

THE BIG EU DEREGULATION

Disastrous Omnibus proposal erodes EU's corporate accountability commitments and slashes human rights and environmental protections.

10 March 2025, Brussels

The publication by the European Commission of its Omnibus proposal revising key corporate sustainability laws sends a **clear political signal: President Ursula von der Leyen is deprioritising human rights, workers' rights and environmental protections for the sake of dangerous deregulation.** The Council and Parliament must urgently show leadership by blocking this damaging proposal, as it is jeopardising the very objectives of these laws and undermines not only the EU's commitment towards its green ambitions and protection of human rights but also its credibility as a reliable law maker.

The Omnibus proposal affects landmark laws passed under the EU's Green Deal, including the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD), and the Taxonomy Regulation. These laws mandate responsible business practices, introduce accountability for corporations abusing human rights and damaging the environment, and provide access to justice for survivors. They also aim to improve transparency on sustainability reporting and help guide sustainable investment. These are all essential to the EU meeting its goal of being the first climate-neutral continent by 2050.

When President Ursula von der Leyen announced late last year an Omnibus proposal to simplify reporting and sustainability requirements for companies, **she committed to upholding in full the spirit and "[content of the law](#)," and stated that the goal of the exercise was to reduce overlapping obligations. The proposal published on 26 February represents a stark departure from this promise** and, if implemented, will wipe-out the core purpose of these laws.

The Omnibus proposal would axe many of the CSDDD's key provisions, making it virtually toothless. It would also delay by one year the transposition of the Directive by the EU Member States. If implemented, in practice this could result in:

- **Civil liability will to a much larger extent be left to EU Member States' discretion,** with the potential of drastically reducing access to justice for victims in front of EU courts. Representative actions are removed, meaning that Non-Governmental Organisations, trade

unions, and human rights institutions might be unable to represent victims in court. Lastly, removing the overriding mandatory provision might lead EU courts to apply the laws of the country where the harm occurred instead of national law, which could potentially undermine the overall effectiveness of the civil liability provision.

- **Companies will only be required to assess harms attributable to direct business partners**, which reduces drastically the value chain. It is further stated that, if the company has "plausible information" of impacts by indirect partners, it should address them, however such a concept heavily relies on interpretation.
- **There is no longer an obligation to "put [...] into effect" Climate Transition Plans**, which would introduce a dangerous loophole, allowing companies to comply with the provision, in theory, by simply producing a plan on paper, rather than putting it into action.
- **EU Member States would no longer be able to establish more ambitious rules than the directive** when it comes to the identification, prevention and mitigation of human rights and environmental impacts and the establishment of a grievance and notification mechanism.
- **Companies will no longer have to terminate contracts** (even in cases where it is possible or likely that abuses continue).
- **Stakeholder engagement will be reduced to those "directly" affected**, meaning that consumers groups, national Human Rights Institutions and Non-Governmental Organisations and human rights defenders are excluded from such definition. Also, consultation with "relevant" stakeholders is no longer required for disengagement from business operations or monitoring.
- **The frequency of monitoring the effectiveness of due diligence measures is reduced from every year to every 5 years**, or whenever "measures are no longer adequate or effective." This provision risks making the due diligence exercise largely ineffective.
- **Removal of the minimum cap on sanctions of 5% of the turnover**, which may lead to lower and symbolic sanctions and trigger a race to the bottom among Member States.
- **The Commission is no longer obliged to examine the necessity to apply due diligence rules to financial services & investment activities in a future review of the law.**

Additionally, the Omnibus proposal envisions substantive changes to the CSRD, which has already been transposed by most of the EU Member States. Consequently, the proposal to postpone the CSRD application by two years for certain businesses (2nd and 3rd wave) creates uncertainty for those that have already started preparing for implementation. Moreover, the Commission proposes to drastically reduce the scope, excluding roughly 80% of companies from sustainability reporting obligations without providing companies with a proportionate standard. This will significantly reduce the availability and reliability of sustainability data. Lastly, it is concerning how the Commission

proposes to limit the data requests by very large companies towards their large to mid-sized suppliers.

Sustainability and corporate accountability are essential for European countries to move towards an economy that works for people and the planet, as well as for attracting long-term and sustainable investments. These laws have the potential to promote more resilient supply chains, provide legal clarity and stability for all stakeholders. It is shortsighted to remove the engine from the vehicle that can help companies deliver on their existing human rights responsibilities.

