

**Subject: Economic Effects of the CSDDD and Omnibus proposal**

30 September 2025

Dear Mr./ Ms.

The European Commission justified its proposal for the Omnibus I package to “simplify” the Corporate Sustainability Due Diligence Directive (CSDDD) and other regulations by claiming that these would undermine the competitiveness of the European economy. In doing so, it referred to the so-called Draghi Report, which, however, does not provide an empirical basis for this assumption. Moreover, the Ombudswoman rightly criticizes that the Commission failed to conduct an impact assessment for the Omnibus proposal, contrary to procedural guidelines.

Against this background, CIDSE, ETUC, Misereor, ver.di and other organisations commissioned an economic study to scientifically examine the potential economic effects of the CSDDD and the Omnibus I package. Please find [here](#) this study by Prof. Johannes Jäger which was presented in the European Parliament on September 29. We kindly ask you to consider the key findings of the study during the final phase of negotiations on the European Parliament’s position regarding the Omnibus I package:

- By preventing and reducing human rights violations, the CSDDD **reduces external costs** of business activities and directly improves **economic well-being of all economic actors in the EU and outside the EU**, with especially significant benefits for workers and communities in the Global South. The CSDDD is an effective means to prevent unfair competition based on labour exploitation.
- The directive promotes **forward-looking specialisation** patterns that move away from exploitative practices, delivering dynamic gains at the company level and generating positive spill-over effects for the wider economy, thereby enhancing European competitiveness in the medium and long term.
- The CSDDD can provide a crucial step toward **binding international social and environmental regulations** such as a UN Binding Instrument on Business and Human Rights that would enhance both global human rights protection, Europe’s long-term economic performance and enable a global level-playing field.
- Attempts to increase **competitiveness** and reduce bureaucracy by diluting the CSDDD as envisaged by the Omnibus proposal are expected to fail. Such changes would undermine the Directive’s effectiveness, impose costs without real benefits, and continue to leave European firms vulnerable to unfair competition from companies abroad engaging in social and environmental dumping.

These conclusions largely confirm the results of the impact assessment of the CSDDD on behalf of the Commission from 2020, various representative polls among business enterprises in Germany and other European countries and innumerable statements of companies that support the CSDDD in its current form: as a regulatory framework providing a level playing field, and as an incentive for an economy that is fit for the future and human well-being in Europe without destructive side effects on workers, human rights, climate and the environment in Europe and abroad (see, e.g. [Broad support for the CSDDD](#)).

Therefore, as negotiations on the European Parliament's position on the Omnibus proposal are entering the final phase, we encourage you to make sure that the effectiveness of the CSDDD will not be undermined. The risk-based approach and coverage of the whole chain of activities, a strong EU-wide civil liability regime, meaningful participation of trade unions and other CSOs, the duty to implement ambitious climate transition plans, and the maintenance of the current scope of the CSDDD are key priorities for this.

We remain at your disposal for any question and for a personal exchange.

Yours sincerely,



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