<p>'(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 4000 500 employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings. Due to the importance of ensuring sufficient ESG data from the banking sector, all credit institutions that are significant institutions, regardless of their size, should be subject to the sustainability reporting requirements set out in that Directive.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that at least all significant institutions, regardless of the number of employees, should remain subject to sustainability reporting requirements.</i></p> <p><i>See section 3.1, in particular paragraph 3.1.7, of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 4</p> <p style="text-align: center;">Recital 9</p>	
<p>'(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, for the purposes of reporting sustainability information</p>	<p>'(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, for the purposes of reporting sustainability information at individual or at</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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. 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 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</p>	<p>consolidated level, as required by Directive 2013/34/EU, and without prejudice to information requests for other purposes, including 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 4000 500 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. 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 4000 500 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</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
specify, where possible, the structure to be used to present that information.'	that information.'
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB welcomes the fact that the drafting of the value chain cap ensures that undertakings can still request sustainability information for purposes other than sustainability reporting under the CSRD. The ECB recommends a drafting suggestion to ensure further clarity on this point.</i></p> <p><i>See sections 3.1 and 3.3 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 5</p> <p style="text-align: center;">Recital 12</p>	
<p>'(6) 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 1 000 employees on a consolidated basis, during the financial year.'</p>	<p>'(6) 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 1 000 employees on a consolidated basis, during the financial year should report in accordance with sustainability reporting standards. Parent undertakings of large groups with an average number of employees during the financial year that is more than 500, but fewer than 1 000, employees, on a consolidated basis (hereinafter “medium-large groups”) should also report in accordance with the simplified sustainability reporting standards.</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 6</p> <p style="text-align: center;">Recital 13</p>	
<p>'(13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt</p>	<p>'(13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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.'</p>	<p>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, ensure that sufficient time is given to develop these standards, that they are integrated with the other standards, and that they effectively contribute to simplification and harmonisation, the prescribed timeline for that empowerment should be removed. In the interim, the Commission will issue sector-specific guidelines, to support undertakings in capturing the risks, opportunities and impacts they face in specific sectors in a harmonised and comparable manner.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>In view of the benefits of sector-specific standards, the ECB recommends that the proposed amendments to the CSRD should retain the empowerment for the Commission to adopt such standards. However, the timeline for the adoption of such standards could be left open. In the interim, or in the event that empowerment is removed, the ECB encourages the Commission to consider adopting sector-specific guidelines.</i></p> <p><i>See section 3.6 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 7</p> <p style="text-align: center;">Recital 17</p>	
<p>'(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-country 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</p>	<p>'(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-country 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</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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. 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, 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.’</p>	<p>turnover threshold for the third-country undertaking should be raised from EUR 150 000 000 to EUR 450 000 000. 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, 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.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The scope of the sustainability reporting obligation has also been reduced in respect of third-country undertakings. These amendments will mean that a larger number of third-country undertakings with activities in the Union will not be required to comply with sustainability reporting requirements than is the case under the present CSRD. This increases the gap in data availability between Union and third-country undertakings, with negative consequences for financial institutions’ risk management. Therefore, the ECB recommends that the turnover threshold for reporting third-country undertakings should not be amended.</i></p> <p><i>See paragraph 3.1.9 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 8</p> <p style="text-align: center;">Recitals 18 and 19</p>	
<p>‘(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</p>	<p>‘(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 1000500 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</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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.</p> <p>(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.'</p>	<p>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.</p> <p>(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 1000500 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.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 9</p> <p style="text-align: center;">Recital 26</p>	
<p>'(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</p>	<p>'(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 replacedcomplemented 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</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
administrative supervision.'	supervision.'
