Opinion

Omnibus I (COM(2025)80 + 81 + 87) and Omnibus II (COM(2025)84)

Amendments to the CSDDD, CSRD, EU Taxonomy, CBAM and InvestEU

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Through its Omnibus package, the European Commission is planning far-reaching changes to key EU legislation concerning sustainability and corporate responsibility. Specifically speaking, these relate to the **Corporate Sustainability Reporting Directive (CSRD)**, the **Corporate Sustainability Due Diligence Directive (CSDDD)**, the **Carbon Border Adjustment Mechanism (CBAM)**, the **InvestEU Regulation**, and **EU Taxonomy Delegated Acts**.

The ostensible aim of this venture is to reduce red tape and ease the burden on undertakings, in particular by reducing regulatory obligations by 25 per cent – where small and medium-sized enterprises (SMEs) are concerned, by as much as 35 per cent. The Commission argues that this is necessary to promote growth and competitiveness, attract investment and make the transition to a sustainable economy more efficient.

The DGB is concerned that the Commission's current EU concept of competitiveness is based on a neoliberal model: the less undertakings are restricted by taxes, bureaucracy and social requirements, the better for the economy and society. Yet, it has been proven that: **sustainability and social progress are the prerequisite for greater competitiveness.** The DGB calls on the Commission to adhere to the objectives of the EU treaties in all initiatives that seek to increase competitiveness and achieve a "highly competitive social market economy", "aiming at full employment and social progress"[2].

The DGB also rejects blanket reduction targets for reducing administrative burdens. The problem with quantitative reduction targets, such as the 25 per cent goal, is their static and one-sided approach. No distinction is made between superfluous bureaucracy and sensible rules. Good law-making and a predictable economic environment should also be in the interests of the economy. Viewing every rule and every law merely as a burden is one-sided, short-sighted and expensive.

Moreover, the venture comes at a time when many of the relevant laws have not yet been fully implemented or evaluated.

[2] Art. 3(3) TEU

By way of example, the CSRD has only been in force since January 2023 and it is a requirement that the CSDDD be implemented by the Member States by 2026. Before any amendments are made, a comprehensive assessment of the experiences acquired to date would be necessary. The blanket reduction of regulatory requirements could penalise undertakings that have already invested in sustainable structures and undermine confidence in European legislation.

It is particularly disconcerting that the Commission has neither published the impact assessments nor carried out any form of broad consultation with trade unions and civil society. Instead, with very few exceptions, only company representatives were invited to join a closed round table. The two trade unionists present were told that the trade unions were not a relevant stakeholder in this process. The desired Pact for European Social Dialogue is therefore not being taken into account.

Trade union involvement is imperative in order to incorporate the perspectives of employees and their advocacy groups into the legislative process and put the measures on a democratically legitimised footing. The DGB and its affiliates are ready to work with the European Commission on practical measures that take into account the needs of workers in undertakings and along the entire supply chain in the name of social, environmental and economic sustainability.

In the context of the initiative, the President of the European Commission, Ursula von der Leyen, had announced that the political objectives of the respective laws would not be curtailed. With the publication of the proposed amendments at the latest, it became clear that this does not correspond to the facts. The substance of the laws will be significantly curtailed.

Instead of premature deregulation, the trade unions are calling for the existing regulations to be implemented consistently and supplemented by targeted support measures. Socio-ecological change can only succeed if undertakings, employees and trade unions work together to achieve fair and sustainable solutions and have a long-term, predictable and transparent framework. Hasty, unilateral measures that weaken the protection of workers and the environment in particular create uncertainty and jeopardise the long-term path to sustainable development.

The sections below analyse the planned amendments in detail and illustrate where these simplification measures are sensible and clearly classifiable and where important protection standards are being dismantled through active deregulation under the guise of reducing bureaucracy.

