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EU Omnibus proposal should focus on critical datapoints and legal certainty

The Dutch Banking Association (NVB) **supports the initiative aimed at addressing inconsistencies and eliminating redundant data points, and therefore welcomes the Omnibus proposal of the European Commission.** Dutch banks want to be an enabler of the sustainability transition and therefore believe any amendments should be done considering the following points:

- We support the simplification objective of the proposal. **Simplification should focus on identifying critical datapoints needed to finance the green transition.** This should be the main consideration to ensure legal certainty.
- We urge legislators, when determining the scope, to **ensure availability and quality of ESG data for banks' risk management and reporting requirements.**
- We acknowledge the benefit of reducing reporting burdens for SMEs. **We believe this should be complemented by a simplification and reduction of the voluntary reporting requirements (VSME standard), which should consist of data points that are material for transition planning, due diligence, and risk management purposes.**
- We ask legislators to **provide consistency and symmetry to non-financial sector reporting obligations when revising financial sector regulation.** This includes those requirements related to a banks' own risk management to **avoid a de facto "trickle-down" effect of reporting obligations.**
- We value the aim for maximum harmonisation of the CSDDD, since **comprehensive EU harmonisation is necessary to ensure a level playing field and to effectively conduct due diligence.** Dutch banks are committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines .

The Dutch Banking Association (NVB) welcomes the Omnibus proposal which the European Commission published on 26 February.[1] **The Dutch banks want to be an enabler of the sustainability transition and therefore value the EU Sustainable Finance Framework.** It plays a pivotal role in achieving the climate objectives and provides a regulatory framework for banks to support them in effectively fulfilling this enabling role. **The NVB therefore supports the initiative aimed at addressing inconsistencies and eliminating redundant data points,**

[1] Proposal European Commission - Omnibus I – COM(2025)80/81/87

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as this can significantly benefit financial institutions and businesses by reducing administrative burdens. However, certain aspects of the Omnibus proposal may inadvertently hinder the role of banks in the sustainability transition.

Maintaining the double materiality in the framework is a valuable aspect of the proposal. This contributes to legal certainty and preserves the overall sustainability objectives of the EU Green Deal.[2] In principle, we endorse the reduction of required data points to be reported under the Corporate Sustainability Reporting Directive's (CSRD), the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy. However, **should a significant portion of banks' clients no longer be required to publish the anticipated CSRD reports, this could adversely affect the availability and quality of ESG data.** Such a scenario would impair banks' ability to meet their reporting obligations, to manage risks effectively, and to finance the green transition. Therefore, we believe **simplification should focus on identifying critical datapoints needed for sustainability transitions.** We strongly support the commitment to revise and reduce the number of data points of the ESRS and urge to identify data points that are material to users and which are not readily available from other existing sources. **These reviews should commence immediately and not be postponed until after an agreement on the Omnibus package is reached.**

Impact of data availability on banks' ESG risk management and alignment of scope

We understand the proposed delay of implementation of the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD), since this creates more legal certainty. We, however, do urge that due consideration is given to the expectations from prudential regulators and supervisors that seek to leverage data that would be made available as part of the scope of CSRD and CSDDD. Since these directives are now being reviewed, **we ask the European Commission to commit to revising financial sector regulation, including Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD), Sustainable Finance Disclosure Regulation (SFDR), Pillar 3 and ESG risk management guidelines,** in line with the CSRD, CSDDD and other simplification efforts of the European commission **to ensure consistency and symmetry to non-financial sector reporting obligations and avoid** the need for this data **to be collected bilaterally through engagement or via third parties.**

The scope of the EU Taxonomy and the CSRD should be aligned in order not to jeopardize the functioning of the sustainable finance framework. **Limitations on the scope of the CSRD and amendments to the EU Taxonomy may hinder compliance with the requirements of the Sustainable Finance Disclosure Regulation (SFDR) or Green Bond Standards, as sustainability information may not be available in a harmonised manner.** This lack of harmonisation complicates the comparability the SFDR seeks to achieve. The review of the SFDR is on the Commission Work Program later this year.[3] Hence, any amendments should be carefully calibrated. In addition, NVB welcomes the clarification in the context of the review of the SFDR, on the relationship of defense with the investment goals of the sustainability framework.[4]

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[2] The European Green Deal – 11 December 2019
[3] 2025 Commission Work Programme – 11 February 2025, p.2
[4] European Commission - Joint White Paper for European Defence Readiness 2030, p.18.

CSRD scope reduction and a possible de facto "trickle-down effect"

We acknowledge the benefit of reducing reporting burdens for SMEs. **We believe this should be complemented by a simplification and reduction of the voluntary reporting requirements (VSME standard), which should consist of data points that are material for transition planning, due diligence, and risk management purposes. Reporting standards should be fit for its purpose.** We urge that these reviews should not be postponed until the Omnibus package is reached. A restriction in ability to request sustainability information beyond VSME standards may impact banks' conditions on sustainable finance products, since banks need this information for their product portfolio. It also adversely impacts the ability to use our leverage based on data.