Over the last decade, the EU has introduced a range of reporting obligations. Should there be a need for more cohesion, planning and guidance on how to implement these obligations, it should be achieved through mapping existing and upcoming obligations, issuing interpretive and implementing guidelines and reviewing efficacy of these laws as envisioned by the existing review clauses. Creating more confusion, uncertainty and costs by changing the text of these laws is not the answer.

We therefore urge the Council of the EU and the European Parliament, as a matter of urgency, to ensure that in the upcoming legislative negotiations, the Omnibus proposal is revised to ensure that any amendments seeking to weaken the CSDDD are rejected.

Any discussion of the CSDDD should be strictly limited to interpretative measures such as guidance and delegated acts and the text of the law itself should not be subject to any revisions. Regarding the CSRD, the European Parliament and Council should lower the thresholds of in-scope companies and give mid-sized companies a proportionate standard. The limitations on data requests should be reworked.

The world is watching Europe for guidance and stability. The EU has an opportunity to remain steadfast in its green ambitions and human rights commitments by protecting these essential sustainability laws and recognizing that promoting sustainable business practices will ultimately foster a more stable environment that will give the EU an edge now and in the long run.

Background:

The Omnibus proposal was released following a [rushed and opaque process](#). In early February, the Commission hosted a two-day closed-doors round-table with a [handpicked, small group of stakeholders](#). In the consultation, company representatives [far outnumbered trade unions and NGOs present](#). This short timeline combined with an inter-services consultation that lasted a mere 24 hours over the weekend are out of step with the Commission's own [Better Regulation](#) Guidelines. The Omnibus proposal is released amidst countless stakeholders publicly voicing concerns about its potential impact. In January already, 170 organisations representing members of civil society, human rights and environmental defenders, trade unions and climate activists, jointly [decried](#) the planned Omnibus. Many more prominent voices from a wide variety of sectors also publicly opposed the proposal evidenced by the blizzard of public statements and letters sent to the European Commission in the last weeks: from [civil society organisations in Europe and in the Global South](#), [trade unions](#), [large companies](#) and [business associations](#), [responsible investors](#), [economists and researchers](#), legal and [sustainability practitioners](#), and the [UN Business and Human Rights Working Group](#).

Signatories – in alphabetical order

- | | | |
|------------------------|------------------------|-----------------------|
| 1. 11.11.11 | 16. Alianza por la | cooperazione e |
| 2. A Sud | Solidaridad - | solidarietà |
| 3. ABColombia | ActionAid | internazionale |
| 4. Acat-France | 17. Alternativa3 | 27. Apincittà aps |
| 5. ACT Alliance EU | 18. Altraqualità Soc. | 28. ARCORES |
| 6. Act Church of | Coop. | Internacional |
| Sweden | 19. Altroconsumo | 29. ARCS Arci Culture |
| 7. Action Solidarité | 20. AMDH | Solidali |
| Tiers Monde | 21. Amis de la Terre | 30. Arisa |
| 8. ActionAid | France | 31. Asociación Acción |
| Guatemala | 22. Amnesty | Verapaz |
| 9. ActionAid | International | 32. Asociación por la |
| International | 23. An Taisce - The | Paz y los Derechos |
| 10. ACV-CSC | National Trust for | Humanos Taula |
| 11. ADA | Ireland | per Mèxic |
| 12. Advocates for the | 24. Anti-Slavery | 33. Asociación Pro |
| Future | International | Derechos |
| 13. African Coalition | 25. Anukatham | Humanos de |
| on Corporate | Unorganised | España |
| Accountability | workers union | 34. Associació |
| 14. achACT | 26. AOI - Associazione | Internacional |
| 15. AITR, Associazione | delle | d'Enginyeria Sense |
| Italiana Turismo | organizzazioni | Fronteres |
| Responsabile | italiane di | |

