

CS3D	Commission	Council	Parliament
Entities covered	No changes to compliance threshold. Remains at: - EU entities = 1,000 employees and EUR 450 million turnover. - Non-EU entities = employee threshold would not apply; turnover is the same.	- EU entities = 5,000 employees and EUR1.5 billion - Non-EU entities = employee threshold would not apply, turnover limited to EU turnover.	Approves Commission's position.
Scope and due diligence obligations	- Limits to own operation, subsidiaries and direct partners only. - After mapping chain of activities, carry out in-depth assessments for direct business partners only. - No obligation to conduct due diligence on business partners with less than 500 employees. - Requires companies to "further assess" in situations where the company receives "plausible information" to suggest adverse impacts for indirect suppliers. "Plausible information" is objective information that allows the company to conclude that there is a reasonable likelihood that the information is true e.g. NGO reports. - Requires contractual cascading of due diligence policies.	- Limits to own operation, subsidiaries and direct partners only. - Look beyond direct business relationships where they "have or can be reasonable expected to know of, objective, verifiable information" that suggests an adverse impact for indirect suppliers. "Objective and verifiable" information is defined as information that objectively has a reasonable likelihood of being true, taking into account amongst other things, the credibility of the source. - Should map supply chain based on "reasonably available" information. - Entire assessment process should be based on a risk-based approach. The definition of risk factors should be clarified.	- Sets out a risk-prioritization integrating the following factors: geographical and contextual risk factors; sectoral, product or service risk factors, and business operation or business partners risk factors. - Companies should (i) conduct a scoping exercise, (ii) identify which part shows the highest risk of adverse impacts, and (iv) carry out in-depth assessment where adverse impacts are "most likely to occur and most severe." - Requires companies to further assess where on the basis of "relevant and verifiable information" the company has grounds to believe that adverse impacts have arisen or may arise and where impacts were identified to be most likely to occur and most severe.
Limitations on information gathering	- Companies must limit their requests for information from companies with fewer than 500 employees to what is in their voluntary standard. - Unless additional information is needed and cannot be reasonably obtained by other means.	For scoping, companies should only request information from direct business partners where that information is necessary and where fewer than 1,000 employees, where it cannot reasonably be obtained by other means.	- For scoping, companies must rely on "reasonably available information." This means information which can be "obtained by the company from its own, or from existing or secondary sources without contacting a business supplier." - For further assessments, may not seek information from suppliers with fewer than 5,000 employees, unless harm is likely to exist and the information cannot be reasonably obtained otherwise. - Requests should be targeted, reasonable and proportionate.
Prioritization	No changes to prioritization.	No changes to prioritization.	- Flexibility is given to companies in deciding how to address risks based on severity and likelihood. - Companies should not be penalized for harm stemming from less significant adverse impacts it intends to address.
Frequency	- Evaluate the effectiveness of its due diligence processes every 5 years instead of annually. - Companies would still need to conduct ad hoc assessments where circumstances change.	Approves Commission's position.	- Evaluate the effectiveness of its due diligence processes every 4 years. - Companies would still need to conduct ad hoc assessments where circumstances change.
Termination of Business Relationship	- Companies are expected to "suspend" relationships where the adverse impact is severe, and the company has exhausted all measures to address the impacts. - Companies should continue to work with suppliers towards a solution and use leverage resulting from the suspension.	- Companies are expected to "suspend" relationships where the adverse impact is severe, and the company has exhausted all measures to address the impacts. - Companies should continue to work with suppliers towards a solution and use leverage resulting from the suspension.	- Suspension should not cause "substantial prejudice" to the company. - Defined as "a negative and significant effect on the company's legal, financial, or economic situation or its production capacity." - Where suspension would lead to more severe consequences than the adverse impact, suspension is not required. - Companies must be prepared to report a decision not to suspend to relevant supervisory authority with reasons for decision.
Stakeholder Engagement	- Limits stakeholders to workers, their representatives and individuals or communities who are/could be "directly" affected by the company, its subsidiaries and business partners. - Engagement is limited to conducting due diligence, developing corrective and prevention plans, and adopting remediation measures.	Approves Commission's position.	Approves Commission's position.
Climate transition plan	Companies should adopt a plan which outlines implementing actions (planned or undertaken).	- Companies should adopt a plan that outlines implementing actions that aim to ensure "through reasonable efforts" (not "best efforts") that the company is contributing to the transition. - Prescriptive design elements e.g. time-bound targets are optional. - Delay until two years after the due diligence obligation begins i.e. July 3031.	Repeals provisions on climate transition plans.
Civil liability & Penalties	- Removes civil liability requirement. - Removes requirement that the maximum limit of penalties should not be less than 5 percent of the net turnover of the company. National fines no longer need to be commensurate to a company's turnover, but must be "effective, proportionate and dissuasive."	- Removes civil liability requirement - Include a 5 percent global turnover cap on fines, as compared to the no less than 5 percent in the current CSDDD (deleted in Omnibus).	- Removes civil liability requirement. - Requires the Commission, in collaboration with Member States, to develop guidelines in determining the appropriate level of penalties. - Approves Commission's position.
Timing	Compliance pushed back by one year to July 2028.	Compliance pushed back by two years to July 26, 2029.	Approves Commission's position.

CSRD	Commission	Council	Parliament
Entities covered	- Companies with at least 1,000 employees and - Either net turnover above EUR 50 million or a balance sheet above EUR 25 million.	1,000 employees and - EUR 450 million net turnover.	1,750 employees and - A net turnover of more than EUR 450 million. - Exemptions: (i) parent companies that are not involved in management activities (financial holdings only) and (ii) subsidiaries acquired in the past 24 months.
Collecting information and SMEs	- Companies not subject to CSRD may report voluntarily through the Voluntary Reporting Standard (VSME) to be adopted by the commission. - Establishes a "value chain cap" where companies in scope may not request information from partners with fewer than 1,000 employees beyond what is specified by the VSME.	- Removed requirement to seek information from entities in the value chain if the relevant information is commonly shared in the relevant sector. - Clarified that contractual clauses will not be binding if they seek information beyond the scope of the voluntary ESRS from entities in the value chain with less than 1,000 employees.	- Risk-based approach to collecting information, prioritizing high-risk impacts and matters commonly associated with their sector. - Where cannot access necessary value-chain information, entities can explain (i) efforts made, (ii) why they could not obtain it, and (iii) how they plan to obtain it in the future. - Should not seek information from undertaking in the value chain with less than 1,750 employees and a net turnover of EUR 450 million. - Companies not obliged to disclose trade secrets, intellectual property or know-how. - Until EU Commission adopts voluntary standards, entities may report based on the VSME standard. - The standards should be proportionate, use simplified language and support flexibility and progression in disclosures.
Assurances	- Only limited assurance will apply. - The Commission is required to adopt limited assurance standards by a delegated act no later than 1 October 2026	Approves Commission's position.	Approves Commission's position.
ESRS	- Removes requirement to issue sector-based standards. - ESRS would be updated to reduce reporting burden, including (i) substantially reducing the number of mandatory datapoints; (ii) prioritizing quantitative datapoints over qualitative text; (iii) improving consistency with other EU legislation.	Approves Commission's position.	- The Commission must revise ESRS to simplify and streamline reporting by removing low-priority datapoints, emphasizing quantitative indicators, and clarifying materiality rules. - Commission should issue voluntary sector-specific guidelines in consultation with stakeholders.