POCKET GUIDE

Navigating the CSRD compliance jungle post-omnibus

An overview of the changes, mistakes to avoid and how you can future proof your ESG strategy

VANTAGE POINT

CSRD has changed, but the sustainability imperative has not: a summary of the changes

The Corporate Sustainability Reporting Directive (CSRD) was set to transform corporate sustainability reporting in the EU, requiring thousands of businesses to disclose their environmental and social impacts in unprecedented detail. However, the omnibus proposal has significantly altered the CSRD landscape, reducing the number of companies required to report, delaying key deadlines and simplifying requirements.

While these changes reduce immediate compliance burdens, the need for strong sustainability strategies has not disappeared. Investors, regulators and customers still expect transparency and sustainability commitments whether legally mandated or not.

What's different now?

80%

of companies have been removed from mandatory CSRD reporting: Only those with >1,000 employees AND either €50M turnover or €25M in assets, remain in scope.

Reporting deadlines have been postponed: Wave 2 submitters now report for FY2027 (instead of FY2025), and wave 3 submitters report for FY2028 (instead of FY2026).

Sector-specific reporting standards have been scrapped, reducing compliance complexity.

Limited assurance remains, but reasonable assurance phase-out has been abandoned.

EU Taxonomy reporting is now voluntary for smaller companies.

Double materiality remains, reinforcing the need for businesses to assess both their impact on the environment and how sustainability issues affect them financially.

Why CSRD still matters

For businesses now exempt from mandatory reporting, these changes may seem like a reason to pause sustainability efforts.

But, doing so carries strategic risks:

Investor and lender expectations remain high

Many financial institutions still require sustainability disclosures for funding and investment decisions.

Regulatory uncertainty continues

Some member states may still impose stricter national rules, creating a patchwork compliance landscape.

Supply chain pressure will increase

Large companies still under CSRD must report on value chain impacts, meaning they may demand ESG data from suppliers even if those suppliers are not directly subject to CSRD.

Greenwashing risk is growing.

Companies that step back from sustainability commitments could face reputational damage if stakeholders perceive them as scaling down ESG efforts.

Three big mistakes organisations make when preparing for CSRD compliance

It's a jungle out there! Let's take a look at some of the common mistakes that companies make in their solutions.

By understanding these pitfalls and adopting strategic measures to avoid them, finance teams can steer their organisations through the complexities of the directive, ensuring not just compliance but also a stronger, more sustainable future.

01.

Assuming the CSRD delay means ESG efforts can be paused

Reporting deadlines have been postponed, fewer companies are required to report and some companies may no longer be subject to mandatory sustainability disclosures.

Many companies see this as a green light to postpone their ESG efforts, but this can be a costly strategic error.

Why this is a mistake

- Regulatory uncertainty remains. The EU Parliament and Council are still debating the omnibus proposal, and some member states may enforce stricter sustainability laws at a national level.
- Investor pressure is not decreasing. Institutional investors and lenders still expect ESG disclosures even if CSRD is delayed or simplified.
- Companies that continue integrating sustainability into their strategy will be better positioned for future ESG regulations, investor expectations and competitive differentiation.

How to avoid this mistake

- Maintain CSRD preparations despite the delay. ESG data collection, stakeholder engagement and sustainability strategy development takes time.
- Use the extra time to refine ESG disclosures, improve data quality and align sustainability with business objectives.
- Stay engaged with national regulations, as some EU countries may require earlier compliance than the EU-wide delay suggests.

02.

Assuming ESG reporting no longer matters if a company is exempt from CSRD

ESG reporting can still bring important strategic value for your organisation and even if you are no longer in scope for the CSRD, having a focus on ESG reporting can ensure your organisation is sustainable, future-proofed and ready for investor scrutiny.

Why this is a mistake

- ESG expectations are increasingly driven by investors rather than regulation. Financial institutions are embedding ESG factors into risk assessments, financing decisions, and investment strategies.
- Large CSRD-reporting companies must still disclose value chain sustainability data. Even if a company is not legally required to report, its customers and partners may demand ESG disclosures.
- Companies that stop reporting ESG progress may lose credibility with investors, customers and employees.

How to avoid this mistake

- Consider voluntary ESG reporting, as investors, business partners and rating agencies still expect transparency.
- Treat sustainability reporting as a business strategy tool rather than simply a compliance requirement.
- Maintain ESG readiness in case of future regulatory changes, political shifts may reinstate stricter CSRD requirements.

03.

Treating materiality as a one-time exercise

Double materiality is still a requirement of the CSRD but with fewer criteria. This makes it even more simple for you to identify the most material sustainability issues for your organisation and focus on the things that matter most to you and your stakeholders.

