

I. BACKGROUND/SUMMARY OF THE FACTS/HISTORY

The Omnibus I package was adopted by the Commission on 26 February 2025¹. Its goals are to improve the clarity and simplicity of sustainability reporting, sustainability due diligence and the taxonomy for sustainable activities, while preserving the policy objectives of each piece of legislation, and improving their effectiveness. The package comprises:

- (i) A ‘content proposal’ amending the Accounting Directive, Audit Directive, Corporate Sustainability Reporting Directive (CSRD), and Corporate Sustainability Due Diligence Directive (CSDDD) to simplify the corporate reporting and due diligence framework and reduce reporting burdens on companies (‘content proposal’).
- (ii) A ‘stop-the-clock proposal’ amending the CSRD and the CSDDD to postpone the date of application of certain CSRD requirements for the companies that were not yet required to comply with CSRD, as well as the transposition deadline and date of application for the first group of companies under CSDDD.

The Commission considered it necessary to intervene urgently with the above proposals. The evidence supporting the proposals and cost estimates are set out in an analytical document presented in the form of a Staff Working Document (SWD)² published at the same time³. The ‘stop-the-clock’ Directive (EU) 2025/794 was adopted by co-legislators and entered into force in April 2025, while the legislative negotiations of the ‘content proposal’ are ongoing.

II. THE COMPLAINT TO THE EUROPEAN OMBUDSMAN

In a complaint to the European Ombudsman, eight civil society organisations⁴ argue that the Commission did not apply its better regulation guidelines in preparing the ‘content proposal’. They argue that the Commission departed from key procedural requirements, as it did not carry out a public consultation, did not produce an impact assessment, and allegedly did not conduct a climate consistency assessment as required by the European Climate Law.

¹ COM(2025) 81.

² SWD(2025) 80.

³ Where it is not feasible to carry out an impact assessment due to urgency of a policy proposal, in line with the [Better regulation: guidelines and toolbox](#), an analytical document in the form of a Staff Working Document is to be presented within three months of the adoption of the Commission proposal. In the case at hand, such SWD was prepared and published together with the proposal providing the necessary evidence to support it.

⁴ ClientEarth, Notre Affaire A Tous, Clean Clothes Campaign, European Coalition for Corporate Justice, Global Witness, Transport & Environment, Antislavery International and Friends of the Earth Europe.

III. EUROPEAN OMBUDSMAN'S INQUIRY

On 21 May 2025, the Ombudsman opened an inquiry on the matter. The inquiry aims to determine whether the Commission 'complied' with its own rules and guidelines in preparing the legislative proposal, and to ensure that the EU administration works in a transparent, inclusive, and evidence-based manner. It is clarified 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.

The Ombudsman decided to inspect certain documents related to the Commission's decision not to perform a public consultation and a new impact assessment, as well as related to the alleged lack of a climate consistency assessment and to the decision to launch a fast-track inter-service consultation. The Commission transmitted the documents on 6 June 2025.

The Ombudsman also requested to meet relevant Commission representatives to discuss the issues brought forward by the complainants. The meeting took place on 16 June 2025.

The Commission representatives explained that:

- The better regulation guidelines provide for the possibility to derogate from the impact assessment requirement in case of urgency, to provide an adequate response on time.

The Commission representatives referred both to economic and implementation issues that called for a fast legislative response. A more detailed enumeration is provided in our reply below, in Section IV, and would comprise the difficult economic situation faced by key productive sectors in the European Union, the intense competition from other jurisdictions, a deteriorating security situation and geopolitical environment, factual implementation challenges and updated impacts and costs – which, taken together, were to undermine the achievement of the rules' objectives, while also eroding the viability and attractiveness of basing economic activity in the EU.

In addition, the necessary changes had to be introduced in a timely manner for the CSDDD, well before Member States had to transpose the Directive (by July 2026) and the rules would start applying to a first set of companies (in July 2027), and similarly for the CSRD, ahead of the next 'waves' of its application to different types of companies (in 2026 and 2027).

