



BECOME ESG FRONTRUNNER: Clarification and reflections on the EU Omnibus I about sustainability reporting

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Update EU Omnibus

wearepantarein.be

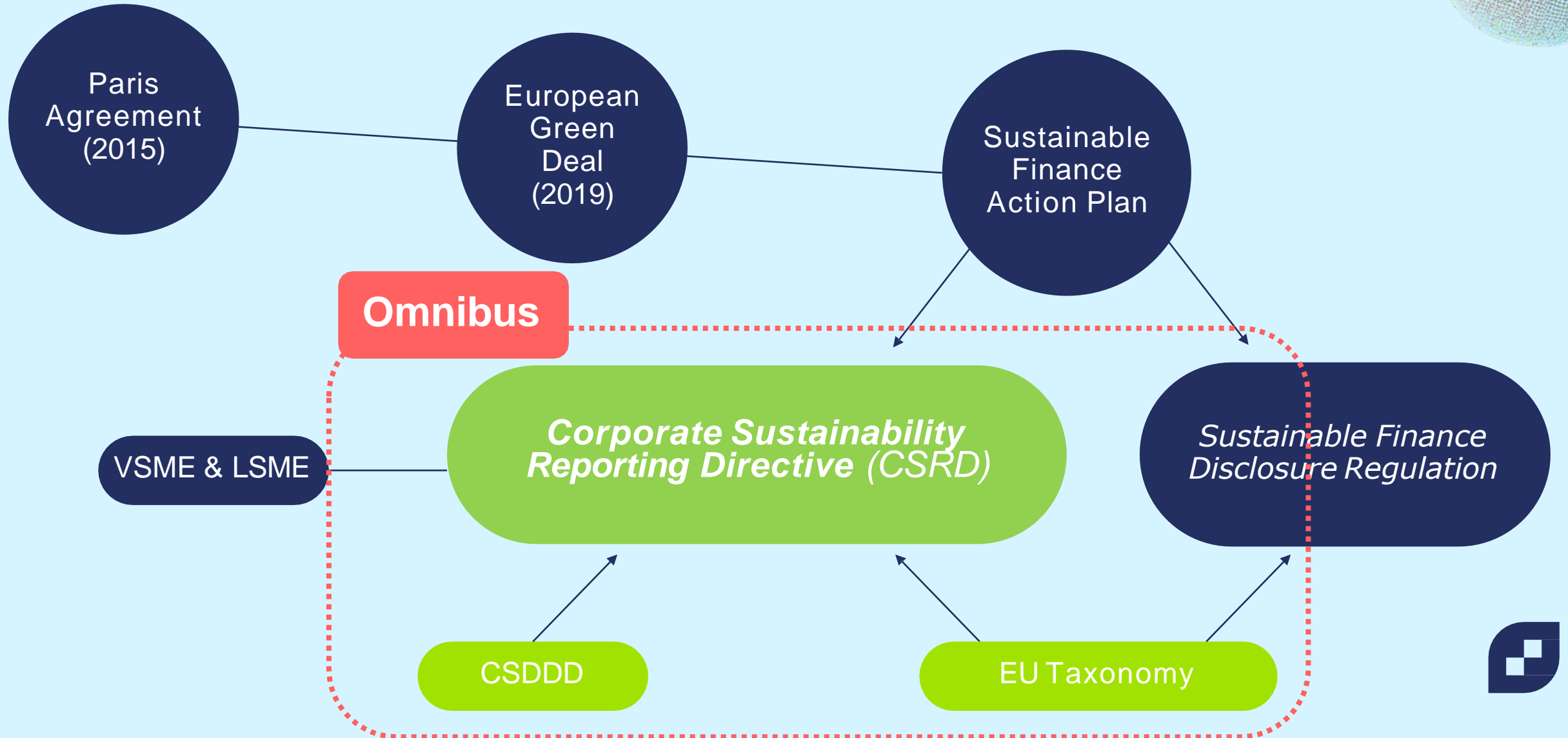
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we create future businesses

