Power of esg

Power of esg

10.00 – 11.10

Intro & welcome

Presentations
ESG District
Hans De Rore, CCO Mediafin

What does the Omnibus Directive mean for the future of transparency, accountability, and corporate responsibility under the CSRD?
Marc Bihain, special advisor to the president, IBR-IRE

Sustainability has not lost its business relevance. There is a shift from a reporting-driven to a business-driven approach fueled by sustainability regulation.
KPMG

11.10 – 11.30

Coffee break

11.30 – 12.00

Panel Discussion

12.00 – 14.00

Networking lunch

Networking lunch

ESG District

Hans De Rore
Chief Commercial Officer – Mediafin

Readership survey shows strong interest in ESG, but complexity remains a barrier.

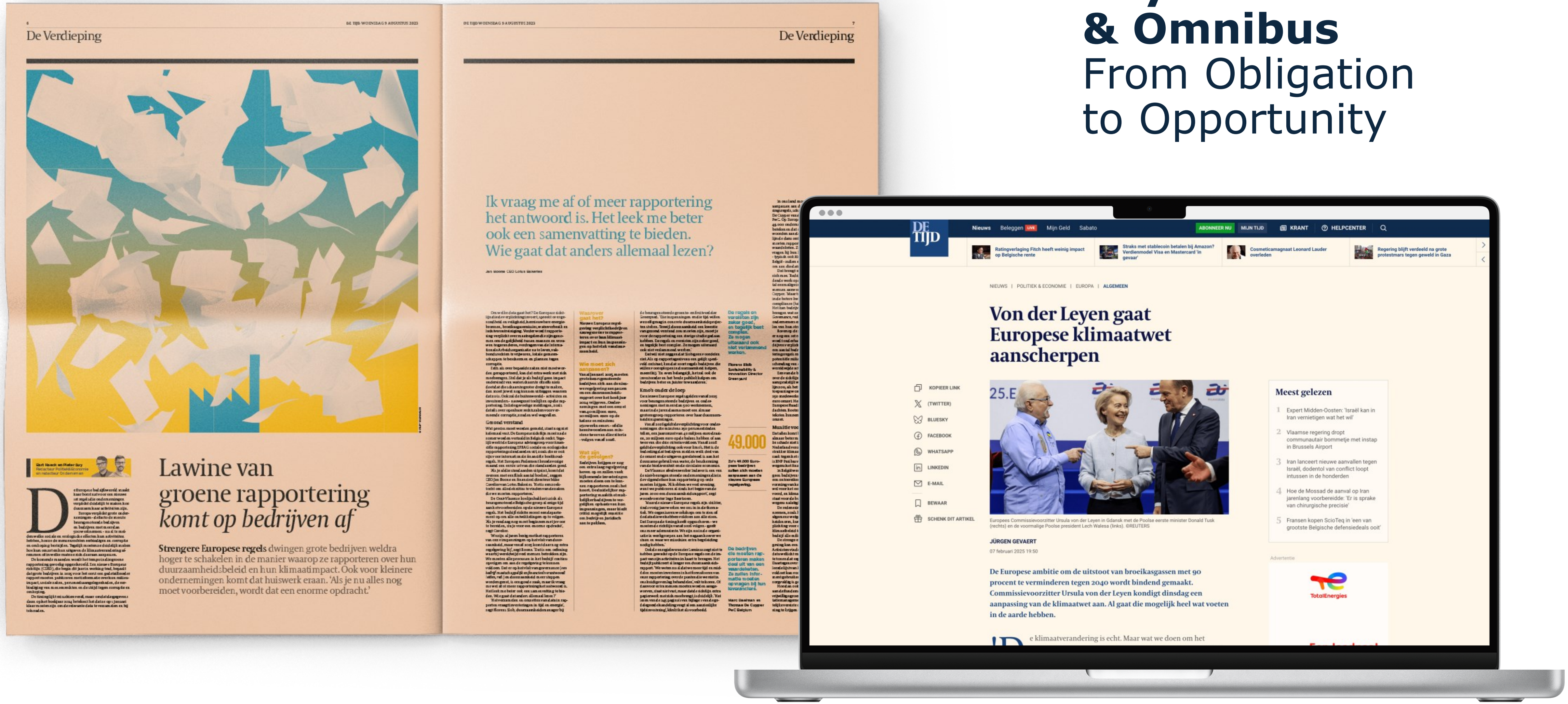
3 out of 4 readers are interested in the approach and strategy to sustainability/ESG in Belgian companies.	**For almost 3 out of 4 readers** the brevity/length of the report prevented them from reading (in detail).	**86% of readers** are interested in a summary of the sustainability/ESG reports of Belgian companies.

Source: user research De Tijd - L'Echo, n = 550

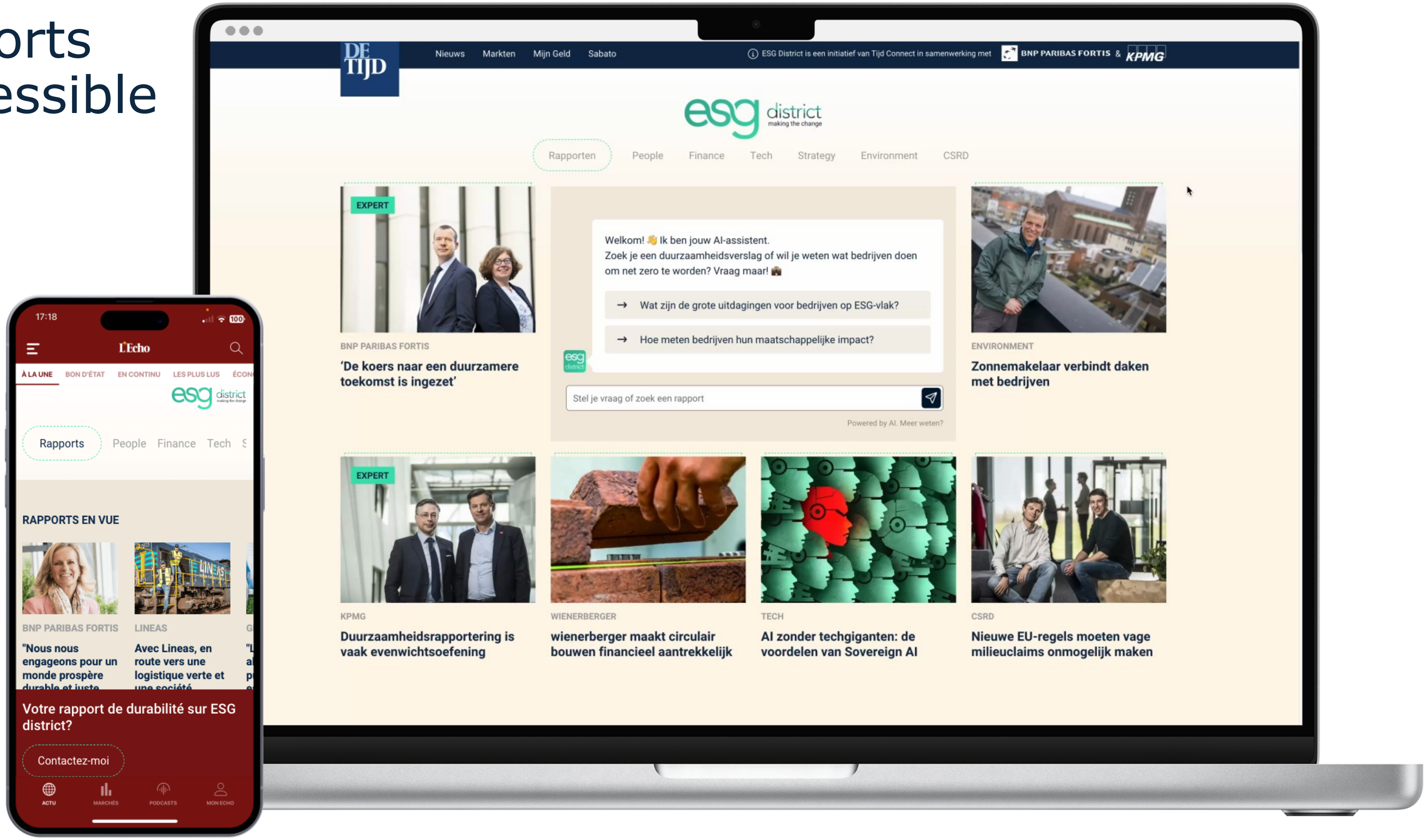
Source: user research De Tijd - L'Echo, n = 550

Beyond CSRD & Omnibus

From Obligation to Opportunity



ESG District
makes ESG reports
and stories accessible
and widespread



https://esgdistrict.tijd.be/ & https://esgdistrict.lecho.be/

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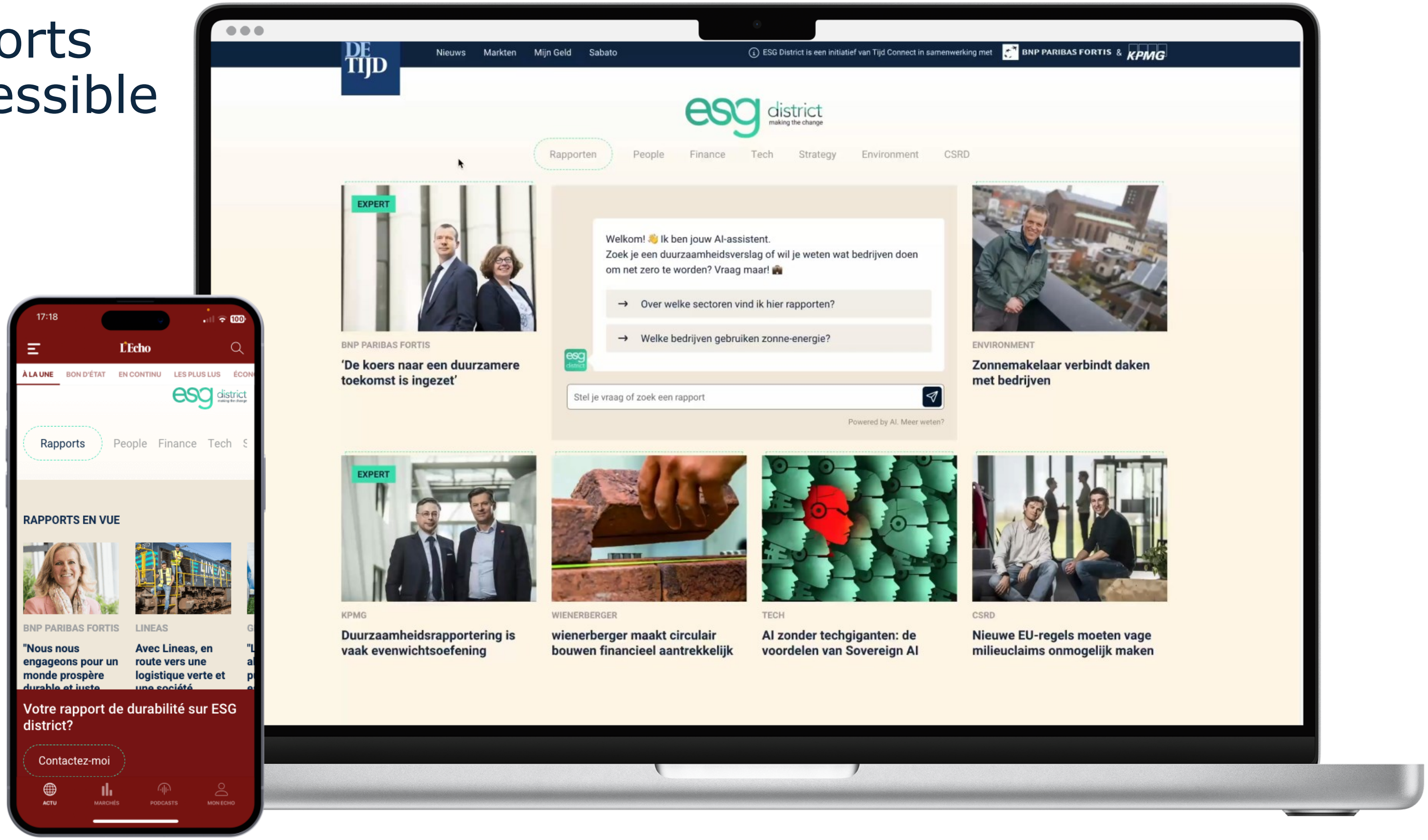

