Webinar

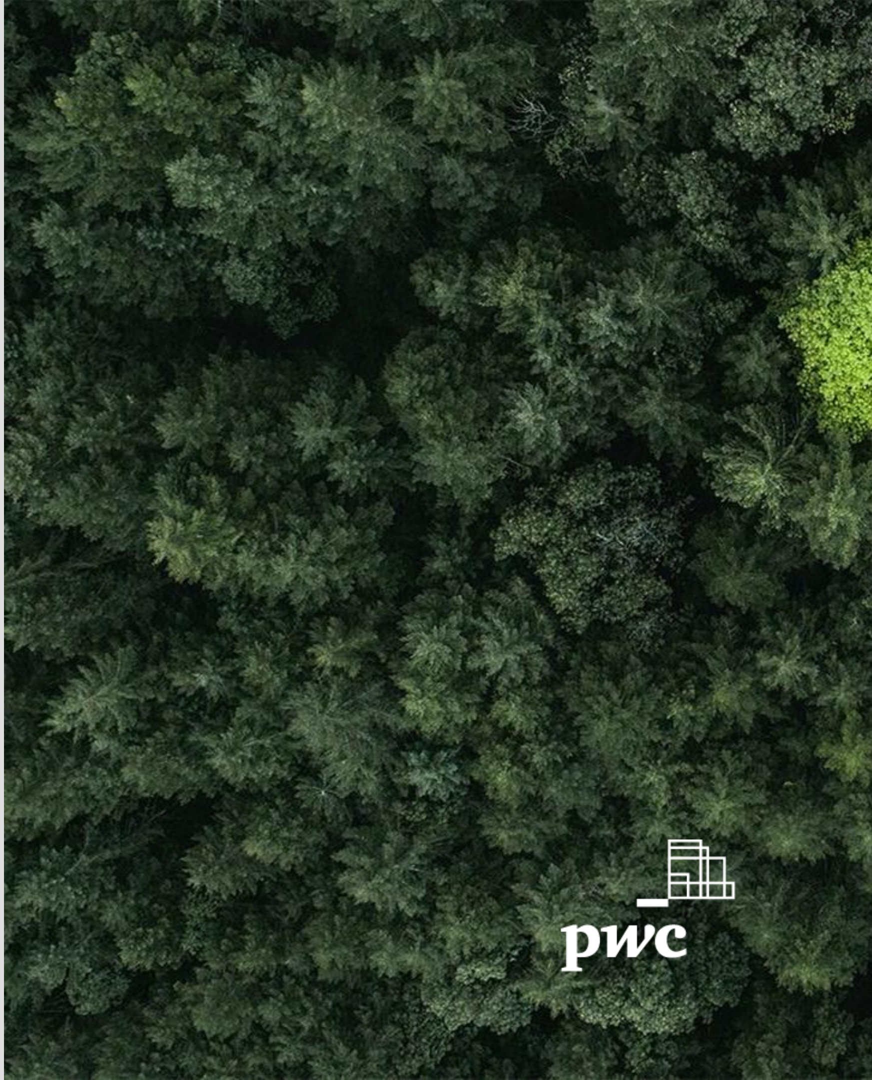
# The Omnibus I Package:

# What does it entail and what are the implications?

Thursday 13 March 2025

# Agenda

1. **Introduction to the Omnibus I package**
   - CSRD
   - CSDDD
   - Taxonomy
   - Omnibus timeline
   - Omnibus FAQ
2. **Introduction to the Voluntary reporting standard for SMEs (VSME)**
3. **Process for voluntary sustainability reporting**
4. **Q&A**



# Introduction to the Omnibus I package

# Introduction to the proposed Omnibus I package

## ‘Stop the clock’ proposal

EUROPEAN
COMMISSION

Brussels, 26.2.2025
COM(2025) 80 final

2025/0044 (COD)

Proposal for a

**DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements**

(Text with EEA relevance)

{SWD(2025) 80}

## Content proposal

EUROPEAN
COMMISSION

Brussels, 26.2.2025
COM(2025) 81 final

2025/0045 (COD)

