GREEN DISCLOSURE:
RED TAPE OR STRATEGIC TOOL?

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IEP@BU Policy Brief
n.43

June 2025

Università Bocconi
IEP@BU
Institute for European Policymaking

Executive Summary[1]

The Corporate Sustainability Reporting Directive (CSRD) marks a crucial step for the European Union in consolidating a new approach to reliable sustainability data. It aims to make ESG disclosures mandatory for a large number of companies, extending beyond previous frameworks to cover not only climate change, but also pollution, biodiversity, resource use, social issues, and governance.

Adopted in December 2022, the CSRD establishes phased-in reporting obligations for large companies, listed SMEs, and certain non-EU companies operating in the EU. It introduces the principle of double materiality, requiring companies to disclose not only how sustainability issues affect them, but also how their activities impact society and the environment.

For the first time, an EU-wide audit requirement is introduced to enhance the reliability and comparability of sustainability information, aiming for a level of assurance similar to that required for financial data.

Despite these advances, the CSRD has faced criticism for its complexity and potential burden on European companies. With the start of the new Commission's mandate in 2024, a strong political push for simplification led to the "Omnibus proposal"—a package aimed at reducing administrative costs and increasing competitiveness.

The omnibus directive proposes to drastically reduce the scope of companies subject to CSRD (by up to 80%), raise reporting thresholds, postpone requirements by two years, and streamline the European Sustainability Reporting Standards (ESRS), including a significant reduction of data points and a shift to voluntary reporting for most SMEs.

While simplification is a legitimate objective, we caution that an excessive rollback of requirements risks undermining both European and global sustainability goals. The rationale for the omnibus package—geopolitical tensions, economic headwinds, and diverging international standards—should not overshadow the long-term necessity of credible sustainability data. Climate change, biodiversity loss, and systemic risks to natural capital persist irrespective of short-term economic pressures or policy shifts in other jurisdictions.

Diluting reporting obligations risks creating uncertainty, weakening Europe's competitive edge in green innovation, and sending conflicting signals to companies and financial institutions that have already invested heavily in compliance.

Moving forward, the European Union should avoid short-term deregulatory measures that risk fragmenting the single market. Reliable sustainability reporting is not a mere bureaucratic exercise, but a strategic asset that supports the EU's unity, competitiveness, and leadership in the transition toward a sustainable economy.

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Introduction

The EU sustainability reporting rules are part of a **broader movement towards the construction of reliable data on environmental, and ESG issues.** At the time of the signing of the Paris Agreement (2015), many initiatives blossomed at the global level to better combat climate change.

Financial supervisors and central bankers began to take the warnings of scientists seriously. “There is growing international consensus that climate change is unequivocal,” said Mark Carney, while identifying several risks linked to climate change (physical, transition, and litigation risks).[2]

For the sake of financial stability, the *Financial Stability Board* decided in December 2015 to make sure that companies, financial institutions, and public authorities could take informed decisions based on sound and reliable data.

It is why it created the *Task Force on Climate-related Financial Disclosures* (TCFD). The mission of the Task Force was to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing the risks related to climate change.

Under the authority of Mary Schapiro (former SEC commissioner), the industry-led Task Force produced a comprehensive framework identifying four types of information related to *the governance* of the company, its strategy, risk management, as well as pertinent data and metrics.

This framework quickly became a reference for voluntary climate reporting and the International Sustainability Standards Board (ISSB) was created in 2021 to transform these recommendations into corporate reporting standards that could be used consistently by companies and investment funds worldwide.

Based on the TCFD model, the *Taskforce on Nature-related Financial Disclosures* (TNFD) was also created in 2021 to provide data on biodiversity and nature-related issues. It published its own framework, based on the TCFD 4-pillar approach, and the LEAP methodology in 2023.

The number of “TNFD adopters” is already over 500 worldwide. Beyond any compulsory rules, companies continue to commit themselves to several initiatives (for example, around 10,300 companies have today committed to the Science Based Targets Initiative).

In the European Union, Ursula von der Leyen announced in 2019 (during her first mandate) an ambitious package of measures (The European Green Deal) which included a draft directive on **Corporate Sustainability Reporting** (the CSRD).

