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Between Regulation and Reality: Sustainability Professionals' Perceptions of the EU Omnibus on the CSRD

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Abstract

In early 2026, the European Union (EU) adopted the Omnibus I proposal to simplify the Corporate Sustainability Reporting Directive (CSRD) by reducing reporting burdens and enhancing competitiveness. However, it has been criticised for weakening sustainability ambitions and increasing uncertainty about future sustainability reporting. This thesis examines how sustainability professionals perceive the impact of the Omnibus proposal on the CSRD, and what impact internal and external influences have shaping these perceptions. Using a qualitative research design, the study combines existing literature with empirical data gathered through interviews with sustainability professionals involved in reporting practices. The analysis is guided by institutional theory, stakeholder theory, and legitimacy theory to examine how professionals interpret the recent regulatory changes and respond to organisational and societal pressures. The findings reveal that although sustainability professionals recognised the CSRD as highly complex and resource intensive, the Omnibus proposal was not generally perceived as a meaningful simplification. Instead, many participants associated the regulatory changes with uncertainty, wasted resources, shifting priorities, and concerns over reduced transparency and comparability. The study further demonstrates that perceptions of sustainability reporting are strongly influenced by both internal and external factors, including managerial priorities, stakeholder expectations, competitors, and societal demands for transparency. This study concludes that sustainability reporting is not driven solely by regulation, but also by growing stakeholder expectations and the broader integration of sustainability within organisations and society.

Keywords: Omnibus proposal, Sustainability reporting, CSRD, ESRS, Sustainability professionals, Perception, Regulatory change, Stakeholders, Value creation

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Richard Cederlund & Emma Steger

List of Abbreviations

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
CSRD	Corporate Social Reporting Directive
CSDDD	Corporate Sustainability Due Diligence Directive
DMA	Double Materiality Assessment
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FY	Financial Year
GRI	Global Reporting Initiative
NFRD	Non-Financial Reporting Directive
NGO	Non-Governmental Organisation
RQ	Research Question
SME	Small and Medium-sized Enterprises
UN	United Nations
VSME	Voluntary Sustainability Reporting Standard

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1. Is Sustainability Taking a Back Seat in the Omnibus?

1.1 Background and Relevance

Over the past decade, sustainability reporting has become an increasingly important element of corporate transparency and accountability within the European Union (EU). In the context of pressing challenges such as climate change and its growing impact on businesses, financial indicators alone are increasingly seen as insufficient indicators assessing overall corporate performance. Driven by growing concerns about climate change, social responsibility, and corporate transparency, the EU has progressively strengthened its regulatory framework to ensure that companies disclose consistent, comparable, and reliable sustainability-related information (Kuzmanova & Dimanova, 2024, p. 1).

The introduction of the Corporate Sustainability Reporting Directive (CSRD) in 2022, replacing the less comprehensive Non-Financial Reporting Directive (NFRD) marks a major expansion of previous sustainability reporting requirements, both in terms of the number of companies affected and the level of detail required (Pantazi, 2024, p. 515). It reflects a broader shift from voluntary reporting practices towards a mandatory system embedded in European legislation (Dečman, 2026, p. 6).

However, the increased regulatory ambition with the CSRD has also been critiqued to have introduced substantial complexity and high resource intensity to implement these external requirements (Figueiredo et al., 2025, p. 299; Kuzmanova & Dimanova, 2024, p. 4; Nichita et al., 2025, p. 801). While reporting supporters often argue "you can only manage what you can measure", critics have questioned whether extensive sustainability reporting requirements truly lead to sustainable impact. Especially as challenges like resource intensity, data complexity or fast-changing regulations are widely recognised (SAP, 2025). Supporting this concern, a recent IBM study (2024, p. 4) found that companies spend 43% more money on sustainability reporting than on sustainability innovation, suggesting that sustainability is increasingly approached as a reporting and compliance exercise rather than a sustainability implementing process.

In response to those concerns European Commissions President von der Leyen presented a simplifying Omnibus Legislation Package with the words: "Simplification promised, simplification delivered" (European Commission, 2026a) in early 2026. The Omnibus I proposal (hereafter "Omnibus") is aiming at simplifying EU legislation, reducing administrative burden, as well as boosting EU competitiveness while remaining firmly committed to its decarbonisation goals. It extensively reduced the scope of companies having to report as well as a regulatory requirements, described by some as a "political U-turn" (Bertram, 2025, p. 170) or "substantially water[ing] down" the regulation (Moran, 2025, p. 25).

This reduced prioritisation of sustainability reporting at the EU level creates uncertainty regarding the future role of sustainability within corporate decision-making and weakens the momentum towards more standardised and transparent sustainability reporting. At the same time the Omnibus' broader impact and overall outcome remain yet unknown. So one could ask: Is sustainability taking a back seat in the Omnibus?

1.2 Problem Statement

Speculations about the Omnibus' impacts have been widely discussed in non-academic contexts (Ernst & Young, 2025; Hill-Smith, 2026; KPMG International, 2026; Smit & Neely, 2025). Before the Omnibus, critical voices raised questions if reporting is getting too extensive and potentially even taking away resources from sustainability initiatives, turning sustainability into a compliance-oriented exercise rather than action. From this perspective the Omnibus could free up time and resources, give companies more time and flexibility to improve sustainability reporting, and possibly strengthen strategic initiatives. In contrast, the Omnibus may also widen the gap between regulatory requirements and stakeholder expectations, while reducing overall comparability and standardisation which increases concerns about greenwashing and declining sustainability commitment (Ernst & Young, 2025, pp. 14–15). However, academic research on the impact of the Omnibus proposal remains scarce due to its recent introduction and changes to the regulation.

After the Omnibus' initial announcement in 2025, early studies started to explore its potential implications. Stanek-Kowalczyk & Szumniak-Samolej (2026) gave first insights indicating that academic experts and practitioners expected legislative simplification from Omnibus adoption but also continued challenges managing sustainability reporting. Other literature on impacts of the Omnibus primarily focused on organisational-level responses. Wojnowska-Radzińska (2025) proposed that the Omnibus did not provide companies with legal certainty or a level playing field, countering the previous aim of the CSRD. Similarly focussed on potential impacts for companies, Dečman (2026) indicates that the long-term success of the proposed Omnibus will depend on whether sustainability becomes integrated into business strategy or if it will remain a formal compliance exercise. Nicolo et al. (2025) show first insights into how companies within the scope of Omnibus are better prepared to implement regulatory changes, than those outside. Lastly Kumari & AlDaas (2026) focus on first market reactions of the Omnibus showing among other the high uncertainty of stakeholders interpreting the Omnibus changes. However, these studies were conducted before the proposal had been adopted, and at a time where thresholds and reporting contents were continuously changing. This suggests that much of the discussion remained based on expected rather than implemented regulatory changes.

Although existing studies provide preliminary indications of impact on companies and the overall regulatory landscape, limited attention has been given to the professionals responsible for understanding and ultimately implementing these simplifications within organisations. This is a critical factor, as these professionals are directly affected by changing EU regulation. They play a central role in translating regulation into practice and directly shape how sustainability reporting is executed. Understanding their perceptions is therefore essential to assess how the Omnibus simplification is experienced at the operational level. It is similarly important to examine whether sustainability professionals' perception is influenced by other internal or external factors that go beyond the regulation itself.

1.3 Research Aim

As the Omnibus has been adopted in February 2026, this thesis aims to provide early insights into how sustainability professionals perceive the impact of the Omnibus on the CSRD and how internal and external stakeholders shape these perceptions. Rather than assessing implications for the companies, the study focuses on how sustainability professionals interpret and experience the ongoing regulatory changes in practice, including the challenges, simplifications, uncertainties and perceived implications emerging from the Omnibus. To achieve this aim, the study is guided by the following research question:

How do sustainability professionals perceive the impact of the Omnibus on the CSRD, and what impact do internal and external influence have in shaping this perception?

By focusing on the experiences and interpretations of professionals involved in sustainability reporting practices, this study is both societally and disciplinarily relevant, as it provides insights into how recently changing EU sustainability regulation is translated by professionals.

1.4 Structure of the Research

To answer the research question, the thesis is structured as follows. First, a literature review will be presented to provide a broader understanding of the historical development of the sustainability regulatory landscape, explicitly of the Corporate Sustainability Reporting Directive (CSRD) and the Omnibus. The literature will also examine existing research on both the CSRD and the Omnibus proposal, highlighting core themes and developments in the field. Following, the theoretical framework of the study will be introduced. This chapter will outline the central theories and concepts that guide the analysis and support the interpretation of the empirical findings. After the theory, the methodology chapter will describe the research design of the study, including the chosen methods for data collection and analysis, as well as considerations regarding validity, reliability, and ethical aspects of the research. Thereafter, the empirical material will be presented and analysed in a combined analysis and findings chapter. This section will examine the collected data in relation to the theoretical framework and the research question. The analysis will then be followed by a discussion in which the findings are examined in relation to previous research and the broader context of sustainability reporting. Finally, the thesis will conclude with a summary of the main findings and conclusions drawn from the empirical material, together with reflections on the implications of the study and suggestions for future research.

2. Literature Review

In order to understand individual perceptions of current changes in the sustainability reporting landscape, this literature review provides the base for examining recent developments. It is structured by outlining the chronological development of sustainability reporting from its beginnings up to the present. Starting from a global perspective, a particular focus is laid on the EU context, in accordance with the research question. While explaining the regulatory landscape in which this study is taking place, the literature review integrates a topical review of existing literature on the Corporate Sustainability Reporting Directive (CSRD) and the impacts of the Omnibus proposal. Given that it was recently adopted (February 2026), the literature review primarily draws on existing literature of anticipated effects.

2.1 Global Evolution of Sustainability Reporting

Sustainability reporting has evolved significantly over recent decades, driven by various factors like increasing stakeholder expectations or growing awareness of environmental and social impacts. Despite its widespread use, sustainability reporting has no standard or unified definition (Singhania & Chadha, 2023, p. 102048). Monciardini (2025, p. 2) defines sustainability reporting as a controversial and ambiguous concept. It has neither a unified definition nor is there one consistent term used, but sustainability reporting can refer to several names, e.g. Non-financial reporting, ESG reporting, CSR Reporting, Green Reporting, or similar (Singhania & Chadha, 2023, Figure 1). For the following study, the term sustainability reporting is understood specifically in the context of reporting under CSRD requirements.

The mentioned lack of a clear and consistent definition of sustainability reporting leads to differing interpretations of its origins and development over time. Singhania and Chadha (2023, p. 102048) date sustainability reporting's history back into the 1960s, while Mchedlishvili and Tabatadze (2025, p. 87) sort the development of sustainability reporting into four different stages starting in 1971-1980. Even though the timelines are not identical, the authors agree that the origins were based on social issues and social accounting models. It was followed by a more environmental focused accounting during the 1980s (Mchedlishvili & Tabatadze, 2025, p. 87; Singhania & Chadha, 2023, p. 102048). This led to (environmental) management systems and regulatory frameworks being adopted considering economic sustainability of companies around the 2000s. During this period, the Global Reporting Initiative (GRI) was founded 1997 in Boston by two NGOs with involvement of the UN Environment Programme.

In 1999 they reached their aim to introduce the first global accountability framework ensuring corporate adherence to environmental, social, economic, and governance responsibility principles (Global Reporting Initiative, 2022, p. 1). Over the past decade, the need for transparent and standardised sustainability reporting has grown among investors, regulators, and other stakeholders (Buallay, 2019, p. 98; Carungu et al., 2025, p. 3). Therefore, besides the GRI, multiple standard-setting bodies and frameworks have emerged from different actors and countries, because traditional reports did not give the necessary information, especially for investors (Singhania & Chadha, 2023, p. 102049). In the last stage, from today onwards, there is a multitude of sustainability reporting frameworks in use integrating sustainability into business models (Carungu et al., 2025, pp. 2–3; Delgado Sánchez et al., 2026; Singhania & Chadha, 2023, p. 102049). Overall, the aim to develop standardised sustainability frameworks that address non-financial information needs and transparency for stakeholder groups is similar across all frameworks. However, they differ in areas such as target audiences, definitions of materiality, and disclosure requirements (Stanek-Kowalczyk & Szumniak-Samolej, 2026, p. 2). This lack of a universal reporting framework creates inconsistencies and reduces the ability to compare sustainability performances, despite ongoing efforts towards harmonisation and interoperability (Delgado Sánchez et al., 2026, p. 10; Spanò et al., 2025, p. 650).

2.2 The Regulatory History of Sustainability Reporting in the EU

2.2.1 Non-Financial Reporting Directive (NFRD)

Focussing on the European Union, a key event for sustainability reporting was the introduction of the Non-Financial Reporting Directive (NFRD) in 2014. The directive is demanding the "disclosure of non-financial and diversity information by certain large undertakings and groups" (Directive 2014/95/EU, 2014, p. 1). These mentioned "certain undertakings" were Public Interest Entities (PIE), including large listed companies, insurance companies and banks or other financial institutions with over 500 employees (Hahnkamper-Vandenbulcke, 2021, p. 3). In total around 11.700 companies in the EU were obliged to report under the NFRD (KPMG International, 2023, p. 8) (see Table 1). The aim was to provide stakeholders and investors with relevant non-financial information to assess companies' value and risks, and to promote greater corporate accountability for social and environmental impacts (Duarte & Matias, 2022). Also, it should generate more consistency and comparability across companies (Directive 2014/95/EU, 2014, p. 2). However, reports prepared for European institutions concluded that the NFRD did not achieve its intended objectives, because the NFRD was not implemented uniformly across EU Member States (Pantazi, 2024, p. 514). Other shortcomings were a lack of comparability or relevance of the information provided because of no unified reporting standard (Hahnkamper-Vandenbulcke, 2021, p. 1).

Table 1: NFRD Scope, Source: Own Illustration

NFRD Scope – who has to report?
In total approx. 11.700 companies including: • Public-Interest Entities (PIE): Large listed companies, banks or other financial institutions, insurance companies • with over 500 employees • Non-EU companies are exempted

2.2.2 Corporate Sustainability Reporting Directive (CSRD)

Because the NFRD was repeatedly criticised for deficiencies regarding comparability, consistency, reliability, and its limited scope, a revision became necessary (Hummel & Jobst, 2024, p. 324). The revision was a part of the 2019 presented Green Deal, which is a policy framework that serves as the EU's growth strategy, aiming to transform the economy into a sustainable, resource-efficient, and competitive system (European Commission, 2019; Kuzmanova & Dimanova, 2024, p. 1). As a consequence, in 2022 the European Commission developed the Corporate Sustainability Reporting Directive (CSRD) which came into force on the 05 January 2023 (EU 2022/2464, 2022, Article 7; Mchedlishvili & Tabatadze, 2025, p. 87) and replaced the NFRD. The aim behind the CSRD was to address investors' demand for consistent and relevant sustainability information (Dečman, 2026, p. 8; Hahnkamper-Vandenbulcke, 2021, p. 2) and to harmonise the fragmented regulatory ESG reporting landscape (Spanò et al., 2025). The CSRD contained extensive changes to scope, requirements and timeline (Pantazi, 2024, p. 515) (see Table 2). With the introduction of the CSRD, sustainability reporting in Europe has developed from a fragmented and voluntary practice into a unified, mandatory and compliance-driven framework (Dečman, 2026, p. 6; Kuzmanova & Dimanova, 2024, p. 1).

2.2.2.1 What makes the CSRD so special

The introduced scope has a big impact on *who* has to report, while the core requirements of the CSRD fundamentally advance *what* has to be reported. Presented below is an excerpt of the significant changes introduced.

Scope

Firstly, the CSRD was set to transform sustainability reporting extensively by expanding the scope from around 11.700 EU companies under the NFRD to approximately 50.000 companies (Hill-Smith, 2026; KPMG International, 2023, p. 4). In its entirety the CSRD scope included all listed companies on regulated markets and large Public Interest Entities with at least two of the three requitements: 250 employees, €40 million in net turnover, or €20 million in assets (Duarte & Matias, 2022). Additionally, it extended the scope to Non-EU companies that have a subsidiary in the EU, if they exceed certain thresholds (KPMG International, 2023, p. 8).