Proposal for a

**DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements**

(Text with EEA relevance)

{SWD(2025) 80}

# Omnibus focus: **CSRD**

**Proposed changes**

| | | |
|---|---|---|
| 1 | **Phase-in period** | • No changes **for a transitional period** for companies in **scope for the financial year 2024**.<br>• Companies in **scope for the financial year 2025** will be postponed to **1 January 2027.**<br>• Companies in s**cope for the financial year 2026** will be postponed to **1 January 2028.**<br>• Voluntary reporting to a degree that suits the company is recommended. |
| 2 | **Scope** | • **More than 1,000 employees on average** <u>and</u> either a **turnover exceeding EUR 50 M** or a **balance sheet total exceeding EUR 25 M**.<br>• Listed companies are only covered if they meet these criteria. |
| 3 | **Value-chain** | • Companies subject to the CSRD requirements **shall not obtain information from their value chain** beyond what is recommended in the voluntary sustainability standard (VSME), from **value chain partners with fewer than 1,000 employees.** |

# Omnibus focus: **CSRD**

| Proposed changes | | |
|---|---|---|
| 4 | **Sector specific ESRS** | ● The possibility for the Commission to adopt **sector specific standards** is proposed **removed.** |
| 5 | **Assurance** | ● The Commission will publish **targeted guidelines for limited assurance** statements in 2026.<br>● The possibility for a transition to **reasonable assurance** for sustainability reporting is proposed **removed.** |
| 6 | **Voluntary reporting standard** | ● The Commission intends to issue a **recommendation on voluntary sustainability reporting** as soon as possible, **based on the VSME standard** developed by EFRAG. |
| 7 | **Simplification of the underlying reporting standards (ESRS)** | ● The Commission be mandated to **simplify the underlying reporting standards (ESRS).** Proposed that the simplification should:<br>○ **Reduce** the number of mandatory data points;<br>○ **Prioritize** quantitative data (metrics) over qualitative<br>● Updated drafts of the ESRS would need to be issued within 6 months of approval of the ‘content’ proposal. |

# Omnibus focus: **CSDDD**

**Proposed changes**

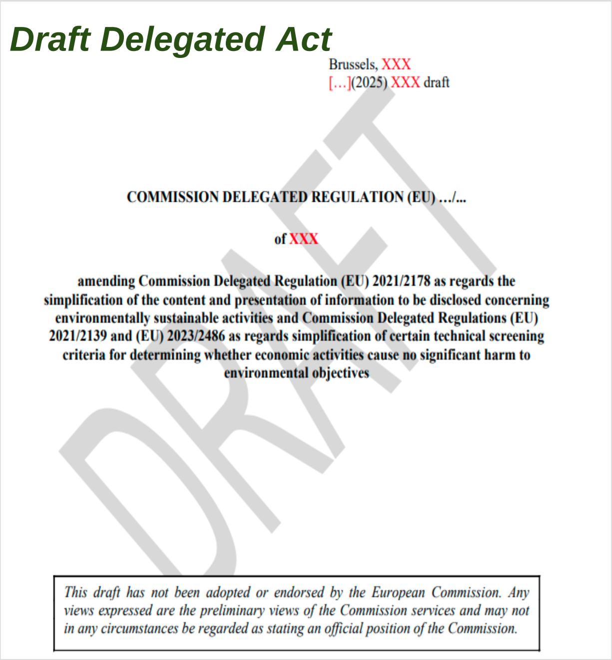
| | | |
|---|---|---|
| 1 | **Postponement of application** | CSDDD **application postponed by one year until 2028** for Wave 1 companies (with deadlines for Wave 2 and 3 remaining 2028 and 2029, respectively)**.** |
| 2 | **Scope of due diligence** | As a general rule **limiting in-depth assessment** of adverse impacts to **own operations and direct business partners**, with the obligation to assess indirect business partners only in case of "plausible information" on adverse impacts. |
| 3 | **Disengagement and Liability** | • **Removing** requirement to t**erminate business relationships** as a last resort.<br>• The Commission proposes to **scrap the EU-wide liability provision**, leaving it to Member States to define liability rules for failures to meet the due diligence obligations under national law. |

