



Brussels  
13 January 2024

Dear President Ursula von der Leyen,  
Dear Vice-presidents of the European Commission,  
Dear Commissioners,

Subject: Greens-EFA letter on the announced omnibus simplification package

As Members of the Greens-EFA group in the European Parliament, we are alarmed about the announcement of an “omnibus legislation” aimed at changing the Taxonomy Regulation, the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive. We are also highly concerned by any potential attempts to include other recently adopted sustainability-related legislation in the omnibus package.

These three vital pieces of legislation lie at the heart of the European Green Deal. They are critical to ensuring the Green Deal's viability and achieving its environmental, climate, and social objectives. CSRD, CSDDD and the Taxonomy Regulation are well-balanced complementary legislations and are necessary to ensure a long-term approach to sustainability for companies and our European economy.

Reopening these legal texts questions institutional stability and legal certainty, public confidence in European legislation, and risks hampering the competitiveness of the EU economy, the very objective the Omnibus legislation proclaims to pursue. The CSRD and CSDDD are yet to be fully implemented by Member States and companies who, although already having invested in many preparatory measures, have no experience yet working with the new rules. Changes in adopted standards would penalise companies that have already been building capabilities to comply with these rules and arbitrarily favour certain market participants over others, creating an uneven playing field. At the same time, as companies require predictability and stability to plan and invest in long-term sustainable projects, changing the EU reporting framework that has only recently been adopted and is yet to be fully implemented would create more legal uncertainty. It would make it harder for companies to assess performance, manage future developments, and maintain business relations and investments. To be reminded that the call for sustainability reporting obligations stems directly from market participants and investors themselves, who have been asking for better quality and comparability of sustainable data to aid with their capital allocation decisions.

Furthermore, the rushed process and timeline as it is now foreseen by the Commission, with the publication of an omnibus already on 26 February, goes against the principles of good governance and is inherently undemocratic. In spite of its declared intention to proceed with

the “Omnibus simplification package”, the European Commission still lacks proper feedback from all relevant stakeholders and Member states on the application of new legislation. It currently relies on the views of only a segment of industry participants. The Commission should continue upholding the principles of the ‘Better Regulation’ agenda, before potentially envisaging changes of the current framework. It should ensure that any potential proposal will be evidence-based and is preceded by a proper impact assessment and public consultation of ALL stakeholders, including civil society organisations, trade unions and SME representatives.

**We call on the Commission on safeguarding the EUs role as leader on corporate sustainability by not reopening any recently adopted sustainability legislation, while taking a pragmatic, legally sound and efficient approach to alleviating some of the administrative burden of companies and SMEs in particular, and simplify as much as possible the implementation of agreed rules.** The Commission should continue to consider in a balanced manner the environmental, social, and wide economic costs and benefits of legislation, and the public interest that legislation serves. It should not prioritise business interests over societal benefits and make compliance costs for the affected businesses weigh more than all other costs and benefits. Rather than questioning European sustainability standards that are already setting a global example, we strongly believe that the European Commission and the co-legislators should prioritise:

- **Guidelines, tools and other measures that support companies in implementing CSRD, CSDDD and Taxonomy legislation.** This should focus on smart implementation strategies, rather than deregulation, which would be highly detrimental. While we appreciate your commitment to maintaining the substantive elements of these legislations, we urge you to go further by focusing on supporting measures, including practical, digital, financial, and legal tools, without undermining the substance of these laws, for example by building financial capacity and providing support from Member States to assist all companies, especially SMEs. In this context, the Commission should furthermore follow-up and implement the three 2024 recommendations of the “Fit for Future Platform” on automated sustainability reporting, measures to avoid unnecessary/duplicate reporting and sustainability related disclosures.
- **An overarching approach that does not demonise nor only targets sustainability-related legislation. This would require a comprehensive mapping and assessment of ALL existing financial and non-financial reporting and administrative obligations** for companies under European law that have been implemented for at least three years as well as obligations under national company law rules. Whereas for example CSRD in itself has only been adopted recently, it is in fact amending four other instruments that have been around for a much longer time and could potentially benefit from an assessment of their application. Furthermore, divergences between national rules continue to cause legal uncertainty and administrative costs. The upcoming Single Market Strategy will already look at some divergences and can therefore also be used in this context. Based on a comprehensive assessment, the Commission could put forward, if necessary, proposals to update outdated provisions and address unjustified barriers

through proportionate measures and achieve upwards convergence. This should be done in cooperation with all relevant actors and EFRAG in particular, and with effective participation of all relevant stakeholders.

- **Improve usability and update activity-specific technical screening criteria under the Taxonomy Regulation** to ensure alignment with thresholds resulting from recent revisions of EU legislative acts.

We are ready to collaborate with you to ensure the efficient and pragmatic implementation and application of all pieces of EU legislation related to corporate responsibility and reporting, without touching upon the original policy goals of the legislation. We are confident that, together, we can find a balanced approach that benefits companies, markets, as well as people and the planet.

Yours sincerely,

**Bas Eickhout**, Co-President of the Greens-EFA group, ECON co-rapporteur on the Taxonomy Regulation and ECON shadow rapporteur on CSRD;

**Marie Toussaint**, Vice-president of the Greens-EFA group, ENVI, JURI and ITRE shadow rapporteur on CSRD and ENVI shadow rapporteur on CSDDD;

**Kira Peter-Hansen**, Vice-president of the Greens-EFA group, EMPL rapporteur and FEMM shadow rapporteur on CSRD;

**Anna Cavazzini**, Member of the Greens-EFA group, INTA shadow rapporteur on CSDDD;

**Sara Matthieu**, Member of the Greens-EFA group, EMPL shadow rapporteur on CSDDD;

**Saskia Bricmont**, Member of the Greens-EFA group, Member of INTA monitoring working group on CSDDD and forced labour regulation.