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

2025/0045(COD) - 16/12/2025 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 428 votes to 218, with 17 abstentions, a legislative resolution 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 position adopted by the European Parliament at first reading amends the proposal as follows:

Due diligence only for large undertakings

To reduce the reporting burden on undertakings and to achieve the objectives of reporting in a more proportionate way, the obligation to prepare and publish sustainability reporting at individual level should be reduced to undertakings with a net turnover exceeding **EUR 450 million** and an average of more than **1 000 employees** during the financial year. Undertakings, groups and issuers below this threshold remain free to carry out voluntary sustainability reporting.

The rules will also apply to **non-EU companies** with net turnover in the EU of over EUR 450 million and to their subsidiaries and branches generating turnover higher than EUR 200 million in the EU.

Protection for small and medium-sized enterprises

There is evidence that undertakings in the value-chain, including small and medium-sized enterprises, are receiving disproportionate requests for information from reporting undertakings. Therefore, the amended text introduces protections for undertakings in the value chain that do not exceed **the average of 1 000 employees during the financial year** to limit the burden for those undertakings (‘protected undertakings’). Thus, companies required to prepare sustainability reporting will not shift that responsibility to their smaller business partners. Firms with fewer than 1,000 employees will not have to provide information to their bigger business partners beyond what is included in the voluntary reporting standards.

Identifying and assessing actual and potential adverse impacts

Member States should ensure that companies take appropriate measures to identify and assess actual and potential adverse impacts arising from their own operations or those of their subsidiaries and, where related to their chains of activities, those of their business partners. As part of this obligation, companies must take appropriate measures to:

- carry out a **scoping exercise**, based solely on reasonably available information, to identify general areas across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners where adverse impacts are most likely to occur and to be most severe;

- based on the results of the scoping exercise, carry out an **in-depth assessment** in the areas where adverse impacts were identified to be most likely to occur and most severe. In the case of business partners with fewer than **5000 employees**, companies should request information only when the information cannot reasonably be obtained by other means such as from information they have or other sources.

Corporate sustainability due diligence

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

The directive on the due diligence will apply from 26 July 2029 for all companies concerned.

Civil liability and sanctions

Businesses will be liable at the national level (rather than EU level) for failures to apply the rules correctly and could face fines of up to **3%** of the firm’s net worldwide turnover with the Commission expected to publish the necessary guidelines in this regard.

Digital portal

The Commission will provide for a dedicated portal through which undertakings may access information, guidance and support, including relevant templates and guidance, with regard to the mandatory and voluntary sustainability reporting framework referred to in this Directive. The portal will be interconnected with online support measures provided by Member States, where they exist, to take account of national contexts.