



CSRD - Omnibus I – ESRS revision

Update on the EU corporate sustainability reporting framework

*Banque de France, 28 May
European Commission DG FISMA*

The information and views expressed in this presentation do not necessarily reflect the official position of the European Commission/European Union

The overall picture

Starting point

CSRD requires companies in scope to report against common European Sustainability Reporting Standards which the Commission must adopt as delegated acts. First set of ESRS adopted July 2023, applied by companies for reporting for financial year 2024 (reporting in 2025) and currently being applied for reporting for financial year 2025 (reporting in 2026).

New Omnibus regime

- Omnibus I Directive removes mandatory reporting requirement on 85% of companies that were in scope. Now only applies to companies with > 1000 employees and > €450m turnover.
- **For those that remain in scope**, Commission commitment to revise and simplify ESRS => **revised ESRS Delegated Act.**
- **For companies with up to 1000 employees not in scope** of mandatory requirements:
 - Commission to adopt a single standard for voluntary use (VS) => **VS Delegated Act.**
 - A new 'value-chain cap' protects them from excessive information requests from large companies subject to the CSRD requirements.
 - The VS sets the reference level for the value-chain cap, above which companies subject to CSRD may not **require** information from companies in their value chains with up to 1000 employees.



Amendments to the CSRD by Omnibus I



Omnibus I – Structure of the package revising CSRD

- Proposal for a Directive amending CSRD and CSDDD to postpone the application dates for certain corporate sustainability reporting and due diligence requirements (“**stop the clock proposal**”)



Large companies that are not “NFRD companies” must report from FY 2027 (instead of from FY 2025) and listed SMEs must report from FY 2028 (instead of from FY 2026). This postponement does not apply to “NFRD companies”, which must report from FY 2024.

EU Co-legislators have agreed to this proposal with no substantial modification compared to COM proposal – Directive (EU) 2025/794

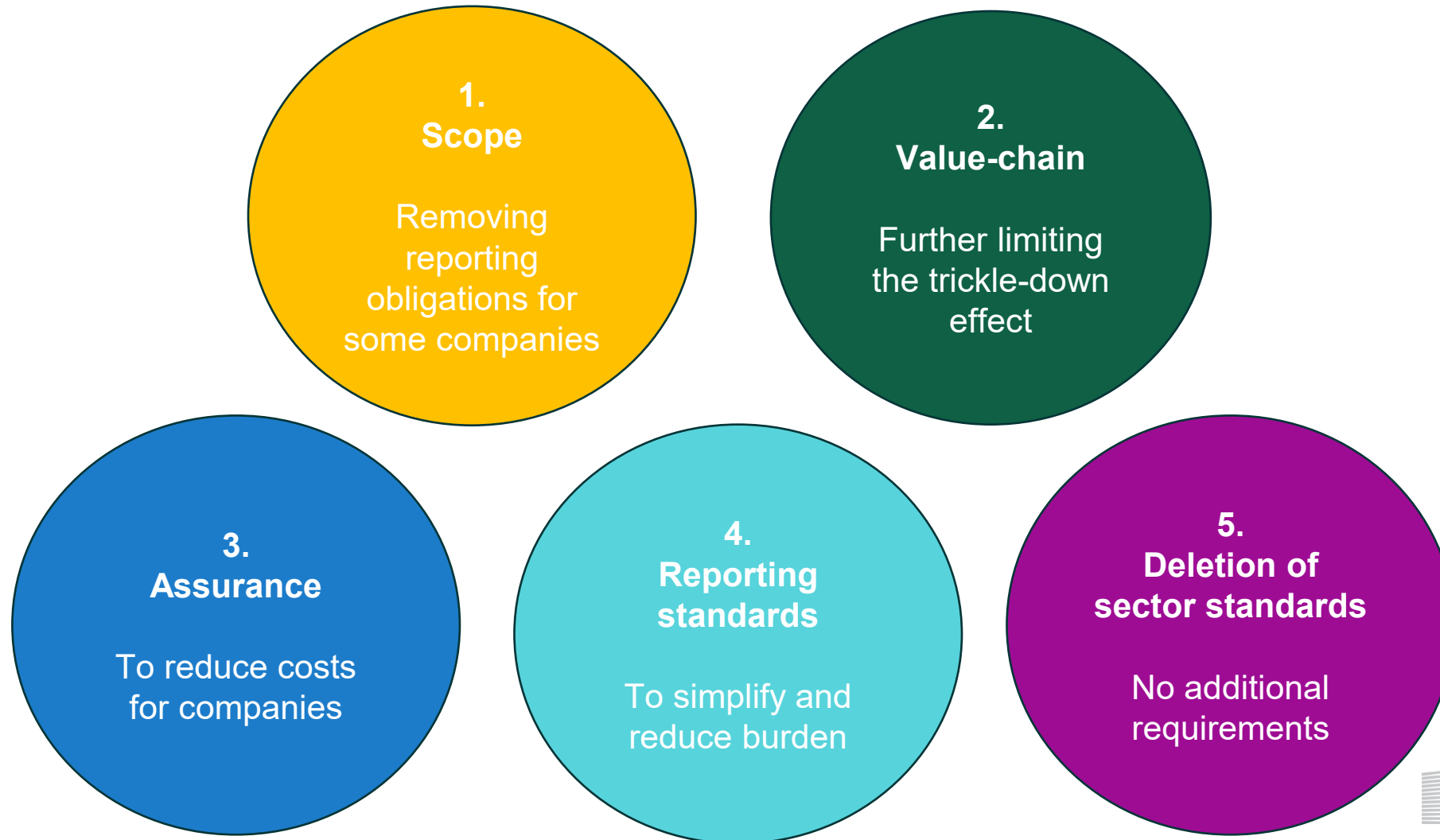
- Proposal for a Directive amending the Accounting Directive, the Audit Directive, the CSRD and the CSDDD as regards the substance of certain sustainability reporting and due diligence requirements (“**content proposal**”)



