Consiglio dell'Unione europea Comunicato stampa 9 dicembre 2025 02:37

Council and Parliament strike a deal to simplify sustainability reporting and due diligence requirements and boost EU competitiveness

Today, the Council's presidency and European Parliament's negotiators reached a provi
diligence requirements to boost EU competitiveness. The agreement simplifies the c
sustainability due diligence (**CS3D**) by reducing the reporting burden and limiting the t

> Today we delivered on our promise to remove burdens and rules and boost EU's competitiveness. This is an ir
> our companies grow and innovate.

Marie Bjerre, Minister for European affairs of Denmark

> For years, European businesses have faced wave after wave of red tape. This has slowed green investments an
> direction. With clear and simple rules, companies can focus on their core business, so we achieve better value
> and invest. The Danish Presidency has pushed for this outcome, and we are keeping up the pace.

Morten Bødskov, Minister for industry, business and financial affairs of Denmark

Corporate sustainability reporting directive

On the **CSRD**, the Commission proposed to increase the employee threshold to **1000**
directive. In the provisional agreement, the co-legislators added a net turnover thresh
undertakings.

The co-legislators also agreed to exempt **financial holding** undertakings from the CSI
had to start reporting from financial year 2024 (the so-called **"wave one"** companies)

Finally, the provisional agreement introduces a **review clause** concerning a possible e

Corporate sustainability due diligence directive

While the CS3D's **scope** was not covered by the Commission's proposal, the provisiona
billion net turnover. The co-legislators considered that such large companies have th
a positive impact and absorb the costs and burdens of due diligence processes.

Identification and assessment of adverse impacts

The Commission's proposal limits the further **assessment of the identification phas**
of its direct business partners. The provisional agreement removes this limitation. Inst
where actual and potential adverse impacts are most likely to occur. To provide compa
equally likely or equally severe in several areas, they are given the ability to prioritise
Furthermore, companies should no longer be required to carry out a comprehensive m
Companies are supposed to base their efforts on **reasonably available information,**
smaller business partners.

Climate transition plans

To provide for a significant burden relief, the obligation for companies to adopt a **trans**

Civil liability, penalties and transposition

The provisional agreement removes the **EU harmonised liability regime** and the req
overriding mandatory application in cases where the applicable law is not the national
harmonised liability regime has been inserted.

When it comes to **penalties**, the co-legislators agreed on a **maximum cap of 3%** of
necessary guidelines in this regard.

Finally, the provisional agreement **postpones** the CS3D's transposition deadline by an
new measures by July 2029.

Next steps

The provisional agreement must be now endorsed by the Council and the European Pa

Background

In October 2024, the European Council called on all EU institutions, member states and
response to the challenges identified in the reports by Enrico Letta ('Much more than a
The Budapest declaration of 8 November 2024 subsequently called for 'launching a sim
framework for businesses and drastically reducing administrative, regulatory and repor

On 26 February 2025, as a follow-up to EU leaders' call, the Commission put forward t
fields of sustainability and investment, respectively. On 20 March 2025, leaders urged
packages as a matter of priority and with a high level of ambition, with a view to finalis

On this occasion, the European Council specifically called on co-legislators to adopt the
2025. On 14 April 2025, the Council adopted the mechanism and postponed by two ye
companies that have not yet started reporting, as well as listed SMEs, and by one year
(covering the largest companies) of the CS3D.

Simplification: Council agrees position on sustainability reporting and due diligence rec

---

Directive on certain corporate sustainability reporting and due diligence requirements,