



ACCOUNTANCY  
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# **OMNIBUS EXPLAINED: KEY CHANGES TO THE CSDDD**

Factsheet

**FACTS.**

**CORPORATE GOVERNANCE  
JANUARY 2026**

## INTRODUCTION

Accountancy Europe has issued this factual analysis of the Omnibus I Directive, focusing on the amendments to the Corporate Sustainability Due Diligence Directive (CSDDD). This factsheet provides stakeholders with an overview of the finalised changes affecting sustainability due diligence across Europe.

## OMNIBUS I BACKGROUND

The European Commission (EC) presented the Omnibus I package on 26 February 2025 as part of a broader simplification agenda aimed at reducing administrative burdens. This agenda set ambitious targets, including a 25% reduction in reporting obligations for companies and a 35% reduction for Small and Medium-sized Enterprises (SMEs).

The EC expects these measures to strengthen European companies' competitiveness while maintaining the EU Green Deal's climate and decarbonisation goals. The Omnibus I package proposed amendments to several sustainability laws. These include the Corporate Sustainability Reporting Directive (CSRD), CSDDD, the EU Taxonomy three Delegated Acts, and the Carbon Border Adjustment Mechanism (CBAM). The European Parliament (EP) and Council reached the final agreement on the CSRD and CSDDD on 9 December 2025.

## KEY CHANGES TO THE CSDDD UNDER THE OMNIBUS I DIRECTIVE

- The Omnibus significantly narrows the scope of the CSDDD by raising the applicability thresholds for both EU and non-EU companies
- Full harmonisation is extended to additional provisions governing the core elements of the corporate due diligence process
- The due diligence obligation continues to follow a risk-based approach for identifying and assessing adverse impacts
- The area-based scoping exercise replaces the previous obligation to carry out an entity-based mapping
- In-depth assessment is narrowed to high-risk areas, with stricter limits on information requests
- Termination of business relationships is removed as a last-resort measure
- The definition of 'stakeholders' is narrowed; stakeholder consultation obligation is tightened
- Monitoring frequency is reduced from every year to once every five years
- The requirement for companies to adopt and put into effect a climate transition plan is removed
- The maximum penalty for non-compliance is set at 3% of net worldwide turnover, down from at least 5%
- Civil liability is substantially narrowed under the Omnibus
- Requirement for a report on the necessity of additional sustainability due diligence requirements for financial undertakings is removed
- Transposition and application dates are postponed by two years

The table below provides a detailed overview of the Omnibus I adopted changes to the CSDDD.

## WAY FORWARD

The Omnibus I Directive will come into force on the 20<sup>th</sup> day after it has been published in the Official Journal. EU Member States must transpose the Directive by 26 July 2028. The amended rules will apply from 26 July 2029.

Topic	Changes introduced by the Omnibus I Directive
<b>Scope of application</b>	<p><b>The scope is significantly reduced</b></p> <p>The Omnibus significantly narrows the scope of the CSDDD by raising the applicability thresholds for both EU and non-EU companies.</p> <p><b>EU companies</b></p> <ul style="list-style-type: none"> <li>• The employee threshold is increased from 1,000 to 5,000 employees.</li> <li>• The net worldwide turnover threshold is increased from EUR 450 million to EUR 1.5 billion.</li> <li>• For franchising and licensing models, the thresholds are raised to: <ul style="list-style-type: none"> <li>◦ EUR 75 million in royalties (up from EUR 22.5 million); and</li> <li>◦ EUR 275 million in net worldwide turnover (up from EUR 80 million).</li> </ul> </li> </ul> <p><b>Non-EU companies</b></p> <ul style="list-style-type: none"> <li>• The net turnover generated in the EU triggering application of the Directive is increased from EUR 450 million to EUR 1.5 billion.</li> <li>• The same increased thresholds apply to non-EU companies operating in the EU through franchising or licensing arrangements, based on EU-generated royalties and EU turnover.</li> </ul> <p><i>(ref. Article 4, Omnibus I Directive amending Article 2, CSDDD)</i></p>
<b>Scope-related review clause</b>	<p><b>Review clause on future adjustment of scope thresholds</b></p> <p>The Omnibus includes a review clause requiring the Commission to submit a report to the European Parliament and the Council on the implementation and effectiveness of the Directive, with the first report due by 26 July 2031.</p> <p>The report must assess whether the employee and net turnover thresholds set out in Article 2 should be revised and whether a sector-specific approach for high-risk sectors should be introduced, including whether companies with more than 1,000 employees and EUR 450 million in net worldwide turnover, as well as companies operating in high-impact sectors, should fall within the scope of the Directive.</p> <p><i>(ref. Article 4(13), Omnibus Directive amending Article 36(2), CSDDD)</i></p>
<b>Level of harmonisation</b>	<p><b>Full harmonisation of key due diligence obligations</b></p>

