



Omnibus and EU Taxonomy update

Dansk Standard Webinar
EU Taxonomy in the building industry

Presentation by **Richard Baker**
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Omnibus: The latest decisions

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Omnibus proposal: Status

‘Stop the clock’ proposal



Current stage:

The EU published the final text of the omnibus stop-the-clock mechanism on 16 April 2025 in the Official Journal of the EU. a bill for public consultation has been issued to transpose “Stop the clock” into Danish national law



Goal:

Granting 2 more years for CSRD-implementation for Wave 2 companies.

Content proposal



Current stage:

The Omnibus-I proposal is expected to be adopted by EU in the beginning of 2026



Goal:

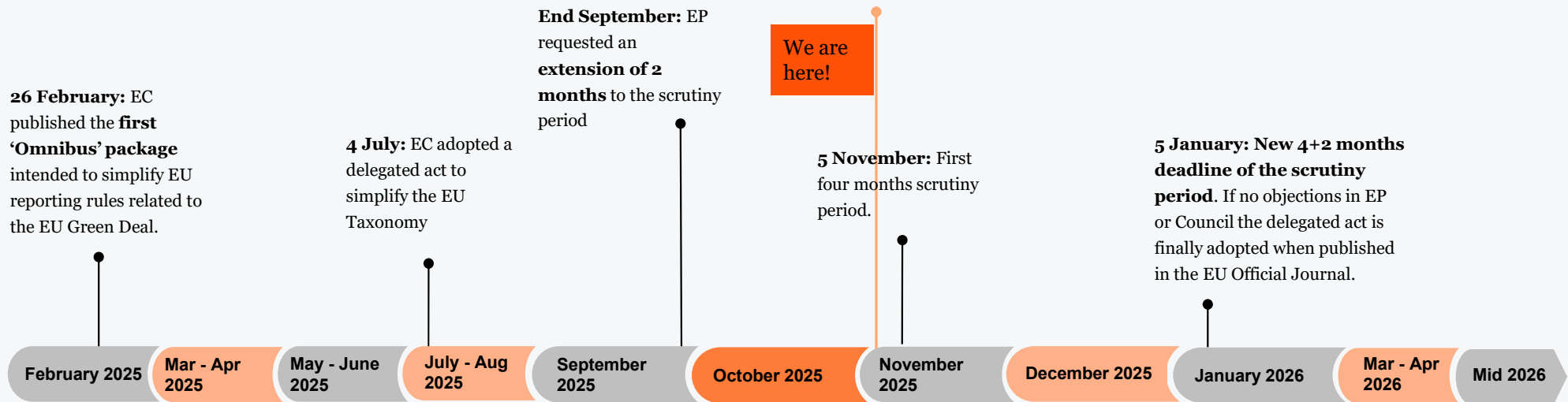
Reduce scope and simplify reporting requirements under CSRD.

Status on Omnibus I-package (content proposal): CSRD

- On 22 October the EU Parliament **voted against** the EU Parliament proposed compromise text
- EU Parliament now needs to negotiate a new compromise proposal
- Timeline for EU Parliament final proposal for Omnibus I-package is currently unknown

Issue	EU Commission proposal	Council position:	EU Parliament compromise (draft) <i>Rejected by Parliament on 22 Oct.</i>
CSRD scope	1,000 employees and €50 million turnover	1,000 employees and €450 million turnover	1,000 employees and €450 million turnover . Exemption for financial holdings. Exemption for listed subsidiaries
Value chain	Cap of information requests tied to VSME	Cap of information requests tied to VSME, and specification if requests go beyond, and right to decline by out-of-scope	Cap of information requests tied to VSME
Sector-specific standards	Deletes mandate to develop sector-specific standards	Maintains deletion and recital for Council to consider sector-specific guidance	Development of voluntary sector-specific guidelines

