



Omnibus I

COM(2025)80
COM(2025)81
COM(2025)87

Amending the Statutory Audit Directive, Accounting Directive, CSRD and CSDDD as regards certain corporate sustainability reporting and due diligence requirements

Amending the CBAM Regulation as regards simplifying and strengthening the carbon border adjustment mechanism

Executive Summary

On the content of the draft:

On 26 February 2025, the EU Commission presented the first of several Omnibus packages ([Omnibus I](#)). Key instruments of the Green Deal are amended. In particular, Corporate sustainability reporting ([CSRD](#)), Corporate sustainability due diligence ([CSDDD](#)) and the Carbon Border Adjustment Mechanism ([CBAM](#)) are affected.

The most important points in a nutshell:

AK strongly rejects the Omnibus I package. This criticism is shared by, among others: [ETUC](#), [NGOs](#), organisations from the [Global South](#), [companies](#), business [associations](#), [investors](#), [economists](#) and the [UN Working Group on Business and Human Rights](#).

- AK notes first of all that the directives and regulations currently under discussion are not only of crucial importance but represent a major step forward in terms of sustainable corporate governance. The Commission emphasises that, against the backdrop of the [Draghi report](#) on strengthening the EU's competitiveness, its proposals aim to strike the right balance between reducing and "simplifying" administrative burdens while maintaining the objectives of the Green Deal. The proposals do not achieve this balance. They interfere significantly with the effectiveness of the instruments concerned at the expense of their level of protection, particularly for employees.
- From an economic perspective, European companies will not become more competitive if the alleged regulatory burden is reduced. The Commission claims that this will create a "simpler and faster Europe" with a "regulatory landscape that supports competitiveness and resilience." However, this will not be the case if the ecological transformation and the regulatory interventions it requires are delayed or weakened, thereby threatening business models and society as a whole in the long term.
- The CSDDD was only finally adopted in May 2024. A revision to "correct unnecessary regulations" delegitimises the democratic process behind it and the negotiating institutions. In contrast, a long-negotiated compromise is now being unilaterally reopened in a highly non-transparent and rushed [process](#) at the request of parts of the business community:

there is a striking similarity between the changes now provided for in the Omnibus and an earlier list of demands by the industry [lobby](#).

Amendments to the CSDDD:

AK is opposed to the proposed amendments and strongly recommends retaining

- the risk-based approach (rejection of the restriction to Tier 1 and 'value chain cap')
- harmonised civil liability (rejection of the proposed amendment)
- the annual assessment by the company (rejection of an assessment interval of 5 years)
- the definition of 'stakeholder'
- the review clause with regard to financial services (rejection of the deletion)
- the obligation to terminate the contract as 'ultima ratio'
- the non-regression clause (rejection of the proposal for maximum harmonisation)

Amendments to the CSRD:

AK has always called for a broader scope so that more information on companies' sustainability activities is available. The proposed restriction of the scope even means a significant deterioration compared to the previous Austrian NaDiVeG act.

- AK welcomes the retention of the double materiality analysis.
- AK welcomes the retention of the statutory audit obligation, but criticises the audit level (lack of 'reasonable assurance').
- Stakeholders such as trade unions, employee representatives and NGOs must be comprehensively involved in the planned revision of the standards (ESRS Set 1) in a timely manner.

Amendments to the CBAM Regulation:

In principle, AK considers it justifiable that importers of small quantities do not have to pay a border adjustment. However, these importers must continue to be subject to a registration and reporting obligation, as otherwise the Commission will lack the data to determine how high the total 'grey emissions' actually are.

AK's Position

Introduction

The process at European level

The Commission did not conduct any public [consultation](#) as part of the drafting process concerning the Omnibus. Fifty representatives of business and only ten from trade unions and civil society were invited to a two-day '[Simplification Roundtable](#)' held in early February, shortly before the Omnibus was presented. The two trade union representatives present were informed that trade unions were not relevant stakeholders in this process. This does not take into account the desired strengthening of the pact for European [Social Dialogue](#). AK criticises the similarly unbalanced meeting policy on the part of some departments at Austrian level, as was particularly evident during a 'social partner exchange' at the end of March.

