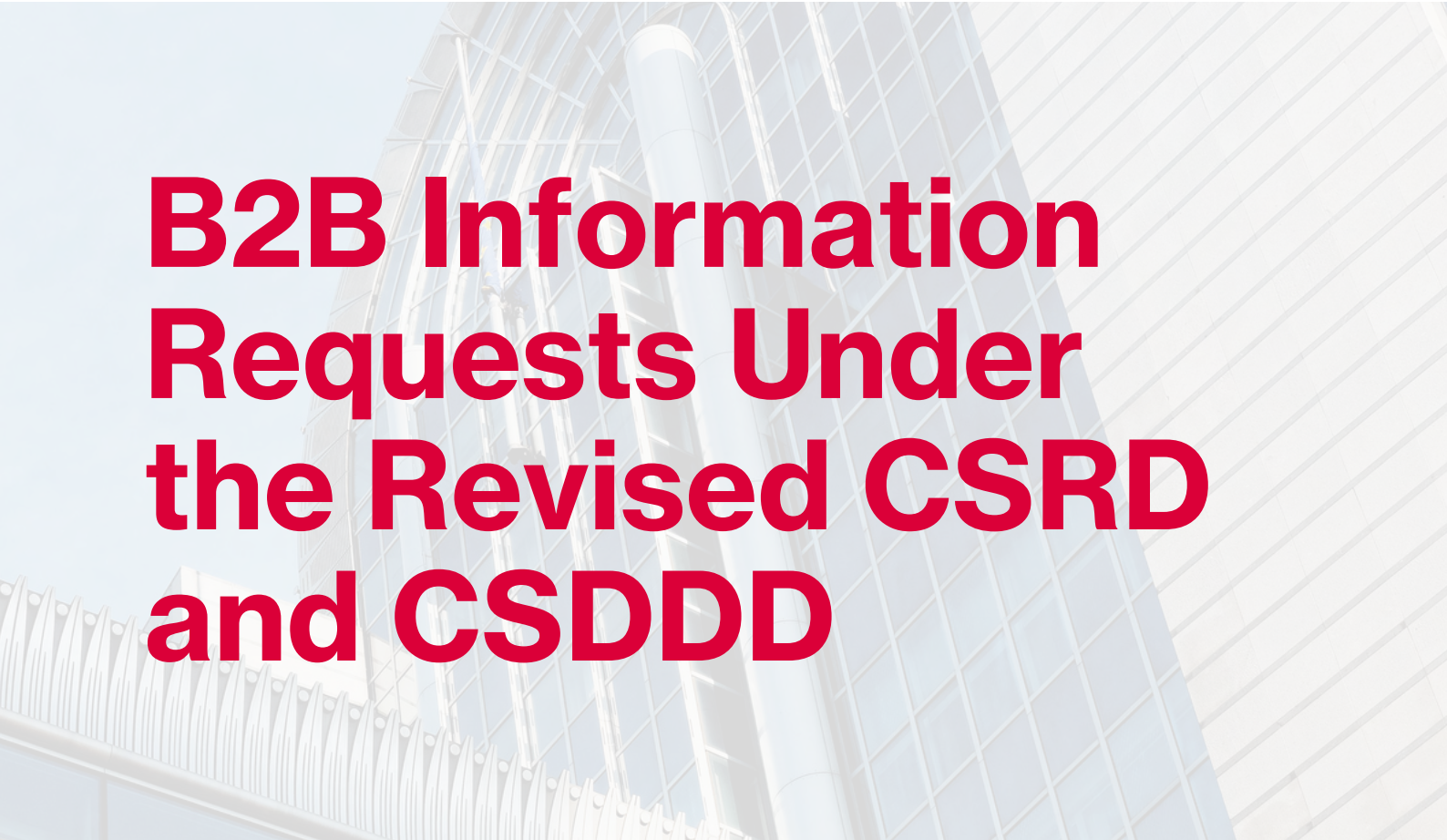




B2B Information Requests Under the Revised CSRD and CSDDD

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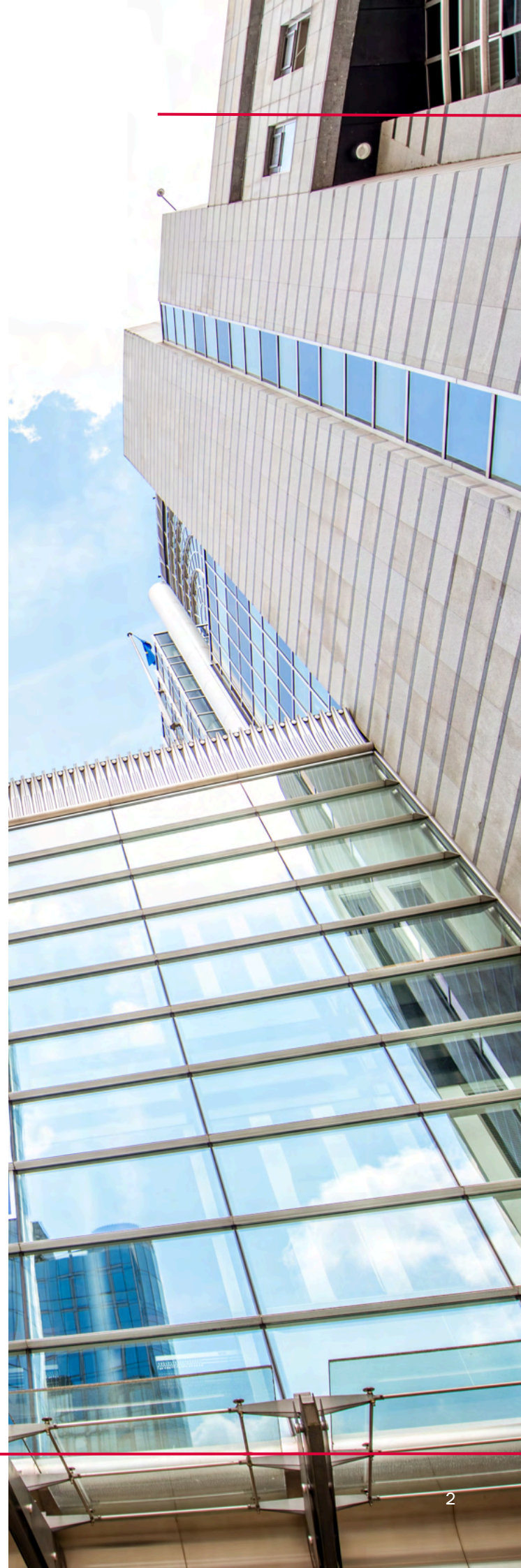
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Introduction

The Omnibus I Directive has confirmed that companies in the scope of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) may need to request sustainability-related information from their value chain partners.

In order to reduce the burden on large and smaller undertakings alike, new rules have been introduced to streamline such information requests. These measures aim to ensure that inquiries remain focused and are made only where necessary, thereby shielding small companies from disproportionate requests while guaranteeing that both reporting and due diligence obligations can be fulfilled effectively.

This briefing provides an overview of the two key mechanisms – the **value chain cap under the CSRD** and the requirements and limits on **information request under the CSDDD** – and explains how they interact. Understanding the interplay between these two regimes is essential for companies that fall within the scope of both directives.



2. The Value Chain Cap under CSRD

2.1 Scope and Limits of the Cap

The CSRD value chain cap **only applies to CSRD reporting purposes** and affects only information requests addressed to companies with fewer than 1000 employees (so-called protected undertakings).¹

It **does not shield** these companies **from legitimate information requests made under any other regulatory framework** (e.g. CSDDD, climate risk reporting, consumer information obligations, or requests under the EU Taxonomy). Recital 12 of the Omnibus I Directive underlines that those legal obligations are unaffected. Second, it should not affect any obligation that might exist, whether contractually or under Union or national law, to provide information that **does not exceed** the

information specified in the voluntary standard.

Voluntary sharing of information is also unaffected.² The cap does not prohibit or limit the exchange of information on a voluntary basis, including information that is commonly shared among undertakings in a given sector and application of sustainability criteria in companies' procurement.

