Key points for consumers

THE SUSTAINABILITY OMNIBUS

BEUC The European Consumer Organisation

The Consumer Voice in Europe

Why it matters to consumers

Consumers want to invest sustainably – as shown by a Eurobarometer survey, six in 10 consumers do not want to fund planet-harming economic activities. To develop sustainable products and invest sustainably, financial institutions and consumers need trustworthy information about the companies they invest into which is provided by the legislative framework covered in the Omnibus Regulation, part of the European Commission's recent simplification drive. The Omnibus encompasses the Taxonomy, which classifies sustainable activities, and the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive ensure that companies report about their activities and consider their impact along the value chain.

BEUC advocates for simplification without de-regulation. This can be achieved by addressing redundancies and inconsistencies between different pieces of legislation and by creating a single reporting standard for non-listed SMEs.

COMMISSION PROPOSAL	BEUC POSITION
CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)	
SCOPE: 80% of companies currently covered by the law would no longer have to comply under the proposal, reducing the availability of sustainability information on the real economy.	BEUC recommends retaining the initial scope to ensure consumers receive relevant sustainability information about the whole EU economy and not just a small fraction. To reduce the reporting burden for SMEs, BEUC recommends embedding the voluntary SME (VSME) standard as the only expected and accepted standard for data from non-listed SMEs. Larger companies then cannot compel SMEs to provide additional information, alleviating the burden. The VSME would be an information cap for non-listed SMEs, preventing ad hoc requests. The listed SME (LSME) standard should be retained for listed SMEs.
SECTOR-SPECIFIC STANDARDS: The standards for particularly damaging sectors are deleted.	BEUC encourages retaining sector-specific standards to ensure transparency. Reducing data availability for these companies would reduce the sustainable finance products offering investment in these assets, depriving consumers of the ability to invest in their transition. Further sustainable development of these companies is undermined as companies will be unable to identify and address their most significant impacts.
AUDITING: The provisions to conduct more in-depth "reasonable assurance" audits is deleted in favour of less stringent "limited assurance".	BEUC recommends that the move to higher-quality auditing should be kept as a possibility. Disclosing information on auditing costs will ensure transparency from auditors, while ESG data will be verifiable, reliable and comparable, preventing greenwashing.

COMMISSION PROPOSAL	BEUC POSITION
CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CS3D)	
ACCESS TO JUSTICE: The civil liability regime ensuring consistency for victims of environmental or human rights abuses across the Union is deleted. The provisions on consumers' right to have consumer organisations bring a representative action on their behalf are deleted along with the provisions ensuring primacy of CS3D rules over non-EU laws.	BEUC calls for the harmonised liability regime, the right to representative action and overriding mandatory application to be retained, ensuring consumers have adequate and equal protection from abuse by large companies across the Union. It will provide a simple framework and remove inconsistencies for companies across the Union.
LEVEL OF DUE DILIGENCE: Due diligence would be limited to direct business relationships only (Tier 1) and reported once every five years, instead of annually, bringing the EU's due diligence standard below that of both the OECD and the UN Guiding Principles on Business and Human Rights (UNGP).	BEUC suggests adopting a risk-based approach to simplifying due diligence requirements focusing on the risk-level of the business activity while keeping due diligence requirements for the full value chain.
TRANSITION PLANS: Removing implementation requirements for climate transition plans would limit the Directive's objective to influence corporate behaviour.	BEUC calls for transition plan requirements to be kept intact. The proposed amendment would create uncertainty for businesses adopting plans and the risk that companies do not adhere to adopted plans. Without implementation requirements, this would lead to greenwashing and consumers being misled, while also undermining the green transition.
EU TAXONOMY	
SCOPE: 85% of reporting companies would not have to report their economic activities' alignment with the Taxonomy's criteria for sustainability. **ACTIVITIES <10% EXCLUDED:** Activities contributing less than 10% to a company's key performance indicator (e.g. turnover, CapEx, OpEx) will not have to be reported. **DO NO SIGNIFICANT HARM (DNSH) CRITERIA:** The proposal weakens the DNSH principle, by removing the need for certain chemicals to be "used under controlled conditions".	BEUC recommends the Commission follows the Platform on Sustainable Finance's advice on how to achieve 33% administrative burden reductions for companies without reducing the scope or weakening the DNSH criteria. This avoids limiting the quantity and comparability of quality data. Furthermore, the potential effectiveness and impact of the EU Green Bond Standard, in force since December 2024, would be significantly diminished.

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