In AK's opinion, the Omnibus does not represent an attempt at 'simplification' but rather politically motivated deregulation. Neither the consultation required by these democratic processes was carried out nor was an impact assessment undertaken, thereby apparently [disregarding](#) the Commission's own agenda for 'better regulation'. In the relevant document, the Commission succinctly states that it is still too early for a proper evaluation of the instruments: *'[...] It has therefore not been possible to undertake an ex-post [evaluation](#) or fitness check of either piece of legislation.'*

Even within the Commission, the relevant departments were surprised by a consultation [period](#) of only 24 hours – and particularly over a weekend. This too is an approach that is not in line with the Commission's own guidelines for 'better [regulation](#)'. In particular, the Commission's failure to conduct a public consultation infringes the right to participate in EU decision-making processes, as enshrined in Article 11 TEU. AK critically notes this conspicuous departure from the democratic process that is usually observed.

The European Green Deal and the United Nations Sustainable Development Goals require a significant shift in how economies operate, demanding, apart from being competitive, that they prioritize both environmental sustainability and social equity. The Green Deal and the legislation derived from it seek to lay the foundations

for the dual transformation of the European economy. As a flagship project, the Green Deal is not only driving a transformative shift in the European economy but is also the central instrument for fostering prosperity, value creation and employment in the EU.

On the other hand, largely removing sustainability and corporate responsibility would also undermine the attractiveness of the European model for long-term and sustainable investment. European investors, who collectively represent €6.6 trillion [assets](#), recently rejected the current watering down of sustainability targets. After all, reopening and questioning the relevant instruments would once again deprive companies of legal and planning certainty for an indefinite period of time.

Due to its content (see below) and the serious concerns it raises for democracy, AK strongly rejects the Omnibus. This criticism is shared by, among others: [ETUC](#), [NGOs](#), organisations from the [Global South](#), global [companies](#), business [associations](#), [investors](#), [economists](#) and the [UN](#) Working Group on Business and Human Rights.

The process at Austrian level

AK notes that the current departure from the practices otherwise observed in the context of domestic coordination, both between ministries and between individual social partners, is being watched with concern. With regard to the planned changes to the CSDDD, for example, AK was not given the opportunity to comment, contrary to Section 93 of the Austrian Chamber of Labour Act (AKG). In the interest of careful consideration regarding Austria's position, there is a need for constructive exchange and substantive discussion. As part of the coordination process, officials from all departments were also called upon to report any further EU legal acts that they believe require 'simplification'. There is a risk that transparency standards and democratic procedures will be circumvented as a result.

AK refers to the current government programme (p. 33), according to which any 'debureaucratisation' must not be at the expense of workers' or consumer rights. This means, that the CSDDD level of protection – as an instrument that primarily serves to protect workers' and trade union rights – must not be lowered. This idea

must be reflected in Austria's directives and position at Council level. In order to be able to follow the government programme as a guideline, a transparent procedure involving social partners, civil society and all relevant ministries should be sought. In any case, 'debureaucratisation' at EU level can only be agreed to if it is subject to the clear proviso that the rights of workers and consumers are protected. The current Omnibus draft severely curtails these rights (see below).

On the current debate about bureaucracy

AK emphasises that the current concept of competitiveness is based on a neoliberal model: the fewer restrictions companies face in terms of taxes, bureaucracy and social obligations, the better for the economy and society.

The importance of high European standards, sustainability and social progress are not part of this narrow definition of competitiveness. Regularly evaluating existing legislation to ensure that it is still relevant is generally to be welcomed. However, AK is critical of blanket reduction targets for cutting administrative burdens without specifying the mathematical basis on which they are calculated.

