

Reboot or regression: Omnibus I risks' for the agri-food sector

How Omnibus I jeopardises progress in the CSDDD for human rights and environmental protection in the agri-food sector

Introduction

The Corporate Sustainability Due Diligence Directive (CSDDD) is the result of a consultation involving 500,000 European citizens, organisations, companies, years of negotiations and hundreds of amendments and came into force on 25 July 2024. Just a few months later, the European Commission launched a process to thoroughly revise it, putting forward, without any impact assessment or democratic and transparent process, the Omnibus I package proposal presented on 26 February 2025.

Although the CSDDD lacks some essential aspects for reducing the risk of violations along the value chain as prescribed by the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD-DAC guidelines on multinational enterprises, and although important tools were not approved as a compromise during the negotiations such as the reversing of the burden of proof, it nevertheless represents a milestone towards the protection of human rights and the environment, in line with the objectives of the Green Deal and sustainability.

For the agricultural and food sector, the effective application of the CSDDD is of crucial importance considering that [half of the world's labour force is in the agriculture sector](#). In the context of the conventional agricultural model, market dynamics and pressures from the production chain push companies to make decisions driven primarily by profit maximisation, frequently neglecting the social and environmental impacts of their activities. Indeed, the **agrifood sector is widely recognised as one of the sectors with a high risk of exploitation as its characterised by complex, global supply chains, high dependence on natural resources and labor-intensive production**. Many agricultural supply chains involve a vast number of farm workers, food producers, intermediaries, and processors across the world, making it difficult to ensure transparency and traceability.

Industrial agriculture has a significant environmental footprint, contributing to deforestation, water scarcity, soil degradation, pollution, climate change and biodiversity loss. It is estimated that the agrifood system is responsible for [21-37% of GHGs emissions](#) and it consumes [70% of fresh water](#). Moreover, under the CSDDD, companies are required to address environmental impacts that have significant implications for the enjoyment of human rights. In July 2022, the UN General Assembly adopted the [Resolution 76/300](#) that officially recognised the human right to a clean, healthy and sustainable environment, reinforcing States' and corporate actors' obligations to prevent environmental harm with human rights consequences. Upstream in the supply chain, the environmental degradation caused by industrial farming practices - such as deforestation, excessive use of agrochemicals, depletion of water sources, and soil erosion - can lead to the displacement of communities, the destruction of livelihoods, and increased food insecurity. Emissions from intensive livestock farming contribute to poor air quality. Additionally, the sector generates considerable waste, including organic waste, plastic packaging, and discarded chemicals. These impacts frequently affect rural and indigenous populations whose rights to land, health, and a clean environment are not adequately protected.

The sector is indeed associated with social issues, with [60% of all child labourers worldwide in the age group 5-17 years working in agriculture](#), including farming, fishing, aquaculture, forestry, and livestock.

Agricultural companies are also increasingly connected to a dramatic spike in allegations of “land grabs” and displacement of local communities which has a disproportionate impact on indigenous communities. An increasing share of the workers employed in industrial agriculture are hired or wage workers, and many of these [hired farm workers are international migrants from poorer countries](#), with disparate [impacts on women](#). The agri-food sector is also responsible of poor working conditions. Agriculture is one of the top three hazardous occupations, along with construction and mining. The fatal [accident rate in agriculture is double that of other industries](#) and [40,000 agricultural workers die each year from exposure to pesticides](#). It is also important to notice that while smallholder farmers often receive prices for their products that do not cover their costs of living, CSDDD recognises living wage and living income as human rights that companies need to consider in their due diligence.

