

Press Release | 24 October 2025

BETTER FINANCE welcomes the European Parliament's decision on the Omnibus file

This week's decision by the European Parliament not to forward the Omnibus I Package to trilogue negotiations marks both a moment of opportunity and of caution for the future of sustainable corporate governance and transparency in the EU.

At BETTER FINANCE, we welcome this gesture of prudence. As outlined in our position paper of 30 April 2025, we have consistently stressed that while simplification of reporting and due diligence requirements under the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) may be justified, it must not come at the expense of transparency, investor protection or meaningful access to ESG data.

Following today's vote, we underline three key reflections:

Time to safeguard standards: Parliament's decision not to proceed signals a recognition that the current compromise text may risk diluting core safeguards. Simplification must not become deregulation in disguise. Reforms should be risk-based and targeted, focusing for example on specific sectors, rather than applying blanket exemptions.

Investor clarity and trust matter: Individual investors rely on consistent, comparable ESG information. We have called for better alignment between CSRD and the Sustainable Finance Disclosure Regulation (SFDR) to avoid confusion and duplication and proposed a simple "ESG at a glance" summary. Today's decision gives Parliament the space to ensure that any simplification preserves this clarity and trust.

Process and legitimacy count: We also raised concerns about the limited consultation and impact assessment in the preparation of the Omnibus proposals. These procedural shortcomings risk eroding democratic legitimacy and stakeholder confidence. The vote suggests these concerns are now being taken seriously.

Looking ahead, BETTER FINANCE calls on all co-legislators to use this pause not as a delay, but as an opportunity to:

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- Re-assess the balance between simplification and robust transparency standards;
- Ensure that individual investors and users of sustainability reporting have access to decision-useful ESG information.

BETTER FINANCE remains ready to engage constructively in the next steps, ensuring that the interests of individual investors and financial services users are fully protected.