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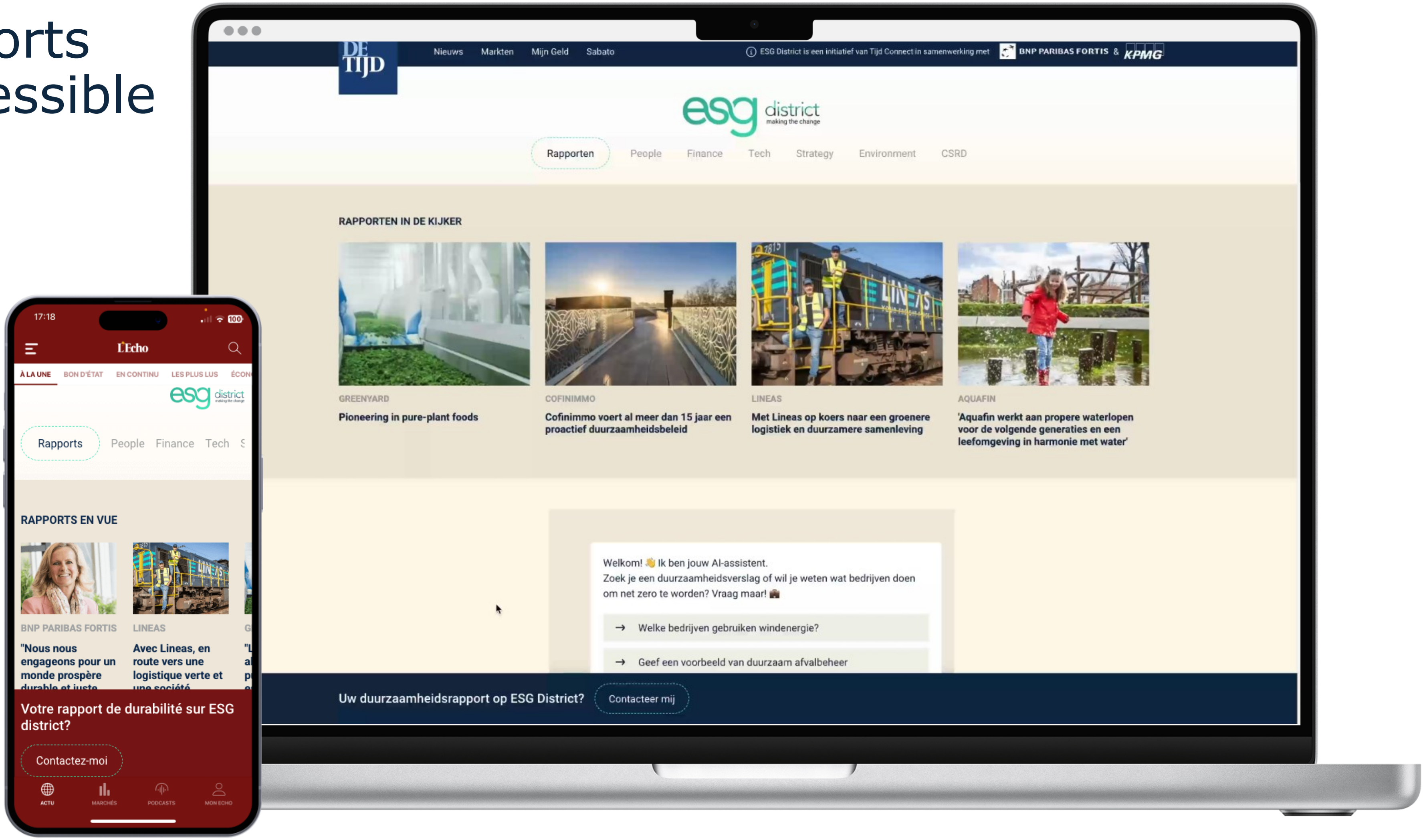

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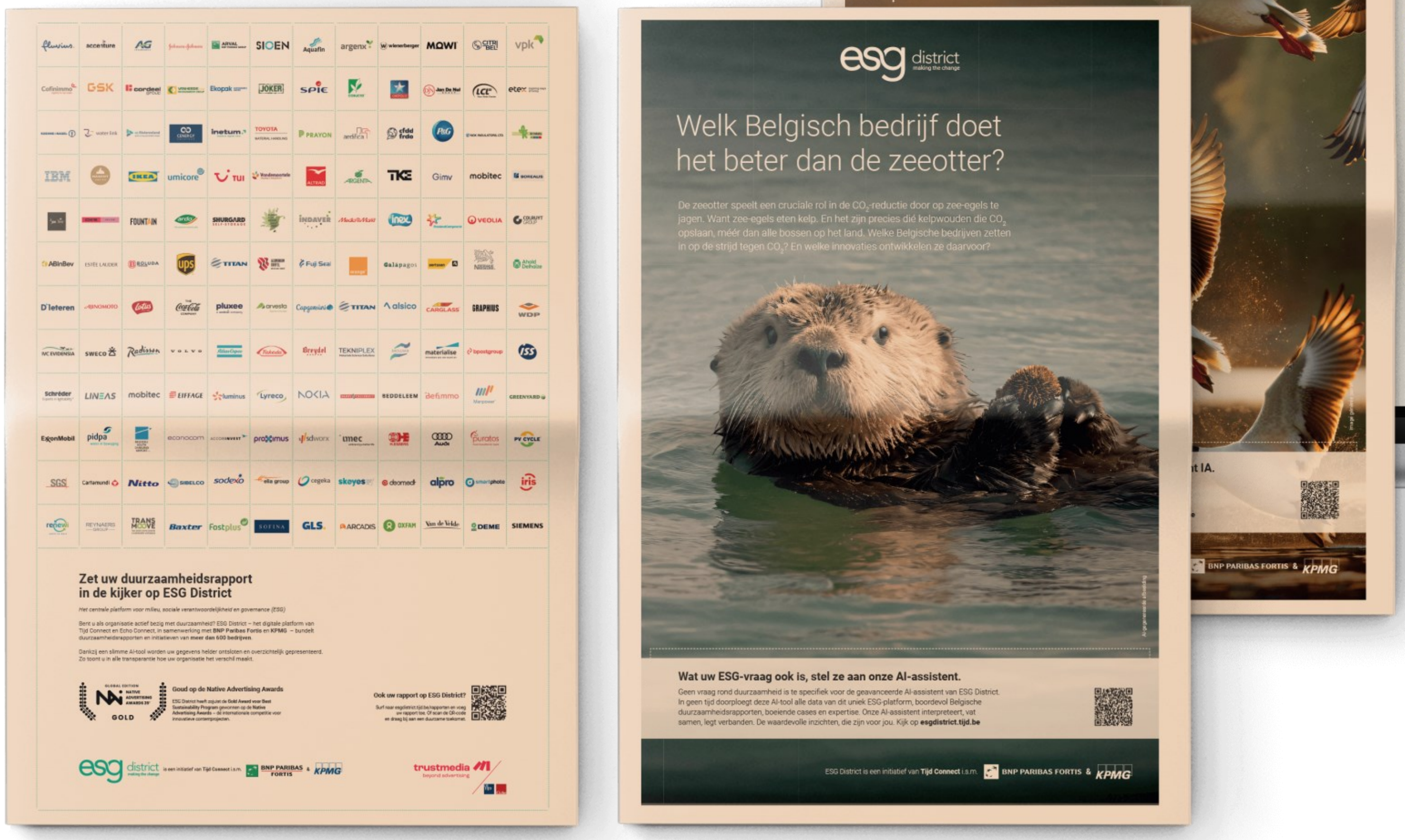
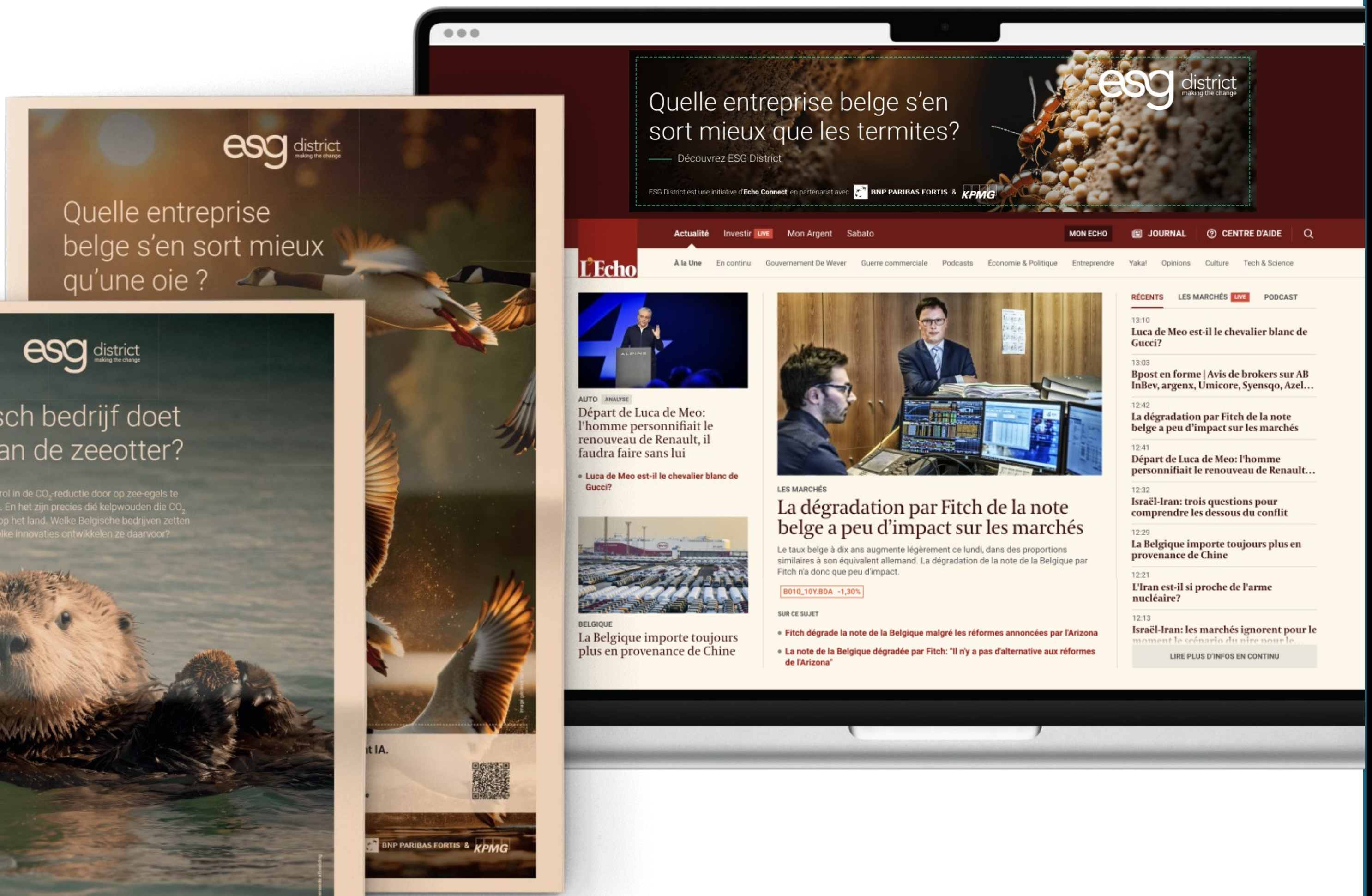
Impactful always-on campaign

to draw attention to the ESG reports and stories





(Inter)national recognition

'The Oscars' of the **international native advertising** industry

Bronze for ESG District in 'Best Use of AI' 2024

Annual media awards for the best **Belgian campaigns, concepts and organisations**

Bronze for ESG District in 'Media Sustainability Award' 2024

'The Oscars' of the **international native advertising** industry

Gold for ESG District in 'Best Sustainability Program' 2025

Interested in featuring your company's sustainability report on ESG District?

Mail your report and logo to:
info@esgdistrict.lecho.be
info@esgdistrict.tijd.be

Corporate Sustainability Directive
After the Omnibus package

What does the Omnibus Directive mean for the future of transparency, accountability, and corporate responsibility under the CSRD?