Context

- Draghi report (September 2024)
- EU Competitiveness Compass (January 2025): transformations to stimulate Europe's competitiveness
- Clean Industrial Deal (26 February 2025): decarbonization → incentive for European economic growth
- Administrative simplification as one of the axes



Omnibus: simplification of reporting legislation





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}

“Stop the clock”



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Disclosure
requirements



Proposal for the CSRD

Stop the clock

2 year delay for Wave 2 companies

Threshold

>1000 employees (and >50 mio turnover or
>25 mio balance total)

Companies below
threshold

VSME standards → delegated act

Value chain cap

Only VSME data

- Threshold for non European mother companies: 450 mio euro



Proposal for the CSRD (2)

Sectorspecific standards	Being abandoned
Audit	Targeted guidelines + no reasonable assurance
EU Taxonomy	>450 mio or voluntary - threshold of 10% - simplification of DNSH criteria
ESRS	Less and clearer datapoints*
Double materiality	Is kept

* 1. Focus on the most important datapoints, 2. Quantitative > narrative datapoints, 3. Mandatory versus voluntary



Latest status – Stop the clock

- Approved by EC, Parlement and Council
 - Publication in EU Official Journal by summer
 - Adoption to national laws by December 2025
-
- CSRD and EU Taxonomy: 2 year delay
 - CSDDD: 1year delay



Latest status – Treshold and disclosure requirements

- European Parliament committee (JURI) vote on 13 October
 - Outcome of parliament vote highly uncertain: EPP must find majority:
 - Center-left, left wing
 - Center-right, right wing
 - EFRAG has been asked to submit simplification proposal for ESRS by 31 October
- No conclusion before early 2026

