

Mr. Valdis Dombrovskis  
Commissioner for Economy and Productivity; Implementation and Simplification  
European Commission  
Rue de la Loi 200  
1049 Brussels  
Belgium

Brussels, 14 February 2025

**Subject: Eurochambres consideration of the Omnibus simplification package for sustainability**

Dear Commissioner Dombrovskis,

Thank you for inviting me and two entrepreneurs from the chamber network to the simplification event on 5-6 February. These entrepreneurs, one from Germany and one from Slovenia, were willing to find several days in their busy schedules at relatively short notice to contribute to this important reality check; they were pleased that they did so given the substantive nature of the exchanges, but they now – like our chamber network as a whole – expect the Commission to follow up with concrete actions to reduce the burden stemming from ESG legislation and provide legal and planning certainty.

We are encouraged by the Commission's approach to receiving direct feedback from practitioners, as they are the ones ultimately dealing with the excessive reporting and compliance costs caused by legislation. We will support you in subsequent “reality checks” to simplify the regulatory framework in areas that are relevant to businesses by ensuring a strong and direct dialogue with entrepreneurs.

Eurochambres remains ready to contribute to similar discussions in the future on specific areas of legislation such as the Implementation Dialogues, as well as to broader exchanges on the regulatory burden reduction process.

In the meantime, as your team works to deliver an ambitious first Omnibus package on sustainability, please allow me to reiterate our key messages.

Eurochambres welcomes the Commission's commitment to far-reaching simplification in the context of the **Corporate Sustainability Reporting Directive (CSRD)**. The next steps must include:

- Substantially reduce the reporting obligations set out in the first set of European Sustainability Reporting Standards (ESRS);
- Review and simplify existing cross-sector standards before adopting additional sector-specific standards;

- Review the need for article 8 of the EU Taxonomy for sustainable reporting and consider postponing it to alleviate the burden on companies currently focusing primarily on sustainability reporting;
- Address the trickle-down effect by embedding the voluntary SME standard as a “value chain cap”.

Regarding the **EU Taxonomy Regulation**, Eurochambres urges the Commission to take the following actions:

- Simplify and reduce disclosure of requirements, especially the Green Asset Ratio under Article 8;
- Address existing usability issues with technical screening criteria and Do Not Significant Harm requirements;
- Ensure proportionality, especially for SMEs within the value chains of larger companies;
- Enhance SMEs access to sustainable finance by providing a voluntary, streamlined approach

Eurochambres reaffirms the significant concerns previously raised by the Regulatory Scrutiny Board in 2022, before the adoption of the proposal for a Directive on **Corporate Sustainability Due Diligence (CSDDD)**. The chamber network invites the Commission to ensure that:

- Due diligence requirements are clearly limited to tier 1 of the value chain;
- Consistency is ensured, particularly in terms of the definition of "value chain", across all EU legislative acts included in the Omnibus proposal;
- Provisions allowing member states to adopt more stringent rules diverging from those laid down in the CSDDD are deleted (e.g. Article 4 (2) and Recital 31);
- Civil liability under Article 29 is deleted as it leads to incalculable risks and uncertainties due to limited possibility for companies to influence partners across the entire chain of activities;
- Upcoming guidelines must be:
  - Fully aligned with practices anchored in UN Guiding Principles and OECD Guidelines for Responsible Business Conduct, which are fit-for-purpose and fully risk-based,
  - Adopted at least two years before compliance with legislation becomes mandatory otherwise the transition period should be extended. The same principle should be applied to relevant implementing legislation.

As the **Carbon Border Adjustment Mechanism (CBAM)** is still in the transition period until 2026, any proposal to delay the entry into force by two years would lead to a corresponding extension of the transition period. More clarity on the implications of an extension, both in terms of changes in the underlying rules and the timeframe, is therefore needed for a comprehensive assessment of the process. Notwithstanding this, it is clear that SMEs are already encountering significant and disproportionate administrative challenges that call for swift simplification and adaptations to better reflect their needs and share of the overall targeted emissions.

We urge the Commission to come forward with a decisive simplification measure in a range of other legal acts within the Green Deal as they also contain disproportionate information requirements, namely the Deforestation Regulation, Ecodesign Regulation, Waste Framework Directive, and Renewable Energy Directive.

Excessive regulatory developments and compliance obligations in recent years have led a clear majority of European businesses to call for a radical re-think of the legal obligations in relation to sustainability reporting, which currently drain a disproportionate amount of financial and human resources from the core productive activities that are of course essential for Europe's competitiveness, growth and the twin transition.

Eurochambres remains available to further elaborate on the elements presented above should you and your services require any additional information.

Yours sincerely,



Ben Butters

cc: Commissioner Maria Luís Albuquerque and Commissioner Michael McGrath