

The Omnibus moves toward better sustainability reporting but further work is needed

Brussels, 26 February 2025: The Commission published today the first Omnibus proposal. FuelsEurope considers the proposal as a first step toward ensuring regulatory clarity and operational certainty for the EU industry. It addresses three crucial pieces of legislation over which both Industry and Member States have recently expressed serious concerns: the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy. FuelsEurope supports their objective to increasing corporate transparency and sustainability while noting with concern that they impose significant and often disproportionate obligations on companies.

The Omnibus provides a key opportunity to streamline reporting requirements, clarify the legal language of some provisions, and rectify unintended negative impacts. These essential adjustments would enable companies to meet the goal of greater corporate responsibility while maintaining their ability to transition to a net-zero model and stay competitive on a global scale.

We consider several of the proposed changes for the CSDDD as steps in the right direction, such as:

- The limitation of due diligence obligations in the value chain to direct partners ("Tier 1"), without excluding however the extension to indirect business partners in certain cases;
- The reliance on national law for civil liability matters;
- The extension to five-year intervals of the periodic due diligence monitoring;
- The more focused definition of "directly affected" stakeholders;
- More flexibility in the calculation of the penalties, with the removal of the imposition

of a minimum percentage based on the net worldwide turnover of the company.

On the other hand, we note that:

- The amendments to Article 22 on Transition Plans are not sufficient to address the legal uncertainty;
- More in general, no impact assessment is foreseen for a thorough re-evaluation of the Directive.

Concerning the CSRD, the removal of the obligation to adopt sector-specific standards is a positive change, as it will avoid increasing the number of datapoints, thus reducing unnecessary reporting burden. The proposed revision of the sector-agnostic standards could also help streamlining the already numerous datapoints, but careful work is needed to ensure an effective outcome. Likewise, the reduced scope of information to be obtained from the value chain will contribute to making reporting more proportionate.

A collaborative effort and extensive dialogue between policymakers and industry will be needed in the coming months to achieve a balanced result, avoiding making the same mistakes as in the past. FuelsEurope remains committed to working alongside legislators and other stakeholders to secure the best

outcome and that any legal amendments remain proportionate, effective, and fit for purpose.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy and feedstocks for industrial value chains in the EU.

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