Overview: ESG Omnibus
Proposal by the European Commission

Danish Industry

DI.DK/OMNIBUS

	Topic	Existing requirement	Proposed requirement	Short explanation: What does it mean?
Stop-the-clock	**"First reporting"** CSRD+Taxonomy (scope and timeline)	First reporting **Wave 1 (F/Y 2024)**: Listed with 500+ employees **Wave 2 (F/Y 2025)**: All large meeting two of the following three thresholds: - 250 employees - 50 mio. EUR turnover - 25 mio. EUR balance **Wave 3 (F/Y 2026)**: Listed SME's	First reporting/onwards reporting Wave 1: No change – continue reporting until detailed changes adopted Wave 2: First reporting postponed until F/Y: 2027 Wave 3: First reporting postponed until F/Y: 2028	The EU Commission has tabled a separate "stop-the-clock"-proposal, postponing the reporting for companies set to report from 2025 and onwards (Wave 2+3). The postponement is until F/Y 2027/2028 allowing for time to politically agree and then implement all the other changes proposed. Postponement also covers taxonomy reporting. The "stop the clock"-proposal does not change scope of companies covered, and thus companies covered by Wave 1 are still required to report from F/Y 2024 and onwards. This also includes "non-calender year" reporters under Wave 1. Wave 1 needs to continue to report on the EU taxonomy. The EU Commission anticipates a fast-track procedure allowing for adoption of the stop-the-clock" before summer.
CSRD	**Scope** (Company/Group level)	**F/Y 2024**: Listed with 500+ employees **F/Y 2025:**	All "Large+" meeting the thresholds: - 1.000 employees **and** - 50 Mio. EUR turnover *or* 25 Mio. EUR balance	The EU Commission proposes one category going forward, the "Large+" category. Scope is aligned with CSDDD in terms of # of employees, but with a lower threshold on

CSRD		All large meeting two of the following three thresholds: - 250 employees - 50 mio. EUR turnover - 25 mio. EUR balance **F/Y 2026**: Listed SME's	(semi aligned with CS3D). Effective date not set but expect F/Y 2027 with possibility for earlier adoption once the legal proposal has been adopted.	turnover/balance as outlined in the Accounting Directive. Effective date is not set as this depends on political agreement. Seen in combination with "stop-the-clock"-proposal wave 2+3 is expected from F/Y 2027 and wave 1 may have earlier adoption, pending the political decision.
	Scope (Third-Country Undertakings)	150 Mio. EUR turnover	450 Mio. EUR turnover	Increase in threshold for non-EU undertakings to match increase in overall scope.
	Number of EU companies covered	>50,000	10,000	The EU Commission estimates that the proposal will retain 10.000 companies in scope.
	Core elements (DMA and more)	Double materiality (DMA) Holistic view (beyond climate) ESRS reporting standards Interoperability Assurance	Double materiality (DMA) Holistic view (beyond climate) ESRS reporting standards Interoperability Assurance	All core elements retained. Targeted simplifications and amendments to specific elements
	Value Chain Reporting	Companies required to obtain data from value chain on material items if specifically needed for the reporting. Widespread use of standard questionnaires observed in the market.	Value chain information to be requested under the ESRS/CSRD limited to VSME-standard (CAP) for undertakings in the value chain not subject to the CSRD (i.e. below the above threshold) and other "commonly shared information in the sector". Auditor must respect the value chain CAP	The aim is to ensure that information requests in the value chain are limited to the datapoints embedded in the VSME standard (and commonly shared sector information) in the effort to minimize the trickle-down effect.
	Voluntary reporting	VSME-standard anticipated for non-listed SME's	VSME-standard to be adopted as delegated act	The aim is to create legal certainty around the voluntary reporting regime and to support

CSRD				value chain CAP. VSME is expected to be based on the VSME-standard developed by EFRAG
	Assurance	Limited assurance required, with plans to transition to reasonable assurance from 2028 at the earliest	Remains at limited assurance	Reasonable assurance requirement proposed to be removed to ensure clarity on mandatory scope going forward.
		Timelines for adopting assurance standards by delegated acts with first set in 2026	Limit power to adopt "limited assurance standards" only No deadline, but intention outlined in the recitals	The EU Commission intends to issue targeted assurance guidelines by 2026 as this will allow the Commission to "address emerging issues more quickly"
	ESRS Sector Specific Standards	Mandatory sector-specific reporting standards to be introduced starting from 2026	Requirement deleted	Proposed to avoid an increase in reporting requirements.
	LSME-Standard (Reporting standard for listed SME's)	Listed SME's	No standard to be adopted	Due to the proposed change in scope of entities, the adoption of an LSME-standard is no longer relevant
	ESRS (European Sustainability Reporting Standards)	Adopted as delegated acts	Retained, but commitment to simplify and adopt revised delegated acts within 6 months of entry into force of the above-mentioned amendments of the CSRD.	The aim is to - remove datapoints deemed least important - prioritise quantitative over narrative datapoints - further distinguish between mandatory and voluntary datapoints. Revision will also – based on experience from first year application – clarify provisions, improve consistency, simplify structure of the standards and provide clearer instructions on how to apply the materiality principle while maintaining strong interoperability with other standards.