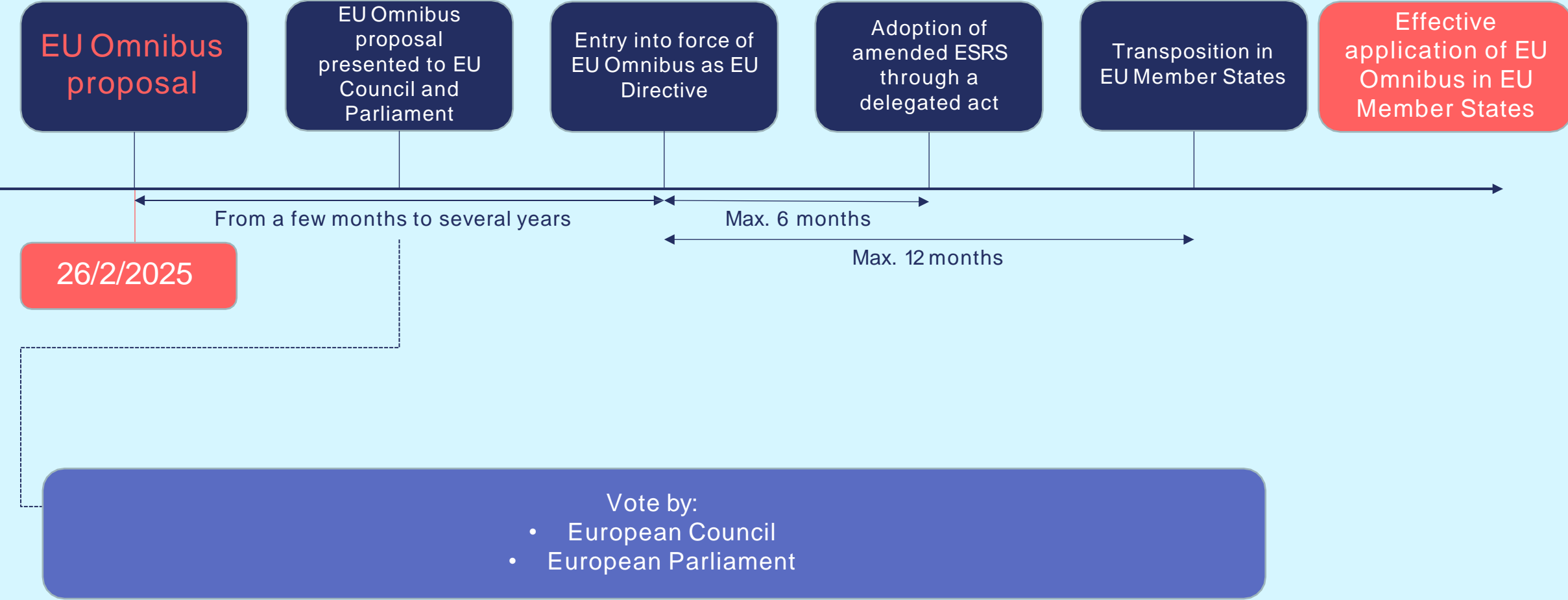


Counter-reactions on the Omnibus

- **Formal complaint of coalition of eight NGOs** with the European Ombudsman → “Undemocratic, opaque and hasty nature of the Omnibus process”
- **Wave 1 and large wave 2 companies** (Nestlé, Vandemoortele, Barco, Unilever, Signify ...): **uneven playing field** → “Early adopters and companies that worked proactively on reporting requirements are penalized, while less prepared companies are exempted”



Procedure



Not to forget

- Climate neutrality by 2050 remains Europe's goal
- European customers, banks and investors require reporting
- Crucial to know your climate risks and dependencies (value chain)
- Decarbonization means cost reduction
- Worldwide climate regulation is evolving (China, India, Japan ...)
- Own ESG strategy/narrative is a competitive advantage

→ Reporting remains 'license to operate'



Sustainability Reporting

2025

Global

- Task Force on Climate-Related Financial Disclosures (TCFD)
- International Sustainability Standards Board (ISSB)
- IRFS- S1 & S2
- ICMA Green, Sustainability-Linked & Climate Bond Principles & Standards

EU

- Non-Financial Reporting Directive (NFRD)
- Corporate Sustainability Reporting Directive (CSRD)
- European Sustainability Reporting Standards (ESRS)
- The Taxonomy Regulation (EU)
- Sustainable Finance Disclosures Regulation (SFDR)
- European Banking Authority (EBA) Standards
- Corporate Sustainability Due Diligence Directive (CSDDD)
- Shareholder Rights Directive II
- EU Benchmark Regulation
- Paris Aligned Benchmark
- Climate Transition Benchmark

Other Voluntary Principles / Guidelines

- Task Force on Nature-Related Financial Disclosures (TNFD)
- PAII Net Zero Investment Framework
- GFANZ Financial Institution Net-Zero Transition Plans
- UN PRI
- Sustainable Development Goals (SDGs)
- Transition Plan Disclosure Framework

Mandatory Principles / Guidelines

- NFRD / CSRD (EU)
- TCFD (UK, New Zealand)

Other Voluntary Standards

- Greenhouse Gas (GHG) Protocol
- PCAF Standard
- ISO
- Global Reporting Initiative (GRI)
- CFA Institute Global ESG Standards for Investment Products
- Sustainability Accounting Standards Board (SASB)
- GRESB Real Estate & GRESB Infrastructure

