

INTERVIEW

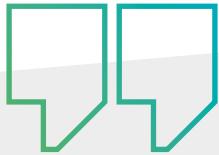
SUSTAINABILITY IS A STRATEGIC PRIORITY, NOT A REPORTING EXERCISE

Andreas Rasche is one of the leading voices on corporate sustainability, ESG, and business ethics in Europe. He is Professor of Business in Society and Associate Dean at Copenhagen Business School, where he has been teaching since 2012. His work bridges academic research, corporate practice, and public policy, with a focus on sustainability governance and sustainable finance.

In our interview, Andreas reflects on the current state of corporate sustainability and shares his assessment of current regulatory developments, and what sustainability as a strategic issue will mean for companies in the coming years.

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The Omnibus went far beyond what most companies actually asked for



Andreas, what will matter most for companies navigating sustainability in 2026 and beyond?

In the last year, we have focused a lot on reporting and regulatory debates. But sustainability is much more than reporting – it is about long-term resilience, risk management, and strategic investment. Companies need to think beyond compliance and focus on building robust strategies. The regulatory environment will be less predictable than in the past, but they must avoid becoming paralyzed by this uncertainty. What matters now is maintaining strategic clarity and linking sustainability to their core business and long-term strategy. Companies that understand sustainability as part of long-term resilience and strategic positioning are better prepared for future market, regulatory, and geopolitical shifts. That is where the real advantage lies.

The last year has been a turbulent one for sustainability. What stands out to you?

The main lesson is that there is no sustainability without politics. 2025 made it more clear than ever before how strong politics can intervene to roll back progress. Global political developments had a major impact on sustainability regulations. In Europe, ambitions to advance sustainability policy have stalled as well.

However, I remain optimistic. When you talk to companies about their substantive actions, decarbonization and transformation projects are continuing. There is no clear trend of companies abandoning these efforts. Huge investments have already been made, for example in energy grids. These cannot easily be reversed. The path towards sustainability will definitely continue.

How do you assess the way the EU is simplifying sustainability regulation with the Omnibus initiative?

First, some simplification of sustainability reporting was clearly needed. Parts of the sustainability framework are very complex. Reducing complexity at the level of technical standards such as ESRS makes sense. Also, timing was a key issue: Several requirements were introduced at the same time with short timelines, which made it challenging for companies to get the right data, systems, and processes in place. What they needed were targeted, practical adjustments.

The sustainability omnibus initiative, however, went far beyond that. It turned the legitimate need for simplification into a narrative that framed sustainability regulation as an excessive and unmanageable bureaucratic burden for companies. From the start, it was built on two problematic assumptions. First, that sustainability reg-



Europe should act responsibly in its role as a global rule setter and create clear, comprehensible regulations for this purpose





Companies need to think beyond compliance

ulation undermines competitiveness, and second, that the benefits of sustainability regulations can be sidelined. This lack of balance shaped the entire debate.

How do you assess the outcome of the sustainability Omnibus?

The scale of scope reductions, the removal of transition plans, and the deletion of civil liability go far beyond what most companies actually asked for. In a [survey](#) of 1,000 European companies conducted by #WeAreEurope, which I and other academics supported, more than half of the respondents said they were dissatisfied with the Omnibus outcome. This indicates a gap between the final result and how many companies assess their own needs.

What matters most now is preserving trust and predictability. These have long been core strengths of the EU and are essential for effective sustainability policy. Many companies invested early in preparing for CSRD and CSDDD, demonstrating a strong willingness to engage proactively. Going forward, it will be important to maintain a stable and predictable framework that encourages this commitment and supports constructive cooperation between policymakers and companies. That cooperation is key if Europe wants to continue to play a leading role in sustainability.

How do you expect sustainability reporting will evolve from here?

There is still a high demand for sustainability reporting – from business partners, investors, and from society more broadly. However, the legal landscape will change. We will see more discussion around voluntary standards and choices between frameworks. I expect that some European companies will shift toward ISSB reporting: If companies are not required to report under ESRS, and if frameworks like VSME are perceived as too limited, ISSB becomes an attractive option because it offers international comparability.

Europe is often seen as a global leader in sustainability. Can it maintain that role?

I believe so. Europe has long played a pioneering role as a global rule setter through the “Brussels Effect,” with companies around the world aligning with EU standards in order to operate in European markets. This has been a key strength of the European approach to sustainability. That role is now under pressure, with other players increasingly trying to influence which standards Europe applies. Europe must resist this. If companies want access to European markets, they should comply with European rules – that is basic market logic.

At the same time, other countries are moving decisively in certain sustainability domains. China is rapidly expanding in certain sustainability domains. Its standards could soon shape global practices, so we may even start talking about a Beijing Effect.

What is China doing differently?

China approaches sustainability in a very pragmatic way. It clearly sees decarbonization as a competitive advantage, and not as an ideological issue. This is reflected in massive investments in renewable energy and electric mobility.

In that sense, China can be a role model for Europe. We are still heavily dependent on imported fossil fuels and need to invest in decarbonization much more decisively. At the same time, China’s approach must not be idealized. While the environmental component is pursued fiercely, social issues and human rights are a very different matter. This makes China’s sustainability model fundamentally different from the European one.



Companies that treat it as a strategic priority will be better positioned to navigate future market, regulatory, and geopolitical shifts. In that sense, sustainability is not about compliance, but about long-term resilience and competitiveness. We will **continue our discussion with Andreas Rasche in an upcoming webinar and a new research study**, where we will take a closer look at how companies are navigating sustainability and reporting in a post-Omnibus environment.

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Headquartered in Mannheim, Germany, osapiens works with an international team of over 550 employees to support more than 2,400 customers worldwide.



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