- In view of the urgency just described, running a public consultation would not have been feasible. This was also in line with the better regulation guidelines⁵, which provide the flexibility not to carry out a public consultation in the absence of an impact assessment. Nevertheless, despite the absence of a public consultation, the Commission conducted intense outreach to stakeholders. Many relevant exchanges took place, including two hybrid meetings (16 May and 15 November 2024), a reality check and a round-table discussion (5 and 6 February 2025). In addition, numerous and detailed written contributions were received and examined, including those in response to the call for evidence on the rationalisation of reporting requirements (October to December 2023).

⁵ Better Regulation Guidelines, box 4, p. 16.

- A climate consistency check was performed. Its conclusion – that the proposal does not undermine the EU’s climate consistency goals – was reported in the explanatory memorandum of the legislative proposal⁶ and in the accompanying SWD. The requirement to include the climate consistency assessment in ‘any’ impact assessment⁷ only applies for proposals accompanied by an impact assessment.
- Finally, fast-track interservice consultations are provided for in the Commission’s Rules of Procedure and their use is not extraordinary, in particular in urgent circumstances.

The Commission transmitted additional information on 30 June 2025, following the meeting.

On 11 July 2025 the European Ombudsman requested written replies to questions pertaining to the absence of an impact assessment, the absence of a public consultation, the alleged absence of a climate consistency assessment and on the fast-track interservice consultation.

IV. THE REPLY OF THE EUROPEAN COMMISSION

The Commission’s better regulation practices are specified in the Better Regulation Guidelines and the accompanying toolbox. The Better Regulation Guidelines clearly state that they are an internal toolkit and not legally binding requirements:

‘These guidelines are internal instructions for the Commission staff in order to deliver the objectives of ‘better regulation’; in so far as they formulate ‘requirements’ and/or ‘mandatory’ instructions, they cannot be construed as legally binding rules or legal commitments towards outside actors and stakeholders.’

The guidelines must be applied proportionally. They are designed to account for urgencies, so that their tailored application can allow the Commission to propose legislation in a short time frame, where this is considered necessary.

ON THE ABSENCE OF AN IMPACT ASSESSMENT AND THE URGENCY OF THE PROPOSAL

The Ombudsman questions the reasons justifying not conducting an impact assessment and preparing a SWD instead. In the view of the Ombudsman, the Commission did not seem to have adequately justified its decision to waive the impact assessment requirement, citing urgency.

The Commission would like to recall that it conducts impact assessments whenever there is a political choice to be made between different options, and the potential impacts of that choice are likely to be significant. Impact assessments and public consultations are substantial exercises requiring a significant amount of time and resources. When there is urgency to act, such as in the case of this proposal, the Commission would not be in the position to conduct a full impact assessment. In such cases, the Commission’s better regulation guidelines provide for the publication, within three months of the adoption of the initiative, of an analytical document presenting the evidence behind the proposal and the cost estimates of the retained option. In this specific case, a SWD was presented together with the proposals.

⁶ COM(2025) 81, p. 2.

⁷ The NL version: ‘in een eventuele effectbeoordeling’.

The factual urgency should be considered against the general economic climate that had deteriorated dramatically since the adoption of the CSRD and CSDDD and called for urgent action to strengthen competitiveness of EU economic actors and reduce regulatory burden. More precisely, the application of the CSRD and CSDDD became affected both by current and expected economic and factual implementation issues. Those included the intense competition from other jurisdictions, a deteriorating security situation and geopolitical environment, as well as factual implementation challenges due to the scope of application and insufficient precision of some provisions⁸, and updated impacts and costs. Taken together, all these issues were considered by the Commission to undermine the achievement of the rules' objectives, while also eroding the viability and attractiveness of basing economic activity in the EU.