1 Omnibus I (COM(2025)81) – amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

1. Amendments to the Corporate Sustainability and Due Diligence Directive (CSDDD)

The German Trade Union Confederation (DGB) and its affiliates are very concerned about the European Commission's proposals to amend the Corporate Sustainability Due Diligence Directive (CSDDD). The stated goal of the Omnibus proposal was merely to simplify and streamline the Directive. In actuality, the proposed modifications would weaken key due diligence obligations and hinder the enforcement of human rights and environmental standards.
Particularly problematic are the weakening of civil liability, the proposed abolition of the obligation to terminate contracts in the event of unresolvable grievances, the focus of due diligence obligations on direct business partners, the restriction of stakeholder involvement as well as the proposed maximum harmonisation. These amendments mean that undertakings will be required to assume less responsibility for risks in deeper supply chains, and the ability of those affected to take legal action against undertakings will be significantly impaired. Moreover, the Member States will be deprived of the possibility to enact their own, more ambitious regulations. The points of criticism are listed in detail below.

2 Maximum harmonisation

The **maximum harmonisation at the group level and in the areas of identification, prevention and mitigation of risks** described in **Article 4** of the Omnibus proposal will make it impossible for Member States to enact more ambitious national regulations. This could undermine existing national regulations with higher standards, such as the German Supply Chain Due Diligence Act. The DGB and its affiliates emphasise that such a practice is in sharp contrast to the non-regression threshold described in the original version of the CSDDD and firmly reject a lowering of the level of protection.

We call for the option to enact or maintain stricter national regulations to be retained. Harmonisation must not occur at the expense of human rights and environmental standards. Instead, ambitious national measures – such as the German Supply Chain Due Diligence Act – should serve as a model for EU-wide minimum harmonisation.

3 Risk assessment in the value chain

The proposed amendments to Article 4(4) in **Article 8**, which **limit the risk assessment to direct business partners** unless there is "plausible information" about indirect partners, undermine the idea of corporate due diligence across supply chains. This will lead to undertakings ignoring risks at lower levels of the supply chain as long as they do not receive reports from external actors, such as trade unions. Limiting due diligence obligations to the first stage of the supply chain also contradicts international standards, which rightly call for a risk-based approach across the entire value chain, as sustainability risks rarely occur with direct suppliers, but rather predominantly in upstream production stages, where workers' rights violations and environmental destruction are particularly widespread. A decidedly risk-based approach throughout the entire supply chain would also eliminate the detrimental effects, particularly for SMEs, resulting from the incorrect interpretation of the German Supply Chain Due Diligence Act. Moreover, the extended protection of **SMEs** makes comprehensive risk assessment more difficult, as undertakings would not be allowed to request additional information from direct partners with fewer than 500 employees unless it cannot be obtained through other means. This means that undertakings are meant to primarily rely on voluntary disclosures in accordance with the Voluntary Sustainability Reporting Standard (VSME) for non-listed SMEs. In practice, this could lead to crucial information on human rights and environmental risks being absent, while also representing a step backwards – from duty to voluntariness. The DGB and its affiliates call for the risk-based approach to be maintained across the entire value chain.

4 Obligation to terminate business relationships

The **abolition** proposed in **Article 4(5) and (6) of the obligation to terminate the business relationships** in the event of unresolvable grievances considerably weakens the enforcement of due diligence obligations. Undertakings could continue to work with problematic suppliers as long as they merely continue to "work towards a solution".

The abolition of the “responsible disengagement” mechanism as a last resort represents a clear regression behind internationally recognised standards. If an undertaking is no longer obliged to terminate a business relationship but to suspend it, this means that the unbundling regulation no longer complies with international standards in general and the OECD guidelines in particular. Especially where cases of forced labour, child labour or massive environmental destruction are concerned, a clear obligation to disengage is essential in order to ensure a sustainable transformation of global supply chains.