Such a one-sided approach discredits administrative procedures and fails to recognise their importance both for [society](#) as a whole – bearing in mind that companies are largely financed by public funds – and for the competent authority responsible for monitoring compliance with the law. It is therefore short-sighted to view every rule as merely a [burden](#) with no added value for society. For example, the Commission has described an EU directive (Directive 2023/2668) designed to help protect workers from exposure to asbestos as an administrative burden with no benefits.

Particularly when economic arguments are put forward in favour of pressing ahead with measures that will undermine the effectiveness of the instruments, reference should be made to the Commission's original impact assessments. These assessments recognised the considerable economic potential of the CSDDD and the mandatory implementation of due diligence [requirements](#) in particular.

From an economic perspective, European companies will not become more competitive if the alleged regulatory burden is reduced. The Commission claims that this will create a 'simpler and faster Europe' with a 'regulatory landscape that supports competitiveness and resilience.' However, this will not be the case if the ecological transformation and the regulatory interventions it requires are delayed or weakened,

thereby threatening business models and society as a whole in the long term. Competitiveness occurs primarily at the corporate level and must be viewed in a results-oriented manner in order to pursue economic, social and environmental objectives. Europe is a strong internal market in which good working conditions and high investment are central to the European Pillar of Social Rights and the Green Deal. Many companies are striving to drive forward the ecological transformation and need planning security to do so. The welfare state also contributes to company competitiveness by enhancing productivity through social security and education. Countries, on the other hand, are not in competition with each other and should not put pressure on other countries or regions through export surpluses or a 'race to the bottom' in terms of environmental and social regulation.

Instead, major challenges such as the climate change impacts and demographic change must be tackled jointly across Europe. This requires a bold industrial policy with the necessary forward-looking regulations, substantial investment and dedicated support for employee training in order to secure long-term prosperity. Exempting 80% of companies from sustainability reporting obligations is therefore also to be rejected from an economic perspective. This was also emphasised during consultations involving numerous European stakeholders:

'A number of companies have also opposed reopening the legal text, stressing, that companies have already invested in preparing for the new requirements. Impact investor associations also opposed reopening the CSDDD. In their view, this would risk creating regulatory uncertainty and ultimately jeopardising the goal to reorient capital in support of the EU's sustainability objectives. Civil society, including human rights and environmental organisations, and trade unions have also called against the reopening of the CSDDD and asked instead for further interpretative measures and guidance. Moreover, a number of researchers have also argued against reopening the Directive, rejecting the argument that that the CSDDD harms competitiveness.'

The vehement criticism levelled at the CSDDD in particular as a 'bureaucratic monster' is also misguided: the directive does not contain a single genuine reporting obligation. The administrative burden for affected companies is estimated by the Commission to be an additional cost of 0.005% of their annual [turnover](#). This is offset by incentives for modernisation and, in particular, greater crisis resilience for companies. A study commissioned by AK Wien (Vienna Chamber of Labour) also concludes that there will be a significant positive benefit for the Global South and a net benefit for the European [economy](#).

The individual changes to the respective instruments in the Omnibus package presented will be discussed in more detail below.

On Directive (EU) 2024/1760 on Corporate Sustainability Due Diligence (CSDDD)

- **Postponement of the effective date of application of the Directive: “Stop-the-clock”**

The date of initial application of the CSDDD has now been postponed by one year. However, AK states that there is no factual basis to ensure that this ‘additional’ year will actually be used by companies to improve their preparations. From the perspective of legal certainty, it would be particularly important with regard to companies’ planning security to adhere to the content of the CSDDD currently in force.

- **Limiting the scope of corporate sustainability due diligence obligations to a company’s direct business partners (Tier 1) unless there is ‘plausible information’ suggesting adverse impacts in the operations of an indirect business partner**

Limiting the scope of direct business partners would mean that companies would not be obliged to include risks at lower levels of the supply chain in their due diligence as long as they do not receive plausible indications from external stakeholders, such as trade unions. Limiting due diligence obligations to the first stage of the supply chain also contradicts international standards such as those of the OECD or the UN Guiding Principles on Business and Human Rights, which require a risk-based approach across the entire value chain. Sustainability risks are less common among direct business partners and mainly occur in upstream [production](#) stages, where labour rights violations and [environmental](#) destruction are particularly prevalent.

