



RondoTrace

IN DEPTH 2026-01

VALUE-CHAIN EVIDENCE AFTER THE OMNIBUS

What companies can establish, what they can ask for, and how to document the gaps

Sources, limitations and documentation under ESRS and CSDDD

Companies increasingly have to make judgements about their value chain without being able to obtain all of the underlying information from the value chain itself.

The revised European Sustainability Reporting Standards (ESRS (2026)) were published in the Official Journal of the European Union on 21 September 2026. Alongside them, the Commission published a voluntary reporting standard that defines the value-chain cap introduced by Directive (EU) 2026/470: a limit on what large companies may require from smaller companies in their value chain. The Corporate Sustainability Due Diligence Directive (CSDDD) was amended by the same Omnibus package earlier in the year.

THE PRACTICAL QUESTION

The practical question is therefore not how to replace supplier information. It is how to determine what other evidence is sufficient for the claim being made, and how that judgement can be defended.

KEY TAKEAWAYS

- 01 ESRS (2026) permits a company to assess its value chain without direct input from value-chain actors, using sector data, regional averages, generally available information and estimates.
- 02 From financial years beginning on or after 1 January 2027, a company reporting under the CSRD may not require suppliers with an average of up to 1,000 employees to provide more than a defined set of datapoints for that purpose.
- 03 Under the amended CSDDD, due diligence begins with a scoping exercise based solely on reasonably available information. At the in-depth stage, information may be requested from business partners only where necessary and, for partners with fewer than 5,000 employees, only where it cannot reasonably be obtained by other means.
- 04 In our reading, these limits apply to what a company may require from suppliers. They do not limit what a company may establish from other sources.
- 05 This publication sets out a framework for classifying and assessing value-chain evidence, a sequence for applying it, and a record for documenting what the evidence can and cannot establish.

Read the argument pp. 3–6	Use the framework pp. 7–11	See it applied pp. 12–13	Apply it pp. 14–15
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The information gap

Three distinctions are used throughout this publication:

01

What the company has been told.

Information provided by the supplier or by a party acting for it.

02

What the company can establish.

Information available from independent or public sources, without the supplier's cooperation.

03

What the company can support with evidence.

Information backed by evidence appropriate to the specific claim being made.

The three do not always coincide, and a conclusion is weaker where the first is treated as if it were the third.



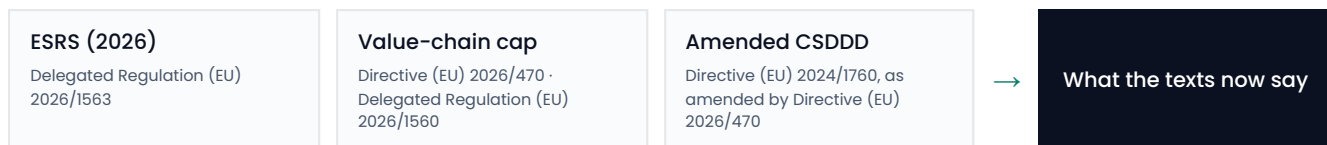
Sustainability reporting and due diligence both depend on information about sites and activities that the reporting company does not own or control. For most of the past decade, the main channel for that information has been the supplier: questionnaires, codes of conduct, self-assessments, certificates and audit reports arranged with the supplier's cooperation.

The Omnibus package narrows that channel deliberately, to reduce the burden on smaller companies, and limits information requests to what is necessary. The underlying obligations remain. A company reporting under ESRS must still identify its material impacts, risks and opportunities across its value chain. A company within the scope of the CSDDD must still identify the areas where adverse impacts are most likely to occur and most severe, and assess them.

The question is therefore no longer only whether a supplier has provided the information. It is whether the company holds reasonable and supportable evidence for the conclusion it is required to reach.

What the texts now say

This section covers only the provisions that bear on value-chain information. Further detail is in the Appendix.



