



EU Omnibus proposal: What does it mean for Norway? Key changes and when they can be expected



Hugo-A. B. Munthe-Kaas
Partner, Head of Compliance



Emma Bruin Coulthard
Associate



Marthe Oldernes
Associate



Sarita Disha Prabhakar
Junior Legal Advisor

On 26. February 2025, the European Commission presented their omnibus proposal on Corporate Sustainability Reporting Directive (CSRD), The Corporate Sustainability Due Diligence Directive (CSDDD) and the EU taxonomy. As has been anticipated by a number of leaked documents in the past week, the proposal includes several potentially far-reaching amendments. The purpose of the proposal is to simplify sustainability reporting requirements and to reduce the administrative burden and costs for businesses while maintaining the EU's overall environmental and social objectives.

Key aspects of the proposal:

- **Fewer companies in scope:** The CSDDD's scope was, and still is, limited to *large companies*, meaning companies with more than 1000 employees and either a turnover above EUR 50 million or a balance sheet total above EUR 25 million. With this proposal, the Commission suggests narrowing the scope of the CSRD by 80 % to compliment the scope of the CSDDD. The same scope is suggested for the EU taxonomy. However, the framework proposes voluntary sustainability and taxonomy reporting for companies that are no longer in scope.

- **Value-chain cap:** The Commission proposes a value-chain cap, which limits the reporting requirements under ESRS. This means that undertakings cannot be required to obtain information from SMEs in their value chain beyond what is mandated under the proportional standard for listed SMEs
- **Simplified reporting:** A main aim of the proposal is *simplification*. As such, the Commission has also suggested simplifying the reporting requirements and the ESRS, for instance by removing the sector specific reporting standards. The proposal also suggests removing the Commission's ability to propose a transition from limited assurance to reasonable assurance for sustainability reporting under the CSRD. This makes sustainability reporting less burdensome for larger companies.
- **No putting into effect of the transition plan:** The CSDDD did not only require companies to *create* a transition plan to combat climate change but also *put it into effect*. The Commission's proposal has removed the latter requirement.
- **National civil liability:** The CSDDD implemented a harmonized EU civil liability regime. The proposal suggests deferring to national civil liability regimes instead.
- **More limited due diligence:** The CSDDD required companies to conduct due diligence on their entire supply chain. The proposal has a narrower focus on direct business partners and suggests that companies should only be required to conduct due diligence on the first tier of the supply chain (Tier 1-suppliers) – unless there is a so-called heightened risk. The frequency of the due diligence is also reduced from yearly to every five years.

The European Commission's official press release on the omnibus package can be accessed [HERE](#).

The omnibus package will now proceed through the EU legislative process, where both the European Parliament and the Council of the EU will review and discuss the proposal and may amend it. The European Parliament is expected to hold initial discussions in the coming months, with committee-level assessments taking place before a plenary vote, which could occur later in 2025.

The timeline for final adoption depends on the course and complexity of negotiations, but if consensus is reached efficiently, the package could be approved by late 2025 or early 2026, with implementation timelines varying across the different legislative amendments. For Norway, the timeline of both implementation and putting into effect is dependent on when a decision of EEA relevancy is made by the EEA Joint Committee.

The second legislative proposal: Postponement

In addition to this proposal, the Commission issued a second legislative proposal which, in short, gives companies more *time* for implementation. Firstly, the Commission suggested a 2-year-postponement for the second wave of the CSRD, meaning that the deadline is changed from 1 January 2025 to 1 January 2027. Secondly, it suggested that a 1-year-postponement for the CSDDD, meaning that the deadline is changed from 26 July 2026 to 26 July 2027. Accordingly, if the proposal is put into effect, it will not be legally binding until 2027.

What does this proposal mean for Norway?

Norway has already implemented the CSRD in Article 2-3 and 2-4 of the Accounting Act. The proposed scope of the Directive is a minimum standard, meaning that Member States are allowed to implement more far-reaching scopes into domestic law. This also means that it is not *necessary* to make amendments to the Norwegian

Accounting Act. However, the proposal *could* act as an incentive to do so, to ensure that Norwegian companies are aligned with EU companies.

Concerning the CSDDD, Norwegian authorities are currently reviving the Transparency Act, in which they are also considering how the CSDDD can be best implemented into Norwegian law. Most likely, the EU Commission's new proposal will affect the end-result of these discussions.

Services

Compliance og risikostyring, Sustainability & ESG