5 Consultation rights

The **restriction of consultation rights** proposed in **Article 4(7)** is also problematic. The Omnibus proposal limits the stages of the due diligence process, in which undertakings must involve stakeholders, and removes this requirement both in decisions to suspend business relationships and in the development of monitoring indicators to assess the effectiveness of due diligence measures. Moreover, the proposal introduces a more restrictive definition of the term “stakeholder”, which is essentially limited to directly affected persons or groups, including those who could potentially be affected by the actions of the undertaking, its subsidiaries or business partners. This narrowing of the definition of a stakeholder undermines the human right to freedom of association and hinders undertakings from comprehensively assessing their risks and taking into account relevant factors that are crucial to the development of effective countermeasures. Although undertakings can voluntarily base their risk analysis on an expanded definition of a stakeholder, they will no longer be required to do so.

The DGB and its affiliates call for the preservation of the existing definition of a stakeholder, as found in the CSDDD, and the preservation of the termination of business relationships as a means of last resort.

The establishment of corporate due diligence obligations depends, to a large extent, on the involvement of employees and their stakeholders. The political objectives of the CSDDD cannot be realised without co-determination bodies, which are not just “stakeholders” but also social partners at the company. For, as with other laws, internal, co-determined checks and balances serve to ensure that, in addition to effective internal compliance, real cases of grievances in the supply chains become known and are permanently remedied, often facilitated by decades of transnational networking between trade unions and works councils. With the introduction of the German Supply Chain Act, undertakings and works councils have long since set out to identify and jointly address the risks.

This experience must be reflected in the CSDDD with a high standard of stakeholder participation – through the prominent involvement of European Works Councils (EWCs).

6 Monitoring frequency

The **reduction in monitoring frequency** from annually to every five years (Article 15), as proposed in **Article 4(8)**, represents a significant weakening of the monitoring function. Sustainability risks and human rights violations can develop quickly and require continuous monitoring. The proposed regulation will lead to grievances being recognised and remedied too late. This contradicts the intentions of the UN Guiding Principles, which call for a continuous review of measures. Such a long monitoring period opens the doors to poor implementation and undermines the credibility of the entire due diligence system.

7 Enforcement

Significant weaknesses can also be found in the enforcement of the Directive. The **abolition of the minimum cap of 5% of turnover for penalties** (Article 27) proposed in **Article 4(11)** significantly weakens the deterrent effect. In the absence of any clear minimum limits, a risk arises that individual Member States will set ineffective fines or even that Member States will try to undercut each other in terms of their penalties. The DGB therefore calls for penalties to be regulated in an effective, dissuasive and standardised manner. Only by imposing dissuasive penalties as a means of last resort can it be ensured that undertakings take their due diligence obligations seriously and do not merely rely on voluntary commitments.

8 Civil liability

All the more so, given that the proposal also includes the **deletion of Europe-wide civil liability [Article 4(12)]**. This is a particularly critical point, as the possibility for Member States to exclude liability will lead to de facto impunity for undertakings in many countries. This amendment considerably weakens the CSDDD as an enforcement tool and removes a significant incentive for undertakings to fulfil their due diligence obligations. We call for the reintroduction of a clear, EU-wide liability regime. Without a strong liability regime as a means of last resort, the Directive risks becoming a paper tiger.

9 Auditing by financial institutions

The proposed **abolition of the due diligence obligation for financial institutions [Article 4(13)]** is yet another significant dilution. Banks and investors play a crucial role in the governance of sustainable business practices; they can leverage their position as a means of promoting sustainable business practices. The envisaged abolition of the auditing requirement for the financial sector represents a missed opportunity for making it more accountable. The DGB and its affiliates call for financial institutions to be explicitly included in the due diligence obligations.

10 Climate obligations

Likewise, the proposal to **redesign the climate obligations [Article 4(10)]** is also inadequate. The obligation to merely “adopt” climate plans without actually implementing them reduces the contribution undertakings make to climate neutrality to a purely symbolic measure.
Undertakings could theoretically draw up plans without ever implementing them. This stands in contradiction to the EU’s climate protection ambitions and undermines the European Green Deal. Binding requirements for the implementation of climate strategies are necessary in order to ensure that undertakings actually contribute to reducing their emissions.

