

## OMNIBUS BILL

### FUTURE PLANET'S PERSPECTIVE

February 27, 2025

To whom it may concern:

As you will know, on Wednesday, February 26, the European Commission published the Omnibus proposal which set out proposed changes to Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy. The first thing to say is that this is still just a proposal and nothing has in fact yet changed. It is, however, reasonable to assume that regulations will change across Europe before the end of 2025, so we should consider the potential consequences for companies.

#### What did the Omnibus proposal say?

For companies concerned with CSRD, the main proposed changes are as follows:

- CSRD will now apply to companies with more than 1,000 employees (previously 250) and either revenue more than €50 million, or with a balance sheet value of more than €25 million.
- Sector standards will be abandoned, and general standards will remain.
- In a general pushback on the burden of assurance, it is proposed that assurance be restricted to Limited Assurance only, not Reasonable Assurance and that the EU Commission will now issue targeted assurance guidelines by 2026.
- EU Taxonomy will be opt-in only, i.e. voluntary for companies with a revenue below €450 million.
- The European Sustainability Reporting Standards (ESRS) datapoints will be reduced, with a decreased emphasis on narrative disclosures.
- For companies that have not already reported, it is proposed that the reporting deadline is postponed by two years.

Remember this is still a proposal that, as yet, has to go through the European Parliament and Council, and will go through multiple readings, negotiations and conciliation prior to agreement and adoption. For now, nothing has changed and the laws that were in place at the start of the week are still in place.

## What is Future Planet's perspective?

### Compliance Focus

For companies that are considering adopting CSRD solely because of compliance, these changes, if adopted, may provide some relief. However, until the process is complete – probably over the next six to nine months – they will be in limbo waiting for the other shoe to drop. Their current legal obligations remain in force until, or if, the changes happen.

If the proposals are not adopted this year - or not in the current form - and if, for example, you were in scope to report in 2026 on 2025 data, your best bet is to stay on course, while also considering some of the benefits that are delivered through the strategic focus below.

### Strategic Focus

Most of the companies Future Planet works with are using the CSRD process to examine the state of the changing world and the strategic considerations that emerge from understanding how climate change and social evolutions are forces for change in their businesses. These companies understand risk and have always considered risk in their strategic planning. The winning companies that we are working with are further considering the Impacts, Risks and Opportunities (IROs) that emerge from a structured analysis of their businesses.

For these companies, the Omnibus proposal reduces the resources needed for compliance and assurance, and frees up that resource to deliver the strategic benefits and competitive advantage that was anticipated when CSRD was first mooted.

Investment in strategic initiatives wins over investment in compliance every time. If you are on this path, congratulate yourself for your vision, and continue the journey while keeping an eye on the reporting and compliance obligations. The eventual reporting obligations which emerge should be a consequence and output of your sustainability strategy and activity.

Your purpose should remain focused on the strategic benefits to all your stakeholders of improved sustainable performance. You will gain competitive

advantage as customers choose you over less responsible performers. Your investors will be reassured knowing that you have a handle on the impact, risks and opportunities in your business, and your employees will be happier and proud to be working in a company that has a holistic perspective on its purpose, and its sustainability in the medium and long term.

We founded Future Planet to help companies improve how they engage with all of their stakeholders (including the planet) while they accelerate the sustainable performance of their business. We are proud of the customers we work with today and of what they have achieved with our support. We are uplifted by their focus on strategic change with compliance as an outcome, and we're looking forward to remaining as fellow travellers on that journey.

### Key takeaways

- The Omnibus Bill is just a proposal, and it is likely that nothing will really change this year.
- Stay the course on CSRD; it is very valuable strategic framework for business planning.
- Focus on your Impacts, Risks and Opportunities (IROs) and use the Double Materiality Assessment (DMA) process for long-term resilience and planning, leading to strategic transformations.
- Don't forget that no matter what changes, all of your stakeholders want you to manage your emissions and the broader impacts you have on the natural environment (i.e. pollution, water, biodiversity and waste), while you consider the people in your business, the extended value chain, and the community.

We are here to support you.



**Donal Daly**

**CEO, Future Planet**