This basically implies that companies in scope of the CSRD will continue to handle information requests per their existing processes, but for reporting purposes, they must be conscious of the limitations on what they can require from their business partners.

Climate data for credit institutions

Under the CRD VI/CRR III framework and EBA/GL/2024/01 guidelines, credit institutions are legally required to treat climate risks as prudential risks. This means integrating ESG risks into the Internal Capital Adequacy Assessment Process conducting climate scenario analyses, and adopting prudential transition plans aligned with the EU's 2050 climate-neutrality objective. Banks are also subject to Pillar 3 disclosure requirements covering their Green Asset Ratio (GAR) and Scope 3 emissions.

As these obligations are grounded in financial stability and risk management rather than corporate sustainability reporting, they operate independently of the CSRD value chain cap. Banks therefore bear a standalone regulatory duty to collect climate data from borrowers as is necessary for those analyses – one that is not limited by protections available to companies in the CSRD.

2.2 The Voluntary Standard

Companies **that do not exceed 1,000 employees**³ are classified as **"protected undertakings"** under the revised CSRD. These protected undertakings can be **required to provide information up to the level specified in the voluntary standard**. Any requests for additional information beyond this cap are subject to further conditions (see 2.3)).

The Omnibus I Directive mandates the Commission to **adopt this voluntary standard**, based on the EFRAG Recommendation on a voluntary sustainability reporting standard for small and

medium-sized undertakings that had already been adopted by the EU Commission (so called "VSME" standard).

This voluntary framework was initially developed for non-listed micro, small, and medium undertakings, as defined in the Accounting Directive (less 250 employees, 50 million EUR turnover, and 25 million EUR balance sheet) to provide a common point of reference with a generic, sector-agnostic set of KPIs.

¹ Article 2(4)(b), 2026/470/EC.

² Recital 12, 2026/470/EC.

³ During the previous financial year and based on a self-declaration.

The EU Commission published the **final Delegated Act with the voluntary standard in July 2026**. There are, however, uncertainties stemming from its intended implementation as a cap of information requirements for companies in scope of the CSRD (see Section 5).

A practical challenge for companies will be to identify protected undertakings among their business partners. To this end, in-scope companies should rely on the self-declarations by their business partners that may report themselves in accordance with the voluntary standards.

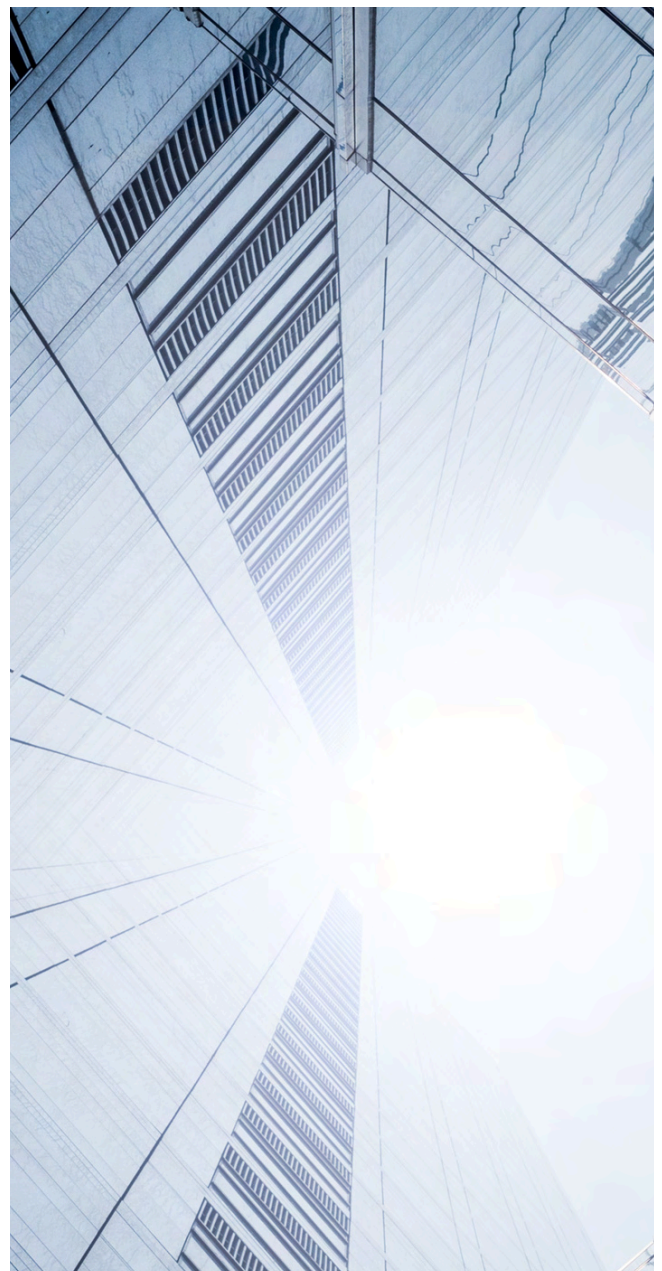
2.3 Conditions on additional information requests