It is commendable that the European Commission is addressing the "trickle-down" effect of reporting obligations. However, **it appears that the voluntary standards become de facto mandatory standards and impose the enforcement on the companies subject to CSRD.** In combination with the considerable scope of excluded undertakings from CSRD, this is undesirable and unfeasible for banks. **Reporting obligations of financials and non-financials should be aligned with each other**. In addition, obligations should only apply at the Group level of a company, and not to each subsidiary.

Implementation of sector-agnostic standards and adjustments to ESRS data points

Rather than introducing additional reporting requirements for the financial services sector, **we call for maintaining a focus on facilitating the implementation of sector-agnostic standards. It is essential to clarify, as soon as possible, a proportionate and practical approach to the value chain for financial institutions, as well as how to assess the materiality of financial sector intermediary business.** The transitional relief regarding the value chain should be maintained until a workable approach is in place. **It is important that the CSRD reporting can develop over the course of time based on the gained experience.** Regarding transition plans, EFRAG should build on existing frameworks, widely used by financial institutions, in order to harmonize disclosure, reduce burden for companies and ensure global competitiveness. **We support the proposals that the requirements to move towards reasonable assurance are removed and limited assurance will be the baseline. Yet, the development of audit guidance (which is now scheduled for 2026) needs to be accelerated.**

OECD/UNGP commitments and comprehensive EU harmonisation for a level playing field

We generally support the objective to make the CSDDD more practical and are in favor of the suggested application delay until July 2028. We consider this a useful delay to ensure proper implementation. **We welcome the proposals that further align the CSDDD's transition planning requirements with those of the CSRD (and for banks the CRD). This will help avoid duplication and overlaps.** In addition, Dutch banks have signed the Dutch Climate Commitment and collaborate closely with the Ministry of Finance and the Ministry of Climate Policy and Green Growth.[5]

While the proposed amendment to the CSDDD may have the most significant impact on businesses, **banks still have obligations under their OECD/UNGP commitments and are fully committed.** We value the aim for maximum harmonisation, since **comprehensive EU harmonisation is necessary to ensure a level playing field and to effectively conduct due diligence.** However, this should not have any restraining effects on the sustainability transition.

[5] https://klimaatcommitment.nl/over-het-klimaatcommitment/

The current proposal could lead to national differences and therefore market fragmentation. The proposed removal of EU harmonisation may result in selective "forum shopping" between EU countries and create uncompetitive terms for companies if it results in the application of different levels of civil liability.

Transitional activities as the core of the EU Taxonomy and the Green Asset Ratio (GAR)

The EU Taxonomy KPI for banks should reflect financing of activities that contribute to the transition. We believe this can be achieved by reforming the KPIs so they reflect financing of activities that substantially contribute to one of the environmental goals described in the EU Taxonomy, rather than focusing on full alignment. This should disregard the other existing requirements needed for taxonomy alignment (DNSH and minimum social standards). The proposed Omnibus Package makes references in this direction, but it is not sufficiently mature.

We would like to emphasize **the need for adjustments to the GAR methodology, to ensure it can be a clear and meaningful indicator of banks' sustainability efforts.** In this respect simplification can be achieved by reducing the number of reporting templates. We believe that GAR templates 2 (sector reporting), 3 (stock) and 4 (flow) and additional KPI templates 5 (off-balance sheet information), 6 (F&C reporting) 7 (trading book reporting), as well as Gas & Nuclear templates should be removed. Simplification should also focus on the minimum social safeguards and the Do No Significant Harm (DNSH) criteria.

Symmetry numerator and denominator and contributions of investments in LMICs.

The GAR denominator currently includes exposures to entities not subject to CSRD, such as local governments and public sector entities that are not reflected in the numerator. This structural asymmetry is one of the structural shortcomings of the GAR, limiting its intended purpose and use. The proposed amendment addresses the structural asymmetry at the costs of limiting the scope. Rather than excluding those exposures from the denominator, the current framework should be amended to include those exposures in the numerator. We advocate that the Commission address this in the review of the Disclosures Delegated Act

In addition, the current proposal does not recognise the crucial contributions of investments in Low and Middle Income Countries (LMICs) by EU financial institutions. These investments are still outside the mandatory GAR and only subject to voluntary reporting based on EU-focused criteria. We urge the European Commission to **consider leveraging on widely adopted international standards used by Development Banks as an equivalent mechanism for identifying sustainable opportunities in LMICs.** This would help the EU Taxonomy work well with national taxonomies in LMICs, ensuring clear and relevant criteria, improve global recognition of sustainable investments, and address challenges for European investors in LMICs, ultimately promoting sustainable development.

Align the sustainable finance framework with other European policy goals

As emphasized by Mario Draghi in his report on the future of European competitiveness, there is a political and societal need to develop a strong, democratic, and competitive Europe. Banks can and are willing to play a supportive role in achieving these objectives. **Bank financing should be provided responsibly, with careful consideration of relevant risks, including economic and reputational risks. The NVB therefore calls for alignment between the financing expectations of banks, including those set out in the sustainable finance framework, and other financing needs within Europe**.