Mandatory Standards

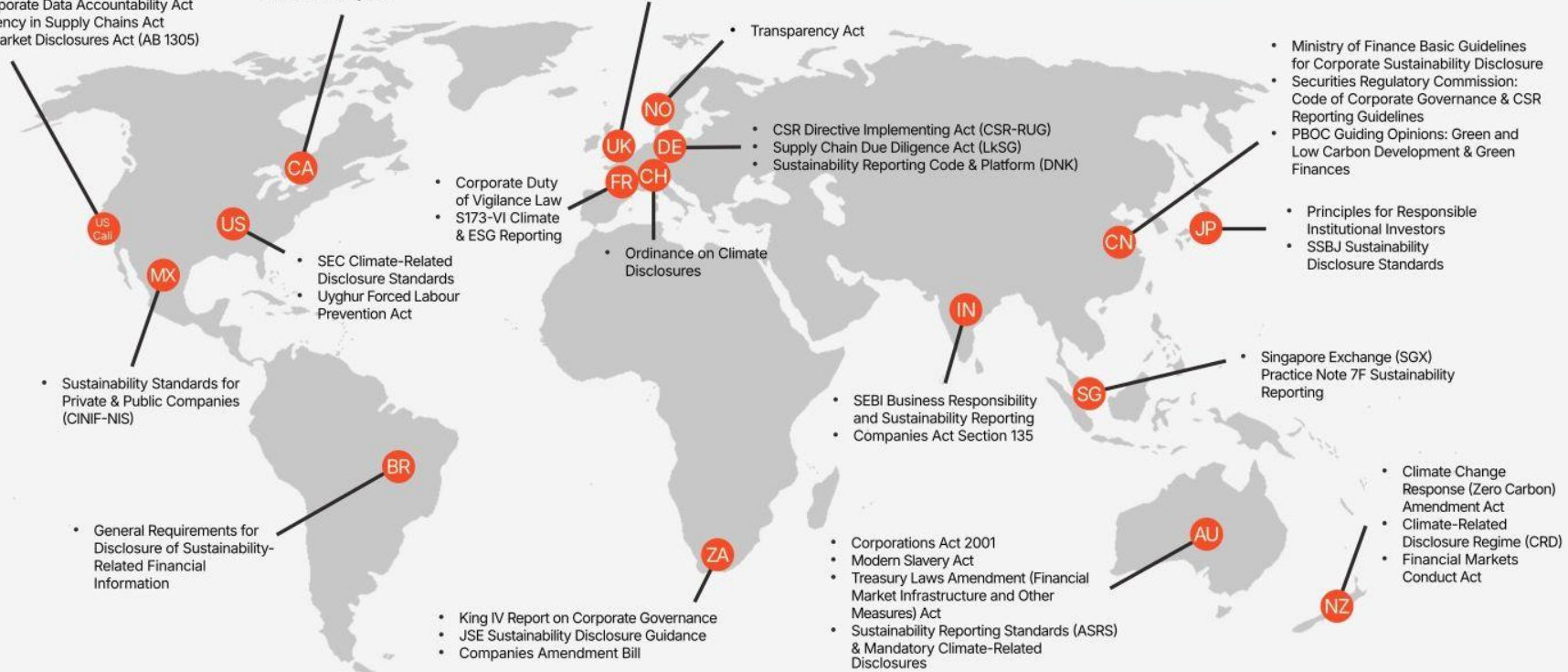
- IFRS, US GAAP

- SB 219 GHGs: Climate Corporate Accountability: Climate-Related Financial Risk
- SB 261 GHGs: Climate-Related Financial Risk
- SB 253 Climate Corporate Data Accountability Act
- California Transparency in Supply Chains Act
- Voluntary Carbon Market Disclosures Act (AB 1305)

- Sustainability Disclosure Standards (CSDS)
- CSA ESG Investment Fund Disclosure
- CSA Corporate ESG Reporting & Disclosure
- Supplier ESG Disclosure for Large Federal Contractors
- Corporate Diversity Reporting
- S-211 Supply Chain Reporting
- Modern Slavery Act

- Streamlined Energy & Carbon Reporting (SECR)
- Strategic Report: s172 & Climate-Related Financial Disclosures
- FRS 102 Climate Reporting
- FCA Listing Rules LR9.8.6R and 14.3.27R
- Modern Slavery Act
- Stewardship Code

Country Specific



Organisations with Reporting Guidance & Standards

- UN Global Compact
- Science-Based Targets Initiative (SBTi)
- WBCSD
- OECD
- UNEP FI
- NZAQA
- WEF
- IFC
- RE100
- IPIECA
- Climate Action 100+
- Social Value International
- Capitals Coalition
- Equator Principles (EPFI)