	<p>The Omnibus extends full harmonisation to additional provisions governing the core elements of the corporate due diligence process, meaning that Member States can no longer introduce national rules diverging from the Directive in these areas:</p> <ul style="list-style-type: none"> <li>• due diligence support at group-level (Article 6)</li> <li>• identification, assessment and prioritisation of adverse impacts (Articles 8 and 9)</li> <li>• measures to prevent potential adverse impacts (Article 10(1)–(5))</li> <li>• measures to bring actual adverse impacts to an end (Article 11(1)–(6)), and</li> <li>• complaints mechanisms, monitoring obligations and communication requirements (Articles 14–16).</li> </ul> <p><i>(ref. Article 4(3), Omnibus I Directive amending Article 4, CSDDD)</i></p>
<b>Due diligence</b>	<p><b>Risk-based approach is retained</b></p> <p>The due diligence obligation continues to follow a risk-based approach for identifying and assessing adverse impacts. Companies are required to take appropriate measures having regard to relevant risk factors affecting the likelihood and severity of human rights and environmental impacts. These include:</p> <ul style="list-style-type: none"> <li>• factors at the level of the business partner, such as whether the partner falls outside the scope of the Directive or comparable mandatory sustainability due diligence legislation</li> <li>• geographical and contextual factors, including the effectiveness of law enforcement in relation to the type of adverse impact concerned, and</li> <li>• factors linked to sectors, business operations, products and services.</li> </ul> <p><i>(ref. Article 4(4), Omnibus I Directive amending Article 8(2), CSDDD)</i></p>
<b>Scoping exercise</b>	<p><b>Shift from entity-level mapping to area-based scoping</b></p> <p>The scoping exercise replaces the previous obligation to carry out a full mapping of the company's own operations, the operations of its subsidiaries, and, where related to their chains of activities, the operations of their business partners. Under the new Omnibus rules, companies are instead required to conduct a <i>scoping exercise</i> based solely on <i>reasonably available information</i>, aimed at identifying the <i>general areas</i> where adverse human rights and environmental impacts are most likely to occur and most severe across:</p> <ul style="list-style-type: none"> <li>• their own operations</li> <li>• the operations of their subsidiaries</li> <li>• where linked to their chain of activities, the operations of their business partners.</li> </ul>

	<p>Companies are not required to systematically identify adverse impacts at the entity level, nor to identify every adverse impact. The scoping exercise serves as the basis for determining the risk areas to inform the subsequent in-depth assessment.</p> <p><i>(ref. Article 4(4), Omnibus I Directive amending Article 8(2)(a), CSDDD)</i></p>
<b>In-depth assessment and information cap</b>	<p><b>In-depth assessment: narrowed scope and stricter limits on information requests</b></p> <p>Under the Omnibus, the in-depth assessment is limited to the areas identified through the scoping exercise where adverse impacts are most likely and most severe. At the same time, the Omnibus tightens and formalises limits on information requests by introducing a necessity requirement, enhanced protection for business partners with fewer than 5,000 employees, and clearer prioritisation rules:</p> <ul style="list-style-type: none"> <li>• companies may request information from business partners <i>only where necessary</i> for the in-depth assessment. For business partners with fewer than 5,000 employees, information may be requested only where it cannot reasonably be obtained by other means</li> <li>• companies must prioritise information requests to partners where adverse impacts are most likely to occur, if the necessary information can be obtained from several business partners</li> <li>• companies may prioritise assessing areas involving direct business partners where adverse impacts are identified as equally likely to occur or equally severe in several areas.</li> </ul> <p><i>(ref. Article 4(4), Omnibus I Directive amending Article 8(2)(b),(3), CSDDD)</i></p>
<b>Termination of business relationships</b>	<p><b>Termination of business relationships is removed as a last-resort measure</b></p> <p>Under the Omnibus, termination of a business relationship is no longer required; suspension is the only last-resort measure. Companies may, where legally permitted, suspend the business relationship with respect to the activities concerned until the adverse impact is addressed. The Omnibus also clarifies that as long as there is a reasonable expectation that an enhanced prevention action plan will succeed, continued engagement with the business partner will not expose the company to administrative penalties or civil liability.</p> <p>Prior to suspending a business relationship, companies must assess whether the suspension could reasonably be expected to cause manifestly more severe adverse impacts than the original issue. If so, suspension is not required.</p> <p><i>(ref. Article 4(5), Omnibus I Directive amending Article 10(6), CSDDD)</i></p>
<b>Stakeholders' definition and consultation</b>	<p><b>The definition of 'stakeholders' is narrowed; stakeholder consultation obligation is tightened</b></p> <p>The Omnibus revised the 'stakeholders' definition by limiting its scope to:</p> <ul style="list-style-type: none"> <li>• the company's employees</li> <li>• employees of its subsidiaries and of its business partners, and their trade unions and workers' representatives, and</li> </ul>