[see following slides for summary]

EU Co-legislators have reached a political agreement on 9 December 2025

Omnibus I: key elements



1. Scope EU companies and non-EU companies listed in the EU (articles 19a and 29a)

Previous:

- ❑ all large companies and all listed companies (including listed SMEs and non-EU companies listed in EU)



Companies with more than 1000 employees and turnover above €450m. Reduction of about 85% compared to current scope. About 6.500 companies remain in scope.

2. Scope non-EU companies (article 40a)

Previous:

- ❑ non-EU non-listed companies that generate > €150m in the EU and have either an EU branch with net turnover > €40m or an EU subsidiary that is itself in CSRD scope



Non-EU parent has EU turnover above €450m

and

EU subsidiary or branch with turnover above €200m

3. Subsidiary exemption for large listed subsidiaries

Previous:

- Large listed subsidiaries must report in their own right, may not use subsidiary exemption



All subsidiaries may use the subsidiary exemption, including subsidiaries that are large listed companies.

4. Financial holding companies

Previous:

- No specific provisions for financial holding companies



Financial holding companies exempt from consolidated sustainability reporting if they have “with subsidiaries having business models and operations independent from one another”.

Also applies to non-EU parent under article 40a.

5. Value-chain cap

Previous:

- ❑ Value-chain cap applies to ESRS: ESRS cannot require companies to get information from SMEs in their value-chain that exceeds the information to be reported under a future proportionate standard for listed SMEs (note: listed SMEs would no longer be in scope so no need for that standard).



- COM to adopt voluntary standard (VS) “based on” VSME.
- Value chain company with up to 1000 employees has right to decline to provide information beyond VS.
- Reporting company may not require contractually or by other arrangements a value chain company with up to 1000 employees to provide information beyond VS.
- If reporting company requests more than VS, it shall a) state what information is beyond VS and b) remind the value chain company of its right to decline.
- Value chain cap applies only for the purposes of CSRD reporting.

Also: previous VC cap remains but says that ESRS may not require the reporting company to get information from companies in their value chain with <1000 employees for information beyond the future voluntary standard.