EU Taxonomy (dependent on CSRD-changes)	**Scope** (Company/Group level)	Aligned with CSRD	All "Large+" meeting the thresholds: - 1.000 employees - **and** - 450 Mio. EUR (Aligned with CS3D). New voluntary regime introduced (se below) Effective date not set but expect F/Y 2027 with possibility for earlier adoption once the legal proposal has been adopted.	Changes in scope is embedded in the CSRD (se above). The scope of companies required to report under the Taxonomy will, however be aligned with the CSDDD starting with the financial year 2027.
	Voluntary reporting regime	N/A	Introduction of voluntary reporting for entities covered by CSRD but with less than 450 mio. turnover. Introduction of "partial alignment" for turnover and capex alignment Opex made voluntary.	The voluntary reporting is embedded in the CSRD.
EU Taxonomy (delegated act – independent of CSRD-changes)	**Reporting**	Mandatory reporting on all aspects of the taxonomy for companies in scope.	Simplified and shortened reporting templates aiming at a 66% reduction of datapoints (including the removal of mandatory "zero's") Technical screening criteria to be assessed from the perspective of clarity	The complexity of the article 8 reporting template will be significantly reduced, including by not requiring companies to report the value of "zero" in the template.
	Partial alignment	N/A	Introduction of "partial alignment" turnover, capex and opex alignment.	"Partial alignment" allows companies to report partial alignment is situations where some, but

EU Taxonomy (delegated act – independent of CSRD-changes)				not all, of the technical screening criteria of an economic activity are fulfilled, thereby allowing companies to document a transition towards taxonomy-alignment.
	Materiality	No materiality threshold	Introduction of 10 pct materiality thresholds on turnover, capex or opex reporting. 25% materiality threshold on the cumulative Opex activities	The introduction of a 10% de minimis threshold will according to the EU Commission mean that large undertakings with a large variety of activities will be exempted from assessing the compliance with the technical screening criteria of non-material economic activities. The technical details will be further clarified.
	Do No Significant Harm (DNSH)	Strict DNSH criteria	Reduced complexity of DNSH criteria	The generic DNSH criteria for Pollution Prevention and Control have proven especially difficult for manufacturing companies to comply with, resulting in low alignment numbers. Part of the Omnibus consultation, launched by the EU Commission, addresses two options to simplify the DNSH criteria for Pollution Prevention and Control.
CSDDD	**Company threshold**	Companies with >1,000 employees and EUR 450m turnover	Companies with >1,000 employees and EUR 450m turnover	No change
	Upstream Due Diligence requirement	Entire supply chain, including indirect suppliers	Generally limited to direct suppliers (1st tier), BUT indirect suppliers (full supply chain) must also be covered if plausible information suggests risks of adverse impacts on human rights or environment. Additionally, companies must seek contractual assurances from 1st tier partners that they will ensure	Objective remains the same (addressing adverse impacts in the full supply chain), but the proposed new requirements are more targeted, legally clearer and less burdensome for companies.

CSDDD			compliance with the company's Code of Conduct from their own supply chain ("contractual cascading"). Companies cannot ask information from direct business partners with less than 500 employees that exceeds the information specified in the standards for voluntary use in CSRD, unless proportionate to the circumstances.	
	Downstream Due Diligence	Downstream included but with several exceptions	Limited to direct business partners as a main rule (see above)	More clear legal requirement, and less burdens for companies.
	Monitoring adequacy of the due diligence set-up	At least annually, BUT in any case after a relevant change, or reasonable grounds to believe new risks have arised.	At least every five years, BUT in any case after a relevant change, or reasonable grounds to believe new risks have arised.	If no reasonable grounds have arised to believe that the current due diligence set-up is not adequate, there is no longer a need to reassess it annually – only every 5 years.
	Stakeholder engagement	Practically unlimited definition of "stakeholder" combined with a requirement to engage with "stakeholders" at five various stages and occasions.	More targeted and simple definition of "stakeholder" requiring "direct" affection. Only a legal requirement to engage at three stages.	Easier identification of the stakeholders to engage with. Removes a legal obligation for companies to engage with stakeholders when deciding whether to suspend a business relationship and when deciding on indicators for monitoring.
	Contract Termination or Suspension	Companies can be ordered by authorities to terminate contracts for non-compliant suppliers	Termination of contracts cannot be ordered, but still possible to order the suspension of contracts and forbid entering into or extending existing relations	Authorities will no longer be able to order an existing contract to be terminated, but other strong (and similar) powers remain.
	Civil Liability	Companies' civil liability, and certain procedural issues	Companies' civil liability, and some of the procedural issues regarding civil	Civil liability would follow the well-established principles at national level, increasing the legal