11 Outlook

All in all, the planned reforms represent a significant weakening of the political objectives of the CSDDD and, in some instances, run counter to international guidelines. This jeopardises the protection of human rights and the environment. The EU Commission has not kept its promise that cutting red tape would not lead to deregulation.
Instead, a directive that has not even been implemented by most Member States is being eroded in core areas of its effectiveness, beyond reporting obligations. The planned reforms jeopardise legal and planning certainty, undermine confidence in European legislation and place undertakings at a disadvantage that have already invested in fulfilling their due diligence obligations across value chains. Key co-determination bodies, such as works councils and supervisory boards, must continue to be involved and undertakings must remain committed to respecting human rights and environmental standards.

The DGB calls for **fundamental corrections to be made to the Omnibus proposal in the next stages of the legislative process** so as to preserve the EU's sustainable corporate responsibility ambitions and calls on the incoming German government to use its position in the Council to clearly oppose any softening of the current CSDDD. The same demand goes out to the Members of the European Parliament.

2. Amendments to the Accounting Directive and the Corporate Sustainability Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive (henceforth referred to as the CSRD) aims to provide transparent and comparable information on the impacts, risks and opportunities associated with sustainability aspects. The European Sustainability Reporting Standards (henceforth referred to as the ESRS) serve as a framework for reporting the corresponding sustainability information.

Implementing the European Green Deal requires profoundly and rapidly changing the economy and corporate governance, with reporting acting as a key driver in such a transformation process. The CSRD and ESRS eliminate shortcomings in past sustainability reporting regulations by establishing clear disclosure requirements, improving the comparability of reports and ensuring their quality through mandatory external reviews. Through stricter transparency requirements, the CSRD and ESRS create a basis on which stakeholders – in particular investors and workers' representatives – can assess the sustainability performance of undertakings and exert pressure for change.

As part of the Omnibus initiative, the European Commission has published a series of proposals aimed at reducing sustainability reporting in accordance with the CSRD and the ESRS. Most notably, these proposals include restricting the group of undertakings subject to reporting obligations, reducing reporting content and postponing the dates the requirements would first be applied.

The DGB and its affiliates oppose the planned restriction of the CSRD's scope of application to only cover undertakings with more than 1,000 employees. Reducing the number of undertakings subject to reporting obligations by around 80 per cent would jeopardise the aim of the directive, i.e. the sustainable transformation of the economy.

Furthermore, the reporting level for third countries must be maintained in order to ensure a level playing field.

We reject the introduction of a reporting standard based on the highly simplified VSME standard, as this would not provide any meaningful information on the actual sustainability performance of undertakings.

Our detailed demands are outlined below.

12 No reduction of the scope of application of the CSRD to only cover undertakings with more than 1,000 employees

The proposed amendment to the CSRD stipulates that the reporting obligations should only apply to undertakings with at least 1,000 employees and either a turnover of more than €50 million or a balance sheet total of more than €25 million, regardless of whether they are capital market-oriented. According to calculations by the European Commission, this would exempt 75 to 82 per cent of the undertakings originally required to report from the sustainability reporting requirement. **The DGB and its affiliates reject the curtailment in the scope of the undertakings falling under the CSRD to those with more than 1,000 employees. This contradicts the core aim of the CSRD of providing reliable, comparable and standardised sustainability information throughout the economy as a means of promoting socio-ecological change.**

So far, 20 Member States have transposed the CSRD into national law, while others should have met the deadline for transposition last summer. Many undertakings have already responded to the new reporting obligations by defining processes and setting up data collection systems in order to implement the requirements on time. **However, the proposed changes now threaten to create uncertainties that undermine the principles of legal certainty and predictability for undertakings and affected stakeholders and represent an intrusion into existing reporting structures and processes.**