Marc Bihain
(special advisor to the president, IBR-IRE)

IBR-IRE
Instituut van de Bedrijfsrevisoren
Institut des Réviseurs d'Entreprises

Potential Impact of Omnibus Package on the Corporate Sustainability Reporting Directive (CSRD)

Agenda Items

- Overview of the Corporate Sustainability Reporting Directive (CSRD)
- Understanding the Omnibus Package and their impact on the CSRD
- Future Outlook and Developments

1

Overview of the Corporate Sustainability Reporting Directive (CSRD)

Overview of the Corporate Sustainability Reporting Directive (CSRD) ➔ Initial purpose

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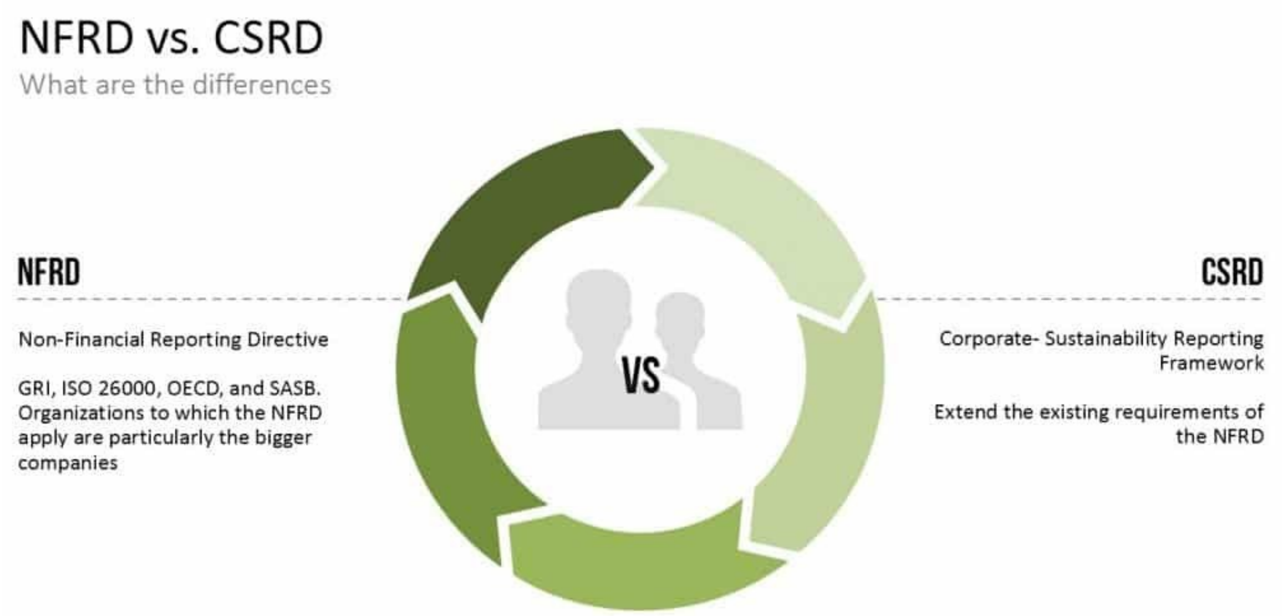
The CSRD aims to improve corporate sustainability reporting by expanding disclosure requirements, ensuring better transparency, and promoting accountability in ESG-related matters.

E = Environment

S = Social

G = Governance

The CSRD **replaces the Non-Financial Reporting Directive (NFRD)** due to increasing demand for reliable and comparable sustainability data from stakeholders and investors



CSRD Key initial Objectives

- Increase **transparency** in corporate sustainability practices
- Improve **comparability** across EU businesses
- Enhance **credibility** through mandatory third-party assurance
- Align with EU **Green Deal** objectives

The CSRD has been transposed in Belgium ➔ Law 02/12/2024

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Impact on many provisions of the current legislation:

- The Companies and Associations Code (CSA);
- The Law of 20 September 1948 on organization of the economy;
- The Financial Sector Supervision and Financial Services Act of 2 August 2002 (FSMA);
- The law of 7 December 2016 on the organization of the profession and the public supervision of statutory auditors (IRE);
- The Law of 17 March 2019 on the professions of chartered accountant and tax adviser (ITAA).

Law of 02/12/2024

Initial scope of CSRD

- **Large undertakings** exceeding at least **two** of these three criteria:
  - balance sheet total: **€ 25 million**
  - net turnover: **€ 50 million**
  - Average FTE **250**
- parent companies of a large group that exceed the above-mentioned criteria on consolidated basis during the financial year

Current impact

In Belgium (according to the IRE-IBR estimates)

- **2.380** companies
- Responsible for **46%** of the added value generated by the private sector

Comparison with Other EU Countries

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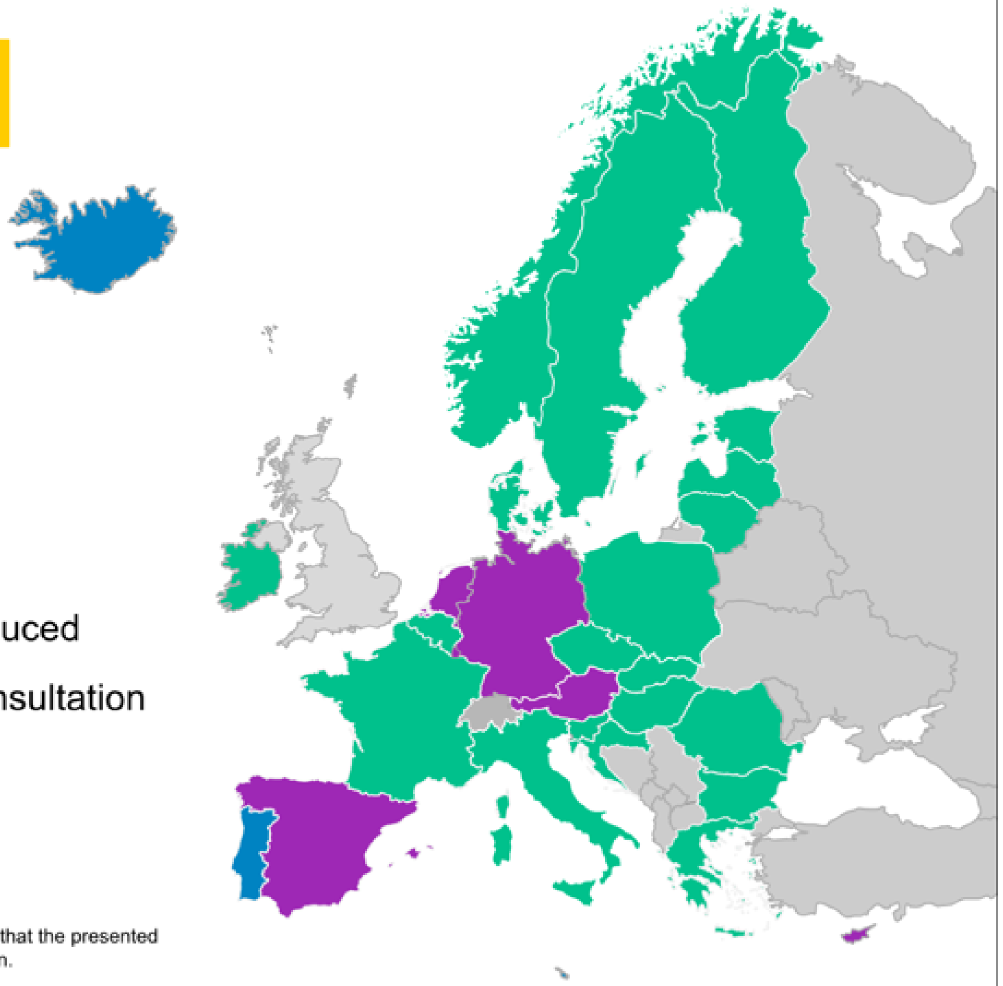
Which countries have already transposed the CSRD into national law?

CSRD TRANSPOSITION STATUS

The map illustrates the transposition progress across EEA countries.
We collect and share this information in conjunction with Accountancy Europe members. This tracker is continuously updated as new information becomes available



- 20 Member States: transposed
- 6 Member States: draft proposal introduced
- 3 Member States: draft in progress/consultation

- The map gives an indicative overview as the CSRD transposition is ongoing in some Member States
- Information presented as of 2 June 2025

Disclaimer: Accountancy Europe makes every effort to ensure, but cannot guarantee, that the presented information is accurate, and we cannot accept any liability in relation to this information.

Source: Accountancy Europe
June 2025

Impact on SMEs ?

- The initial CSRD requires companies to disclose material information regarding their **entire value chain**, including direct and indirect business relationships

- This involves assessing and reporting any significant environmental, social, and governance (ESG) impacts

  The value chain is **broadly defined**, covering suppliers, distributors, customers, and other relevant entities contributing to the creation, delivery, and lifecycle of the company's products and services

Initial timeline for Implementation

- ❑January 2024: CSRD enters into force
- ❑2025: Very large listed companies (more than 500 FTE's) start reporting on 2024 data
  - ❑Reporting
    &
  - ❑Audit (limited assurance)

Challenges in implementation

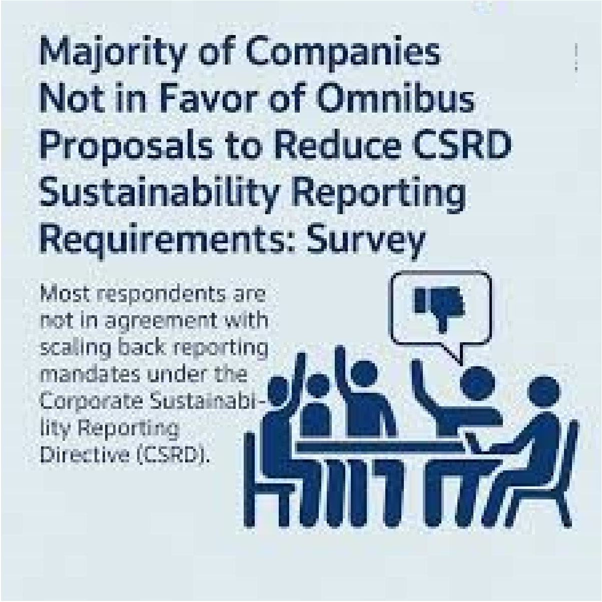
- High compliance costs for companies
- Very detailed information needed
- No adequate governance
- Complexity in gathering accurate sustainability data
  - Within the company
  - & from the value chain
- Need for trained personnel and new reporting systems

2

Understanding the Omnibus Package and their impact on the CSRD

New Geopolitical context

- ➢ Draghi report "the future of European Competitiveness"
- ➢ Election of Donald Trump
- ➢ War in Ukraine, Israël and other parts of the world
- ➢ Major reaction & lobbying from the business community in the EU
- ➢ Critics on the audit profession
- ➢ High cost of compliance
- ➢ Reindustrialization of the EU
- ➢ Critics on the scope of the CSRD (E + S + G)
- ➢ Political shift in the European Parliament



…. answer of the European Commission …

➢The Omnibus package

The EU pulls the Handbrake !!

Purpose:

- to enhance European economic competitiveness;
- to reduce administrative and reporting burdens;
- to unlock businesses' investment potential.

while maintaining climate and decarbonisation goals of the Green Deal

Understanding the Omnibus package

IBR-IRE

❑ **26 February 2025**

The Omnibus Package includes **different legislative proposals:**

1. A proposal to immediately postpone application of the CSRD and CSDDD **("Stop the Clock");**
2. A proposal to amend the scope of, and the obligations under, the CSRD and CSDDD; and
3. A proposal to amend certain delegated acts under the Taxonomy Regulation
4. A proposal to amend the European Sustainability Reporting Standards (ESRS) (Mission delegated to EFRAG).

