



Omnibus I Update

23 December 2025

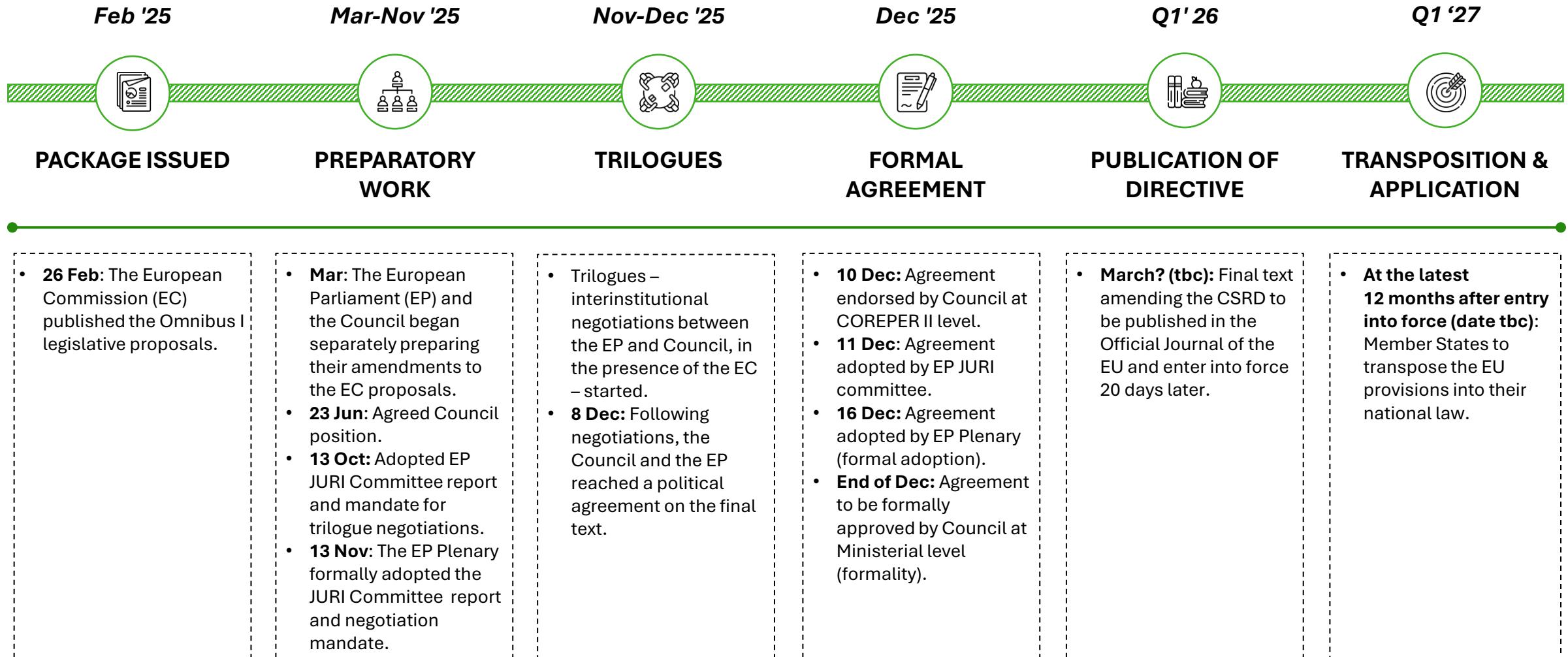
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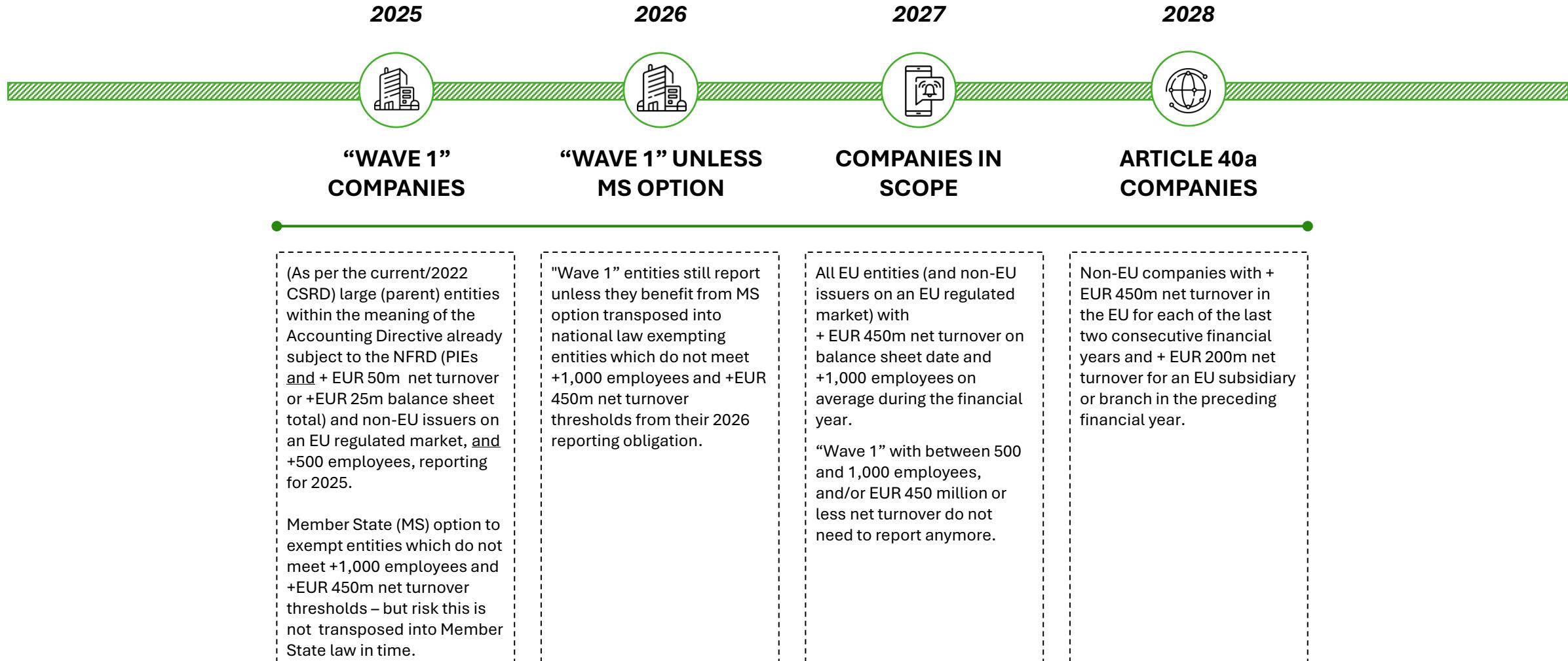
Omnibus I Package

