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European Sustainability Reporting — Omnibus Legislative Developments and Updates to European Sustainability Reporting Standards

Background

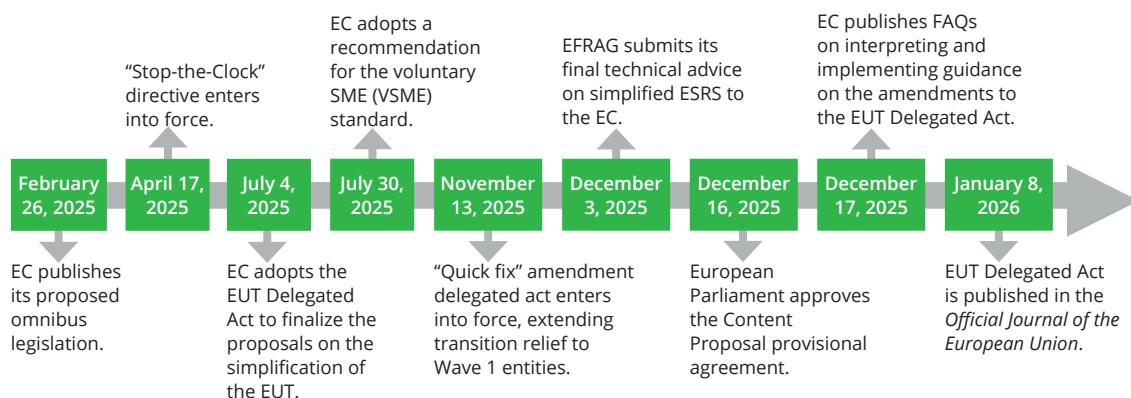
On February 26, 2025, the European Commission (EC) published its proposed omnibus legislation that aims to significantly reduce the sustainability reporting and due diligence requirements for entities that are currently within the scope of the [Corporate Sustainability Reporting Directive](#) (CSRD), the [EU Taxonomy](#) (EUT), and the [Corporate Sustainability Due Diligence Directive](#) (CSDDD). Amendments to timing, scope, and reporting requirements will be effected through various directives and delegated acts. For more details, see Deloitte's March 7, 2025, [Heads Up](#).

Since February, the EC, the European Council, and the European Parliament have taken numerous steps to advance the proposed amendments. Notably, the EC directed EFRAG to draft technical advice for revised and simplified [European Sustainability Reporting Standards](#) (ESRS), and EFRAG published its revised ESRS exposure drafts (EDs) on July 31, 2025. For more details, see Deloitte's August 21, 2025, [Heads Up](#).

This *Heads Up* discusses developments since August 2025, including:

- Legislative status updates on the “Stop-the-Clock” directive and “quick fix” amendments, which postpone the application of the CSRD and CSDDD and extend certain transition provisions for entities currently reporting under the requirements of the CSRD.

- The December 2025 provisional agreement reached between the EC, European Council, and European Parliament on [Omnibus I – COM\(2025\) 81](#)¹ (the “Content Proposal”), which modifies the scope and certain other provisions of the CSRD, EUT, and CSDDD.
- EFRAG’s submission of its final technical advice to the EC, which contains the draft simplified ESRS. Final standards will ultimately be adopted by the EC.
- Legislative status updates regarding a delegated act on the simplification of the EUT.



Timing

“Stop-the-Clock” Directive

[Directive \(EU\) 2025/794](#)² (the “Stop-the-Clock” directive) postpones by two years the application of the existing reporting requirements for Wave 2 and Wave 3 entities³ under the current CSRD, including EUT disclosures required by the CSRD, and delays the effective date to comply with the first phase of requirements of the CSDDD by one year. The directive was published in the *Official Journal of the European Union* on April 16, 2025, and entered into force on April 17, 2025. Member states were required to transpose the legal text by December 31, 2025, to be effective for the 2025 reporting period. We encourage stakeholders to monitor transposition status by member state.