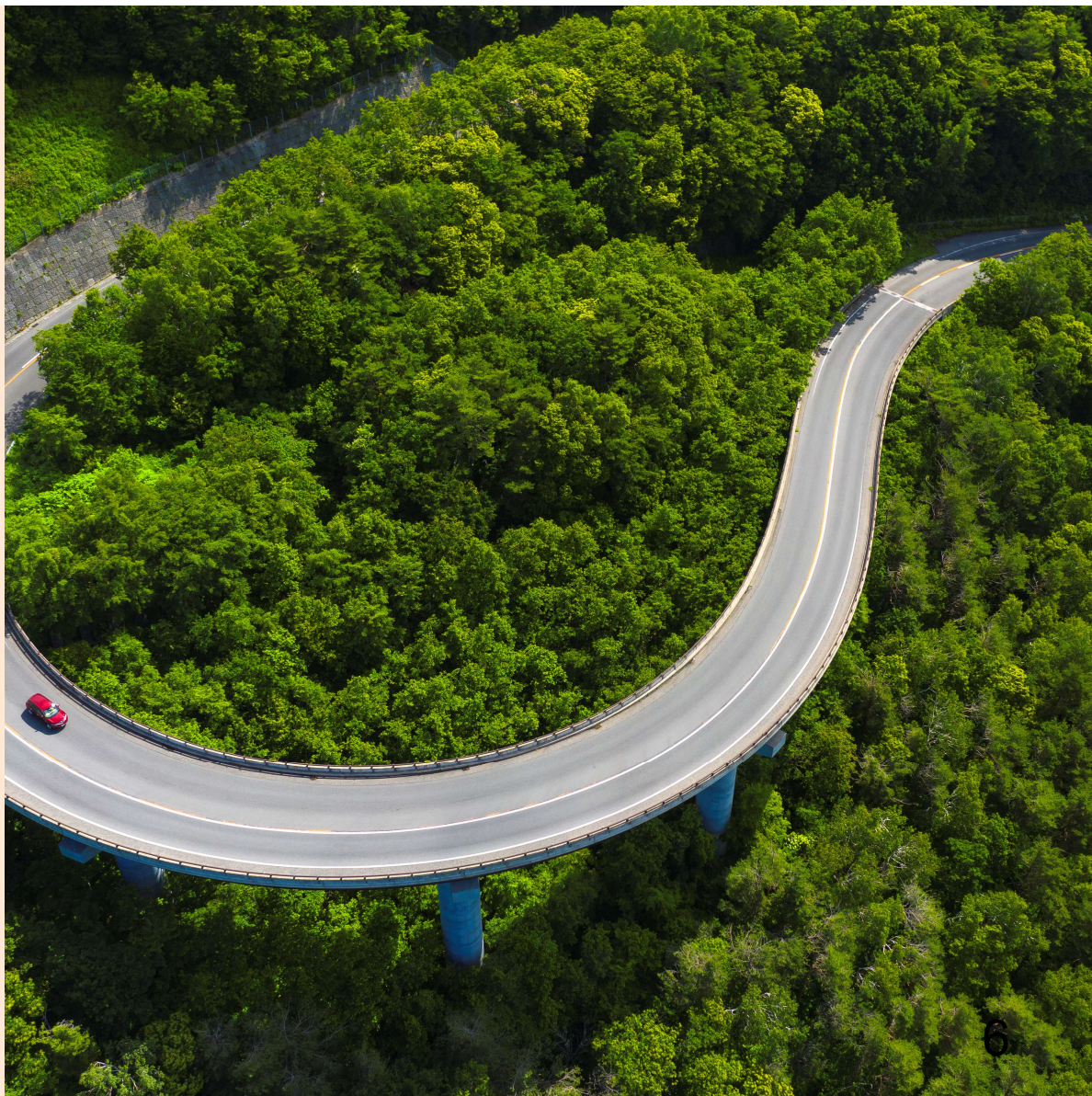
EU Taxonomy delegated act timeline – Extended scrutiny period



- On 4 July 2025, the European Commission (EC) adopted a delegated act amending EU Taxonomy with the objective to simplify Taxonomy reporting. The Delegated Act can enter into force and apply from 1 January 2026 and the intention was that it could cover the 2025 financial year.
- The European Parliament (EP) and the Council was given four months (two additional months could be requested) to scrutinise the Delegated Acts.
- **In the end of September the EP requested two additional months to scrutinise the delegated act.**
- It is currently uncertain how the extended deadline will affect the option for entities to use the new templates and amended rules for the financial year 2025. The EC and national authorities have not provided guidance at this point.

