

05 February 2025

Joint Statement

Streamlining ESG and Due Diligence Regulations

Urgent Action Needed to Reduce Bureaucratic Burden and Boost Competitiveness

On 8 November 2024, European Commission President Ursula von der Leyen announced plans to put forward an **omnibus procedure** to simplify ESG reporting, which includes the EU Taxonomy Regulation, the Corporate Sustainability Reporting Directive, and the Corporate Sustainability Due Diligence Directive, in an effort to **reduce bureaucratic burdens**. We, the signatories, wholeheartedly support this approach to revitalise Europe's competitiveness and call for even more ambitious action to obtain substantial relief for companies.

Indeed, in recent years, numerous pieces of overlapping and highly prescriptive legislation concerning due diligence and reporting have been enacted at the European level, creating a significant bureaucratic burden for our companies. This complexity stifles innovation and hampers our ability to compete globally.

Therefore, we urge you to consider our following **key demands**:

1. The current due diligence and reporting obligations pose unnecessary difficulties for everyone affected, including the private and financial sectors. We therefore need **bold** measures to **alleviate** these burdens.
2. Companies in the EU are under immense pressure from global competition. The existing bureaucratic processes hinder timely responses and innovation. Instead of stifling bureaucracy, we need timely improvements in the regulatory framework that allow room for **innovation and enhance competitiveness in Europe**. We demand swift action to maintain our competitive edge.

3. Streamlining the different obligations and scopes of the various pieces of legislation regarding due diligence and reporting is essential. In addition, we need to ensure a **harmonised implementation** across member states to provide coherent conditions for companies operating in the single market. This will create a level playing field and reduce compliance costs.

The signatories call on all EU institutions to work closely together and scrutinise existing or forthcoming legislation – including delegated and implementing legislation, and guidance documents - for inconsistencies and shortcomings in promoting the green transition. Immediate and decisive steps are needed to simplify and harmonise regulations. This exercise must not be the end but rather the **starting point** of a larger consideration of streamlining and simplification efforts across EU legislation with the aim to significantly reduce red tape for companies.

The clear objective of this endeavour is to enable and accelerate change by increasing legal clarity, reducing complexity and the regulatory burden, and thus improving conditions for business, taking into account the efforts and investments already made by companies to comply with the existing legislative framework. An omnibus is a prerequisite for a successful transition and a resilient Europe. However, we want to insist that the reduction of reporting obligations and administrative burden must not have any impact on the ambitious climate and environmental policy targets for 2050.