Disclosure & Investor Rating Platforms

- MSCI
- Morningstar / Sustainalytics
- Moody's / Vigeo Eiris
- DJSI
- RobecoSAM
- S&P Global
- CDP
- Refinitiv
- Bloomberg
- ISS ESG
- Fitch Ratings
- RepRisk
- Diligent
- FTSE4Good
- FTSE Russell
- Thomson Reuters
- Ecovadis
- B Corp

Our advise: focus on No Regret Steps

1. ESG roadmap with own targets
 - Double materiality analysis
 - Ambitions and targets (E/S/G)
 - Sustainable storyline
2. Decarbonisation plan
 - CO2 footprint
 - Action plan to reach climate neutrality by 2025
3. Start monitoring with focus on key KPI's
4. Reporting in line with CSRD
 - VSME as a basis + own narrative + customer queries



VSME-standard: 2 modules

BASIC MODULE

- Basic level
- 11 disclosures
- Disclosures shall be provided when applicable (no materiality)

+/- 50 datapoints

COMPREHENSIVE MODULE

- Extra datapoints for queries from banks and business partners
- Basis module is a prerequisite
- 9 disclosures

+/- 100 datapoints



Take away messages

- ESG-reporting is here to stay
- Focus on bigger picture and ESG implementation
- Use the extra time!
- Invest in No Regret Steps towards climate neutrality
- Engage support: internally & externally

More info: www.wearepantarein.be



Making your business sustainable together?!

Don't hesitate to
get in touch

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pantarein
we build sustainable stories



Thomas Peeters
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Belgian Coalition for Corporate
Accountability

Omnibus: deregulation at the expense of human rights, labour rights and the environment

Wies Willems

Policy Officer

Broederlijk Delen



Belgian coalition for Corporate Accountability



ABVV-FGTB



FIAN
BELGIUM

VREDESACTIE

GREENPEACE



KlimaatCoalitie
Coalition Climat



EU political context

EU Green Deal: momentum for crucial sustainability legislation (including CSDDD and CSRD, Taxonomy, EUDR, Batteries Regulation)



New EU Commission: 'competitiveness' and geopolitical unrest take centre stage, Draghi report, Trump re-election
= deregulation

Omnibus: civil society perspective

- Opaque, **rushed and undemocratic process**, civil society sidelined
- **Weakening of core obligations**: legislation is made toothless ('tick-box exercise' without addressing most pressing problems)
- Major **setback** in terms of access to justice for rights holders
- Even more **delay**, despite the urgency
- **Uncertainty** and chaos due to changes to existing legislation, no guarantees that omnibus will reduce complexity

Watering-down of CSDDD: main concerns

- **Delay** in transposition and application ('stop the clock')
- **EU-wide civil liability regime** scrapped: 27 different systems ⇔ simplification?, major obstacles for access to justice remain
- Limitation of due diligence obligations to **tier-1** (unless 'plausible information') ⇔ risk-based approach as defined by international standards (UN, OECD)
- Limitation of **stakeholder consultation** (only 'directly affected', no involvement of NGOs, trade unions)
- No obligation to **implement climate transition plans**

Watering-down of CSDD: other concerns

- Broader maximal **harmonization** of due diligence obligations: EU framework as a 'ceiling' instead of a floor for member states
- Companies will no longer have to **terminate contracts** (even in cases where it is possible or likely that abuses continue)
- **Monitoring** of due diligence measures from 1y to 5y
- Removal of the minimum cap on **sanctions** of 5% of the turnover
- **Financial sector** review scrapped

Main concerns regarding CSRD

- Two-year **postponement**
- **Exclusion of 80% of companies** currently covered by the regulations (in BE: from 800 to 160 companies)
- Restriction on the ability of large companies to **request information** from suppliers
- Restrictions on the availability and reliability of companies' **sustainability data**

Companies speak out

Business and investors statements, alongside international (multi-stakeholder) initiatives:
We-support-the-csddd.eu

Business Statement

As the world's largest corporate sustainability initiative, the UN Global Compact encourages upholding the ambition of the EU's current corporate sustainability laws

