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European Parliament Takes Next Step to Reduce Scope of CSRD

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On 8 October 2025, the European Parliament's Socialists and Democrats (S&D) group ultimately accepted the European People's Party (EPP)'s position on the Omnibus Directive, which revises the scope of the Corporate Sustainability Reporting Directive (**CSRD**) and the Corporate Sustainability Due Diligence Directive (**CSDDD**).

Trilogue Negotiations

The next step is for the amended scope of the CSRD and CSDDD to proceed to trilogue negotiations between the European Commission, the Council of the European Union, and the European Parliament. Some convergence between their negotiating positions has already emerged.

All three institutions now agree that companies with fewer than 1,000 employees should be exempt from the CSRD. However, the financial threshold remains contested: the Commission has proposed a €50 million turnover threshold, while both the Council and Parliament support a significantly higher €450 million threshold.

With respect to the CSDDD, a consensus has formed around a 5,000-employee and €1.5 billion turnover threshold. This dramatically narrows the directive's scope, excluding the majority of companies, and also eliminates any harmonized civil liability regime — a position now shared by all three EU institutions.

What's Next

The European Parliament's Committee on Legal Affairs (JURI) will hold its vote on 13 October, with a plenary vote expected the following week to formalize the Parliament's position. The final trilogue negotiations, scheduled for November and December, will ultimately determine the final legal text of the directive.

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