To design a smooth transition the implementation of CSRD was planned in different phases, also called "waves" (see Table 2). The implementation starts with companies that already reported according to NFRD and thereafter gradually includes smaller companies. The reporting timeline began in the Financial Year (FY) 2024 and continues until 2029 (Accountancy Europe, 2025, pp. 2–5). In easy words, this means that the first companies covered by the CSRD (Wave 1) had to apply the new regulation for the financial year 2024 with reports published in early 2025.

Table 2: Initial Scope CSRD Source: Own illustration based on Accountancy Europe (2025, pp. 2–5)

CSRD Scope – who has to report?			
In total including approx. 50.000 companies throughout different phases (waves)			
Wave 1	**Wave 2**	**Wave 3**	**Non-EU companies**
Report in 2025 for FY24	**Report in 2026 for FY25**	**Report in 2027 for FY26**	**Report in 2029 for FY28**
Large undertakings and parent undertakings of a large group that are Public Interest Entities (PIEs) exceeding: • 500 employees on average and • € 25 million total balance sheet and/or • € 50 million net turnover	Large undertakings exceeding at least two of these three criteria: • € 25 million total balance sheet • € 50 million net turnover • 250 employees on average Plus: parent companies that exceed the above-mentioned criteria on consolidated basis during the financial year	Listed small and medium enterprises (SMEs) that do not exceed two of these three criteria: • 250 employees on average • € 25 million total balance sheet • € 50 million net turnover	Non-EU company generating a net turnover > € 150 million in the EU for each of the last two consecutive financial years and having either: • an EU subsidiary fulfilling the criteria of a large company or a listed SME (except micro) • an EU branch generating > € 40 million net turnover

Illustrating these rather complex and technical regulatory details, Figure 1 summarises and compares the significant change of scope from NFRD to CSRD.

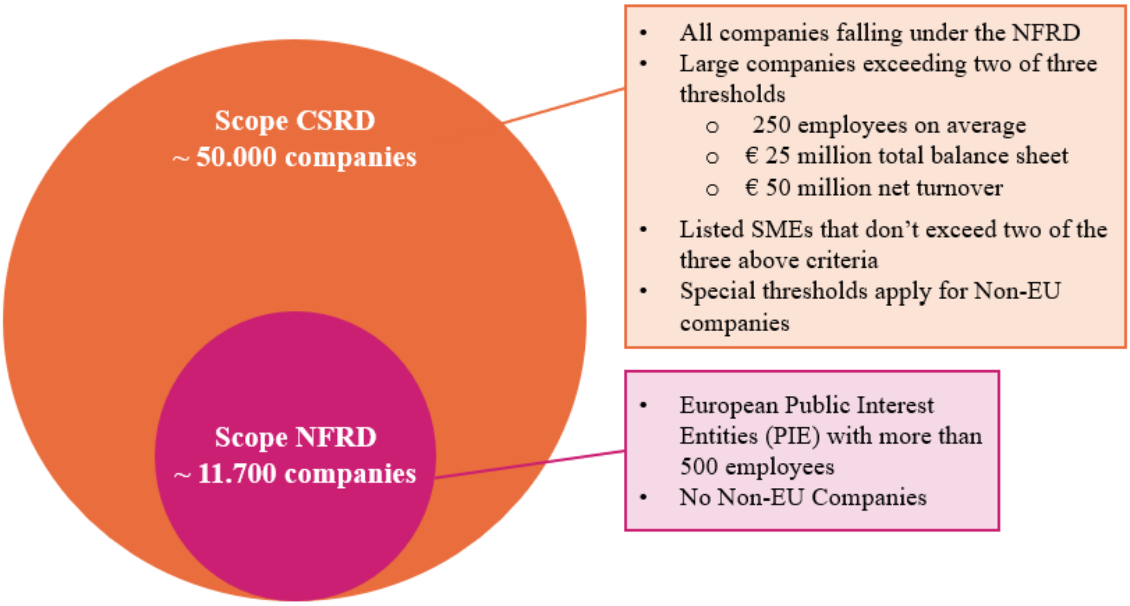

Figure 1: Scope of companies covered NFRD vs. CSRD, Source: Own illustration

Inclusion in Management Report

Secondly, the CSRD sustainability information must be included within the annual management report, instead of as a separate report (EU 2022/2464, 2022, Article 19a). This brings non-financial data of sustainability reporting to the same level as financial reporting (Duarte & Matias, 2022).

Third Party Audit

Thirdly, designed to strengthen stakeholder confidence and increase transparency (Stanek-Kowalczyk & Szumniak-Samolej, 2026, p. 3) the CSRD requires mandatory third-party audits, meaning that sustainability reports must be reviewed by an independent auditor. Initially under "Limited Assurance" but with a planned transition to "Reasonable Assurance", being an even stricter verification process (Delgado Sánchez et al., 2026, p. 2; EU 2022/2464, 2022, Article 60; Hill-Smith, 2026). This additionally enhances the credibility and comparability of sustainability information (Nichita et al., 2025, p. 792; Wojnowska-Radzińska, 2025, p. 91). The development of compulsory assurance of non-financial ESG data alongside with financial data shows again the increasing importance and its alignment on par with financial reporting. However, Nichita et al. (2025, p. 801) mention that challenges remain in implementing this external assurance.

Double Materiality Assessment

Fourth, companies are required to apply the principle of double materiality (see Figure 2). A less strict version already existed under the NFRD, but there were complaints about missing clarity around definitions and implementation requirements (Hahnkamper-Vandenbulcke, 2021, p. 3; Hummel & Jobst, 2024, p. 324). Using the Double Materiality perspective means assessing sustainability topics both in terms of their impact on the environment and society (inside-out perspective), and assessing their financial impacts to the company (outside-in perspective) (EU 2022/2464, 2022, Article 29; Figueiredo et al., 2025, p. 303; Hill-Smith, 2026). In practice, this means include the company's impact on the environment, such as water pollution from chemical leaks affecting the nearby environment (inside-out), and financial impacts, like water possibly becoming scarce due to climate change and local regulations making its use more expensive (outside in).

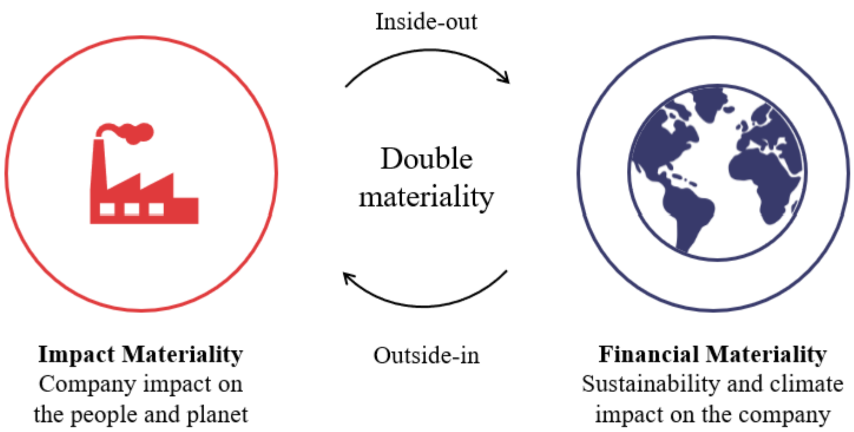

Figure 2: Double Materiality Perspective, Source: Own Illustration

Consequently, this dual perspective demands a strong understanding of both internal operations and the broader implications. Yet, existing research shows that the Double Materiality Assessment (DMA) is going beyond mere regulatory compliance, as companies use the results to support sustainability strategy decision-making and to strengthen organisational ESG strategy (Vito et al., 2025, p. 405). Dunfjäll (2025, p. 940) adds that companies that proactively adopt double materiality can benefit not only from regulatory compliance but also from stronger risk management and reputational gains. However, researchers simultaneously criticise the DMA for lacking standardised methodologies, leading to selective reporting of negative impacts, or excessive over-disclosure, ultimately reducing the transparency and usefulness (Dunfjäll, 2025, p. 940; Wojnowska-Radzińska, 2025, p. 90).

European Sustainability Reporting Standards (ESRS)

Lastly, in order to ensure successful implementation of the CSRD and clear requirements for sustainability reporting, the European Sustainability Reporting Standards (ESRS) were created by the European Financial Reporting Advisory Group (EFRAG) in June 2020 (EFRAG, n.d.). This non-financial reporting framework is at the centre of the CSRD as it is mandatory to apply to a sustainability report in order to be compliant with the regulation. It is designed to help disclosing relevant and comparable information in a unified and standardised way, a missing component failing the NFRD (Carungu et al., 2025, p. 4; Suta et al., 2025, p. 3). Figure 3 illustrates the localisation of the ESRS in the bigger context.

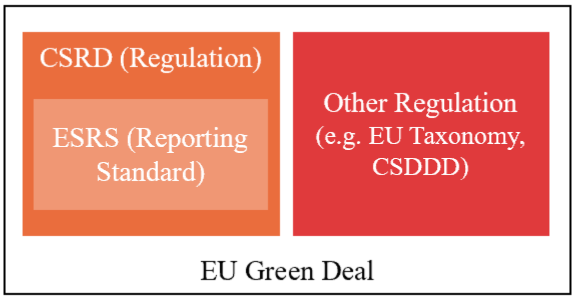

Figure 3: Overview of the EU Sustainability Reporting Landscape, Source: Own Illustration based on KPMG IFRG Limited (2024, p. 3)

The ESRS encompass 12 main topics summarised under Environmental, Social and Governance (ESG). The ESRS include several (mandatory) subtopics with detailed disclosure requirements on over 280 pages and 1.100+ data points (EU 2023/2772, 2023; Moran, 2025, p. 27). A company must report on specific ESRS topics if the topic is deemed material (relevant) to the company during their individual DMA.

2.2.2.2 What makes the CSRD challenging

These extensive and far-reaching changes significantly reshape how companies approach sustainability reporting. Previous research has examined how well companies are prepared to implement the CSRD across different countries, for example in Romania (Nichita et al., 2025), in Portugal (Figueiredo et al., 2025), and in Bulgaria (Kuzmanova & Dimanova, 2024). It is generally recognised that while representing a major step forward for transparency and sustainability, the CSRD imposes high administrative demands and complex and resource-intensive requirements on businesses (Figueiredo et al., 2025, p. 299; Kuzmanova & Dimanova, 2024, p. 4; Nichita et al., 2025, p. 801). These high administrative and technical challenges combined with a lack of knowledge, practical guidance and uncertainty leave companies unprepared for implementation. Especially companies with no previous experience in sustainability reporting (Wojnowska-Radzińska, 2025, p. 92), in particular Small and Medium-sized Enterprises (SME) (Figueiredo et al., 2025, p. 309).

This disproportionate impact on SMEs resonates with Pizzi and Coronella's (2025, p. 1738) research on listed Italian SMEs, highlighting several difficulties in preparing sustainability reports, mainly due to the high costs involved and the cost of skills to be developed or acquired. Adding to these resource constraints they found that SMEs responses to CSRD requirements are shaped by competitor behaviour and a drive to imitate peers to gain legitimacy and acceptance (Pizzi & Coronella, 2025, p. 1733).

Furthermore, Krasodomska et al. (2025) highlight the importance of sustainability professionals in implementing regulatory change. Their findings show that international regulations, and perceived organisational benefits, but also individual knowledge of regulations are drivers to positively support new requirements introduced. Which is why the researchers conclude that education on the benefits of sustainability reporting should be increased to reduce confusion and a lack of willingness to learn new complex frameworks (Krasodomska et al., 2025, p. 320). Similarly, Spanò et al. (2025, p. 654) emphasise that the social costs of building a suitable internal organisation structure to efficiently monitor, analyse, and gather required data should not be ignored.

2.2.2.3 The Role of CSRD in Enhancing Transparency and Stakeholder Trust

Besides the social costs, financial aspects are relevant as well. The shift from voluntary to mandatory reporting under the CSRD signals a deeper change in how firms are evaluated by stakeholders (Talha, 2026, p. 13). As of 2023 the market for sustainable investment products, like green-, social-, and sustainability linked bonds together with focused equity, reached more than $7 trillion (Connolly & Boshnjaku, 2024, p. 42), which indicates significant interest in the market looking at its size. Given this scale, both investors and lenders rely on accurate and transparent sustainability information to make informed decisions, meet reporting requirements, and mitigate greenwashing risks (Connolly & Boshnjaku, 2024, p. 42). Additionally, the fact that European companies are becoming more transparent with their sustainability data is also making them attract more foreign investors (DeFond et al., 2025, p. 309). By increasing transparency, accountability, and assurance, the CSRD strengthens stakeholder trust while acting as both a transparency tool and a governance framework that makes sustainability performance more financially relevant in Europe's ongoing sustainability transition (Talha, 2026, pp. 13–14). In general, the CSRD should not only be seen as a requirement, but a tool for communicating more effectively with stakeholders (Connolly & Boshnjaku, 2024, p. 39). This aligns with Bowen's (2014, pp. 73–74) findings that society demands environmental improvement and that organisations should maintain legitimacy while they develop reporting systems over time.

In summary, research shows that the CSRD has created both opportunities and challenges for companies and the sustainability professionals implementing it. Yet there is a clear gap between the CSRD's ambitious regulatory design and the practical realities of implementation, which is central to the recent Omnibus simplification proposals (Dečman, 2026, p. 6).

2.3 Sustainability Reporting today: The Omnibus proposal

In the beginning of 2025 the first companies have finalised and published their reports in alignment with the CSRD, while concerns about high administrative and technical challenges of CSRD have increasingly been raised (Dečman, 2026, p. 4; Wojnowska-Radzińska, 2025, p. 92). At the same time, Dragi's report "*The future of European competitiveness*" (European Commission: European Political Strategy Centre, 2025), tasked by the European Commission was published and presented in September 2025 (see Figure 4). The report argued that Europe must "radically change" (2025, p. 5) to become more productive and competitive.

Figure 4: Ursula von der Leyen and Mario Draghi presenting the Report on EU competitiveness, Source: European Commission (2025d)

Against this background, the Omnibus I proposal on Sustainability was proposed by the European Commission in February 2025 alongside nine additional simplifying proposals (European Commission, 2025b). Generally speaking, Omnibus proposals are legislative packages that usually adjust multiple EU legal acts (European Commission, n.d.). Aligned with the objectives of the Green Deal, the ten Omnibus packages aim to simplify EU regulation, reduce administrative costs and regulatory burden, in order to strengthen competitiveness and economic growth (European Commission, n.d., 2025b). After a "highly politicised and messy" (Hill-Smith, 2026) process leading to high regulatory uncertainty during 2025, the proposal was voted for on 16 December 2025 (European Parliament, 2025). Following this vote, the proposal was adopted on the 26th of February 2026 and officially entered into force on the 18th of March 2026 (Littenberg et al., 2026). Among other it makes amendments on the CSRD and ESRS to make "sustainability reporting more efficient and less burdensome" (European Commission, 2025b).

2.3.1 Understanding Omnibus' Simplification measures

The Omnibus sets ambitious targets, aiming to reduce administrative burden by 25% for companies overall and by 35% for SMEs, highlighting a particular focus on easing the burden for SMEs (Accountancy Europe, 2026, p. 1; European Commission, 2025a). To reach this, the Omnibus proposal consisted of multiple changes to the CSRD explained in the following.

Scope reduction

A main change is the reduced scope of companies subject to CSRD. The new scope excludes approximately 80-90% of companies from the scope of the original CSRD (Accountancy Europe, 2025; European Commission, 2025b, p. 1; Hill-Smith, 2026). This means that the new scope includes only around 7.000 companies. Substantially lower than the initial CSRD scope of around 50.000 and even lower than the NFRD scope with around 11.700 companies (Hill-Smith, 2026; Moran, 2025, p. 26). See Figure 5 for an illustrative comparison of the different scopes throughout the different sustainability reporting regulations.