However, limiting due diligence to tier 1 alone seriously weakens the directive in terms of its objectives. This is also confirmed by the Commission in its accompanying document: *‘A strict limitation to Tier 1 would have a detrimental effect on the effectiveness of due diligence since the main risks to human rights and the environment most often occur farther upstream (and downstream) in the value chain.’*

Finally, it remains questionable whether this change will actually reduce the ‘bureaucratic burden’ on companies or merely create an [imbalance](#) between effort and effectiveness. **AK strongly recommends maintaining the original risk-based approach and rejecting the amendment to the CSDDD iSe restriction to tier 1.**

- **Removal of harmonised civil liability**

Not only is the goal of extensive harmonisation and avoiding fragmentation within the EU’s internal market through different national regulations being missed, but it is also highly questionable how this will lead to a ‘simplification’ of corporate due diligence or a reduction in bureaucracy in the Directive.

The removal of harmonised liability standards can severely limit victims’ and their families’ ability to seek justice. At the same time, the possibility of collective action is to be abolished, which would mean that trade unions, NGOs and human rights organisations would no longer be able (depending on national regulations) to effectively represent victims or their surviving dependants in court. The removal of harmonised civil liability therefore carries the risk that the legal position of those affected will not improve due to excessive procedural hurdles. **In order to maintain the current level of protection for employees, AK therefore rejects any departure from harmonised civil liability.**

Finally, AK points out that the abolition of the mandatory application of national law (Article 29(7)) means that European courts would have to apply the laws of the (third) country in which the damage occurred and not national law (in the case of Austria: Austrian law).

- **Option of conducting a post-implementation review only every five years**

An evaluation of the measures taken, which will only take place every five years instead of annually, cannot guarantee efficiency in implementation at company level, which ensures the adequacy and effectiveness of the identification, prevention, reduction, elimination and minimisation of the extent of negative impacts.

This also contradicts the system of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, which require the continuous review of measures. Such a prolonged monitoring period opens the door to inadequate implementation and hinders the overall effectiveness of the risk management system put in place. **In line with the objectives of the CSDDD, AK rejects the change as contained in the Omnibus.**

- **Limiting stakeholder consultation**

AK also considers the proposed limitation of consultation rights to be highly problematic. The Omnibus proposal limits mandatory stakeholder engagement to specific phases of due diligence in which companies must involve stakeholders and removes this

requirement both for decisions to suspend business relationships and for the development of monitoring indicators to assess the effectiveness of due diligence measures. The proposal also introduces a more restrictive definition of the term 'stakeholder', which is essentially limited to persons or groups directly affected. This narrowing of the term 'stakeholder' directly results in the exclusion from consultation of organisations such as NGOs, which may not be directly affected but can make a significant contribution to the implementation and enforcement of due diligence processes. Conversely, such a narrow definition of [stakeholders](#) limits a company's ability to accurately identify risks and understand broader contextual factors that are critical to developing effective measures. **AK firmly rejects narrowing the term 'stakeholder'.**

- **Removal of the minimum maximum penalty**

The removal of a minimum maximum penalty means that a de facto 'race to the bottom' between Member States cannot be ruled out. Although maximum penalties are rarely imposed in practice, they nevertheless provide (especially in the absence of a minimum penalty) a point of reference for the competent authority as to the range of penalties that may be imposed. Reference is made to some significant disparities between EU Member States, for example in the implementation of the EU Conflict Minerals Regulation. It remains questionable how this will contribute to the desired goal of harmonising the internal market.