The CSRD was finally adopted in December 2022 by a majority of governments within the Council of Ministers (27 States) and in the European Parliament. This framework foresees mandatory disclosure for companies on their impact and dependencies, with gradual entry into force for the smaller ones. While large listed companies will have to publish from 2025 and other large companies

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[2] Llyod speech, September 29, 2015

from 2026, small and medium-sized listed companies will have to disclose from 2027, with a possible derogation for two years.

Though scientists underline that climate change and nature deterioration are rather accelerating3, and though not all EU countries have implemented the directive yet, the text became soon a highly sensitive political issue.

At the beginning of her second mandate (2024), Ms von der Leyen announced that she would propose a radical simplification of the recently adopted European framework (CSRD, as well as CS3D, the taxonomy and CBAM).

In January 2025, the Commission adopted “A Competitiveness Compass for the EU”[4], its economic strategy until 2029, and a month later an **“Omnibus directive**” was tabled, reducing the number of companies involved and diluting the requirements of the CSRD. At this stage, the European Parliament and the Council adopted a so-called “stop the clock” decision to avoid any inconsistency if the requirements were about to disappear in a near future. The legislators are still currently dealing with this text.

Simplification is always a good objective, but certainly not an easy one when very complex issues are debated in a polarized political landscape.

As the European Central Bank stated in its opinion on the Omnibus proposal “**in simplifying sustainability legislation, it is important to strike the right balance”** (…); “well calibrated sustainability reporting requirements can support the Union’s priorities”[5], including to strengthen its competitiveness. To a certain extent, the Commission tried to answer with rational arguments to a “scapegoating” exercise.

This paper tries to help find this **balance**. It briefly explains what the CSRD text actually contains and why (part I), and the risks entailed in the Omnibus proposal that could well be counterproductive if our common objective is to give the EU companies a competitive advantage (part II).

1. The CSRD: a crucial step consolidating the market-based movement towards reliable sustainability data

CSRD main objectives

The CSRD directive is the European “building block” of the worldwide effort we already mentioned.

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[3] IPBES 6th Report 2023 on climate, and IPBES, Interaction Report on the nexus between climate, biodiversity, water, food and health, 2024

[4] Communication from the Commission “*A Competitiveness Compass for the EU”* COM (2025), January 29, 2025

[5] *Opinion of the European Central Bank of 8 May 2025 on proposals for amendments to corporate sustainability reporting and due diligence requirements* (CON/2025/10), 8 May 2025

The directive was meant to be part of a comprehensive effort to develop the **EU sustainability disclosure framework**, with the SFDR (Sustainable Financial Disclosures Regulation), the Taxonomy Regulation, and the CSDDD (Corporate Sustainability Due Diligence Directive).

As part of the Green Deal objectives, the European Commission aimed at helping companies focus on their long-term development and integrate sustainability aspects into their governance framework while informing investors about the sustainability of their investments. These efforts can also help support the development of standardized natural capital accounting practices within the EU and internationally to ensure appropriate management of environmental risks and mitigation opportunities.[6]

This crucial and ambitious legislation made sustainability reporting **mandatory** for most companies (though with a gradual, step-by-step application) and applied to a **large diversity** of topics (from climate change, pollution, biodiversity, water resources, circular economy, to work and governance issues…). Companies headquartered in third countries with a branch or a subsidiary in the EU would also fall under the scope of CSRD under certain conditions.

It also introduced a **general EU-wide audit requirement** to ensure the reliability of sustainability information published, to achieve (progressively) a similar level of assurance for financial and sustainability information: it provided for a mandatory audit starting with a "limited" assurance requirement by 2026, aiming at a "reasonable" assurance requirement by 2028. We detail in the appendix the main points of the CSRD, as the directive was first adopted in December 2022.

An obvious but unfortunately necessary comment might be important, taking into account the fake news and comments that are increasingly circulating: **EU legislation is not adopted by a blind "bureaucracy".**

According to the ordinary legislative procedure, the Commission – which is under the scrutiny of the European Parliament – only puts on the table the *initial* proposal. This draft can be, and is often, amended by (elected) national ministers and (elected) members of the EU Parliament, in an open, transparent, and democratic process.

During the CSRD adoption, not only NGOs were consulted but diverse stakeholders, including financial and non-financial companies. Other institutions such as the European Central Bank for example gave their opinion, and did again on the Omnibus.

A legislation to be simplified?