1. Omnibus I risks leaving out the high-risk areas in agri-food supply chains

The challenge: The agricultural sector plays a key role in the protection - or violation - of human rights and the environment along the global supply chain. From the production of raw materials upstream, to the transformation and commercialisation of food products, multiple critical issues emerge. This sector is characterised by supply chains whose human rights and environmental risks are often highest at the beginning of the chain, particularly in the Global South. Production takes place through a long and opaque subcontracting chain, where the main human rights violations occur upstream, while products are then commercialised in the European market, such as for the industry of sea food or [poultry meat from Thailand](#). However also European countries are not immune to exploitation. For example, [in Germany exploitation occurs alongside the supply chain of asparagus, strawberries and other vegetables](#), while [in Italy it is estimated that 400-450,000 workers are victims of gangmasters and exploitation](#): all of them are producing food distributed all around Europe through the large-scale retail distribution. **The responsibility for these risks should not lie solely with producers, but rather be extended across the entire value chain.** This includes multinational corporations that control processing, distribution, and retail. These actors exert significant influence over production conditions through pricing policies, purchasing contracts, and volume demands, often creating pressure that leads to labour exploitation and environmental harm while their own profits are high.

The effectiveness of the CSDDD: The CSDDD aims to ensure that businesses identify, prevent, and mitigate human rights and environmental risks throughout their operations and value chains, including mechanisms, even if not fully comprehensive, for victims to access justice and compensation. This includes not only their own operations or those of their subsidiaries but, most importantly, those related to their chains of activities and those of their business partners. **This provision encompasses the main innovation introduced by the CSDDD in the Union’s legal framework, which is to compel large companies to conduct human rights and environmental due diligence all across their global value chains.** The CSDDD also obliges **large companies to provide massive support to Small and Medium Enterprises (SMEs)** in their supply chain to ensure that SMEs are not overburdened and at the same time are able to implement risk-based assessments. The scope of companies with 1,000 employees or more does not include critical companies in the agricultural sector that fall below this limit. **Nevertheless, the CSDDD finds a compromise between efficiency and feasibility.** This approach represents a fundamental step

towards greater social justice and the protection of fundamental rights in global agricultural value chains. This is particularly important when environmental harm has a disproportionate impact on vulnerable groups such as rural populations, indigenous peoples, or workers.

The weaknesses of the Commission proposal: With the Omnibus I proposal on the table, **companies would be required to conduct an in-depth assessment only at the level of their direct business partners**, unless "plausible information" suggests that risks have indeed arisen or may arise at the level of an indirect business partner. Excluding indirect business partners from the assessment undermines the Directive's aim, since most abuses are likely to happen deeper in the value chains. This approach would lead to inefficiency since time and effort will be focused not where the impacts are more likely to occur or are more severe, but only at the upper levels of the supply chain, with the result that the majority of impacts related to their activities would remain unaddressed. In an industry like that of the agri-food sector, the complexity of the supply chain would make it very easy for a large importer to evade liability for human rights and environmental harm carried out by agricultural producers, especially when their products are traded through several levels of intermediaries. Moreover, the proposed changes would risk backfiring by increasing the burden for SMEs, as the experience with the German Supply Chain Act teaches, which similarly requires companies to focus on their first tier and has led to a surge in information requests directed at EU-based SMEs, even when their involvement in high-risk activities is limited.

Conclusion: *The Omnibus I proposal risks to lead to inefficiency, legal uncertainty, and lack of ownerships over risks assessments across the agrifood value chains. By shifting away from a structured risk-based approach (required in the sector also by [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)), companies will undertake risk assessments in reaction to third party interventions or under 'plausible information' about the existence of risks linked to their indirect business partners. A risk-based approach to due diligence should contrarily be maintained, allowing **companies to focus on and prioritise those risks to human rights and the environment within their chain of activity** which they identify themselves as the most severe and likely. At the same time, any cascading effect resulting from the due diligence burden on SMEs should be monitored and supported by large companies, as already provided for in the current directive.*

2. How Omnibus I poses civil liability risks for the agri-food sector

The challenge: The agri-food sector has a direct and significant impact on human rights throughout the supply chain, especially in developing countries where regulation is often weak or poorly enforced. In many contexts, serious violations are recorded, including exploitative working conditions, starvation wages, child labour and violations of indigenous communities' rights linked to land grabbing. In this scenario, **the concept of civil liability takes on central importance:** companies, especially those operating or purchasing in high-risk contexts, must be held legally responsible for damage caused by their own activities or those of their suppliers.