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the relevant provision on transition plans in the proposed amendments to the Corporate Sustainability Due Diligence Directive (CSDDD) should be drafted more clearly, to ensure that transition plans are put into effect.</i></p> <p><i>See section 4.1 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 10</p> <p style="text-align: center;">Recital 29</p>	
<p>'(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.'</p>	<p>'(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 the original timeline envisaged in the 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 the timeline should be extended to 26 July 2030.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends the retention of the review clause in the CSDDD but proposes that it sets out a longer timeline for the preparation of the report by the Commission.</i></p> <p><i>See section 4.2 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 11</p> <p style="text-align: center;">Article 1, point (1)</p> <p style="text-align: center;">(replacing Article 26a(3) of Directive 2006/43/EC)</p>	
<p>'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</p>	<p>'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)</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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.</p> <p>The Commission may adopt the assurance standards referred to in the first subparagraph only where those standards:</p> <p>(a) have been developed with proper due process, public oversight and transparency;</p> <p>(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and</p> <p>(c) are conducive to the Union public good.'</p>	<p>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.</p> <p>The Commission shall, no later than 1 October 2030, adopt delegated acts in accordance with Article 48a in order to provide for reasonable assurance standards, following an assessment to determine if reasonable assurance is feasible for auditors and for undertakings. Taking into account the results of that assessment and if therefore appropriate, those delegated acts shall specify the date from which the assurance opinion referred to in Article 34(1) second subparagraph (a) Directive 2013/34/EU is to be based on a reasonable assurance engagement that is based on those reasonable assurance standards.</p> <p>The Commission may adopt the assurance standards referred to in the first and second subparagraphs only where those standards:</p> <p>(a) have been developed with proper due process, public oversight and transparency;</p> <p>(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and</p> <p>(c) are conducive to the Union public good.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends the retention of the possibility for the Commission to further enhance the verification process, by adopting standards for reasonable assurance engagement, with an extended timeline to allow for sufficient time to elapse following the first years of reporting under the CSRD.</i></p> <p><i>See section 3.5 of the ECB Opinion.</i></p>	

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<p style="text-align: center;">Amendment 12</p> <p style="text-align: center;">Article 2, point (1)(a)</p> <p style="text-align: center;">(replacing the introductory wording of Article 1(3) of Directive 2013/34/EU)</p>	
<p>‘in paragraph 3, the introductory wording is replaced by the following:</p> <p>‘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:’</p>	<p>‘in paragraph 3, the introductory wording is replaced by the following:</p> <p>‘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:’;</p> <p>(a) large undertakings, within the meaning of Article 2 of Council Directive 91/674/EEC(*), which, on their balance sheet dates, exceed the average number of 500 employees during the financial year;</p> <p>(b) credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council(**), which, on their balance sheet dates, exceed the average number of 500 employees during the financial year; and</p> <p>(c) institutions subject to direct supervision by the European Central Bank pursuant to Article 6(4) of Council Regulation (EU) No 1024/2013(***).</p> <p>(*) Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings (OJ L 374, 31.12.1991, p. 7, ELI: http://data.europa.eu/eli/dir/1991/674/oj).</p>

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	<p>(**) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p> <p>(***) Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).'</p>
<p align="center"><u>Explanation</u></p> <p>See paragraph 3.1.7 of the ECB Opinion, and amendments 2 and 3, as regards the scope of the sustainability reporting obligation.</p>	
<p align="center">Amendment 13</p> <p align="center">Article 2, point (2)(a)</p> <p align="center">(replacing the first subparagraph of Article 19a(1) of Directive 2013/34/EU)</p>	
<p>'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.'</p>	<p>'Large undertakings which on their balance sheet dates, exceed the average number of 1000 500 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.'</p>
<p align="center"><u>Explanation</u></p> <p>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</p>	
<p align="center">Amendment 14</p> <p align="center">Article 2, point (2)(b)(i)</p> <p align="center">(replacing the first subparagraph of Article 19a(3) of Directive 2013/34/EU)</p>	
<p>'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and</p>	<p>'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's own operations and about its value</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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.'</p>	<p>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 4000 500 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 4000 500 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.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 15</p> <p style="text-align: center;">Article 2, point (2)(b)(ii)</p> <p style="text-align: center;">(adding a subparagraph to Article 19a(3) of Directive 2013/34/EU)</p>	
<p>'The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.'</p>	<p>'The first subparagraph is without prejudice to information requests for purposes other than for the reporting of sustainability information as</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	required by this Directive, including Union requirements on undertakings to conduct a due diligence process.'
