

## Appendix 4 – Comparative Summary of EU Institutional Positions in Proposed Amendments to CSDDD

Aspect	Commission's Proposal	Council's Position (23 June 2025)	Parliament's JURI Committee Draft Report (26 May 2025) (Parliament Position still Pending)
<b>Scope</b>	No change proposed	Proposes increasing the thresholds: (i) for EU undertakings/groups, to 5,000 employees and €1.5 billion in net turnover; and (ii) for non-EU undertakings/groups, to €1.5 billion in net EU turnover	Proposes increasing the thresholds to achieve harmonised threshold across CSRD, CSDDD, and Taxonomy (see proposal in Appendix 2)
<b>Scope of Due Diligence Obligations</b>	<p>The Omnibus proposal suggests narrowing the scope:</p> <p>Companies to assess and address adverse impacts primarily within their direct operations and those of their direct business partners ("Tier 1")</p> <p>Indirect partners would only be included if there is "plausible information" indicating potential adverse impacts</p>	<p>The Council's mandate changes the focus from an entity-based approach to a risk-based approach, focusing on areas where actual and potential adverse impacts are most likely to occur</p> <p>Companies to conduct a general scoping exercise to identify areas across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners (Tier 1) where adverse impacts are likely to occur and carry and a subsequent in-depth assessment in areas where adverse</p>	<p>Agrees with the Commission's proposal to limit scope of due diligence to Tier 1</p> <p>Further assessment required where a company has plausible information that is objective, factual and verifiable that suggests adverse impacts by indirect business partners</p>

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		impacts were identified to be most likely to occur and most severe	
<b>Value Chain Cap for Information Requests</b>	<p>Proposes that Member States ensure that companies do not seek to obtain information from direct business partners that contain fewer than 500 employees that exceeds the information specified in the standards of the new voluntary standard under CSRD</p> <p>Exception for information that is necessary in light of indications of likely adverse impacts or because the standard does not cover relevant impacts, and where such additional information cannot reasonably be obtained by other means</p>	No explicit comments on the Commission's proposal regarding the Value Chain Cap under CSDDD	<p>Proposes that companies should rely on information that is already available, such as publicly available data, desktop research, and knowledge from previous dealings, without requesting information from suppliers</p> <p>Proposes that additional information should only be sought from direct business partners with fewer than 3,000 employees if, following a risk-based assessment, there are indications of likely adverse impacts or the voluntary CSRD standard does not cover the relevant issue, and the information cannot reasonably be obtained by other means.</p> <p>Proposes that the same applies if there is credible evidence of adverse impacts further down the chain, at the level of an indirect business partner</p>

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<p><b>Periodic Assessment of Due Diligence Systems</b></p>	<p>Proposes to require companies to periodically assess the adequacy and effectiveness of their due diligence measures at least every five years (previously annually), and when there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of adverse impacts may arise</p>	<p>Agrees with the Commission’s proposal, but proposes to add that assessments must be carried out without undue delay after a significant change occurs</p>	<p>No explicit comments on the Commission’s position</p>
<p><b>Termination of Business Relations</b></p>	<p>Proposes to remove the obligation to terminate exiting business relationships in instances of severe environmental impact, but obligation to suspend in certain instances is maintained as last resort</p> <p>Proposes as a last-resort approach: (i) refraining from entering/extending relations; (ii) using increased leverage through suspending business relationships; and (iii) adopting an enhanced prevention/</p>	<p>Agrees with the Commission’s proposal, but adds that the mere fact of continued engagement with business partners will not result in penalties or liability under CSDDD, so long as there is a reasonable expectation that the enhanced prevention plan will succeed</p>	<p>Agrees with the Commission’s proposal, but adds that (i) suspension of business relationships should not cause substantial prejudice to the company, especially if essential suppliers or partners are involved, and (ii) if a company decides not to suspend a business relationship to avoid such prejudice, this decision must be justified and reported to the relevant supervisory authority</p>

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	corrective action plan for the specific adverse impact		
<b>Climate Transition Plans</b>	<p>Proposes to align the CSDDD’s climate transition plan requirements with those of the CSRD</p> <p>Companies would be required to adopt a transition plan for climate change mitigation, including “<i>implementing actions</i>” which aim to ensure, through best 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 to 1.5 C in line with the Paris Agreement</p>	<p>Proposes to postpone the obligation to adopt transition plans by two years (on top of the Stop the Clock delay)</p> <p>Maintains requirement for companies to have a climate transition plan, “outlining amongst other things implementing actions” and proposes further changes to:</p> <ul style="list-style-type: none"> <li>(i) require “reasonable efforts” instead of “best efforts”; (ii) require “contribution to” the transition to a sustainable economy and the Paris Agreement limits, rather than be “compatible of”;</li> <li>(ii) remove the obligation to set time-bound targets, making the plans less prescriptive; and (iii) make certain elements regarding the design of the plan optional</li> </ul>	Proposes removing the requirement for adoption of mandatory transition plans

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<b>Civil Liability</b>	Proposes to remove the EU-wide harmonised civil liability regime from the CSDDD, leaving it to each Member State to set its own rules for holding companies liable for due diligence breaches	Agrees with the Commission's proposal	Agrees with the Commission's proposal
<b>Penalties</b>	<p>Member States must set effective, proportionate, dissuasive penalties</p> <p>Proposes to remove reference to 5% net worldwide turnover as the minimum level of the maximum limit of penalties</p> <p>Commission to issue guidance to assist supervisory authorities in determining the level of penalties</p>	<p>Removes the strict requirement that fines "shall be based on" on turnover and instead requires authorities to take appropriate account of turnover alongside other factors</p> <p>Proposes to introduce a uniform EU-wide maximum cap of 5% of net worldwide turnover (or 5% of the ultimate parent's consolidated turnover for group cases), alongside Commission guidance on determination on the level of penalties</p>	Agrees with the Commission's proposal