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WELCOME TO

Start on Sustainability

Welcome to our Start on Sustainability project, a program designed to help Europe's small businesses adopt environmentally friendly practices. Our aim is to provide knowledge, tools, and support to make sustainability a practical reality for these vital contributors to the EU economy.



EU OMNIBUS PACKAGE: STREAMLINING SUSTAINABILITY IN A SHIFTING REGULATORY LANDSCAPE

In February 2025, the European Commission unveiled its inaugural "Omnibus" simplification package, a significant legislative initiative aimed at streamlining EU sustainability regulations and alleviating the administrative burden on businesses. Fueled by concerns over the complexity and costs associated with the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D), and with the goal of enhancing EU competitiveness, the package proposes substantial modifications to these key directives, as well as adjustments to the EU Taxonomy and the Carbon Border Adjustment Mechanism (CBAM).

For the CSRD, the proposed changes are sweeping. The employee threshold for large EU companies would be raised to over 1,000, potentially exempting nearly 80% of previously covered firms. Reporting deadlines for the second and third waves of companies (those yet to report) would be postponed by two years, to 2028 and 2029 respectively. Furthermore, a simplification of the European Sustainability Reporting Standards (ESRS) is envisioned.

Regarding the CS3D, a one-year delay is proposed for both the transposition deadline (to July 2027) and the application date for the first wave of companies (to July 2028). Due diligence obligations would generally be limited to direct business partners (Tier 1), the frequency of periodic assessments would be reduced to every five years, and the EU-level civil liability regime would be removed.

The package is being pursued through two directives: a "stop-the-clock" directive for the postponements, expected to be fast-tracked, and another for the substantive amendments, which will require more extensive negotiation. While the Commission champions the simplification as a boost to competitiveness without sacrificing sustainability goals, the package has drawn criticism due to fears of weakening accountability and environmental and human rights commitments. Businesses must closely monitor the legislative process to adapt to this evolving regulatory framework.

EMBRACING SUSTAINABILITY: A PATH TO RESILIENCE FOR EUROPEAN MICRO-ENTERPRISES

Sustainability is rapidly shifting from a peripheral concern to a core business imperative for Europe's micro-enterprises (businesses with fewer than 10 employees). Driven by evolving consumer preferences , increasing regulatory focus under the European Green Deal , and the potential for enhanced competitiveness , integrating sustainable practices is becoming essential for long-term viability.

While the benefits are clear – including potential cost savings through resource efficiency , improved brand image , and access to growing green markets – micro-enterprises face significant hurdles. Limited financial resources, lack of expertise, difficulties accessing relevant information, and navigating complex administrative procedures are common barriers.

Recognizing these challenges, the European Union has implemented strategies and support mechanisms. The SME Strategy for a Sustainable and Digital Europe aims specifically to empower smaller businesses through capacity building, reduced regulatory burden, and improved access to finance. Key support structures include the Enterprise Europe Network (EEN), which now offers dedicated Sustainability Advisors to provide tailored guidance on resource efficiency, circular models, and funding , and the European Digital Innovation Hubs (EDIHs), assisting with the digital tools often needed for sustainable transitions.

Crucially, significant funding opportunities exist. Programmes like InvestEU mobilize guarantees and loans via financial intermediaries , the LIFE programme offers grants for environmental and climate action projects , and the European Social Fund Plus (ESF+) supports skills development for the green economy. Initiatives like the EENergy project provide direct grants for energy efficiency improvements. Furthermore, simplified voluntary sustainability reporting standards (VSME) are being developed to ease the reporting burden and potentially improve access to green finance.

For European micro-enterprises, the path forward involves proactively embracing sustainability, not just as a compliance issue, but as a strategic opportunity. By leveraging the available EU support, funding, and advisory networks, even the smallest businesses can navigate the transition, enhance their resilience, and contribute to a greener European economy.

