

Press Conference on the Sustainability Omnibus deal (9 December 2023)

Summary

Today, a press conference was organised by **MEP Jörgen Warborn (EPP, SE)**, rapporteur of the text, and the Presidency of the Council, represented by **Morten Bødkov, Danish Minister** for Industry, Business and Financial Affairs, on the **provisional deal on simplified sustainability reporting (CSRD) and sustainability due diligence (CSDDD/CS3D)** – the so-called “Omnibus I”.

Summary

MEP Warborn and Minister Bødkov announced a provisional agreement on the “Omnibus I” package, which significantly simplifies EU sustainability reporting and due diligence rules. The agreement tightens the scope to focus only on very large companies, reduces administrative burden, removes several controversial obligations, and delays implementation timelines. The compromise still needs formal approval by Parliament and Council.

Key Messages

Morten Bødkov

- Described it as a very good day for Europe and a major achievement for the Danish Presidency.
- Emphasised that reducing red tape for businesses is essential for growth and job creation.
- Stressed that more complex “green rules” do not deliver more jobs, and that the Presidency’s top priority is simplifying existing requirements.
- Highlighted that the agreement reduces administrative burdens dramatically compared to the original proposal.
- Reaffirmed that the green transition remains important, but that it should not rely on ever-increasing regulatory obligations.
- Assured that the deal is cutting paperwork by 95% saving an 800 million extra euros for European businesses.

Jörgen Warborn

- Announced that a deal was reached and characterised it as historic in terms of simplification and cost reduction.
- Said no previous EU file has produced such a significant decrease in compliance burdens for companies.
- Emphasised that the deal delivers on simplification and aligns with the “stop-the-clock” process previously introduced to give companies more time.
- Outlined the key elements of the agreement (details are provided below).

- Explained that the next steps are a committee vote or plenary vote in Strasbourg to give the final green light to the Parliament.

Main Elements of the Provisional Agreement mentioned during the press conference

1. Scope and thresholds

- CSRD (sustainability reporting):**
Applies only to companies with **more than 1,000 employees** and **over 450 euros million in net turnover**.
- CSDDD (due diligence):**
Applies only to very large companies with **more than 5,000 employees** and **over 1.5 billion euros in turnover**.

These thresholds significantly reduce the number of companies covered.

2. Due diligence approach

- Introduces a **risk-based and proportionate** approach.
- Companies must identify and act on their **most significant risks**, without needing to analyse every single business partner.
- Reduces the information burden on smaller suppliers and partners.

3. Civil liability and penalties

- Removes the previously proposed EU-wide **harmonised civil liability regime**.
- Member States must still apply penalties, but these are capped at **3% of global turnover**.

4. Exemptions and technical elements

- Financial holding companies** are exempted from the CSRD under specific conditions.
- Stronger protections are included for **trade secrets** and confidential information in reporting.
- Establishes a **digital one-stop shop** providing templates, guidance, and tools to help companies comply.

5. Timing and implementation

- Extends implementation timelines by one year.
- Due diligence obligations will apply later, giving companies **an additional year** before requirements take effect.

Q&A Session

Jörgen Warborn

- Due to the new thresholds, 85–87% of companies are now excluded from CS3D and that approximately 1,500 companies are still included.
- Regarding civil liability, he said the negotiators concluded that it should not be harmonized. He noted that there had been many complaints about this and that it had been seen as an obstacle to green investment. It was added that businesses had understood civil liability better at the national level.

Morten Bødkov

- Instead of successfully bringing investment into Europe, EU companies had been filling out reports. The legislation had created accounting jobs, not green jobs. He explained that businesses had seen reporting as a barrier to green investment. He added that he thought they would see more green investment going forward.

Next Steps

- A vote **final vote** from the European Parliament to validate formally the deal will take place next week during the plenary session in Strasbourg.
- The final deal will have to be adopted by the Council as well, then it will become officially a law and EU Member States will start the transposition according to the adjusted timeline.