

To: Corporate Reporting - Investments & Sustainable Finance WG  
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Subject: Council gives its final approval on the Omnibus I package

## Summary

On 24 February, the Council of the European Union gave its final [approval](#) to the Omnibus package I, which amends the directives on corporate sustainability reporting (CSRD) and corporate sustainability due diligence (CS3D) to reduce reporting burdens and limit the trickle-down of obligations to smaller companies. The Council's live meeting is available [here](#), and the adopted legislative text [here](#).

As a reminder, the Omnibus I introduces the following key changes:

### CSRD:

- **Scope:** Thresholds are raised to companies with more than 1,000 employees and over €450 million net annual turnover. For third-country groups, requirements apply only to parent undertakings with EU turnover above €450 million and subsidiaries/branches generating more than €200 million in turnover.
- **Transition exemption:** Companies that reported for financial year 2024 ("wave one") but fall out of scope for 2025–2026 will benefit from a temporary exemption. Certain EU and non-EU financial holding companies are also exempted from consolidated reporting.

### CSDDD:

- **Scope:** Thresholds increase to companies with more than 5,000 employees and net turnover above €1.5 billion.
- **Risk-based approach:** Companies may prioritise parts of their value chain where adverse impacts are most likely. When impacts are equally likely/severe, priority may be given to areas involving direct business partners. Companies can rely on "reasonably available information," which should help reduce information requests to smaller entities.
- **Climate transition plan:** Obligation to adopt a climate change mitigation transition plan is removed.
- **Liability regime:** The EU-wide harmonised liability regime is deleted. Member states will no longer be required to ensure their national liability rules apply as overriding mandatory rules when foreign law would otherwise apply.
- **Penalties:** Enforcement remains at national level. The directive sets a maximum cap of 3% of a company's net worldwide turnover, with Commission guidelines to follow.
- **Timeline:** The deadline for national transposition is postponed to 26 July 2028, with companies required to comply by July 2029.

## Next steps

The legislative act will be published in the Official Journal in the coming days and will enter into force 20 days after publication. Member states will have one year to transpose the directive, except for Article 4 on the level of harmonisation, which must be implemented by 26 July 2028 at the latest.