

7 February 2025

## OMNIBUS SIMPLIFICATION PACKAGE – FORTUM'S INITIAL COMMENTS

### Legal certainty should be ensured for large companies

Fortum **supports the Commission's overall objective** to reduce the reporting burden for companies. However, related to the sustainability reporting, for companies that have already done the double materiality assessment and prepared the first Corporate Sustainability Reporting Directive (CSRD) report, the biggest challenges have already been solved. **Legal certainty should be ensured** for these companies. Making significant changes or reductions into the European Sustainability Reporting Standards (ESRS) at this stage could unintentionally create additional burden and add legal uncertainty for the first wave large PIE companies. Hence, any possible bigger changes should **focus on reporting requirements that have not yet been adopted by companies, such as phased-in data points and standards not yet implemented.**

It is important that the Omnibus package **doesn't water down the adopted sustainability legislation**, but rather **aligns unharmonised requirements, gives the opportunity to reduce unnecessary or non-material reporting by adding flexibility, and clarifies provisions if needed.**

Instead of reducing a majority of data points, there should be a **possibility for a phased implementation, where the reporting for example is developed year-by-year on the value chain reporting.** This would also give the opportunity to align the information with the Corporate Sustainability Due Diligence directive (CS3D) better.

### Key proposals to reduce the reporting burden

#### **Our recommendation would be to not put forward the sector-specific ESRS standards**

- Additional reporting requirements should be carefully assessed. Not putting forward the sector-specific ESRS standards would be an effective way to reduce the reporting burden without causing legal uncertainty for companies that have already implemented the sector-agnostic standards.
- We don't see that the sector-specific standards would give added value for the market, instead they would add the reporting burden, i.e. add disclosure requirements and take an enormous amount of time and resources to prepare.

#### **Unharmonised due diligence rules should be aligned**

- Harmonizing due diligence rules is important. Value chain mapping and due diligence (including reporting) is currently being required as part of an increasing number of legislations, including the CSRD, CS3D, the EU Forced Labour Import Ban, the Deforestation Regulation, the Battery Regulation or the EU Conflict Minerals Regulation. These requirements should be harmonised to the extent possible. For example, the CSRD includes 'value chains', whereas the CS3D sets due diligence requirements for the 'chain of activities'.

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**Materiality thinking should be possible in both the EU taxonomy and CSRD reporting**

- Within a material ESRS issue, there should be a possibility to leave out information, including data that isn't material.
- There should also be a possibility to leave out empty tables or irrelevant figures from the taxonomy reporting.

**Other proposals to reduce the reporting burden**

**OpEx reporting of Taxonomy alignment should not be mandatory**

- All taxonomy KPIs don't give added value. We believe that EU Taxonomy indicators to disclose Taxonomy alignment should be analysed on their merits. In particular, for a CapEx intensive industry such as the power sector, we believe that OpEx reporting of Taxonomy alignment should not be mandatory.

**The guidance on reporting by the Commission should be published early enough**

- The right timing of possible reporting guidance by the Commission is essential. The guidance on reporting by the Commission, incl. FAQs, that are used by auditors, should be given in the beginning of the year, giving companies at least 7-8 'month time to take them into account in the reporting the following year. Especially on the taxonomy reporting, there have been guidance published just before the year-end and still the expectation by auditors has been, that the guidance should already be taken into account in the reporting a couple of month later.

**Clarifications are needed on the assurance process**

- Different accounting companies have different interpretations and approaches for the audit process. A general guidance on the assurance process could be beneficial. However, since the companies have the expertise on the technical criteria and DNSH, the guidance should only ensure that the assessment and reporting process is according to the regulation.

**For additional information:**

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