<p align="center"><u>Explanation</u></p> <p><i>See section 3.3 of the ECB Opinion, and amendment 4, as regards clarifications to the value chain cap.</i></p>	
<p align="center">Amendment 16</p> <p align="center">Article 2, point (2)(d) (new)</p> <p align="center">(adding a new paragraph 5a to Article 19a of Directive 2013/34/EU)</p>	
<p>No text.</p>	<p>‘(d) the following paragraph 5a is inserted:</p> <p>‘By way of derogation from paragraphs 2 to 4, and without prejudice to paragraphs 9 and 10, large undertakings with an average number of employees during the financial year that is more than 500, but fewer than 1000 (hereinafter “medium-large undertakings”), parent undertakings of large groups with an average number of employees during the financial year that is more than 500, but fewer than 1000, on a consolidated basis (hereinafter, ‘medium-large groups’), and institutions referred to in Article 1(3), point (c), with an average number of employees during the financial year that is fewer than 1000 may limit their sustainability reporting to the following information:</p> <p>(a) a brief description of the undertaking’s business model and strategy, including:</p> <p>(i) the resilience of the undertaking’s business model and strategy in relation to risks related to sustainability matters;</p> <p>(ii) the plans of the undertaking, including implementing actions and related financial and investment plans, to ensure that its business model and strategy are compatible with the transition to a sustainable economy and with the limiting of global warming to 1,5 °C in line with</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	<p>the Paris Agreement under the United Nations Framework Convention on Climate Change adopted on 12 December 2015 (the ‘Paris Agreement’) and the objective of achieving climate neutrality by 2050 as established in Regulation (EU) 2021/1119 of the European Parliament and of the Council(*), and, where relevant, the exposure of the undertaking to coal-, oil- and gas-related activities;</p> <p>(iii) how the undertaking’s strategy has been implemented with regard to sustainability matters;</p> <p>(b) a description of the time-bound targets related to sustainability matters set by the undertaking, including, where appropriate, absolute greenhouse gas emission reduction targets at least for 2030 and 2050, and a description of the progress the undertaking has made towards achieving such targets;</p> <p>(c) a description of the undertaking’s policies in relation to sustainability matters;</p> <p>(d) a description of the principal actual or potential adverse impacts connected with the undertaking on sustainability matters, and any actions taken to identify, monitor, prevent, mitigate or remediate such actual or potential adverse impacts;</p> <p>(e) the principal risks to the undertaking related to sustainability matters and how the undertaking manages those risks;</p> <p>(f) key indicators necessary for the disclosures referred to in points (a) to (e).</p> <p>Undertakings that rely on the derogation referred to in the first subparagraph shall report in accordance with the simplified sustainability reporting standards referred to in Article 29ba.</p>




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	<p>* Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).⁷</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>Medium-large undertakings, medium-large groups and significant institutions with fewer than 1000 employees that are not otherwise captured under the definitions of medium-large undertakings and groups could be subject to a reporting obligation in accordance with dedicated simplified sustainability reporting standards that are proportionate and relevant to the capacities and characteristics of such undertakings, and to the scale and complexity of their activities.</i></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 17</p> <p style="text-align: center;">Article 1 point 1 (e) (amending Article 1 (9) of Directive 2013/34/EU)</p> <p>'Provided that the conditions set out in the second subparagraph of this paragraph are met, an undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 4 of this Article ("the exempted subsidiary undertaking") if such undertaking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a. An undertaking which is a subsidiary undertaking of a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 of this Article where such undertaking and its subsidiary undertakings are included in the consolidated sustainability reporting of that parent undertaking that is established in a third country and where that consolidated sustainability reporting is carried</p>	<p>'Provided that the conditions set out in the second subparagraph of this paragraph are met, an undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 4 of this Article ("the exempted subsidiary undertaking") if such undertaking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a. An undertaking which is a subsidiary undertaking of a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 of this Article where such undertaking and its subsidiary undertakings are included in the consolidated sustainability reporting of that parent undertaking that is established in a third country and where that consolidated sustainability reporting is carried out in accordance with the sustainability reporting</p>