Why this is a mistake

- Sustainability risks evolve. Issues such as climate change, supply chain disruptions and biodiversity loss require ongoing reassessment.
- Investor expectations are increasing. Even with fewer mandated disclosures, investors are raising the bar on material ESG factors.
- Companies that treat materiality as a one-time compliance exercise risk overlooking critical business insights.

How to avoid this mistake

- Make materiality an ongoing strategic process by regularly reassessing what is material to the business, investors, and stakeholders.
- Use materiality assessments to drive business strategy rather than just regulatory compliance. Companies that proactively manage ESG risks and opportunities will be better positioned for long-term success.
- Engage stakeholders continuously. The most insightful ESG risks and opportunities often come from engaging employees, investors and supply chain partners.

Future-proofing your ESG strategy

The omnibus proposal has fundamentally changed the CSRD landscape by reducing the number of companies required to report, delaying compliance deadlines and simplifying reporting requirements.

However, sustainability reporting remains a critical issue for investors, supply chains and long-term corporate strategy. Companies must now decide whether to view these regulatory changes as an opportunity to deprioritise ESG efforts or use this moment to build a more strategic and business-aligned approach to sustainability. The companies that take a forward-thinking approach will be better positioned for future regulatory changes, investor expectations and competitive advantages in the market.

What companies should do next

If you're still in scope for CSRD

- Use the additional time provided by the reporting delay to build a robust, integrated ESG reporting framework rather than treating CSRD as a last-minute compliance exercise.
- Take advantage of the simplified reporting requirements by focusing on high-quality, material disclosures rather than excessive data collection.
- Consider voluntary assurance. While CSRD will require only limited assurance, some investors and stakeholders may expect additional verification to enhance credibility.
- Monitor national-level regulations, as some EU member states may choose to enforce CSRD requirements sooner than the omnibus timeline suggests.

If you're no longer required to report under CSRD

- Consider maintaining voluntary sustainability reporting to meet investor and supply chain expectations.
- Stay ahead of potential future regulatory shifts. Political changes or economic pressures could lead to the reintroduction of stricter sustainability requirements in the coming years.
- Recognise that sustainability is now a competitive factor, not just a regulatory issue. Many businesses are using ESG as a way to differentiate themselves, attract capital and build stronger stakeholder trust.

If you're a supplier to a CSRD reporting company

- Large companies still under CSRD must report on supply chain impacts, which means they will continue asking suppliers for ESG data.
- Ensure that basic ESG data collection and disclosure processes remain intact to avoid losing business with companies that require sustainability reporting from their suppliers.
- Leverage sustainability efforts as a way to strengthen partnerships with larger companies and differentiate from competitors.

LONG TERM VALUE

ESG strategy core principles

Your ESG strategy should drive value for your organisation on a long-term basis. To ensure this is the case, it should be built on the following principles:

01.

Make ESG a business strategy, not just a compliance requirement

- Sustainability efforts should align with business objectives, risk management and long-term value creation.
- Companies that approach ESG strategically will be more resilient in the face of future regulatory and market changes.

02.

Engage investors and stakeholders proactively

- ESG performance is becoming a key factor in investment decisions, lending terms and shareholder expectations.
- Regular, transparent communication with investors and stakeholders about sustainability commitments and progress will build long-term trust.

03.

Monitor regulatory developments and be prepared for change

- The CSRD omnibus changes are not necessarily permanent, in the future, political shifts could bring new sustainability regulations.
- Companies should keep ESG data management and reporting systems in place to adapt quickly if new requirements emerge.

04.

Use materiality to drive competitive advantage

- Even with fewer mandatory reporting requirements, materiality assessments can help businesses identify sustainability risks and opportunities that impact financial performance.
- Companies integrating ESG risks and opportunities into their core strategy will be better positioned to compete in an evolving market.

Final thoughts

The CSRD omnibus proposal has provided a regulatory reprieve for many companies, however, it has not eliminated the importance of sustainability in corporate strategy.

Businesses that take a proactive, strategic approach to ESG will be better positioned to attract investment, strengthen stakeholder trust and remain competitive in an increasingly sustainability-focused business environment. While compliance burdens may have been reduced, the imperative to build a strong ESG foundation remains critical. Companies that take action now will be better prepared for future regulations, market expectations and the broader transition to a more sustainable economy.

Feeling a bit overwhelmed by the size of the project ahead?

We're here to help, our team of CSRD experts can support you on every step of your compliance journey.

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About VantagePoint

VantagePoint is a global technology and advisory consultancy empowering organisations to unlock the value of finance by unifying their people, processes and systems. With a strong emphasis on detail, VantagePoint's mission is to educate, inspire and enable business leaders to become champions of technology and transformation.

The company is dedicated to delivering tangible value to its partners, linking every action back to business strategy. VantagePoint's aim is to be the company that businesses aspire to work with when going through a finance technology change.

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