The new simplification agenda set bold target:

- **25% cut in reporting burdens for companies**
- **and 35% for SMEs.**

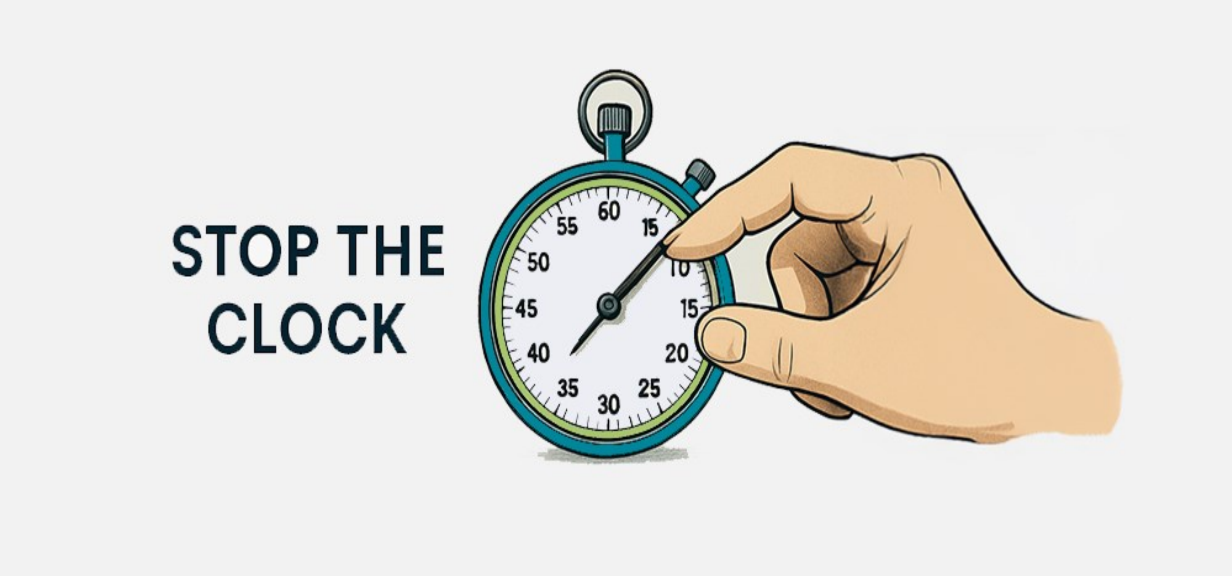
Stop the Clock Directive – Overview

- Postpones CSRD obligations by 2 years for Waves 2 and 3

- Adopted and published in April 2025 (European Parliament + Council)

- Must be transposed by Member States by 31 December 2025

- Wave 1 companies still report from FY2024
(according to our estimates **= +/- 50** companies are in the scope)



Stop the Clock Directive : current situation in Belgium

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CSRD

- No initiative has been taken so far in Belgium to adopt the “Stop the Clock” directive
- The stop the clock directive has **no “direct effect”** in Belgium in case of no implementation

EU Directives require national implementation unless all 3 conditions are met:

- **No transposition**
- **Confers direct rights to individuals**
- **Content is precise and unconditional**

- Technically speaking ➔ the Belgian Law (Law 02/12/2024) is still mandatory today
- Reaction of the market ➔ anticipation of the future transposition of the stop the clock directive by the Belgian Parliament
- Major legal uncertainty !
- A quick answer from the Belgian government is needed

CSDDD

- The CSDDD is not yet transposed in Belgian law

Main proposed substantive changes to the CSRD

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Very important scope reduction

The scope of reporting companies will be dramatically reduced

- The reporting requirements should only apply to
  - groups with more than **1,000 employees** (rather than 250 employees)

  and
  - companies having either annual net turnover above EUR 50 million, or a balance sheet total above EUR 25 million

According to the EU commission
➔ **approximately 80% of the companies initially subject to the CSRD's sustainability reporting requirements will now fall outside its scope.**

According to the first IBR-IRE estimates
From 2.380 companies
To 182 companies

= - 92,4%

Main proposed substantive changes to the CSRD (2)

Very important scope reduction

- Non-EU ultimate parent undertakings will only be in scope if they have net turnover in the EU exceeding EUR 450 million (instead of EUR 150 million) and either:
  - an EU branch generating net turnover exceeding EUR 50 million (instead of EUR 40 million); or
  - a large EU subsidiary (even if it does not have more than 1,000 employees).

Combination “stop the clock” & scope directives

• Listed Cies above 1000 FTE’s	**2025**	**2026**	**2027**	**2028**
• Listed Cies between 500 & 1000 FTE’s	**2025**	~~**2026**~~	~~**2027**~~	~~**2028**~~
• Listed Cies below 500 FTE’s	~~**2025**~~	~~**2026**~~	~~**2027**~~	~~**2028**~~
• Non Listed Cies above 1000 FTE’s	~~**2025**~~	~~**2026**~~	~~**2027**~~	**2028**
• Non Listed Cies below 1000 FTE’s	~~**2025**~~	~~**2026**~~	~~**2027**~~	~~**2028**~~

Main proposed substantive changes to the CSRD (3)

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“Value chain cap” for SMEs

To avoid SMEs from being included in the value chain of larger companies that fall within the scope of the CSRD, it is proposed by the directive preventing them from being subject to excessive reporting demands

NB: already the case in Belgian law

The European Commission wants to adopt a voluntary standard for all companies out of scope, such as SMEs (the **“VSME standard”**)

Companies within the scope of the CSRD will not be able to request any information beyond that set out in the VSME standard from any company in their value chain that falls outside the scope of the CSRD

Main proposed substantive changes to the CSRD (4)

IBR-IRE

European Sustainability Reporting Standards (ESRS)

The Commission intends to revise the first set of ESRS in order

- Reducing the number of data points;
- Clarifying unclear provisions;
- Improving consistency with other legislation;
- Prioritising quantitative datapoints over narrative text;
- Distinguishing between mandatory and voluntary datapoints.

These changes are to be adopted as soon as possible, and no later than six months after the entry into force of the Omnibus Package.

EFRAG is currently working on the simplification of the ESRS

No sector-specific standards

Limited assurance only

It is furthermore proposed removing the possibility of moving from a so-called **“limited assurance”** to a **“reasonable assurance”**

➔ to avoid any future increases in costs of assurance.

Main proposed substantive changes to the CSRD (5)

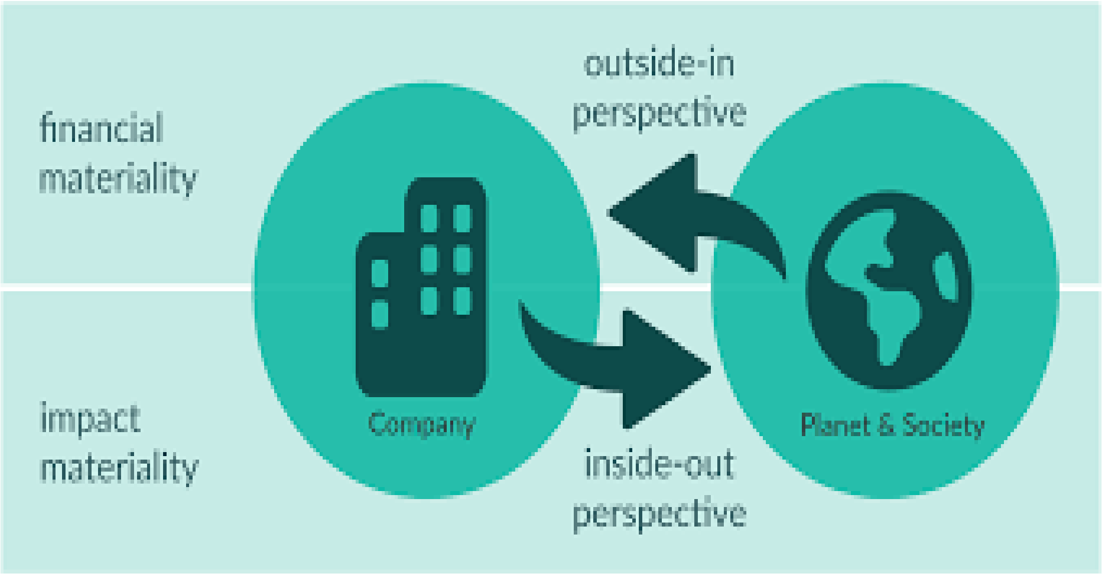
IBR-IRE

Double Materiality (DMA)

The Double materiality principle has not been amended !!!

- financial impact (on the company)

- and sustainability impact (on the environment)



… and also…

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- The Omnibus package proposes also amendments to the the CSDDD, the EU Taxonomy for sustainable activities, and the Carbon Border Adjustment Mechanism (CBAM)
- The EU Taxonomy has been simplified, for instance, by limiting reporting to largest companies, introducing a financial materiality threshold for the reporting.
- The proposed amendments to the CSDDD text will limit due diligence obligations to direct business partners and reduce the frequency of assessments from annually to once every five years.
- The EC has also proposed to exempt importers of small quantities of CBAM goods that are mostly SMEs and individuals.

3

Future Outlook and Developments

Way forward

IBR-IRE

- It is important to note that the EC proposals **are not final.**
- The EC will submit the proposal to the **two co-legislators:**
  - the European Parliament (EP)
  - and the Council of the European Union

  … for their review, input and adoption.

  - These institutions hold the power to amend the currently proposed Omnibus sustainability package

Way forward…

IBR-IRE

- Parliament's Omnibus rapporteur **Jörgen Warborn of the European People's Party (EPP)**, announced last week the publication of draft amendments to the "Omnibus" initiative to reduce the sustainability reporting and due requirements.

- The EPP's draft would reduce the scope much further, with the proposal raising the threshold of companies covered by the CSRD and CSDDD to those with:
  more than 3,000 employees
  and €450 million in revenue.

- The EPP's draft retains the VSME limit for smaller companies but adds language limiting value chain reporting requirements for companies, stating that if information is not available, companies should be allowed **"to explain the efforts made to obtain the necessary information about their chain of activities, the reasons why that information could not be obtained, and their plans to obtain such information in the future".**

- Another key change proposed by the EPP draft includes removing requirements for climate transition plans, replacing it with **reporting on transition plans** if companies have them.

Conclusion

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- The Belgian legislation is not in line with the "stop the clock directive"
  no direct effect
  ➔ it creates major uncertainties

  A quick alignment is needed

- Difficult negotiations are ongoing at EC level
  Major issues between Commission – Council & the different parties within the European Parliament

  Close monitoring is mandatory

- DMA seems to remain unchanged

- **Climate issues will not disappear**
  ➔ opportunities & risk for the business
  - Improved stakeholder trust and investor confidence needed
  - Competitive edge in sustainability-focused markets
  - Strategic move => Long-term value creation and risk mitigation

Thank you!

Marc Bihain
Honorary Secretary General IBR-IRE

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Sustainability has not lost its business relevance.

Shift from a reporting-driven to a business-driven approach fueled by sustainability regulation.

KPMG

A'new' reality – Managing sustainability for overall business resilience & performance

Regulation

Corporate Sustainability Reporting Directive (CSRD 2.0)

- New ESRS framework TBD by EFRAG in October 25 (Omnibus)

(new) criteria for application

!