Added to this, restricting the scope of application would have far-reaching consequences for workers’ representatives. The CSRD grants them participation rights in particular through the possibility of submitting opinions on the reporting and engaging in dialogue on corporate strategies, due diligence processes and the assessment of impacts, risks and opportunities in terms of double materiality. **A significant reduction in the scope of application would result in workers’ representatives in many undertakings losing these rights, which would represent a massive step backwards in terms of co-determination.**

Moreover, existing data gaps could not be closed if the planned restrictions on the scope of application are implemented, even though unavailable and insufficient sustainability data is one of the greatest challenges for sustainable investments. Extensive implementation of the CSRD and ESRS is therefore important in order to provide reliable information and promote sustainable investments.

13 No lowering of sustainability standards for third countries

Under the Omnibus proposal, starting from the 2028 financial year, parent undertakings from third countries would only be required to submit sustainability reports in accordance with a yet-to-be-developed special ESRS standard for third-country undertakings (non-EU ESRS) if they either generate a turnover of at least 450 million euros in the EU or have an EU subsidiary that falls under the CSRD. The DGB and its affiliates firmly reject this planned restriction of the group of users for third-country undertakings. **It is incomprehensible why undertakings from third countries in the EU should be subject to fewer reporting obligations than European companies. It must also be ensured that the sustainability standard bar for third-country undertakings is not set below that of the level of reporting requirements for European companies.**
14 This would create an unfair playing field for competition and place European undertakings at a disadvantage.

15 No reduction to simplified (VSME) standards

Undertakings that are no longer subject to the CSRD reporting obligation under the Omnibus proposal are to be given the opportunity to report voluntarily in accordance with a yet-to-be-developed simplified standard. This is to be developed on the basis of the voluntary VSME standard (Voluntary Reporting Standard for Small and Medium Sized Enterprises) compiled by EFRAG. Moreover, this new standard is intended to serve as a basis for sustainability information in the supply chain and protect suppliers from a trickle-down effect. The DGB and its affiliates are firmly opposed to such a lowering of reporting standards. **A minimal-level voluntary standard directly contradicts the goal of the CSRD and ESRS of promoting a more sustainable economy.** The VSME standard was developed specifically with micro-undertakings in mind and contains only very limited reporting aspects involving few key performance indicators. Where social standards are concerned, the VSME, for example, only covers: the number of employees (temporary/permanent, gender), reportable accidents at work and work-related fatal accidents or illnesses, remuneration (minimum wage, collective bargaining coverage, gender pay gap) and training hours.
16 It is also pivotal that the VSME standard does not provide for a materiality analysis.

This eliminates company-specific assessments of impacts, risks and opportunities – and an essential tool for workers' representatives to exert influence.

If undertakings in the supply chain were only subject to the VSME standard, crucial sustainability information would remain inaccessible. This would prevent ordering companies from requesting information on suppliers' labour rights, for example. This would undermine the actual purpose of sustainability reporting across the value chain. **The DGB and its affiliates therefore call for a simplified standard, such as the VSME, not to be used as an upper limit for information within the supply chain under any circumstances.**

Numerous exemptions already exist to make it easier for SMEs to fulfil their reporting obligations: SMEs can apply for exemption from the reporting obligation until 2028. Their reporting obligations are also limited to the simplified version of the European Sustainability Reporting Standard for listed SMEs (LSME). Moreover, recent amendments to the Accounting Directive have raised the company size thresholds, and thus for companies subject to reporting requirements, by 25 per cent, which has significantly reduced the number of companies subject to reporting. Added to this, undertakings with fewer than 750 employees can postpone their reporting obligations on social and environmental standards by up to two years. A transitional period of three years applies to information concerning the supply chain. Overall, undertakings are only required to collect information on the value chain if this is “reasonable and appropriate”.