2.1 Revised ESRS (Delegated Regulation (EU) 2026/1563)

ESRS (2026) enters into force on 10 November 2026 and applies to financial years beginning on or after 1 January 2027. For financial years beginning in 2026, undertakings may choose between three routes, and must state which they have applied.¹

The materiality assessment may be performed top-down, drawing conclusions from the undertaking's strategy and business model, its sectors, its geographies and the features of its value chain.² The undertaking is not required to assess every possible impact, risk or opportunity,³ and uses reasonable and supportable information available without undue cost or effort.⁴ For the value-chain part of the assessment, it may proceed without direct input from value-chain actors, using average regional data, sector data or other generally available information.⁵

Value-chain information may be collected from counterparties or estimated, depending on practicability and reliability. Estimates may draw on data from indirect sources, sector averages, sample analyses, market and peer data, spend-based data and other proxies.⁶ The undue cost or effort test is reassessed each period, and the standard anticipates that availability will improve over time.⁷

For pollution, water, and biodiversity and ecosystems, the topical standards add that it is important to consider disaggregation by site.⁸ Where reliable data is available only for an objectively defined part of the value chain, an undertaking may report on that part, with disclosure of actions and progress; this does not apply to gross greenhouse gas emissions.⁹

WHAT THIS MEANS FOR EVIDENCE

A company does not need supplier input to establish whether a value-chain matter exists or is material. It does need to be able to explain why the information it used was reasonable and supportable, and the standard expects that explanation to keep pace with what becomes available.

2.2 The value-chain cap (Directive (EU) 2026/470 and Delegated Regulation (EU) 2026/1560)

A value-chain undertaking is protected if it did not exceed an average of 1,000 employees in the preceding financial year. The test is headcount only, and the reporting undertaking may rely on the supplier's declaration unless it is manifestly incorrect. The cap also applies to value-chain undertakings outside the EU.¹⁰

For the purpose of sustainability reporting, a reporting undertaking may not require a protected undertaking to provide information beyond the datapoints listed in Annex II of Delegated Regulation (EU) 2026/1560. Contract terms to the contrary are not binding, and requests that go beyond the list must identify the items concerned and inform the supplier of its right to decline.¹¹ The cap applies from financial years beginning on or after 1 January 2027. It does not affect requests made for other purposes, including Union due diligence requirements, and it creates no obligation on the supplier to provide anything.¹²

WHAT THIS MEANS FOR EVIDENCE

The cap limits what may be required from a supplier, not what may be known about it. For information outside the cap, a company that needs it must obtain it voluntarily or establish it from other sources.

2.3 Amended CSDDD

(Directive (EU) 2024/1760, as amended by Directive (EU) 2026/470)

The amended directive applies to EU companies with more than 5,000 employees and a net worldwide turnover above EUR 1.5 billion, and to non-EU companies with a net turnover in the Union above EUR 1.5 billion. Application has been postponed to 26 July 2029.¹³

Companies first carry out a scoping exercise, based solely on reasonably available information, to identify the general areas where adverse impacts are most likely to occur and most severe, and then carry out an in-depth assessment in those areas.¹⁴ The recitals state that the scoping exercise relies solely on reasonably available information, which will as a general rule preclude requesting information from business partners, and that companies have flexibility in judging what information is reasonably available.¹⁵

During the in-depth assessment, information may be requested from business partners only where necessary. Where a partner has fewer than 5,000 employees, a request may be made only where the information cannot reasonably be obtained by other means.¹⁶ Companies may draw on appropriate resources, including independent reports, digital solutions, and industry and multi-stakeholder initiatives.¹⁷

WHAT THIS MEANS FOR EVIDENCE

For most suppliers, a company will need to show that it looked for other sources before asking, and why they were insufficient. The record of that search becomes part of the due diligence.

2.4

What the texts do not say

The texts do not define "reasonably available information", and they do not list the sources that qualify. No provision names any particular type of data, whether satellite observation, public registers, media reports or commercial databases. The conclusion that such sources may be used rests on the general permission to use estimates, generally available information and appropriate resources, together with the limits on supplier requests.

This is our reading of the texts. Companies should treat it as a judgement to be documented, not as an express authorisation.

Where the gaps fall

The value-chain cap is defined by a list. Comparing that list with the full voluntary standard shows which information a CSRD reporter may still request from a protected supplier within the cap, and which it may not require.¹⁸

	From all protected suppliers	From protected suppliers with more than 10 employees	Outside the cap
Site information	Geolocation of sites owned, leased or managed		Sites in or near biodiversity-sensitive areas
Environmental metrics		Energy consumption; Scope 1 and 2 GHG emissions; water withdrawal; waste	Pollutant emissions; water consumption; material flows
Workforce	Contract type; gender; work accidents; minimum wage; collective bargaining; training	Employee turnover	
Conduct		Code of conduct or human-rights policy; complaints mechanism; confirmed incidents	

Source: Annex II to Delegated Regulation (EU) 2026/1560, as adopted by the Commission on 3 July 2026. The cap applies only to information required for CSRD reporting. It creates no obligation on the supplier to provide any information.