CSDDD		regarding civil lawsuits, e.g. on representation, limitation periods and applicable law, are regulated *in the Directive*.	lawsuits, e.g. on representation and applicable law, are deleted from the Directive and will instead be regulated by *national law.* Certain procedural issues regarding civil lawsuits remain in the Directive, e.g. on limitation periods.	certainty. These principles are similar in all Member States so fragmentation would be limited. In case of conflict of laws, the applicable law would follow the established principles in the Rome II Regulation.
	Climate Transition Plans	Requirement to "put into effect" the adopted transition plan, which includes time-bound targets	"put into effect" is substituted with a requirement to include "implementing actions" in the plan	The legal uncertainty about whether companies could be sanctioned for not reaching the time-bound targets in the transition plan has been removed. The proposed new requirement is also better aligned with CSRD.
	Penalties	Maximum penalties not less than 5% of global turnover	Maximum penalty deleted. COM will issue guidance on penalties to ensure a harmonized level of fines	Clarifies a confusion that 5 % of global turnover was intended to be a standard fine. Some stakeholders also think > 5 % of global turnover is too much, even as a maximum fine. The exact consequence of this change will depend on the COM guidance.
	Harmonization	Full harmonization limited to a few key provisions. Member States could go beyond in others.	Full harmonization extended to more provisions in the Directive.	The EU rules will be more harmonized, limiting the possibility for Member States to add their own separate rules. This is in line with the original intention of the CS3D to ensure a level-playing-field and avoid fragmentation in the EU.
	COM guidelines	Deadline for Commission guidelines on how to comply with the CS3D obligations: 26 Jan 2027	Deadline moved forward to 26 July 2026.	The companies covered – or affected – by the CS3D will have 6 months longer to take into account the COM guidelines when preparing how to adapt to the new legal regime.

CSDDD	**Application date**	26. July 2027 for EU companies with > 5,000 employees and turnover above 1,500 MEUR. 26. July 2028 for EU companies with > 3,000 employees and turnover above 900 MEUR.	26. July 2028 for EU companies with > 3,000 employees and turnover above 900 MEUR (also those above 5,000 employees).	The largest companies (> 5,000 employees and > 1,500 MEUR) will have an extra year to adapt to the obligations in the CS3D.
	Financial sector	Review clause includes an obligation for the EU Commission to assess at the latest by July 2026 whether additional requirements should apply to financial undertakings, and if so present a legislative proposal.	The review clause related to financial undertakings is deleted.	The first Commission evaluation of the implementation and effectiveness of the CS3D would then be in July 2030 – with no explicit obligation to assess potential further requirements for financial undertakings.
CBAM	**Threshold for CBAM obligation**			
	Threshold for CBAM obligation	Threshold of 150 EUR.	A 50-tonnes mass-based threshold is introduced to exempt small quantities of CBAM goods from obligations.	This is expected to exempt around 90% of current importers from CBAM obligations. Importers must apply to be authorized CBAM declarants if they expect to exceed 50-tonnes of import. Importers below the threshold will have to self-identify as “occasional CBAM importers” when lodging their customs declarations and monitor that they do not exceed the threshold over the year. The EU-Commission has the authority to amend the threshold as long as 99% of embedded emissions are covered by the threshold.