Meeting the following criteria:

- >1,000 employees

and either

- > 50m EUR in net turnover
- > 25m EUR in total assets

VSME standard

- Companies can start preparing with the VSME standard — a simpler option vs. CSRD
- Covers ESG areas similar to those of ESRS
- Follows principle of proportionality
- No DMA needed
- 2 modules : basic and comprehensive

Sustainability as resilience strategy & future-proofing business strategy

Ensuring value preservation

Enhancing sustainable business performance and engaging ESG value creation

Performance

Increasing company performance and resilience

Top-line potential

- avoided revenue loss (avoidance of sust. standards can lead to unexploited potentials)
- revenue upside (expansion of the product range)

Bottom-line potential

- avoided costs (optimized supply chain to avoid climate risks)
- cost reduction (poor sustainability performance will lead to higher costs)

Resilience against negative climate externalities

through concrete measures based on climate risks assessment

Enhancing brand and trust

strong sustainability performance leads to trust

Easy access to financing

for companies with increased sustainability performance

Long-term return on investment

through sustainable investments instead of short-term considerations

Topic overview

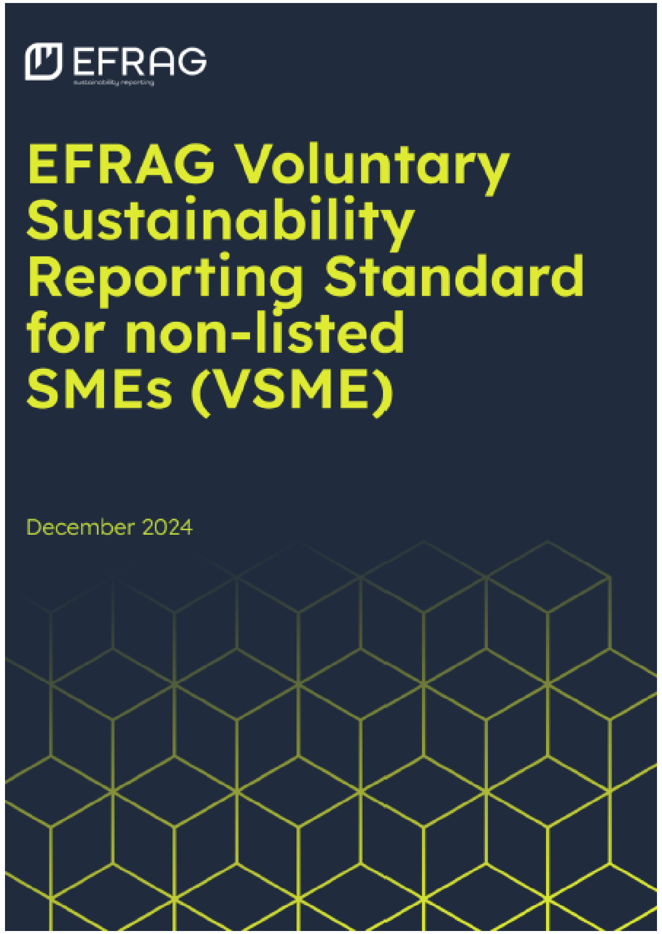
1	**Voluntary Sustainability Reporting: VSME Standards**		Ann Verlinden
2	**DMA as stepstone to drive sustainable business**		Fiorella Sanchez
3	**EU Taxonomy's relevance to business strategy and access to sustainable finance**		Filippo d'Eufemia
4	**Climate and nature transition planning**		Kobe Geryl
5	**Regulatory accelerators for sustainable transition**		Veerle Pissierssens

KPMG

Voluntary Sustainability Reporting: VSME standards

Ann Verlinden, KPMG

Voluntary reporting standard for SMEs (VSME)



[VSME Standard.pdf]

Voluntary Sustainability Reporting Standard for (non-listed) SMEs (VSME)

VSME is a voluntary standard, published by the European Financial Reporting Advisory Group (EFRAG). The current VSME standard supports Small and Medium Enterprises (SMEs) with a modular approach in their **voluntary ESG reporting**.

Why report under the VSME ?

01 Providing information that will help **satisfy the data needs** of large undertakings requesting sustainability information from their suppliers.

02 Providing information that will help satisfy data needs from banks and investors, therefore helping undertakings in their **access to finance**.

03 **Improving management** of sustainability issues.

04 Enhances **company performance** and **provides resilience.**

Structure and applicability of the VSME Standard

Two different modules

	Basic Module	Comprehensive Module
Modules in the VSME		
Description	The Basic Module lists the minimum information to be reported on ESG topics within the VSME Standard.	The Comprehensive Module is a voluntary extension of the Basic Module for ambitious SMEs.
Data points	11 disclosures (B1-B11) 51 data points[1]	9 additional disclosures (C1-C9) 42 data points[1]

1 Number according to breakdown-/ counting-methodology applied by KPMG, excluding VSME Guidance

Applicability of modules for Target groups

Original Scope

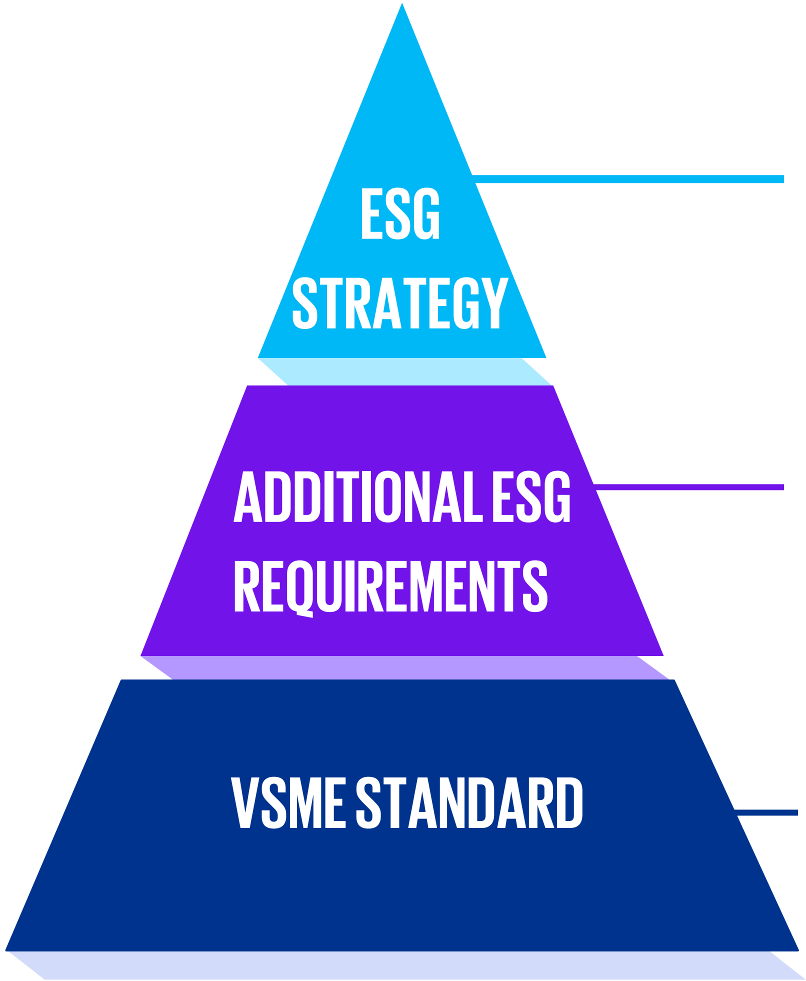
1	**Micro-sized undertakings**	Expected to use the **Basic Module**
2	**Small-sized undertakings**	Expected to use the **Comprehensive Module**
3	**Medium-sized undertakings**	Expected to use the **Comprehensive Module**
4	**Large undertakings below CSRD threshold**	As suggested by EU Omnibus Proposal

Comparison between ESRS and VSME – Overview

	ESRS	VSME
Scoping	Mandatory for large EU companies (Omnibus: > 1.000 employees)	Voluntary reporting standard for SMEs (+ Omnibus: Companies < 1.000 employees)
Topics and data points	Topics: 5 environmental, 4 social, 1 governance >1.000 data points dependent on materiality	Topical areas: 5 environmental, 1 social[1], 1 governance Significantly (~90%) reduced set of data points
Double materiality assessment	Mandatory double materiality assessment – reporting based on material IROs	Double materiality replaced by „if applicable" approach – no explicit IRO-reporting
Further mandatory analyses	Climate risk analysis; Biodiversity site analysis; Resilience analysis	Climate risk analysis (if applicable); Biodiversity site analysis
Assurance obligations	Mandatory external audit with limited assurance	No mandatory audit
Report	Integrated into management report, starting from FY 2024 (old CSRD) (Omnibus: from FY 2027ff.)	Not mandatory reporting format, starting at any time

1 One datapoint about human rights violations in value chain, affected communities, and consumers and end users (ESRS S2, ESRS S3, ESRS S4).

VSME as the foundation in your Sustainability reporting journey



Define your ESG Strategy for voluntary ESG reporting and implementation:

- Develop a **tailored ESG strategy** that aligns with your organization's specific needs
- Turn your ESG data into **strategic value driver**
- Drive **innovation** and increase your **competitive advantage**

Identify additional, company-specific ESG disclosures based on:

- Requirements from **credit institutions** to secure capital or support investments
- ESG **rating agency criteria**
- Demands from **business partners** or other **relevant stakeholders**

Develop the foundation for Sustainability Reporting:

- Your **minimum reporting layer**
- Define ESG disclosures based on the **current VSME Standard** *(subject to future updates)*

KPMG

DMA as stepstone to drive sustainable business

Fiorella Sanchez, KPMG

The intersection between compliance and business performance

DMA is the **mandatory first step** and is central to the CSRD. But beyond compliance, it provides a strategic lens that helps businesses identify the sustainability topics that matter most, both in terms of financial risk and real-world impact.

Compliance

Aligns with ESRS and CSRD expectations, providing the structural foundation for reporting.

Driving two agendas at once

Resilience and performance

Prioritizes resources toward sustainability topics that shape business resilience, innovation, and stakeholder trust.

DMA helps scale efforts smartly, focus on what drives value, and prepare for future compliance — without overextending. Through identification of material impacts, risks and opportunities, companies can identify where value can be created.

DMA as a first step for sustainable value creation

DMA

IRO identification and prioritization

Integrate

Integrate sustainability risks and opportunities into their strategy and decision-making processes.

Apply

- Risk management
- Stakeholder engagement
- Operational efficiency
- Talent attraction & retention
- Supplier & business relations
- Branding, reputation & media
- Sales & marketing
- Innovation

Drive

- Revenue growth
- Greater profitability
- Higher corporate valuation

Deliver

Quantifiable Business Value & Positive Societal Impact

Example - From IRO's towards added value

Integrate — ESG Focus

Circular economy IROs:

- **Reputational damage** due to microplastic pollution
- **Future fines** on single use plastics
- Opportunity of **attracting emerging customer segment** through new packaging material

- Clear mandate from CEO
- Integration in ERM
- Integration in Corporate Strategy

Apply — Implement

- Embed packaging design and material in their **Innovation Pipeline**
- Engaged **packaging suppliers**
- Full **integration of operations and logistic** teams in each manufacturing site
- Pilots streamlined through **marketing and media**

Drive — Value Creation

- **Brand differentiation**
- **New customer segment**
- **Diversification of packaging supply chain** (resiliency)
- **Sector-wide recognition**
- **New partnerships**

Deliver — Return

- ~17% **premium price** for new product compared to plastic packaging
- Incremental revenue from a **new** "environmentally conscious" **customer market**
- Future **cost avoidance** (compliance)

KPMG

EU Taxonomy's relevance to business strategy and access to sustainable finance

Filippo d'Eufemia, KPMG

01

Have you heard about EU Taxonomy?

02

Could you explain it in simple terms? What it entails practically?

03

Has your company performed an eligibility assessment?

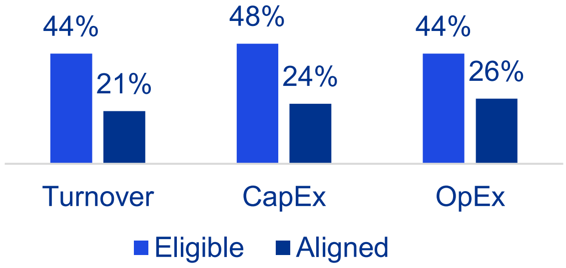
04

Do you know how ***truly*** green your company is?

EU Taxonomy enhances business strategy

Setting KPIs for environmental strategy

The **EU Taxonomy-alignment** tells how ***truly* green** a company is.[1]



As per KPMG's latest thought leadership, the EUT disclosures of **291 European non-financial undertakings** were analysed.

The **investments** within its **Capex plan** support the company in its transition to a greener business.