It is also important to note the broader context. Following the European Parliament elections and the transition towards a new Commission, there has been a clear and urgent demand to the Commission to act swiftly to relieve companies overwhelmed by administrative burden and suffering from deteriorating competitiveness. The Draghi and Letta reports make this urgency clear. The Draghi report considers the urgent reduction of regulatory burden on companies a crucial part of getting competitiveness back on track, with regulation being seen by more than 60% of EU companies as an obstacle to investment and 55% of SMEs flagging regulatory obstacles and administrative burden as their greatest challenge. Moreover, the conclusion that there is urgency to act on such burdens is cross-cutting in character, resulting in a series of 'simplification omnibus' proposals in different policy domains (investment, agriculture, defence, chemicals, etc.). In this context, urgency cannot be limited to the occurrence of some sudden or unexpected event.

In addition, the necessary changes to CSRD and CSDDD had to be introduced in a timely manner in view of the transposition and implementation processes:

- The CSRD framework in force at the time of the Omnibus I proposal adopted a phased approach. Large companies with more than 500 employees that are Public Interest Entities had to start reporting in accordance with the European Sustainability Reporting Standards (ESRS) already in 2025 for financial year 2024 ('wave one'). All other large companies were required to start reporting in 2026 ('wave two') and listed SMEs in 2027 ('wave three'). Some companies were therefore already reporting under CSRD, and others were preparing for it. Although the CSRD transposition deadline was 6 July 2024, several Member States had not yet notified its complete transposition, creating legal uncertainty and an uneven playing field for businesses and investors within the Single Market.
- The urgency for the revision of the CSDDD stemmed from the need to ensure that changes are enacted well on time before Member States would transpose the directive (by July 2026) and the rules would start applying to the first group of companies (from July 2027). As regards the latter, there have been repeated calls from the business side to be given sufficient time to prepare for the demanding requirements of the CSDDD,

⁸ For instance: the trickling-down of requirements onto small and medium-sized companies with insufficient resources to comply, insufficient proportionality between the costs of compliance and the expected benefits for companies below a certain size for the CSRD or the perceived absence of sufficient proportionality and legal certainty for the CSDDD.

including through a longer period between the presentation of the Commission guidance further detailing those requirements and the entry into application of the legislation.

- In addition, the CSDDD and the CSRD are inter-related and complementary pieces of legislation. While the CSRD is about public reporting of sustainability-related information, the CSDDD sets out behavioural duties to identify and address adverse human rights and environmental impacts. Reporting under CSDDD is largely based on the CSRD (as companies subject to reporting obligations under the CSRD are exempted from any additional reporting obligations under the CSDDD), which means there are cross-references in CSDDD to CSRD.

Based on all the above, the Commission's proposed to: (i) reduce the burden from reporting and due diligences obligations on companies subject to CSRD and CSDDD rules while safeguarding the objectives and improving the effectiveness of those frameworks ('content proposal'); and (ii) postpone by two years the requirements for wave 2 and wave 3 companies subject to CSRD, and by one year the transposition deadline and date of application for the first group of companies under CSDDD ('stop-the-clock proposal').

On its own, the 'stop-the-clock proposal' would not have been sufficient to address the issues explained above, which required reassessing the content of certain provisions in both pieces of legislation. This is why the Commission adopted the 'stop-the-clock' and the 'content' proposals together, thereby also providing more time for legislative negotiations on the latter.

If the Commission had put forward the stop-the-clock proposal without putting forward the content proposal at the same time, the timeline of the whole amending process would have had to be considerably longer, meaning, amongst others, longer transposition deadlines and a longer period of uncertainty for companies.

Had the Commission proposed the 'stop-the-clock' first, with a view to launching a 'content proposal' only later, this would have created uncertainty about the Commission's intentions, including toward preserving the objectives of the proposals and the European Green Deal. It could, inter alia, have made the negotiation of the 'stop-the-clock' proposal by the co-legislators more difficult, as the overall political direction to be proposed on the substance would have been less legible.

ON THE SWD AND THE EVIDENCE SUPPORTING THE PROPOSAL

The SWD accompanying the Omnibus I proposal was robust and built on the original impact assessments for the CSRD and CSDDD, as well as on the methodologies developed and the data collected for those, updated as necessary. The original impact assessments⁹ informed those initial proposals, presented their rationale, provided the evidence base, explained the policy objective(s), considered alternative policy options and analysed their impacts.