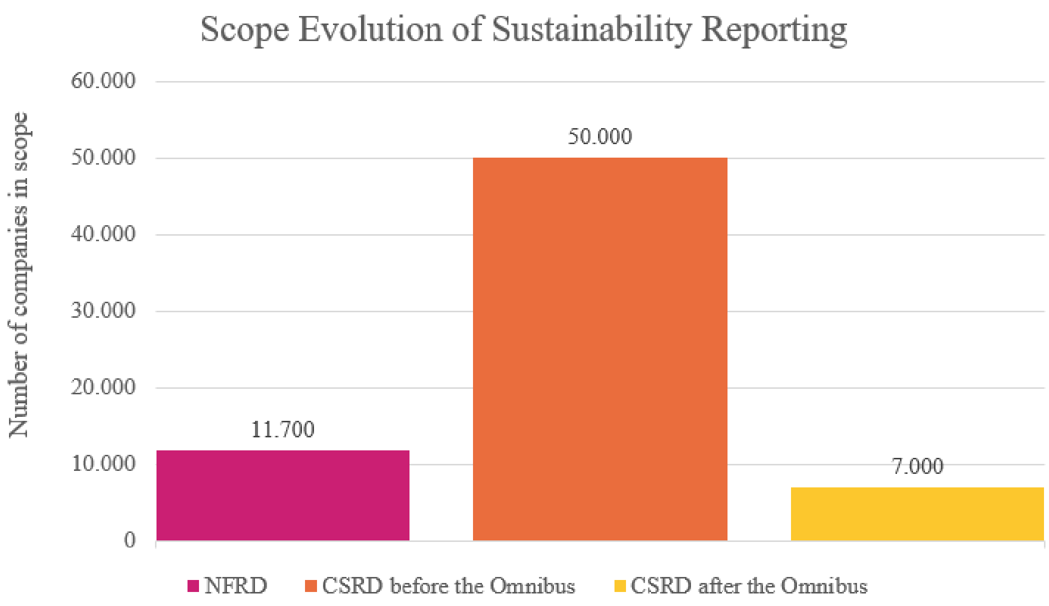

Figure 5: Scope Evolution of Sustainability Regulation, Source: Own Illustration

With this change only EU companies with over €450 million in net turnover and more than 1.000 employees will remain subject to the CSRD. For Non-EU companies the threshold also got heightened and listed SMEs got fully exempted (Accountancy Europe, 2025, p. 1). Table 3 gives a clear overview of which companies remain within and which have been removed from the CSRD Scope after the Omnibus.

Table 3: CSRD Scope after the Omnibus, Source: Own Illustration based on Accountancy Europe (2026, pp. 1–3)

In CSRD Scope	Out of CSRD Scope
In total approx. 7.000 companies including: • Companies above 1.000 Employees AND € 450 million turnover • Non-EU parent groups with > EUR 450m net turnover generated in the EU and a subsidiary or branch with > EUR 200m net turnover	All other companies: • Below 1.000 Employees OR € 450 million turnover • All listed SMEs

”Stop-the-Clock” Directive

Besides to scope reduction, another part of the Omnibus proposal is the Directive 2025/794 also known as the “Stop-the-clock” Directive. It postpones the transposition and implementation of the CSRD reporting requirements by two years, for companies that haven’t started to report yet (Wave 2 and Wave 3 companies) (Yaşar, 2025, p. 478). Moran (2025, p. 26) highlights that postponing it for two years has been broadly welcomed, as it provides companies with additional time to prepare for CSRD reporting requirements, while she also mentions that others argue that a shorter delay would have better maintained momentum.

”Quick Fix” Amendments

Companies that already begun reporting according to the CSRD (Wave 1 companies) are not included in the “Stop-the-clock” Directive. This is why the European Commission introduced the “Quick Fix” amendments to the ESRS to reduce reporting burdens and provide clarity on what can be postponed for these companies as well. These amendments introduce phase-in rules that allow them to (temporarily) leave out certain information and datapoints on sustainability-related risks for 2025 and 2026 reducing the administrative work (European Commission, 2025c; Hill-Smith, 2026).

Revised ESRS

Additionally, the Commission requested the EFRAG to provide a general simplified version of the ESRS to reduce administrative effort and refocus on relevant and meaningful information to the users. The draft of the revised ESRS published by the EFRAG in December 2025 presents shorter and clearer standards that introduce greater flexibility, a simplified DMA, as well as reduced mandatory data points by 60% and total datapoints by over 70% (EFRAG, 2025; European Commission, 2026b; KPMG IFRG Limited, 2025). The revisions have a greater impact on qualitative data points, which decrease by 58%, compared to a 30% reduction in quantitative data points (Hamburger et al., 2026). The EU expects this simplification to result in a 30% reporting cost reduction per company (European Commission, 2026b). Before final adoption and entering into force the EU Commission published the draft for open consultation until June 2026 (European Commission, 2026b; KPMG IFRG Limited, 2026) The reviewed standards are expected to become applicable by the financial year 2027 (European Commission, 2025c; KPMG IFRG Limited, 2026).

2.3.2 Impact of the Omnibus Implementation

The European Commission aims to balance ambitious sustainability reporting requirements with the need to reduce administrative burden and ensure feasibility for companies (Dečman, 2026, p. 96). Since the Omnibus Package is very recent and changes to the reporting standards

(ESRS) are still ongoing, studies analysing its short- or long-term impact are scarce, especially those focussing on sustainability professionals.

One impact of the Omnibus on sustainability reporting has been increased uncertainty (Wojnowska-Radzińska, 2025, p. 85). Since the recent year, great uncertainties exist, as some companies already (prepared to) reported according to CSRD, while discussions on implementation dates and requirements were ongoing. Stanek-Kowalczyk & Szumniak-Samolej (2026, p. 7) found out that uncertainty emerged as a key concern among experts in 2025, whereas it had not been highlighted before the Omnibus, indicating a growing emphasis on regulatory uncertainty over time.

In their study on market responses to the Omnibus proposal, Kumari and AlDaas (2026) found out that this uncertainty about regulatory changes even led to investor scepticism, initial negative returns, and market volatility. Despite being followed by a partial recovery it shows challenges absorbing the fast-paced changes made. They additionally highlighted the need for clear communication for policy makers to minimise uncertainty and market disruptions (Kumari & AlDaas, 2026, p. 13).

Dečman (2026, p. 96) concludes that in the long term, the success of these simplifications will depend on whether sustainability reporting becomes integrated into business strategy rather than remaining a formal compliance exercise. However, as evidence from earlier regulation changes, such as the introduction of the NFRD suggests, increased ESG performance could be measured only two to three years after implementation (Aluchna et al., 2023, p. 19). This indicates that the full impact of the Omnibus implementation may first be thoroughly investigated in the coming years.

2.3.3 Internal and External Influence on the perception of Sustainability Reporting

Another factor that may influence the success of the Omnibus is the combination of how organisations respond internally as well as how external stakeholders responds. Internal sources of influence could be colleagues or managers in close relation to those working with sustainability reporting. According to Mazwadi and Amran (2023, p. 222), one source is managers, but they do not necessarily influence how reporting is done but rather what resources are given. Another factor mentioned by Kumari and AlDaas (2026, p. 13) is that actors such as larger organisations, with regulatory history and institutional strength connected to sustainability reporting, are less influenced by regulatory changes like the Omnibus proposal.

The relevance of size is also highlighted in Nicolo et al (2025, p. 9054) study, which addresses that particularly large firms, and those with significant environmental impact, tend to disclose a higher proportion of GRI indicators that align with ESRS criteria even before they become required. The research finds out that especially companies within the new scope under the Omnibus are better prepared for the CSRD requirements than those outside. Because large organisations (still within the new scope) face greater institutional pressure, they proactively align their reporting even before regulations are enforced, helping them strengthen legitimacy and stay compliant in an increasingly demanding regulatory environment (Nicolo et al., 2025, p. 9054).

Institutional pressure may also be linked to the growing stakeholder interest in sustainability observed over the last decade. Stakeholders such as investors and customers have become increasingly concerned with sustainability issues and seek a better understanding of sustainability reporting and its role in improving investment decisions (Buallay, 2019, p. 111). Furthermore, Kuzmanova and Dimanova (2024, p. 4) argue that, regardless of regulatory changes, companies face growing pressure from consumers demanding sustainable products, reputational risks associated with employee dissatisfaction, and criticism related to inadequate environmental responsibility. The importance of sustainability reporting has therefore increased not only because of rising concerns regarding social injustice and environmental impact, but also because companies must adapt to stricter regulatory requirements and meet higher stakeholder expectations concerning corporate social responsibility (CSR) (Delgado Sánchez et al., 2026, p. 2).

This literature review gives insights in the existing literature and developments of relevant reporting regulation in connection to the Omnibus. Given the limited time the Omnibus has been adopted, there is a clear need for further research into its effects. At this point it is not yet possible to make accurate interpretations or draw conclusions of the Omnibus' impact. Particularly qualitative data of how the Omnibus changes are perceived by sustainability professionals is missing, which is what this study aims to provide.

3. Theoretical framework

Institutional theory together with stakeholder theory and legitimacy theory creates a framework in which the sustainability professional's perception of the impact of the Omnibus and other external and internal factors can be better understood. Although the theories are organisational, they are relevant for the aim of this study as sustainability professionals operate within organisational environments and are therefore influenced by the same institutional pressures, stakeholder expectations, and legitimacy concerns shaping corporate sustainability practices. Ultimately, sustainability professionals do not work in isolation, but rather interpret, implement, and respond to these external and internal influences as part of their everyday work. Institutional theory explains how regulatory and organisational pressure influences the professionals, stakeholder theory highlights the role of expectations and relationships, while legitimacy theory provides insight into how sustainability professionals perceive and respond to expectations of gaining and maintaining legitimacy through sustainability reporting. Combined, the theories create a framework suitable for analysing both the professionals' perceptions of the Omnibus and the influence of internal and external factors.

3.1 Institutional Theory

Institutions can be both formal and informal. A formal institution could be a law that has to be followed, while informal institutions could be codes of behaviour (Nguyet & Tinh, 2025, pp. 3–4; North, 1990, p. 4; Xiang, 2026, p. 1). Taking institutional theory a step further is neo-institutional theory that explains how organisations tend to become similar under institutional pressure or constraints coming from internal but also external circumstances, which is called Isomorphism (Arthur, 2025, p. 132; DiMaggio & Powell, 1983, pp. 149–150). In research, neo-institutional theory has mostly been used to understand how practices and behaviours are influenced by the institutional environment (Nell et al., 2017, p. 1127), which could be interpreted as internal and external pressure. The CSRD could, from a neo-institutional perspective, be understood as a formal institutional pressure that influences organisations within its scope, while voluntary reporting could instead be driven by informal institutions such as norms and stakeholder expectations.

Importantly, as Arena et al. (2018, p. 353) and DiMaggio & Powell (1983, p. 149) explain, organisations are not only influenced by one institution at a time, but rather by several. The external pressure an organisation experiences could take the shape of political pressure and economic forces that they can’t control, or as internal pressure found in the organisational structure and leadership which they can control (Subramanian et al., 2026, p. 133). From the perspective that several forces of institutional pressure exist, organisations can be analysed through an institutional lens with a focus on different Isomorphic changes. The Isomorphic changes or mechanisms are: *Coercive, mimetic,* and *normative.*

Coercive Isomorphism

According to coercive isomorphism, changes happen because of both formal and informal pressure coming from outside of the organisation being either laws or rules that the organisations need to take into account (Althabahi et al., 2025, p. 966; Arthur, 2025, p. 132; DiMaggio & Powell, 1983, p. 150). Generally, organisations do not operate in complete isolation from pressure, but are influenced by regulative and enforcing pressure at all times (Asiri et al., 2020, p. 4; Oliveira & Da Silva, 2026, p. 2). Pressure could be factors that push the organisation, like governments and regulators but also expectations coming from society which makes the organisation homogenous with its surrounding (DiMaggio & Powell, 1983, pp. 150–151). As an example, organisational homogenisation occurs when a subsidiary adapts its structures and practices to align with the policies of the parent corporation, thereby responding to external pressure. In the context of this study, the CSRD can be seen as a formal coercive pressure, as it is a legally binding EU regulation that requires several organisations to adapt their reporting practices and internal processes to comply with mandatory sustainability disclosure requirements.

Mimetic Processes

Mimetic isomorphism explains that organisations becoming homogenous is not always caused by coercive authority, but also uncertainty in the organisation (Chen et al., 2024, p. 2; DiMaggio & Powell, 1983, p. 151). The way that organisations handle the uncertainty is that they try replicating or copying practices from successful organisations or “models” that they perceive to be more legitimate (DiMaggio & Powell, 1983, p. 152; Widmier et al., 2024, p. 2). Other than successful models, organisations could also focus on copying similar companies with comparable resources to make imitation easier (Chen et al., 2024, p. 2). Modelling another organisation could be done in a number of ways and some common examples are directly hiring the same consultancy firm as the model, or indirectly through employee transfer or turnover (DiMaggio & Powell, 1983, p. 152). In general, mimetic isomorphism is imitation of peers which are perceived to have a beneficial structure or are successful (Bansal & Pendyala, 2023, p. 131; Widmier et al., 2024, p. 2), which reduces uncertainty (Chen et al., 2024, p. 2). In the frame of sustainability reporting, this can take the form of adopting similar reporting processes, presentation styles or disclosing similar topics, in order to guide their own reporting practices and reduce uncertainty.

Normative Pressures

The last form of isomorphism is normative pressure which explains the role of professionalisation and how norms spread through education and networks (DiMaggio & Powell, 1983, p. 152; Haldorai et al., 2025, p. 2862). Professionals' shared norms, beliefs, and values make them adopt similar practices and behaviours across their organisations (Haldorai et al., 2025, p. 2862; Ruiz-Blanco et al., 2026, p. 397). This can be traced back to two sources according to DiMaggio and Powell (1983, p. 152). One is formal education and organisational legitimacy that is increasingly dependent on knowledge produced by university specialists. The second is professional networks across organisations that allow new ideas and models to spread rapidly. Education and professional training therefore become central in shaping the institution and practices followed by managers and professionals. In relation to sustainability reporting and the impact of the Omnibus, Krasodomska et al. (2025, pp. 308, 321) show that educating professionals plays a vital role in improving acceptance and positivity about the new requirements. How the organisation is structured is a product of its employees and their institutional background together with social and moral codes of conduct (DiMaggio & Powell, 1983, p. 152; Ruiz-Blanco et al., 2026, p. 398). Organisational culture also plays an important role, as factors like openness and learning can promote the sharing of knowledge, ideas, and resources, thereby enhancing innovation and performance according to Kibbeling et al. (2013, p. 502). In a wider perspective, professionals are subject to the same coercive and mimetic pressure as their organisations (DiMaggio & Powell, 1983, p. 152), and the same is for normative pressure.

3.2 Stakeholder Theory

In a broad sense, stakeholders are groups and individuals who have a valid interest in the organisation or are in a position where the organisation is relying on them to achieve their objectives (Freeman et al., 2018, p. 1; McGahan, 2023, p. 251). Organised as a network, stakeholders play a crucial role in creating long term success for the organisation that they have a relation to (Hasan, 2025, p. 27).

A central factor in stakeholder theory is the concept of value creation and how it is fundamental to business operation and collaborative engagements with stakeholders (Hasan, 2025, p. 27; Lazzarini, 2022, p. 300). Value is however not only limited to economy e.g. financial implications, but also non-financial benefits that could be created for or by the stakeholders (Freeman et al., 2018, p. 8; Hasan, 2025, pp. 26–27; McGahan, 2023, p. 246). In our study, stakeholders are groups or individuals who influence the perception of the professional and their sense of what is valuable in regard to sustainability reporting.

Another important aspect to consider within stakeholder theory is the weighting of "utility" (or value) that the organisation does when deciding to interact or not (Harrison et al., 2010, p. 31). Depending on the opportunity cost or "weighting", which could be benefits created, organisations decide on how to act in consideration to their stakeholders (Freeman et al., 2018, p. 8; Harrison et al., 2010, p. 59). By applying stakeholder theory and its perspectives, organisations can identify sustainability topics relevant to their stakeholders and work with them to create a better understanding of the value creation (Hasan, 2025, p. 27).