6. If value-chain information not available after 3 years

Previous:

- If value chain information not available for first 3 years, company explains why etc.
- No provision on what happens if value chain information not available after 3 years.



- **Existing 3-year transition period remains.**
- **New provision says that after 3 years, companies must use information directly collected or estimates as appropriate.**

7. Sector-specific reporting standards

Current regime:

- ❑ Commission shall adopt sector-specific reporting standards by June 2026.



- **Provision for sector-specific standards is deleted.**
- **Recital on possibility for COM to adopt sector-specific guidelines.**

8. Transition plans

Previous:

- ❑ Companies to report transition plans “compatible with” Paris 1.5C and EU net zero climate goals.
- ❑ CSDDD requires companies to have transition plan.



- **CSDDD requirement on transition plans is deleted.**
- **CSRD text on transition plans is unchanged.**

9. Omission of information

Previous:

- ❑ Member States may allow for omission of information on “impending developments or matters in the course of negotiation” in exceptional circumstances, if seriously prejudicial to commercial position.



Companies may omit:

- **Information that would be seriously prejudicial to commercial position**, in exceptional circumstances and if does not prevent fair and balanced understanding of development, performance and position, or of risks and impacts
- Information corresponding to intellectual capital, IP, technological information or results of innovation that qualifies as a **trade secret**
- **Classified information**
- Other information that is not to be disclosed because of EU/national legal obligations or to safeguard privacy/security of a natural person or security of a legal person.

10. Transition period for newly acquired subsidiary

Previous:

- ❑ No transition provision for newly acquired subsidiary



- Company may postpone reporting on newly acquired subsidiary until the following financial year.
- Company may also omit information about subsidiary that left the group.
- In each case, must indicate any significant event that affected the subsidiary and that has an impact on group IROs.

10. Assurance

Current regime:

- ❑ Companies must seek limited assurance on their sustainability reporting.
- ❑ That requirement could become a requirement for reasonable assurance at a later date.
- ❑ Commission shall adopt a standard for limited assurance by October 2026 and a standard for reasonable assurance by October 2028.



- Remove possibility of going to a reasonable assurance requirement.
- Commission to adopt standard for limited assurance by July 2027.
- Also: Simplification of approval requirements for audit firms that wish to do sustainability assurance; and simplified registration conditions and exemption from supervision for non-EU auditors of non-EU companies listed in the EU, for a transitional period.

11. Digital portal and report on digital initiatives

Previous:

- No equivalent provisions



- Commission to provide for a **portal** giving access to “information, guidance and support, including relevant templates and guidance” on ESRS and voluntary standard.
- Commission to issue **report** within 2 years on “technological solutions for sustainability reporting, which includes initiatives that will enable undertakings to collect, process and exchange data in a secure, seamless and automated manner.”

Revision of ESRS under Omnibus I

Key points of EFRAG technical advice

- 1. Reduction in number of datapoints:** total number of datapoints reduced by 71%, mandatory datapoints by 61%. All voluntary datapoints (“may disclose”) removed.
- 2. Standards are shorter (60%) and clearer, with simplified structure.**
- 3. Simplified approach to materiality assessment:** a “common sense” approach to deciding what sustainability topics are material for the company; 50% reduction in the number of sustainability topics that the company might need to consider as part of the materiality assessment process; materiality assessment does not have to be carried out each year.
- 4. Less burdensome approach to value-chain information:** company to choose between direct data or estimates according to what is more appropriate, so reducing the pressure for data collection.
- 5. New flexibilities (‘reliefs’):** including companies to use “reasonable and supportable information” that is available “without undue cost or effort”; and additional phase-in provisions (e.g. 3 additional years for quantitative information about anticipated financial effects).
- 6. Enhanced alignment with global standards.**