35. Association of Ethical Shareholders Germany
36. Associazione Internazionale Volontari Laici LVIA ETS
37. ASTRA - Anti-trafficking Action
38. Attac
39. Attac Norway
40. ATTIVANZA-ETS
41. Avanzi - Sostenibilità per azioni SB Spa
42. Avocats Sans Frontières
43. BananaLink
44. Bangladesh Center for Workers Solidarity-BCWS
45. BankTrack
46. Bat Conservation Ireland
47. Bir Duino Kyrgyzstan
48. BLOOM
49. Broederlijk Delen
50. Brot für die Welt
51. Bulgarian Foundation for Business and Human Rights
52. Business & Human Rights Resource Centre
53. Campagna Abiti Puliti
54. Campagna Impresa2030
55. Canadian Network on Corporate Accountability
56. CARE International
57. Caritas Europa
58. CCOO Catalunya
59. Center for Participation and Collaboration
60. Centre tricontinental - CETRI
61. Centro de Documentación e Información Bolivia (CEDIB)
62. Centro de Investigación y Promoción de los Derechos Humanos (CIPRODEH)
63. Centro de Políticas Públicas y Derechos Humanos (Perú EQUIDAD)
64. CGIL - Confederazione Generale Italiana del Lavoro
65. Chambre des salariés Luxembourg
66. Changemaker
67. Changing Markets Foundation
68. Christian Council of Norway
69. CICrA Justicia Ambiental
70. CIDSE
71. CINI - Italian Network of International NGOs
72. Cittadini per l'aria Onlus
73. Cittadini Reattivi ETS
74. Civil Libertie Union for Europe
75. Clean Clothes Campaign
76. Clean Clothes Campaign, East Asia Coalition
77. ClientEarth
78. Climate Action Against Disinformation
79. Climate Action Network (CAN) Europe
80. CLIMATE REALITY PROJECT - TEAM ITALIA
81. CNCD
82. CNE
83. Coalition for Equality
84. Colectivo Maloka
85. Collectif Ethique sur l'Etiquette
86. Comisiones Obreras
87. CONCORD
88. Connected Advocacy
89. Coordinadora de Organizaciones Laborales de la Agroindustria del Ecuador (COLAE)
90. Coordinadora De Sindicatos Bananeros De Costa Rica (COSIBACR)

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| 91. Coordinadora Estatal de Comercio Justo | 110. Ekō | 127. European Coalition for Corporate Justice |
| 92. CorA-Netzwerk für Unternehmensverantwortung | 111. Enlázate por la Justicia (Cáritas, Cedis, CONFER, Justicia y Paz, Manos Unidas y REDES) | 128. European Environmental Bureau |
| 93. Corporate Europe Observatory (CEO) | 112. Entraide & Fraternité | 129. European Public Service Union (EPSU) |
| 94. Corporate Justice Coalition | 113. Environmental Coalition on Standards (ECOS) | 130. European Trade Union Confederation (ETUC) |
| 95. CRASH - Coalition for Research and Action for Social Justice and Human Dignity | 114. Environmental Defender Law Center | 131. European Transport Workers Federation (ETF) |
| 96. Creación Positiva | 115. Environmental Investigation Agency (EIA) | 132. Facing Finance e.V. |
| 97. Creatura Think & Do Tank | 116. Environmental Rights Foundation | 133. FAIR |
| 98. Data for Good | 117. Envol Vert | 134. Fair Action |
| 99. Defend Democracy | 118. Equo Garantito - Assemblée Generale Italiana del Commercio Equo e Solidale | 135. Fair Steel Coalition |
| 100. Deutsche Umwelthilfe (DUH) | 119. Estonian Green Movement | 136. Fair Trade Advocacy Office |
| 101. Diözesanrat der Katholik*innen im Bistum Aachen | 120. Ethical Trade Norway | 137. Fairtrade International |
| 102. DKA Austria | 121. ETICAMBIENTE SRL SB - Sustainability Management & Communications Consulting | 138. FAIRWORK Belgium |
| 103. Earthsight | 122. EU-CORD network | 139. Fashion Revolution |
| 104. Eco-TIRAS International Association of River Keepers | 123. EU-LAT Network | 140. Federación Asociaciones Defensa y Promoción Derechos Humanos |
| 105. Economistas sin Fronteras | 124. EUCLIPA.IT | 141. Federación de Consumidores y Usuarios CECU |
| 106. ECONOMY FOR THE COMMON GOOD | 125. Eurogroup for Animals | 142. Federación Nacional de Trabajadores de la Agroindustria, Gastronomía, Hotelería y Afines (FENTRAGH) |
| 107. Eetti (Pro Ethical Trade Finland) | 126. European Center for Constitutional and Human Rights (ECCHR) | 143. Federación SETEM |
| 108. EFFAT - European Federation of Food Agriculture and Tourism Trade Unions | | |
| 109. EJAtlas.org | | |