In relation to stakeholder theory, ESG reporting could be understood as an important and effective tool when communicating with stakeholders (Gauthier & Kappen, 2026, p. 285; Hasan, 2025, p. 28; Suta et al., 2025, p. 2). Especially larger companies tend to provide more comprehensive and detailed ESG reports likely due to their greater resources, resource use and their demand on meeting several expectations from stakeholder groups (Suta et al., 2025, p. 9). Also, considering all stakeholders in operations usually correlate with better results in conventional performance terms according to Zumente and Bistrova (2021, p. 4). As Suta et al. (2025, p. 9) explain, this would align with stakeholder theory, which emphasises that organisations must not only maximise shareholder value but also meet the expectations of various stakeholder groups who influence or are influenced by corporate activities. By reporting, organisation can foster dialogue and build trust between their organisation and stakeholders, while understanding the competitive landscape and the network of influence (Gauthier & Kappen, 2026, p. 285; Hasan, 2025, p. 28). Understanding the competitive landscape is also something Hasan advocates (2025, p. 28), especially now when investor interest is growing and effective management of sustainability risks and opportunities could lead to outperformance of peers.

To determine which stakeholders to focus on, organisations could evaluate the factors *Power, Urgency* and *Legitimacy* (Mitchell et al., 1997, pp. 865–868; Vola et al., 2025, pp. 64–65)*:*

Power

To have power means to be able to operate without resistance, or to make someone do something that they wouldn't do otherwise (Mitchell et al., 1997, p. 865). Power could come from existing structures in stakeholder relations and it can take its form in force, restraints or control over resources (Adongo & Kim, 2018, p. 1866). In other words, it's about being able to operate regardless of what happens to your stakeholder or only being able to operate because of your stakeholders. When defining stakeholders, it is therefore necessary to evaluate who is influenced and who is influencing. In relation to CSRD, power could be found in the relation that organisations have to each other or in national or European jurisdiction that is executing power by enforcing regulations

Urgency

When a relationship or claim is time-sensitive, important or critical to the stakeholder, the theory explains it as urgency (Mitchell et al., 1997, p. 867). Through requests, demands and level of contribution, some stakeholders can call for immediate attention (Adongo & Kim, 2018, p. 1867). In the setting of CSRD, urgency could be interpreted to exist when a smaller supplier needs to provide its end customer with sufficient information for their reporting, or when the Omnibus was introduced and its changes had to be interpreted and put into action in a relatively short time. Resistance or disobedience towards providing the correct numbers in a timely manner could therefore influence the stakeholder relation.

Legitimacy

Broadly explained, legitimacy can be understood as what is socially accepted and expected structures or behaviours by your stakeholders (Mitchell et al., 1997, p. 866). Legitimacy could also be connected to actions in the way that the one who acts needs to do so in a desirable way, being according to the norm, value or beliefs of the stakeholders, to be legitimate (Adongo & Kim, 2018, p. 1867). Connected to the CSRD, we could use legitimacy to understand whether reporting is a norm (socially accepted by stakeholders) and if sustainability is seen as an important organisational matter, just to name a few examples. However, legitimacy might also be the basis for why and how reporting is organised and to whom the reports are intended to.

By identifying stakeholders who share the same significant risks, the organisation can tailor the way that they report to fit stakeholder demands (Hasan, 2025, p. 28).

3.3 Legitimacy Theory

While stakeholder theory focuses on the relationship between the organisation and its stakeholders, legitimacy theory focuses on the relationship with society at large and not individuals separately (Fernando & Lawrence, 2014, pp. 153, 157, 167).

Legitimacy theory can be used to explain how organisations work with mitigating pressure by aligning with societal norms as a whole (Hasan, 2025, p. 29; Mangiuc, 2025, p. 1195; Talha, 2026, p. 2). Pressure is however not always coming from relations that an entity is aware of, but also social contracts built on expectations, demands, and values developing in society (Figueiredo et al., 2025, p. 299).

With the overall societal expectations at its core, legitimacy theory suggests that organisations seek legitimacy from others by adopting policies and practices justified by society. Yet, it also highlights how reports, such as ESG reports, may be strategically framed or manipulated to appeal to certain stakeholders (Hasan, 2025, p. 29). Since organisations depend on societal approval, ESG reporting could be used as a response to achieve approval (Talha, 2026, p. 3). In connection to ways of achieving approval, there are two approaches towards working with legitimacy, being strategic legitimacy and institutional legitimacy. Strategic legitimacy is about seeing legitimacy as an operational source that can be managed to achieve approval from stakeholders (Khan & Khan, 2025, p. 8555). Institutional legitimacy is on the other hand seeing legitimacy as something beyond managerial control, it is rather the culture which decides what is seen as legitimate (Khan & Khan, 2025, p. 8555; Suchman, 1995, p. 576). Continuing, legitimacy could also be divided into symbolic- and substantive legitimacy. Symbolic legitimacy could be interpreted as superficial ESG actions where focus is put on the narrative to prove compliance which has a short term effect on value (Ferraro et al., 2026, p. 2; Khan & Khan, 2025, p. 8555). Substantive legitimacy on the other hand is about genuine ESG actions that create tangible benefits, it’s about creating a measurable impact with a long-term value for the organisation (Ferraro et al., 2026, pp. 2–3; Khan & Khan, 2025, p. 8555). Overall, legitimacy theory highlights that sustainability reporting can function both as a genuine tool for creating long-term societal value and as a strategic tool for securing approval through compliance.

4. Methodology

This chapter presents the methodological framework guiding the study. It first outlines the epistemological stance and research design that underpin the research approach (4.1). The next section describes the methods of data collection, including participant criteria, sampling strategy, and interview design (4.2). This is followed by an explanation of the data collection process, including transcription procedures and challenges encountered during the study (4.3). Subsequently, the approach to data analysis is presented (4.4), before the chapter concludes with a discussion of the ethical considerations guiding the research (4.5).

4.1. Epistemological Stance and Research Design

To understand the topic that we study, we are using an interpretivist epistemology, meaning that our research focuses on interpreting how individuals interpret and make sense of their subjective experiences and social realities (Clark et al., 2021, p. 123) as well as contributing to a broader understanding of a phenomenon (Alvehus, 2025, p. 13). We also approach this research taking a constructivist ontology stance, implying that we understand that the realities we study are socially constructed and social products of different interactions (Flick, 2023, p. 60).

Based on the epistemological considerations of this study and its aim to gain insights into sustainability professionals' subjective perceptions, meanings, and lived experiences, a qualitative research design was deemed most suitable. While the qualitative design limits generalisation outside of the sample, in comparison to quantitative research, it generates contextual understanding of subjective realities beneath the surface appearance (Clark et al., 2021, p. 1220), aligning with the aim of our research. To answer our explorative research question, a collection of rich, primary, and qualitative data was needed. This was reached by conducting semi-structured interviews with individual sustainability professionals from a broad range of industries and company sizes to gain as broad of an initial insight into the subject as possible.

Using an abductive grounded theory approach supported us in prioritising our data rather than merely validating existing theory and assumptions. Embracing the circularity of this approach by going back and forth between theory, literature and data represents a key strength, as it allowed us to continuously reflect on the research process (Flick, 2023, pp. 109–111).

4.2. Methods of Data Collection

As typical in qualitative and exploratory research, sampling is guided by the relevance of cases to the research question and not in order to achieve statistical representation (Flick, 2023, p. 164). The sampling aim was to maximise the depth and richness of the data in relation to our research question (DiCicco-Bloom & Crabtree, 2006, p. 317). Therefore, this study used a mix between purposive theoretical and convenience sampling with elements of snowball sampling.

Sampling Criteria

Sampling criteria were used to ensure a replicable and transparent study. To achieve the aim of the study the interviewees had to be sustainability professionals with knowledge of CSRD reporting. Being located in Sweden, Denmark or Germany was considered an advantage due to better logistical or language access and the possibility to meet the Interviewee in person. As the individual interviewee's experience is seen as influenced by their work environment, the categorisation of companies according to the initial CSRD thresholds (see Table 2) was used. Having organisations of different sizes in our sample ensured a broad range of perspectives and experiences from the professionals we talked with.

Sampling Process

We started entering the field using a convenience sampling technique by reaching out to professionals in our own networks. This included some aspects of snowball sampling (Flick, 2023, pp. 166–167), meaning one sustainability professional referred us to other colleagues working within sustainability. Acknowledging that this technique might narrow the possibility of exploring different opinions (Alvehus, 2025, p. 64) we added purposive sampling techniques. Purposive sampling requires selecting interviewees that can provide most relevant and useful information about the topic studied (Clark et al., 2021, p. 1236). Purposive sampling was done by reaching out to companies through the Sustainability Reporting Navigator (SRNAV) database (Sustainability Reporting Navigator, 2026). We filtered the database on "Denmark" and "Sweden" to balance the sample, as we already selected participants from Germany from our personal network. Through publicly available data we assessed the companies' potential categorisation according to EU categorisation (see Table 2). Only at a second step we gained access to potential interview partners by being forwarded to the sustainability contact person. As our research followed a grounded theory approach, participants were identified continuously throughout the process of conducting and transcribing interviews. However, due to limited access we adjusted the sampling technique throughout the interview process by moving away from achieving a balanced representation of company categories and instead primarily focused on individuals experience. After a total of 13 semi-structured interviews we finished sampling new participants as we reached theoretical saturation, meaning additional data no longer provided new insights regarding an area according to Glaser and Strauss (as cited in Flick, 2023, p. 163; 1967, p. 61) .

Interview design

Individual semi-structured interviews were selected as the primary method of data collection. This was particularly suitable for this study because it gave us the flexibility needed to gain a deep understanding and rich personal perspectives on the topic. To ensure structure and to include key topics, an interview guide was created based on theoretical background, pre-understanding, and the main research questions (see Appendix A). Furthermore, the interview guide was inspired by Kvale's (as cited in Clark et al., 2021, p. 1396; 1996) nine types of questions ensuring an open conversation while encouraging deeper reflections and clear understanding. By using open ended questions, we aimed at letting the interviewees elaborate thoroughly on their subjective knowledge and experiences and gave them the possibility to influence the content of the interview based on topics emerging (Alvehus, 2025, p. 76). Structuring the interview guide into time-based sections, allowed us to systematically explore participants' experiences before, during, and after the adoption of the Omnibus regulation. As the collection and preliminary analysis of the data happened simultaneously, questions were altered or dropped during the process, following DiCicco-Bloom & Crabtree's (2006, p. 316) approach for qualitative research interviews. One pilot interview was conducted and included into our sample, with questions slightly being altered for the following interviews.

4.3. Data Collection Process

The data collection process took place from the 19th of February until the 13th of March 2026. A total of 15 individuals were interviewed in 13 separate interviews (see Table 4). This is explained as in one interview two additional colleagues spontaneously joined. The interviews were scheduled in advance online and offline, depending on the logistical possibility and the participants' schedules. For offline meetings, we were invited to the offices in Copenhagen or Malmö, while the online interviews were carried out via Microsoft Teams, as it was requested by several interviewees. Both researchers participated in the interviews, enabling effective turn-taking where one guided parts of the interview and the other focused on follow up questions and clarification. The interviews were scheduled to last 45-60min and ultimately had an average length of 51:58 minutes. The categorisation according to the initial CSRD in Table 4 waves, along with the note if the company fell outside the revised scope, helps to clarify the regulatory context in which the companies are situated.

Table 4: Interviewee information

#	Name	Date	Duration	Location	Initial CSRD Categorisation
1	Interviewee A	19.02.2026	01 Hour 08 Min. 22 Sec.	In person	Wave 2
2	Interviewee B	20.02.2026	53 Min. 40 Sec.	Microsoft Teams	Wave 1
3	Interviewee C	20.02.2026	58 Min. 59 Sec.	Microsoft Teams	Wave 1
4	Interviewee D	23.02.2026	54 Min. 29 Sec.	Microsoft Teams	Wave 1
5	Interviewee E	24.02.2026	49 Min. 46 Sec.	In person	Wave 1
6	Interviewee F1, F2, F3	24.02.2026	50 Min. 28 Sec.	In person	Wave 1
7	Interviewee G	24.02.2026	59 Min. 21 Sec.	Microsoft Teams	Wave 1
8	Interviewee H	25.02.2026	53 Min. 14 Sec.	Microsoft Teams	Wave 1
9	Interviewee I	25.02.2026	42 Min. 38 Sec.	Microsoft Teams	Wave 2 (now: out of scope)
10	Interviewee J	25.02.2026	47 Min. 11 Sec.	Microsoft Teams	Wave 1
11	Interviewee K	27.02.2026	39 Min. 10 Sec.	Microsoft Teams	Wave 1
12	Interviewee L	03.03.2026	47 Min. 51 Sec.	In person	Wave 1
13	Interviewee M	13.03.2026	50 Min. 29 Sec.	Microsoft Teams	Wave 2 (now: out of scope)

Transcribing

For thorough examination of the spoken words (Clark et al., 2021, p. 1431) the interviews were recorded with Microsoft Teams (when online) or with our mobile phones (when offline). Converting these spoken words into written text was done verbatim with the help of Microsoft Teams and Word transcription tools. Shortly after each interview the audio-only file was listened to again while the AI-supported transcription was reviewed to ensure accuracy and capture nuances made (e.g. pauses, laughter), in line with the approach described by Alvehus (2025, p. 77). Sensible and identifying information was anonymised using acronyms, or removed where reformulation was not sufficient to protect confidentiality, e.g. information about the company sector or the area of business (Flick, 2023, p. 300). For better readability, repeated words, minor grammatical errors, and filler sounds were removed. Informal smalltalk before and after the interviews was also removed from the transcripts.

Challenges

During our data collection process, we were confronted with the following challenges. The first challenge was limited access because of time and resource constraints of the approached professionals. Out of 32 individuals or companies we contacted via E-Mail or LinkedIn, 12 people did not respond at all and seven replied with a rejection referring to limited personal or time resources. By using different communication channels and following up with the possible interviewees we tried to counter this issue. Flick (2023, p. 148) explains these difficulties of gaining access to institutions to be cause by that research may be seen as a disruption into work routines, without offering clear benefits to the company or its members (p. 109). Especially as our study was conducted during a work-intense period of finalizing and publishing annual (sustainability) reports. Besides low willingness to participate we also encountered limited access due to the so-called Gatekeeper Problem. A gatekeeper controls access to the field and the data researchers collect (Broadhead & Rist, 1976, p. 325). In our case, contact details to sustainability professionals were often not publicly available, which required us to contact their general information channels. In theory, one could then either try to gain access covertly by disguising one's interest or through open and consensual negotiation with the gatekeeper (Broadhead & Rist, 1976, p. 326). As we did not have the possibility to gain access covertly, we directly disclosed our research aim and that we are students from Lund University. In some cases, we still received no response, while in others we were provided with the relevant contact details and were then either granted an interview or denied due to personal time or resource constraints.

Our second difficulty was that corporate sustainability departments are often still rather new in comparison to long-established departments, e.g. finance or human resources. As a result, often there are no fixed structures, responsibilities or job titles being shared throughout companies. This made full understanding of the role and responsible areas difficult before the interview. Verifying the compatibility to our sample, e.g. the participant actually working with CSRD and sustainability reporting, in a pre-interview was considered impractical. This would have contradicted the natural interview process and would have been difficult, given the professionals' limited availability. However, we ensured that the requested person was knowledgeable and suitable to our sample by clearly and repeatedly stating the topic of the interview early on, as well as emphasising the topic in the sent Participant Information Sheet (see Appendix C).

4.4 Analysis Procedure

The transcribed data was coded and analysed according to Braun & Clarke's (2006) thematic analysis. This approach was particularly well suited for our qualitative research as it helped identifying patterns within our data (Braun & Clarke, 2006, p. 79), and gave us a flexible but robust method to generate meaningful insights into participants' individual perceptions and experiences (Ahmed et al., 2025, p. 5).

Initial familiarisation with the data was achieved through careful attention during transcription. This helped reveal first recurring patterns, identify meaningful quotations, and highlight potential areas for further coding. Only after all interviews were conducted, the coding phase started by reading up the transcripts again, while generating initial codes manually within the NVivo Software. The aim was to divide the transcriptions into meaningful units that can be systematically analysed afterwards (Ahmed et al., 2025, p. 3). This was done by highlighting different passages that seemed interesting at first and intuitively naming them. Following this, codes were sorted and grouped together into overarching topics to create bigger themes from the data. This was achieved by creating tables in Microsoft Word to get a structured overview and comparing and contrasting different reoccurring codes and quotes through all interviews. The selection of bigger themes was then reviewed by either merging themes, where supporting quotes were limited, going back to the data to find additional quotes or discarding themes if irrelevant (Braun & Clarke, 2006, p. 91). This organic coding process, together with our abductive approach going back and forth between themes and the data, allowed the needed flexibility. Ultimately after reviewing the themes, codes, and data the five final themes were finalised and re-named, where needed. These themes build the foundation of producing the following analysis chapter.