17 Only review the ESRS with the equal participation of all stakeholders

The proposal to amend the CSRD provides for a comprehensive revision of the ESRS with the aim of significantly reducing the mandatory datapoints. In its “Budapest Declaration” (8 November 2024) and the “Competitiveness Compass” (29 January 2025), the European Commission had already previously announced that it would reduce reporting obligations by 25 per cent (or 35 per cent for SMEs). Neither the Omnibus proposal nor the Commission's statements to date contain precise details as to which datapoints are to be reduced. **Without a sound analysis based on the objectives of sustainability reporting, the proposed reduction remains arbitrary and jeopardises the effectiveness of the CSRD.**

The current debate surrounding datapoints also needs to become more objective: undertakings do not have to report on “thousands” of datapoints, but on 161 mandatory datapoints, 622 datapoints subject to materiality – i.e. they only have to be reported if they are classified as material in the materiality analysis – and 269 voluntary datapoints.

When discussing the number of datapoints, it should therefore be borne in mind that most disclosures are subject to a materiality assessment anyway and only become relevant if material impacts, risks or opportunities have been identified. It is crucial that the concept of double materiality is retained and that the involvement of workers’ representatives in the materiality analysis remains mandatory. Similarly, a reduction in voluntary datapoints does not make sense, as these are not mandatory anyway.

Should a review of the datapoints be carried out, this must occur with the equal participation of all relevant actors. **It must be ensured that civil society, including trade unions, decides on the relevance of individual datapoints on an equal footing with the business community.** Workers’ representatives have expertise on labour and employment-related issues and play a central role where sustainability is concerned.

18 In principle, we consider it necessary to retain the datapoints on own workforce (ESRS S1) and workers in the value chain (ESRS S 2).

19 Outlook

The European Union has set itself the goal of achieving a sustainable and fully decarbonised economy by 2050. The current EU Commission continues to highlight the central importance of a sustainable economy as a strategic element. Against this backdrop, it is incomprehensible that the proposed amendments to the CSRD and ESRS significantly restrict their scope of application and seek to reduce reporting obligations.

Should the proposed adjustments be implemented, it is questionable whether reporting can still effectively foster the necessary economic transformation. **A socio-ecological transformation of the economy cannot be driven solely by a few large undertakings that report on their sustainability performance on the basis of a possibly inadequate standard.** The CSRD and ESRS seek to promote sustainable change across all business activity. A drastic restriction of the group of users and of the report content would weaken this approach and slow down the necessary socio-ecological changes.

Instead of rashly softening the reporting obligations, policymakers should actively monitor, control and support the implementation of the existing regulations in the Member States and undertakings. This requires targeted information campaigns and practical guidance. Moreover, the first wave of sustainability reports should first be analysed in order to make informed decisions on possible adjustments to the CSRD and ESRS on the basis of this analysis. The proposed amendments jeopardise both the goal of sustainable and socio-ecological economic development and the progress that has already been made.

20 The DGB and its affiliates are therefore committed to ensuring that the existing reporting obligations are not watered down beyond recognition. However, this is precisely what the proposals now submitted by the European Commission as part of the Omnibus package would do. Were these to be implemented in their current form, a massive question mark would hang over the actual regulatory purpose of the CSRD and ESRS.

3. Amendments to the taxonomy

The EU Commission proposes the following changes:

- The **scope of application of the Taxonomy Regulation** is to be limited: it is intended to be applied to undertakings with more than 1,000 employees and a turnover of 450 million euros. For companies with a turnover of less than 450 million, the option of voluntary reporting exists; the details are to be clarified in a delegated act.
- The **reporting templates** are to be simplified, resulting in a reduction of datapoints by approx. 70%.
- A **materiality concept** is to be introduced, according to which undertakings no longer have to assess the taxonomy eligibility and compliance of economic activities that account for less than 10% of their total turnover, their capital expenditure and/or their assets.
- The **Green Asset Ratio (GAR)** will be adjusted, excluding assets from the denominator that relate to undertakings which do not fall within the future scope of the CSRD.