144. Federazione Nazionale Pro Natura
145. FEMNET e.V.
146. FIAN Germany
147. Finanzwende
148. Finn Church Aid (FCA)
149. Finnish Development NGOs Fingo
150. Finnwatch
151. FOCSIV Italian Federation Christian NGOs
152. Focus Association for Sustainable Development
153. Fondazione Finanza Etica
154. Forest Peoples Programme
155. Forests of the World
156. Forum Fairer Handel
157. ForumCiv
158. FOS - Sozialistische Solidariteit
159. Foundation Max van der Stoel
160. Foundation The London Story
161. Framtiden i våre hender/Future In Our Hands
162. France Nature Environnement
163. Frank Bold
164. Friends of the Earth Europe
165. Friends of the Earth Germany (BUND)
166. Friends of the Earth Netherlands
167. Front Line Defenders
168. Fundació Pau i Solidaritat - CCOO Catalunya
169. Fundacion Acue
170. Fundación Alboan
171. Fundación Concern Universal-Colombia
172. Fundación Entreculturas – Fe y Alegría
173. Fundación Internacional de Solidaridad Compañía de María
174. Fundación Libera contra la Trata de Personas y la Esclavitud en Todas sus Formas
175. Fundación Proclade
176. Fundación Siempre Adelante
177. Fundación Taller de Solidaridad
178. Fundacja Kupuj Odpowiedzialnie/ Buy Responsibly Foundation
179. Futuro en Común
180. German Speleological Federation
181. Give Back - Giovani Aree Interne
182. GLOBAL 2000
183. Global Aktion
184. Global Canopy
185. Global Policy Forum Europe e.V.
186. Global Rights Advocacy
187. Global Witness
188. Goliathwatch
189. Global Youth Biodiversity Network European Chapter
190. GongGam Human Rights Law Foundation
191. GoodElectronics
192. Greenpeace EU
193. Grupo de Trabajo Suiza Colombia/ Arbeitsgruppe Schweiz Kolumbien ask!
194. Helsinki Deaconess Foundation
195. Homa - Instituto Brasileiro de Direitos Humanos e Empresas
196. Human Rights International Corner
197. Human Rights Now
198. Human Rights Watch
199. Indigenous Peoples Rights International
200. industriAll European Trade Union
201. IndustriAll Union of Finland
202. Informationsstelle Peru e.V.

203. Iniciativa para la Justicia Transnacional
204. Initiative pour un devoir de vigilance
205. INKOTA-netzwerk
206. Instituto Cordilheira
207. Instituto Políticas Alternativas para o Cone Sul (PACS)
208. Interfaith Center on Corporate Responsibility
209. International Dalit Solidarity Network
210. International Federation for Human Rights
211. International Lawyers Assisting Workers (ILAW) Network
212. International Peace Information Service
213. International Solidarity Foundation
214. International Trade Union Confederation (ITUC)
215. Investor Alliance for Human Rights
216. Irish Peatland Conservation Council
217. Irish Whale and Dolphin Group
218. ISDE, International Society of Doctors for Environment
219. Itaka-Escolapios
220. Italian Climate Network
221. IUCN NL
222. Jordens Vänner/Friends of the Earth Sweden
223. Jugend Eine Welt
224. JUSTICIA ALIMENTARIA
225. Katalyst Initiative
226. Kenya Human Rights Commission
227. KIOS Foundation
228. KISA - Action for Equality, Support, Antiracism
229. Kolko - Menschenrechte für Kolumbien e. V
230. La Coordinadora de Organizaciones para el Desarrollo
231. La Alianza de Organizaciones sociales y Afines por una cooperación para la Paz y la Democracia
232. La Strada International
233. Labour Behind the Label
234. Labour Education Foundation
235. LaCoordi - Coordinador pel Comerç Just i les Finances Ètiques de Catalunya
236. Large Movements APS
237. Laudato Si' Movement
238. LEGAMBIENTE
239. Lightup Norway
240. LINK 2007 - Cooperazione in Rete
241. Make The Shift
242. Mani Tese ETS
243. Maquila Solidarity Network (MSN)
244. mehr Wert! e. V.
245. Menschenrechte für
246. Mighty Earth
247. Milieudéfense
248. Miljøbevægelsen NOAH
249. Misereor
250. Mountain Wilderness International
251. Movimento Consumatori APS
252. Movimento Nacional de Direitos Humanos MNDH Brasil
253. Movimento Nazionale Liberi Farmacisti
254. MVO Platform
255. National Garment Workers Federation (NGWF)
256. National Union of University Students in Finland
257. Nature & Progrès
258. NaZemi
259. NeSoVe
260. NEVER AGAIN Association
261. New School of the Anthropocene