The effectiveness of the CSDDD: The CSDDD introduces the obligation for companies to adopt due diligence measures not only to prevent such abuses, but also to respond concretely when they occur, including compensation for victims. The CSDDD foresees the harmonisation of civil liability provisions across Member States and addresses some legal and procedural obstacles for victims to access justice.

The weaknesses of the Commission proposal: In case of adoption of the Omnibus I Directive, the need to set harmonised provisions on civil liability would be deleted, leaving to the discretion of Member States the regulation of civil liability for obligations deriving from the CSDDD and leading to a fragmentation of the legal landscape within the EU. It would further revoke third-party representation for victims and remove the overriding mandatory provision. This would also mean that in cases brought under the CSDDD involving harm occurring outside of the EU, the applicable law would be the law of the country where the harm has occurred, which might be lacking, inadequate or with lower standards than the ones set out in the CSDDD. In this way, companies that commit violations would respond differently depending on the country where such abuses are committed, even though the products are sold on the same European market, creating unfair competition between companies and, above all, towards those that behave correctly.

The changes implemented by Omnibus I would also mean that **companies cannot be held accountable for harm caused by business relationships further than tier 1**. This would have the consequence of reducing liability risks for companies, which would be **less incentivised to seriously identify and remedy human rights risks in their agricultural supply chain**.

At the same time, victims and stakeholders affected, such as smallholder farmers or indigenous communities, would be hardly able to take effective action against corporations. This is further worsened by the fact that the Omnibus I directive would **revoke third-party representation for victims**, harming weaker damaged persons who, alone, might not be able to effectively exercise their right to access to justice, especially with regards to large companies. Instead, as stated [by several studies](#), the most efficient way to support the rights of victims remains through support and representation of human and environmental defenders (NGOs, Unions, etc.). Without a civil liability harmonised approach, different standards for representative actions would continue to exist throughout the EU, resulting in disparities in access to justice. It would also mean less judicial efficiency, as third-party representation facilitates the handling of identical claims.

Conclusion: We therefore ask that the **harmonisation of civil liability for due diligence legislation is maintained** to ensure the same standards across Member States and in third countries in cases brought under the CSDDD. **The right to third-party representation should not be removed, neither the overriding mandatory provision.** This would guarantee legal certainty and clarity for all stakeholders.

3. Climate transition plans: how Omnibus I may hinder climate goals

The Challenge: The agri-food sector is uniquely vulnerable to climate change. At the same time, the industrial agri-food system is responsible for contributing to it through emissions and land use practices.

The effectiveness of the CSDDD: The CSDDD requires a company's business strategy to align with a sustainability economy and adopt and implement plans with clear Greenhouse Gas (GHG) emissions reduction targets to limit global warming to 1,5°C, in line with the Paris Agreement. This is foreseen by **establishing an obligation for companies to adopt and put into effect a Climate Transition Plan** that should set out a strategy on how to adapt production systems, infrastructure, and supply chains to climate risks while reducing greenhouse gas emissions. Some measures that could be taken by companies in the agricultural sector may include addressing land use, fertiliser practices, livestock emissions, deforestation, and biodiversity impacts, as well as identifying climate risks in supply chains, especially those that affect raw materials and smallholder farmers. They can also provide for support for resilient farming

practices (e.g., agroecology, crop diversification), or the development of early warning systems, water management strategies, and soil preservation techniques.

