



JOINT STATEMENT

OMNIBUS PACKAGE RISKS LIVELIHOODS OF MILLIONS OF SMALLHOLDERS WORLDWIDE

Brussels, 26 February 2025 – Today the European Commission presented its first Omnibus simplification package, proposing sweeping changes to key legislation that was meant to ensure corporate accountability, in particular the Corporate Sustainability Due Diligence and Reporting directives (CSDDD and CSRD). If adopted, these drastic changes would effectively reduce the CSDDD to paperwork without impact. We call on the co-legislators to preserve the core elements of the CSDDD to ensure it delivers meaningful improvements to the living and working conditions for millions of smallholders and workers across the globe.

A CSDDD without civil liability and reduced fines for wrongdoings leaves farmers and their families with little. Companies often disengage and switch suppliers rather than co-invest in solutions that build resilience within supply chains. Meanwhile, meaningful stakeholder engagement is further limited, reinforcing power imbalance. What does this leave for farmers?

- Bindu S., CEO Fairtrade Network of Asia Pacific Producers

As organisations that have been [advocating for years](#) for the inclusion of key elements in the CSDDD to benefit rightsholders in non-EU countries, in particular smallholders, we express deep concerns about the proposed adjustments. Limiting corporate responsibility to direct partners will eliminate the original objective to foster responsible corporate behaviour across global value chains and replaces it with an exercise where potential positive impacts are annihilated.

The CSDDD as agreed before, explicitly recognises the specific challenges faced by the [600 million smallholder farmers](#) around the world, who produce the majority of the world's coffee, cocoa, cotton, bananas, rice, tea and other vital commodities. Moreover, living wage and living income were also recognised as human rights that companies need to consider in their due diligence. The Commission now proposes changes that will undermine these essential parts of the CSDDD. Smallholders are the first to suffer from the triple planetary crisis, and their exposure to these risks will only exacerbate without levelling the playing field through landmark legislation.

Further, the removal of civil liability and allowing only recourse to national law tort mechanisms, would not only weaken the implementation of the CSDDD, but also deprive rightsholders - especially from the Global South - of accessing justice. These provisions had been agreed by all co-legislators, as forming essential parts of effective and impactful due diligence.

This proposal is not aligned with long-standing due diligence standards like the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs) and the [OECD guidelines](#), and it also risks abandoning the opportunity provided by the CSDDD to enhance long-term economic security. Whereas the European Commission claims its proposed changes aim to reduce bureaucracy while maintaining their impacts, the proposal risks leading to the opposite. Paperwork would remain, but it would not help meaningfully address human rights and environmental risks in supply chains, ultimately leaving the Directive ineffective.

Representative organisations of smallholder farmers have recently warned that the EU would fail them if it walked back on the CSDDD in a [joint letter](#), and we are dismayed that the European Commission has gone ahead in such proportions. The process with which the Omnibus package has been developed has been deeply [flawed and undemocratic](#), as it has proceeded without public consultation and with a concerning lack of consideration for the vocal opposition of [large companies](#), purpose-driven [SMEs](#), and [Global South](#) stakeholders towards reopening the CSDDD.

Instead of opening the door to a long legislative process which risks watering down the CSDDD to a point that it defeats its initial purpose, we urge the co-legislators to reject the proposed changes and to work towards effective and just implementation of the CSDDD. This includes delivering in due time the guidelines and instruments that are included in the CSDDD, and making available the appropriate resources to support crucial [accompanying measures](#).

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