“Quick Fix” Amendments

Because Wave 1⁴ entities are not captured by the Stop-the-Clock directive, the EC adopted by delegated act on July 11, 2025, “quick fix” amendments to the ESRS that allow these entities to maintain, and in some instances reduce, the level of reporting that was applied in 2024 for 2025 and 2026 reporting by (1) extending certain transitional provisions applicable to the first and second year of reporting and (2) in certain cases, providing additional reporting relief. The delegated act was published in the *Official Journal of the European Union* on November 10, 2025, and entered into force on November 13, 2025.

See the [Provisional Agreement on the Content Proposal](#) section below for discussion of member state options to exempt certain Wave 1 entities from reporting in 2026 and 2027.

¹ “Proposal for a Directive of the European Parliament and of the Council 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.”

² “Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements.”

³ Wave 2 includes (1) all U.S. companies that are large and listed on an E.U.-regulated market and (2) large E.U.-based subsidiaries of U.S. companies regardless of whether they are listed on an E.U.-regulated market. Wave 3 includes small and medium-sized undertakings (SMEs) listed on E.U.-regulated markets, certain small and noncomplex credit institutions, and certain captive insurance and reinsurance entities. Wave 3 includes listed U.S. companies and E.U.-based subsidiaries that meet these criteria.

⁴ Large public interest entities (PIEs) and issuers on an E.U.-regulated market with more than 500 employees; such entities are generally already within the scope of the Non-Financial Reporting Directive (NFRD). Wave 1 includes (1) large U.S. companies that are listed on an E.U.-regulated market and have more than 500 employees and (2) large E.U.-based subsidiaries that are PIEs or are listed on a regulated market and have more than 500 employees.

Provisional Agreement on the Content Proposal

The Content Proposal would modify the scope and certain other provisions of the CSRD, EUT, and CSDDD. The proposal, as put forth by the EC in February 2025, was subject to negotiation with the European Council and European Parliament under the co-legislative process, and on December 9, 2025, the co-legislators reached an informal provisional agreement. On December 16, 2025, the European Parliament approved the text of the provisional agreement. The final text will have to be formally approved by the Council of the European Union. The directive will enter into force 20 days after its publication in the *Official Journal of the European Union*. Member states are required to transpose all provisions of the directive within 12 months of their entry into force, except for those related to CSDDD, which must be transposed by July 26, 2028.

CSRD

Key amendments to the existing CSRD in the provisional agreement include changes to scope thresholds, exemptions, value-chain cap, and limited assurance standards. Each of these amendments is further discussed below.

Revised Scope Thresholds

Under the provisional agreement, reporting obligations would apply to the following entities:⁵

- *E.U. entities (Articles 19a and 29a)* — E.U. undertakings or parent undertakings that, as of their balance sheet dates, exceed both (1) €450 million in net annual turnover and (2) 1,000 employees on average during the financial year. Such entities will have reporting obligations for financial years beginning on or after January 1, 2027 (reporting in 2028). The revised scope threshold is based on single financial year criteria.⁶
- *Non-E.U. issuers on E.U.-regulated markets (Articles 19a and 29a)* — Non-E.U. issuers on an E.U.-regulated market that, as of their balance sheet dates, exceed both (1) €450 million in net annual turnover and (2) 1,000 employees on average during the financial year. Such entities will have reporting obligations for financial years beginning on or after January 1, 2027 (reporting in 2028). The revised scope threshold is based on single financial year criteria.⁷
- *Enterprise level/non-E.U. parent entities (Article 40a)* — E.U. subsidiaries or branches with a non-E.U. parent⁸ for which the group both (1) generates net turnover in the European Union exceeding €450 million at the group level for each of the last two consecutive financial years and (2) has at least one E.U. subsidiary or branch that generated more than €200 million in net turnover in the preceding financial year. Such entities will have reporting obligations for financial years beginning on or after January 1, 2028 (reporting in 2029).