The weaknesses of the Commission proposal: Under the Omnibus I proposal, companies are obliged to set up a climate transition plan, **while wouldn't be compelled anymore to "put into effect" the transition plan**. Companies should therefore simply adopt a transition plan that includes "implementing actions". Without a clear implementation obligation, climate transition plans would risk becoming a mere formality, dismantling the opportunity to hold companies accountable for their implementation of the Paris Agreement. Indeed, the largest polluters in the private sector would lack incentives to align their practices to the objectives of the Paris Agreement and contribute to the EU goal of 55% reduction of carbon emissions by 2030.

Conclusion: *Considering the great vulnerability of the agrifood sector to climate change, and its responsibility in generating greenhouse gas emissions (21-37% of total GHGs), we consider fundamental that Climate transition plans are adopted and fully implemented by companies under the CSDDD. This would allow to comply with the objectives of the Paris Agreement, the European Climate Law, the aim of effective sustainability stated by the EU in its policy and at international level, as well as with the commitment to policy coherence for sustainable development.*

4. Stakeholder dialogue for the most vulnerable groups in the agrifood value chains

The Challenge: Meaningful stakeholder engagement is key in ensuring that the implementation of human rights and environmental due diligence leads to actual positive impacts for rightsholders. Meaningful engagement – a concept developed in the OECD Due diligence guidance for responsible business conduct – goes beyond mere consultation. **Its objective is for companies to understand and identify effective ways to respond to affected stakeholders' needs and concerns.** It should be undertaken by companies at all stages of the due diligence process.

Furthermore, in line with the UNGPs and the OECD Guidelines, companies should pay particular attention to groups which are likely to be the most vulnerable to adverse impacts – such as smallholders, farm workers, indigenous peoples, local communities and environmental defenders. Stakeholder engagement should be gender responsive and look at specific impacts on women and girls across sectors and within each stakeholder group.

The effectiveness of the CSDDD: Presently, the CSDDD sets out criteria and obligations for meaningful engagement with stakeholders affected by a company's activities. Under CSDDD, stakeholder engagement encompasses a broad range of individuals and groups whose rights or interests are or could be affected by a company's operations, including consumers, civil society organisations, and human rights and environmental institutions and defenders.

The weaknesses of the Commission proposal: The Omnibus I Directive, contrarily, would **limit the due diligence steps in which stakeholder engagement must take place and reduce the scope of consulted stakeholders to those directly affected by the activities of the company**. The new criterium of direct affectedness would require that the individual or group experiences immediate and tangible impacts - either positive or negative - as a result of a company's operations, products, or business relationships. The suggested limitations would impact on the identification of critical risks and appropriate measures to address them - for which stakeholder engagement is crucial. Companies would **miss the occasion offered by the CSDDD to build more resilient value chains** through prevention of costs tied to human rights and environmental

risks, as well as costs of conflict management with communities, the most commonly underestimated expense by companies.

Moreover, by requesting engagement with "relevant" stakeholders at specific stages of the due diligence process, Omnibus I states that companies are not obliged to consult with all conceivable stakeholder groups, but only those relevant for a certain due diligence action at stake. For instance, agricultural companies could focus consultation efforts on people directly affected by land use or pesticide application, not considering the need to involve indirectly affected stakeholders, including human rights institutions, CSOs and other experts, that in certain situations might be in a better position to represent vulnerable groups, for example in case of forced labour or if stakeholders' right to free speech is compromised. With the revisions introduced by Omnibus I, also indirectly affected stakeholders, such as families of individuals that might have lost the capacity to work in an accident, could be excluded from stakeholder engagement and therefore from risk prevention and remediation. Furthermore, Omnibus I would reduce the due diligence steps in which stakeholder engagement must take place, with the result of jeopardising transparency, capacity of intervention and effectiveness.

Conclusion: *It is fundamental to ensure that a wide range of individuals and groups, directly or indirectly affected by the business operations, are taken into account during stakeholder dialogue, in order to ensure the quality and adequacy of risk identification as well as the most effective and appropriate measures to prevent, address and remedy those identified risks.*

5. Call to action

The following organisations committed to *Rebooting the Food System* call on EU decision makers to stop the attempt of watering down the CSDDD which will risk losing its relevance and fail to meet sustainability targets and relegating them to mere declarations of principle without concrete and consistent action.