6.5. Transport by motorbikes, passenger cars and light commercial vehicles

7.3. Installation, maintenance and repair of energy efficiency equipment

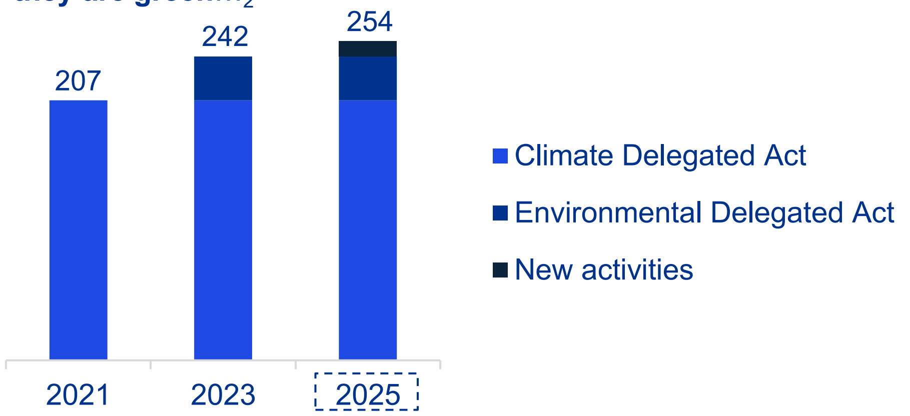
7.6. Installation, maintenance and repair of renewable energy technologies

Climate change mitigation

Climate change adaptation

Defining practical next steps

By identifying **eligible activities**, companies can **understand where they are green**…[2]



…and **how they can be truly green**, with the **science-based** and **standardized alignment criteria** (especially the **technical screening criteria**).[3]

7.1. Construction of new buildings

Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested in accordance with the technical specifications:

(a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min;
(b) showers have a maximum water flow of 8 litres/min;
(c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres;
(d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.

1 = KPMG 2 = EU taxonomy for sustainable activities - European Commission 3 = EU Taxonomy Delegated Act

EU Taxonomy attracts green financing

Capitalizing on demand for green investment

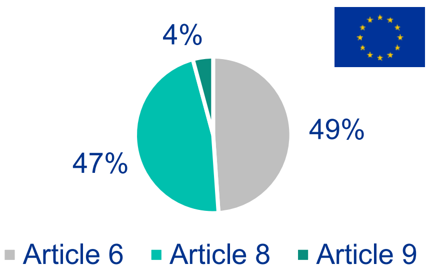
EU Taxonomy alignment disclosure is requested by the Sustainable Finance Disclosure Regulation (SFDR).[1]

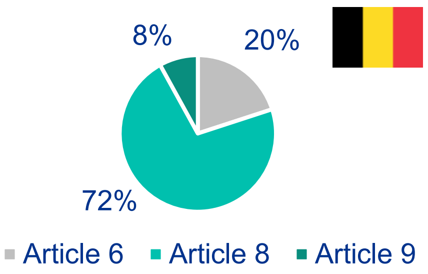
Today, SFDR 1.0 requests:

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(2) and (3) of this Regulation]*

… upcoming SFDR 2.0 should require stronger ESG information![2]

Financial Market Participants (FMPs) **struggle to develop Article 9 SFDR products** (i.e., products containing 'sustainable investments').[3][4]





Unlocking access to green finance

The **European Green Bond Standard (EuGBS) ensures financing to environmentally sustainable projects, and the EU Taxonomy is its building block, as it defines what is 'green'.**[5]

Article 4

Use of the proceeds of European Green Bonds

1. Before the maturity of a European Green Bond, the proceeds of such a bond shall be allocated in full, in accordance with the taxonomy requirements, to one or more of the following categories (the 'gradual approach'):

(a) fixed assets that are not financial assets.

(b) capital expenditure that falls under point 1.1.2.2. of Annex I to Delegated Regulation (EU) 2021/2178

(c) operating expenditure that falls under point 1.1.3.2. of Annex I to Delegated Regulation (EU) 2021/2178 and was incurred no more than three years before the issuance of the European Green Bond;

(d) financial assets that were created no more than five years after the issuance of the European Green Bond;

(e) assets and expenditure of households.

The **European Clean Industrial Deal** fostering **clean tech, green and efficient energy, etc.** needs concrete definitions of **what is "green"** and **what is harming the environment.**[6]

This is why Europe needs a transformational business plan. The Clean Industrial Deal brings together climate action and competitiveness under one overarching growth strategy. It is a commitment to accelerate decarbonisation, reindustrialisation and innovation, all at the same time and across the entire continent, also reinforcing Europe's resilience. It must present European industry with a stronger business case for large climate neutral investments in energy intensive industries and clean tech.

1 = SFDR Templates 2 = Proposal of Categorisation of Products under the SFDR 3 = SFDR_Article_8_and_Article_9_Funds_Q1_2025.pdf 4 = Figures UCITs sector 2nd quarter of 2024 | Febelfin, September 2024 5 = EU Green Bond Standard
6 = EU Clean Industrial Deal

EU Taxonomy synergies with CSRD and VSME

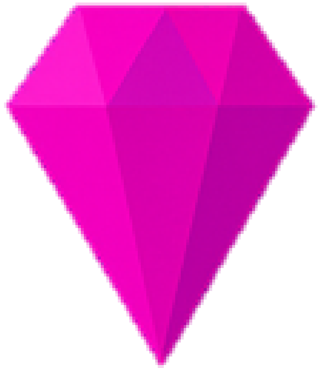
Level of synergy: High, Medium, Low

Illustrative, exact synergies will depend on the company

Alignment	EU Taxonomy	CSRD	VSME
Substantial contribution and DNSH for the 6 environmental objectives	Scope 1, 2, 3 **GHG emissions**	High	Medium
	Climate Risk & Vulnerability Assessment (**CRVA**)	High	High
	Pollutant substances assessment	High	Medium
	Waste management plan	High	Medium
	Water-stress areas assessment	High	High
	Sites/operations located in or near **biodiversity-sensitive areas assessment** (LEAP approach)	High	Medium
Minimum Safeguards*	Policies	High	High
	Due diligence processes	High	Low
	Incidents	High	Low

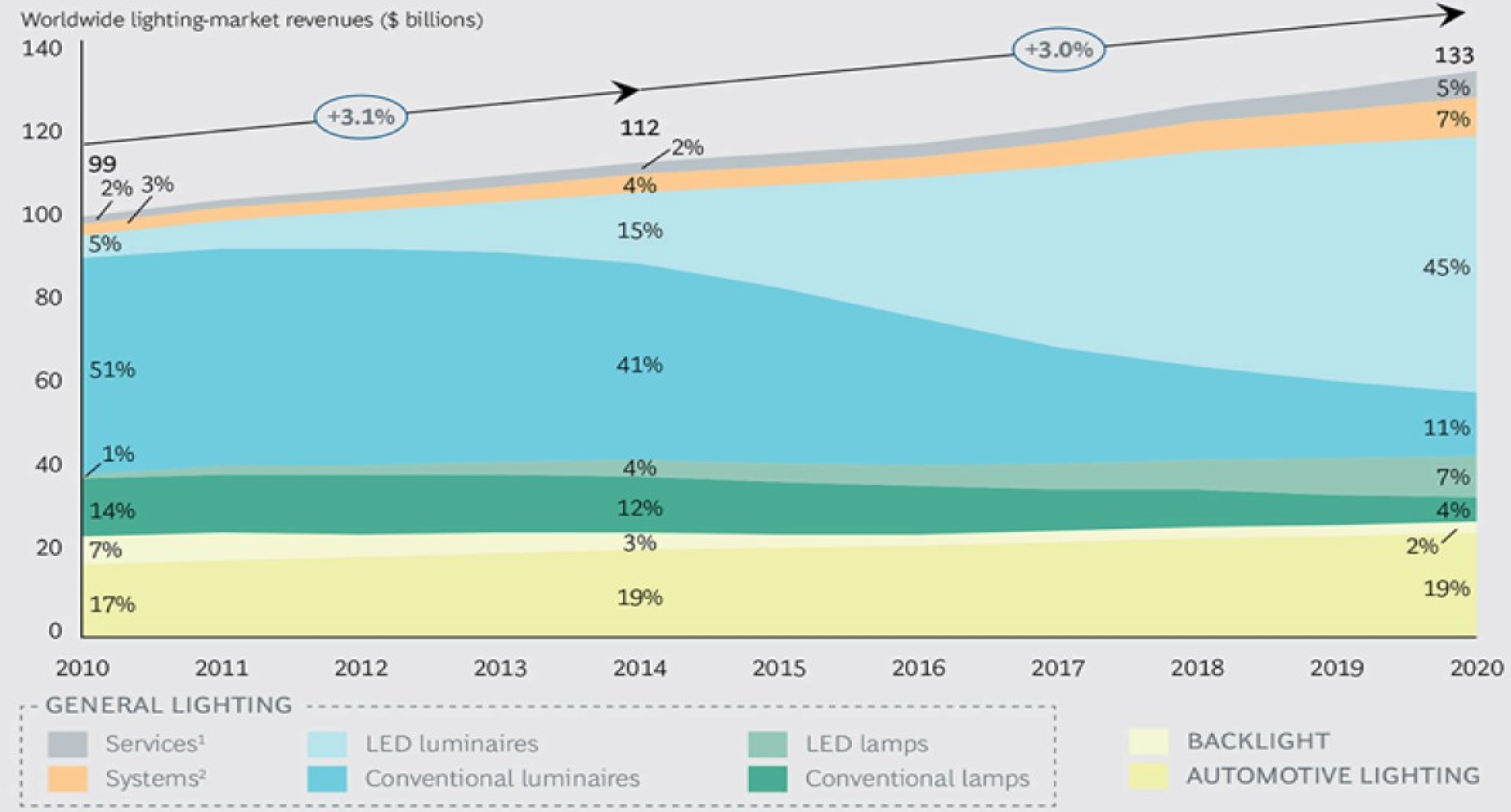
* UN International Bill of Human Rights, ILO Core Labour Standards, UN Guiding Principles on Business & Human Rights, OECD Guidelines for Multinational Enterprises.

Sources: Eu Taxonomy Delegated Act, ESRS, VSME Standard.pdf



Climate and nature transition planning

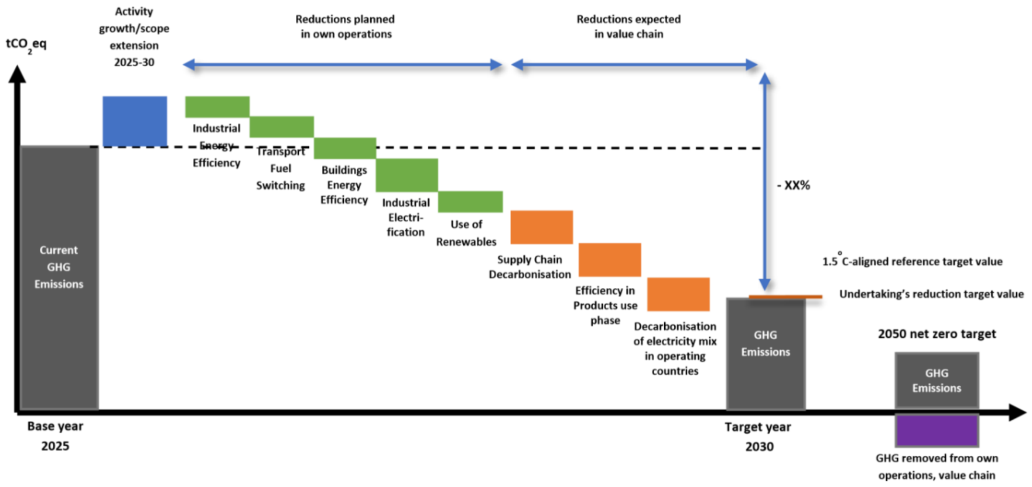
Kobe Geryl, KPMG



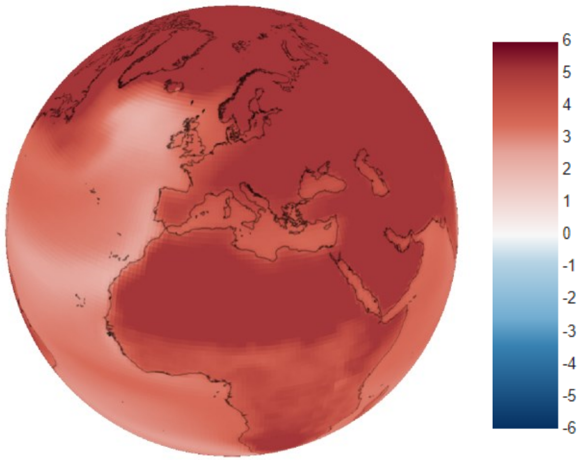
Source: BCG 2020 Lighting-Market Model.