Two observations follow.

First

First, a reporting undertaking may still request the location of a protected supplier's sites within the cap, although the supplier is not obliged to provide it. What the undertaking may not require, for CSRD purposes, is information on several environmental topics at those locations: pollutant emissions, water consumption, and whether a site lies in or near a biodiversity-sensitive area. Where a supplier does report pollutant emissions under the voluntary standard, the standard covers only emissions it already reports to authorities or under an environmental management system.¹⁹

Second

Second, the information outside the cap is largely environmental information about what happens at a site. For these topics, a company that needs the information will usually have to establish it from other sources, such as public registers, regulatory filings, permits, independent observation and sector data, or obtain it on a voluntary basis. **This is where the choice of evidence matters most.**

The Value-Chain Evidence Framework

The framework classifies value-chain evidence by where it comes from, and assesses each item against the claim it is used to support. It does not rank sources. No class of evidence is better in general; each is better or worse suited to a specific claim.

4.1 Four classes of evidence

■ Supplier-declared

Information provided by the supplier about itself: questionnaire responses, self-assessments, declarations, policies, published reports, data shared under the voluntary standard.

▣ Third-party attested

Information about the supplier produced or checked by an external party engaged by the supplier or on its behalf: audits, certifications, assurance reports, technical inspections, stability declarations, commissioned investigations.

● Independently observed

Information about the supplier's site or activity obtained without the supplier's cooperation and without an engagement by or with the supplier: satellite and aerial observation, remote sensing of emissions or land use, independent field studies, academic research on a specific site.

○ Public record

Information held or published by public authorities or other parties with no engagement relating to the supplier: permits, enforcement actions, court records, pollutant release registers, protected-area databases, regulatory filings, reporting by the media and civil society.

The classes describe how evidence was produced and accessed, not how reliable it is. Public record in particular covers sources of very different standing: an enforcement decision and a press report are both public, but they differ in producer and verifiability. Those differences are captured by the attributes below, not by the class.

Each item of evidence, whatever its class, is assessed against the same five attributes.

Producer

Independence

Currency

Verifiability

Fitness for the claim

4.2 Five attributes

Each item of evidence, whatever its class, is assessed against the same five attributes.

ATTRIBUTE	QUESTION	WHAT IT DEPENDS ON
Producer	Who created this information?	Whether the producer has an interest in the conclusion; whether it holds legal authority or professional accountability
Independence	How far is it from the party being assessed?	Who commissioned it, who paid, who selected the method
Currency	What date does it describe, and how often is it refreshed?	The as-of date, not the date it was received
Verifiability	Could a third party inspect or reproduce it?	Access to the underlying data and method
Fitness for the claim	Can it establish the specific thing being concluded?	The nature of the claim and the benchmark applied, not the quality of the source

A reliable source can still be unfit for a particular claim, and a modest source can be sufficient for another.

4.3 What each class can and cannot establish

CLASS	TYPICALLY SUITED TO	TYPICALLY NOT ABLE TO ESTABLISH
 Supplier-declared	Policies, procedures, workforce data, internal metrics, intentions and plans	Conditions the supplier has an interest in presenting favourably, unless corroborated
 Third-party attested	Conformity with a defined standard at a defined date	Conditions outside the scope of the engagement, or after its date
 Independently observed	Physical conditions and changes over time: ground movement, land-use change, water bodies, thermal activity, some emissions	Policies, wages, grievance mechanisms, internal controls, anything not physically visible
 Public record	Regulatory status, permits, enforcement history, registered emissions, protected-area boundaries	Current conditions where records are infrequent, incomplete or not published in that jurisdiction

4.4 Principles

1

Match the evidence to the claim, not to the source.

Begin with what must be concluded, then identify which classes can support it.

2

Record the as-of date.

Evidence describes a point or a period in time. A conclusion is only as current as its most recent relevant evidence.

3

Prefer corroboration to volume.

Two items from different classes that point the same way are generally stronger than several items from one class.

4

Treat disagreement as information.

Where evidence disagrees, the disagreement is itself a finding to be explained, not averaged away.

