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E-004155/2025

Answer given by Ms Albuquerque  
on behalf of the European Commission  
(2.12.2025)

On 26 February 2025 the Commission adopted the Omnibus I proposal to simplify the Corporate Sustainability Reporting Directive (CSRD), as well as the Corporate Sustainability Due Diligence Directive<sup>1</sup>. If agreed by co-legislators, it will result in significant burden reduction for smaller companies.

According to the proposal, the reporting requirements would only apply to large undertakings with more than 1000 employees. This would reduce the number of companies subject to the reporting requirements by about 80%. It would remove the reporting requirements on listed small and medium-sized enterprises (SMEs). Other SMEs have never been in the scope of the CSRD.

The proposal also strengthens protections for companies in the value chain by prohibiting companies subject to the CSRD from asking for more information for the purposes of reporting sustainability information, than what would be contained in a future voluntary standard for smaller companies that will be developed based on the Voluntary sustainability reporting standard for SMEs produced by EFRAG<sup>2</sup>.

The co-legislators have already agreed on the so-called ‘Stop-the-clock’ Directive<sup>3</sup>, which postpones by two years the application of all reporting requirements for companies that do not have to report in 2025 for financial year 2024. It ensures that listed SMEs will not have to start reporting for financial year 2026 while co-legislators consider the Commission’s proposal to take them definitively out of scope.

The postponement of reporting deadlines through the ‘Stop-the-clock’ Directive, the narrowing of the CSRD scope, and the introduction of protections for SMEs in the value chain represent the main instruments through which the Commission seeks to alleviate the regulatory and administrative burden on SMEs and other smaller companies.

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<sup>1</sup> COM(2025) 81 final and COM(2025) 80 final.

<sup>2</sup> C(2025) 4984 final: [https://finance.ec.europa.eu/publications/commission-presents-voluntary-sustainability-reporting-standard-ease-burden-smes\\_en](https://finance.ec.europa.eu/publications/commission-presents-voluntary-sustainability-reporting-standard-ease-burden-smes_en).

<sup>3</sup> OJ L, 2025/794, 16.4.2025.