Climate change: two perspectives

Climate mitigation



Climate adaptation



Transition opportunities

Transition risks

Physical risks

Carbon footprint → Emission reduction target (SBTi) → Mitigation actions (levers) → Decarbonisation on roadmap

Prepare & screen → Exposure → Vulnerability → Adaptation solutions

Climate Transition plan

Climate Adaptation plan

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Climate transition plans

A **climate transition plan is a vital mechanism for corporates** to demonstrate to investors and other stakeholders that:

- They have developed an action-oriented and **climate science-led strategy** that will keep their business (and its value) on the pathway to 1,5°C.
- Their **business model will remain relevant** in a net zero economy.

Elements of a transition plan as outlined by the Transition Plan Taskforce (TPT) Framework:

PRINCIPLES	Ambition	Action		Accountability	
DISCLOSURE ELEMENTS	1. Foundations	2. Implementation Strategy	3. Engagement Strategy	4. Metrics & Targets	5. Governance
DISCLOSURE SUB-ELEMENTS	1.1 Strategic Ambition	2.1 Business operations	3.1 Engagement with value chain	4.1 Governance, engagement, business and operational metrics and targets	5.1 Board oversight and reporting
	1.2 Business model and value chain	2.2 Products and services	3.2 Engagement with industry	4.2 Financial metrics and targets	5.2 Management roles, responsibility and accountability
	1.3 Key assumptions and external factors	2.3 Policies and conditions	3.3 Engagement with government, public sector, communities, and civil society	4.3 GHG metrics and targets	5.3 Culture
		2.4. Financial planning		4.4 Carbon credits	5.4 Incentives and remuneration
					5.5 Skills, competencies and training

What is your objective, incl. emission reduction target?

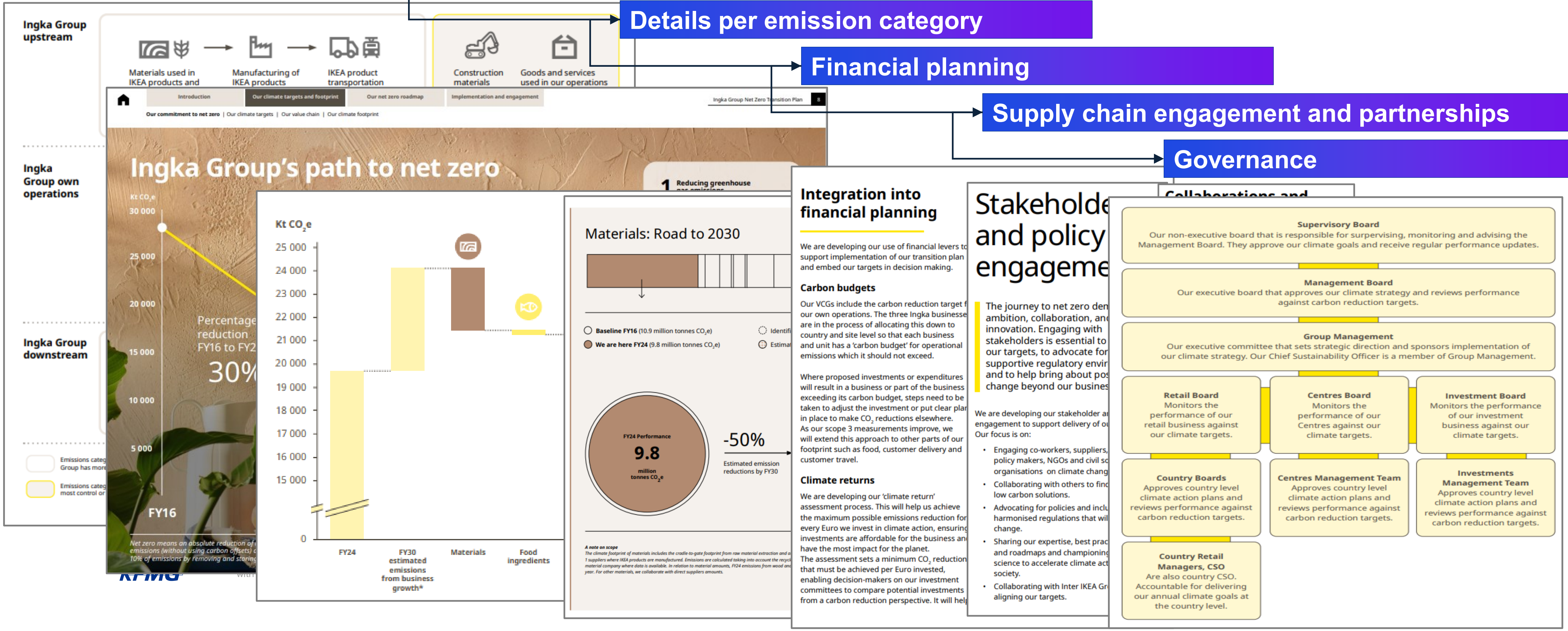
How will you get there?

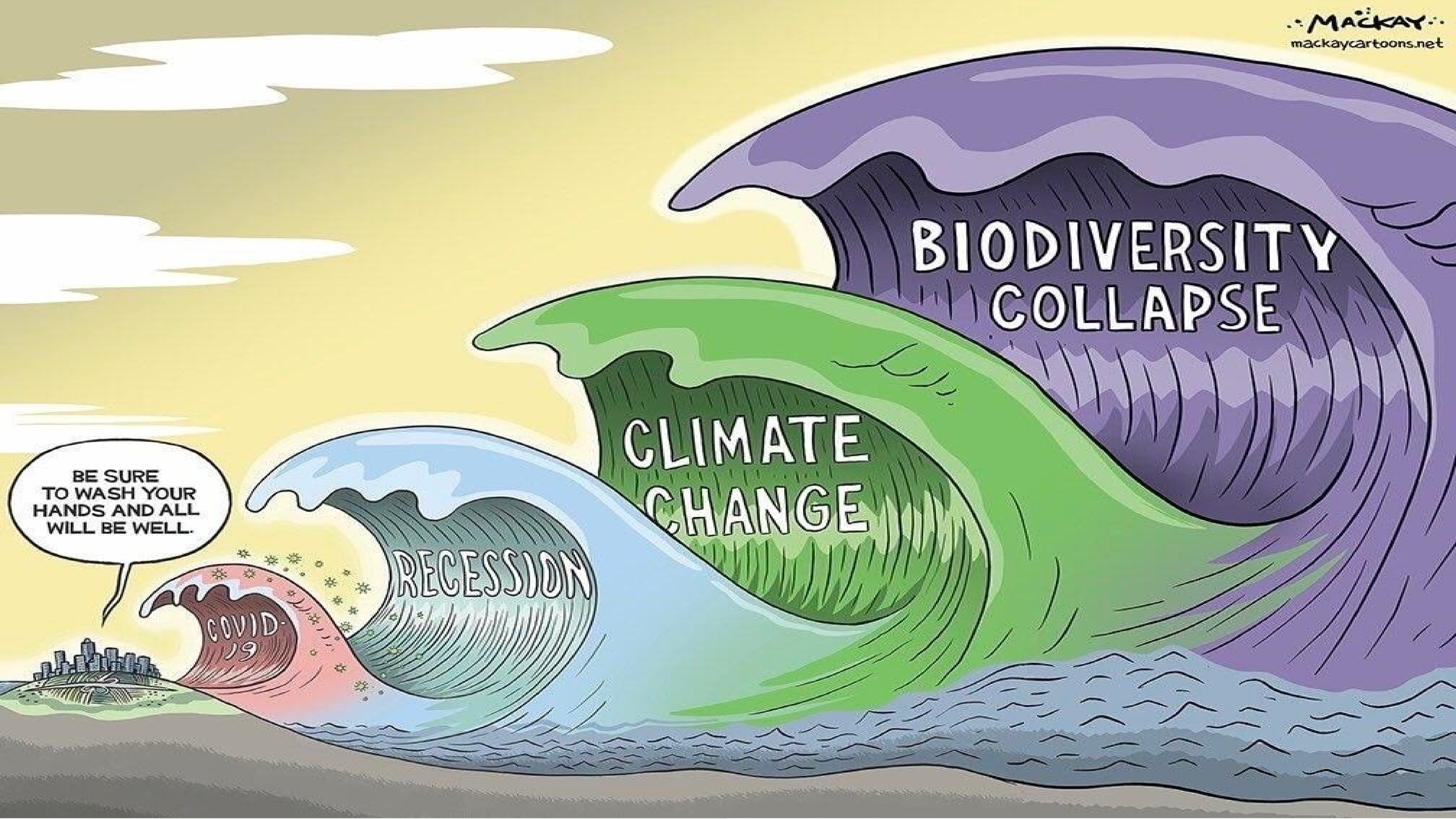
What does it cost?
How will you finance this?

Who's responsible?
How is it managed?

Leading example transition plan – Ingka Group (Ikea)

- Business model and value chain
- Emission reduction target
- Overall net-zero roadmap
- Details per emission category
- Financial planning
- Supply chain engagement and partnerships
- Governance




MACKAY
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BE SURE TO WASH YOUR HANDS AND ALL WILL BE WELL.
COVID-19
RECESSION
CLIMATE CHANGE
BIODIVERSITY COLLAPSE

Nature transition plans

A nature transition plan is **a strategic framework that communicates to investors and other stakeholders** how corporates intend to:

- **Align their operations with the transition envisioned by the Kunming-Montreal Global Biodiversity Framework (GBF)** to halt and reduce biodiversity loss.
- Reduce nature-related risks and impacts, contribute positively to biodiversity conservation and restoration, and **support the broader shift toward a nature-positive economy.**

Elements

- **Similar key elements** as climate transition plan
- **DMA as input** for impacts, risks and dependencies

Challenges

- **Scope & complexity of the topic**
- Lack of **reliable, consistent data** and metrics
- **Diverse perspectives** with **conflicting interests** on land use & resources
- **Less mature policy & regulations**
- **Temporal & spatial complexity**
- **Economic models** and incentives not yet mature

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Regulatory accelerators for sustainable transition

Veerle Pissierssens, KPMG Law

Julie Van Kerckhoven , KPMG Law

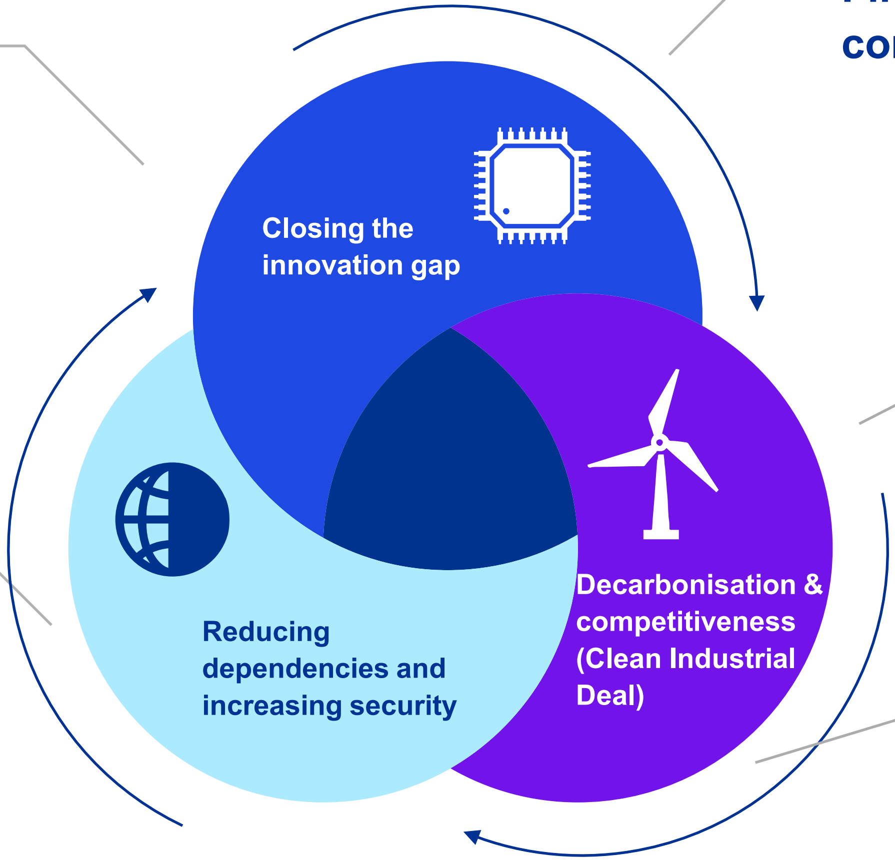
Nick Toremans, KPMG

The ‘new’ EU regulatory reality – Sustainability as the engine of competitiveness

