

Retail sector to Brussels: Make sustainability rules work in practice

Brussels - The European Parliament has adopted its position on the first omnibus proposal to amend and simplify the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D).

For Europe's retail and wholesale sector the message to policymakers is clear: businesses need legal certainty and practical simplification without delay.

As trilogue negotiations begin, EuroCommerce is calling for further improvements to ensure the legislation works in practice. Among its key priorities:

- **Clarity on due diligence data collection:** The legislation needs to find the right balance between shielding SMEs from overwhelming information requests and requiring larger firms to implement due diligence systems without being held liable for missing data they cannot access.
- **Protect SMEs from reporting overload:** Sustainability reporting under CSRD must be proportionate, with clearer definitions of 'sectoral sustainability information'.
- **Clear guidance:** Articles 10 and 11 of CS3D need guidance on responsible disengagement and when and how to notify authorities.
- **Fair penalties:** EuroCommerce urges a cap on fines at 5% of net profit to avoid crippling high-turnover low-margin sectors.

Both Parliament and Council have now signalled support for a two-step, risk-based approach to due diligence and simpler CSRD reporting standards. EuroCommerce insists the final text should retain proposals for limited assurance, to provide clear CSRD reporting guidance, to maintain group-level reporting, and allow independent retailers to report collectively.

The organisation remains committed to helping shape future guidelines and supporting effective implementation once the omnibus proposal is adopted.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 28 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of businesses and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.