# Omnibus focus: **CSDDD**

| Proposed changes | |
|---|---|
| 1 **Penalties** | ● The proposal leaves it to the **Member States to define a maximum limit of pecuniary penalties**. The Commission shall issue guidance on that matter. |
| 2 **Intervals of monitoring** | ● **Extending intervals for monitoring** the adequacy and effectiveness of due diligence (from yearly to every 5 years). |
| 3 **Climate transition plans and financial undertakings review clause** | ● The proposal confines this requirement to the **adoption of a transition plan**. The wording is changed from “obliged to put the plan into effect” to “include implementing actions”.<br>● The **option to extent the obligations of financial undertakings is removed**. The upstream chain of activities of financial institutions will remain in scope, but the sector continues to be exempted from having to ensure that **loans and investments** are not linked to adverse impacts. |

# Omnibus focus: **Proposed amendments**

## Taxonomy Delegated Act



***Draft Delegated Act***

Brussels, XXX
[…](2025) XXX draft

DRAFT

COMMISSION DELEGATED REGULATION (EU) …/...

of XXX

amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives

*This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.*

As part of the Omnibus simplification package, the EU Commission has also issued **a draft Delegated Act proposing amendments to the EU Taxonomy:**

- The changes are intended to make EU Taxonomy reporting simpler and therefore more cost-effective for entities.
- The proposal would **reduce the data required and make some requirements more flexible.**
- The draft Delegated Act proposes changes to the Taxonomy Disclosures Delegated Act, the Taxonomy Climate Delegated Act, and the Taxonomy Environmental Delegated Act.

# Omnibus focus: **Taxonomy regulation**

**Proposed changes**

| | | |
|---|---|---|
| 1 | **Scope** | ● Suggested limited to **CSRD scope** (companies with more than 1000 employees on average and a turnover exceeding EUR 50 M or a balance sheet total exceeding EUR 25 M) **as well as a turnover over EUR 450 M**.<br>● CSRD companies with a turnover **below EUR 450 M** are subject to **eased requirements (opt-in).** |
| 2 | **Delegated acts** | ● Draft amendments (Taxonomy Disclosures & Climate and Environmental Delegated Acts) are currently in **public consultation** between February 26 – March 26, 2025.<br>● **Simplified reporting templates**, introduction of a **materiality threshold,** additional materiality considerations for OpEx (with a 25% turnover threshold) **g**, and **simplified DNSH** criteria. |

# Omnibus focus: **Taxonomy regulation**

**Proposed changes**

| | |
|---|---|
| **3 Eased reporting** | • Companies covered by the CSRD (see above) with a turnover **below EUR 450 M** shall report on the economic activities they **claim to be as aligned or partially aligned**.<br>• They shall **not report** on activities that fall within the scope of the Taxonomy if these are **not considered aligned or partially aligned.**<br>• Companies that claim their **activities as aligned or partially aligne**d shall report on the proportion of their **turnover and CapEx**. With respect to OpEx, undertakings may omit reporting. |

# Omnibus timeline

# Omnibus: Timeline

**Legislative Process Overview**

| | |
|---|---|
| **Content proposal** | ● Launched through the ordinary EU legislative process.<br>● **Transposition:** Within 12 months into Member State national law (after entry into force).<br>● **ESRS simplifications** should be applied **latest 6 months after content proposal is adopted.** |
| **“Stop the clock” proposal** | ● Faster, smoother passage through the legislative process.<br>● **Transposition:** Member States shall bring into force the laws, regulations and administrative provisions by 31 December 2025 at the latest. |
| **Taxonomy Delegated Act** | ● Open for public consultation until **26 March**.<br>● Plans to be in effect before reporting in 2026, on FY25.<br>● More comprehensive review of technical screening will be proposed separately.<br>● **Adoption:** To be implemented solely by the Commission after the consultation. |

# Omnibus: Timeline

**Amendments: Taxonomy delegated act** The Commission is expected to adopt the proposed Taxonomy delegated action.

**CSRD: Non-EU groups with significant EU activity:**
Proposed that companies in scope for CSRD shall report on CSRD for the accounting year 2028.