Because the scope threshold for enterprise-level reporting (Article 40a) differs from entity- or group-level reporting (Articles 19a or 29a), enterprise-level reporting may be required regardless of whether a subsidiary is within the scope of the CSRD in its own right (i.e., under Articles 19a or 29a). In addition, if a subsidiary is itself within the scope of the CSRD (i.e., under Articles 19a or 29a), it is also required to report about its own material risks, impacts, and opportunities. Reporting at the enterprise level in accordance with Article 40a does not necessarily satisfy a subsidiary's reporting obligation under Articles 19a or 29a.

⁵ All articles referenced are from "Directive 2013/34/EU of the European Parliament and of the Council" (the Accounting Directive).

⁶ The existing CSRD and the EC's Content Proposal use entity size criteria as defined in Article 3 of the Accounting Directive, which require entities to meet or fail to meet the relevant criteria for two consecutive years to change status.

⁷ See footnote 6.

⁸ The reporting obligation resides with the E.U. subsidiary or branch. The reporting is published by the E.U. subsidiary or branch at the consolidated non-E.U. ultimate parent, or enterprise, level.

Under the provisional agreement, the EC will be required to periodically review the revised scope thresholds, and, if appropriate, make proposals to amend the thresholds. The purpose of the reviews is to adjust for the effects of inflation and to assess whether the scope thresholds result in sufficient sustainability information for E.U. policy objectives.

The table below describes the scope and reporting requirements stipulated in the provisional agreement from the perspective of a U.S.-based company, exclusive of Wave 1 reporting.

		Enterprise Level
Reporting for Calendar-Year-End Filers		
	2027 (Reporting in 2028)	2028 (Reporting in 2029)
Scope	Companies that have more than 1,000 employees on average and generated a net turnover exceeding €450 million during the financial year, including (1) U.S. companies listed on an E.U.-regulated market and (2) E.U. subsidiaries of U.S. companies.	All U.S. companies* that (1) generated net turnover in the European Union of more than €450 million in each of the last two financial years at the group level and (2) have at least one E.U. subsidiary or branch with net turnover exceeding €200 million in the preceding financial year.
Required standards	Revised ESRS** (or equivalent standards***)	Revised ESRS** (or equivalent standards***) or alternative standards for non-E.U. entities to be developed†
Reporting level	Stand-alone subsidiary , unless included in the parent's report prepared under ESRS or equivalent standards for a non-E.U. parent (i.e., consolidated group level)	Consolidated group

* The reporting obligation resides with the E.U. subsidiary or branch. The reporting is published by the E.U. subsidiary or branch at the consolidated non-E.U. ultimate parent, or enterprise, level.

** Revised ESRS to be developed under a future delegated act. The EC is currently reviewing technical advice and revised ESRS submitted by EFRAG on December 3, 2025 (see additional information below).

*** "Equivalent standards" are only applicable to U.S. (non-E.U.) company-level reporting. E.U. subsidiaries and groups must report in accordance with the revised ESRS. What may be deemed "equivalent" is yet to be determined by the EC.

† Standards for non-E.U. entities will not be adopted by the EC before October 1, 2027.

Exemptions

The provisional agreement establishes or extends exemptions to reporting obligations as follows:⁹

- *Financial holding companies* — Establishes an exemption for parent undertakings that are financial holding undertakings with subsidiaries that have business models and operations independent from one another. This exemption is available for E.U. parent and non-E.U. issuer parent reporting (Article 29a) as well as non-E.U. parent enterprise-level reporting (Article 40a).

Article 2(15) defines a financial holding undertaking as an undertaking whose sole objective "is to acquire holdings in other undertakings and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholders."