Corporate Sustainability Reporting Directive (CSRD)

Omnibus I package – CSRD – Timeline for adoption of revised legislation



Omnibus I package – CSRD – Timing for reporting (for publication in FY+1) (subject to transposition into Member State law)



EP – Council Provisional Agreement

Key Elements of the Provisional Agreement: CSRD (1/3)



Scope – see also reporting timeline above

- **EU (parent) companies with +1,000 employees on average during the financial year and +EUR 450m net turnover on balance sheet date.**
- **Non-EU issuers on EU regulated markets** with +1,000 employees on average during the financial year and +EUR 450m net turnover on balance sheet date.
- **Non-EU companies (article 40a reporters)** with +EUR 450m EU turnover for each of the last two consecutive financial years and with an EU subsidiary or EU branch with + EUR 200m turnover in the preceding financial year.
- **Review clause:** EC to report by 30 April 2031 on possible scope extension.



Exemptions

- **Financial holding companies*** can opt to not prepare consolidated sustainability reporting if their subsidiaries have business models and operations independent from one another; article 40a reporters can also take this option.
- All **PIEs** (incl. large listed entities) may use the **subsidiary exemption** if included in parent's consolidated CSRD sustainability reporting.
- Member State option to exempt '**wave one**' companies falling out of the revised scope for 2025-2026.



Value chain cap

- **Value chain companies with up to 1,000 employees** have **right to decline** to provide information beyond voluntary standards (VS) based on 2025 VSME EC recommendation.
 - **Reporting companies may not require** them to provide information beyond VS.
 - If reporting company requests more than VS, it shall state what information is beyond VS and remind the value chain company of its right to decline.

* Companies the sole object of which is to acquire holdings in other companies and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholder (as defined by Directive 2013/34/EU Article 2(15))

EP – Council Provisional Agreement

Key Elements of the Provisional Agreement: CSRD (2/3)



Sustainability reporting standards: specifies that ESRS should ensure the quality of reported information, avoid imposing a disproportionate administrative or financial burden on companies and prioritise the disclosure of quantitative information; requires the EC to review **sustainability reporting standards for voluntary use** (to be based on 2025 VSME EC Recommendation) at least every four years, and if the standards need to be amended, to ask EFRAG for technical advice; **deletes requirement to develop sector-specific standards** but possibility for the EC to support companies by providing **sector-specific guidance**. The EC is expected to adopt revised ESRS at the latest 6 months after entry into force of the revised CSRD. Revised ESRS are expected in Q3/Q4 2026, for application to financial year 2027 reporting (and possibly as an option for financial year 2026 reporting).