**CSDDD Wave 3:**
The rules apply for all other companies in scope of CSDDD by July 2029.

2025 2026 2027 2028 2029 2030 2031

**CSRD for large companies:**
Proposed that companies in scope for CSRD shall report on CSRD for the accounting year 2027.

**CSDDD Wave 1 & 2:**
The application of CSDDD starts in July 2028 for the largest companies.

# Omnibus I FAQs

# Omnibus I FAQ - Auditor appointment

*Q: How should a company that, according to the proposal, would no longer be subject to CSRD, handle a planned **appointment of a sustainability auditor?***

A: Follow Existing Rules: Until the proposal is adopted and implemented in Danish law, companies must continue to adhere to the current regulations.

- **Requirement to appoint a CSRD auditor:** This means that at the upcoming annual general meeting, a company is required to appoint a sustainability auditor if it is currently obligated to produce sustainability reporting accompanied by a statement under the existing rules.

# Omnibus I FAQ - Wave 1 companies

*Q: What are the requirements for **Wave 1 companies that will be out of scope from 2027?***

A: It is our current understanding that **when the content proposal enters into force, Wave 1 companies with less than 1,000 employees fall out of scope** (if the 1,000 employee threshold is adopted).

# Omnibus I FAQ - Value chain data

*Q: According to Omnibus,* ***reporting companies shall not ask companies with <1000 employees for information that is not required per the Voluntary standard*** *for non-listed micro-, small- and medium-sized undertakings(VSME).*

***What does this mean for scope 3 data?*** *Can SMEs still be asked to report on their value chain data?*

A: Companies still in scope of CSRD are now required to limit data requests to value chain partners with less than 1,000 employees to the information required by the VSME standard.

For Scope 3 data, the changes mean that SMEs (or SMVs) not directly subject to CSRD cannot be obliged to provide detailed data that goes beyond the VSME standard (when adopted by the EC). Companies with less than 1,000 employees therefore need to consider which datapoints in the VSME standard could be requested by e.g., customers for their Scope 3 reporting. This includes GHG emissions. In addition, SMEs may consider the business opportunities of providing more information.

# Omnibus I FAQ - EU Taxonomy

Q: ***Should Wave 1 companies prepare taxonomy reporting for 2025 under the current rules?***

*Will changes to taxonomy reporting come into effect independently of the entry into force date for the Content Omnibus proposal?*

A: For now, **Wave 1 companies shall follow the current rules** and prepare as they have been until now.

It is **expected that the amendments to the three delegated regulations may enter into force before the 2026** reporting period for FY25.

# Omnibus I FAQ - iXBRL

*Q: Has there been any communication on the iXBRL tagging - is it postponed?*

A: **Tagging not addressed in the proposal:** The Omnibus proposals delay some sustainability reporting requirements, but the digital reporting mandate is not addressed in the Omnibus proposal.

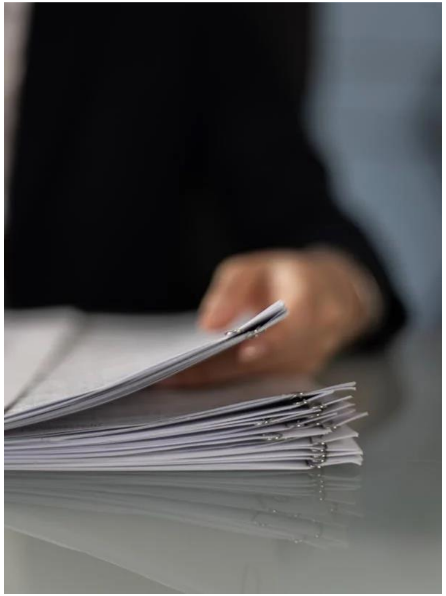
**Tagging Requirement Timeline:** Tagging will be mandated only once the Commission adopts Regulatory Technical Standards (RTS) establishing the digital taxonomy. Until then, companies are not obligated to digitally tag their sustainability disclosures.

