



European
Ombudsman

REPORT ON MEETING

REPORT ON THE MEETING OF THE EUROPEAN OMBUDSMAN INQUIRY TEAM WITH REPRESENTATIVES OF THE EUROPEAN COMMISSION

COMPLAINT: 983/2025/MAS

Case title: The European Commission's failure to comply with its 'Better Regulation Guidelines' in preparing a legislative proposal on corporate sustainability reporting and due diligence

Date: Monday, 16 June 2025

Present

European Commission (Secretariat General)

Director, SG.C Simplification, Implementation and Enforcement
Head of Unit, SG. C.2 Better Regulation and Simplification
Deputy Head of Unit, SG. C.2 Better Regulation and Simplification
Senior expert, SG. C.2 Better Regulation and Simplification
Policy Coordinator, SG.D.2 Clean Transition and One Health
Senior expert, SG. E.3 Technological Sovereignty and Innovation
Policy Officer, SG. A.3 Transparency and Ethics

European Commission (DG FISMA)

Head of Unit, DG FISMA C.1 Corporate reporting, audit and credit rating agencies
Head of Unit, DG FISMA B.2 Sustainable Finance

European Commission (DG JUST)

Head of Unit, DG JUST A.3 Company Law

European Commission (Legal Service)

Senior expert, LS AFFAIR team
Member of the Legal Service, LS AFFAIR team

European Ombudsman

Mr Lampros Papadias, Head of Cabinet
Ms Diana Riochet, Member of the Cabinet
Ms Rosita Hickey, Director of Inquiries
Ms Tanja Ehnert, Inquiries Coordinator
Mr Markus Spoerer, Inquiries Officer
Mr Michal Krajewski, Inquiries Officer
Ms Ainara Gomez Urrosolo, Inquiries Trainee



Purpose of the meeting

The inquiry concerns the European Commission's alleged failure to comply with its 'Better Regulation Guidelines' and related Toolbox in preparing the legislative proposal to amend the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD),¹ which is one of the proposals that forms part of the Commission's Omnibus I simplification package.²

The legislative proposal aims at boosting EU companies' competitiveness by reducing the administrative burden and postponing some obligations that companies have to comply with.

The purpose of the meeting was for the Ombudsman inquiry team to obtain information on how the Commission prepared the legislative proposal and, in particular, how and why it decided to derogate from certain internal rules foreseen in its 'Better Regulation Guidelines' and related Toolbox.

Prior to the meeting, the Ombudsman shared a list of questions with the Commission.³

Introduction and procedural information

The Ombudsman inquiry team introduced themselves, thanked the Commission representatives for meeting with them and set out the purpose of the meeting. They outlined the legal framework that applies to meetings held by the Ombudsman, in particular, that the Ombudsman would not disclose any information identified by the Commission as confidential, neither to the complainant nor to any other person outside the Ombudsman's Office, without the Commission's prior consent.⁴

The inquiry team explained that they would draw up a draft report on the meeting to be sent to the Commission to ensure that the contents were factually accurate and complete. The meeting report would then be finalised, included in the file and provided to the complainant. No confidential information would be included in the report or otherwise provided to the complainant or any third party.

The inquiry team emphasised that the purpose of the inquiry is not to examine the substance of the Commission's legislative proposal, but to determine whether in preparing this proposal the Commission complied with the principles of good administration.

Information obtained

On the absence of an impact assessment

The Commission representatives noted that it is the Commissioner responsible for Implementation and simplification who validates derogations from the impact assessment requirement in the 'Better Regulation Guidelines'.⁵ In this particular case, after exchanging with the Commissioner's Cabinet, the then Deputy Secretary-General informed the

¹ COM(2025) 81 final.

² https://commission.europa.eu/publications/omnibus-i_en.

³ <https://www.ombudsman.europa.eu/en/opening-summary/en/205174>.

⁴ Article 4.8 of the European Ombudsman's Implementing Provisions.

⁵ Commission Rules of Procedure, available at: <https://eur-lex.europa.eu/eli/dec/2024/3080/oj/eng>.