The CSDDD is a fundamental tool for developing fairer economies with a view to sustainability both at the European and international levels. It is the only possible path forward and one from which we cannot retreat if we are to preserve the natural - and human - resources that are the main inputs for agriculture, which are now seriously threatened by the triple environmental crisis. It also represents an essential instrument to protect and support, particularly many small and medium European agricultural producers who have embraced agroecological systems, from unfair forms of competition.

In particular, we call on MEPs and national decision-makers to:

- **restore a transparent, multi-stakeholder and democratic process** in the ongoing process of revision, that is lacking in the initiative taken by the European Commission with the proposal Omnibus I;
- **engage for a strong CSDDD** to ensure fairer economies, sustainability and ambitious climate action in coherence with the expressed will of over 500,000 citizens and organisations already consulted. **Oppose the Omnibus I proposal** of the European Commission which undermines human rights and environmental protection in the agri-food sector. It is essential to maintain:

- **the value chain approach** to address risks where they are most likely to occur, while confirming the obligation of large companies to support SMEs and protect them from unfair competition;
- the **civil liability** in the event of human rights and environmental violations to ensure fair compensation for victims;
- the obligation to **adopt climate transition plans** to implement the commitments agreed with the Paris Agreement and contribute to the fight against climate change;
- the **meaningful and extensive stakeholders'** engagement to make the risk identification and prevention system effective;
- engage and advocate at international level to support the **adoption of the [UN Binding Treaty on Business and Human Rights](#)**, currently negotiated in the OHCHR;
- ensure that the **rights** outlined in the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas (**UNDROP**), currently excluded by the CSDDD, **are integrated** during the transposition of the CSDDD at the national level.

We call on the **European Parliament to be ambitious and embrace forward-looking development models**, avoiding short-sighted measures focused solely on quick profits, and to relaunch Europe as a beacon of innovative approaches.

Finally, we call for a transparent, multi-stakeholder and democratic process that will lead, through **implementing regulations and investments to support transition**, to the effective implementation of the CSDDD over time and facilitate its responsible and efficient application.

Any changes that would be helpful following a **real assessment** of its impact once it has entered into force and an appropriate period of implementation time has passed, should be adopted consistently with normal legislative processes.

What is the Corporate Sustainability Due Diligence Directive?

The CSDDD constitutes a key building block for the application of the UNGPs at the level of EU Member States, making those principles mandatory. The three UNGP pillars reaffirm the duty of States to protect human rights, the duty of companies to respect them and the obligation to provide for a remedy in the event of negative impacts, where governments and companies would have, to ensure access to justice for victims and fair compensation.

The CSDDD introduces the legally binding obligation for large companies to assess the risk of the actual and potential impacts of their activities on human rights and the environment, on the basis of which they need to develop and implement a concrete plan of action for prevention and mitigation accompanied by a monitoring mechanism and the right of victims to lodge complaints. In addition to the obligation to conduct due diligence, companies would need to set up and “put into effect” a climate transition plan through which they would ensure compatibility of their activities with the goals of the Paris Agreement. The directive also sets up civil liability for companies.

Its **compulsory** nature responds to the evidence that voluntary Corporate Social Responsibility measures, that have been prominent in the last decades, are not sufficient to effectively respond

to the enormous global challenges of both inequality and the triple environmental crisis. Indeed, the impact of voluntary Corporate Social Responsibility paths has been insufficient to mark a model change in which companies are being held accountable for their value chains, a step which is urgently needed today.

Furthermore, the Directive **harmonises** at European level a path that several countries have already taken with specific laws, such as, for example, France (Loi sur le devoir de vigilance, 2017), Germany (Supply Chain Act, 2021), but also the Netherlands, Norway and other countries.