4.5. Trustworthiness and Ethical Considerations

To ensure the trustworthiness of the study, it was based on the four criteria as defined by Guba (as cited in Clark et al., 2021, p. 1187; 1985), credibility, transferability, dependability, and confirmability. To strengthen the trustworthiness of this research, the following strategies were employed in line with these criteria.

Credibility was strengthened through the use of anonymised semi-structured interviews, based on pre-defined sampling criteria, allowing participants to express their experiences and perceptions freely and in depth. The data was carefully transcribed, reviewed, and analysed through a thematic analysis, with interpretations continuously grounded in the interviewee's perspectives supported by using direct quotes. The inclusion of professionals from different companies and roles further enriched the dataset and ensured that findings were grounded in diverse perspectives. Transferability was supported by disclosing the CSRD implementation categorisation (Wave 1, 2, 3, out of scope) and the extent to which the participant's company was affected by the regulation. While the findings are not intended to be statistically generalisable, detailed descriptions of the regulatory context enable readers to assess the relevance of the results to a similar setting. The study addressed dependability through a transparent and documented research process. We acknowledge that findings reflect a specific and evolving regulatory moment, influencing its stability over time. We ensured confirmability by grounding interpretations in the empirical data, however in line with Braun and Clarke (2006, p. 84) our interpretative role as researchers is acknowledged, while efforts were made to minimise bias through systematic coding in the analysis and abductively reflecting on the research process throughout.

This study adhered to established ethical principles in line with Murphy and Dingwall's (as cited in Flick, 2023, p. 121; 2001, p. 339) four concerns: Non-maleficence, Beneficence, Autonomy and Justice. Participation was based on informed consent, which means that all participants were provided with sufficient information about the study through our Participation Information Sheet (see Appendix B) before the interview. This included the purpose of the research, explanation of what the participation involves, the right to withdraw, how anonymity and confidentiality is ensured, as well as our contact details. They had the opportunity to ask questions during the whole process. Despite all interviewees having signed the consent form (See Appendix C) prior to the interview, explicit consent was reconfirmed and questions were clarified before starting to record the interview. Transcribing was limited to revealing only information relevant to the research purpose, which is why the industry or field of business and other revealing details were blacked out afterwards. This maintained the necessary level of anonymity for individuals to speak freely about their perceptions to avoid any harm or consequences for participants. Ensuring transparency of results and the potential for shared value, participants were actively offered access to the final published thesis.

5. Analysis and Empirical Findings

This chapter presents the empirical analysis structured around five themes derived from the generated data, interpreted through institutional, stakeholder, and legitimacy theory. In order to understand the impact of the Omnibus on the CSRD, the first two themes explore how sustainability reporting under the CSRD was perceived before and after the Omnibus and how these perceptions changed. Themes three and four examine the role of internal and external influences shaping these perceptions. The fifth theme assesses whether the Omnibus is experienced as the simplification it is designed to be. Together, the themes explain how the impact of regulatory change is perceived by sustainability professionals.

5.1 Perception of Sustainability Reporting under the CSRD

This theme captures how interviewees understood and perceived sustainability reporting under the CSRD before the Omnibus. The theme shows a dual perception of the CSRD among interviewees. Ranging for a predominantly negative view as a complex burden to simultaneously a positive perspective emphasising CSRDs opportunities and value creation potential.

5.1.1 Complexity

The interviews revealed that the CSRD and its connected reporting standards (ESRS) are consistently perceived as a heavily complex framework putting a high burden on sustainability reporting. Evidence of this can be seen in Interviewee D's statement: "(…) I'm a big fan of sustainability reporting. But this CSRD, even myself, could never imagine. I think I have like 700, more than 700 paragraphs that I need to respond."

Aligning with this, Interviewee A similarly raises concerns about the complexity:

> The problem was that you had all these auditors and legal advisors that were, they were making presentations or they were doing a webinar where they were coming with this 1,000 pages printed. It was 1,000 plus data points.

Interviewee I similarly says that "I think maybe with the CSRD it just became too big for its own good and then people ended up being tired of sustainability instead of being excited by it."

The perceived complexity reflects the extensive compliance demands created by coercive regulatory pressures and the CSRD's aim to satisfy several topics and stakeholder expectations simultaneously. As interviewees experience the same complex regulatory environments shaping their organisational practice, it also shapes the perception of practitioners, reflecting a mechanism of institutional isomorphism (DiMaggio & Powell, 1983, p. 150). Additionally, shared norms, believes, and values make professionals ultimately adopt similar perceptions across organisations (Haldorai et al., 2025, p. 2862; Ruiz-Blanco et al., 2026, p. 397).

Not only was creating the sustainability report in line with the CSRD perceived as highly complex, but also reading and understanding the finished sustainability report was perceived as burdensome for readers and even sustainability professionals. Interviewee L explains:

> The statements are really complex to read as well. Honestly, I think if, when I open up somebody else's statements, I really have to, you know put on my really thick glasses, these are not my thick glasses, and read them, you know, thoroughly through to understand what exactly is their impact and what exactly are their risks.

This quote shows that the readability and therefore practical value of the reports for readers or stakeholders is reduced because of the legal complexity. It can be explained by the fact that regulations are often designed by policymakers who are distant from the practical challenges of implementation (as cited in DiMaggio & Powell, 1983, p. 150; Pfeffer & Salancik, 1978).

5.1.2 Burdensome Implementation

The findings also highlight implementation burdens linked to the complexity of the CSRD, as the regulation is repeatedly framed as a time and resource intensive compliance exercise, partly taking away time that could be used for other sustainability topics within the company. However, there is a unified opinion, that it is challenging now, but will get easier over time:

> So, driving sustainability in the business, I don't feel I have had any time to do that since like October, November. You need to write this text. But now, when we have done it one year, I think we will be able to reuse a lot. (Interviewee D)

This is underlined by Interviewee I:

> And in terms of, you know, taking away resources from real action, I think, I think it's really just the first year or two of reporting where it is really intensely focused on reporting and getting up to speed and maybe just doing those compliance tasks and not seeing the benefits of those

> compliance tasks. But then as time goes on, once the reporting is up and running then you'll be able to actually focus on those initiatives.

Both quotes show that the resource intensiveness of the CSRD currently rather encourages symbolic legitimacy approaches, meaning just trying to comply with legal requirements, rather than applying a substantive sustainability approach, meaning really wanting to improve the sustainability data reported (Ferraro et al., 2026, p. 2; Khan & Khan, 2025, p. 8555). Due to the novelty and complexity of the coercive pressure, professionals at the moment focus on fulfilling complex formal and legal disclosure requirements rather than driving substantive sustainability actions. However, the interviewee's quotes show a positive outlook making processes more efficient with the resources available when routines and knowledge are established.

CSRD's complexity led to missing the general understanding on how to implement and interpret the newly introduced regulation, creating a lot of uncertainty. Interviewee F mentions: "(…) the more problematic or challenging side, I would say, is that it is to interpret the CSRD legislations and try to understand what it means for us as a company."

This interpretive uncertainty can also be linked to the professionals concerns about fulfilling external expectations (Freeman et al., 2018) and ensuring that the company's sustainability reporting is viewed as credible and legitimate to societal expectations, aligning with Hasan (2025, p. 29).

5.1.3 Advancing Transparency and Credibility

However, the (same) interviewees simultaneously also see sustainability reporting as a tool for advancing transparency and credibility through standardisation and mentioned that they don't do this only to check the box or just to comply. Some even saw it as a competitive advantage.

> So generally we really appreciate that it's generating some (…) level playing fields amongst peers and competitors that everyone is obliged to do the reporting in a certain structure, that it's harder to make statements that would be greenwashed and that everything's really detailed out and really has to be transparent. Which is generally creating of course credibility for the company. It helps with your reputation if you do it in the right way. (Interviewee B)

The positive aspects of sustainability reporting align with the sustainability professional's ambitions of meeting stakeholder expectations, e.g. by generating data for transparency and comparability to assess risks, values, investment decisions and ultimately gaining legitimacy.

As sustainability challenges are reshaping the competitive landscape it can be an advantage to manage them in order to outperform peers (Hasan, 2025, p. 28).

Contrary to the expectation that the CSRD improves comparability, its ability to enhance comparability has also been critically questioned. For example, Interviewee F1 said:

> What are you comparing yourself with? (…) Somebody in the same, business or mid-sized company in Sweden, or do you compare it to all companies in the world? So, when you don't have that kind of, you know, when you can't really compare it with something, it [reporting] becomes very subjective, and that is, I think, very dangerous.

The interviewees confusion on whom to compare themselves to reflects difficulties identifying material sustainability topics for different stakeholder groups. Global investors might have different benchmarks and interests than local communities or customers, however the value creation with and for the stakeholder is vital for the individual and the business (Hasan, 2025, pp. 26–27; Lazzarini, 2022, p. 300).

5.1.4 Valuable Driver for Sustainability

Using CSRD and ESRS requirements as an inspiration for the sustainability strategy and using the Double Materiality Assessment (DMA) to gain better understanding of their business impacts, risks and environment was seen as a tool to create and add value. Interviewee C describes the DMA as "(…) a good reflecting exercise for corporations first of all to better understand themselves."

This echoes with Interviewee E's statement:

> We don't do this just to comply. We do it because it's the way we do business and we want that to be at the centre of how we create value for our customers as well. So from that perspective, it's actually strengthening us and making us more fit for the future.

Integrating the CSRD into their strategy and seeing the value added internally and externally reflects that long-term success also depends on identifying and managing value creation for multiple stakeholder groups (Suta et al., 2025, p. 9), e.g. the customers as Interviewee E states. It additionally reflects that the CSRD can be used to better understand stakeholder relevant information, e.g. risks and impacts. The intention to create value for customers reflects a broader desire to be perceived as legitimate within society (Hasan, 2025, p. 29; Khan & Khan, 2025, p. 8556).

This orientation towards value creation and stakeholder relevance is also reflected in how professionals perceive their own roles within the CSRD framework. Overall, the respondents were excited about the implications the CSRD had for their professional roles and the backing and power they were given by this regulation “to go and really steer those sustainability related topics. (…) So it was a door opener in that sense to start discussions” (Interviewee B).

This is further illustrated by Interviewee M saying that “I was really happy, personally, because I felt that they took such a big step when this all came. (…) So I was really happy and a bit like shaken up by the fact that it felt so big.”

This feeling of backing and power for their professional role was assigned to them by the EU. Therefore, professionals perceived formal pressure from outside legitimising or driving internal change. Also normative isomorphism can play a role, as sustainability professional networks span organisations and possibly influence perceptions (DiMaggio & Powell, 1983, pp. 150–152; Haldorai et al., 2025, p. 2862).

5.2 Perception of Sustainability Reporting under the Omnibus

Following a period of strong regulatory backing for sustainability, the changes of the Omnibus were generally perceived with a two-sided response. Interviewees majorly showed disappointment concerning the reduced scope and the loss of driving force for sustainability, but some also were positive when initially hearing about the expected reliefs.

5.2.1 Disappointment

As the Omnibus proposal was published the results show strong feelings of disappointment and frustration about the reduction of the scope and the connected deprioritisation of sustainability (reporting). Interviewee C pictured the day the Omnibus proposal was introduced (February 2025) as following:

> Then one year ago the news broke and with the Omnibus and, yeah, it was quite a disappointing day for the whole department and yeah (…) we started out thinking that this is only the beginning of something broader yet to come. And then we realised basically that's it, nothing much will change.

The interviewee’s reaction can be explained by the fact that sustainability reporting had increasingly become an established and acknowledged part of the company’s operations due to growing regulations and industry expectations. However, the Omnibus suddenly changed these expectations by reducing regulatory coercive pressure and signalling a slowdown of ESG momentum, which created frustration and disappointment within the department (DiMaggio & Powell, 1983, p. 150).

It emerged from the interviews that the professionals were showing personal disappointment regarding the heavy reduction of the scope through the Omnibus, going back to pre-CSRD times:

> So that's sometimes at least as a sustainability professional, I…I get annoyed with humanity, it feels a bit circular and I think it's a loss if we're going back to, you know, less than NFRD. NFRD was not enough. That was sort of the conclusion back then. (Interviewee K)

Yet, many agreed that before the Omnibus the scope was way too broad, creating huge burdens especially for smaller companies. Interviewee H notes "I think also my personal view (…) the previous original scope or initial scope from CSRD reporting was too, too broad and included too many small companies" while contradicting later indicating that "So we do not feel good with now the very narrow scope in Omnibus." This shows the double-sided perception and tension between a wide-ranging scope supporting the prioritisation of sustainability on one side, and a narrower scope focusing on realistic practical implementation on the other side. Ultimately, the results can be summarised as interviewees perceived the EU to be too ambitious at first with the CSRD's scope, thus reducing it now too much.

This unclear scoping, going from a very extensive to a very reduced scope, connects back to the difference between substantive and symbolic legitimacy (Ferraro et al., 2026, pp. 2–3; Khan & Khan, 2025, p. 8856). While many saw the pre-Omnibus CSRD as a path away from symbolic legitimacy and towards substantive impacts for the whole corporate sustainability landscape, the subsequent disappointment was perceived as weakening this legitimacy.

5.2.2 Waste of Resources & Uncertainty

Interviewees were frustrated because of the feeling having wasted resources and parallelly expressing uncertainty because of future regulatory developments. Interviewee A points out

> I think it was... a little bit frustrating because we have spent so much time and effort and developing expertise for this. And then suddenly you don't know any more what's going on.

Interviewee E supports these concerns highlighting the regulatory instability,

> It is creating a lot of challenges for European companies who start to work towards one direction and then suddenly that's reversed or stopped. It's a huge amount of resources that are wasted, that's a problem.

Because of the recent and fast-paced regulatory developments, uncertainty for sustainability professionals occurred, similarly to pre-Omnibus times. This frustration points to a disruption in value creation, as significant time and resources invested into developing sustainability capabilities no longer translate into clear organisational or stakeholder value (Hasan, 2025, pp. 26–27).

5.2.3 Feeling of Relief

While a majority perceived frustration over the Omnibus, others first perception showed that they were happy and relieved to hear that especially the European Sustainability Reporting Standards (ESRS) should be simplified, reducing the complexity of their individual work. Yet they were hesitant because of the early stage and ongoing changes potentially influencing the actual impact. “So and basically, the first thing we thought was, OK, it's good. They want to simplify a lot of things, but there was still how to say the yeah, we were not sure about it” (Interviewee J).

This feeling of relief expressed by some interviewees can be understood, because the CSRD and especially the ESRS have introduced substantial coercive and informational pressure through extensive disclosure requirements (DiMaggio & Powell, 1983, p. 148). The Omnibus simplification proposals were therefore initially perceived as a reduction of these pressures and the workload connected. However, the quote also shows continued uncertainty limiting professionals’ confidence in the actual impact of simplification.

Overall, respondents working in bigger companies perceived both negative and positive impacts of the Omnibus, such as feeling of relief, regulatory uncertainties, and changes as less challenging and significant than companies being on the edge or below the thresholds. As they early on had certainty that they stayed in scope. Interviewee G states: “I think [the time] was not really uncertain. I mean it was not an uncertain time in that sense”. Similarly, Interviewee K emphasised that the company’s large size reduced the impact of the changes: “It's clear we were in scope no matter sort of what the thresholds were. So, in that sense maybe it was less of a disturbance I think.”

The lower level of negative and positive impacts experienced by larger companies can be explained by the fact that the Omnibus was designed to primarily reduce the burdens for SMEs, meaning that the regulatory expectations on larger companies remained largely unchanged.

5.3 Importance of Internal Influence

In discussions with the interviewees, it became visible that their perceptions of the Omnibus and the CSRD together with how organisations work with sustainability reporting is shaped in multiple ways. From that information another theme emerged being the importance of internal influence. In general, the internal influence originated from different sources in the organisation, it could be from managers, other employees, and individual factors such as professional background and responsibility.