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<p>out in accordance with the sustainability reporting standards adopted pursuant to Article 29b or in a manner equivalent to those sustainability reporting standards, as determined in accordance with an implementing act on the equivalence of sustainability reporting standards adopted pursuant to the third sub paragraph of Article 23(4) of Directive 2004/109/EC of the European Parliament and of the Council.'</p>	<p>standards adopted pursuant to Articles 29b and 29ba or in a manner equivalent to those sustainability reporting standards, as determined in accordance with an implementing act on the equivalence of sustainability reporting standards adopted pursuant to the third sub paragraph of Article 23(4) of Directive 2004/109/EC of the European Parliament and of the Council.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>Companies exempted from the scope of the CSRD under Article 19a(9) of Directive 2013/34/EU should not be required to carry out sustainability reporting in accordance with simplified sustainability reporting standards under the proposed Article 29ba.</i></p>	
<p style="text-align: center;">Amendment 18</p> <p style="text-align: center;">Article 2, point (4)(a)</p> <p style="text-align: center;">(replacing the first subparagraph of Article 29a(1) of Directive 2013/34/EU)</p>	
<p>'Parent undertaking 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.'</p>	<p>'Parent undertaking of a large group which, on their balance sheet dates, exceed the average number of 1000 500 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.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 19</p> <p style="text-align: center;">Article 2, point (4)(b)(i)</p> <p style="text-align: center;">(replacing the first subparagraph of Article 29a(3) of Directive 2013/34/EU)</p>	
<p>'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information</p>	<p>'Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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 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.'</p>	<p>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 4000 500 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 500 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.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 20</p> <p style="text-align: center;">Article 2, point (4)(b)(ii)</p> <p style="text-align: center;">(adding a subparagraph to Article 29a(3) of Directive 2013/34/EU)</p>	
<p>'The first subparagraph is without prejudice to Union requirements on undertakings to conduct</p>	<p>'The first subparagraph is without prejudice to information requests for purposes other than for</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
a due diligence process.'	the reporting of sustainability information as required by this Directive, including Union requirements on undertakings to conduct a due diligence process.'
<p align="center"><u>Explanation</u></p> <p align="center"><i>See section 3.3 of the ECB Opinion, and amendment 4, as regards clarifications to the value chain cap.</i></p>	
<p align="center">Amendment 21</p> <p align="center">Article 2, point (6)</p> <p align="center">(amending Article 29b of Directive 2013/34/EU)</p>	
<p>'(a) in paragraph 1, the third and fourth subparagraphs are deleted;</p> <p>(b) in paragraph 4, first subparagraph, the last sentence is replaced by the following:</p> <p>'Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet data, do not exceed the average number of 1000 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.';</p>	<p>'(a) in paragraph 1, the third and fourth subparagraphs are deleted;</p> <p>(b) in paragraph 4, first subparagraph, the last sentence is replaced by the following:</p> <p>'Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet data, do not exceed the average number of 4000 500 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.';</p>