Deletes the EC proposed **provisions on optional taxonomy reporting** for certain companies.



Mandates the EC to **adopt limited assurance standards** for sustainability reporting **by 1 July 2027** (the requirement for EFRAG involvement is not included and the date is deferred by 9 months compared to the original CSRD). The possibility of moving to a reasonable assurance standard remains deleted.



Introduces a transitional regime for **third-country auditors** from 2025 to 2030. This includes simplified registration conditions, including providing information on sustainability reporting training, and an exemption from supervision.

EP – Council Provisional Agreement

Key Elements of the Provisional Agreement: CSRD (3/3)



Amends company option allowing omission of information: (a) if it is **seriously prejudicial to the company's commercial position** (if it does not prevent a fair and balanced understanding of the company's development, performance, position or of its **principal risks or principal impacts**), (b) corresponds to intellectual capital, IP, technological information or results of innovation qualifying as a **trade secret**, (c) **classified information**, and (d) **other information that cannot be disclosed because of EU/national legal obligations** or to **safeguard the privacy/security** of a natural person or the security of a legal person, providing that the company discloses that it has used any such exemption and this omission is reassessed each year.



Introduces a **transition period for newly acquired subsidiaries**: companies may postpone reporting on acquired subsidiaries until the following FY and may also omit information about subsidiaries that exited the group. Parents exercising one or both options should indicate any significant event that affected the subsidiary during the FY with an effect on the group's impacts, risks or opportunities.



Mandates the EC to create a **new digital portal** for businesses with access to information, guidance and support, incl. templates and guidance, on ESRS and voluntary standards, and to issue a report within 2 years on technological solutions for sustainability reporting.