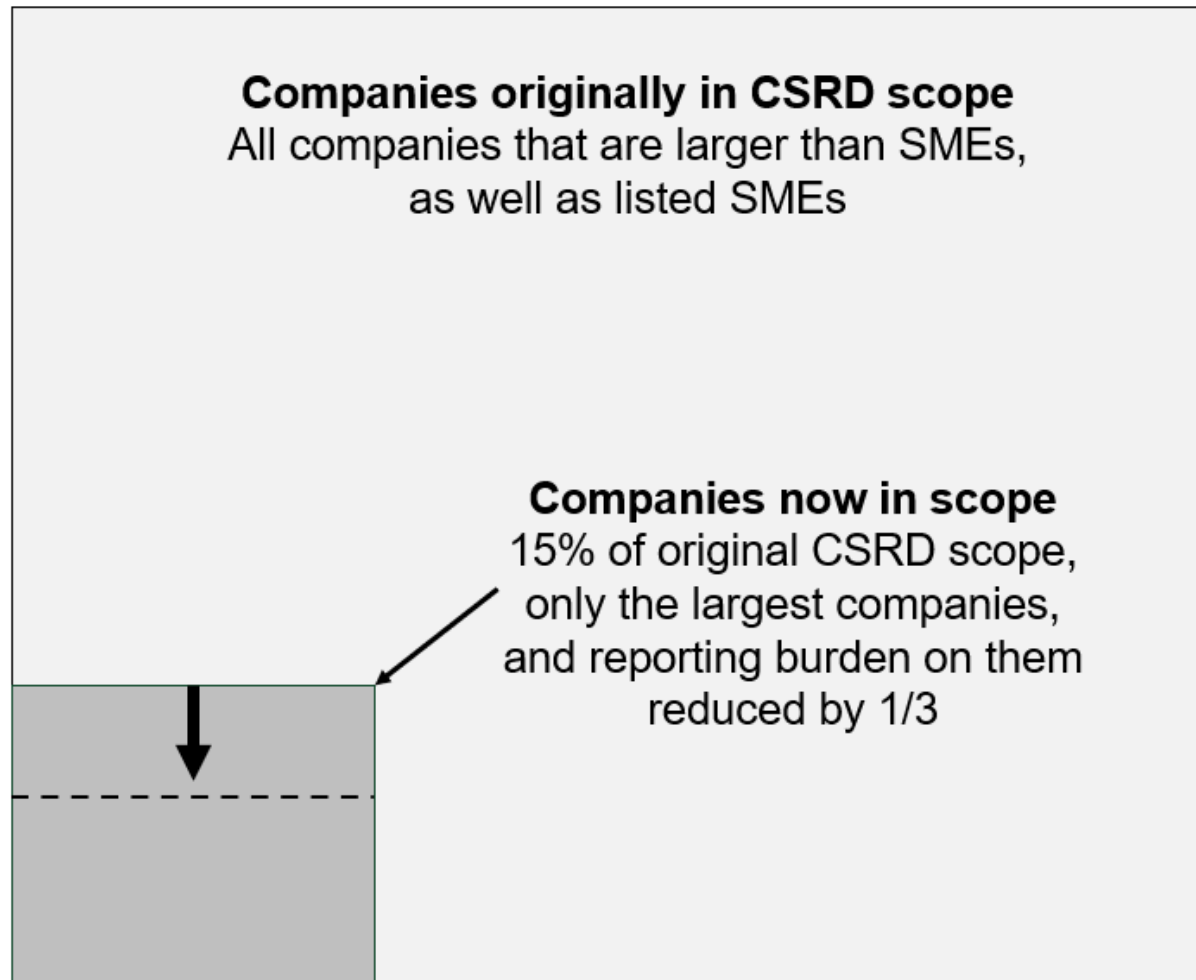
Cost-benefit analysis

34% cost reduction per reporting company.

44% cost reduction when also considering

cost reduction through value chain.