<p align="center"><u>Explanation</u></p> <p align="center"><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 22</p> <p align="center">Article 2, point (7a) (new)</p> <p align="center">(inserting Article 29ba of Directive 2013/34/EU)</p>	
No text	<p>'(7a) the following Article 29ba is inserted:</p> <p>"Article 29ba</p> <p>Simplified sustainability reporting standards for medium-large undertakings and medium-large</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	<p>groups</p> <p>1. By [12 months following the adoption of this amending Directive], the Commission shall adopt delegated acts, in accordance with Article 49, supplementing this Directive to provide for sustainability reporting standards for the entities referred to in Article 19a(5a) that are proportionate and relevant to their capacities and characteristics and to the scale and complexity of their activities, as well as to the associated sustainability-related risks and impacts. These sustainability reporting standards shall specify the information that is to be reported by the entities referred to in Article 19a(5a), in accordance with that paragraph.</p> <p>The reporting requirements laid down in the delegated acts referred to in the first subparagraph shall not be brought into force earlier than 18 months after the adoption by the Commission.</p> <p>2. The sustainability reporting standards referred to in 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.</p> <p>3. 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 EFRAG and, where necessary, it shall amend such delegated acts to take into account relevant developments, including developments with regard to international standards.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p>See section 3.1 of the ECB Opinion, and amendments 2 and 16, as regards the scope of the sustainability reporting obligation.</p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
<p style="text-align: center;">Amendment 23</p> <p style="text-align: center;">Article 2, point (8)</p> <p style="text-align: center;">(inserting Article 29ca of Directive 2013/34/EU)</p>	
<p>'Article 29ca</p> <p>Sustainability reporting standards for voluntary use</p> <p>1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1), 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.</p> <p>2. The sustainability reporting standards referred to in paragraph 1 shall be proportionate to and relevant to 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.'</p>	<p>'Article 29ca</p> <p>Sustainability reporting standards for voluntary use</p> <p>1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1), 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.</p> <p>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 take into account the criteria set out in Article 19a(5a) and the simplified sustainability reporting standards under Article 29ba. They shall also, to the extent possible, specify the structure to be used to present such sustainability information.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB considers that the new voluntary standards should take into account the information required under the simplified sustainability reporting standards for medium-large undertakings and medium-large groups. The information contained in the voluntary standards should, in particular, enable undertakings within the scope of CSRD to obtain information that is relevant and material for their reporting, transition planning and due diligence purposes.</i></p> <p><i>See section 3.2 of the ECB Opinion and amendment 16.</i></p>	


Text proposed by the Commission	Amendments proposed by the ECB ²
<p style="text-align: center;">Amendment 24</p> <p style="text-align: center;">Article 2, point (11)</p> <p style="text-align: center;">(amending Article 34 of Directive 2013/34/EU)</p>	
<p>‘(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:</p> <p>‘(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 29b and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852;’</p> <p>(b) the following paragraph 2a is inserted:</p> <p>‘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 voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.’;</p>	<p>‘(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:</p> <p>‘(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 or Article 29ba, 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 29b and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852;’</p> <p>(b) the following paragraph 2a is inserted:</p> <p>‘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 4000 500 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.’;</p>
<u>Explanation</u>	

Text proposed by the Commission	Amendments proposed by the ECB ²
See section 3.1 of the ECB Opinion, and amendments 2, 16 and 22, as regards the scope of the sustainability reporting obligation.	