	<ul style="list-style-type: none"> <li>individuals or communities whose rights or interests are, or could be, directly affected by the company's operations, products or services, as well as their legitimate representatives.</li> </ul> <p>The revised definition focuses on persons and groups <i>directly</i> affected by the company's activities. Categories previously listed in the Directive such as consumers, civil society organisations, and national human rights or environmental institutions are no longer explicitly included.</p> <p>In parallel, the stakeholder consultation obligation is narrowed. Consultation is now limited to relevant stakeholders and is no longer required when:</p> <ul style="list-style-type: none"> <li>deciding to suspend or terminate a business relationship, or</li> <li>developing qualitative and quantitative indicators for monitoring purposes.</li> </ul> <p><i>(ref. Article 4 Omnibus / Directive amending Article 3(1)(n), Article 13, CSDDD)</i></p>
<b>Monitoring</b>	<p><b>Monitoring frequency reduced from every year to once every five years</b></p> <p>The Omnibus significantly reduced the mandatory frequency of periodic assessments of due diligence measures.</p> <p>Under the original CSDDD, companies were required to carry out assessments at least every 12 months. The amended text replaces this with a requirement to assess at least every five years, while retaining the obligation to carry out assessments without undue delay following a significant change.</p> <p>In addition, the trigger for ad-hoc assessments is broadened: assessments are now required not only where new risks may arise, but also where there are reasonable grounds to believe that existing measures are no longer adequate or effective.</p> <p><i>(ref. Article 4(8), Omnibus / Directive amending Article 15, CSDDD)</i></p>
<b>Climate transition plans</b>	<p><b>Climate transition plan obligation is removed</b></p> <p>The Omnibus deletes the requirement for companies to adopt and put into effect a climate transition plan.</p> <p><i>(ref. Article 4(10), Omnibus / Directive deleting Article 22, CSDDD)</i></p>
<b>Financial penalties</b>	<p><b>The maximum fine for non-compliance is reduced</b></p> <p>The Omnibus introduces two material changes to the penalty regime:</p>

	<ul style="list-style-type: none"> <li>• <b>Lower maximum fine:</b> the maximum limit of pecuniary penalties for non-compliance is set at 3% of the net worldwide turnover (or, for parent companies, 3% of net consolidated worldwide turnover). Previously, the maximum penalty had to be at least 5% of the net worldwide turnover.</li> <li>• <b>European Commission's guidance:</b> the Commission is now required, in cooperation with Member States, to issue guidance for supervisory authorities on determining the level of penalties.</li> </ul> <p><i>(ref. Article 4(11), Omnibus I Directive amending Article 27, CSDDD)</i></p>
Civil liability	<p><b>Civil liability is substantially narrowed under the Omnibus</b></p> <p>The Directive no longer establishes a harmonised EU-level civil liability regime. Civil liability is instead left to national law, with the Directive only requiring that, where liability exists under national law, injured persons have a right to full compensation without overcompensation.</p> <p>The Omnibus also removes harmonised rules allowing trade unions or non-governmental organisations (NGOs) to bring claims on behalf of injured parties.</p> <p><i>(ref. Article 4(12), Omnibus I Directive amending Article 29, CSDDD)</i></p>
Due diligence for financial undertakings	<p><b>Requirement for a report on the necessity of additional sustainability due diligence requirements for financial undertakings is removed</b></p> <p>The Omnibus deletes the obligation for the Commission to submit a report on the need for additional sustainability due diligence requirements tailored to regulated financial undertakings, including the possible introduction of sector-specific rules and related legislative proposals. No review clause is introduced in connection with the removal of this obligation.</p> <p><i>(ref. Article 4(13)(a), Omnibus I Directive amending Article 36, CSDDD)</i></p>
Transposition and application	<p><b>Transposition and application dates are postponed by two years</b></p> <p>The Omnibus postpones transposition and application by two years and replaces the phased, size-based roll-out with a single uniform application date, with Member States transposing by 26 July 2028 and applying the rules from 26 July 2029. Provisions implementing the reporting requirements under Article 16 are deferred to financial years starting on or after 1 January 2030.</p> <p><i>(ref. Article 4(14), Omnibus I Directive amending Article 37(1), CSDDD)</i></p>



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