- *PIEs* — Extends existing subsidiary exemption provisions to all PIEs, including large¹⁰ listed entities.
- *Wave 1 companies* — Establishes an option for member states to exempt Wave 1 entities that fall out of the revised scope (see the [Revised Scope Thresholds](#) section above) for the 2025 and 2026 financial years. Wave 1 entities are subject to existing reporting requirements until any member state option is transposed into national law.

Value Chain Cap

The provisional agreement will establish a value chain cap that limits the information that companies within the revised scope of the CSRD can request from companies in their value

⁹ All articles referenced are from the Accounting Directive.

¹⁰ As defined in Article 3 of Directive 2013/34/EU as an E.U. entity or an E.U. parent entity (on a consolidated basis) that meets two or more of the following three criteria in two consecutive financial years on its balance sheet date: >250 employees on average, >€25 million balance sheet, >€50 million net turnover.

chain that are not within the scope (“protected undertakings”). The value chain cap only applies to information gathering for the purpose of reporting sustainability information as required by the CSRD. Certain key provisions are as follows:

- *Employee threshold* — Entities within a reporting company's value chain that do not exceed 1,000 employees on average during the financial year have the legal right to refuse information requests beyond what is specified in a forthcoming voluntary reporting standard. The EC will adopt by delegated act a voluntary standard that will be based on the EC's recommendation for VSME standards.¹¹
- *Value chain transparency* — When a reporting undertaking requests sustainability information from a protected value chain undertaking that extends beyond the voluntary standards, the reporting undertaking is required to (1) explicitly identify that the requested information exceeds the voluntary standards and (2) inform the value chain undertaking of its statutory right to refuse to provide that additional information.
- *Voluntary reporting and other requirements* — The value chain cap only applies to information gathering for the purpose of reporting sustainability information as required by the CSRD. It does not prohibit entities from sharing information on a voluntary basis, such as information that is commonly shared among entities in a given sector. It also does not affect information requests for other purposes, including requests for the purpose of complying with E.U. requirements for entities to conduct due diligence processes.

Sector-Specific Standards

The provisional agreement replaces the requirement for the EC to adopt sector-specific ESRS with an option for the EC to support reporting entities by providing sector-specific guidance that illustrates and facilitates the application of the ESRS. Any guidance would be based on consultation with relevant stakeholders.

Acquisitions/Mergers and Exit Events

The provisional agreement introduces the following relief for situations in which the composition of a group of undertakings changes during the financial year as a result of acquisitions, mergers, or divestitures:

- *Acquisitions/mergers* — Establishes a transition period for a newly acquired subsidiary whereby a parent entity may postpone sustainability reporting on the acquired subsidiary until the next financial year.
- *Exits* — Permits a parent undertaking to exclude the sustainability information of an undertaking from the consolidated management report for a financial year during which such undertaking exits the group.

As noted in the provisional agreement, a parent entity that exercises one or both options should disclose any significant event “that has an effect on the group's impacts, risks or opportunities.”

Omission of Sensitive Information

The provisional agreement amends company options to omit the following information provided that certain conditions are met:

- Information that is “seriously prejudicial to the commercial position of the undertaking.”

¹¹ Commission Recommendation (EU) 2025/1710, dated July 30, 2025.

- Information that corresponds “to intellectual capital, intellectual property, know-how, technological information or the results of innovation, that would qualify as a trade secret.”
- Classified information.
- Other information that cannot be disclosed because of E.U. legislation or national law or “to safeguard the privacy or security of a natural person or the security of a legal person.”

EUT

The provisional agreement eliminates the EC’s proposed provisions on optional taxonomy reporting. Taxonomy reporting is still mandatory for all E.U. entities and non-E.U. entities that are listed on an E.U.-regulated market that have a net turnover exceeding €450 million and 1,000 employees on average during the financial year. See the [Adoption](#) section below for additional EUT reporting updates.