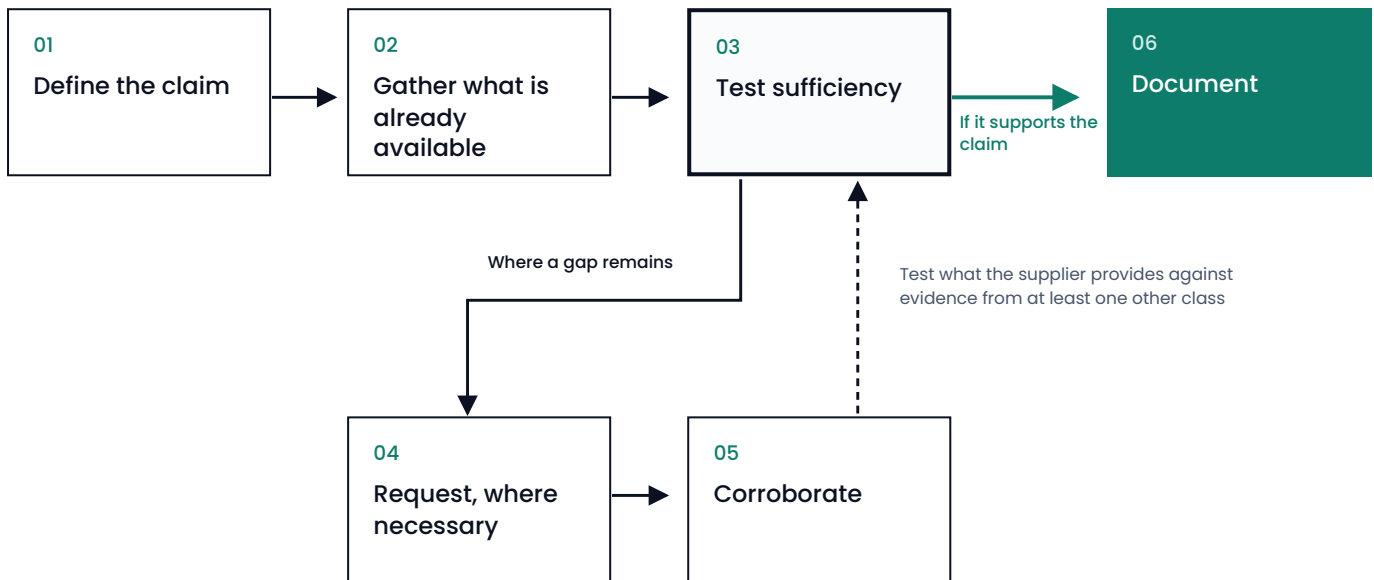
5

State what the evidence cannot show.

A conclusion should say which parts of the claim remain unsupported.

Applying the framework: the evidence sequence

The sequence below reflects the approach of the amended CSDDD, which limits requests to partners with fewer than 5,000 employees to information that cannot reasonably be obtained by other means. **ESRS (2026) sets no order of preference between information from counterparties and estimates**, but the same sequence is a practical way to meet its requirements.



1 Define the claim.

State precisely what the company needs to conclude, for which site or activity, for which period, and against which benchmark.

2 Gather what is already available.

Identify evidence the company already holds or can reasonably obtain without a request to the supplier: public records, independent observation, sector and regional data, existing attestations.

3 Test sufficiency.

Assess that evidence against the five attributes. If it supports the claim to the degree required, proceed to step 6.

4 Request, where necessary.

Where a gap remains, make a targeted request to the supplier. For CSRD purposes, stay within the value-chain cap for protected suppliers. For CSDDD purposes, for partners with fewer than 5,000 employees, request only information that could not reasonably be obtained by other means, and record why.

5 Corroborate.

Where the claim allows, test what the supplier provides against evidence from at least one other class.

6 Document.

Record the claim, the evidence used by class, the as-of dates, the conclusion, what remains unsupported, and the next action.



SECTION 6

Documenting what cannot be obtained

ESRS (2026) provides a transitional relief for value-chain information. For the first three financial years in which an undertaking is subject to sustainability reporting, if not all necessary value-chain information is available, it explains the efforts made to obtain it, the reasons it could not be obtained, and its plans to obtain it in future.²⁰ The relief runs from each undertaking's own first reporting year, not from a common date.

This relief does not remove the need for evidence. It requires the undertaking to describe its efforts, and those descriptions will be read by assurance providers and users. An undertaking that can show a structured search across the four classes, with a record of what was found and what was not, is in a stronger position than one that can show only that a questionnaire went unanswered.