Under the EU Commission's proposal, undertakings that have made progress towards sustainability but only fulfil certain requirements of the EU taxonomy can voluntarily report on their partial compliance with the taxonomy. **This is initially to be seen as positive, as undertakings in transition are also to be included.**

In principle, the DGB criticises the thus far rudimentary development of social sustainability reporting in the taxonomy.
Regrettably, this will remain the case even in the aftermath of the plans for the Omnibus package. In practice, the **lack of specificity concerning the minimum social standards** will lead to legal uncertainty regarding their interpretation. Further guidance for undertakings would be helpful here. From a trade union perspective, this constitutes a gap in reporting that urgently needs to be closed.

21 Omnibus I (COM(2025)80) – amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

Article 1 makes provisions for a postponement of the first application of the **CSRD reporting obligations**. Undertakings in the second wave ("wave 2") and third wave ("wave 3"), which would be required to report as of the 2025 and 2026 financial years respectively, can postpone their sustainability reporting by two years in each case. However, such a **deadline extension** only makes sense if undertakings actually use it to prepare **comprehensively for the new requirements**. This includes using the time effectively to drive forward the development of internal structures for reporting, the involvement of stakeholders in the materiality analysis, a dialogue with workers' representatives, and the structured collection of relevant sustainability data. At the same time, government institutions and authorities should use a possible deadline extension to develop and provide guidelines, guidance and advisory services at the EU and national levels.

However, the main reason for the proposed deadline extension, as set out in the Omnibus paper, is not to support the implementation of the provisions, but rather the envisaged restriction of the CSRD user group. Undertakings that are actually required to report as of 2025 but are to be exempted from this obligation at a later date due to the proposed amendment are to spared from the reporting obligation as of right now. **As the DGB and its affiliates reject restricting the group of users to undertakings with more than 1,000**

22 **employees**, **there is no reason to postpone the first application deadlines**.

Article 2 of the Omnibus proposal includes the **one-year postponement of the CSDDD transposition deadline** for Member States to 26 July 2027.
This will result in a two-stage postponement of the entry into force for undertakings to July 2028 and July 2029 for the final implementation stage. The DGB and its affiliates call for the **original CSDDD dates to remain** at their implementation deadlines in light of the precautions already taken at the company level.

23 **Omnibus I (COM(2025) 87) – amending Regulation (EU) 2023/956 as regards simplifying and strengthening the carbon border adjustment mechanism**

By 2026, the EU plans to introduce the Carbon Border Adjustment Mechanism (CBAM) to protect against carbon leakage for goods falling under the EU emissions trading system. At the same time, the current mechanism of free allocation of allowances for internationally highly competitive goods will be gradually phased out and replaced by CBAM.

However, the exact design and actual benefits of CBAM are extremely uncertain. In fact, there are concerns that the technical implementation will be very complex and involve a high administrative burden, making the accuracy of the instrument appear questionable. Against the backdrop of increasing trade conflicts, CBAM also harbours considerable potential for conflict.

Added to this, key issues remain unresolved – in particular the handling of goods exported from the EU to third countries, for which no compensation is currently envisaged. A solution that offsets market distortions is urgently needed here.

The instrument must therefore be subjected to a critical review prior to its introduction and accompanied by appropriate measures.
24 **The proposals submitted by the EU Commission to simplify CBAM partly take these challenges into account.**

25 ***Raising the threshold***

The EU Commission is proposing to **raise** the **threshold** for imported goods that fall under the CBAM regulation. Instead of the previous threshold for consignments of €150.00, only imports of 50 tonnes per year of CBAM-relevant goods are to be recorded in future.

This amendment is intended to exempt around 182,000 undertakings, or 90% of importers, from the regulation, while at the same time 99% of emissions would continue to be covered.

The DGB takes a positive view of this proposal, as it relieves the burden on small and medium-sized enterprises in particular and, at the same time, covers a large proportion of emissions.

26 Default values for the calculation of emissions

When it comes to reporting obligations and calculating the CBAM certificates, **default values** will, in future also be used to determine “embedded” emissions.