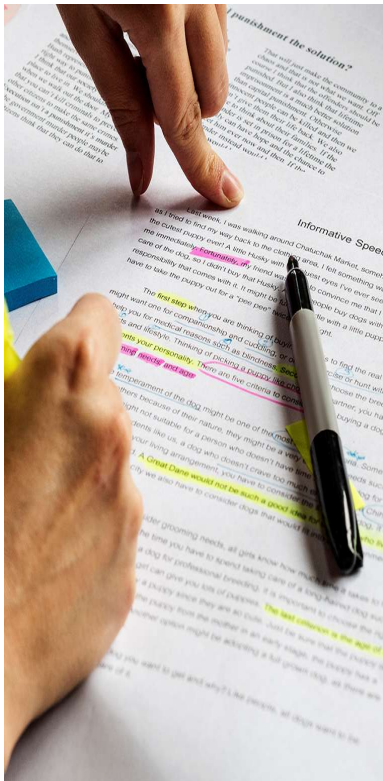
Omnibus: Overview

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Omnibus update as from August 2025

Key developments



Temporary Exemption for "Wave 1" Companies:

The EU Commission has introduced a "quick fix" delegated act, providing extension of the year 1 transition relief in ESRS 1.

It also provides a new option for all wave 1 entities to omit all information required by E4, S2, S3 and S4 for 2025 and 2026.

Simplification of Taxonomy Regulation Reporting:

Main changes for non-financial entities include: Introduction of new 10 % materiality threshold, New simplified reporting templates. More details to come later.

Significant Reduction in ESRS Disclosure Requirements:

EFRAG has proposed a simplified version of the European Sustainability Reporting Standards (ESRS), reducing the number of disclosure requirements by approximately 68%.

Voluntary SME Standard Recommendations:

The EU Commission has issued recommendations for a voluntary standard aimed at small and medium-sized enterprises (SMEs) not covered by the CSRD, to reduce the burden of ESG inquiries.

Update on Omnibus

Timeline of changes

	FY 2025	FY 2026	FY 2027
	Wave 1 will continue to prepare sustainability reporting for the financial year 2025. Wave 2 (and wave 3) has been postponed by two years in accordance with the “stop the clock” proposal, which is being incorporated into Danish legislation.	Wave 1 will continue to prepare sustainability reporting for the financial year 2026. Wave 2 (and wave 3) has been postponed by two years in accordance with the “stop the clock” proposal, which is being incorporated into Danish legislation.	Wave 1 will continue to prepare sustainability reporting for the financial year 2027, potentially with an increased scope. Wave 2 will prepare sustainability reporting for the first time under “stop the clock”.
	2025	2026	2027 2028▶
Wave 1 “Quick fix”	“Quick fix” for wave 1: The European Commission has adopted the amendment to the ESRS with a “quick fix” for wave 1, so that no additional information is reported in the financial years 2025 and 2026.	Revised ESRS: <i>Potentially an opportunity to voluntarily apply the revised ESRS for the 2026 financial year.</i>	Revised ESRS: The European Commission expects to adopt the revised ESRS to apply for the 2027 financial year, and potentially with an option to voluntarily apply the revised ESRS for the 2026 financial year.
Revised ESRS			
EU Taxonomy	EU Taxonomy: The European Commission has adopted amendments in June 2025, which are expected to apply to the 2025 financial year. Expected changes include the introduction of materiality thresholds and simplified templates.	EU Taxonomy: The European Commission is reviewing the screening criteria with a view to adopting changes to apply for the 2026 financial year.	