Commission's services⁶ about the derogation, by confirming to the responsible Directorates-General that a Staff Working Document should be prepared. The Commission representatives explained that this amounts to saying that an impact assessment would not be needed, as an analytical document in the form of a Staff Working Document substitutes a full impact assessment.⁷ The Commission representatives added that no further documentation on the decision to derogate from the impact assessment requirement exists.

The Commission representatives said that the Better Regulation Guidelines foresee the possibility to derogate from the impact assessment requirement in case of urgency. This flexibility allows the Commission to respond swiftly to political urgencies or crises, such as the war in Ukraine, the COVID-19 pandemic, or the energy crisis. They said that in this case, there was particular urgency due to on the one hand the difficult economic situation in the EU and on the other hand due to factual issues of implementation. The 'Draghi report'⁸ had revealed significant challenges in terms of the competitiveness of the EU economy, including in view of the regulatory burden imposed on companies. In this context, there was an urgent need for a simpler and clearer regulatory framework.

The Commission representatives further explained that certain large companies subject to the CSRD had already prepared their CSRD-compliant reports for the 2024 financial year. A second wave of large companies would have been obliged to start reporting under the CSRD soon. There was thus an urgent need to clarify these obligations to allow companies to plan ahead. The Commission therefore proposed to postpone by two years the entry into force of the reporting requirements for companies that have not yet started implementing the CSRD, in order to give time to the co-legislators to adopt the Commission's proposed substantive changes.

The Commission representatives pointed out that the deadline for Member States to transpose the CSDDD into national law is 26 July 2026. It was thus necessary to stop the clock as soon as possible. One of the Omnibus proposals⁹ thus gives companies more time to prepare for implementation of the new framework by postponing, by one year, the transposition deadline of the CSDDD (to 26 July 2027) and the first phase of the application of the sustainability due diligence requirements, covering the largest companies (to 26 July 2028). In the meantime, the necessary guidelines by the Commission will be advanced to July 2026,¹⁰ allowing companies to rely more on best practices and reduce their reliance on legal counselling and advisory services.

The Commission representatives emphasised that an impact assessment would have significantly prolonged the adoption of the legislative proposals in question.

While the Commission representatives acknowledged that carrying out an impact assessment is the general rule, the representatives also emphasized that flexibility is allowed in situations of urgency to derogate from the general rule to carry out an impact assessment. The derogation from the impact assessment requirement was fully justified in this case due to the urgency for companies to have clarity about their requirements. The

⁶ The email was shared with the Ombudsman before the meeting.

⁷ Better Regulation Guidelines 2021, p30.

⁸ The Draghi report on EU competitiveness, https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en.

⁹ These considerations about the transposition and application timeline are related to the 'stop-the-clock' component of the Omnibus proposal, COM(2025) 80 final. This act has already been adopted by the co-legislators as Directive (EU) 2025/794.

¹⁰ The reference to the advancement of the guidelines is linked to the 'content proposal', COM(2025) 81 final, which is still in the legislative process.



explanatory memorandum to the legislative proposals explains in detail the reasons for the derogation, with reference to the urgency of the situation.

Upon request from the Ombudsman inquiry team, the Commission representatives agreed to share, after the meeting, a list of legislative proposals adopted during the past three years for which an impact assessment was replaced by a Staff Working Document instead.

On the absence of a public consultation

The Commission representatives clarified that a public consultation is not mandatory in the absence of an impact assessment. A separate derogation was therefore not required. In any case, in view of the above-mentioned urgency of the situation, a public consultation would not have been feasible.

At the same time, the Commission representatives noted that various other exchanges with stakeholders had taken place:

- The Commission received numerous position papers and information from companies on the CSRD and the CSDDD, explaining the difficulties that these companies are experiencing or will be experiencing in implementing these rules.
- The Commission published a call for evidence on the rationalisation of reporting requirements from October to December 2023, in response to which it received many submissions.
- The Commission organised two large hybrid stakeholder forums on the CSRD in May and November 2024.
- The Commission held two meetings with companies and other stakeholders in February 2025 - a 'reality check' and a workshop.

In view of these exchanges, the Commission considered that sufficiently numerous and detailed contributions had already been received and that therefore another public consultation would not have added new information.

On the extent to which the call for evidence (October to December 2023) covered the subject matter of the legislative proposals at issue

In response to the call for evidence, the Commission received 197 submissions. Approximately half of the submissions concerned the sustainability reporting requirements, stressing that this was one of the stakeholders' main concerns. The Commission also received stakeholder positions on other matters, all of which contributed to the analysis underlying the proposals.