The DGB welcomes this standardisation and simplification of the calculation methods. They represent an important step towards making CBAM practicable and application-orientated.

27 Postponement of the sales start date to 2027

Under the EU Commission’s proposal, the start date for selling CBAM certificates, which was previously planned for the beginning of 2026, is to be postponed to **February 2027**.

The DGB views this as a sensible move as it will enable unresolved questions concerning implementation to be clarified, information exchanges in the system to be optimised and practices of circumvention to be ruled out.

This time should be used to thoroughly review the CBAM – for example, with regard to accuracy, the impact on value chains for both imports and exports as well as possible carbon leakage effects and associated job relocations.

28 Outlook

The CO_2 price is currently subject to considerable fluctuations and will rise significantly in the coming years. Studies assume that prices will range from between €150 and €350 per tonne of CO_2 by 2030.
These fluctuations and the difficult-to-predict price path will lead to massive investment uncertainties. Added to this, it is currently apparent that emissions trading alone offers too few incentives for sustainable modernisation.

At the same time, it is unclear whether CBAM is actually suitable for preventing carbon leakage or whether it creates additional barriers for international trade.

Without an activating framework for action, rising CO_2 prices threaten to further restrict the scope for investment and place a burden on competitiveness.

Accompanying and supporting measures that specifically strengthen public and private investment in the socio-ecological transformation are therefore indispensable.

29 Omnibus II (COM(2025) 84) amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements

In the Omnibus II package, the EU is proposing to increase the budgetary guarantee for InvestEU by €2.5 billion. These measures are to be financed by funds that flow back from previous investments, including from the InvestEU programme and the European Fund for Strategic Investments. The European Commission is also proposing a simplification of the reporting obligations for small and medium-sized enterprises (SMEs) that receive investment aid from InvestEU.

Given the limited size of the EU budget, innovative methods are needed in order to promote investment in strategic sectors, industrial transformation and so-called non-bankable projects. The use of guarantees and the expansion of the InvestEU programme are an important part of this fiscal approach. The experience to date with InvestEU and its predecessor, the European Fund for Strategic Investments (EFSI), and the difficulties with leveraging private capital should be duly taken into account when increasing the budget guarantee for Invest EU.

30 EU budget leveraging

The allocation of funds through EU budget leveraging has the potential to reinforce existing regional inequalities. Previous allocation rounds of the European Fund for Strategic Investments have favoured Member States and regions that have a project pipeline, a differentiated network of national and regional promotional banks and/or deeper capital markets. Moreover, the European Court of Auditors has attested to high windfall effects in various EIB programmes.

Where the European Fund for Strategic Investments is concerned, the European Court of Auditors found that almost a third of the projects financed under the "Infrastructure and Innovation" window would have been realised even without EFSI support. **An efficient use of public funds is urgently required and windfall effects should be avoided in future.**

31 Use of financial intermediaries

The **use of financial intermediaries** with which the EIB cooperates can diminish the effectiveness of the funds used. In both lending operations and equity financing supported by the EU budget, the involvement of financial intermediaries has led to weaker conditionalities, a subsidisation of corporate profits and neglect of social and environmental objectives. **Further EU budget leveraging aimed at mobilising private investment must therefore be accompanied by transparent and enforceable performance criteria**, which are crucial for a successful and socially just industrial policy.

32 Support for higher risk projects

Supporting higher **risk projects** is possible by building on and expanding the capacity of the EIB, EIF and national promotional banks. To this end, **the European Investment Bank (EIB) should expand its direct investments in certain cleantech and technology companies that do not receive private sector financing**. Long-term projects must also be financed in order to reach the emission reduction targets of the European Green Deal. The EIB could become the central investor in underserved cleantech and technology companies in the EU. This would have the advantage that financial intermediaries, such as VC investors, would be bypassed, long-term investment targets pursued and political control strengthened through investment guidelines.