A site evidence record	
We suggest a single record per material site, updated each reporting period.	
Site	Name or reference, location, supplier, tier
Claim	What the company needs to conclude, for which period, against which benchmark
Evidence held	Each item, by class, with producer and as-of date ☐ Supplier-declared ☐ Third-party attested ☒ Independently observed ☐ Public record
Assessment	The five attributes, briefly, for each material item
Conclusion	What the evidence supports, stated at the level of confidence it allows
Not supported	Parts of the claim the evidence cannot establish
Open signals	Evidence that is unusual or inconclusive, and what would resolve it
Requests made	To whom, when, what, and the basis for the request
Next action	What will be obtained, from which class, by when

A tailings facility, from the public record

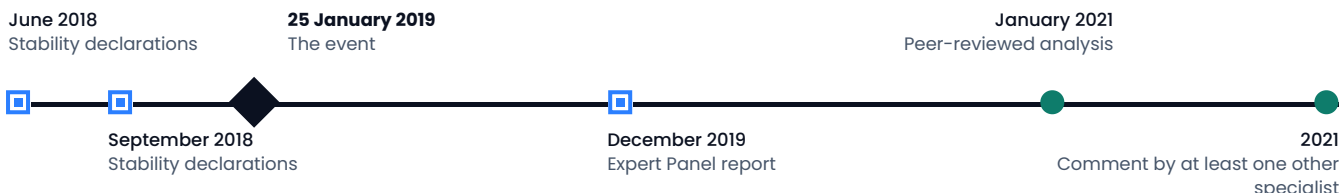
This example uses only published sources. It is viewed from the position of a European company whose supply chain includes iron ore from the site. It illustrates how the framework organises evidence; it is not an assessment of what any party should have known or done.

THE CLAIM

The tailings storage facility at the supplier's site is stable.

THE EVENT

On 25 January 2019, Dam I at the Córrego do Feijão mine near Brumadinho, Brazil, failed. The failure killed 270 people; the figure of 272 used by victims' families and the Minas Gerais Public Prosecutor's Office includes two unborn children.²¹



EVIDENCE BY CLASS, AS IT APPEARS IN THE PUBLIC RECORD

	Third-party attested	Stability declarations issued by an external certifier, as reported by the European Center for Constitutional and Human Rights and others ²²	June and September 2018	Stable under the applicable standard
	Third-party attested (retrospective, published)	Report of the Expert Panel on the technical causes of the failure, retained by outside legal counsel to the operator ²³	December 2019	Failure by flow liquefaction of loose, saturated, brittle tailings. No apparent signs of distress before failure. Instruments on site detected no significant deformation. Satellite analysis after the event showed slow, essentially continuous downward deformation of less than 36 mm per year in the year before failure, judged consistent with long-term settlement and not alone indicative of a precursor.
	Independently observed (retrospective)	Peer-reviewed analysis of archived satellite radar data ²⁴	Published January 2021	Accelerated deformation from about late October 2018, which the authors argued made the timing of failure foreseeable in hindsight
	Independently observed (retrospective)	Comment by at least one other specialist on that analysis ²⁵	2021	Signal attributed to noise; only ongoing creep identified

WHAT THE EXAMPLE SHOWS

The attestation described conformity with a standard at a date. It did not, and was not designed to, describe the facility's condition after that date. The investigation commissioned after the failure found no warning signs in the monitoring data. An independent retrospective analysis of the same satellite radar record reached a different view, and that view was itself questioned.

Even after the event, qualified parties drew different conclusions, including from the same satellite radar record. No single analysis settled the claim. **A record of which evidence was relied on, as at what date, and what it could not establish, is what allows a conclusion to be reviewed.**

The example also shows why the producer and independence attributes are assessed for every item. The Expert Panel report is published and technically detailed, but it was commissioned on behalf of the operator. Its class follows from who engaged it, not from whether it is publicly available.

Site A, an ordinary case

Many sites will not present a serious concern, and the framework must be able to reach that conclusion as clearly as it identifies a risk. It must also handle evidence that does not point clearly in one direction. This example is based on analysis of public observation data for an operating zinc mine in South Asia, anonymised as Site A. The supplier-declared and attested items in the table are illustrative.

The context. In this example, a European automotive manufacturer’s zinc supply is traced, through a refiner, to Site A. The site includes an active tailings storage facility.

THE CLAIM TO BE SUPPORTED IS
the site’s tailings facility and immediate surroundings show no indication of material adverse environmental impact over the past three years.