Assurance

The provisional agreement amends assurance requirements as follows:

- *Limited assurance standards* — The provisional agreement postpones the deadline for the EC’s adoption of limited assurance standards from October 1, 2026, to July 1, 2027. This is a change from the EC proposal that removed the requirement to adopt limited assurance standards.
- *Reasonable assurance* — In a manner consistent with the EC proposal, the provisional agreement removes the option to amend the limited assurance requirement to reasonable assurance.
- *Third-country auditor transitional regime* — The provisional agreement introduces a transitional regime covering the period from 2025 to 2030 for third-country auditors and audit entities issuing assurance reports on the sustainability information of third-country entities (i.e., non-E.U. domiciled entities) that are admitted to trading on a regulated market of an E.U. member state. This includes simplified registration requirements and provides an exemption from supervisory oversight. The amendment preserves a practical transitional pathway for third-country auditors and audit entities to continue providing limited assurance on sustainability reporting during the early years while longer-term equivalence and adequacy determinations are made.

Digital Portal

The provisional agreement requires the EC to establish a digital portal for entities to access information, guidance, and support, including templates and resources, regarding ESRS and voluntary standards. In addition, the EC is tasked with issuing a report within two years after the directive is entered into force on technological solutions for sustainability reporting.

CSDDD

The main amendments to the existing CSDDD in the provisional agreement include those related to scope thresholds, the due diligence approach, and the application date. The CSDDD will apply from July 26, 2029, for all businesses within its scope, except for the obligation for entities to publish on their website an annual statement on sustainability due diligence matters, which starts for financial years beginning on or after January 1, 2030. Member states must transpose the CSDDD-related provisions of the directive by July 26, 2028.

Revised Scope Thresholds

Under the provisional agreement, due diligence obligations will only be required for (1) large E.U. entities with more than 5,000 employees on average and a net worldwide turnover of over €1.5 billion in the last financial year for which annual financial statements have been or should have been adopted and (2) non-E.U. entities with over €1.5 billion in turnover in the European Union in the financial year preceding the last financial year. The provisional agreement includes a review clause for an assessment by July 26, 2031, about whether to revise the scope and whether a sector-specific approach needs to be introduced in high-risk sectors.

Amended Due Diligence Approach

The amended due diligence approach requires entities to take appropriate measures to identify and assess adverse impacts, taking into account relevant risk factors. In accordance with the provisional agreement, entities are required to conduct a scope exercise, based on reasonably available information, “to identify general areas across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners where adverse impacts are most likely to occur.” In performing an in-depth assessment based on the results of the scope exercise, entities may only request information from business partners when necessary. Information from business partners with fewer than 5,000 employees may only be requested when the information cannot be obtained in any other way. When an entity “has identified adverse impacts equally likely or equally severe in several areas,” it can prioritize assessing adverse impacts involving direct business partners.

Climate Transition Plans

The provisional agreement removes requirements that mandate entities to adopt a transition plan for climate change mitigation. However, the CSRD requirements on reporting on transition plans remain unchanged.

Financial Penalties

Financial penalties imposed by national supervisory authorities are limited to 3 percent of the entity’s net worldwide turnover (or, in case of parents, 3 percent of the net consolidated worldwide turnover calculated at the level of the parent) in the financial year preceding that of the decision to impose the fine. The EC will be issuing guidelines to assist supervisory authorities in determining the level of penalties.

CSDDD Reporting

The EC will issue guidelines on content and criteria for entities’ reporting by March 31, 2029, which will address the description of due diligence, actual and potential adverse impacts identified, and the appropriate measures taken with respect to those impacts.

