Statement against Omnibus

Not simplification, but full-scale deregulation designed to dismantle corporate accountability

February 24, 2025

The leaked draft Omnibus proposal represents a direct assault on the EU's own sustainability framework, effectively dismantling key elements of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

The draft proposal reveals that the European Commission is prepared to walk away from victims of corporate abuse and annihilates its own climate commitments under the Paris Agreement. If adopted as is, the proposed changes would amount to effectively bringing key elements of the European Green Deal to an end. This move is not only an affront to individuals and communities impacted by corporate abuse in cases like the Rana Plaza disaster or by the EACOP oil project but is also a clear and unchallenged capitulation to the interests of major business associations, with most of the proposals being directly traceable to actors such as lobby groups BDA/BDI, MEDEF and Confindustria.

The Omnibus will gut the CSDDD at its core

Far from a simple "streamlining" of sustainability reporting obligations, as the Omnibus was originally portrayed by the Commission, the draft tears apart the very foundation of the CSDDD by stripping it of its core instruments. Due diligence obligations are reduced to a cosmetic bureaucratic exercise with no meaningful means for enforcement attached, rather than mainstreaming effective and internationally agreed tools for the prevention, mitigation and remediation of corporate abuse.

The proposal severely **limits a company's due diligence duty by focusing on direct business partners (so-called "first tier") and limiting it for those with fewer than 500 employees**. This comes after the European Commission invited many oil and gas companies to their 'consultation' events this month and blatantly overlooks the fact that the most serious human rights and environmental violations often occur deeper in the supply chain, particularly among smaller, less established suppliers. Companies would be required to engage less with affected stakeholders along their risk management process, which has proven to be a key tool to prevent harm. Furthermore, companies will not have the obligation to terminate their relationship with any of their business partners, even in cases where they continue to perpetrate or participate in horrific abuses. Finally, companies will only have to monitor the effectiveness of their due diligence policies twice a decade, as opposed to once every year.

Climate obligations are also reduced to little more than greenwashing, as the draft proposal **eliminates the obligation to implement climate transition plans**, allowing companies to sideline these plans without any consequence or oversight after their adoption.

Meanwhile, some of the essential enforcement mechanisms that made the CSDDD meaningful in the first place are stripped out, severely limiting victims' right to access to justice and perpetuating an inconsistent patchwork of liability rules that complicate legal recourse in the EU. **The crucial requirement for Member States to ensure civil liability for due diligence failures has been removed, as has the right of victims to be represented by NGOs, trade unions, and national human rights institutions in court** in cases where they have insufficient means to represent themselves.

These regressions now set the EU's standards lower than existing voluntary international frameworks, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines, rendering the CSDDD to a tick-box exercise in contradiction of its original objective to put into practice international responsible business standards.

Most companies excluded from the scope of CSRD

For the CSRD, the proposal drastically narrows the scope of companies covered, raising the threshold from 250 to 1,000 employees, and significantly weakens reporting requirements under the European Sustainability Reporting Standards (ESRS). Sector-specific standards have also been scrapped. This is a drastic step backwards for transparency, which would prevent investors from directing investments into sustainable activities and companies, at a time when they are much needed to tackle the climate crisis.

The European Coalition for Corporate Justice firmly rejects this proposal

The ECCJ calls on the European Commission to put a halt to this disaster in the making, and refrain from betraying victims of corporate abuse around the world. We join our voice to that of other civil society organisations, trade unions, investors and businesses involved in sustainability efforts, as well as citizens within the EU and beyond, prominent legal experts in the business and human rights sector and scholars in **calling the College of Commissioners to oppose this proposal**.

*"Let's be clear—**this is not simplification, it is full-scale deregulation designed to dismantle corporate accountability and abandon the EU's Green Deal commitments**. This proposal signals that corporate profits matter more than people's lives or the future of our planet, it is nothing short than a free pass for corporate impunity. The Commission is trampling the EU's own foundational values of upholding justice, environmental protection, or accountability, and their message is clear: time to turn a blind eye to forced labour, land grabs, and environmental devastation—leaving victims powerless while reckless corporations walk free."*

Nele Meyer, Director of the European Coalition for Corporate Justice