

# Review of Corporate Sustainability Reporting Directive (CSRD)

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EU delays implementation of some parts of Corporate Sustainability Reporting Directive (CSRD) and considers simplification of certain requirements

Proposal [[2025/0045](#)] for a Directive 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

Directive [2025/794](#) amending Directives 2022/2464 and 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

## Update

This report accompanies the existing AGRINFO report on the [Corporate Sustainability Reporting Directive \(CSRD\)](#).

In February 2025, the European Commission published a proposal to change certain parts of the Corporate Sustainability Reporting Directive (CSRD) (Directive [2022/2464](#)) to reduce the regulatory burden and potentially negative economic impacts on companies.

The CSRD requires larger companies to collect and report information about the impacts of their activities on people and the environment. It also aims to provide investors with information about climate change and other sustainability risks to which companies are exposed. Operators have to report sustainability information according to the European sustainability reporting standards in Regulation [2023/2772](#).

Most non-EU operators are not directly impacted by these obligations. However, they might be indirectly affected by being required by their EU buyers to provide specific information on the sustainability impacts of their operations, to allow these larger companies to meet their reporting requirements. See [Corporate Sustainability Reporting Directive \(CSRD\)](#).

This new Commission proposal aims to:

- reduce the number of companies that must report under the CSRD by around 80%
- limit the information that large companies may request from smaller companies with fewer than 1,000 employees

- delay the implementation of reporting requirements by 2 years, except for operators already required to report in 2025.

In April 2025, the EU agreed to postpone the reporting requirements by 2 years for companies that were due to report in 2026 and 2027 (Directive [2025/794](#)). Discussions are continuing on the proposal to change other parts of the CSRD.

## What is changing?

The proposal aims to reduce the burden of requirements and the number of companies that have to report on corporate sustainability under the CSRD.

The following proposed changes are those most likely to impact agri-food suppliers in low- and middle-income countries.

- Reduce the number of companies that are required to report: only large companies with more than 1,000 employees, and either a turnover above €50 million or a balance sheet total above €25 million, will have to report on corporate sustainability.
- Voluntary reporting for SMEs: small and medium enterprises (SMEs) not falling within the scope of the CSRD can report voluntarily on sustainability. The Commission proposes to adopt a standard for SMEs based on the Voluntary reporting standard for SMEs (VSME) published by the European Financial Reporting Advisory Group (EFRAG).
- Limit information to be requested from smaller companies: larger companies that have to report, and thus need to obtain information from supplier companies with fewer than 1,000 employees, will only be able to ask for the information included in the VSME. They will be able to collect additional sustainability information that is commonly shared between companies in the sector concerned
- Reduce number of data points: the European Commission will review the existing European sustainability reporting standards. The revised standards will only include the most important points for sustainability reporting, prioritise quantitative data points, and make a clearer distinction between mandatory and voluntary data points. The revised standards will also be more consistent with other pieces of EU legislation.
- Sector-specific reporting standards: these will no longer be included in the CSRD.
- Postponed implementation of the CSRD for certain categories of companies: companies that are due to report in 2025 will still have to do so. The Commission proposes a 2-year delay, with reports in line with the CSRD due from 1 January 2028 for large companies (EU and non-EU) that are not public interest companies, currently not subject to non-financial reporting; and due from 1 January 2029 for listed EU SMEs and other in-scope companies.

## Why?

The proposed changes are in response to the following concerns.

- Different obligations for companies under different rules, such as the Corporate Sustainability Due Diligence Directive (CS3D) and the CSRD, create an additional burden for companies and may lead to confusion that deters sustainable finance (European Commission 2025a). Aligning the different items of legislation would help to reduce the assessment and reporting duties of companies.
- SMEs have reported concerns about unrealistic and disproportionate demands for information from their business partners.
- More time is needed by operators to prepare for compliance with CSRD requirements.

Such regulatory burdens could reduce the competitiveness of the EU ([Draghi 2024](#)) and indirectly its capacity to meet its Green Deal objectives ([European Commission 2025b](#)).

## Timeline

In April 2025, the EU approved the 2-year delay in implementation dates, except for companies that are due to report in 2025 (who will still have to do so). The CSRD requirements now apply from:

- 1 January 2024 for large EU companies that were already subject to non-financial reporting in 2023. These companies must produce reports according to the new rules for the first time in 2025. (no change)
- 1 January 2027 (instead of 2025) for large companies (EU and non-EU) not currently reporting.
- 1 January 2028 (instead of 2026) for SMEs listed on the stock market and other in-scope non-EU companies.

The next step will be for the other proposed changes to be reviewed and amended by the Council of the EU (Member States) and the European Parliament, a process that may take 2–3 years.

## What are the major implications for exporting countries?

By reducing the number of large companies directly in the scope of the CSRD by about 80%, the proposed rules will reduce the number of companies in low- and middle-income countries that have to provide information to their large business partners.

However, suppliers to companies that have to comply with the CSRD will still need to provide information to their business partners. They will have to report information based on the reviewed European sustainability reporting standards. Suppliers in low- and middle-income countries with fewer than 1,000 employees may have to provide limited information based on standards that the European Commission will be developing on the basis of a [VSME](#).

## Recommended Actions

Companies directly supplying large companies in the EU should follow the development of the European sustainability reporting standards, and consult the [VSME](#) to learn more about the type of information they may need to provide. However, note that the exact information required is unlikely to be confirmed before 2026.

## Background

The CSRD is aimed at large companies, both in the EU and in non-EU countries, to ensure that investors and other stakeholders have access to the information they need to assess the impacts of companies on people and the environment, and financial risk to the company and its investors. It is intended to strengthen and modernise corporate sustainability reporting requirements, and is an important element of the EU's sustainability and finance strategies.

Sustainability reporting has to be done throughout the whole supply chain. Operators that supply large companies will be indirectly affected, as they will have to provide information and data to help these companies draft their reports.

For further information see [Corporate Sustainability Reporting Directive \(CSRD\)](#).

## Resources

Draghi, M. (2024) [The future of European competitiveness](#).

European Commission: [Corporate sustainability reporting](#)

European Commission (2025a) [Commission Staff Working Document accompanying the documents \[...\] COM\(2025\)80 and COM\(2025\)81](#)

European Commission (2025b) [Questions and Answers on Simplification Omnibus I and II](#)

Commission Delegated Regulation (EU) [2023/2772](#) as regards sustainability reporting standards

Directive (EU) [2022/2464](#) as regards corporate sustainability reporting

## Sources

Proposal [[2025/0045](#)] for a Directive as regards certain corporate sustainability reporting and due diligence requirements

Directive (EU) [2025/794](#) as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

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