**Implications:** Once implemented, Inline XBRL will ensure that sustainability disclosures are fully machine-readable, supporting automated analysis and comparability.

# Introduction to the voluntary SME reporting standard

# The Commission intends to adopt a voluntary framework based on the voluntary standard for SMEs (VSME)

| | |
|---|---|
| **What** | A voluntary reporting framework to be published as a stand-alone report or as part of the annual report (or hybrid). There is both a ‘basic’ and a ‘comprehensive’ module of the VSME. |
| **How** | Reporting based on the structure of the Basic and, if you choose, the Comprehensive module, making the scope flexible and scalable, with no assurance requirement. |
| **Why** | May support companies out of the CSRD scope to report voluntarily on sustainability metrics to meet growing demand for sustainability data based on a universal standard. |



# The current VSME standard offers two modules

with two levels of disclosures for companies. Companies using the comprehensive module must also disclose all basic disclosures.

| | Basic module | Comprehensive module |
|---|---|---|
| **General information** | 2 Basic disclosures | 2 Basic disclosures<br>2 Comprehensive disclosures |
| **E data** | 5 Basic disclosures | 5 Basic disclosures<br>2 Comprehensive disclosures |
| **S data** | 3 Basic disclosures | 3 Basic disclosures<br>3 Comprehensive disclosures |
| **G data** | 1 Basic disclosures | 1 Basic disclosures<br>2 Comprehensive disclosures |
| **Total disclosures** | **11 disclosures** | **20 disclosures** |
| **Total data points** | **46 data points** | **60 data points** |

# VSME example: Environmental disclosure

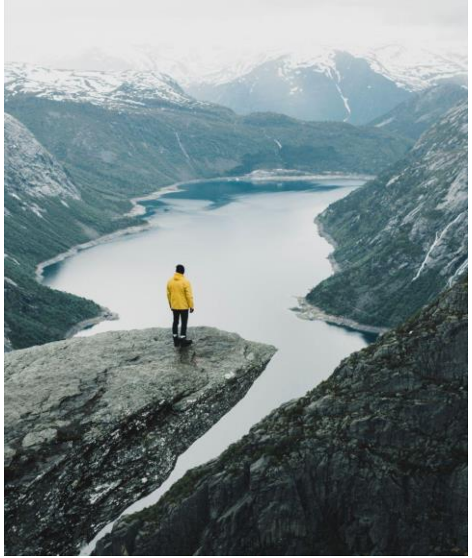
| | Option A: Basic module | Option B: Comprehensive module |
|---|---|---|
| **Disclosure** | **B3 disclosure** | **C3 disclosure** |
| **Quantitative** | Energy and greenhouse gas emissions<br><br>● Total energy consumption in MWh<br><br>● Gross greenhouse gas (GHG) emissions in tons of CO2 equivalent (tCO2eq) for:<br>○ Scope 1 GHG<br>○ Scope 2 GHG<br>● GHG intensity | Energy and greenhouse gas emissions (as laid out in the basic module)<br><br>Furthermore, the company shall:<br>● Consider reporting on Scope 3 GHG emissions if appropriate for the undertaking |
| **Qualitative** | | GHG reduction targets and climate transition plan<br><br>Climate risks, including time horizons and value chain perspectives |

# Process for voluntary sustainability reporting

# Companies have an opportunity to increase their focus on creating business value through sustainability reporting.

Reporting is a critical part of sustainability strategy - companies must choose their own reporting ambition and ambition level.

**PwC recommends a 3 step process**



**1** What sustainability **data and reporting does my company have today?**

**2** What are the **demands from my key stakeholders** - including customers - and what future requirements can my company anticipate?