EU Taxonomy: Overview of the proposed changes

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EU Taxonomy amendments*

Effective date and summary

The European Parliament and Council scrutiny period was recently extended and will last until 5th January 2026. **If adopted it will be applicable for the 2025 financial year.**

Option to postpone application to the 2026 financial year, if more convenient for the entity.



The European Commission has adopted a delegated act with the objective to simplify taxonomy reporting for both financial entities and non-financial entities.

Contains amendments to the detailed requirements for reporting under Article 8 of the Taxonomy Regulation.¹

Main changes for non-financial entities include:

- **Introduction of new materiality thresholds**
- **New simplified reporting templates**
- **New DNSH criteria for Appendix C**

The amendments to the delegated acts will take effect for Danish entities once adopted by the EU. Hence, they do not have to be transposed into Danish law.

https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1724

¹ Contained in the Disclosures Delegated Act (DDA), Climate Delegated Act (CDA) and Environmental Delegated Act (EDA).

Key amendments to Taxonomy disclosures for financial entities

Quantitative Materiality

- The amendment applies a single 10% quantitative threshold, but the way it's applied varies by entity type and by KPI.
- Any omitted amounts must be disclosed separately as non-material.

KPI Denominator

- **Excludes:** Derivates, cash and cash equivalents, on demand interbank loans, goodwill, commodities, and exposures to undertakings not in scope of CSRD.
- **Include** exposure to subsidiaries that are within a CSRD consolidated group and SPVs that finance CSRD- entities.

Timing

- The amendments defer credit institutions' reporting of the Fees and Commissions KPI and the Trading Book KPI until 2028.

Disaggregation

- The amendments change the number and type of categories required to be disaggregated.

Exposures based on estimates

- The option to use estimates for taxonomy- alignment of exposures to non-CSRD counterparties (and disclose them separately) is removed.

Transition guidance

- Until 31 December 2027, financial entities may omit all Taxonomy KPIs/templates if they do not claim any sustainable activities, provided they include the required disclosure.

EU Taxonomy: Details of the proposed changes for non-financials

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Materiality threshold*

The proposed changes allows for omissions of activities with low eligibility

Amendments to the delegated acts applicable from 1 January 2026

Introduction of additional materiality exemptions



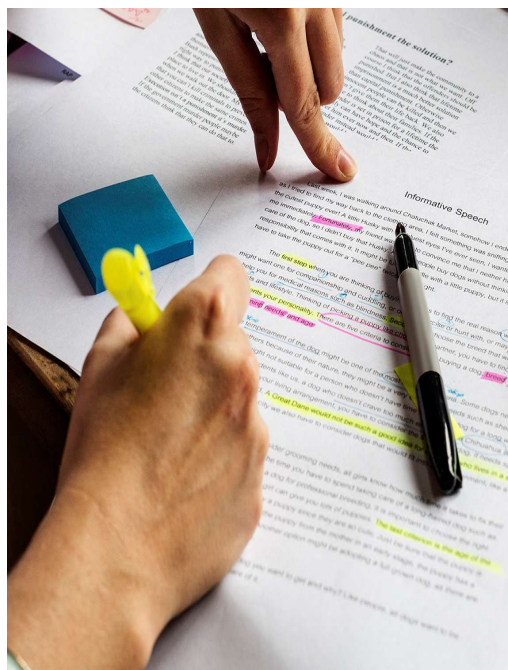
- Non-financial undertakings may omit assessing the compliance of activities with the TSC under the respective KPI where:
 - ✓ **cumulative turnover** of these activities is below 10% of the turnover denominator
 - ✓ **cumulative CapEx** of these activities is below 10% of the CapEx denominator
 - ✓ **cumulative OpEx** of these activities is below 10% of the OpEx denominator
- For omitted activities, entities shall report information about related sectors



Note: The adopted amendment is based on the bill issued for public consultation on 26 February 2025. The bill also included a specific “25 % turnover” materiality threshold for OpEx, which has been **deleted** in the final delegated act adopted by EC.

