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GIBSON DUNN

March 4, 2026

Omnibus Simplification of EU's Sustainability Rules (CSRD and CSDDD) Enacted

The Amendment Directive which significantly narrows EU sustainability obligations for companies with respect to both the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) has been officially published on February 26, 2026 and will enter into force on March 18, 2026. Here is what you need to know.

On February 26, 2026, the Amendment Directive (EU) 2026/470 significantly simplifying corporate sustainability reporting (CSRD) and corporate sustainability due diligence (CSDDD) requirements has been officially [published](#) and shall enter into force twenty days following publication on March 18, 2026. The final Omnibus agreement went much further in cutting sustainability reporting and due diligence obligations for companies than the package initially proposed by the European Commission in early 2025, see our [client alert](#) of February 28, 2025.

Now Member States are obliged to transpose these amendments into their national laws, namely regarding the Accounting Directive/CSRD by March 19, 2027 and regarding CSDDD by July 26, 2028.

Key Changes

The key changes in substance are summarized in our [client alert](#) of December 12, 2025.

Sustainability Reporting

EU subsidiaries of U.S. and other non-EU companies which are in scope, so-called “**Wave 2 Companies**”, will generally be due to report in 2028 for financial year 2027.

Companies already required to report under the CSRD for financial years starting in 2024 (“**Wave 1 Companies**”) but no longer meet the revised thresholds shall be out of scope for financial years 2025 and 2026, subject to national transposition.

The process of simplifying the applicable **European Sustainability Reporting Standards (ESRS)** is still ongoing, see our [client alert](#) of December 4, 2025. On December 3, 2025, the European Financial Reporting Advisory Group (EFRAG) released its draft simplified ESRS together with its final technical advice, and the European Commission currently reviews the draft and prepares its Delegated Act incorporating EFRAG’s technical advice. In the Amendment Directive, the European Commission committed to adopting the Delegated Act to revise the first set of ESRS within six months of the entry into force of the Amendment Directive on September 18, 2026. It is expected that the revised standards will start to apply for the reporting period of financial year 2027.

Sustainability Due Diligence

Compliance with CSDDD will be required for in-scope companies only by July 2029.

The following Gibson Dunn lawyers prepared this update: Ferdinand Fromholzer, Carla Baum, Vanessa Ludwig, Johannes Reul, and Babette Milz.

Gibson Dunn lawyers are available to assist in addressing any questions you may have about these issues. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm’s [ESG: Risk, Litigation, and Reporting](#) practice group, or the authors:

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