PINELOPI KASSANI

ESG: REGULATORY PAUSE OR STRATEGIC RESET?

WHAT THE EU OMNIBUS I PACKAGE AND THE IMO NET-ZERO DELAY MEAN FOR PRIVATE SHIPPING COMPANIES

PINELOPI KASSANI
BA MA FCA CPA(GR) GOVERNANCE, RISK AND COMPLIANCE PARTNER CHARTERED ACCOUNTANTS MOORE STEPHENS S.A.

For Greek-controlled private shipping companies, 2025 is being wrapped up not as a year of regulatory acceleration, but of strategic ambiguity. Two parallel developments — the EU's Omnibus I package and the IMO's decision to postpone its Net Zero Framework by a year — signal a broader recalibration of sustainability governance. Whether this represents welcome realism or a dangerous pause depends largely on how shipping companies respond.

OMNIBUS I: COMPETITIVENESS OVER COMPLIANCE

The provisional agreement reached between the European Parliament and the Member States under the Omnibus I package marks a clear narrowing of the EU's original sustainability ambitions. Sustainability reporting and due diligence obligations will now apply only to EU companies with more than 1,000 employees and net annual turnover exceeding €450 million. Non-EU companies will be captured only if they generate more than €450 million in net turnover within the EU.
For most private shipping companies, this shift matters significantly. The sector is capital-intensive but often organizationally lean, with many shipowning groups structured through multiple entities, special purpose vehicles, and non-EU holding companies. In practice, a significant share of privately owned shipping companies will fall outside the mandatory scope of EU sustainability reporting, even where fleet size and global activity are substantial.
The agreement further simplifies reporting by shifting it towards more quantitative disclosures, making sector-specific standards voluntary, and — critically — protecting companies with fewer than 1,000 employees from being burdened by upstream or downstream reporting demands. Most private shipping companies may now legally refuse information requests beyond the voluntary standards, reflecting a deliberate attempt to prevent ESG "trickle-down" compliance through the supply chain.
From an administrative perspective, this is a relief. From a policy perspective, it sends a clear signal: the EU is prioritizing competitiveness, proportionality, and legal certainty over regulatory reach.

WHAT OMNIBUS I DOES NOT MEAN FOR SHIPPING

It would be a mistake, however, for shipping executives to interpret Omnibus I as a withdrawal from sustainability expectations. The package does not abolish sustainability obligations and expectations but -rather- redefines the framework through which they are articulated and applied, aligning them more closely with individual companies' business strategies.
Financial institutions, charterers, cargo owners, and insurers remain subject to their own reporting and risk-management obligations and will continue to price climate and social risks into contracts and commercial decisions. In this sense, ESG reporting pressure is not disappearing, but is instead shifting from public law into private ordering.
The maritime industry has seen this before. Voluntary standards, once embedded in financing and chartering practices, often become de facto mandatory. When audited financial statements prepared under IFRS or US GAAP became a standard covenant in shipping loan agreements, they were not imposed by law or regulation. Yet, in practice, access to bank financing made them essential. What began as a market prerequisite quickly became an industry norm, enforced not by regulators but by lenders.

THE IMO NET ZERO DELAY: BREATHING SPACE OR LOST MOMENTUM?

Just as the EU narrows its regulatory perimeter, the IMO has postponed its decision on the Net Zero Framework for one year. Together, these developments risk reinforcing a perception that regulators are stepping back at a moment when capital expenditure decisions on fuels, vessels, and retrofits are being made.
At the same time, the IMO delay can also be read as an acknowledgement that poorly calibrated global rules could do more harm than good. A premature framework lacking consensus on fuel pathways, carbon pricing, or equitable burden-sharing would risk creating stranded assets at scale. In that sense, postponement may be preferable to false certainty.

LESS REGULATION, MORE RESPONSIBILITY

For private shipping companies, the combined effect of Omnibus I and the IMO delay is paradoxical, in that while regulatory pressure is easing, strategic responsibility is increasing. With fewer prescriptive mandates, decision-making shifts back to owners and boards.
Those who interpret this moment as permission to delay decarbonization risk misreading the market. Charterers with science-based targets, banks applying the Poseidon Principles, and insurers integrating climate-related risk metrics already apply climate considerations independently of legislative timelines. Conversely, companies that use this period of regulatory recalibration to invest selectively, evaluate alternative fuel options, strengthen emissions data capabilities, and report in a targeted and proportionate manner are likely to be better prepared for future regulatory and market requirements.

PRIVATE SHIPPING: SELF-REGULATED SUSTAINABILITY THAT MAKES ECONOMIC SENSE

Omnibus I and the postponement of the IMO Net Zero Framework redefine how sustainability regulation is being pursued. As prescriptive rules recede, responsibility shifts from regulators to companies. Shipowners now have greater control - but greater accountability - to shape sustainability strategies and reporting in ways that make economic sense for their business and their counterparties. At the same time, the revised EU framework sets clearer limits on what can be demanded, offering protection against disproportionate or cascading reporting pressure.■