Applying the Materiality Thresholds in practice*

Application of materiality threshold: Flexibility in choosing immaterial activities



- It is our understanding that the Delegated Act provides flexibility in deciding which economic activities can be omitted from the eligibility and alignment evaluation, up to a 10% threshold. For example, if a company eligibility assessment results in five turnover-eligible economic activities which respectively have 2%, 4%, 5%, 7%, and 70% allocated, various combinations can be made to meet the 10% cumulative threshold, such as:

Option A: $2\% + 4\% = 6\%$

Option B: $4\% + 5\% = 9\%$

Option c: $2\% + 7\% = 8\%$

Companies could therefore select economic activities based on their likelihood of meeting the technical screening criteria or based on simplicity of deeming them non-material.

Simplified reporting templates*

Introduction to the new reporting tables



Two new templates will replace the current reporting templates in Annex II to the Disclosures DA

- Template I: Summary of all three KPIs (turnover, CapEx and OpEx)
- Template II: Breakdown per activity (a template to be presented for each KPI)
- In total **four templates** are expected to be reported instead of the current three "KPI templates".
 - See the new reporting templates on the next slides.
- EC has issued "[Illustrative example and templates](#)" with an illustrative example explaining how to apply the new templates.
 - The example also includes the situation where an activity contributed substantially to multiple objectives.

Templates related to “Fossil gas and nuclear” activities are deleted.

New Template I: Summary of all three KPIs*

Template I: Summary of all three KPIs

Financial year (N)					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities(3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities(5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
<i>Text</i>	<i>Currency</i>	%	<i>Currency</i>	%	%	%	%	%	%	%	%	%	%	<i>Currency</i>	%
Turnover		%		%	%	%	%	%	%	%	%	%	%		%
CapEx		%		%	%	%	%	%	%	%	%	%	%		%
OpEx		%		%	%	%	%	%	%	%	%	%	%		%

New Template II: Breakdown per activity*

Template II: Activity breakdown (to be reported per KPI)

Reported KPI (Turnover/ CapEx/ OpEx)													
Financial year (N)													
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
					Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	Currency	%	%	%	%	%	%	%	(E where applica ble)	(T where applicable)	%
Activity 1				%	%	%	%	%	%	%			%
Activity 2				%	%	%	%	%	%	%			%
Sum of alignment per objective					%	%	%	%	%	%			
Total KPI (Turnover/ CapEx / OpEx)				%	%	%	%	%	%	%	%	%	%

Revision of TSC Criteria (Appendix C)*

Appendix C has been reviewed, and changes have been proposed, with a review of all TSC planned for the future

Changes to the Alignment Assessment by the European Commission



- Partial alignment may be reportable when some (but not all) criteria are met — information on how that would be done is not available at this stage of the proposal.
- All Technical Screening Criteria (TSC) will be reviewed. The first one to already be included is Appendix C. The EC writes that eventually all TSC criteria will undergo a review, and that priority will be on the DSNH criteria.
- Deemed immaterial activities based on the proposed thresholds do not require an alignment assessment

 Clients are encouraged to act now rather than wait for revised criteria. Upcoming changes aim to simplify, not overhaul, the requirements. Partial alignment could offer a pragmatic reporting pathway, enabling companies to report on activities that are not fully aligned.

EU Taxonomy: How could this impact the building sector

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What are the changes expected mean to the building sector?

More focus on the companies where EU Taxonomy will form part of their strategy

- As there will be a requirement for less companies to report on Taxonomy then this could reduce the demand.
- Building companies should focus on larger listed clients and those with sustainability profiles

Investors will differentiate more between sustainable and non-sustainable investments:

- Investors will increasingly distinguish sustainable from non-sustainable building sector investments.
- There is an expectation that financial markets could show larger differentials in financing rates



Expected rise in companies reporting alignment:

- Simplified reporting rules under Omnibus I will likely increase the number of companies reporting alignment.
- As more companies start to become aligned – a domino effect could be achieved.

Greater alignment with other regulations

- The EU Taxonomy supports unified planning and reporting, aligning companies with broader EU regulations.
- DGNB and other standards are aligning with the EU Taxonomy requirements.



Thank you for your attention



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