5.3.1 Managers and Their Priorities

Managers appeared to influence both organisational practices and sustainability professionals depending on what they personally valued and prioritised. This is illustrated in Interview J, where the Interviewee described how leadership changes influenced the organisation's approach to sustainability reporting. At the organisation where Interviewee J works the CFO had been highly motivated, and their CEO also acted as CSO. However, when the CEO changed, the reporting approach shifted:

> (...) our new CEO, he says. Yeah, please do this bare minimum. The CEO before was like, hey, do whatever it's necessary, what our investors want to see. But they're still always challenging themselves. Are we doing too much? And yeah, is this really necessary? So yeah, the management wants to make sure that we're doing it as lean as possible.

This example shows how the manager's understanding of value can determine whether sustainability reporting is prioritised or minimised. In one way, that would correlate with normative isomorphism explaining how the organisation could be internally influenced by its members and their institutional background (DiMaggio & Powell, 1983, p. 152; Ruiz-Blanco et al., 2026, p. 398). But it could also be interpreted as coercive isomorphism in the way that managers could decide on company-wide approaches as a result of government mandate (Althabahi et al., 2025, p. 966; DiMaggio & Powell, 1983, p. 150), which could have inspired the new CEO. A third perspective on this could be that the CEO's approach is connected to strategic legitimacy where their strategy is organised in an appropriate and appreciated way according to the stakeholders (Khan & Khan, 2025, p. 8555).

5.3.2 Professional Roles and Previous Experience

Regarding how reporting was organised, an emergent theme was influence coming from the role of the interviewees. By roles we refer to the previous professional background and the interviewee's current role in their organisation. In general, there were four clusters of roles/backgrounds that the interviewees could be organised into:

1. Audit/reporting cluster consisting of Interviewee G, C, L, B and D.
2. Finance/accounting cluster: H, J, F2 and K
3. Engineering/technical cluster: A, F3 and M
4. Leadership/strategy cluster: F1, I and E

When interviewees from cluster 1 talked about reporting, they focused mostly on structure, comparability and compliance, which may influence how sustainability is organised. For cluster 2, the interviewees mostly used terms of efficiency, value and actions over process. Cluster 3 moderately expressed similar thoughts regarding how reporting was a resource demanding learning process. Lastly, cluster 4 framed the reporting as a strategic opportunity to create value. The different roles and views could be further understood by looking at them as institutions. In the same way that Interviewee J's CEO is influenced by their institutional background and previous employments, the situation is the same for our interviewees. It could be that the different institutions have an impact on what part of reporting that the interviewees find important. Drawing on the concept of value (Freeman et al., 2018, p. 8; Hasan, 2025, pp. 26–27; McGahan, 2023, p. 246), it's understandable that they value different parts of reporting and therefore talk about the same task differently. Although the board is generally responsible for reporting, the strong influence of roles or managers could be seen in the way that the interviewees expressed their perspective on reporting.

While implementation was both overwhelming and expensive according to Interviewee A and D, told that their organisation was engaged on learning more while seeing the added value from reporting. Interviewee A expressed that:

> We needed external support and of course it was so expensive, so it started becoming very overwhelming for management … then they (management) were pretty quickly on board on our way how to tackle that and did also see the value add from that and … Yeah.

Interviewee E also expressed that they saw added value in reporting, similarly to Interviewee C and H expressing that reporting is beneficial since it is to some extent driving change by making data and performance visible to other. Similarly, Interviewee E presented that they report not only to comply, but they also believe that it's strengthening them. These differences suggest that internal influence has an impact on how reporting is used and prioritised within the organisation.

Another way of understanding this is by seeing it as either symbolic or substantive legitimacy. Seeing reporting as compliance correlates with symbolic legitimacy and how it's something that needs to be done, while seeing reporting as valuable correlates with substantive legitimacy and how ESG actions could create benefits (Khan & Khan, 2025, p. 8885; Talha, 2026, p. 3). These perceptions and institutions created an internal influence shaping how reporting was organised, depending on for example if was seen as a value-add and/or that it was driving change. In this way, internal influence could be central in determining how sustainability reporting is perceived and organised in the organisation.

5.3.3 Influence of Value in Reporting

In the same way that some interviewees expressed that reporting was valuable and strengthening them, a wider discussion regarding value creation emerged with interviewees emphasising the internal value of sustainability reporting. One example of this was Interviewee H who described their organisation's ambition to act as a role model, rejecting a "tick-the-box" approach where reports are simply produced and shelved. Similarly, Interviewee F1 highlighted the value of reporting for benchmarking purposes, noting that it facilitates comparison with other organisations. These quotes show how internal influence could be interpreted as the willingness to disclose sustainability data, or the drive to report in similar ways as others to create better conditions for comparisons. This may strengthen legitimacy by facilitating stakeholders' decision-making while it creates a comparable benchmark for sustainability performance across companies. Acting as a role model, as described by Interviewee H, could either be seen as a sign of power, being that they recognised that their internal decisions may influence others (Mitchell et al., 1997, p. 865), or that they wanted to show legitimacy and build trust by providing data (Adongo & Kim, 2018, p. 1866; Hasan, 2025, p. 28; Mitchell et al., 1997, p. 867). In the case for Interviewee F1, their approach could correlate with mimetic isomorphism and how they want reporting to become more comparable by using the same models and benchmarks (DiMaggio & Powell, 1983, p. 152).

Another example of internal influence came from Interviewee M who further reflected on how internal priorities, particularly at the board level, influenced engagement with the CSRD:

> (...) our former board were really, really focused on CSRD. So we started early on with the DMA. And so on, and then we did the listing things changed, so then we still we are still inspired by CSRD

This suggests that internal motivation, especially from leadership and boards, is shaped by perceived organisational opportunities and strategic relevance. These motivations influence how strongly sustainability reporting is pursued. But it also shows that management created a form of coercive isomorphic pressure on the rest of the organisation when they wanted their organisations practices to match what they perceived as valuable (DiMaggio & Powell, 1983, pp. 150–151).

5.3.4 Company Size-Related Influence

Another aspect of internal influence relates to whether the company is included or excluded from the CSRD scope after the changes introduced through the Omnibus. Interviewees expressed different views depending on whether they felt certain or uncertain about being in scope and how that had an influence on how reporting was used in their organisations.

If the organisation was out of scoped Interviewee C highlighted that organisations could decide on engaging in voluntary reporting and that it could be seen as an opportunity. However, seeing the situation as an opportunity seems to be easier said than done depending on internal influence. Interviewee M is part of an organisation that is now out of scope and described the period before the Omnibus decision in the following way:

> First, it felt like we've gone from something really big and huge, and then all of a sudden the carpet was just snapped and everything changed. And then it was really complex. So we actually had to get help also, trying to understand how this will impact us and what is the most strategic way to go forward here

As Interviewee M explained, the scope reduction could influence internal decision-making in regards to resource allocation for reporting. Interviewee M later explained that their organisation decided to continue reporting, but at a slower pace. This illustrates that the internal responses to regulatory ambiguity shapes reporting practices and that reporting according to the CSRD when you're outside of the scope is not an obvious choice for every organisation. Another reason why the choice might not be obvious for some organisations could be that they are influenced by several, sometimes conflicting, institutions and that do not work in isolation from others (Arena et al., 2018, p. 353; Asiri et al., 2020, p. 4; Oliveira & Da Silva, 2026, p.

2). The choice of continuing to report could then either be interpreted as mimetic isomorphism or an attempt to remain legitimate because of perceived stakeholder demands.

5.4 External influence on reporting

The fourth theme that emerged during the interviews was the role and influence that external factors had, on how reporting was perceived and organised in each interviewee's daily work. By external factors we refer to several stakeholders being customers, investors, partners, owners, competitors, governments and the EU.

5.4.1 Two Ways of Seeing Things

In the interviews it emerged that interpretations of the Omnibus often have two sides. On one side, Interviewee K explained that some think that the Omnibus is making sustainability reporting detract from competitiveness. The interviewee believes that the Omnibus is shifting attention and resources away from core value-creating business activities. Meaning that sustainability reporting does not provide a competitive advantage. On the other side, Interviewee K explained that investors, customers, tenders, ESG-raters and the value chain suppliers all share the same perspective that sustainability reporting is expected. Which can mean that reporting is a source of competitiveness.

It could be that the Omnibus had reduced the competitiveness in connection to sustainability reporting. In the discussion with both Interviewee B and E they explain that sustainability now felt deprioritised by politicians and that the mood in society had changed leading to a heavy focus on financial performance, rather than sustainability which had an impact on their perception.

> We have a quite a tough couple of years right now with the inflationary pressure, with the interest rates going up, cost of living going up, uncertainty in the economy going up. That leads people to spend less money on … So therefore, the financial aspects have gone up in importance because of the challenging financial conditions, as is natural. (Interviewee E)

While Interviewee B claimed that "Yeah, I would say on a geopolitical radar, it definitely has been deprioritised, obviously. So we feel that too."

That could correlate with how inflationary pressure influenced the organisations and the decision-making of their customers according to Interviewee A and E. It could also correlate with how changing regulations created external institutional pressure from coercive isomorphism making the organisations adapt in accordance with new regulations. Seen from a legitimacy point of view, society and politicians as stakeholders could have influenced through their expectations on how organisations should act (Hasan, 2025, p. 29), according to the material.

When sustainability seemed to become less important, interviewees expressed that reporting was still a requirement demanded from customers and that the interest was increasing in external stakeholder groups. As an example, the organisations that Interviewee C works for, provide better terms for customers who put relevant focus on the environment and related risks. Interviewee D explained that they had a discussion with a "huge global company" expressing their growing focus on sustainability and demands on their suppliers. Interviewee D sees this as a key sign that "big companies still want to do good and that good business companies want to do business with good companies."

However, the interest in sustainability wasn't only limited to bigger companies. Interviewee M, for example, explained that their customers, who are smaller family-owned businesses in Europe, had begun to ask about more detailed information connected to sustainability. In general, several interviewees explained that customers cared about ESG ratings, sustainability data and that sustainability worked as an attractive differentiation and selling point. Adding to the opinion, Interviewee F1 also explained that sustainability reporting before CSRD was also very necessary for them because they knew that their customers would be asking questions about it.

Stakeholders being interested and asking questions about sustainability data from reporting further correlates with reporting being a tool that drives change, which Interviewee L also believed saying that "CSRD and everything, it's important. It's not the only driving factor. So, I mean, there's a, from our end, for example, it's partly what the investors think."
It could also point towards that customers have power and urgency influencing the organisation. Taking this a step further one could label reporting as a tool within strategic legitimacy, due to the stakeholders influence on its implementation and arrangement.

5.4.2 Competitors and Governments

Two stakeholder groups, that have been addressed previously but not analysed fully, are competitors and governments. Comparing the own company with competitors is something that most organisations did and both Interviewee G and M explained this in their interviews. In discussion with Interviewee G, they explained that:

> I think especially when it comes to targets, I mean and in comparison with peers, we… one of our biggest competitors is always kind of a step ahead [laughs]. So it always helps to look into…and they are very good in in sustainability. So already from that pressure we would still continue report and it's not only a compliance exercise, but we also want to showcase that we are doing a good job when it comes to sustainability.

An similar statement is made by Interviewee M, who said that:

> I would also say that compared to the peers in the industry, as I said earlier, they are big. They are, they need to be compliant with CSRD. So for us, only reporting according to VSME would be kind of strange, because then we would probably be considered to be the outlier from the customer's point of view.

According to the two statements, sustainability reporting is a competitive factor because it creates external pressure and motivates organisations to remain competitive. A decision to not report, if legally possible, could lead to the organisation becoming an outlier and reduce the organisations legitimacy, as stated by Interviewee M. A way of interpreting this is that regardless of size, great networks of stakeholders and societal norms will still create and influence, i.e. Organisations and professionals don't operate in isolation (Asiri et al., 2020, p. 4; Oliveira & Da Silva, 2026, p. 2).

But the fact that reporting is a source of competitiveness and external pressure could be taken one step further when studied from a national perspective. Both Interviewee J and L talked about international competitors and what influence they had. In the case of Interviewee L, they explained that reporting practices varied significantly across European countries, but that it wasn't a differentiator influencing the market competition yet. However, Interviewee J explained that it is not easy to compete with international competitors especially from the US where there is no demand to report according to the CSRD. Having regulatory or institutional differences did have an impact on European organisations and their stakeholders, but there is insufficient evidence to further assess or understand its external influence on the interviewees.

Together, the analysis of external influence suggest that reporting is shaped by external pressure coming from several sources. On one hand there are political factors that push organisations to prioritise sustainability less and financial performance more. On the other hand, there are several stakeholder groups that required, used, and appreciated sustainability reporting. In general, influence doesn’t always come from the regulation itself, but the stakeholders affected. To be better suited for this situation one could follow Interviewee H’s advice on having a multi stakeholder approach, acknowledging that there are no stakeholders who are interested in everything. Rather, the interviewee suggests that different stakeholders hold different interests and expectations regarding sustainability reporting.

5.5 Simplification or not? Perceived Impacts of the Omnibus

This theme examines how sustainability professionals perceive the practical impact of the Omnibus adjustments on their (reporting) work, focusing on whether the changes are perceived as a real simplification of complex CSRD requirements or not and rather a shift in priorities and processes. The findings show that the perceived impact varies a lot from individual to individual and spans from little to significant impact. While being differently impacted by the regulatory changes, because of the size of the company they were employed at, all interviewees experienced some kind of impact. Disregarding the company background or size, interviewees acknowledged elements of simplification. Nevertheless, the dominant outcome suggests that the Omnibus is less experienced as a clear reduction in complexity and more as a reconfiguration of their sustainability work.

5.5.1 Change of Resources

With the ongoing regulatory reductions, interviewees demonstrated a heightened fear of losing their jobs or experienced (in)direct layoffs within their teams and their sustainability networks. Interviewee A expressed their feelings with the remark: “And suddenly you saw a lot of people being fired within one week.”

Direct layoffs were experienced by Interviewee A, who had to let go of one student assistant and Interviewee M where a newly hired sustainability controller had to leave shortly after being employed because they “couldn't argue for keeping the sustainability controller function”. Indirect layoffs appeared as “no jobs were lost in my company, but a potential job (…) was lost” (Interviewee I).

Though, it was highlighted that it was possibly an interplay of several factors leading to these decisions. “I don't think Omnibus is the only reason. It's also organisational changes and new bosses and whatever it might be” (Interviewee K).

This reflects how organisations adopt new functions, like a sustainability controllers in response to coercive isomorphism, being the formal pressure exerted by the EU. As soon as this pressure is reduced, companies might lose interest if the value added is not significant enough.

The impact of the Omnibus lead to Interviewee B and C proactively changing teams or company in response to the regulatory shifts. This is illustrated by Interviewee C:

> When I realised that the ESRS will be simplified and that a lot of requirements will go away, I realised that the work of last year basically will be softened in the future (…) that [it] will be a thing of the past (…) that's when I realised there's no real challenge for me personally anymore and that I need to (…) find something else to do in the future.

This quote shows that the coercive pressure does not only shape institutions, but it even shapes professionals careers and perception of their own relevance, similar to what DiMaggio & Powell explain (1983, p. 152). Because of the coercive pressure of the CSRD, the sustainability professionals' roles were created and gained relevance in the first place. Through the Omnibus they seem to perceive their role as being devalued and losing their importance, which in the case of Interviewee B and C lead to a change of roles.

At the same time the Omnibus led to reorientation of job areas and responsibilities. Interviewees experienced a shift in their focus away from sustainability reporting and towards more strategic or implementation-oriented sustainability tasks. Interviewee K states: "(…) there was a decision to move all reporting related mandates (…). And then my role is very different. It's much more about sort of the strategic acceleration."

The shift from reporting to impact is showing the continued goal of value creation as it is fundamental to successful business operations especially in connection to bringing this value to diverse stakeholders (Hasan, 2025, pp. 26–27).

5.5.2 Simplification through the Omnibus

The interviews clearly indicated that for many the Omnibus was a perceived simplification in terms of reduced pressure and stress. Some interviewees described a change from the previously intense and urgent atmosphere. "I think there's a lot less... this feeling of everything is on fire. And 2024 at least was... like this. Everything was on fire" (Interviewee A).

This is supported by Interviewee F1:

> And I think that this trend has been so hot that it has almost been a little bit difficult for us that are working every day with the public. So I'm a little bit relieved actually that it's going back to something that is a little bit normal.