The Ombudsman requested a reference to the relevant parts of the impact assessments of the CSRD and CSDDD, in particular to what extent these previous impact assessments cover the amendments in the legislative proposal in question:

⁹ SWD(2021)150 (as regards corporate sustainability reporting); SWD(2022)42 (as regards corporate sustainability due diligence).

- As regards CSRD, the cost calculations in the SWD were conducted based on the 2022 cost-benefit analysis accompanying the first set of the European Sustainability Reporting Standards¹⁰, and based on the impact assessment accompanying the Disclosures Delegated Act adopted under the Taxonomy Regulation¹¹.
- As regards the CSDDD, the Commission took the initial one-off and annually recurring firm-level compliance costs estimated in the original impact assessment as a basis. It then accounted for the changes to the CSDDD proposal resulting from the interinstitutional negotiations, for the introduction of the ‘risk-based approach’ and other efficiency gains. Aggregated costs were also recalculated considering the number of companies covered by the personal scope of the CSDDD as adopted by the co-legislators (which changed compared to the Commission proposal because of increasing the size thresholds and the deletion of the initially-proposed coverage of high-impact sectors at lower thresholds).
- To estimate the cost savings resulting from the Omnibus I proposal, the Commission used assumptions to calculate the effect of the limitations of certain due diligence obligations to tier-1 (direct) business partners and of the reduction in the monitoring frequency from annually to every 5 years. These were the two changes from which the largest cost savings are expected to result for companies in scope. As the underlying data related to a time from before the recent period of high inflation, the Commission also adjusted the figures for inflation. Other cost savings, in particular those that smaller companies (including SMEs and small midcap companies) that are affected as value chain partners of companies in scope can realise, were assessed qualitatively. (For further details, please see section 3.2.3 of the SWD which explains the various calculations, assumptions, and the data sources in more detail.)

ON THE CONSULTATION ACTIVITIES AND ABSENCE OF A PUBLIC CONSULTATION

The Ombudsman considers that it is not clear how the stakeholder exchanges referred to in the explanatory memorandum meant that a public consultation would not have added new information, by allowing more stakeholders to contribute with their views on the matter.

The Commission must reiterate in this regard that the better regulation guidelines provide the flexibility not to carry out a public consultation in the absence of an impact assessment, and that a fully-fledged public consultation requirement may be waived. This is reinforced by the fact that the file was urgent, which would not have allowed to carry out a public consultation.

Nevertheless, despite the absence of a public consultation, the Commission conducted intense outreach to stakeholders and gathered abundant feedback. Numerous consultation activities were carried out for the preparation of the original proposals, and additional consultation activities were carried out in preparation for the Omnibus I, namely the following:

- The Commission ran a **call for evidence** on the rationalisation of reporting requirements from October to December 2023¹², and received more than 190 responses in the form of stakeholder views and position papers. With this call for evidence, the Commission was

¹⁰ https://www.ecmi.eu/sites/default/files/ceps_cba_esrs_finalreport.pdf

¹¹ SWD(2021)183.

¹² [Administrative burden – rationalisation of reporting requirements](#)

seeking feedback on which reporting requirements originating from EU legislation were considered as the most burdensome in terms of the time it takes to fulfil them, the costs associated with them, and the overall difficulty in meeting the requirements.

Almost half of the responses concerned the sustainability legislation addressed by Omnibus I. After the intention to propose an Omnibus on sustainability had been announced, the Commission received a further large number of position papers and policy views from various stakeholder groups on the CSRD, Taxonomy and CSDDD.

- On 16 May and 15 November 2024, the Commission hosted **two hybrid events** to discuss with stakeholders the challenges of implementing the European Sustainability Reporting Standards (ESRS) under the CSRD. These events allowed for in-depth assessment of the difficulties that companies were facing when implementing ESRS.

The discussions with stakeholders and their input alerted the Commission to significant unintended costs and difficulties in applying the ESRS, which fed into the Commission's decision to develop the Omnibus I proposal and to request European Financial Reporting Advisory Group (EFRAG) to develop a revised and simplified set of ESRS.

