FOR IMMEDIATE RELEASE

Sustainability still imperative despite omnibus regulation

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ecoDa, the European Confederation of Directors Associations, welcomes the new omnibus regulation proposed by the European Commission.

The regulation enables companies to focus on innovation, competitiveness, and long-term value creation. At the same time, ecoDa believes that European companies must continue their efforts to transform their strategies and business models toward sustainability as a matter of resilience, says Rytis Ambrazevičius, BICG, ecoDa's chair.

The proposal for an Omnibus Regulation aims to simplify the administrative burden resulting from the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). It emphasizes the importance of allowing European businesses to align their sustainability efforts at a manageable pace by adjusting timelines and providing opportunities to gain experience.

Therefore it is important that comparability among companies and the double materiality analysis, which are two key objectives, are retained.

1. **Regarding the Corporate Sustainability Reporting Directive (CSRD):**

   ecoDa considers that any EU regulation should contribute to companies' innovativeness and sustainable value-creation. ecoDa welcomes the narrower scope concerning the reporting obligations. Additionally, ecoDa would advocate for a clear and substantial reduction in the number of data points required. To ensure long-term competitiveness, European companies must focus on the most material topics, identified as part of the double materiality analysis, while aligning with global practices and avoiding unnecessary reporting burdens that could hinder innovation and performance. Sustainability reports should also be audited (negative assurance) every three years, beginning with the first year of reporting, instead of each year.
   As a second step, once lessons have been drawn from the first companies that had to report on the CSRD, ecoDa suggests to review the European Sustainability Reporting Standards (ESRS)

and significantly reduce the list of data points to be reported, to focus on the most value-added indicators only and simplify the reporting.

Ultimately, if well-defined, aligned with established sustainability standards and applied to the optimal extent, the CSRD should not be a burden but a useful tool, helping companies to navigate a successful transition to competitive business models of the future.

2. **Regarding the Corporate Sustainability Due Diligence Directive (CS3D):**

   ecoDa welcomes the higher threshold of companies. Only the largest companies, with the ability and influence to have an impact, can be held accountable, with a level-playing field for all EU and non-EU companies with significant business in the EU. We advise to revise the CS3D to ensure its consistency with other EU legislation and avoid overlap. In addition, we stress the need to protect SMEs from excessive supply chain reporting. Even with a level 1 approach, large companies will inevitably pass reporting demands onto smaller suppliers.

Additionally, for voluntary reporting, we wish to see it aligned with established sustainability standards to ensure comparability across industries and sectors. This will provide clear and consistent data, making it easier for investors, stakeholders, and the public to compare companies' sustainability performances.

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Notes to editors

About the European Confederation of Directors Associations (ecoDa)

The European Confederation of Directors Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Through its 21 national institutes of directors (the main national institutes existing in Europe), ecoDa represents approximately 55,000 board directors from across the EU. ecoDa's member organizations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.