Where a company in scope of the CSRD requests information from a protected undertaking, that a) goes beyond what is covered by the voluntary standard and b) is required for the purpose of sustainability reporting, it is obliged to:

- **Inform** the protected undertaking which of the information requests exceeds the content covered in the voluntary standard;
- **Remind** the protected undertaking of its **statutory right to refuse** to provide such information; and
- **Avoid** including information requests for such information in contractual conditions, or through similar legally enforceable means.

The **statutory right to refuse** stems from fundamental principles of private law, and therefore the purpose of the provisions is to clarify that the CSRD should not be misinterpreted as indirectly setting up legal obligations for companies out of its scope. However, whilst the in-scope companies cannot legally enforce the protected undertakings to provide them with information beyond the scope of the voluntary standards, they can still decide whether or how to do business with them.

Companies in scope of the CSRD are assumed to comply with the obligation to report information on their value chain without requiring them to go beyond the information set in the voluntary standards from protected undertakings.



3. Limitations on Information Requests under CSDDD

As noted above, the information requests necessary for meeting sustainability due diligence, as expected by the CSDDD, are **not subject to the CSRD value chain cap**. To meet CSDDD obligations, companies may request information from their business partners based solely on the specifications provided in the CSDDD.

Companies who implement sustainability due diligence voluntarily or beyond the requirements of the CSDDD are not in any way restricted in their information requests.

However, we would recommend following the CSDDD principles on the identification of impacts and working towards a meaningful and effective engagement with actors in the value chain.

CSDDD explains quite clearly that severe impacts need to be prioritised for investigation and that this may involve getting information directly from actors in the value chain if reasonable and supportable information cannot be obtained through other means.

3.1 Scope

The limitations on information requests apply specifically to the **identification and assessment of impacts under Article 8 of the CSDDD**. There is no equivalent restriction for engaging with business partners in relation to other due diligence duties and activities set out in the CSDDD, including prevention, mitigation, remediation, and stakeholder engagement (Articles 7 and 9–15).



3.2 The Risk-Based Approach to Identification and Assessment of Impacts

The CSDDD maintains a two-step, risk-based approach to identifying and assessing adverse impacts, consistent with OECD Guidelines:

➤ **Step 1 – Scoping exercise:** Companies examine their own operations and value chains to identify "general areas" of potential or actual adverse impacts. This is mainly a desk-based exercise relying on **reasonably available information** – independent reports, industry initiatives, stakeholder input, complaint mechanisms, internal sources, etc. Generally, companies should not request information directly from business partners⁴ at this stage,⁵ but they can use information they collect from business partners for other purposes.

➤ **Step 2 – In-depth assessments:** Based on the scoping exercise, for the areas of potential or actual impacts that have been identified as most likely and most severe, companies proceed to a more detailed assessment to understand the nature, severity, and likelihood of potential and actual impacts. This stage **requires information at entity level and ideally marks the beginning of effective engagement with those business partners** in the value chain.