CLASS	EVIDENCE	AS-OF DATE	WHAT IT INDICATES	FITNESS FOR THE CLAIM
■ Supplier-declared	Operator’s published sustainability report, including its tailings management statement (illustrative)	Annual	Facility managed to the operator’s stated standard	Describes management, not condition
■ Third-party attested	External review of tailings management (illustrative)	Periodic	Conformance at the review date	Point in time; scope-limited
● Independently observed	Ground movement at the tailings facility from satellite radar	Repeated measurements over 36 months	Slow, steady movement of several millimetres per year; no acceleration	Supports the physical part of the claim; cannot establish internal conditions such as drainage or pore pressure
● Independently observed	Vegetation condition in the surrounding area compared with an unaffected control area	Monthly	Surrounding area follows the same seasonal pattern as the control; no progressive divergence	Supports absence of visible off-site impact
● Independently observed	Tree-cover change in the surrounding area	Annual, over two decades	No loss	Supports absence of deforestation
● Independently observed	Regional fine particulate (PM2.5) estimates	Averaged over the period	Within the applicable national annual standard; above WHO interim target 2 (25 µg/m³) and below interim target 1 (35 µg/m³) ²⁶	Depends on the benchmark in the claim; does not isolate the site’s own contribution from regional conditions

CONCLUSION, AS IT WOULD BE RECORDED
The available evidence does not establish a material adverse impact at the tailings facility or in the surrounding area. Independent observation over 36 months shows no acceleration at the facility and no visible impact on surrounding vegetation or tree cover. The evidence does not establish the facility’s internal condition, which depends on the operator’s own monitoring and on periodic attestation.

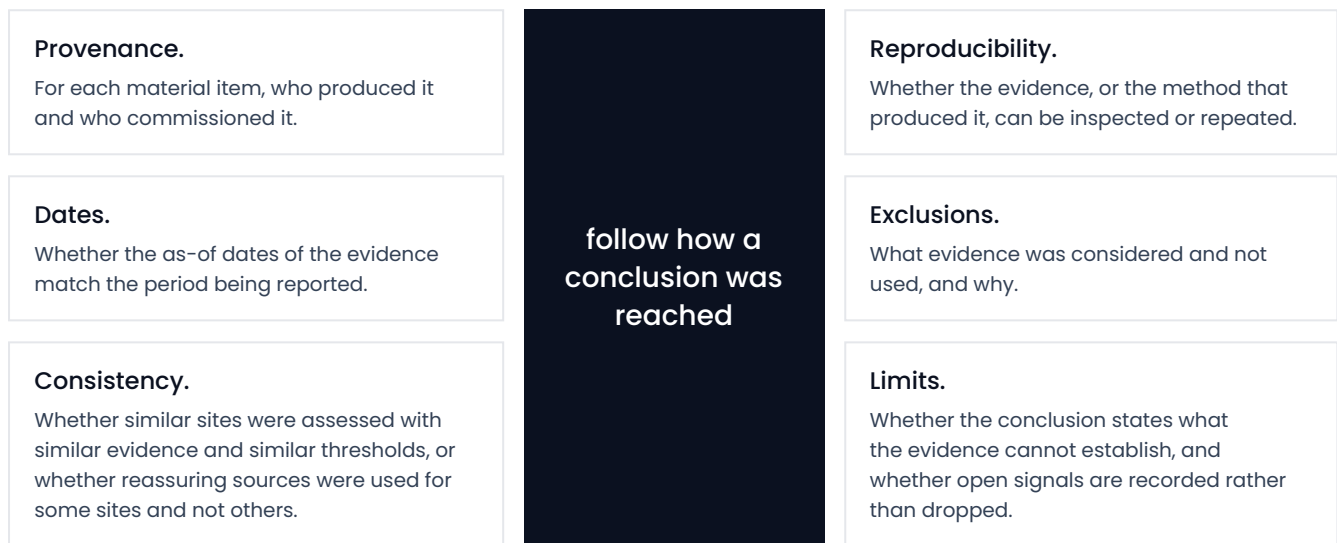
OPEN SIGNAL
Fine particulate levels in the area meet the national standard but exceed the WHO interim target that some buyers use as a reference. Whether this is relevant depends on the benchmark the buyer’s own policy applies, and the regional data does not show how much, if any, of the level is attributable to the site. The record notes the open signal, the benchmark question, and the next step: site-level air-quality data, which would have to come from the operator or a public monitoring station.

WHAT THE EXAMPLE SHOWS

A conclusion can be reached and recorded without a supplier questionnaire, and it can state its limits. The same air-quality evidence supports opposite conclusions depending on the benchmark in the claim, which is why the claim must name its benchmark. The limits of the conclusion show where supplier-held information remains necessary. The previous example is a reminder of why those limits matter: slow, steady movement is consistent with stability, but it is not proof of it.

