

Postponement of the date of application of the disclosure requirements for certain undertakings

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This **Delegated Regulation** presented by the Commission amends [Delegated Regulation \(EU\) 2023/2772](#) as regards the postponement of the date of application of the disclosure requirements for certain undertakings.

Context

Directive [\(EU\) 2022/2464](#) of the European Parliament and of the Council on corporate sustainability reporting (**CSRD**) amended Directive 2013/34/EU (Accounting Directive) to introduce certain additional sustainability reporting requirements.

In his report on ‘The Future of European Competitiveness’, Mario Draghi emphasised the need for the European Union to create a regulatory landscape which facilitates competitiveness and resilience, drawing attention to burden and compliance costs created by the CSRD amongst other pieces of legislation.

The CSRD requires undertakings in scope to report sustainability information in accordance with the European Sustainability Reporting Standards (ESRS), which are laid down in Annex I to Commission Delegated Regulation (EU) 2023/2772¹².

The CSRD is currently scheduled to apply to large undertakings, SMEs with securities listed on regulated markets in the Union, parent undertakings of large groups, and to issuers that belong to those categories of undertakings. The date of application of the reporting requirements introduced by the CSRD is phased in, depending on the different categories of undertakings. In a first wave, large public interest entities with more than 500 employees must report for the first time in 2025 for financial year 2024 (‘wave one’ undertakings).

As the CSRD is currently being implemented in a new and challenging context (war in Ukraine, effects of the CSRD on the competitive position of EU companies), the Commission has adopted a set of so-called ‘omnibus’ proposals aimed at reducing the administrative burden on companies. In particular, the Commission proposes to reduce the number of companies subject to sustainability reporting obligations. The Commission's proposal provides that only large companies with more than 1 000 employees remain subject to the obligation to publish sustainability information.

As part of that Omnibus Simplification Package, the Commission also proposed to amend the CSRD to defer the dates from which Member States are to apply the reporting requirements for those undertakings that would have to report for the first time for financial years 2025 and 2026.

Pursuant to the existing timetable of Appendix C of ESRS 1 of Annex I to Delegated Regulation (EU) 2023/2772, undertakings that need to report sustainability information already with respect to financial year 2024 will be subject to a further phasing in of various reporting requirements with respect to financial years 2025 and 2026. Moreover, undertakings with more than 750 employees will not benefit from the same phase-in provisions as other undertakings that are subject to the sustainability reporting requirements.

The Commission considers that it would not be reasonable to require undertakings to comply with additional reporting requirements when the Commission has made a proposal to ensure that those undertakings will subsequently not have to report any information. Moreover, it would be contrary to the

burden reduction objective of the Omnibus Simplification Package to prevent undertakings with more than 750 employees from benefitting from the same phase-in provisions as other undertakings that are subject to the sustainability reporting requirements.

The Commission believes that the best means of addressing those problems is to:

(a) not require any wave one undertaking to disclose additional information in the second or third years of applying the ESRS beyond what it had to disclose in the first year; and

(b) extend to wave one undertakings with more than 750 employees those phase-in provisions that currently apply for two years to undertakings with up to 750 employees.

Content

This delegated act is based on the Accounting Directive and amends Annex I to Delegated Regulation (EU) 2023/2772 as regards the first set of ESRS.

This proposal for a delegated act therefore **defers by two years (until the 2027 financial year) the additional reporting requirements** that wave one undertakings would otherwise have to meet for financial years 2025 and 2026, and **extends to all wave one undertakings the phase-in provisions** regarding ESRS E4 (biodiversity and ecosystems), ESRS S2 (workers in the value chain), ESRS S3 (affected communities) and ESRS S4 (consumers and end-users) that currently apply only to wave one undertakings with up to 750 employees.

The proposal also extends to all wave one undertakings the safeguard provision which provides that, where an undertaking uses those temporary exemptions for a complete topical standard, **it must nevertheless report certain summarised information** on the topic concerned if the undertaking has concluded that the topic in question is material.

This amending delegated act should apply for financial years beginning on or after 1 January 2025.