⁴ CSDDD defines "business partners" as direct (based on a commercial agreement) and indirect business partners (any actor in the value chain that "performs business operations related to the operations, products or services of the company"), see Article 3(1)(f), 2024/1760/EC.

⁵ Article 4(6) and Recital 39, 2026/470/EC.

3.3 Conditions on Information Requests

The Omnibus Directive introduces **stricter conditions** on information requests made during in-depth assessments in Step 2, aimed at protecting out-of-scope companies from overwhelming requests that tend to be overly general, including, for example, blanket questionnaires. These conditions specify that:

- All information requests must be **targeted, reasonable, and proportionate**, and should be grounded in the knowledge gained during the scoping exercise.
- Information should only be requested where it is **"necessary"** for the assessment. The aim of the impact assessment is specified by the Directive as providing "accurate and reliable information, in particular about the nature, extent, causes, severity and likelihood of the identified adverse impacts".⁶
- For business partners with **fewer than 5,000 employees**, companies should only reach out **"when the information cannot reasonably be obtained by other means"**.⁷

In practice, this means that for many in-depth assessments, direct contact with smaller business partners may still be necessary – and, if conducted meaningfully, can serve as an entry point for constructive engagement throughout the due diligence process.



3.4 Prioritisation of Severe Impacts

The Omnibus changes in the CSDDD⁸ permit companies **in exceptional circumstances** to prioritise in-depth assessments of impacts linked to direct business partners – but **only where identified impacts are "equally likely to occur or equally severe in several areas"**. This means impacts linked to direct suppliers are equally severe and likely compared to impacts further up the value chain. In practice, this still implies that companies need to develop a thorough understanding of the potential and actual impacts beyond tier-one business partners to be able to determine whether risk areas already

identified through the scoping are indeed equally likely and severe. Given the potentially different nature of the harms, it can be difficult to demonstrate that. It might be easier to make such an assessment for the same type of impact which occurs at different stages of the value chain.

Importantly, prioritisation generally relates to **sequencing, not exclusion**:⁹ companies that assess tier-one partners first must follow up with other severe and likely impacts within reasonable time.

⁶ Recital 40, 2026/470/EC.

⁷ Article 4(6), 2026/470/EC.

⁸ Article 4(6)(b), 2026/470/EC (amending CSDDD Article 8(3)(c)).

⁹ As defined in Article 9, 2024/1760/EC.

4. Interaction Between the Two Regimes

For companies in scope of both the CSRD and the CSDDD, the two frameworks operate **in parallel but with distinct logic**. The key practical implication is that **the CSRD value chain cap does not limit information requests made for due diligence purposes**. A company conducting an in-depth assessment under the CSDDD may request information from a business partner that goes

beyond the CSRD value chain cap. The CSRD cap also does not limit information requests made for any other purpose outside of CSRD reporting, such as risk management reporting or information exchange on voluntary basis. Importantly, neither CSRD nor CSDDD limit companies' choice of business partners or procurement criteria.

The limitations under each regime can be summarized in the following way:

	CSRD (Reporting)	CSDDD (Due Diligence)
Protected companies	Value chain partners with $\leq 1,000$ employees	Conditions apply to business partners with $< 5,000$ employees
Limitations	Limitations on information requests set by voluntary standard and confirmation of statutory right to refuse additional information for protected companies	(For the scoping of impacts, see section 3.2 above) All requests for in-depth assessments must be targeted, reasonable and proportionate; requests to protected companies should only take place when information cannot be obtained by other means
Scope of limitation	Only for CSRD reporting purposes	Only for Article 8 identification and assessment
Application	Spring 2027 (with adoption of the voluntary standard)	July 2029

In practice, companies are advised to **treat their reporting and due diligence information processes in an integrated manner**. While the legal frameworks create formally separate regimes, the underlying information – particularly regarding severe adverse impacts – will often overlap.

An adverse impact identified through due diligence will typically also be material for the purposes of sustainability reporting. **Companies should therefore aim for convergence in their information-gathering processes**, ensuring that engagement with value chain partners is coherent, efficient, and not duplicative.