- Throughout the preparatory process, many stakeholders and stakeholder groups shared their views with the Commission in the form of **position papers, open letters or joint statements**, indicating their overall stance and possible suggestions for the sustainability Omnibus proposal. These numerous inputs helped the Commission to make a targeted set of proposals that ensure cost-effective delivery of the underlying policy objectives.
- In addition, and in spite of the wealth of materials and views already gathered, the Commission carried out **a reality check** with stakeholders directly concerned and a **workshop at political level**¹³ to gather further inputs on the simplification of the CSRD, CSDDD and Taxonomy. These consultations took place on 5 and 6 February 2025.
- The Commission also held **bilateral meetings with several of the complainants**¹⁴. They complemented the already extensive outreach of the Commission on the matter.

The above consultation activities (call for evidence, hybrid meetings, reality check, workshop at political level, and bilateral meetings) were carried out despite the urgency outlined above, allowing the Commission to proceed with the confidence of having listened widely to relevant views and provided stakeholders with sufficient opportunity to raise their points, including in written form. The Commission had received extensive input from different types of stakeholders concerned by the proposals (businesses, investors, NGOs, governments, etc.).

¹³ Two complainants attended the workshop: Friends of the Earth Europe, and Transport & Environment.

¹⁴ On 9 January 2025, the cabinet of the Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection, Michael McGrath, met with several stakeholders, including four complainants: Anti-Slavery International, Clean Clothes Campaign, Friends of the Earth Europe, and European Coalition for Corporate Justice. The cabinet of the Commissioner for Financial Services and the Savings and Investments Union, Maria Luís Albuquerque, met with Transport & Environment on 4 February 2025, and with the European Coalition for Corporate Justice on 14 February 2025. On 20 January 2025, the cabinet of the Commissioner for Economy and Productivity – Implementation and Simplification, Valdis Dombrovskis, met with several stakeholders, including four complainants: Anti-Slavery International, Global Witness, Clean Clothes Campaign, Friends of the Earth Europe.

ON THE ALLEGED ABSENCE OF A CLIMATE CONSISTENCY ASSESSMENT

The Ombudsman considers that while the explanatory memorandum accompanying the proposal states that it does not undermine the overall objectives of the European Green Deal, the Commission did not include, either in the explanatory memorandum or in the SWD, any analysis to support that conclusion. The Ombudsman therefore argues that the Commission did not carry out a climate consistency assessment as was due.

However, **the Commission carried out a climate consistency assessment** and summarised its conclusions in the SWD and the explanatory memorandum. The conclusions of the analysis were that the proposal simplifies reporting and due diligence requirements without affecting material provisions aligning EU legislation with climate targets:

- As stated in the **explanatory memorandum** of the proposal: *‘This proposal therefore contains provisions to simplify and streamline the regulatory framework with a view to reduce the burden on undertakings resulting from the CSRD and the CSDDD without undermining the policy objectives of either piece of legislation and to ensure more cost-effective delivery of the overall ambition of the European Green Deal related to the green and just transition.’*¹⁵
- In turn, the **SWD** stated that the objective of the European Green Deal is reconfirmed and that the proposed simplification will not negatively affect the green transition.

The **analysis underpinning these conclusions** was transmitted by the Commission to the Ombudsman as document 5 on 30 June 2025. Some key elements of this analysis are:

- As regards CSRD, the Commission analysed the number of reporting companies as per the previous scope and how this would change under different assumptions about the size and turnover thresholds for the companies concerned. Under the chosen threshold (large undertakings with more than 1000 employees), between about 7.700-13.700 companies will remain in scope. This option achieves a substantial reduction of burden, while being proportionate and preserving the objectives of the CSRD, consistent with the Green Deal. Compared to other alternatives, the chosen option reduces the number of undertakings in scope by 75-82% while keeping the companies with the largest sustainability footprint in scope, equivalent to 90% of the total turnover of all companies previously in scope¹⁶.

