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22 January 2025

Concerns regarding the proposed Omnibus initiative

Dear President von der Leyen, Executive Vice-President Ribera, Executive Vice-President Séjourné and Commissioner Dombrovskis,

We are writing as National Human Rights Institutions (NHRIs) from across Europe.

We have been actively engaged on the various EU regulatory developments focused on encouraging responsible business conduct and sustainable development, including in particular the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD), the Taxonomy minimum safeguards and other related initiatives. We have done so as independent and impartial state bodies with expertise in human rights in our respective jurisdictions and collectively at the regional level through the European Network of NHRIs (ENNHRI).

We have welcomed the EU's leadership in recognising the need to address the existential challenges of climate change and environmental degradation through the <u>European Green Deal</u>, <u>reform the financial sector in support of sustainable development</u> and invest in an <u>economy that works for people</u>. As we have <u>noted previously</u>, no single intervention will be sufficient to effectively support the objectives of the Green Deal, promote sustainable development and compel responsible business conduct. Rather, a coherent approach involving a range of regulatory interventions is needed. We have welcomed the holistic approach of the European Commission in proposing a range of complementary regulatory initiatives directed at these objectives.

With this letter, we would like to raise concerns in relation to the recent announcement to develop an Omnibus proposal revisiting certain aspects of this regulatory agenda with a view to reducing administrative burdens by addressing redundant or overlapping reporting requirements. We recognise the need to enhance policy coherence, consistency and clarity in sustainability related legal requirements for companies with a view to ensure their effective implementation and provide legal certainty. To promote coherence, ENNHRI has <u>previously identified</u> the need for this suite of regulatory initiatives to align with the key international frameworks including the United Nations

Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines). Alignment of the EU regulatory agenda with these frameworks would enable companies to benefit from early investments in environmental sustainability and respect for human rights and be well placed to meet regulatory requirements, and would also promote a global level playing field.

We welcome the calls from <u>Climate Commissioner Hoekstra</u> and <u>Executive Vice-President Ribera</u> to protect the legacy of the European Green Deal and the commitment from <u>Justice Commissioner</u> <u>McGrath</u> to ensure a timely and effective implementation of the CSDDD. We further welcome the public commitment of <u>President von der Leyen</u> to maintain the content of the existing laws in any Omnibus proposal.

However, in spite of these commitments the announcement has created uncertainty for a broad range of stakeholders. We are concerned that this process could jeopardise the broader contents of these laws, the momentum around corporate sustainability and sustainable finance in the EU and unintentionally disadvantage companies that have already invested significantly in anticipation of legal requirements.

Most EU Member States have already transposed the requirements of the CSRD into their national laws, and processes for transposition of the CSDDD are ongoing. Companies subject to the CSRD have already invested considerable resources into meeting the new reporting requirements. Indeed, a number of companies have <u>publicly called</u> for the content of these laws and the timetable for their implementation to be maintained and have <u>reiterated their commitment</u> to the European Green Deal.

The EU's policy and regulatory actions to address pressing sustainability issues is a long-awaited response to legitimate expectations of rightsholders and other stakeholders for enhanced respect for human rights and the environment in business activities, which reflects the results of public consultations of all stakeholders. The instruments forming part of the EU's regulatory agenda on responsible business conduct and sustainable development are already an agreed political compromise.

We call for the integrity of the instruments to be respected and for the European Commission to focus its efforts on facilitating effective implementation. Priority should now be put on developing guidance and other accompanying measures and guidelines by the European Commission.

Any effort to streamline and simplify requirements on companies should be pursued on the basis of clear evidence and through adherence to European fundamental values of democracy, equality, the rule of law and respect for human rights. It should also align with key international authoritative frameworks such as the UNGPs and the OECD Guidelines, which would ensure, a

global level playing field and the protection of the European economy, its fundamental values and its citizens.

The development of the Omnibus proposal should be done transparently and be informed by the input of a wide range of stakeholders. As independent state institutions, with a broad constitutional or legal mandate to protect and promote human rights at the national level, NHRIs can play a key role in ensuring that the EU's regulatory agenda meets its objectives of protecting human rights across global value chains and should be properly consulted on any proposed revisions to that agenda contemplated in the Omnibus proposal.

Yours sincerely,

Signatories

The Belgian Federal Institute for Human Rights
The Consultative Commission for Human Rights of Luxembourg
The Danish Institute for Human Rights
The Finnish Human Rights Centre
The French National Consultative Commission for Human Rights
The German Institute for Human Rights
The Greek National Commission for Human Rights
The Norwegian Institute for Human Rights
The Office of the Ombudswoman of Croatia

The Ombudsman of the Republic of Latvia