- **Introduction of a 'Value Chain Cap' based on the VSME Standard**

With the introduction of this provision, companies affected by the CSDDD will in future only be allowed to request data from companies with fewer than 500 employees within the framework of the VSME standard developed by EFRAG. **Since the VSME standard only covers a few elements (child labour, forced labour, human trafficking, discrimination and/or accident prevention), this would represent a significant departure from the Annex to the CSDDD, which is why AK rejects such a restriction of the request for information.**

- **Cancelling the financial services review**

In future, the Commission will no longer be required to examine the Directive with a view to establishing due diligence rules for financial services and investment activities as part of a future review (so-called 'review [clause](#)'). The compromise not to include this in the original Directive constitutes unequal treatment compared with other companies. This approach has already been criticised by the [ECB](#) and [investors](#), who advocated the inclusion of the financial sector.

The financial sector bears particular responsibility for environmentally damaging and human rights-violating corporate activities through its provision of financial services to companies in the form of investments, loans and shareholdings. It is often only through financing that business activities can be implemented, which is why the financial sector is considered the most important driver and player in economic activity. At the same time, there would be enormous potential and leverage if the financial sector were to be included in future by [adjusting](#) the definition of the 'activity chain' accordingly. The OECD has developed its own sector-specific [guidelines](#) that set out a practical, sustainable financing model. **As already noted in AK's statement on the original draft of the CSDDD, AK calls for the financial sector to be genuinely included in the directive.**

- **No obligation to terminate a contract**

The proposed abolition of the obligation to terminate contracts in the event of non-remedial deficiencies significantly weakens the enforcement of due diligence obligations. Removing the 'responsible withdrawal' mechanism as a last resort is a clear step backwards from internationally recognised standards. If a company is no longer obliged to terminate a business relationship but only to suspend it, means that the unbundling rules no longer comply with international standards and, in particular, OECD Guidelines.

The current version of the CSDDD already stipulates that business relationships may only be terminated following an internal due diligence process. In particular, this should only happen if such termination would not pose a greater risk to human rights and the environment than continuing the collaboration. In the view of AK, this already adequately reflects economic practice (e.g. lack of alternative suppliers).

- **Principle of maximum harmonisation**

The principle of maximum harmonisation means that Member States are legally prohibited from deviating from or introducing stricter provisions than within the framework of national implementation of the protection standard of the Directive (as a minimum standard) as demanded for [Austria](#) by the AK Vienna plenary assembly. Such a principle (specifically: at group level and in the areas of risk identification, prevention and mitigation) could undermine existing national regulations with higher standards. Such a practice stands in sharp contrast to the prohibition of regression described in the original version of the CSDDD, which is why AK firmly rejects such a lowering of the level of protection.

On Directive (EU) 2022/2464 on corporate sustainability reporting (CSRD)

- **Limiting the scope of application**

Only companies (or parent companies) with more than 1,000 employees and one of the two size thresholds (> €50 million turnover or > €25 million balance sheet total) will be required to report. According to the European Commission, the new proposal will remove around 80% of the companies previously subject to reporting requirements under the existing CSRD regulation from the scope of application in future.

From AK's perspective, this regulation represents a significant deterioration, even compared to the previous Austrian Sustainability and Diversity Improvement Act (NaDiVeG) regulation. **AK has always called for a broader scope**, so that more information on companies' sustainability activities is available and the interests of stakeholders and the development of regulatory measures can be taken into account accordingly. Evidence-based economic design and management are an important basis for economic restructuring.

The adjustment of the thresholds in the Accounting Directive has already reduced the number of companies required to report.

- **Postponement of reporting requirements and associated legal uncertainty**

For the second and third waves of companies subject to reporting requirements, a two-year postponement for initial application is planned to give them more time for conversion and implementation.

In principle, more time is an important factor, especially for companies that are implementing a new reporting process. This allows a solid foundation for reporting to be established.

At the same time, however, this creates legal uncertainty and makes planning difficult for companies if an EU directive that is already legally valid is amended again. In addition, many companies have already invested in sustainability reporting (both in terms of personnel and finances). This puts these companies at a short-term competitive disadvantage compared to those that have not done so. Several Member States have already transposed the CSRD into their national laws, which also leads to uncertainty for companies as to what this means in practice (especially within groups).

