Certain corporate sustainability reporting and due diligence requirements (Omnibus I)

2025/0045(COD) - 17/10/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Legal Affairs adopted the report by Jörgen WARBORN (EPP, SE) 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.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Due diligence only for large companies

To reduce the reporting burden on undertakings, the obligation to prepare and publish a sustainability statement at individual level should be reduced to **undertakings with an average of more than 1000 employees** and a **net turnover of EUR 450 000 000** during the financial year. It should be possible to exempt ultimate parent undertakings which are financial **holding** undertakings not involved in management activities from complying with reporting obligations.

For companies no longer covered by the rules, reporting would be **voluntary**, in accordance with the Commission's guidelines. To prevent large companies from shifting their reporting obligations onto their smaller trading partners, the latter would not be permitted to request information beyond the voluntary standards.

Voluntary Guidelines

Following consultation with relevant stakeholders, the Commission should develop **voluntary sector-specific guidelines** to assist companies assess their risks, opportunities and impacts in specific sectors, to facilitate the application of mandatory European sustainability reporting standards (ESRS) in a given sector, to identify sustainability issues that may be important for a specific sector and to reduce the reporting burden.

Risk-based approach

The reporting company should adopt an approach that prioritises efforts to gather information on high-risk impacts and sustainability issues commonly associated with its sector. Instead of systematically asking for information required for their due diligence assessments from their business partners, Members called on the companies to adopt a **risk-based approach**, whereby they only ask for the necessary information where there is a prospect of an **adverse impact** in their business partners’ activities. In the case of firms outside the scope of the rules, this would be possible only as a **last resort**. Companies would still be required to prepare a transition plan for climate change mitigation, which aim to ensure, through reasonable efforts, compatibility of the business model and of the strategy of the company with the transition to a sustainable economy and with the limiting of global warming in line with the Paris Agreement.

Corporate due diligence on sustainability

Directive (EU) 2024/1760 on corporate due diligence regarding sustainability, laying down rules concerning companies' obligations regarding adverse human rights impacts and adverse environmental impacts, should apply to (i) companies with an average of **over 5 000 employees** and a net worldwide turnover of over **EUR 1.5 billion** in the last financial year and (ii) companies with a net turnover of over EUR 1.5 billion in the Union in the financial year preceding the last financial year .

Digital portal

To facilitate compliance by companies with reporting and due diligence obligations under Union law, and to enhance the accessibility and usability of sustainability-related information, the Commission should establish a **dedicated digital reporting portal**. That portal should serve as a **one-stop shop**, providing companies, free of charge, with tailored access to templates, guidelines, reporting requirements, including voluntary tools, and information on funding and tendering opportunities.

Penalties

Businesses should be liable for damages caused by breaches of due diligence obligations under national law, rather than at the EU level. The maximum fine level for offending companies would be at 5% of their global turnover. Moreover, to harmonise enforcement practices across the Union, the Commission, in collaboration with the Member States, should develop guidelines to assist supervisory authorities in determining the level of penalties.