In democracies, **legislation should be as simple and understandable as possible**, this is a fair point. A new European Commission can undo what the previous did by submitting a revision to the Parliament and Council of Ministers. Interestingly, in this case, the majority in charge did not change

[6] *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the regions - The European Green Deal*. 2019. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2019%3A640%3AFIN

in 2024. At least in theory, the same political parties (EPP, Socialists, and Renew) are now supporting Ursula von der Leyen's dismantling of what they supported and adopted together two years before, sometimes with enthusiasm.
Revisions are very usual in the EU legislative process, but they normally intervene some years after the entry into force which gives time to evaluate the impact of the rules. CSRD entailed a classical revision clause, with an assessment foreseen in 2029.

Some of the CSRD requirements are indeed new and **complex** to handle. In part, it is because of their purpose, the complexity of the issues at stake and, more precisely, to the magnitude of change they are supposed to trigger.

One should always remember that the industrial revolution took place with carbonized energy and no pricing of environmental negative externalities… At least since the Rio 1992 UN-Summit, we know that huge efforts are required to make our economies "sustainable", i.e. capable of producing the goods and services we need, without putting at risk the rights of future generations to do the same. Change has been delayed for decades and if some efforts are made now, it is sometimes very late.

The paper drafted by Francesca Collevecchio "*How companies are responding to CSRD: Evidence from Early Sustainability Reports*"[7]*,* analysing the first CSRD reports of ten large, international, French and Italian companies, shows empirically that companies dramatically need to improve their knowledge of their dependencies and impacts on biodiversity for example. For the ones using natural resources, nature-related risks and opportunities are not a "nice-to-have" but a vital challenge.

In part, this complexity is the result of **legal choices** the Commission and the co-legislators made. Firstly, by adopting a directive (and not a regulation), the Commission took the risk to encourage an uneven implementation of the text throughout the single market.

Although only 10 countries[8] had transposed the directive by August 2024, the end of the transposition period, and although there was no time to evaluate the impact of the legislation, its relevance was already being questioned, and its (negative) impact on companies' competitiveness was being denounced. This was for example the case in Germany, where the CSRD was repeatedly presented as a burden on German companies and more broadly on "competitivity", even though it has not been transposed at all.

Secondly, EU legislation is complemented by "delegated acts". This is an important point to understand the current conundrum. Implementing standards are not drafted by the EU Commission; they are outsourced to various executive bodies where technicalities play a bigger role than clarity and user-friendly logics. EFRAG, a standard-setting body chaired by a former auditing firm CEO, actually drafted the "European Sustainability Reporting Standards", making the whole exercise more

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[7] Francesca Collevecchio "*How companies are responding to CSRD: evidence from Early Sustainability Reports",* 2025
[8] https://ec.europa.eu/commission/presscorner/detail/en/inf_24_4661

opaque. Among other reasons, the role played by auditors in this exercise contributed to the furore of corporates.

In any case, the Commission (and the co-legislators) could have decided to revise the standards without revising the directive itself or narrowing its scope.

The iterative adoption process of the standards shows that the von der Leyen I Commission **already took into account certain objections** expressed before the entering into force of the directive. For example, it asked EFRAG to revise its first set of drafts. As a consequence, the adoption of these standards was delayed. Unfortunately, this only increased uncertainty before the entry into force of the directive, and fuelled its rejection.

In the Draghi report[9], decarbonisation and competitiveness are not opposed. They are presented together as one of the three main "areas for action", in form of "a joint plan for decarbonisation and competitiveness".

Mario Draghi also stated: "Decarbonisation must happen for the sake of our planet. But for it also to become a source of growth for Europe, we will need a joint plan spanning industries that produce energy and those that enable decarbonisation such as clean tech and automotive".

However, that decarbonation of transportation for example requires "planning". How could planning happen without data? Though the report is more nuanced than some commentators admit, it contributed to the current narrative "EU = unnecessary rules". It is maybe linked with its conclusion that recommends "to cut 25 % of reporting obligation", a strange quantitative vision of legal matters.

2. The Omnibus proposal: a step backwards for reporting issues and European climate and environmental objectives

Omnibus rationale

The new European Commission 2024-2029 showed a major commitment to "simplify" the EU legislation and prioritize competitivity, in line with the conclusions of the Draghi report we just mentioned and the adoption of the Competitiveness Compass in January 2025. Its **first Omnibus proposal** on February 26th aims at reducing red tape and increasing European companies' competitiveness.