262. Norwegian Council for Africa
263. Norwegian Forum for Development and the Environment
264. Notre Affaire à Tous
265. Observatori DESCA
266. Observatorio Ciudadano
267. Observatorio RSC
268. OECD Watch
269. OEW-Organisation für Eine solidarische Welt/OEW-Organizzazione per Un mondo solidale
270. Olof Palme International Center
271. Ombudsman fir Kanner a Jugendlecher
272. Organisation Guinéenne de Défense des Droits de l'Homme et du Citoyen (OGDH)
273. Organisation Nationale des Droits de l'Homme (ONDH)
274. Oxfam
275. Partners in Change
276. Pax Christi-Deutsche Sektion e.V.
277. Pax Christi International
278. Pianeta
279. PIC - Legal Center for the Protection of Human Rights and the Environment
280. PICUM
281. Plataforma Colombiana de Derechos Humanos, Democracia y Desarrollo (PCDHDD)
282. Plataforma por Empresas Responsables
283. POLIFA
284. Polish Institute for Human Rights and Business
285. Praxis - Institute for Participatory Practices
286. Pro Natura - Friends of the Earth Switzerland
287. Promoción Claretiana para el Desarrollo Bética
288. Proyecto de Derechos Económicos, Sociales y Culturales (ProDESC)
289. Proyecto sobre Organización, Desarrollo, Educación e Investigación (PODER)
290. Publish What You Pay
291. Rainforest Alliance
292. Rainforest Foundation Norway
293. READ (Rights education and development centre)
294. Red de Entidades para el Desarrollo Solidario-REDES
295. Red de Profesionales de la Sostenibilidad
296. Red europea ODHACO - The International Office for Human Rights Action on Colombia
297. Red Iglesias y Minería
298. Reds - Red de solidaridad para la transformación social
299. Repórter Brasil
300. Research Centre for Crisis and Alternative Development Strategy (INKRISPENA)
301. Resource Matters
302. Romero Initiative (CIR)
303. SASK
304. Schone Kleren Campagne (Clean Clothes Campaign Netherlands)
305. Seas At Risk
306. Serve the People Association
307. Service Union United PAM
308. ShareAction
309. Sherpa

310. Siemenpuu Foundation
311. Sindicato de Trabajadores de Plantaciones Agrícolas (SITRAP)
312. Sloweb
313. Social Awareness and voluntary education (SAVE)
314. Soldepaz Pachakuti
315. SOLIDAR
316. Solidar Austria
317. Solidar Suisse
318. Solidaridad
319. SOLIFONDS
320. SOMO, Centre for Research on Multinational Corporations
321. Southern Voices for Global Development
322. SteelWatch
323. Stichting Alternative Turkmenistan News
324. StreamScapes
325. SUDS - Associació Internacional de Solidaritat i Cooperació
326. Südwind
327. Swedish Society for Nature Conservation
328. Swedwatch
329. Teollisuusliitto ry.
330. Terre des Hommes Italia
331. Testachats / Testaankoop
332. The Climate Reality Project Europe
333. The Good Lobby Italia
334. The Signals Network
335. Trade Union for the Public and Welfare Sectors JHL
336. Trade Union Pro
337. Transnational Institute
338. Transparency International Italy
339. Trócaire
340. Tsikini
341. Uganda Consortium on Corporate Accountability
342. Umanotera
343. UNI Global Union
344. United Textile Weaving and Leather Workers Union (BİRTEK-SEN)
345. Urgewald
346. VOICE Network
347. Vredesactie
348. Water Witness
349. We Effect
350. WeMove Europe
351. Werkstatt Ökonomie
352. Western Sahara Resource Watch
353. WeWorld
354. WH4C (Workers Hub For Change)
355. Women Engage for a Common Future (WECF)
356. Women on Farms Project
357. Workers' Assistance Center
358. World Fair Trade Organization - Europe
359. WSM
360. World Wide Fund for Nature (WWF)
361. ZERO - Associação Sistema Terrestre Sustentável