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Press Release

GBP Report January: Majority of Companies Welcome Easing of Sustainability Reporting Obligations – but See Further Need for Reform

The EU's Omnibus Initiative, adopted to amend numerous ESG directives (Environment, Social, Governance) – in particular those on sustainability reporting and supply-chain obligations – has met with broad approval among companies in Germany. This is shown by the latest GBP report from January 2026, based on survey data from almost 2,000 German companies. However, more than one in three medium-sized or large companies is calling for even more far-reaching relief from reporting requirements. Companies are also calling for clearer rules: at present, considerable resources are being spent simply on understanding what must be reported.

The results of the GBP report show that a majority of affected companies view the Omnibus Initiative, which among other things eases reporting obligations, positively. Throughout 2025, the share of companies approving the initiative consistently exceeded 50 percent. Among companies that are fully exempt from reporting obligations as a result of the reform, only five percent oppose the initiative.

Sustainability reporting often perceived as a bureaucratic burden

The data indicate that the positive assessment of the Omnibus Initiative is primarily driven by the expected reduction in bureaucracy. Around two thirds of companies that remain subject to reporting requirements even after the Omnibus reform perceive the EU's ESG directives as a burden. Among companies that would originally have been subject to reporting obligations and had already prepared, but are now exempt, this share is even higher at 78.1 percent.

"The problem is that, as originally designed, the rules were perceived by too many companies merely as a bureaucratic documentation burden rather than as a business opportunity. This led to considerable dissatisfaction and political pressure, to which the EU has now responded with this initiative," explains Prof. Dr. Jannis Bischof, Academic Director of the GBP and Chair of Business Administration and Accounting at the University of Mannheim. The effort involved is substantial and often associated with high costs for external consulting and IT systems: for ESG reporting, companies must collect data on CO_2 emissions, biodiversity, gender equality, and supplier standards, among other aspects – and on an annual basis. “Clearly, too few companies recognized the value of these data collections, while too many focused primarily on the associated costs, which also include the valuable insights that foreign competitors can gain from publicly available reports,” Bischof summarizes.

Bureaucracy hampers investment and product development
The perception of ESG reporting obligations as a bureaucratic burden is also reflected in corporate decision-making. 68.7 percent of affected companies report that they have not implemented planned investments over the past two years due to bureaucratic burdens. In addition, foreign business relationships were rejected more frequently (25.4 percent), and product developments were postponed more often (24.6 percent). “If companies delay investments or refrain from international cooperation, this can ultimately even run counter to sustainability goals in the long term,” says Bischof. The Omnibus Initiative could therefore have a potentially positive effect.

Desire for further relief and clear framework conditions
At the same time, the GBP report shows that, from the perspective of many companies, the reform does not go far enough. More than one in three medium-sized or large companies is calling for further relief from ESG reporting obligations. Following the Omnibus announcement, the share of companies citing uncertainty in the interpretation and application of the rules as a key source of burden has increased. Many report that they spend significant resources clarifying what exactly must be reported and what authorities specifically expect. “The results underline that, in addition to easing statutory requirements, clear, reliable, and well-communicated framework conditions in the interaction between companies and the responsible authorities are crucial for the attractiveness of Germany as a business location,” Bischof emphasizes.

Reform remains controversial
However, the Omnibus Initiative is controversial, as the original sustainability reporting and supply-chain due diligence rules were intended to reduce competitive disadvantages for companies that had voluntarily opted for particularly sustainable and socially responsible business practices. The newly adopted relaxations partially undermine this objective. They focus primarily on reducing bureaucracy, as the previous requirements imposed extensive documentation and reporting obligations on a very large number of companies – largely irrespective of how strongly their business models contribute to environmental or social risks. As a result, the rules were often perceived as a competitive disadvantage for European companies compared with non-European competitors.

Background on the European Union’s Omnibus Initiative
With the approval of the European Parliament on December 16, 2025, the reform of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) was adopted – even before the original versions had been transposed into national law in Germany. In future, as a general rule, only companies with at

least 1,000 employees and annual net turnover exceeding €450 million will be required to prepare sustainability reports. Higher thresholds apply to supply-chain obligations (5,000 employees and €1.5 billion in turnover). In addition, the so-called "stop-the-clock" provision postpones the start of reporting obligations for smaller and medium-sized enterprises by two years, until 2027.

The **"GBP Monitor: Business Trends January 2026"** can be found here:
https://www.accounting-for-transparency.de/wp-content/uploads/2026/01/gbp_monitor_2026_01.pdf

Further information on the GBP monitoring report

The German Business Panel interviews more than 800 companies per month and since March 2024, also more than 250 researchers, on the economic situation in Germany and collects data on 1) any expected changes in revenue, profit and investments, 2) economic decisions, 3) the expected shutdown rate in the sector, and 4) the satisfaction with the economic policy. Furthermore, GBP reports on particularly relevant questions every three months.

Background information on the German Business Panel

The GBP is the long-term survey panel of the trans-regional Collaborative Research Centre "Accounting for Transparency" (**www.accounting-for-transparency.de**). The Collaborative Research Center (CRC) "TRR 266 Accounting for Transparency" was established in July 2019. In May 2023, the German Research Foundation (DFG) approved the extension of four additional years. It is the first CRC with a focus on business administration. More than 100 researchers from the following nine universities are involved in the CRC: Paderborn University (host university), Humboldt-Universität zu Berlin, University of Mannheim, researchers of Ludwig-Maximilians-Universität München, Goethe University Frankfurt am Main, Frankfurt School of Finance & Management, University of Cologne and Leibniz University Hannover. The researchers examine how accounting and taxation affect the transparency of companies and how regulation and firm transparency impact our economy and society. The CRC is funded with approx. EUR 18 million.

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