A 5-year policy-making roadmap, focused on priority actions to ‘reignite economic dynamism’

Removing barriers to Single Market

Financing competitiveness



Skills and quality jobs

Simplify and accelerate regulatory

Better coordination at EU and national level

Sustainability accelerators from a legal perspective

A continued regulatory push

01 Environmental obligations

Climate & energy | Pollution | Water | Biodiversity | Circular economy

- EU Climate Law
- Renewable Energy Directive
- Industrial Emissions Directive
- EIA Directive
- Water Framework Directive
- REACH
- EU ETS + EU ETS-2
- CBAM

02 Social obligations

Health & safety | Renumeration | Well-being | Human rights (in the value chain)

- TPWC Directive (Transparent and Predictable Working Conditions)
- OSH Framework Directive
- EU Pay Transparency Directive
- Forced Labour Act
- UN Guiding Principles on Business and Human Rights (soft law)
- OECD Guidelines (soft law)

03 Governance obligations

Gender diversity | Executive compensation | Corroption and bribery | Independence

- Shareholder Rights Directive II
- Whistleblower directive
- Gender Quota Law
- Women on Boards Directive
- PIF Directive
- OECD Guidelines (soft law)

Environmental incentives

Energy Performance of buildings

PV (solar panels) requirements

Social incentives

Pay Transparency Directive

- Equal pay for work of comparable value
- Pay and career progression transparency
- Right to information for employees
- Reporting on gender pay gap
- Joint pay assessment

Forced Labor Regulation

“All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”

Additional deep-dive from a tax perspective

Leveraging sustainability for business performance

- **Energy & Transportation**
  - Energy, Minerals and Storage
    - Renewables for electricity generation (non- hydrogen)
    - Hydrogen
    - Alternative fuels (non-hydrogen)
    - Batteries and storage
    - Energy efficiency (incl. on-site go- generation)
  - Transport
    - Electric Vehicles
    - Maritime Transport
    - Aviation & airports
- **Emissions reduction**
  - Carbon Pricing
    - Carbon Tax
    - Emission Trading Scheme
    - Carbon Border Adjustment Mechanism
  - Emissions reduction
    - Nationally Determined Contribution
    - Embodied emissions for products and buildings
    - Carbon Capture & Storage
    - Transport Fuel Taxes, Excises and Rebates
- **Circularity**
  - Circularity
    - National circularity policy
    - Design and procurement
    - Marketing
    - Use

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Coffee break

Panel Discussion

Moderated by **Michael Wagemans** Head of Sustainability KPMG

Cathy Blervacq VP Sustainability at Sibelco
Laurens van Reijen CEO at LCL Data Centers
Jo Wuytack Head of Sustainability at Degroof Petercam
Geert Huysmans ESG Director at Nipro Europe Group Companies
Capucine Moyon Director Consolidation & External Reporting at SITA
(Société Internationale de Télécommunications Aéronautiques)

Invitation for lunch

Power of esg

Thank you

KPMG

BNP PARIBAS FORTIS

DE TIJD

L'Echo

Appendix

Omnibus – legislative process & timeline

June 2025

Timeline

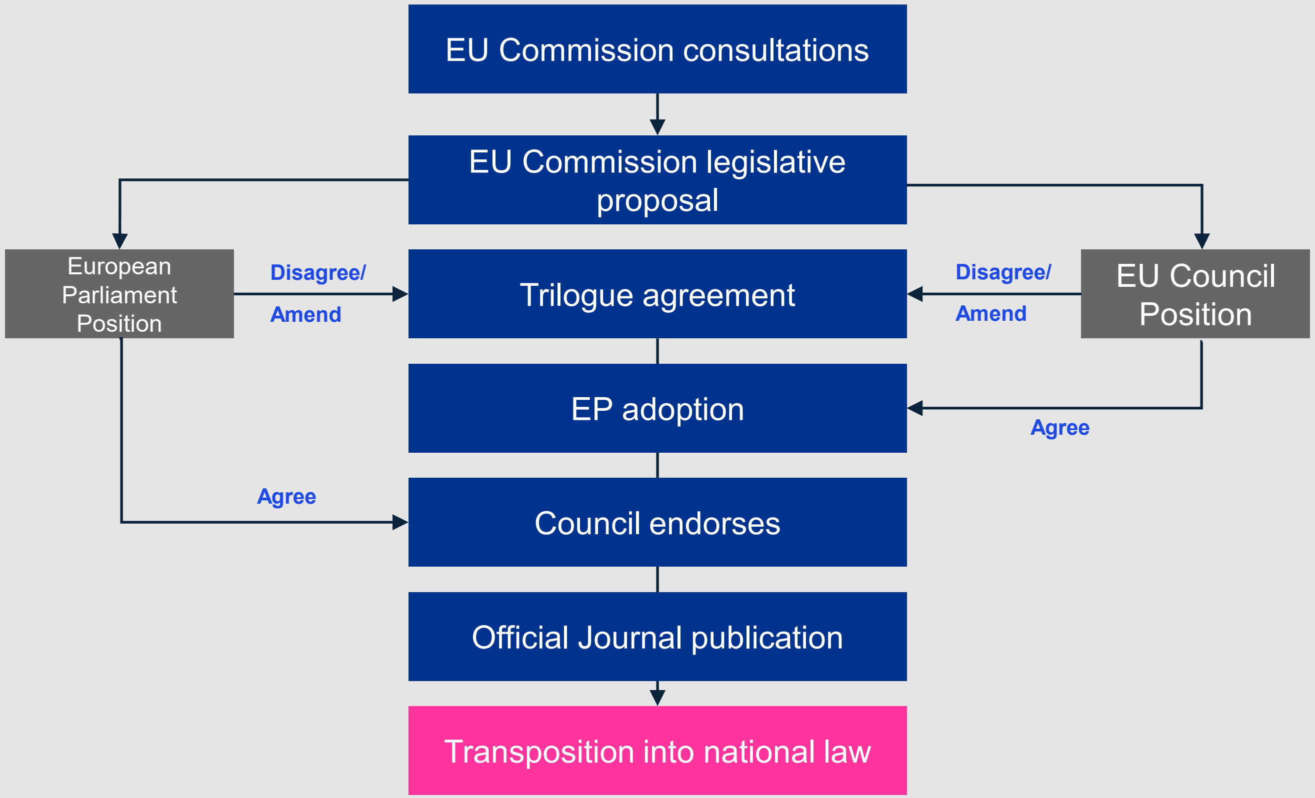
Next steps depend on EU adoption and national transposition.

The European Commission has mandated EFRAG to provide advice on how to simplify the ESRS by **31 October 2025.**

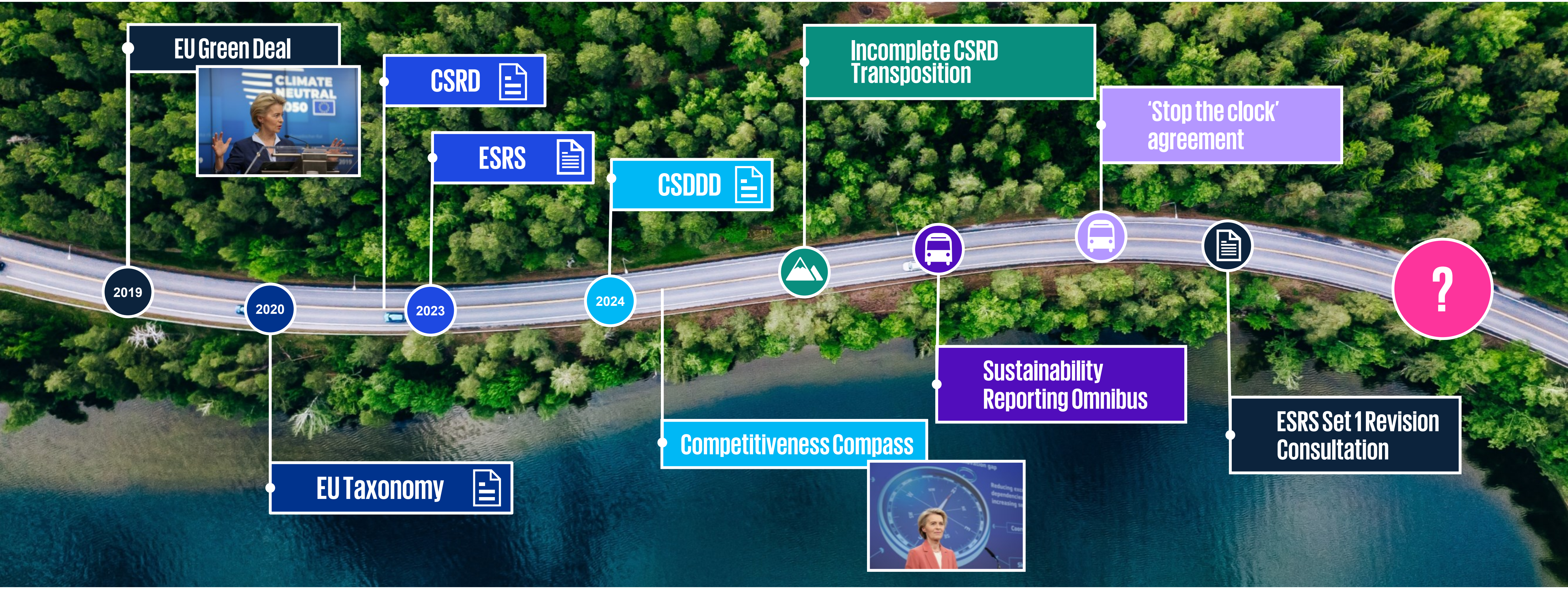
CSRD and CSDDD Legislative Process

(Directives)

Level 1 Process



The journey so far



Images © GettyImages / Nicolas Economou (left), Thierry Monasse (right)

Sustainability reporting Omnibus (and related) timeline

Q1 2025

- Omnibus: Commission adopts legislative proposals (26 February)
- Taxonomy: Commission consults on changes to Delegated Acts (26 February – 26 March)

Q2 2025

- Omnibus Stop the Clock proposal published in Official Journal (18 April)
- CSRD: Commission to issue quick fix amendments (delegated acts) by late June (tbc) for scrutiny
- Omnibus: Council scrutiny, potential general approach (before end June)?
- Omnibus: Parliament scrutiny, committee reports, amendments
- Taxonomy: Commission due to issue amended Delegated Acts by late June for scrutiny
- VSME: Commission Recommendation endorsing VSME (June)

Q3 2025

- Omnibus: Parliament, first committee votes, compromise discussions between political groups

Q4 2025

- Omnibus: Parliament, lead committee (JURI) vote (early October, tbc); plenary vote (end October, tbc)
- Omnibus; trilogue discussions (Council, Parliament, Commission): potential agreement before end December?
- Omnibus: CEAOB to provide advice on targeted sustainability limited assurance guidelines to Commission, potential limited consultation on Commission draft guidelines (tbc)
- SFDR Review published (before end of year, tbc)

Omnibus: Parliament opinion committees: AFET, ECON, EMPL, ENVI, INTA

ESRS Set 1 Revision Timeline

Commission aims to adopt delegated act in time for companies to apply revised standards for FY27 (reporting in 2028), potentially with option to apply from FY26 (reporting in 2027)

- Commission publishes sustainability reporting Omnibus proposals
  26 February
- Commission requests advice from EFRAG on simplification of ESRS Set 1
  27 March
- EFRAG stakeholder outreach, including feedback questionnaire (over 800 responses) and interviews with companies (over 550 either individually or collectively)
  8 April – 6 May
- EFRAG Progress Report to the Commission
  20 June
- EFRAG public consultation on exposure drafts
  28 or 31 July – 8 September
  EFRAG outreach to stakeholders
  1 – 12 September (TBC)
- Deadline for EFRAG to deliver advice on ESRS Set 1 Revision to the Commission
  31 October
- Commission to consult on draft Delegated Act amending ESRS
  TBD
- Commission adopts Delegated Act, subject to scrutiny period by Council and Parliament (up to four months)
  TBD