



How simplification can drive ambition, reduce burden, and strengthen Europe's competitiveness

Joint Statement

Brussels, 28 May 2025

As representatives of Europe's energy sector, Eurogas, FuelsEurope and IOGP Europe, speak with one voice across the entire energy value chain — from upstream exploration and production, through transformation and processing, to downstream distribution and consumption. Our members power critical infrastructure, enable clean technology manufacturing, support the development of low-carbon fuels and hydrogen, and are at the heart of the EU's energy transition.

Collectively, we represent companies that are directly responsible for implementing some of the most ambitious sustainability policies in the world: from emissions reduction and circularity to supply chain due diligence and sustainability reporting. We fully support the EU's climate objectives and are committed to delivering real, measurable impact.

We welcome the European Commission's commitment to regulatory simplification as a step in the right direction. However, ambition must be matched by effective execution. For our industries to succeed in the transition and continue investing in Europe, the regulatory framework must be coherent, proportionate, and implementable. Currently, the interplay between the CSRD, CSDDD, and the EU Taxonomy creates a fragmented and burdensome landscape. Overlapping, overly prescriptive and detailed disclosure and due diligence requirements risk shifting high skilled resources away from real-world impact and toward navigating compliance complexities. The proposed Simplification Omnibus Package represents a timely and necessary opportunity to restore clarity and enable meaningful implementation.

In the context of the ongoing EU legislative negotiations, our three associations have jointly identified key areas where simplification is most urgently needed. Our recommendations are targeted and constructive proposals aimed at making EU sustainability legislation more coherent, more predictable, and more aligned with business realities on the ground. Each recommendation reflects concrete implementation challenges already experienced by companies, particularly those reporting under CSRD for the first time in 2025 ('Wave 1') and builds on lessons learned across the full energy value chain.

The following five priority areas represent our shared view on where the proposed reforms must be preserved, reinforced, or clarified to ensure the EU sustainability framework supports ambition through clarity and credibility.

1. Transition Plans: align with CSRD and avoid duplication

We call for the deletion of Article 22 of the CSDDD and the consolidation of climate transition plan disclosure requirements under the CSRD. The CSRD already mandates that in-scope companies publish information on the time-bound, greenhouse gas emission reduction targets they have set and progress made towards achieving those targets. Adding further obligations under the CSDDD, enforced by different authorities with different expectations, creates legal uncertainty without increasing transparency.

Moreover, the concept of “alignment with a 1.5°C trajectory” lacks a universally recognised methodology at company level. This was acknowledged in EFRAG’s application guidance under ESRS E1 and further reinforced **by ISSB’s decision not to mandate temperature alignment disclosures at this stage**. Imposing such a benchmark under CSDDD opens the door to litigation, reputational risk, and potential withdrawal from EU markets - particularly for non-EU companies unfamiliar with these requirements.

Simplification means clarity, not compromise: Information about transition planning should remain within the CSRD, where it is subject to assurance, consistent metrics, and disclosure governance.

2. Civil Liability: remove remaining provisions and respect subsidiarity

We welcome the removal of the harmonised EU civil liability regime under Article 29 of the CSDDD. However, residual elements, such as joint liability, broad evidentiary obligations, and unclear thresholds for disclosure, still undermine legal certainty and contradict the Commission’s own simplification objectives.

For example, companies could be held accountable for harms caused exclusively by independent partners several tiers down the value chain, even when they have taken all due measures under the Directive. This disincentivises engagement, creates litigation exposure, and duplicates existing national liability frameworks.

We believe that, to maintain coherence and subsidiarity, civil liability must be governed by national systems.

3. Sector-Specific ESRS: supporting removal to prevent fragmentation

We strongly support the removal of mandatory sector-specific ESRS. Sector-agnostic standards already require disclosure against over 1,100 datapoints - many of which are narrative-heavy, multi-layered, and difficult to assure.

Simplification must be upheld not only in legal text, but also in implementation. Non-binding guidance must remain optional and not become an informal standard.

4. Value Chain: proportionality and reasonable effort are essential

Our sectors operate in highly globalised, multi-tiered supply chains - with thousands of partners, many located outside the EU. Obtaining granular ESG data from these suppliers, especially SMEs

or those in jurisdictions with different legal systems, is often not just difficult, but impossible. Companies report that suppliers are increasingly unwilling to disclose information due to commercial sensitivity or regulatory conflict.

We therefore welcome the introduction of a value chain “cap” and recommend further clarification on what constitutes “commonly shared information” and how proportionality principles will apply — particularly for non-EU data collection. Without this, the reporting burden may result in unintended supplier disengagement and concentration risks.

Transparency should be incentivised through risk-based, targeted obligations — not mandated through unrealistic expectations.

5. Assurance and Audit: limit scope creep and clarify expectations

We support the retention of limited assurance under the CSRD and the withdrawal of the Commission’s mandate to introduce reasonable assurance at this stage. However, many companies are already experiencing inconsistent and burdensome interpretations by auditors.

Wave 1 companies report that audit firms are requesting hundreds of pieces of documentation, treating EFRAG’s non-binding guidance as legally binding, and applying diverging methodologies — even within the same Member State. In some cases, auditors are stepping into interpretive roles, questioning the strategic content of disclosures rather than verifying process and accuracy.

Assurance must be clear, harmonised, and focused on verification, not interpretation. The Commission should clarify the scope of auditor responsibilities and delay enforcement penalties until audit standards mature.

Conclusion

In conclusion, we are committed to helping the EU deliver on its climate and sustainability objectives. But ambition must be built on a foundation of legal clarity, administrative realism, and operational feasibility. **If implemented properly, the Omnibus Package can be a turning point: from fragmentation to coherence, from burden to enablement.**

As representing sectors critical to the energy transition, industrial innovation, and Europe’s long-term competitiveness, we urge policymakers to safeguard the simplification measures proposed and to resist efforts to reintroduce complexity.

We stand ready to work with the EU institutions to shape a sustainability framework that delivers not just on reporting - but on real-world results.

The Signatories,