Reporting

Simplified ESRS — Technical Advice Submission

In March 2025, the EC asked EFRAG to provide technical advice in the form of proposed revisions to the ESRS (ESRS Set 1). In July 2025, EFRAG published EDs for these proposed revisions. While retaining the overall architecture of the ESRS framework, including the cross-cutting standards (ESRS 1, *General Requirements*, and ESRS 2, *General Disclosures*) and sector-agnostic topical standards, EFRAG recommended significant simplifications to improve readability, proportionality, and decision-usefulness. These simplifications include an emphasis on the fair presentation and decision-usefulness of sustainability information; simplified requirements for the double materiality assessment (DMA); more principles-based narrative disclosure requirements; a reduction in the number of data points that must be

considered, including the elimination of all voluntary disclosure requirements (reported 61 percent nominal reduction in the final technical advice); and further consideration of the interoperability with the International Sustainability Standards Board (ISSB) standards. In addition, sector-specific standards will no longer be developed. For more details on the EDs, see Deloitte's August 21, 2025, *Heads Up*.

On December 3, 2025, EFRAG submitted its final **technical advice** ("draft simplified ESRS" or "draft ESRS") to the EC, which includes the following key changes from the publication of the July 2025 EDs:

- EFRAG removed governments, analysts, and academics from the list of "other users of general-purpose sustainability statements."
- The role of fair presentation was reinforced and further aligned with IFRS S1.¹²
- EFRAG places more emphasis on the materiality of information as an overarching principle in the draft ESRS, including in relation to the general disclosures in draft ESRS 2.
- The description of financial materiality is further aligned with IFRS S1.
- Decision-usefulness is now also emphasized for impact materiality.
- The draft ESRS amend the ED in relation to the consideration of impacts pre- or post-mitigation. The severity of actual impacts is assessed on the basis of the current reporting period.
- Appendix C of ESRS 1, which provided a detailed overview for assessing actual and potential impacts for materiality, was not retained.
- The draft ESRS reinforce and clarify the top-down and bottom-up approaches to explain the relationship between the identification of material impacts, risks, and opportunities and the topics and subtopics to be reported.
- The requirements related to whether an entity must report the impacts, risks, and opportunities in relation to leased assets as part of its own operations was revised.
- Draft ESRS 1 requires an entity to cross-reference to monetary amounts or explain how they are related to information in the financial statements, or both. This was optional in the EDs.
- Relief from disclosing classified or sensitive information is now contingent on whether the omission of classified or sensitive information would be required or permitted by other applicable E.U. law and regulations.
- EFRAG removed the reliefs for the availability of information regarding the upstream and downstream value chain, as well as phase-in provisions for entities other than those in Wave 1.
- In the consultation on the EDs, EFRAG asked stakeholders whether disclosure of the entity's anticipated financial effects should continue to be quantitative or whether disclosure should be reduced to qualitative information. On the basis of the feedback received, EFRAG decided to continue requiring quantitative disclosure but to extend the available reliefs.
- EFRAG decided to mostly reinstate the disclosure requirements for transition plans for climate change mitigation from ESRS Set 1.

The EC will now consider EFRAG's advice when adopting the delegated act that amends the ESRS. The EC may adopt simplified ESRS that differ from the technical advice.

¹² IFRS S1, *General Requirements for Disclosure of Sustainability-Related Financial Information*.

The EC aims to adopt the necessary delegated act as soon as possible, and at the latest six months after the Content Proposal is entered into force. This timeline has been set to allow the ESRS to be adopted as a delegated act in time for entities to apply the revised standards for financial year 2027, potentially with an option for voluntary application for financial year 2026. Until the delegated act is effective, Wave 1 entities are required to continue applying ESRS Set 1.

EFRAG has also launched the [ESRS Knowledge Hub](#), an interactive online platform designed to support companies, practitioners, and stakeholders in navigating the ESRS and broader sustainability reporting materials developed by EFRAG.

EUT Delegated Act

Adoption

On July 4, 2025, the EC adopted a delegated act (the “EUT Delegated Act”) to finalize the proposals on the simplification of the EUT. For background and additional detail on the content proposed in the EUT Delegated Act, refer to Deloitte’s [March 7, 2025](#), and [August 21, 2025](#), *Heads Up* newsletters.