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CBAM	**Adjusted timelines and CBAM certificates**			
	Start date for sales of CBAM certificates	Sales of CBAM certificates to start in 2026.	Sales of CBAM certificates postponed to start on 1 February 2027. Importers surrender CBAM certificates for the first time in 2027 for the year 2026.	The start date for sales of CBAM certificates is delayed to 2027, and the submission deadline for CBAM declarations is extended to provide more time for data collection and verification.
	Submission deadline for CBAM declaration	CBAM declaration must be submitted by 31 May each year for the preceding calendar year.	The deadline for submission of CBAM declarations is extended to 31 October.	Extending the submission deadline gives importers more time to gather and verify data, reducing pressure and improving accuracy in emissions reporting.
	Carbon price paid in third country	CBAM allows for a reduction in the number of certificates if a carbon price has been effectively paid in the country of origin. Importers must keep records proving actual payment and any applicable rebates.	CBAM declarants can claim a reduction in the number of certificates by reference to default carbon prices if the actual carbon price paid cannot be determined.	The proposal allows importers to reference default carbon prices when the actual price paid is indeterminable, providing a simpler way to account for carbon pricing in third countries. The EU Commission may make default carbon prices available for third countries from 2027.
	Amount of CBAM certificates in importers account each quarter	80% of the embedded emissions of the goods imported since the beginning of each calendar year.	The amount of CBAM certificates importers must keep in their account each quarter is lowered to 50% of the embedded emissions in the goods imported since the beginning of each calendar year.	The required number of CBAM certificates importers must hold quarterly is reduced, lowering the immediate financial burden and providing more flexibility in managing certificate accounts.
	Calculation and verification			
	Exemption from calculation	Embedded emissions must be calculated in accordance with the methods set out in Annex IV. Verification of embedded emissions is required by accredited verifiers, with no	The proposal excludes from the calculation of embedded emissions input materials which have been subject to the EU ETS or to a carbon pricing system that is fully linked with the EU ETS	This simplifies compliance by exempting specific goods like those for military use and those already covered by EU ETS or linked systems from emission calculation requirements, and by removing the verification

CBAM		distinction between actual and default values.		requirement for default values, reducing verification costs.
	Verification of default values	Embedded emissions are required to be verified by accredited verifiers, with no distinction between actual and default values. All declared emissions need to be verified.	Declarants using default values are exempt from the obligation to have their declared embedded emissions verified by an accredited verifier.	Using default values for emission calculations does not require verification by accredited verifiers, thereby simplifying the process and reducing verification costs.
	Emission calculation and certification	Embedded emissions calculated based on actual values or using standard values as per detailed methods outlined in Annex IV. Verification required by accredited verifiers.	New requirements for the calculation of embedded emissions, simplified calculation methods and a focus on reducing verification burdens. Verification only applies to actual values.	Simplifies the emission calculation process and focuses verification efforts on actual values, reducing the compliance burden without compromising accuracy in reporting emissions.
	Accreditation of verifiers	Currently, the CBAM Regulation does not provide for the possibility to grant access to accredited verifiers to the CBAM registry.	Registration of accredited verifiers to enable access to the CBAM registry and carry out verification tasks effectively. This aims to streamline verifications and improve data reliability	Ensures that verifiers are registered and can access necessary data for effective verification, improving the overall reliability of emission data and streamlining the verification process.
	Other adjustments			
	Definitions of importer and operator	Definitions of 'importer' and 'operator' as per original regulation.	Adjusted definitions for 'importer' and 'operator' to simplify reporting requirements.	**New definition of ‘importer’:** ´importer’ means either the person lodging a customs declaration for release for free circulation of goods or a bill of discharge in accordance with Article 175(5) of Delegated Regulation (EU) 2015/2446 in its own name and on its own behalf or, where the customs declaration is lodged by an indirect customs

CBAM				representative in accordance with Article 18 of Regulation (EU) No 952/2013, the person on whose behalf such a declaration is lodged; **New definition of 'operator':** ´operator' means any person that operates or controls an installation in a third country, including a parent company controlling an installation in a third country;'
	Delegation of reporting	The existing regulation does not have a specific provision allowing the delegation of reporting responsibilities to third parties.	Authorized CBAM declarants may delegate the submission of CBAM declarations to third parties, while retaining legal responsibility.	Delegation of reporting responsibilities helps importers manage compliance tasks more flexibly by using third-party expertise without shifting the legal accountability.
	Monitoring and risk analysis	Standard procedures for monitoring and cross-checking information in the CBAM registry.	Improved mechanisms for data exchange between the Commission and national authorities, enhanced risk-based control procedures in the CBAM registry to ensure accuracy and compliance, and timely detection of risks.	Enhances monitoring and risk analysis procedures to improve data accuracy and ensure compliance by facilitating better communication and cooperation between the EU Commission and national authorities.
	Sanctions for non-compliance	Defined penalties for non-compliance based on set criteria	Simplified rules for imposing sanctions that consider the level of cooperation from importers and the severity of violations, ensuring fairness and proportionality in the application of penalties.	Changes to sanctions ensure they are fair and proportionate by considering importers' cooperation and the seriousness of the violations, potentially reducing excessively harsh penalties and encouraging better compliance practices.