The framework does not make evidence acceptable. It makes the basis for a judgement transparent enough to be assessed.

A professional reader will ask throughout whether an assurance provider would accept evidence gathered this way. That depends on the engagement, the standard applied and the materiality of the matter, and the answer will vary. What the framework changes is whether the question can be answered at all. An assurance provider reviewing value-chain information will want to follow how a conclusion was reached, and is likely to look at:



A company that can answer these questions from its site evidence records has made its judgement reviewable. A company that cannot has a judgement that can only be accepted or rejected as a whole.

ONE POINT REQUIRES CARE.

ESRS (2026) requires human-rights incidents connected to the own workforce and to value-chain workers to be reported only where they are substantiated and verified. **Substantiated** means supported by objective, factual and verifiable information. **Verified** means that a court, an OECD National Contact Point or an administrative authority has made a formal finding.²⁷

Observed or reported signals, however well supported, are therefore not reportable incidents in themselves. They are inputs to the materiality assessment and to due diligence, where they may identify areas for in-depth assessment, prompt engagement with a supplier or inform prioritisation. Reporting teams should keep the two uses separate.

Reference matrix and practical steps

QUESTION	POSITION	RELEVANT DATE	EVIDENCE IMPLICATION
Which companies report under the CSRD?	EU undertakings exceeding 1,000 employees and EUR 450 million net turnover	ESRS (2026) mandatory for FY beginning on or after 1 Jan 2027; three options for FY2026	The version applied must be disclosed
What may be required from smaller suppliers for CSRD?	For suppliers with an average of up to 1,000 employees, no more than Annex II of Reg. (EU) 2026/1560	FY beginning on or after 1 Jan 2027	Pollution, water consumption and biodiversity-site information fall outside the cap; establish from other sources or obtain voluntarily
Can value-chain information be estimated?	Yes: counterparties or estimates, including indirect sources and proxies; the value-chain part of the materiality assessment may proceed without direct input	FY2026 if ESRS (2026) is applied in full (para 33 also available as a relief); mandatory framework from FY2027	Estimates must be reasonable and supportable, and documented
What if information cannot be obtained?	Explain efforts, reasons and plans	First three reporting years of each undertaking	A structured search across evidence classes supports the explanation
Can a metric cover only part of the value chain?	Yes, for an objectively defined part, with disclosure of actions and progress	Under ESRS (2026), or as a FY2026 relief	Not available for gross GHG emissions
Which companies fall under the CSDDD?	EU: more than 5,000 employees and EUR 1.5 billion net worldwide turnover; non-EU: more than EUR 1.5 billion net turnover in the Union	Application from 26 July 2029	Programmes built now should follow the amended sequence
When may CSDDD information be requested from partners?	At the in-depth stage, only where necessary; for partners under 5,000 employees, only where it cannot reasonably be obtained by other means	From 26 July 2029	Record why other means were insufficient before requesting
What does the EUDR require?	Due diligence statements including geolocation of plots of land; micro and small primary operators may use a postal address; downstream operators and traders do not submit statements	30 Dec 2026 (large and medium operators); 30 Jun 2027 (micro and small)	For in-scope commodities, location evidence is part of due diligence ²⁸

01 Define	02 Gather	03 Test	04 Request	05 Corroborate	06 Document
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Practical steps for the current reporting cycle

- 1 Identify the material sites in the value chain and the claims, with benchmarks, the company needs to support for each.
- 2 For each claim, list the evidence already held by class, with its as-of date.
- 3 Review existing supplier questionnaires against Annex II of Regulation (EU) 2026/1560 before the 2027 cycle, and identify which items will need another source.
- 4 For topics outside the cap, identify the public and independent sources available for each material site.
- 5 Introduce a site evidence record, and use it to support the explanations required under the three-year value-chain relief.
- 6 Agree the approach with the assurance provider before the reporting period closes.

Appendix: Provision detail

FY2026 options (Delegated Regulation (EU) 2026/1563, Article 2). For financial years beginning in 2026, an undertaking may apply: (a) ESRS (2023) as amended by Delegated Regulation (EU) 2025/1416 ("Quick Fix"); (b) ESRS (2026) in full; or (c) ESRS (2023) as amended by the Quick Fix, together with the following reliefs from ESRS 1 (2026): top-down materiality (para 27); undue cost or effort and value-chain limitation in the materiality assessment (paras 32–33); acquisitions and disposals (paras 74–75); exclusion of activities that are not significant drivers of a metric (para 90); partial value-chain scope (para 91); joint operations (para 92); a separate Taxonomy appendix (para 106); and an executive summary (para 110).

