

Omnibus and the future of ESG reports

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After several years of preparation for the EU Corporate Sustainability Reporting Directive (CSRD), and shortly after it came fully into force, the European Commission hit the panic button in February 2025 and released the so-called Omnibus Package. While intended to simplify the reporting process, this package also introduced uncertainty for long-term business planning and could potentially undermine the objectives of the Green Deal.

Starting point of the CSRD

In November 2022, the European Parliament adopted the Directive on corporate sustainability reporting, which fundamentally restructured the previous system and defined the content of ESG reports ("Environment, Social, Governance"). The directive was transposed into Romanian national law in 2024.

Originally, EU-listed companies with more than 500 employees were required to report in 2025 for the 2024 financial year. The following deadlines applied to smaller companies:

- Large non-listed companies (more than 250 employees and/or EUR 40 million turnover and/or EUR 20 million in total assets) should report on their 2025 financial year in 2026;
- Listed small and medium-sized enterprises (SMEs) were to report in 2027 for the 2026 financial year.
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Changes introduced by the Omnibus package

The Omnibus package significantly changes who has to report, when and what must be reported. For now, listed companies with over 500 employees remain obliged to report as originally planned. The reporting obligations for all smaller companies have been postponed - they are now not due to report on their 2027 financial year until 2028.

At the same time, it is unclear whether this reporting obligation will ever actually materialize, as a revision of the thresholds is being considered. New proposals suggest raising the minimum threshold to **at least 1,000 employees**, with even **3,000 employees** being discussed as a potential requirement.

As large companies need information from smaller companies in order to prepare their own reports, the European Commission also proposed limiting the amount of information that can be requested from smaller companies within the value chain. Specifically, companies or banks subject to the CSRD would only be allowed to request a reduced amount of information from companies with up to 1,000 employees.

Furthermore, the number of reporting data points to be taken into account should be at least halved for all companies.

Effects of the Omnibus Package

With these proposed changes, a previously well-defined — albeit time- and resource-intensive — reporting obligation has become a largely ambiguous requirement. Even companies that are still obliged to report often no longer know exactly what they must report. Most smaller companies have put their preparations for sustainability reporting on hold for the time being until there is clarity on whether, what and how they will be required to report.

The fact that the previous rules were already interpreted very individually is evident in the reports already published by large listed companies for the year 2024. Even within the same industry, companies differ significantly in what they consider to be relevant and material data points - making it almost impossible to compare their environmental and social impacts.

Legal status of the Omnibus Package

Currently, the Omnibus Package is merely a **proposal** by the European Commission. The **only ratified part** so far is the **postponement** of reporting obligations for smaller companies.

The European Council, which will make the final decision, is currently working on its negotiating position, while the European Parliament has already appointed a rapporteur to summarize the Parliament's proposals. A decision on the future of ESG reporting could be taken before the end of this year.

Conclusion

ESG reporting in the EU - and therefore also in Romania - is at a turning point. The omnibus package creates uncertainty regarding the reporting obligations for all companies, but the underlying concept of sustainability reporting will remain the same.

Rather than viewing sustainability purely as a reporting obligation, companies should take advantage of the delay to **analyze their vulnerabilities** and determine **which ESG topics are relevant and material** to them — in order to ensure a smoother transition when the new requirements are finalized.

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