

EUROPEAN COMMISSION ADOPTS THE "OMNIBUS PACKAGE" AMENDING SUSTAINABILITY REPORTING RULE

- Yesterday, **February 26, 2025**, the **European Commission** adopted the **Omnibus Package**, a set of measures designed to simplify European Union regulations, aiming to reduce bureaucracy and stimulate competitiveness and investment.
- **The Omnibus Package** (available at the following [link](#)) **includes**: (i) amendments to the *Corporate Sustainability Reporting Directive (CSRD)* and the *Corporate Sustainability Due Diligence Directive (CSDDD)*; (ii) simplification of reporting obligations under the **EU Taxonomy**; (iii) amendments to the *Carbon Border Adjustment Mechanism (CBAM) Regulation*; (iv) revision of the **InvestEU Regulation**.
- Regarding **sustainability reporting** (regulated by the CSRD and the EU Taxonomy Delegated Act), **the Omnibus Package introduces, among others, the following changes**: (i) exclusion of approximately 80% of companies previously within the scope of the CSRD, which will now only apply to companies with at least 1,000 employees and a turnover exceeding €50 million or net assets above €25 million; (ii) a two-year delay (until 2028) in the implementation of reporting obligations for large companies that have not yet begun applying the CSRD and for listed SMEs (which were originally scheduled to start reporting in 2026 or 2027, respectively); (iii) revision of sustainability reporting obligations for large companies to ensure that such obligations do not place undue burdens on small businesses within the value chain; (iv) reduction of EU Taxonomy reporting obligations, limiting them to larger companies within the scope of the CSDDD, while maintaining voluntary reporting options for other large companies that will be subject to the future CSRD framework; (v) introduction of an option to report partially aligned activities with the EU Taxonomy, promoting a gradual environmental transition over time, in line with the objective of expanding transition finance to support companies on their sustainability journey; (vi) introduction of a financial materiality threshold for Taxonomy reporting and a 70% reduction in reporting templates; (vii) simplification of the most complex "Do No Significant Harm" (DNSH) criteria, particularly those related to pollution prevention and chemical use, which apply across all economic sectors within the EU Taxonomy; (viii) adaptation of the Green Asset Ratio (GAR), the key performance indicator based on the Taxonomy for banks. Specifically, banks will be able to exclude from the denominator of the GAR exposures related to companies outside the future scope of the CSRD.
- Additionally, **the Omnibus Package**: (i) **introduces amendments to sustainability due diligence (CSDDD)**, aimed at simplifying obligations for companies, focusing on direct business partners and reducing the frequency of periodic assessments from annually to every five years (a one-year delay - to July 26, 2028 - is also provided for the application of *sustainability due diligence* requirements for larger companies); (ii) **modifies the Carbon Border Adjustment Mechanism (CBAM)**, exempting small importers from certain obligations; (iii) **proposes simplifications to EU investment programs**, such as InvestEU, to facilitate access to financing.
- The Omnibus Package will be subject to **review and adoption by the European Parliament and the Council** and **will enter into force once co-legislators reach an agreement on the proposals and after publication in the Official Journal of the EU**.