After its adoption, the EUT Delegated Act was subject to a scrutiny period by the European Parliament and the Council of the EU. The scrutiny period ended on January 5, 2026, and the EUT Delegated Act was [published](#) in the *Official Journal of the European Union* on January 8, 2026. The EUT Delegated Act will enter into force 20 days after its publication in the *Official Journal of the European Union*.

The EUT Delegated Act has an effective date of January 1, 2026, and will cover reporting for the 2025 financial year. However, entities have the option to apply the measures starting with the 2026 financial year.

On December 17, 2025, the EC published a [draft Commission Notice](#) to provide interpretation and implementation guidance on the amendments to the EUT Delegated Act in the form of frequently asked questions (FAQs). The FAQs address several topics, including the timeline for applying reporting rules and their application for financial entities, comparative data requirements, the “opt-out” provision for financial entities, the 10 percent materiality threshold, the materiality approach for the operational expenditure key performance indicator (“OpEx KPI”), and the relationship between financial entities and special purpose vehicles.

Consultation on Technical Screening Criteria

On November 7, 2025, the EC published two calls for evidence on proposals to simplify the technical screening criteria of the EUT [Climate](#) and [Environmental](#) Delegated Acts. The deadline to provide comments was December 5, 2025. In response to the calls for evidence, two delegated acts will be drafted, each with a four-week public consultation period. The final delegated acts are expected to be adopted by the EC in the second quarter of 2026.

Next Steps for U.S. Entities

U.S. entities should continue to monitor the progression of the proposals, including approvals, the date when each directive and delegated act is entered into force, and the status of member state transposition, as applicable. As each item progresses through the legislative process, there may be changes and further developments. In addition, entities may consider the following:

- *Reevaluate whether E.U. subsidiaries and groups are still within the scope of the CSRD and EUT and the related reporting deadlines* — Companies may wish to consider how any changes would affect their reporting strategy (e.g., consolidated group reporting to allow the use of subsidiary exemptions versus stand-alone subsidiary reporting).

- *Reassess conclusions regarding enterprise-level reporting* — Entities that do not have E.U. subsidiaries with a CSRD reporting obligation at the subsidiary level (i.e., Articles 19a and 29a) may still have an enterprise-level reporting requirement (i.e., Article 40a).
- *Reevaluate global reporting strategy* — Companies should evaluate how E.U. reporting efforts may align with other jurisdictional or voluntary frameworks, such as California state senate bills, IFRS Sustainability Disclosure Standards (including as adopted in jurisdictions such as Australia and Mexico), and Global Reporting Initiative (GRI) standards. This approach can promote consistency, comparability, and efficiency across sustainability disclosures. Companies should consider areas of interoperability as well as any remaining areas of divergence.
- *Assess the draft simplified ESRS* — Entities should consider how the draft ESRS may affect past, current, and planned future readiness efforts. Considerations may include the following:
 - Determine how the simplified DMA guidance may affect DMAs, whether for voluntary or regulatory disclosures.
 - Assess the potential effects of the emphasis on the fair presentation framework and materiality as an overall filter of information.

Once the final standards are published, entities should assess alignment to those final standards.

- *Develop plans for voluntary reporting* — Entities that are no longer required to report under the CSRD may wish to consider implementing the future voluntary reporting standards because such information may be requested by value chain partners that are required to report under the CSRD. Other entities that are not required to report sustainability information to value chain partners may also apply those standards for voluntary sustainability reporting. Until the EC adopts the sustainability reporting standards for voluntary use, entities may apply the VSME standard.
- *Develop an approach for EUT reporting* — Companies reporting on the 2025 financial year should consider the option to apply amendments starting from the 2025 or 2026 financial year.
- *Increase internal awareness* — Entities should communicate how the proposed changes to reporting in accordance with the CSRD, EUT, ESRS, and due diligence requirements of the CSDDD could affect planned initiatives and the responsibilities of internal stakeholders, executives, and the boards of directors.

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