This proposal, amending directives that had just been adopted, was justified by three grounds, leading to a **"new and difficult context**": Russia's war of aggression against Ukraine and its impact

[9] The future of European competitiveness, 2024

on energy prices; the rise of trade tensions; and the different approach to sustainability reporting of "some other major jurisdictions".

However, climate change and biodiversity loss will continue whatever happens in Ukraine or trade.

On the attitudes of other major jurisdictions, we all agree that rules should always be well calibrated as the competitiveness of our companies matters. It is key to keep in mind the **global level playing field.**

However, when some regimes are putting science into question and even banning words (such as diversity, female, or climate), how far should the European legislator go to make sure that EU companies remain "competitive"?

After the great financial crisis, we adopted tough capital requirements for banks. Should we give up them as well because the US is intending to on its side? Should we give up on social rights for workers, women, or minorities, as many competitors are enjoying a more "favourable" business environment?

Behind data, we can see that the questions currently at stake are actually **highly political.** It is quite worrying in this context that the approaches of "some other major jurisdictions" could have such an influence on European legislative decisions. Even if interdependence invites not to ignore what the others are doing, it is here clearly a matter of **sovereignty**.

By doing so, we would also be forgetting the approach taken by China, which adopted a clear roadmap for the full implementation of a national sustainability disclosure system by 2030 and to align Chinese companies with global ESG benchmarks.

It introduced ESG reporting guidelines in February 2024, mandating listed companies to disclose their ESG data in 2026, and Basic Guidelines for Corporate Sustainability Disclosure in December 2024, putting forward general requirements for sustainability information disclosure by Chinese enterprises by 2027, following the principle of double materiality.

To postpone greening will not make us more competitive. On the contrary, it may increase mitigation and adaptation costs in the future, as acting ex-post to repair nature, if even feasible, is more expensive than preventing damages.

The *Network for Greening the Financial System* (NGFS), a group of central banks and supervisors, has shown it clearly: in all scenarios, the impact of physical risk rapidly outweighs the cost of transition efforts, and the strong negative economic impact of climate change keeps increasing.[10] Many value chains are already at risk due to rising temperatures, water scarcity, or climate events, as agri-food shows in Europe and outside Europe. The European Central Bank itself is now warning on the risks linked with water scarcity for example[11], as droughts are now increasing with

[10] NGFS long-term climate Scenarios – Phase V, November 2024
[11] ECB Blog, May 2025, '*The European economy is not drought proof'*

consequences for business and society, while these issues were not at the agenda only some years ago. Some large European companies have taken clearly position on the risks of back-tracking[12].

Omnibus content

Regardless of debating whether these reasons really justify such a step backwards, the Omnibus proposal is clearly marking a **regression**, simplifying drastically sustainability requirements with no attempt at improvement in other respects.

As it stands, the legislation proposed indeed to reduce the number of companies that will be required to report under the CSRD framework by 80%, limiting the reporting obligation to companies with more than 1,000 employees and an annual turnover exceeding 50 million euros or with a balance sheet above 25 million euros. It means that the CSRD's scope would be smaller than the scope of its 2014 predecessor (NFRD), which focused on companies above 500 employees. The European Central Bank opinion on the Omnibus proposal proposed to stick to the 500 employees threshold in order to avoid going back to a pre-2014 situation.

The Commission also envisages postponing reporting requirements by two years, suggest only a *voluntary* framework for SMEs, and revise and simplify the European Sustainability Reporting Standards (ESRS).

The changes proposed by the Commission, and how they affect the CSRD as first adopted, are detailed in the appendix below.

The "stop the clock" directive was voted in April 2025, delaying reporting obligations by two years for large EU companies and SMEs, while the other changes are in discussion.

It is too early to say which text will eventually be adopted by the Parliament and the Council and the consequences of such a big change on sustainability reporting obligations are **uncertain**. However, it is clear that the transformation of the EU framework, not to say its U-Turn, can be seen as creating several problems.

Omnibus implications

There is first and foremost a **question of coherence** with the previous analysis. Since CSRD was adopted, there is unfortunately no positive change about the risks the planet is facing, and no decisive improvement, even if the EU seems to respect the Paris Agreement so far.

[12] See for example in France "*Quand certains envisagent le renoncement, nous maintenons nos engagements »,* [When some give up, we remain committed], an oped signed by around 40 CEOs of large French groups, corporates and finance (BNPP, Axa, Credit Mutuel, Veolia, Saint Gobain, Cap Gemini, Air Liquide, etc.)