This intense atmosphere was a consequence of external pressures from the EU. As these coercive pressures were reduced, consequently the interviewees expressed that the need to live up to the regulation and expectations was decreased. This ultimately lowered the pressure mentioned on the individuals.

Furthermore, the data also showed that individuals made use of the direct simplifications introduced as part of the Omnibus, like the Stop-the-clock Directive, phase-ins, reduced disclosure obligations (see 2.3.1). This can be seen from Interviewee F2 noting that:

> Some of the phase-in things (…), that helped us a lot, the simplifications of those. Some of the quick fix were good for us because, they were in the areas where we haven't really come this far anyway (…) It's just like it was the same plan anyways.

Additionally, individuals were relieved to hear that third-party audits requirements were simplified and especially reasonable assurance being removed. However, especially professionals working in bigger companies did not perceive the Omnibus to have a big impact.

> One thing that we kept in mind was that (…) you would need a reasonable assurance and they cut that, so that was great to hear (…), because that would have been a really big burden. But then for the rest doesn't, didn't really change something" (Interviewee B).

Variations in legal requirements, depending on company size, help explain this pattern. Respondents from larger organisations reported fewer challenges related to uncertainty, largely because they had early certainty of remaining within scope and continuing as always, unlike those close to or below the thresholds.

5.5.3 No Simplification through the Omnibus

Despite the Omnibus being framed as a simplification, several interviewees critically assessed that the Omnibus factually did not lessen complexity or the time spent for sustainability professionals' day to day work. "There were headlines like -50% of datapoints and things like that, (…) and what we did, we looked at it thoroughly (…) and although there are reduced data points, it's not so much that the workload would be less for us" (Interviewee H).

The perceived failed simplification of reducing the work and information load is connected to organisations becoming more similar, through mimetic, coercive or normative processes, without necessarily making them more efficient (DiMaggio & Powell, 1983, p. 147). This process is heavily influenced by the EU, as well as the uncertainties connected to it.

Interviewee K adds:

> I do think it's a misconception that it's a lot less and I think that's just sadly the reality of what happens when the top management is on each other's boards and everyone sort of sits in on different board level meetings and then you see these journalistic headlines of this much reduction and this much reduction. In essence, it's still the same, right? But I think there is a lot of the details that can now be presented in different ways or even in different places.

Interviewee K's statement hints at the homogenisation of business practices through the connectedness of the boards and their organisational power. This can be circled back to normative pressures defined as professional networks are overarching and influencing different organisations (as cited in DiMaggio & Powell, 1983, p. 147; Weber, 1952).

Moreover, the data showed that it is too early to fully assess or know the impact as the respondents were still in the process of preparing upcoming reports and regulatory changes were to be expected, creating uncertainty. Interviewee D says: "We cannot see that the Omnibus has had any impact yet, especially since there are so many uncertainties around the way."

This critique on the Omnibus not being a simplification, escalated up to Interviewee J keeping the old more comprehensive standards without being required to and Interviewee L opting for keeping them as well.

> Because even if the revised ESRS are simplified, it is still a lot of work to change the processes to the simplified version of the ESRS, and that's not that easy because our report has to be changed. Our sustainability statement has to be changed. The internal reporting structure, our databases, everything has to be changed. And for this we need at least one year to prepare for it. So that's why we decided to do also the 2026 reporting on the old ESRS basis and change with the reporting in 2027 (Interviewee J).

Keeping the more detailed requirements illustrates the complexity behind setting up the process. It can relate to Weber's (as cited in DiMaggio & Powell, 1983, p. 147; 1952) view on bureaucracy within institutions, where, once the established within an organisation, bureaucratisation becomes difficult to reverse. Although in this case is not necessarily irreversible, but rather postponed, it becomes clear that it will take a lot of efforts to readjust it.

5.5.4 Not a Simplification but a Shift

While the CSRD requirements might have been reduced for some, interviewees often mentioned that they still had to continue spending resources to report in line with national requirements, e.g. Danish Law, the Modern Slavery Act (UK) or the Californian Climate Disclosure Rule (US). Additionally, voluntarily reporting activities were maintained. For example providing data for ESG ratings or certifications like Ecovadis, responding to specific customer requests, or other ways to communicate sustainability efforts to stakeholders (e.g. ESG Data Sheets). Many assessed the impact of the Omnibus to be a shift of focus. Interviewee M notes: “So we're still working from the DMA perspective. I think we've shifted also more to sustainability communication, since we are able to choose now.”

For others, the Omnibus is just a change of timelines, as Interviewee I indicates, “I don't think it gave us any opportunities. I think it just moved up our timeline for what we were going to already do, yeah.”

Reducing or eliminating some coercive pressures does not eliminate other external or internal forces, still demanding the individuals to continue reporting. It shows a recalibration of priorities, while continuing to aim for value creation, satisfied stakeholders, and external and internal legitimacy.

6. Discussion

This chapter synthesises the key findings of the study by connecting the five themes identified in the analysis. Building on the theoretical interpretation provided, the discussion connects these results to existing literature and situates them within broader debates on sustainability reporting and regulatory change.

Shifting Perceptions of Sustainability Reporting

A key insight from the analysis is that opposing perceptions of the CSRD coexist at the same time within the same individuals. The CSRD is not seen as simply positive or negative, but rather as something that creates both challenges and opportunities. This dual perspective is similarly acknowledged by Stanek-Kowalczyk & Szumniak-Samolej (2026, p. 4).

On the one hand, it is experienced as highly complex, time- and resource-intensive, compliance driven, and creating uncertainty in interpretation. The perception strengthens existing literature highlighting the complexity and difficulties of implementing the CSRD (Dečman, 2026; Nichita et al., 2025; Wojnowska-Radzińska, 2025). Especially in the early stages and from a short-term perspective, the CSRD was perceived as burdensome, because significant effort was required for initial understanding and implementation (Krasodomska et al., 2025).

On the other hand, the CSRD is seen as a valuable tool for increasing transparency, improving credibility, and supporting a structured and strategic development of sustainability. Especially, the strategic benefits of the mandatory Double Materiality Assessment (DMA) are highlighted by multiple interviewees. This validates previous research on the strategic value the DMA creates (Dunfjäll, 2025; Vito et al., 2025), yet the critique on missing guidelines or only disclosing selected information was not repeated in our study.

Generally, a shared expectation exists that these initial challenges will decrease over time as regulatory uncertainty decreases, individuals gain experience, and routines are established. As professionals become more experienced in reporting practices, they may also increasingly rely on competitors' disclosures as reference points, enabling mimetic behaviour that facilitates decisions regarding what should be integrated to remain competitive. In the long run, most interviewees believe that the CSRD can help integrate sustainability more strongly into business practices and support more meaningful action beyond compliance. This ultimately shows that the professionals perception of the pre-Omnibus state of the CSRD is fulfilling the

EU’s goal with the Green Deal aiming at building a long-term strategy (European Commission, 2019).

Based on this, another relevant finding is the noted perception shift of sustainability reporting with the introduction of the Omnibus. Some interviewees initially welcomed the idea of a possible simplification; however, the previous perception of the strong sustainability momentum pre-Omnibus is replaced by mixed reactions, majorly shaped by strong disappointment and frustration. In particular, the Omnibus reduced the perception of contributing to “something bigger” (Interviewee C) and influenced the professionals’ views of the relevance and value of their roles. While a shift in the expectation before and after the Omnibus introduction was anticipated by Stanek-Kowalczyk & Szumniak-Samolej (2026, p. 9), our findings extend previous research by showing mixed but mainly negative first reactions from professionals working at the forefront after the Omnibus adoption.

CSRD’s initial administrative burden was mainly accepted from the respondents, as they observed it as a driver and lever for sustainability and not solely a compliance task for external stakeholders. In contrast, the Omnibus challenged this by reducing both the scope of companies and reporting content. This not only created disappointment among interviewees but also created uncertainty on future regulatory and profession changes. The existence of uncertainty in the early adoption phase of the Omnibus is similarly reflected in earlier research (Stanek-Kowalczyk & Szumniak-Samolej, 2026; Wojnowska-Radzińska, 2025). However, our study further contributes by underlining how the uncertainty affects the individuals, including their perception of reduced impact, feeling of wasted efforts, and concerns about an insecure professional future.

Overarching in the broader sustainability reporting landscape, our findings strengthen prior research of Nicolo et al. (2025), showing that company size is a relevant factor to assess the impact of the Omnibus and that companies within the Omnibus scope are better prepared for the current regulatory changes than those outside. Bigger companies (Wave 1), specifically did not perceive uncertainty in the first phases as heavily, knowing early on they will continue to be in scope. However, our findings suggest that even professionals working in Wave 1 companies within the Omnibus scope perceived the regulatory instability and uncertainty as challenging.

What happens inside the organisation

A central finding from the analysis is that internal influence plays a significant role in shaping how sustainability reporting is perceived and implemented within organisations. Internal influence comes from managers, their previous or current professional roles, and doing what is considered valuable within the organisation.

Managerial influence emerged as an important factor shaping the organisational approaches to sustainability reporting. Leadership priorities directly affect how reporting is perceived and used, and this was particularly evident in the case where changes in leadership led to shifts in reporting ambition. While one CEO encouraged extensive sustainability reporting aligned with investor expectations, the other CEO prioritised a lean approach focused on efficiency. This illustrates how leadership can redefine what is considered necessary or excessive in reporting practices, which strengthens the research of Mazwadi and Amran's (2023, p. 222). Overall, managerial influence determines whether sustainability reporting is approached as a strategic priority or a compliance exercise, highlighting the central role of leaders in shaping both the reporting practice and thus the professional's perception.

Connected to perception, another finding is that professional roles and background significantly shape how sustainability reporting is understood and valued by the professionals. As the interviewees were broadly grouped into different clusters, each group emphasised different aspects of reporting, reflecting distinct institutional logics. What the professionals highlight is similar, but they all have a focus depending on either their current or previous roles. Individuals with a role or background in auditing focused mostly on structure, comparability, and compliance, while those in finance/accounting mostly emphasised efficiency and value creation. Professionals with a role or background in engineering mostly highlighted the resource-intensive and learning-oriented nature of reporting, whereas those with leadership roles framed it as a strategic opportunity. As a result, the perception of sustainability reporting is not a neutral process only shaped by the CSRD as a regulation, but also by several perspectives within the organisation. How compliance is prioritised, how reporting is adjusted, and how professionals balance reporting efforts with their capacity to engage in sustainability initiatives, is affected by their background. This strengthens the findings of Kumari & AlDaas (2026, p. 13) and Kwon et al. (2021, p. 4) on how internal influence and company culture impact the organisation.

Closely related to the influence of professionals' current and previous roles is the concept of value and how it shapes engagement with sustainability reporting. A key finding was the existence of two contrasting perspectives: viewing reporting either as a compliance exercise or as a value-creating activity. Some interviewees described reporting as a symbolic exercise focused on meeting mandatory requirements and minimum standards. At the same time, interviewees emphasised the strategic benefit of reporting, including benchmarking, increased transparency, and the ability to drive internal improvements. It therefore becomes clear that the internal perception of value plays a critical role in determining whether sustainability reporting becomes a meaningful organisational tool or remains a compliance-driven activity. In the light of the Omnibus, these dual perspectives become especially important, as regulatory pressure is either reduced by changed regulation, or fully removed because a company falls out of scope. Together, the two perspective strengthen previous research explaining that, while some organisations see reporting solely as a requirement, it should also be recognised for its potential to build trust and enhance reputation (Connolly & Boshnjaku, 2024, p. 39).

What others do and their influence

External influence plays a significant role in shaping sustainability professionals' perception of reporting according to our findings. One key finding is that the professionals are exposed to contradictory perspectives, which creates a form of ambiguity in how reporting should be approached. In the data two perspectives emerged.

The first perspective is that sustainability reporting is burdensome and resource-intensive for the organisation. The second perspective emphasises the growing demands and expectations from stakeholders regarding transparency and sustainability data, which literature also shows (Carungu et al., 2025, p. 3).

These perspectives are not contradictory but exist at the same time as part of a broader tension in sustainability reporting. The decision of whether sustainability reporting is perceived as something burdensome or not is then depending on how the professional values the outcome of reporting. Professionals who perceive limited value in reporting may see it primarily as a compliance burden, whereas those who recognise the importance of stakeholder expectations may perceive reporting as valuable despite the resource demands.

Another factor that stood out was the perceived change in political priorities where sustainability had become deprioritised and less important than economic performance on the

EU level, which has an influence on the professionals. This can be understood as a form of coercive pressure where changing regulations and politics shape the perception. Despite indications of deprioritisation that influence the professionals, the analysis shows that stakeholder demands for sustainability reporting remain strong, which reinforces the previous conclusions of Buallay (2019, p. 111), Al-Shaer and Hussainey (2022, p. 1), and Kuzmanova and Dimanovas (2024, p. 4) regarding stakeholder interest when the CSRD was implemented. Adding to the existing literature, our analysis shows that even after the Omnibus adoption, customers, investors, and other stakeholders continue to request sustainability information, regardless of the EU signalling a deprioritisation, making reporting a practical necessity.

Several interviewees described how sustainability data is increasingly required in business relationships and their operations, which further explains the impact of urgency and power in stakeholder relations. Together, our data expands what Bowen (2014, pp. 73–74) explained regarding how society demands evidence that companies are taking responsibility. In this context, sustainability reporting serves as a tool for strategic legitimacy, enabling professionals to demonstrate responsibility and trust through their work. But it also proves that sustainability reporting is seen as a competitive necessity. Organisations largely compare themselves to peers and seek to align with industry standards; in doing so, they avoid being perceived as outliers, according to our findings.

Regarding becoming an outlier, interviewees noted that deciding not to report, even if it's not legally required, could negatively affect their position in the market. This reflects the importance of reporting to seem legitimate, but also the role of understanding what is standard and appealing according to society and mimicking that. The findings also indicate that when regulatory pressure is reduced or uncertain, stakeholder demands continue to drive compliance-like behaviours that influence the professionals as well as their organisations.

These dynamics suggest that reduced regulatory pressure does not necessarily translate into reduced effort, as stakeholder expectations continue to remain strong.

The Myth of Simplification?

Another central tension that emerged from the data concerns the actual Omnibus goal of simplifying administrative burdens and improving competitiveness, and whether these measures lead to simplification in practice. While this may change in the coming years, our study shows that the impact of the Omnibus has not been experienced as a simplification of the CSRD. Its impact is rather a mix of ongoing understanding of its implications, short-term reliefs, and structural reorientation. Yet the interviewees are unsure if these changes, reorientations, or restructurings can be pinpointed to the Omnibus only, or if they are an interplay of several complex intertwined factors inside and outside of their company context.

Some interviewees reported reduced pressure, use of phase-ins, and relief from audit requirements. However, many showed that the complexity and workload remain largely unchanged. In the broader perspective, this critically questions the claim of simplification and the EU narratives portraying the Omnibus as a significant reduction. The case of temporarily keeping more extensive reporting structures because of high adjustment efforts is just one example that illustrates that the simplification is not yet turned into reality. This insight into how sustainability professionals experience the simplification in their day-to-day work with the Omnibus is novel to the scientific discussion, even though the assumption questioning simplification existed in previous literature (Stanek-Kowalczyk & Szumniak-Samolej, 2026; Wojnowska-Radzińska, 2025).

The reduced coercive pressure from the EU has weakened the external driver for sustainability reporting. This is reflected in layoffs, job position changes, and in some cases, internal reorientation, as the legitimacy of sustainability reporting roles becomes less externally reinforced. Yet, the value of sustainability reporting and the need for legal compliance was not completely removed, which is why reporting work continues. Reasons for that are the need to comply with still existing CSRD requirements, alternative regulatory frameworks, stakeholder demands, or internal decisions. Until now, these factors have received limited attention in the literature, possibly as internal decisions, as well as different national legal requirements, are different from company to company.

Additionally, because of the current early stages of the Omnibus, time and resources are required to understand the impacts, make decisions, and adjust internal processes. Some participants pointed out that the Omnibus gave them more time and flexibility to improve data quality and refine internal processes. Most respondents largely continued their existing practices and did not report any significant changes in initiatives or budget, as they saw the need and value created from non-financial data for internal and external stakeholders on a longer scale. However, as our study included mainly individuals working in companies that are legally not as affected by the Omnibus and its reductions, the experiences would possibly look different for smaller companies. This strengthens Nicolo et al.'s (2025) previous research once more, highlighting that bigger companies are better prepared for CSRD and ESRS compliance.

