



**Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament**

European Parliament
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Dear Commission President,
Dear Ursula,

We would like to express our urgent and ongoing concern regarding your plans for the upcoming Omnibus Simplification package to be adopted on the 26th February.

We, as the S&D group, are dedicated to making the EU more responsive to the needs of people and businesses, as well as preserving the Union's strategic objectives to foster economic security and build a resilient and competitive economy. Whilst being genuinely supportive of simplifying EU sustainability rules, we believe that achieving our energy and climate policy targets will contribute to strengthening the European Union's competitiveness, not diminish it.

Moreover, we, as the S&D group, take responsibility in ensuring stable, pro-European majorities in the European Parliament. The fact that our group supported your election as Commission President and signed last November's Platform Cooperation statement have underpinned our commitment.

For our group, it is essential to approach this simplification exercise without questioning our ambition in key European values as well as to ensure regulatory certainty and stability while respecting the better-regulation principles in the process. We are deeply concerned that some elements of the forthcoming omnibus proposal might put this at risk.

Concerning the **Corporate Sustainability Reporting Directive (CSRD)**, we believe that its core substance and principles such as creating comparable data and standards for sustainability reporting, including double materiality, which has the potential to become a global standard for sustainability reporting, must be maintained to continue to provide investors with accurate and comparable information. Nonetheless, we acknowledge that there is a need to look at overlaps as well as to facilitate meaningful streamlining and digitalisation of processes, as well as to look at the specific needs of SMEs. To this end, the approach to sector-specific standards should also be thoroughly assessed. Moreover, there is a clear need for companies applying the legislation on the ground to receive guidance on how to implement the directive in practice and to ensure they focus their efforts appropriately and effectively. Finally, the data and feedback collected so far also indicates that the existing assurance requirements need to be looked into.

When it comes to the obligations under the **Corporate Sustainability Due Diligence Directive (CSDDD)**, we are especially worried, as the Directive has not yet been even implemented. Moreover, we remind you that the CSDDD does not contain additional reporting requirements. For this reason, we categorically oppose any attempt to include the CSDDD in the Omnibus proposal. It is our understanding that the changes under consideration may include removing crucial enforcement and judicial redress provisions; largely limiting requirements to direct suppliers, thereby excluding the vast majority of human rights and environmental abuses; and significantly

restricting the rights of victims and affected stakeholders. Not only would these changes amount to stripping the Directive of its power and rendering it ineffective; the changes would risk worsening rather than improving actual human rights or sustainability outcomes.

None of these proposals can be described as mere simplification or streamlining, rather they are inherently and unambiguously deregulatory. They do not simply lower the level of ambition, they eliminate it. Such severe hollowing out of the Directive would signal a retreat from our commitment to the longstanding UN framework which all EU Member States are already party to, joining the ranks of those who have deplorably chosen to abandon their international sustainability obligations in recent times.

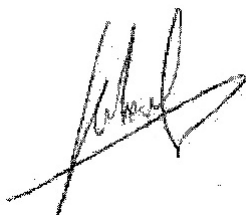
As for the **Taxonomy Regulation**, any suspension of the existing rules would affect all investments currently undertaken to ensure taxonomy compliance, undermining our objective to mobilise capital flows for the sustainable transition. Moreover, it is imperative to safeguard the Regulation's mandatory nature, as well as the Do No Significant Harm principle. However, simplification can be achieved through the revision of delegated acts. We agree that changes of delegated acts on reporting and compliance could be helpful for the purpose of simplification and better alignment with other reporting requirements.

Finally, regarding the **Carbon Border Adjustment Mechanism (CBAM)**, we are ready to discuss proposals to allow for improved implementation and to address any technical shortcomings as identified during the CBAM transitional phase. However, any more substantial amendments should only be part of the foreseen review after a thorough impact assessment.

Finally, it is our impression that we are currently in a delicate process of rebuilding trust amongst the political groups in the centre of the European Parliament. This exercise is fragile and any legislative proposal that might reignite ideological debates has the potential to put this process at risk. We need a Commission proposal that clearly shows an intent to find common ground amongst the political groups of the centre, instead of one that intends to assign to the European Parliament the task of cutting down an overly far-reaching Commission proposal. The latter process embodies the danger of deepening frictions we might not be able to overcome in the course of this mandate.

We therefore request, with the utmost urgency, that you revisit your approach and put forward a proposal that can be supported by a pro-European majority. We are ready to work with you constructively and in the spirit of compromise, with open minds and respect for each other's aims.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Iratxe García Pérez', with a stylized, sweeping flourish at the end.

Iratxe García Pérez

President

Group of the Progressive Alliance of Socialists and Democrats in the European Parliament

CC:

Executive Vice-President Teresa Ribera

Executive Vice-President Stéphane Séjourné

Commissioner Valdis Dombrovskis

Commissioner Maria Luís Albuquerque