On the contrary, scientists working together in the Intergovernmental Panel on Climate Change (IPCC) warn that climate change is accelerating, reaching levels that put life on earth in danger. The "planetary boundaries", reference thresholds beyond which human activity could lead to potentially irreversible environmental changes, are limits we should not ignore as resources are not infinite.

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) established recently the existence of a "nexus" between biodiversity, water, food, health, and climate change. Since the beginning of the industrial revolution, we have been producing and consuming on the false assumption that natural resources are unlimited.

The problem we try to solve is man-made and systemic. **It cannot be solved without sound, comparable, and reliable data**. Furthermore, in market economies, markets are supposed to be transparent and rational. They need sound instruments to act.

Then, **the revision and simplification of the ESRS is worrying,** aiming for a drastic reduction of the number of data points, perhaps at the cost of the completeness of the disclosure requested. In particular, the **double materiality** assessment, at the foundation of the CSRD, might be endangered.

Double materiality is crucial, as it determines the scope of the organization's sustainability reporting by identifying material issues and provides key insights on how organizations have an impact on people and the environment, and how sustainability-related developments and events create risks and opportunities for organizations. It ensures that sustainability reporting focuses on the topics most relevant to the companies and enables better decision-making and business strategy.

As far as the complexity of the rules is concerned, it is true that the standards conceived by EFRAG (the so-called 'level 2' work, complementing the level 1 legislation) were quite complex. EFRAG has actually been asked by the Commission to produce simplified standards for October 2025.

As said, it offered a first opportunity to streamline the rules without putting at risk the principles enshrined in the level 1 directive.

Not everyone among the supporters of the Omnibus is seeking "simplification". To avoid transparency and data disclosure is the best way, for some, to continue to do business with short-term profits, without pricing the negative externalities of their activities.

It is very difficult to cherry-pick among vital risks. Some argue that at least the climate-related standard (ESRS E1) and the nature and biodiversity-related one (ESRS E4) should be preserved, with streamlined but numerous enough data points. But what about pollution or circular economy for example?

Furthermore, the need for sector-specific standards remains, even if some simplification can be envisaged. Companies very often compare themselves with their competitors, which makes the sectoral approach indispensable.

Moreover, **it is not easy to understand if the "scope 3" logic is not put in danger by this change.** Proportionality is a good principle for legislators, and no one wants to overburden the small entrepreneurs but when SMEs are enshrined in large companies' supply chains, they are still supposed to disclose their own emissions or impacts for "scope 3" reasons.

The European Central Bank is here stressing the need to interpret “the value chain cap” in a way that “it does not appear to prevent undertakings from requesting sustainability information for purposes other than sustainability reporting under the CSRD”.

Whatever some former pioneers are now doing[13], finance played a key role in the last decade to encourage companies to evaluate and mitigate their impacts and dependencies. As finance is channeling capital toward productive activities, it is important that scarce resources are used in an optimal way.

Financial institutions and supervisors also need data in order to evaluate the risks of its clients and portfolios. Climate change and biodiversity-related risks are already considered major financial stability risks. How could insurance companies and banks analyse risks and allocate capital if corporates do not provide reliable data?

The European Central Bank already stated that 75 % of the loans distributed in the euro area go to companies that are dependent or highly dependent on ecosystem services for example.[14]

In the above-mentioned opinion on Omnibus, the European Central Bank is underlining the relevance of data for banking supervision, both at granular and aggregated level. It also stresses the relevance for financial stability and encourages the legislators to look at all relevant entities, the impact of activity having no direct link with the size of the company.

Last but not least, finance should not be separated from the rest of the economy. One of the main points made against CSRD was the lack of coherence between its provisions and the Sustainable Finance Disclosure Regulation (SFDR) that aims to enhance the transparency and sustainability of disclosure in the financial sector. The requirements are not aligned which creates unnecessary complexity. The revision could tackle this important issue.

Finally, this ”simplification” exercise could have unintended consequences on the **single market**.

As the EU single gathers countries with very diverse economies, evil is in the details. For example, not all “SMEs” are the same size: in some countries, they are very small, while in others, they are quite large. Moving some thresholds means - consciously or not - fragmenting the single market along national lines which goes exactly against the mantra of “more competitiveness” thanks to a shared level playing field.

