Company law: time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings

2023/0368(COD) - 10/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 562 votes to 44, with 15 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on amending Directive 2013/34/EU as regards the time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings.

The European Parliament adopted its position adopted at first reading under the ordinary legislative procedure.

In order to reduce the burden of the reporting requirements on companies, it is proposed to postpone by two years (until 30 June 2026) the deadline for the adoption of the delegated acts containing the sustainability reporting standards that specify the information that undertakings must disclose in relation to the sustainability issues and sector-specific reporting areas in which an undertaking operates referred to in Directive 2013/34/EU.

The amended text stipulates that this postponement should not prevent the Commission from publishing the delegated acts containing the sector-specific sustainability reporting standards before that two-year period has elapsed, and the Commission should endeavour to adopt delegated acts containing **eight of the sector-specific sustainability reporting standards** as soon as each is ready.

When adopting delegated acts containing sector-specific sustainability reporting standards, the Commission should ensure the information specified by those sustainability reporting standards is proportionate to the scale of the risks and impacts related to sustainability matters specific to each sector, taking account of the fact that the risks and impacts of some sectors are higher than those of other sectors.

The Commission should also take account of the fact that not all activities within a particular sector are necessarily associated with high sustainability risks or impacts. For undertakings that operate in sectors particularly reliant on natural resources, sector-specific sustainability reporting standards would require the disclosure of nature-related impacts on and risks for biodiversity and ecosystems.

In order to foster democratic control, scrutiny and transparency, the Commission should, at least once a year, consult regarding the development of sustainability reporting standards the European Parliament, and jointly the Member State Expert Group on Sustainable Finance and Accounting Regulatory Committee, concerning the work programme of EFRAG. As regards the development of sustainability reporting standards, EFRAG’s work programme should include information on its planning, prioritisation and timelines for future draft standards and other deliverables.