<p style="text-align: center;">Amendment 25</p> <p style="text-align: center;">Article 2, point (12)</p> <p style="text-align: center;">(amending Article 40a(1) of Directive 2013/34/EU)</p>	
<p>'in Article 40a, paragraph 1 is amended as follows:</p> <p>(a) the second subparagraph is replaced by the following:</p> <p>'The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive';</p> <p>(b) the fourth and fifth subparagraphs are replaced by the following:</p> <p>'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.</p> <p>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.';</p>	<p>'in Article 40a, paragraph 1 is amended as follows:</p> <p>(a) the second subparagraph is replaced by the following:</p> <p>'The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive';</p> <p>(b) the fourth and fifth subparagraphs are replaced by the following:</p> <p>'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.</p> <p>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.';</p>
<p style="text-align: center;"><u>Explanation</u></p> <p>See paragraph 3.1.9 of the ECB Opinion, and amendment 7, as regards the scope of the sustainability reporting obligation in respect of third-country undertakings.</p>	
Amendment 26	

Text proposed by the Commission	Amendments proposed by the ECB ²
<p style="text-align: center;">Article 2, point (13) (amending Article 49 of Directive 2013/34/EU)</p>	
<p>‘(a) the following paragraphs 3c to 3e are inserted:</p> <p>‘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].</p> <p>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 act already in force.</p> <p>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.’;</p> <p>(b) paragraph 5 is replaced by the following:</p> <p>‘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</p>	<p>‘(a) the following paragraphs 3c to 3e are inserted:</p> <p>‘3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5), 29ba and 29ca shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive].</p> <p>3d. The delegations of powers referred to in Articles 19b(5), 29aa(5), 29ba 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.</p> <p>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 29ba 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.’;</p> <p>(b) paragraph 5 is replaced by the following:</p> <p>‘5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29ba, 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</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
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.’.	they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.’.
<p align="center"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendments 2, 16 and 22, as regards the scope of the sustainability reporting obligation, and in particular the adoption of simplified sustainability reporting standards for medium-large undertakings, medium-large groups and significant institutions with fewer than 1000 employees, that are not otherwise captured under the definition of medium-large undertakings and medium-large groups.</i></p>	
<p align="center">Amendment 27</p> <p align="center">Article 3, point (1)(b)</p> <p align="center">(amending Article 5(2), first subparagraph, point (b), of Directive (EU) 2022/2464)</p>	
<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(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;’;</p>	<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to large undertakings which, on their balance sheet dates, exceed the average number of 500 employees during the financial year;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 500 employees, on a consolidated basis, during the financial year;’;</p>
<p align="center"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 28</p> <p align="center">Article 3, point (2)(b)</p> <p align="center">(amending Article 5(2), third subparagraph, point (b), of Directive (EU) 2022/2464)</p>	
<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large</p>	<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>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;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(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;’;</p>	<p>within the meaning of Article 3(4) of Directive 2013/34/EU which, on their balance sheet dates, exceed the average number of 4000500 employees during the financial year;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(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 4000500 employees, on a consolidated basis, during the financial year;’;</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 29</p> <p style="text-align: center;">Article 4, point (10a) (new)</p> <p style="text-align: center;">(replacing Article 22(3) of Directive (EU) 2013/34/EC)</p>	
<p>No text</p>	<p>‘(10a) in Article 22, paragraph 3 is replaced by the following:</p> <p>‘(3) Member States shall ensure that the transition plan for climate change mitigation referred to in paragraph 1 is put into effect by the company, is updated every 12 months, and contains a description of the progress the company has made towards achieving the targets referred to in paragraph 1, second subparagraph, point (a).’;</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the relevant provision on transition plans under the CSDDD should be drafted more clearly, since transition plans are not only a formal requirement, but also must be put into effect.</i></p> <p><i>See section 4.1 of the ECB Opinion and amendment 9.</i></p>	
<p style="text-align: center;">Amendment 30</p> <p style="text-align: center;">Article 4, point (13)</p> <p style="text-align: center;">(deleting Article 36(1) of Directive (EU) 2024/1760)</p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>'in Article 36, paragraph 1 is deleted.'</p>	<p>'in Article 36, paragraph 1 is deleted replaced by the following:</p> <p>'1. The Commission shall submit 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 as well as their impacts, in line with the objectives of this Directive.</p> <p>The report shall take into account other Union legislative acts that apply to regulated financial undertakings. It shall be published no later than 26 July 2030. It shall be accompanied, if appropriate, by a legislative proposal.'</p>
<p>Agrcapital</p> <p><i>The ECB recommends the retention of the review clause in the CSDDD but proposes that it should set out a longer timeline for the preparation of the report by the Commission.</i></p> <p><i>See section 4.2 of the ECB Opinion and amendment 10.</i></p>	