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[13] See for example, Bank of England staff depart after downgrade of climate risk, Financial Times, June 3, 2025

[14] Boldrini et al., *The impact of the euro area economy and banks on biodiversity,* ECB Occasional Paper Series No 335

Conclusion

The CSRD represented a forward-looking, **strategic, and comprehensive policy** that enabled European companies to defend their competitiveness, encouraged innovation, and put Europe at the forefront of the global sustainability reporting movement. Political leaders have decided to remove pressure.

As we stressed before, it does not mean that *all* companies are happy with this evolution or are going to give up. But some may, giving the wrong signal to their staff and clients.

Going backwards means taking the risk to fall behind on a development that is inevitable and, for the EU and its companies, to lose much political influence worldwide, along with a critical comparative advantage in green regulation. It is also a matter of European sovereignty, as the EU should not follow in a blind way decisions made elsewhere, when scientific evidence has not changed.

Though some improvements linked to calibration errors on the CSRD legislation, raised by companies, are completely justified and mistakes should be addressed, the Omnibus proposal should not endanger the transition to net zero and nature positive, as well as pollution reduction, circular economy and diversity.

It would be a strategic error for the Europeans.

Beyond endangering its single market, it means as well not supporting the most virtuous European companies in their effort to create more sustainable business models and value chains, and so, not supporting their competitiveness in the long term.

Ambitious regulations can be a way to push innovation and to push companies in the right direction: resilience and long-term economic stability. These objectives will not be achieved without the publication of reliable and comprehensive data.

This brutal change shows lack of confidence and ignorance of learning processes. The first year you implement new rules, they always seem more complex and burdensome. Changing them now, after little time to adapt, will create more uncertainty and complexity as the “stop the clock” vote showed though next year could already have been much easier.

Companies, financial institutions, lawyers, and accounting firms already invested in implementing the Green Deal rules or assuring that disclosure is properly done. Has anyone in the EU institutions and capitals made an impact study on the costs of “undoing”?

Appendix - Comparison of the CSRD before and after Omnibus proposed changes

	CSRD (as adopted in December 2022 and applying from January 2023)	**Omnibus** proposed changes
Scope	**42,500 companies:** - large companies (with a balance sheet above €25m or/and a turnover above €50m and with more than 500 employees) - listed SMEs (around 1,000 listed SMEs with a balance sheet not exceeding €25m and/or turnover not exceeding €50m and/or with less than 250 employees) - large public interest entities - non-EU companies (with a turnover above €150m in the EU and with a large or listed subsidiary, or a European branch with a turnover above €40m)…	**Reduction of the scope by 80**%: - only large companies with more than 1,000 employees and either a turnover above €50m or a balance sheet total above €25m
Standards	**Mandatory** disclosure based on ESRS, including standards for all sectors and sector-specific standards, and a robust assessment of materiality	**Deletion of sector-specific standards requirements**
SMEs specific measures	**Value chain cap:** - simplified voluntary standard for unlisted SMEs to enable them to respond to requests for sustainability information - extension of the deadline for the publication of reports on certain environmental and social topics (scope 3, total GHG emissions, social impacts) - additional flexibility: possible use of credible proxies - three-year transition period for the publication of sustainability information by value chain partners	**Voluntary reporting standard** for companies up to 1,000 employees, based on the standard for SMEs **Value chain cap:** this standard will limit information requirable by large companies to companies in their value chains
Application dates	**Gradual application:** - 2025 for large listed companies - 2026 for large companies - 2027 for listed SMEs (with the possibility of a deferral until 2029) - 2029 for non-EU companies	**Stop-the-clock:** Postponement of reporting requirements by 2 years for large companies and listed SMEs

Information requirements	**Information publication on 10 ESRS-compliant themes:** - General requirements and disclosures - Environment: climate change (adaptation, mitigation, and energy), pollution, water and marine resources, biodiversity and ecosystems, resource use, and circular economy - Social: own workers, workers in the value chain, affected communities, consumers and end-users - Governance: business conduct	**Revision and simplification of the ESRS**: - 70% reduction in the number of data points - clarification of provisions - improvement of consistency with other legislation
Evaluation requirements	**Double materiality assessment** (ESRS 1): identify which sustainability matters are most material to the organization and its stakeholders	**"Clarifying"** the application of the double materiality principle
Control requirements	**Limited** assurance engagement from 2026 and **reasonable** assurance engagement on information from 2028	