5. Uncertainties Stemming from the Voluntary Standard

The EU Commission's voluntary standard creates a series of **practical and legal uncertainties** for reporting companies. By basing the standard on a technical proposal originally designed for SMEs with fewer than 250 employees, it overlooks complexities that larger entities may have in their operations. Furthermore, **disclosures covered by the value chain cap are not specified directly in the text, but in Annex II of the Voluntary Standard by means of references to paragraphs**. This further complicates companies' ability to identify what can be required or not from suppliers, increasing the administrative burden.

Ultimately, **this may lead to the following four uncertainties**.

First, it can undermine the effectiveness of due diligence screenings and value chain risks assessment, especially under the CSDDD, as less information will be "readily available" for companies to identify risk hotspots and prioritise suppliers, forcing them to seek data through alternative, possibly less efficient channels. Information not included in the value chain cap concern whether the undertaking has adopted policies or practices and their scope, sustainability certifications (such as EMAS or ISO 14001), data on pollution emissions, operations in biodiversity sensitive areas, water withdrawal in water stressed areas, use of materials, countries in which the undertaking's workers are employees, number of temporary agency workers or convictions for corruption and bribery.

Moreover, the value chain cap does not include a principle otherwise featured in the Voluntary standard (paragraph 12), which requires companies to include additional information that is common to their sector or relevant to their business. This means that companies in the CSRD scope should not require information from their business partners on impacts, or exposure to risks, that are common in their sector or geography and how they manage them, regardless the severity of those impacts.

Second, as regards information on Greenhouse Gas Emissions (GHG), the cap is limited to entity-level Scope 1 and 2 GHG data, while companies typically need from their suppliers product- and material-specific data to calculate and manage their emissions. Scope 3 emissions are not explicitly included in the cap. The voluntary standard only specifies that disclosure of Scope 3 emissions should be considered when reporting GHG emissions under B3, leaving information requests for Scope 3 in the grey zone at best.

Information on GHG emission targets are likewise excluded from the cap. This creates an unnecessary legal uncertainty about whether requiring such data for GHG management (as opposed to mere reporting purposes) falls outside the cap.

Third, similar uncertainty may arise for companies that voluntarily implement sustainability due diligence or adopt transition plans but are not subject to mandatory CSDDD obligations. Their requests qualify as "information requests for purposes other than the purpose of sustainability reporting" and fall outside the scope of the cap.

Fourth, the exclusion of climate risk information from the cap is particularly problematic for financial institutions and other preparers. Banks are required to conduct ESG risk management under prudential legislation and report their results. Similarly, all companies under CSRD scope are required to disclose their climate risk analysis, which often requires certain insights and information from companies in their value chain. However, the CSRD itself exempts risk management data collection from the cap, which means that this type of information requests can be justified. The fact that they are explicitly excluded in the text of the voluntary standard creates unnecessary risk of confusion.

Taken together, these issues constrain companies and financial institutions seeking to understand and manage impacts and risks in their value chains, creating competitive disadvantages for European manufacturers subject to stricter standards, and paradoxically disincentivising voluntary sustainability reporting – which directly contradicts the EU Commission's stated objectives.

Companies should consider the following practical steps:

➤ **Frame data requests by purpose, not by reporting obligation.**

Companies should carefully communicate the specific purpose behind each data request to their value chain partners and distinguish, for instance, between data collected for CSRD reporting purposes and data collected for GHG emission calculation or due diligence implementation.

➤ **Develop voluntary data-sharing frameworks with value chain partners.**

Since the value chain cap does not prohibit suppliers from sharing information voluntarily, companies could proactively build consent-based data-sharing arrangements with their key suppliers, particularly for high-risk or high-impact categories such as water consumption in stressed areas, materials use, or Scope 3-relevant data.

These arrangements should be clearly framed as voluntary, non-contractual, and mutually beneficial, for example by offering suppliers capacity-building support, or preferential procurement consideration in return for data sharing. This approach preserves the data flows necessary for effective supply chain management while remaining fully compliant with the cap.