As regards CSDDD, the changes proposed to Article 22 (concerning climate transition plans) do not affect the practical impact of the provision. Indeed, the only change introduced by the Omnibus I proposal was to replace the requirement to ‘put into effect’ (i.e., to implement) the climate transition plan, with a requirement for the plan to include ‘implementing actions’. This was done to ensure an even better alignment (including on the specific wording) with CSRD with a view to further reassuring businesses that both Directives refer to the same climate transition plan. The Omnibus I proposal would not alter the expectation that companies will implement the climate transition plan. Under both wordings, the

¹⁵ COM(2025) 81, p. 2.

¹⁶ A lower threshold (e.g. 500 employees) would have reduced the number of companies in scope by about 61-67% and would not have adequately met the burden reduction objective. A higher threshold (e.g. 1000 employees and a turnover above EUR 450 million) would have left only 5.100-7.900 companies in scope (a reduction of 83-90%, which would have made it harder to achieve the policy objectives of the CSRD).

obligation to put into effect the plan, or take implementing actions, is a requirement of means rather than of result.

The Commission also wishes to reiterate that Article 6(4) of European Climate Law requires that a climate consistency assessment of any draft measure or legislative proposal is included in any impact assessment. If an impact assessment is carried out, it is to include the climate consistency assessment. When there is no impact assessment, there is no specific format required for the assessment of the climate consistency.

ON THE COMMISSION INTERSERVICE CONSULTATION

The European Ombudsman considers that while in exceptional cases and on duly justified grounds of urgency, the Commission's rules of procedure allow for the possibility of a fast-track interservice consultation (ISC) with a shortened time frame of 48 hours, the ISC for the proposal at hand was concluded within 24 hours. The Ombudsman noted that the Commission did not submit for inspection any document explaining the extreme urgency of the file and, in particular, why the fast-track ISC timeline of 48 hours was not respected.

The Commission reiterates that Article 60 of the Commission Rules of Procedure¹⁷ provides the possibility for the Secretariat-General to derogate from the 48-hour requirement for a fast-track consultation taking place in writing. This derogation was deemed appropriate given the circumstances outlined above, the urgency of the file and the planned adoption date, which reflected that urgency.

Fast-track interservice consultations are not unusual in the Commission in situations of urgency. To prepare for those, the departments concerned are called to work together on the development of the relevant files from an early stage. In this manner, interservice cooperation and discussions are ensured throughout the preparation of the urgent file. In turn, this allows to shorten the length of the formal interservice consultation, saving time.

As explained during the meeting between the Ombudsman and Commission representatives on 16 June, given the complexities and interlinkages of the respective proposals that were to be part of the Omnibus I package, and the urgency under which the proposals needed to be drafted, the Commission departments worked very closely on the preparation of this file from the beginning, and ahead of the interservice consultation. This ensured that the interservice consultation would be based on a high quality, mature, and stable legal text.

To facilitate handling of the file in a reduced time and present the proposals to all Commission departments concerned, an interservice meeting took place on Saturday, 22 February 2025. Following this, a special meeting of Cabinets (RSCC) was held on Monday, 24 February 2025, and the weekly meeting of Heads of Cabinet (Hebdo) on Tuesday, 25 February 2025.

V. CONCLUSION

To conclude, the Commission considers that it applied its better regulation principles and guidelines in the preparation of its Omnibus I proposal, including the built-in flexibility to

¹⁷ P (2024) 5 of 1/12/2024.

account for urgencies and prepare legislation in a short time frame, if necessary. Importantly, all these elements were explained in the respective sections of the explanatory memorandum of the proposal dealing with consultations and impact assessment.

Despite the urgency, the Commission managed to conduct multiple consultation activities, and to present the evidence and the envisaged impacts of the specific initiative (in the form of a Staff Working Document), and it assessed its climate consistency.

The analysis performed to prepare the proposal, also based on the impact assessments for the initial proposals, is of high quality and is not contested in this inquiry. It served to inform the decision-making process based on robust evidence and extensive input from stakeholders.

The Commission remains committed to its better regulation high standards and to working in a transparent, inclusive, and evidence-based manner.

*For the Commission
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Member of the Commission*