

## **The European Commission's Omnibus Package is a Direct Attack on Workers' Rights**

**EFFAT calls for the withdrawal of all deregulation measures**

Driven by right-wing political forces and corporate lobbies, Commission President Ursula von der Leyen announced in November 2024 that the European Commission would simplify the reporting obligations of the EU's sustainability framework in the form of an Omnibus Package. This proposal would directly address the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

The Commission President gave assurances that the substance of the directives would remain intact, and the initiative would not undermine both laws' stated aims of improving transparency over companies' sustainability practices as well as defending human and workers' rights from corporate impunity. The aim of the planned adjustments would be to reduce bureaucracy by cutting EU-wide reporting requirements by 25 percent.

President von der Leyen also gave assurances that the procedure would not have any negative impact on workers' rights. Similarly, the new Commissioner for Economy and Productivity, Implementation and Simplification, Valdis Dombrovskis, emphasised in his hearing: "I want to be very clear: simplification does not mean deregulation. We will not compromise our policy goals or our high social and environmental standards."<sup>1</sup>

### **EFFAT's Executive Committee, meeting in Copenhagen on 22-23 April 2025, states:**

The Omnibus Package presented by the European Commission is diametrically opposed to these statements: The draft directives presented as Omnibus Package are deregulation at its worst and seriously undermine the recently adopted legislation, especially those for the Corporate Sustainability Due Diligence Directive.

CSDDD and CSRD are crucial to defend workers' rights and tackle environmental degradation, particularly in EFFAT's sectors, which rely on very long and complex supply and subcontracting chains as well as franchise networks.

**EFFAT calls on the European Commission to withdraw and the Parliament to oppose all deregulation measures from the Omnibus Package**, especially those targeting the CSDDD, as they would weaken trade unions' power to use these legal acts to defend workers' rights in our sectors. Amongst these many deregulatory measures, EFFAT explicitly rejects:

- **Removing civil liability at an EU level:** Such an act would encourage and increase instances of corporate impunity, as victims of corporate abuse would find it difficult to seek justice. This would harm the most precarious individuals, at risk of exploitation and corporate abuse in Europe and beyond.
- **Weakening enforcement protocols:** The new text removes the obligation to terminate a business relationship, as a last resort, as part of a due diligence process. Such an act would allow transnational companies to knowingly benefit from and reward business partners guilty of human rights and environmental abuses.

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<sup>1</sup> [https://hearings.elections.europa.eu/documents/dombrovskis/dombrovskis\\_verbatimreporthearing-original.pdf](https://hearings.elections.europa.eu/documents/dombrovskis/dombrovskis_verbatimreporthearing-original.pdf), S. 6.

- **Limiting the scope of due diligence:** Companies would only have to carry out in-depth assessments for direct suppliers with more than 500 employees, ignoring human rights and environmental abuses deeper in their supply chains. The inclusion of companies' franchise networks in their due diligence policies would also be threatened, undermining a key EFFAT victory.
- **Deleting harmonised 'minimum-maximum' financial penalties:** Currently, all EU member states need to set a maximum financial penalty for companies, in violation of the CSDDD, of at least five percent of their annual global turnover. Under the Commission's new proposal, countries could set much lower and insignificant fines. Without a transparent and proportional framework for penalties, there is no real deterrent for companies to adhere to the CSDDD.

These are just four examples of deregulation contained in the Omnibus Package, in which there are far more.

**With grave concern, EFFAT notes that this may just be the start.** In the future, the Commission may also target Europe's wider social *acquis*. Business lobbies already see the EU's pursuit of competitiveness and deregulation as an opportunity to set fire to such vital legislation.

**EFFAT remains vigilant in monitoring this situation and resisting any such efforts to remove and worsen the collective agreements and protections the trade union movement has fought for and won.**

**EFFAT further calls on the European Commission to engage with cross-sectoral and sectoral social partners in an equal manner to agree on the next steps of the EU's simplification agenda, stating that high social and environmental standards as well as collective bargaining are not an obstacle to EU's competitiveness, rather, they are its main engine and the key to Europe's economic growth and social progress over the last several decades.**