6. Key Takeaways for Companies



Know the limits – and their boundaries. The CSRD value chain cap protects smaller partners from providing information beyond the cap that companies in scope of the CSRD would need for their CSRD reporting purposes. But this protection does not apply to information requests based on due diligence or other regulatory obligations, or any other purposes such as procurement.



Engage meaningfully, not mechanically. The CSDDD framework in particular discourages blanket questionnaires. Requests should be informed by prior scoping and tailored to the specific sector and risk context.



Expect legitimate requests on severe impacts, including in the value chain. Where significant adverse impacts are identified in a company's value chain, requests for information are legitimate under the CSDDD and should be responded to constructively.



Expect legitimate requests for climate data. Voluntary standards include references to key climate information, including on transition plans, GHG emissions, and climate risk assessments. Furthermore, such information is crucial for the risk assessments from companies, banks and other financial institutions, and therefore legitimate to be requested regardless of the value chain cap. Banks in particular are required by prudential rules to evaluate their ESG risks, carry out scenario analysis and adopt prudential transition plans to address the risks arising from the EU's transition to a climate-neutral economy by 2050. Voluntary standards do not specify details of these disclosures, but a good rule of thumb is to follow a risk-based approach and collect the metrics.



Integrate reporting and due diligence workflows. Although the legal protections differ, practical information needs to be converged. Companies should build internal processes that serve both purposes efficiently.



Annex: Voluntary Standard Value Chain Cap Mapping

DR Ref	Module	Topic	Datapoint Description	In Value Chain Cap (>10 employees)	In Value Chain Cap (≤10 employees)
B1(a)	Basic	General info	Selected module option (Basic and/or Comprehensive) – explicit compliance statement	YES	YES
B1(b)	Basic	General info	Omitted disclosures (where omission exemption used)	NO	NO
B1(c)	Basic	General info	Reporting basis: individual or consolidated	YES	YES
B1(d)	Basic	General info	List of subsidiaries (if consolidated report)	NO	NO
B1(e)(i–vi)	Basic	General info	Legal form; NACE code(s); balance sheet size; turnover; number of employees; country of operations / significant assets	YES	YES
B1(e)(vii)	Basic	General info	Geolocation of sites owned, leased or managed	YES	YES
B1 para 28	Basic	General info	Sustainability-related certifications or labels	NO	NO
B2	Basic	General info	Practices, policies and future initiatives for transitioning to a sustainable economy (incl. targets)	NO	NO
B3 para 32	Basic	Environment	Total energy consumption in MWh (with renewable/non-renewable breakdown if available)	YES	NO
B3 para 33(a)	Basic	Environment	Scope 1 GHG emissions (tCO ₂ eq)	YES	NO
B3 para 33(b)	Basic	Environment	Location-based Scope 2 GHG emissions (tCO ₂ eq)	YES	NO
B4	Basic	Environment	Emissions of pollutants to air, water and soil (legally required or via EMS)	NO	NO
B5	Basic	Environment	Sites in or near biodiversity-sensitive areas (BSA)	NO	NO
B6 para 36	Basic	Environment	Total water withdrawal (m ³)	YES	NO
B6 para 37	Basic	Environment	Water consumption (withdrawal minus discharge) and water consumed in water-stressed areas	NO	NO