Especially better than SMEs and the administrative burden they face connected to limited resources and knowledge (Pizzi & Coronella, 2025; Sedlák & Veber, 2024). Ultimately it also aligns with EU's original ambitions to reduce regulatory burden significantly with a focus on SMEs (European Commission, 2025a).

Overall, in the scope of this study, the Omnibus is not perceived as a real simplification of the individual's profession and their day-to-day life. The Omnibus is better understood as a recalibration of reporting pressures and priorities, rather than a simple reduction of reporting itself.

7. Conclusion

This study examined the early insight into the impacts of the Omnibus proposal on the CSRD from the perspective of sustainability professionals operating across different organisational contexts. Using Institutional Theory, Legitimacy Theory, and Stakeholder Theory as analytical lenses, the research explored how sustainability professionals from different organisational contexts perceive and interpret the evolving regulatory landscape, changing compliance requirements, and shifting stakeholder expectations.

In response to the first part of the research question: "How do sustainability professionals perceive the impact of the Omnibus on the CSRD (…)" this study shows that sustainability professionals perceive the Omnibus and the CSRD in a nuanced and sometimes contradictory way. Rather than being understood as entirely positive or negative, sustainability reporting is viewed as a burdensome compliance task while simultaneously it is seen as strategically valuable and supporting the integration of sustainability into business operations. These insights strengthen findings in earlier research, emphasising both the complexity and strategic potential of sustainability reporting regulation. Our study showed that the perception of the Omnibus simplification is mainly expressed though frustration and disappointment among the respondents, despite an initial openness toward simplification measures. It is both expressed on a broader level related to a perceived deprioritisation of sustainability by the EU in favour of competitiveness, but also on a more individual level, as professionals experienced changes and potential reductions in the impact of their own work. The claim of the Omnibus representing genuine simplification is generally not supported by individual sustainability professionals. They partly restructured their teams or adjusted their roles' focus, but if applicable, continued to report according to regulations, reflecting a continued recognition of the long-term value. However, the study also recognises that the actual impacts differ depending on company size and that significant uncertainty remains regarding the long-term impact of the Omnibus. These results extend the existing literature by providing empirical insight into how sustainability professionals experience the day-to-day implications of the Omnibus on the CSRD and sustainability reporting.

Regarding the second part of the research question "(…) what impact do internal and external influence have in shaping this perception?" the findings clearly indicate that perceptions of sustainability reporting are not shaped by regulation alone. Internal organisational factors such as managerial priorities, leadership approaches, professional background, and organisational interpretations of value influence how sustainability reporting is perceived and implemented in practice. Reporting was interpreted differently depending on whether it was approached primarily as a compliance exercise or as a strategic and value-creating activity. Professionals with different institutional backgrounds demonstrated in their responses how institutional logics and professional experiences shape organisational approaches to reporting practices.

At the same time, external influence played a central role. Even though there was reduced regulatory pressure introduced through the Omnibus, stakeholder demands for transparency and sustainability-related information continued to strongly influence organisations and sustainability professionals. Customers, investors, and other stakeholders still expected organisations to disclose sustainability data, making reporting an important competitive and legitimacy-related practice even when formal reporting requirements were reduced. Several respondents emphasised that choosing not to report could negatively affect organisational credibility and market position. It indicates that reduced regulatory scope does not necessarily result in reduced organisational focus on sustainability transparency. The findings suggest that sustainability professionals perceive the impact of the Omnibus not only in relation to the changing regulatory requirements, but through the interaction between institutional pressure, stakeholder expectations, managerial priorities, the interpretation of value, and legitimacy concerns.

Returning to the uncertainty surrounding the future role of sustainability reporting outlined in the beginning, the findings of this study suggest that sustainability reporting continues to remain important in practice. Although the Omnibus may reduce the number of organisations formally required to report under the CSRD, our study suggests that it does not lead to a straightforward reduction in the importance of sustainability reporting in practice. Instead, sustainability professionals perceive the impact of the Omnibus as part of a broader reconfiguration of how sustainability work is organised, prioritised, and legitimised within organisations. Sustainability professionals' perceptions are shaped by the ongoing internal and external tension between regulatory simplification, organisational realities, and continued stakeholder demands.

Looking ahead, as organisations become more experienced with sustainability reporting, it may progressively evolve from a burdensome fast changing obligation creating uncertainty into a more normalised, institutionalised, stable, and strategically important aspect of corporate governance and accountability.

Limitations

This study is subject to several limitations that need to be considered when interpreting the findings. First, the sample includes companies from different CSRD implementation waves (Wave 1, 2 and companies fallen out of scope) and of different sizes, which makes comparison more complex due to differences in factors such as resources, levels of preparedness, and the impact of regulatory changes, ultimately influencing the individual's perception. Second, the study is based on 15 professionals across nine companies within three European countries. While the focus was on individual perspectives rather than company-level analysis, it is acknowledged that professionals within the same company may have influenced each other's views, which could have shaped the responses. Finally, the sample includes different professional roles, such as sustainability managers and reporting specialists, having different responsibilities and areas of focus, potentially influencing their perceptions of the Omnibus.

Future research

Further research could extend the findings of our study in several directions. Studies examining long-term impacts on sustainability professionals would be valuable to understand how perceptions of the Omnibus evolve, as implementation progresses and regulatory frameworks stabilise. Additionally, future research could analyse more in depth how the influence of professional backgrounds and roles shape sustainability reporting and its perception. In addition, more homogeneous samples, such as focusing on professionals from specific CSRD waves or company sizes, could allow for clearer comparisons of impacts. Similarly, it could be interesting to analyse how out of scope companies and SMEs work with reporting, now that it became voluntary, and whether they perceive the same kind of demand from their stakeholders as our interviewees did. Furthermore, future research could examine the role of country-specific requirements in shaping sustainability reporting practices.

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Appendices

Appendix A: Interview guide

Semi Structured Interview Questionnaire Thesis

Introduction to Ourselves and the Research Project

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1. **Introduction**

Hi and welcome to this interview,
Smalltalk...
START RECORDING

2. **Purpose of the interview**

This interview explores how you perceive the 2025–2026 CSRD changes introduced through the Omnibus proposal and how they affect your company's sustainability practices. We are especially interested in how reporting requirements influence the balance between meaningful action and compliance.

All responses will remain confidential and anonymous and will be used only for academic purposes. The interview will last about 45 minutes, and you may skip questions or stop at any time.

Research Aim:
Before we begin we would first like to trace back to our research question so that everyone is on the same page.
Research question:
How do sustainability (reporting) professionals perceive the impact of the Omnibus on the CSRD with regard to company compliance, reporting practices, and the organisation's capacity to engage in concrete sustainability initiatives?

Introduction to Interviewee and Company

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1. **Role & Background of the Interviewee personally**

To begin with we are going to talk a bit about your background and your experiences, and our first question is then;

1.1 How long have you worked with sustainability in any way?

1.2 How long have you worked with sustainability at this company?

1.3 Do you have any direct involvement or responsibility with the CSRD of your organisation?

1.4. How would you describe your role as a sustainability professional in your organisation?

2. Background on the company

So, moving on we want to hear some things about your organisation and what we would like to begin with asking is:

2.1 What is your companies' main operation/ in which industry do you position yourself?

2.2 How big is the company,

2.2.1 or based on the thresholds of the new Omnibus reductions, is your company still within the Scope of CSRD?

2.3 How is sustainability positioned on the company:

2.3.1 Who is ultimate responsible/accountable for the CSRD reporting within the organisation?

2.3.1.1 Is she/he within the Board?

2.3.1.2. Is this person "fighting" for/ supporting sustainability?

2.3.2 How big is the Team that is working with reporting (in FTE = Full time equivalent)?

2.3.3 Separate Department or within different team? E.g. *Compliance/finance/Procurement*

2.3.4 Is Reporting separate from implementation? Where does the sustainability drive come from? (e.g. within the separate teams, compliance officer, sustainability manager, Board, etc.)

3. Thematical Part – Past, Present, Transition, Future

We will no enter the thematic part talking about your experiences before, during and after the omnibus proposal.

What the first things that you think about when we say "Sustainability reporting"?

4. Past: Time Before Omnibus:

4.1 How was CSRD perceived by you before the Omnibus?

4.2 How was CSRD perceived by the management before the Omnibus?

5. Transition phase

In the beginning of 2025, the EU published a package to simplify Sustainability reporting. As with many political processes, it took time before the changes were finalized and voted on in December 2025.

5.1 How did you feel about last year when the Omnibus was developed but not yet voted on?

5.2 Can you describe what the period of uncertainty around the Omnibus was like for you and your company?

5.2.1 How did your organisation react to the changes that were told to be done?

5.2.2 Were there internal debates: “wait and see” vs. “prepare anyway”?

The Omnibus proposal was also called “stop-the-clock” proposal. On that topic:

5.3 During that transition time: Were any sustainability or reporting initiatives paused, changed or deprioritized because of the unclear regulatory situation? Can you give examples?

6. Present: Time with Omnibus

Omnibus was voted for last year’s December and the companies have greater clarity on whether and how they will need to comply with the EU Regulation. We are now talking about the present situation TODAY and see what changed. We start with your daily work life:

6.1 Can you describe how your daily work and role changed, after the Omnibus has been adopted and Drafts on ESRS Simplifications are into place?

6.1.1 Plans for reducing data collection?

6.1.2 Time to understand Omnibus and ESRS Consequences?

6.1.3 Team Structure: Did colleges, consultants were laid off? Did you change teams?

6.1.4 Did financial or time resources change?

Now focussing on practicalities:

6.2 How have the technical and practical aspects of your sustainability reporting changed?

6.2.1 Is your company still within the CSRD scope, or did the new thresholds change your disclosure requirements?

6.2.2 Will you continue to report voluntarily according to CSRD? Or will you continue to report on other frameworks (GRI, GHG Protocol) / laws / like before.

6.2.3 What consequences do the new requirements give you? And why? Would you rather say that the requirements created new opportunities?

6.2.4 Did guidance come from above (manager, C-level)? Or more outside (consultants, webinars), within the company (colleagues)?

6.2.5 How, if at all, has the Omnibus affected the time and financial resources available for sustainability work in your organisation?

Even though political priorities and regulations change, stakeholder expectations toward companies can remain quite stable. We're interested in understanding how external pressures currently shape your company's approach to sustainability and reporting after the Omnibus

6.3 Do you perceive interest in sustainability of different stakeholder groups still being on the same level?

6.4.1 Have you noticed any changes in how different stakeholders view or talk about the importance of sustainability?

6.4.2 How important is it for your company to align with what other companies in your sector or of similar size are doing in terms of sustainability reporting?

6.4.2.1 Do you look at peers or competitors when deciding how much or how seriously to report?

6.4.2.2 Is that building pressure?

6.4.2 If reporting was no longer required. Would you still publish a report to show transparency to your stakeholders, or would you reorganise your resources and focus on something else?

7. Future: After Omnibus implementation

So now we would like to talk about the future. We're still in a period of global uncertainty, while sustainability sometimes seems to take a back seat. The World Economic Forum in Davos published the short- and long-term risks, with sustainability topics still in it, but going down in priority.

7.1 How would you describe leadership's current commitment to sustainability and CSRD-related reporting after the Omnibus.

7.1.1 Would you say this commitment has become stronger, weaker, or more conditional? Why?

7.1.2 How is it now and in the future, did omnibus change anything: Is reporting seen mainly as a compliance task or a strategic tool?

- Is this different between separate departments?

7.2. What are the Risks/Challenges of the Omnibus Package?

7.3. What are the Opportunities of the Omnibus Package?

- Voluntary Reporting as a strength
- More strategic alignment
- Stand out from the crowd

7.4 Summarizing the challenges and opportunities: Any concern about greenwashing vs. real impact?

7.5 How will future Reporting look like in 2027?

No demand to report (smaller "second or third wave" companies)

7.2.1. If you can choose: Will you stick to CSRD? Use simplified ESRS, Stop it directly or are you using Other Reporting Frameworks: GHG Protocol, TDFC, GRI, waiting for VSME?

7.2.2. Why are you "still" reporting?

(Transparency, Responsibility, Credibility, Guidance, Legitimacy)

Demanded to report (big "first wave" companies)

7.2.3. If you can't choose: Will the Omnibus make you do things in a different way now? Are you doing the minimum or aiming high to "counter" future legal changes?

7.6 With which feelings are you looking at the future?

7.7 What is your outlook for the next years on corporate sustainability initiatives and reporting?

8. Outlook – End

8. Do you have any other topics or questions you want to talk about?

Thank you very much for your time and insights. The information you’ve shared will be used solely for the analysis in our master’s thesis. We aim to complete the thesis by May, and your contribution is an important part of this research.

Appendix B: Participant Information Sheet

LUND UNIVERSITY

Participant Information Sheet

Hi, we are Emma Steger and Richard Cederlund, two students from the MSc programme in Sustainable Service Management at Lund University. This information sheet provides details about your participation in our master's thesis project regarding how recent changes to the CSRD influence companies' sustainability priorities and practices. In this document, you will be able to learn more about the purpose of our project, what participation involves as well as our ethical considerations. Additionally, we would like to ask you to sign the consent form at the end after careful reading.

1. The purpose of the research

This thesis examines how recent changes to the Corporate Sustainability Reporting Directive (CSRD) from 2025-2026, introduced through the Omnibus proposal, influence companies' sustainability priorities and practices, particularly whether changes to reporting obligations affect the balance between substantive sustainability action and compliance-oriented behaviour. The study aims to contribute to a better understanding on how the Omnibus proposal has influenced organisations in its early stages of implementation.

Our research question is:

How do sustainability (reporting) professionals perceive the impact of the Omnibus on the CSRD with regard to company compliance, reporting practices, and the organisation's capacity to engage in concrete sustainability initiatives?

2. What participation involves

In this project, participation involves taking part in a semi-structured interview conducted in a conversational format. We will discuss your professional background and experiences, your thoughts on sustainability reporting as well as your views on recent changes to the CSRD introduced through the Omnibus. The interview will last approximately 45 minutes and will be conducted online or in person, based on what we agree upon. With your consent, the interview will be audio-recorded within Microsoft Teams for the purpose of accurate transcription. To simplify transcription the integrated transcription tool in Microsoft Teams will be used. For in person interviews we will use our phones to record, the audio files will be stored locally on our phones.

3. Anonymity and confidentiality

The data collected through audio-recordings, emails, and other forms of communication will be confidential and anonymised. All information, including names and organisation, will be replaced with pseudonyms. Any personal information relating to your participation will be kept confidential and will not be disclosed outside the research team according to the GDPR.

4. Voluntary participation and right to withdraw

Taking part in this project is done completely voluntary. You may therefore decide to end an interview or withdraw from the project at any time without disclosing the reason. If you withdraw, you may ask us to delete the information/data that we have stored from you. Your data may be deleted up until the 1st of May 2026. Either way, according to the universities ethical standards and GDPR, the data will be deleted after the thesis has been graded.

5. Results and further information about the project

Interviews will be held in the end of February and beginning of March. When the thesis is finalized and passed by the examinator at Lund University, the paper will be published on Lund University Publications Student Papers (LUP-SP). You as a participant could also ask for a copy of the thesis as well as your individual data and the results of the project by contacting us (details below). If you have any questions about our project, your participation or other information, please contact us at any time before and after your interview.

Contact details for the researcher and ethics committee

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Supervisor: Johan Hultman, Professor, Department of Service Studies, Lund University

Appendix C: Consent form

LUND UNIVERSITY

Consent form to participate in the research project

I have been given information about the study and have been given the opportunity to ask questions about the project and my participation. I have been informed that my participation is voluntary and that I may withdraw at any time without notice and disclosing my reason. I have been informed about how my data will be used and stored for the duration of the project and that the information that I will provide will be confidential and anonymised to other readers.

☐ I consent to participation and that my information will be used for research as described in the "Participant Information Sheet",

☐ I consent to audio-recording of the interview,

☐ and that mentioned AI-tools will be used to simplify transcription.

____

Participants name

____

Signature

____

Place and date