- **Revision of ESRS Set 1**

The existing standards are to be revised and streamlined. From AK's point of view, it is urgently required that relevant stakeholders such as trade unions, employee representatives and NGOs are involved in the revision process in a timely and comprehensive manner.

Furthermore, AK would like to point out that, contrary to criticism, thousands of data points are not always mandatory. According to EFRAG, there are only 161 mandatory data points; a further 622 are subject to materiality assessment and 269 are voluntary [data points](#).

In addition, the ESRS already provides for companies with more than 750 employees to defer disclosure of information on environmental and social standards by one to two years. Under the phase-in arrangements, companies are not required to provide full information on their value chain in the first three years.

In the opinion of AK, the decision not to introduce sector-specific reporting standards was not discussed transparently. Although the number of mandatory data points for companies is decreasing, the question arises as to whether companies will not be burdened additionally without sector-specific standards, because considerations regarding key figures and their calculation will have to be made at company level. This would entail increased administrative costs for companies. This was precisely one of the points criticised by numerous company representatives during the evaluation of the NFI Directive.

In AK's view, this proposal must not be used as a pretext for dismantling workers' rights and social issues in general.

- **AK welcomes the retention of the double materiality analysis.**

- **No reasonable assurance**

The limited assurance requirement in sustainability reporting remains unchanged. On the one hand, it is positive that the statutory audit requirement has not been completely abolished. **However, only an equivalent level of assurance with reasonable assurance will ensure that financial and sustainability reporting are raised to the same level.** This has always been one of the Commission's objectives. From AK's point of view, this proposal is therefore rejected because it fails to recognise the importance of anchoring the sustainability report in the management report. With regard to the liability of corporate bodies,

differences in the level of auditing between reports must be critically examined. The quality and further development of both reporting systems can only be guaranteed by comprehensive, equivalent auditing in terms of scope and intensity.

For AK, the existing provision in the CSRD on the involvement of employee representatives must be retained and implemented accordingly in the Austrian Labour Constitution Act (as provided for in the draft NaBeG). With its extensive expertise, the works council is a relevant stakeholder within the company.

On Regulation (EU) 2023/956 on establishing a Carbon Border Adjustment Mechanism (CBAM Regulation)

As part of the Omnibus package, the Commission has also presented a proposal to amend Regulation (EU) 2023/956 on the establishment of a Carbon Border Adjustment Mechanism (CBAM). The CBAM Regulation aims to offset the cost advantage that arises when certain CO₂-intensive goods (iron and steel, aluminium, cement and fertilisers) are imported into the Union that are produced in third countries with lower CO₂ costs. The emissions incorporated in these goods are sometimes referred to as 'grey emissions'.

The amendment is primarily intended to simplify matters for importers of small quantities of products covered by the CBAM. The most important measure to achieve this objective is the introduction of a volume threshold below which importers are exempt from the CBAM Regulation. This quantity threshold is set at 50 tonnes net weight of imported products per year. According to the Commission, this will exempt the vast majority of importers from CBAM obligations, while still covering around 99% of 'grey emissions'. The Commission may adjust the quantity threshold each year to ensure that at least 99% of 'grey emissions' are covered.

In principle, AK considers it reasonable that importers of small quantities should not have to pay border adjustments (i.e. that they should be exempt from the CBAM certificate levy within the meaning of Article 22). **However, AK believes that these importers should continue to be subject to registration and reporting requirements, in a simplified form if necessary. Otherwise, the Commission will lack the data needed to determine the actual total level of 'grey emissions'.** However, this information is necessary to assess the effectiveness of the CBAM in general and the coverage of 99% of 'grey emissions' in particular.



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About us

The Austrian Federal Chamber of Labour (AK) is the legal body which represents the interests of approximately 4 million employees and consumers in Austria. It represents its members on all social, educational, economic and consumer policy-related issues at national level and at EU level in Brussels. Furthermore, the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.