European Union

An initiative from



Supported by



CLG Europe affiliate members



24. February 2025
Business Statement

Corporate Leaders Group warns against reopening CSDDD and emphasizes the need for regulatory stability

European Union

European Union



INGKA GROUP
An IKEA retailer

24. February 2025
Business Statement

IKEA joins group of companies concerned about potential reopening of the CSDDD

European Union

PR

IGCC

Eurosif

State of EU Omnibus process

(EU)2025/0044 – Timing (stop-the-clock')



26 Feb. 2025

Omnibus Proposal
published by the European
Commission



26.3.2025

Adoption of negotiation
mandate by the Council of
the EU



3.4.2025

Adoption of position by the
European Parliament



Spring 2025?

Confirmation by the
Council

25/0045 – Content



26 Feb. 2025

Omnibus Proposal
published by the European
Commission



May 2025?

Adoption of General
Approach by the Council of
the EU



October 2025?

Adoption of position by the
European Parliament



Winter 2025/26?

Trilogue negotiations



Winter/Spring 2026?

Confirmation of Trilogue
deal by the Parliament

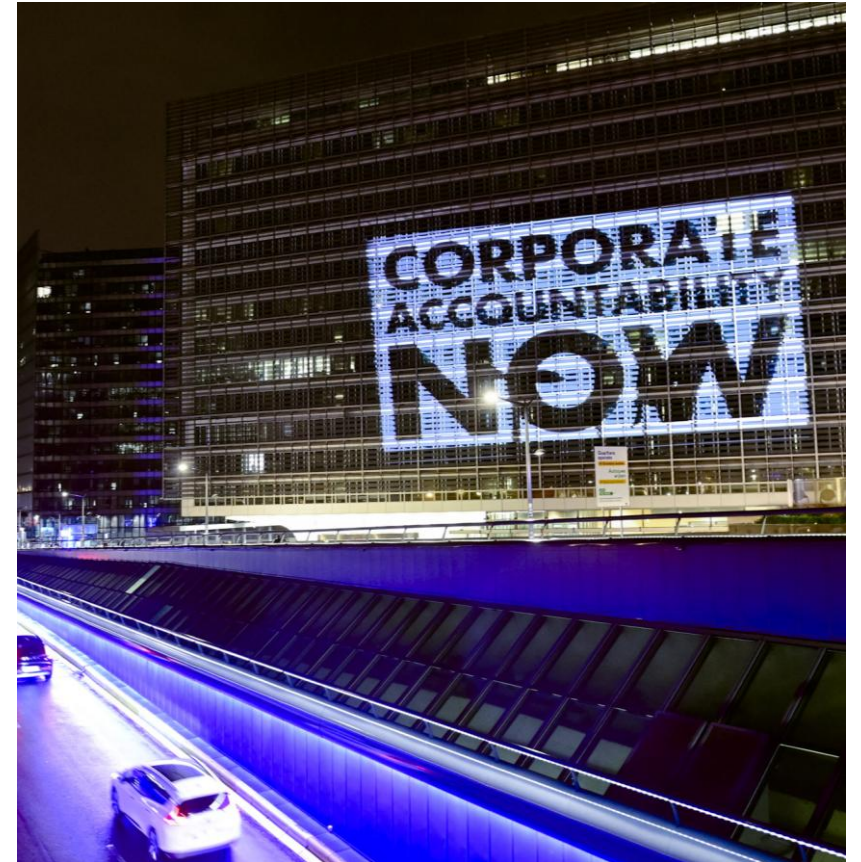


Winter/Spring 2026?

Confirmation of Trilogue
deal by the Council

Conclusion: our key demands

- **Reject any substantial changes** to the content of CSDDD
- Develop **guidance** for companies and **accompanying measures**, as foreseen in the original CSDDD text
- **Maintain original scope of CSRD** and offer medium-sized companies a proportionate standard
- The **restrictions on data requests** in CSRD should be reviewed: develop specific guidelines and standards



Thank you!

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