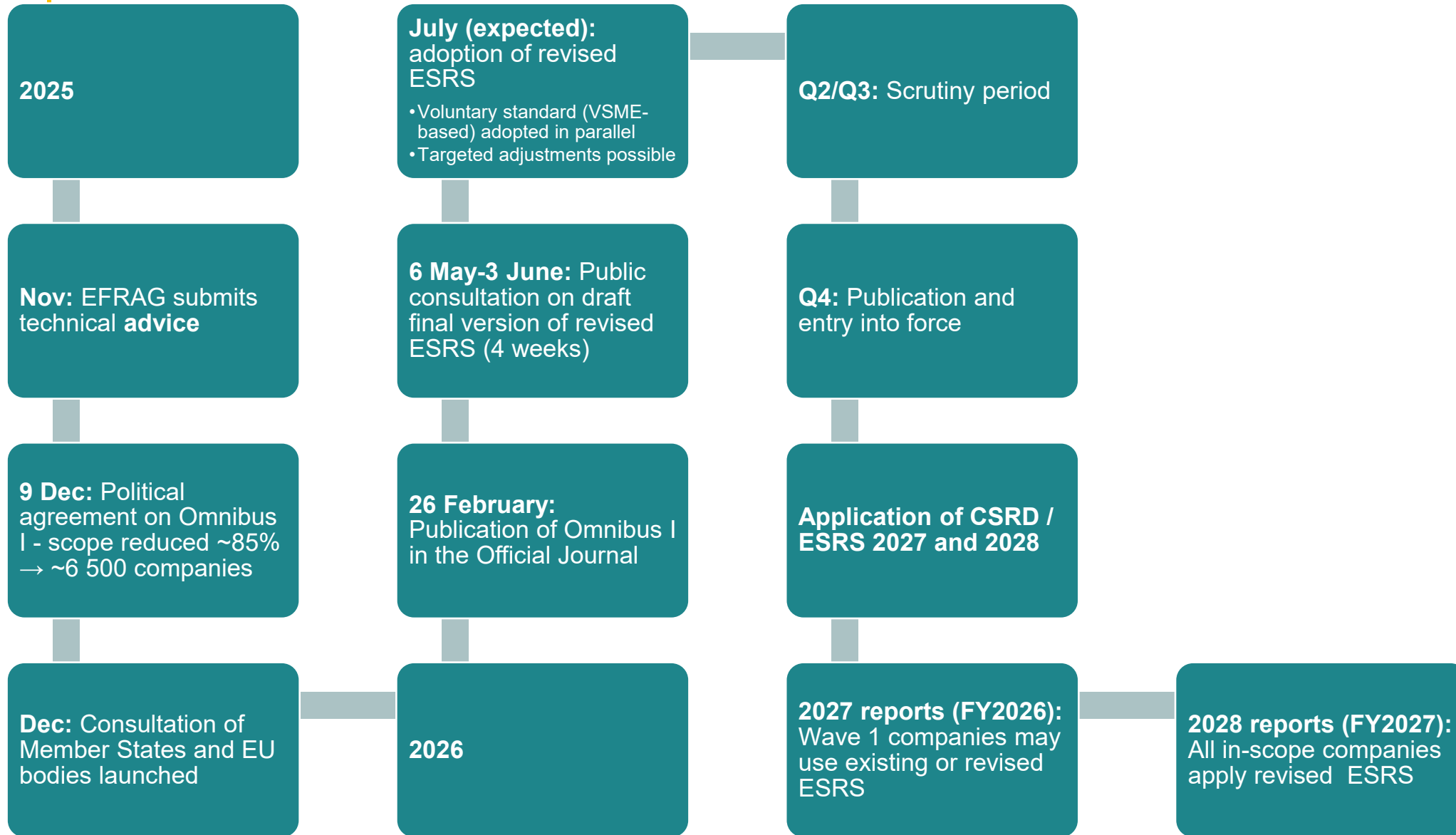
Visualising the burden reduction



ESRS: main Commission modifications to EFRAG advice

- ❖ Feasibility and proportionality improvements.
- ❖ Increased flexibility, including more discretion on aggregation and disaggregation, clearer top-down materiality assessment, omission provisions and flexibility in GHG reporting boundaries (financial vs operational control).
- ❖ Greater international alignment, notably closer alignment with ISSB on GHG boundaries.
- ❖ Clarifications to improve legal certainty and avoid over-reporting,.

Omnibus I and ESRS revision: integrated timeline



Thank you



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