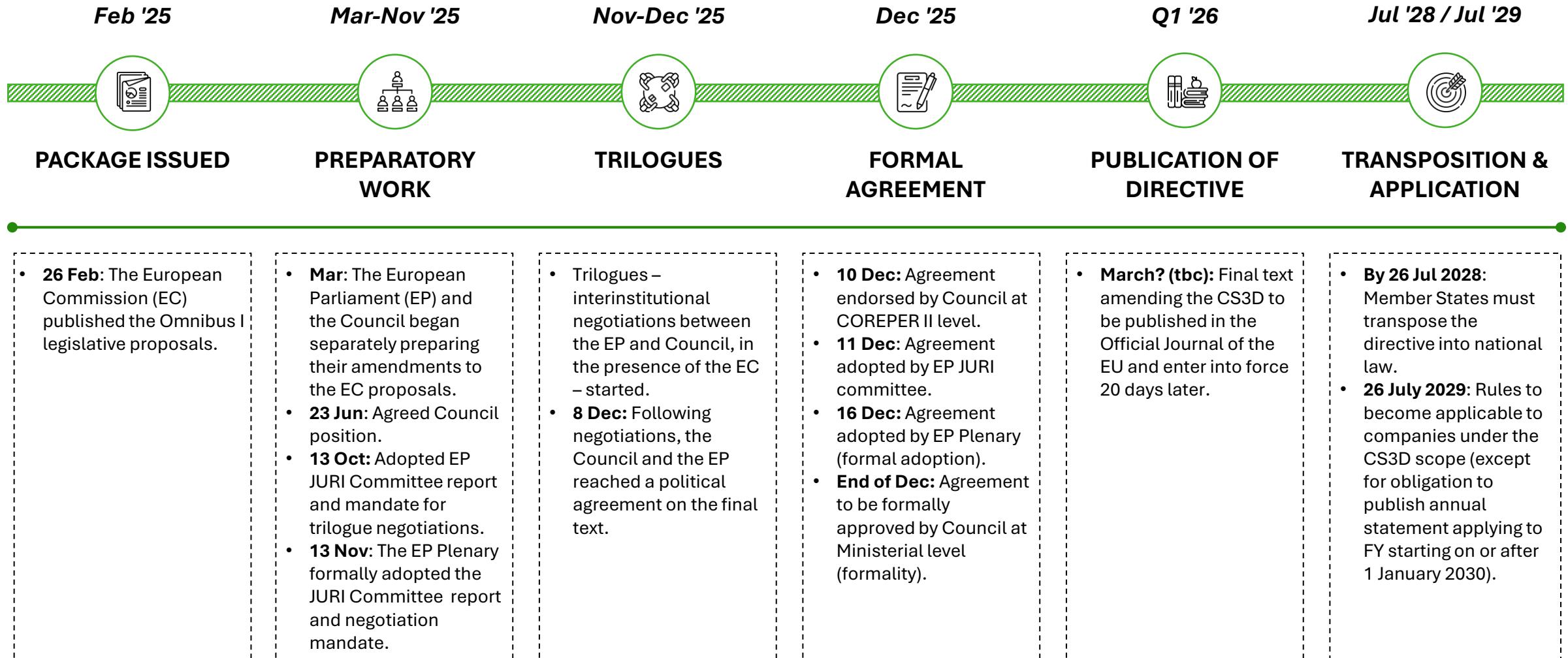


Requires Member States **to transpose the text into national law at the latest 12 months** after entry into force (March 2026 - tbc) of the Omnibus I Directive. Note that reporting under the revised CSRD is to apply for financial years starting on or after 1 January 2027 (other than for wave 1 reporting companies).

Omnibus I package

Corporate Sustainability Due Diligence Directive (CS3D)

Omnibus I package – CS3D – Timeline for adoption of revised legislation



EP – Council Provisional Agreement

Key Elements of the Provisional Agreement: CS3D (1/2)

Revised scope: new thresholds are set for **EU** entities at **+5,000 employees** on average and **+EUR 1.5bn net worldwide turnover**, and for **non-EU** entities at **+EUR 1.5bn EU turnover**; (ultimate parent) entities with **franchising or licensing business model** in the **EU** if **+EUR 75m** royalties and they generated (individually, or on a consolidated basis as ultimate parents) **EUR 275m** net worldwide turnover (same thresholds for non-EU parents but considering royalties and turnover in the EU). **Review clause** specifying need for an assessment, by 26 July 2031, of whether to possibly **expand the scope** to include entities with **+1,000 employees** and **+EUR 450m** net worldwide turnover and entities operating in high-impact sectors.

Amended due diligence approach



Risk-based due diligence

Entities to focus on **general areas** across their own operations, their subsidiaries and their partners in **their chains of activities** where **actual and potential adverse impacts** are most likely to occur.



General scoping exercise

Instead of a comprehensive mapping exercise, companies will conduct a scoping exercise, based solely on **reasonably available information** (precludes requesting information from business partners).



Value chain cap

When carrying out their in-depth assessment, companies will only request information from business partners when necessary and from **business partners with < 5,000 employees** only when cannot be obtained by other means.



Prioritisation of adverse impacts

When an entity has identified adverse impacts equally likely or equally severe in several areas, it can **prioritise** assessing **adverse impacts** that involve **direct business partners**.

EP – Council Provisional Agreement

Key Elements of the Provisional Agreement: CS3D (2/2)



CLIMATE TRANSITION PLANS and CIVIL LIABILITY

The agreement text **removes all requirements mandating entities to adopt a transition plan for climate change mitigation**. CSRD text on reporting on transition plans remains unchanged.

The text also **removes the provision on EU harmonised liability** and inserts a **review clause** on assessing the CS3D enforcement mechanisms incl. protective effects on right holders at national level, by 26 July 2031.



PECUNIARY PENALTIES

In case of pecuniary penalties imposed by national supervisory authorities, the agreement text sets a maximum limit at **3% of the entity net worldwide turnover (or in case of parents 3% of the net consolidated worldwide turnover calculated at the level of the parent), in the FY preceding that of the decision to impose the fine**. The EC will be issuing **guidelines** to assist supervisory authorities in determining the level of penalties.



HARMONISATION CLAUSE

Prohibition for Member States to introduce in their national law obligations diverging from some specific CS3D articles: **scope is expanded** to cover more CS3D provisions incl. due diligence at group level, all the content of the articles on identification and prioritisation of identified actual and potential adverse impacts, and provisions on monitoring and reporting (communication).



MONITORING, REPORTING and COMPLIANCE

Monitoring: an entity's assessment of adequacy and effectiveness of its due diligence measures is to be done every 5 years.

Reporting: EC to issue guidelines on content and criteria for entities' communication by 31 March 2029. Furthermore, the EC should publish due diligence guidelines by 26 July 2027.

The timeline for implementation has been extended. The **transposition deadline** for Member States is now set for **26 July 2028**. Consequently, entities will be required to comply with the new regulation as from **26 July 2029**, except for the obligation for entities to publish on their website an annual statement on sustainability due diligence matters, to apply to FY starting on or after 1 January 2030.



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