DR Ref	Module	Topic	Datapoint Description	In Value Chain Cap (>10 employees)	In Value Chain Cap (≤10 employees)
B7 para 38	Basic	Environment	Whether circular economy principles are applied (and how, if so)	YES	NO
B7 para 39(a)	Basic	Environment	Total weight of waste generated (hazardous vs non-hazardous breakdown)	YES	NO
B7 para 39(b)	Basic	Environment	Proportion of waste diverted to recycling or reuse	YES	NO
B7 para 39(c)	Basic	Environment	Annual mass-flow of relevant materials (significant material flow sectors)	NO	NO
B8(a)	Basic	Social	Number of employees by type of employment contract (temporary/permanent)	YES	YES
B8(b)	Basic	Social	Number of employees by gender	YES	YES
B8(c)	Basic	Social	Number of employees by country (if multi-country operations)	NO	NO
B9(a)	Basic	Social	Number and rate of recordable work-related accidents	YES	YES
B9(b)	Basic	Social	Fatalities from work-related accidents and ill health (subject to legal restrictions)	NO	NO
B10(a)	Basic	Social	Whether employees receive pay equal to or above applicable minimum wage	YES	YES
B10(b)	Basic	Social	Gender pay gap (if required by EU or national law)	NO	NO
B10(c)	Basic	Social	Percentage of employees covered by collective bargaining agreements	YES	YES
B10(d)	Basic	Social	Average annual training hours per employee	YES	YES
B11	Basic	Governance	Number of convictions and total fines for anti-corruption/anti-bribery law violations	NO	NO
C1(a)	Comprehensive	General Info	Description of significant groups of products and/or services	YES	NO
C1(b)	Comprehensive	General Info	Description of significant markets (B2B/wholesale/retail/countries)	YES	NO
C1(c)	Comprehensive	General Info	Description of main business relationships (suppliers, customers, distribution channels)	YES	NO
C1(d)	Comprehensive	General Info	Key strategy elements relating to sustainability issues	NO	NO

DR Ref	Module	Topic	Datapoint Description	In Value Chain Cap (>10 employees)	In Value Chain Cap (≤10 employees)
C2	Comprehensive	General Info	Detailed description of practices, policies, future initiatives for sustainability transition (incl. supply chain coverage and targets)	NO	NO
C2 para 48	Comprehensive	General Info	Most senior person/body accountable for sustainability practices/policies	NO	NO
C3 Scope 1/2 para 49–52	Comprehensive	Environment	Scope 3 GHG emissions (value chain indirect emissions)	NO	NO
C3 para 53	Comprehensive	Environment	GHG emission reduction targets (Scope 1, 2; Scope 3 if set) – target year, base year, units, share, actions	NO	NO
C3 para 54	Comprehensive	Environment	Transition plan for climate change mitigation (high climate impact sectors)	NO	NO
C3 para 55	Comprehensive	Environment	Whether/when transition plan will be adopted (high climate impact sectors, no plan)	NO	NO
C4 para 56	Comprehensive	Environment	Climate-related hazards and transition events; exposure/sensitivity; time horizons; adaptation actions	NO	NO
C4 para 57	Comprehensive	Environment	Potential adverse effects of climate risks on financial performance (high/medium/low rating)	NO	NO
C5 para 58	Comprehensive	Social	Employee turnover rate	YES	NO
C5 para 59	Comprehensive	Social	Female-to-male ratio at management level	NO	NO
C5 para 60	Comprehensive	Social	Number of self-employed working exclusively for the undertaking and temporary agency workers	NO	NO
C6(a)	Comprehensive	Social	Code of conduct or human rights policy for own workforce (YES/NO)	YES	NO
C6(b)	Comprehensive	Social	Policy coverage: child labour; forced labour; human trafficking; discrimination; accident prevention; other	NO	NO
C6(c)	Comprehensive	Social	Complaints-handling mechanism for own workforce (YES/NO)	YES	NO

DR Ref	Module	Topic	Datapoint Description	In Value Chain Cap (>10 employees)	In Value Chain Cap (≤10 employees)
C7(a)	Comprehensive	Social	Confirmed incidents in own workforce: child labour; forced labour; human trafficking; discrimination; other (YES/NO per type)	YES	NO
C7(b)	Comprehensive	Social	Actions taken to address confirmed workforce incidents	NO	NO
C7(c)	Comprehensive	Social	Awareness of confirmed incidents involving value chain workers, affected communities, consumers/end-users (YES/NO; specify if yes)	YES	NO
C8(a)	Comprehensive	Governance	Revenues from prohibited weapons	NO	NO
C8(b)	Comprehensive	Governance	Revenues from tobacco cultivation/production	NO	NO
C8(c)	Comprehensive	Governance	Revenues from fossil fuels (coal/oil/gas, disaggregated)	NO	NO
C8(d)	Comprehensive	Governance	Revenues from pesticide/agrochemical production	NO	NO
C9	Comprehensive	Governance	Gender diversity ratio in governance body	NO	NO

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