

To: Corporate Reporting - Investments & Sustainable Finance WG
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Subject: German Chancellor Olaf Scholz calls to delay corporate sustainability reporting rules

Summary

On 2 January 2025, German Chancellor Olaf Scholz addressed a letter at European Commission President Ursula von der Leyen calling to reduce bureaucracy and increase innovative capacity in the name of competitiveness and suggesting targeted action in some key areas.

Notably, the letter calls for a two-year delay to the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD).

The letter outlines the following suggestions to reduce burdensome requirements:

- **A decisive and timely European initiative to reduce bureaucracy:** the European Commission's goals to reduce reporting obligations must be implemented in concrete terms, prioritising competitiveness. Additionally, conditions must be created under European law to enable the introduction of so-called material preclusion.
- **An offensive to reduce reporting obligations:** urgent action is needed with regards to the burdens under the CSRD, the EU Taxonomy and the European Supply Chain Directive (CSDDD). Concerning the CSRD, a **two-year postponement of the reporting obligation** is urgently needed, along with **higher threshold values for turnover and employee numbers**. Care should also be taken to ensure the "once-only principle" is consistently applied.
- **More support for the expansion of renewable energies:** the European Commission should build on the numerous instruments used to accelerate planning and approval procedures for the expansion of renewable energies and infrastructure which were used during the energy crisis.

The letter also highlights the automotive industry and energy-intensive sectors as key action areas.