**3** What is my **competitive position on sustainability reporting** and how will that meet my future demands?

# 1 What sustainability data and reporting does my company have today?

| Question | | Options |
|---|---|---|
| Have we a done a double materiality assessment? | *Yes* | **Capture the value of your DMA**, prioritizing key aspects of your sustainability strategy for business, society, and the environment - it can define a strategic north star. |
| | *No* | Perform a double materiality assessment, and **take advantage of the Omnibus to streamline the process with a higher-level** process and simplified requirements. |
| Do we have a stand alone sustainability report? | *Yes* | Consider **integrating** into the annual report. Integrated reporting has many benefits, including incentives to improve data quality and strengthen ownership. |
| | *No* | Identify sustainability data demands of key stakeholders, as **customers benchmark against competitors**. Assess resource requirements for production of a sustainability statement. |
| Do you have a GHG inventory? | *Yes* | Re-evaluate the trustworthiness of the numbers, determine your confidence in the data, and **improve data collection methods and quality** where relevant. |
| | *No* | A GHG inventory is a good long-term investment and does not need to be an expensive exercise. Consider completing your GHG inventory for scope 1, 2 and 3. |
| Have we implemented reporting governance including assigned resources? | *Yes* | Evaluate the relevance of your current sustainability governance and assess the impact of changes and recent developments in legal requirements have implications. |
| | *No* | Assess the **relevance of maintaining sustainability resources** for long-term commitments. |

2

# What are the the demands from stakeholders and how will they change in the future?

## Assess stakeholder demands

### 1 Customers

- What are our **customers' current and future demands?**
- Regulatory requirements as a competitive advantage.
- Meeting demands for high data quality.
- Separate sustainability 'hygiene factors' vs. 'differentiators'.

### 2 Suppliers

- What **data** can our suppliers provide?
- **Leverage data** to provide value for our customers.
- ESG advantages through **effective supplier relationships** and meeting customer demands.

### 3 Peers and competitors

- **Customer perception** of our sustainability reporting vs. competitors.
- **Analysis/ reporting** on certifications, competitors' narratives, and our **ESG value proposition.**

### 4 Regulatory environment

- **Regulatory analysis** for the next three years in key markets.
- **ESG reporting** and regulation beyond the ESRS framework.
- Consider **additional costs** based on carbon footprint, including CBAM and carbon tax. Both for yourself and your customers.

### 5 Access to finance

- **Banks** may offer green loans or other ways to reduce cost of capital.
- **Private investors** including pension funds, and private investors with Article 8 and article 9 funds may provide more attractive terms.

### 6 Society and the environment

- **Societal expectations** are rising.
- **Environmental pressure** affects many industries.
- **Reputational damage** can lead to loss of long term value.

3

# Companies should define their own sustainability reporting ambition - with a view towards the future

Successful sustainability strategy requires integrating sustainability reporting strategy with business strategy.

| | Laggard | Fast follower | Leader |
|---|---|---|---|
| **Approach** | Maintain current reporting practice without significant changes. | Align with ESRS reporting but not the full range of disclosures, or adopt VSME-aligned reporting. | Implement comprehensive ESRS reporting, including integrated reporting in the annual report with assurance. |
| **Potential Advantages** | Reduced expenditure and time commitment. | Continue progressing without advancing too far ahead. | Position ahead of competitors, maximise Return on Investment for current efforts, and build a strong future foundation. |
| **Potential Risks** | May fall behind due to difficult sustainability data acquisition, making it hard to catch up. Rebuilding lost brand value can be very challenging. | May necessitate future investments and lead to higher costs compared to competitors, potentially resulting in falling behind customer demands. | Possibility of ‘over compliance’ without clear ROI. |

# Q&A

*…and yes, we'll post the slides after the webinar!*

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# Register for upcoming webinars
at **pwc.dk/sustainability-2025**

**Unpacking the First Nature-Related Sustainability Disclosures: Insights, Analysis, and a Practical Case Study**

- Tuesday 25 March 2025 at 09:00-10:00 AM

**Sustainability Reporting Beyond CSRD - What and How**

- Friday 25 April 2025 at 09:00-10:00 AM

**Mastering the New PPWR-Unlocking Opportunities in Sustainable Packaging**

- Thursday 15 May 2025 at 09:00-10:00 AM

**Transition Plan for Climate Change Mitigation - How to Go About it?**

- Tuesday 17 June 2025 at 09:00-10:00 AM

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# Thank you for your attendance

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