On the criteria for selecting participants for the meetings with stakeholders in early February 2025 and the impact these meetings had on the legislative proposals

The Commission organised two meetings in February 2025, that is, a 'reality check' on 5 February and a workshop on 6 February 2025. As regards the 'reality check', the Commission representatives explained that this is a new consultation tool mentioned in the Commissioner for Implementation and Simplification mission letter and in the



Commission's communication on implementation and simplification of 11 February 2025.¹¹ Its objective is to obtain first-hand information on the implementation of EU rules from stakeholders who are directly concerned. Accordingly, in this case, most participants were businesses and business associations. The workshop also involved more than one hundred stakeholders overall, including civil society organisations.

The Commission clarified that, since the meetings were taking place under the authority and with the participation of Commissioner Dombrovskis, it was normal that his Cabinet took the decision on the participants to be selected for the meetings.

The Commission agreed to share the lists of meeting participants with the Ombudsman inquiry team following the meeting. It should be noted that all NGO representatives, and not just companies, were given the floor at least once during the workshop.

On the climate consistency assessment

The Commission representatives explained that Article 6(4) of European Climate Law¹² contains two different requirements: first, the need for a substantive assessment of the consistency of any draft measure or legislative proposal with climate goals and, second, the requirement to make the result of that assessment publicly available at the time of adoption. For the climate consistency check, there is no specific format when there is no impact assessment. Where an impact assessment accompanies these measures or proposals, the assessment shall be included in that impact assessment. In this case, given that there was no impact assessment, the assessment was included in the explanatory memorandum of the legislative proposal (COM(2025)81, p. 2), which states that the proposal does not undermine the EU's climate consistency goals and the Staff Working Document addresses the issue at the contextual level. Upon request from the Ombudsman inquiry team, the Commission representatives agreed to share, after the meeting, documents proving that such analysis had taken place.

On the inter-service consultation (ISC)

The Commission representatives explained that a fast-track ISC is foreseen in the Commission's Rules of Procedure¹³ and its use is not extraordinary. The Commission further explained that the Rules of Procedure were recently changed to allow for an ISC in writing.

The Secretariat-General coordinates ISCs. Once an ISC is launched, all services receive the relevant documents. However, in some cases, relevant services receive the documents in advance so that they can share any comments beforehand.

In this case, the deadline for the ISC was less than 24 hours, and the documents had not been shared with the services in advance. However, an additional technical meeting was organised 7.5 hours before the deadline, during which an overview of the relevant documents was provided to all services involved in the ISC. Moreover, the services could

¹¹ https://commission.europa.eu/document/download/8556fc33-48a3-4a96-94e8-8ecacef1ea18_en?filename=250201_Simplification_Communication_en.pdf.

¹² Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1119>.

¹³ Article 60 of the Commission Rules of Procedure, available at <https://eur-lex.europa.eu/eli/dec/2024/3080/oj/eng>.



request clarifications and ask questions. The Commission confirmed that all services provided comments before the deadline.

Upon request of the Ombudsman inquiry team, the Commission representatives agreed to share the services' comments with the Ombudsman.

Conclusion of the meeting

The inquiry team thanked the Commission's representatives for their time and for the explanations provided, and the meeting ended.

Following the meeting, the Commission provided the Ombudsman with 12 additional documents by 30 June 2025, that is,

- A list of the legislative proposals from the last three years where an impact assessment was replaced by a SWD
- Impact assessment reports of the original CSRD and CSDDD proposals
- The list of participants of the two hybrid events organised by DG FISMA in 2024
- The list of stakeholders invited to the reality check of 5 February 2025
- The list of stakeholders invited to the round table discussion on 6 February 2025
- An e-mail of Commission services with analytical attachment about impact of policy options on scope of the CSRD relevant for the climate consistency check
- A Communication on the Working Methods of the Commission
- An internal guidance note on reality checks
- A summary of the fast-track inter-service consultation of the Omnibus I proposal

Brussels, 11 July 2025

Rosita Hickey
Director of Inquiries

Markus Spoerer
Inquiries Officer