Undue cost or effort (ESRS 1 (2026), paras 93–95). The test applies to identifying material impacts, risks and opportunities; determining the scope of the value chain; value-chain information; metrics; and current and anticipated financial effects. It depends on the undertaking's circumstances, calls for a balanced consideration of cost and benefit, and is reassessed each period.

Disaggregation (ESRS 1 (2026), paras 52–55; ESRS E2 para 9, E3 para 8, E4 para 8). Disaggregation is required where significant variations arise, for example by geography or asset, and aggregation must not obscure material information. The topical standards state that it is important to consider disaggregation by site, and, for water, by basin or area of water stress, and for biodiversity, by ecosystem.

Value-chain cap: carve-outs (Directive 2013/34/EU, Art. 19a(3), as amended; Directive (EU) 2026/470, Recital 12). In the operative text, the cap does not affect requests made for purposes other than sustainability reporting under the Directive, including compliance with Union due diligence requirements, and creates no obligation on any value-chain undertaking to provide information. The recital adds that voluntary sharing, such as information commonly shared within a sector, is not prohibited; that information gathered for other purposes, such as the reporting undertaking's risk management, is outside the cap; and that value-chain reporting may be based on information obtained from value-chain undertakings or on estimates. The cap applies at group level under Article 29a(3) in the same way.

Value-chain cap: dates and scope (Delegated Regulation (EU) 2026/1560, Articles 3–4; ESRS 1 (2026) para 66). The voluntary standard entered into force on 24 September 2026. The cap applies from financial years beginning on or after 1 January 2027, and extends to value-chain undertakings outside the EU.

CSDDD: prioritisation (Directive (EU) 2024/1760, Art. 8(2a), as amended; Recital 40). Where information could be sought from several partners, companies should prioritise the partner where adverse impacts are most likely to occur. Where impacts are equally likely or equally severe in several areas, companies may prioritise areas involving direct business partners. Coverage of the chain of activities otherwise remains.

CSDDD: timing and penalties. According to the European Commission, Member States must transpose the amendments by 26 July 2028; annual reporting under Article 16 applies for financial years starting on or after 1 January 2030. Penalties are capped at 3% of net worldwide turnover (Art. 27(4)). The EU-harmonised civil liability regime was removed, but the right to full compensation where a company is liable under national law remains (Art. 29).

References

- 1 Delegated Regulation (EU) 2026/1563, Articles 2–3.
- 2 ESRS 1 (2026), paragraphs 27–28.
- 3 ESRS 1 (2026), paragraph 32(b).
- 4 ESRS 1 (2026), paragraph 32(a).
- 5 ESRS 1 (2026), paragraph 33.
- 6 ESRS 1 (2026), paragraph 65.
- 7 ESRS 1 (2026), paragraphs 93–95.
- 8 ESRS E2 (2026), paragraph 9; ESRS E3 (2026), paragraph 8; ESRS E4 (2026), paragraph 8; ESRS 1 (2026), paragraphs 52–55.
- 9 ESRS 1 (2026), paragraphs 90–91.
- 10 Directive 2013/34/EU, Article 19a(3), as amended by Directive (EU) 2026/470; Directive (EU) 2026/470, Recital 12; ESRS 1 (2026), paragraph 66.
- 11 Directive 2013/34/EU, Articles 19a(3) and 29a(3), as amended; Delegated Regulation (EU) 2026/1560, Article 3 and Annex II.
- 12 Delegated Regulation (EU) 2026/1560, Article 4; Directive 2013/34/EU, Article 19a(3), as amended.
- 13 Directive (EU) 2024/1760, Article 2, as amended by Directive (EU) 2026/470; Directive (EU) 2026/470, Recital 46.
- 14 Directive (EU) 2024/1760, Article 8(2), as amended.
- 15 Directive (EU) 2026/470, Recital 39.
- 16 Directive (EU) 2024/1760, Article 8(2a), as amended.
- 17 Directive (EU) 2024/1760, Article 8(3), as amended; Directive (EU) 2026/470, Recital 42.
- 18 Delegated Regulation (EU) 2026/1560, Annexes I and II.
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About RondoTrace

RondoTrace monitors industrial supplier sites for sustainability reporting and due diligence, as a complement to audits, certification and supplier engagement.

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