COMMENT

Comment

of the German Insurance Association (GDV)
ID-number 6437280268-55

on the Omnibus simplification package for sustainability

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General remarks

The first Omnibus package, published by the European Commission on February 26, focuses on effectively reducing bureaucratic reporting requirements. It includes amendments to the CSRD, CSDDD, and EU Taxonomy Regulation to streamline compliance and enhance legal clarity.

As the German insurance industry, we share the view that the regulatory EU framework on sustainability reporting in its current form, is overwhelming and overly complex and should be significantly improved. Therefore, it is positive that the European Commission now aims to decisively reduce reporting obligations. The Council of the EU and the European Parliament should follow suit to ensure we achieve sustainability reporting that provides real value for all stakeholders and drives a sustainable economy forward. Additionally, the momentum generated by the European Commission and the Omnibus package should also include the removal of the new Sustainability Risk Plans in Article 44 of the amended Solvency II Directive, since sustainability risks are already well covered in Solvency II, with further enhancements made in August 2022. This could be implemented promptly within the framework of the current Omnibus legislation.

The German insurance industry remains strongly committed to supporting the EU's green transition, both as providers of risk coverage and as significant institutional investors. Insurers and reinsurers—perhaps more than any other sector—are directly impacted by the effects of climate change in their daily operations. We strongly believe that a well-balanced and effective sustainable finance framework is key to accelerating the transition to a sustainable economy. Therefore, we have consistently advocated for a targeted reduction of bureaucratic burdens to enable sustainable and meaningful reporting. It is encouraging that the European Commission has incorporated many of the insurance industry's proposals in its latest Omnibus package.

Changes introduced by the Omnibus package will directly affect the scope of sustainability reporting for insurers under the CSRD. Given that the directive is currently being revised, transposing the existing version into national law would be inefficient, as it will soon be replaced by an updated framework. Therefore, we advocate for postponing national implementation until the Omnibus process is complete. In this context, infringement procedures for non-transposition should also be paused until the revised CSRD is finalised.

Below, we outline the key proposed changes by the European Commission and provide the association's views of German insurance industry.

Amendment Directive #1 (COM (2025) 80 final)

Mapping EC's proposed key changes with GDV assessment.

Element	Omnibus Revision	GDV's Assessment
CSRD/ESRS		
1. Postponement of CSRD reporting obligations [Article 1 of the Omnibus amendment (COM (2025) 80 final amending Article 5(2) of Directive (EU) 2022/2464]	The European Commission proposes a two-year postponement of the sustainability reporting requirements for all companies in the CSRD scope that are required to comply from financial year 2025 or 2026 depending on their size. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 31 December 2025 at the latest.	We support the EC's Omnibus proposal for the two-year postponement. We advocate for the timely transposition of the Omnibus Directive within the year 2025 at member state level in order to provide companies with urgently needed legal clarity.
CSDDD		
2. Transposition and application [Article 2 of the Omnibus amendment (COM (2025) 80 final amending Article 37 of Directive (EU) 2024/1760]	Postponing the transposition deadline as well as the application of the Directive by 1 year for the first group of companies in the scope of the Directive.	We support the postponement but encourage the co-legislators to also delay the initial application for the second and third group of obliged entities for another year.

Amendment Directive #2 (COM (2025) 81 final)

Mapping EC's proposed key changes with GDV assessment.

Element	**Omnibus Revision**	**GDV's Assessment**
CSRD/ESRS		
1. Reduction of CSRD scope [Article 2 paragraph 1, 2, 4 and 12 of the Omnibus amendment (COM (2025) 81 final] amending the EU Accounting Directive]	The number of undertakings subject to mandatory sustainability reporting requirements would be reduced by about 80%, taking out of scope large undertakings with up to 1000 employees (i.e. some of the undertakings from the second wave and some of the undertakings from the first wave) and listed SMEs (i.e. all undertakings in the third wave). The reporting requirements would only apply to large undertakings with more than 1000 employees on average (i.e. undertakings that have more than 1000 employees and either a turnover above EUR 50 million or a balance sheet above EUR 25 million). This revised threshold would align the CSRD more closely with the CSDDD.	We strongly support the EC's Omnibus proposal to reduce the CSRD's scope and ease the bureaucratic burden in the EU. However, as the proposal is split into two amendments, insurers with 501 to 1.000 employees – as part of the first CSRD wave – are excluded from the two-year postponement. They must still report under the CSRD currently in force and wait for the second Omnibus amendment to be transposed by member states – causing unnecessary and avoidable costs, contrary to the Omnibus package's objective.
2. Simplification of the sector-agnostic ESRS [This element is not	In the second Omnibus amendment (COM (2025) 81 final) in chapter "specific context and objectives of this proposal regarding the CSRD" (p. 5) it is explained that the European Commission plans to adapt a delegated act to revise the first set of ESRS. To deliver	The revision of the first set of ESRS should be carried out as soon as possible to prevent companies within the CSRD reporting scope from facing continued uncertainty regarding the scope and extent of existing ESRS reporting requirements. Furthermore, EFRAG should be given

included in the EC's proposal to directly amend the EU Accounting Directive.]	swiftly on the simplification and streamlining of the ESRS, and to provide clarity and legal certainty to undertakings, the Commission aims to adopt the necessary delegated act as soon as possible, and at the latest six months after the entry into force of this proposal.	a clear mandate to implement the simplifications to the ESRS without delay. Therefore, Article 29b of the EU Accounting Directive (level 1) must be directly amended to ensure that the revision of the sector-agnostic ESRS is legally anchored at the level of the Accounting Directive, including simplification objectives, focus, scope, and other relevant aspects. The specific objectives should be clearly defined at level 1. While simplifications are generally welcome, any changes to the existing system must be carefully considered and pragmatic to ensure they provide real relief. The focus should be on what is truly meaningful and relevant for stakeholders. Simplification should target reducing mandatory reporting requirements within the sector-agnostic standards. Real reduction should be achieved through the elimination of datapoints, not just restructuring. A verifiable reduction of at least 25% in bureaucracy should be achieved, with a target of 35% for SMEs.
3. Strengthen the interoperability with global sustainability	The Commission intends to adopt a delegated act to revise the first set of ESRS. One objective is to increase the degree of interoperability with global sustainability reporting standards.	We support the EC's Omnibus proposal to enhance interoperability with global sustainability reporting standards. Some of our members wish to report under both ESRS and ISSB. A streamlined system for group

reporting standards [This element is not included in the EC's proposal to directly amend the EU Accounting Directive.]		reporting under both standards is needed to prevent duplication and overlaps. Therefore, it would be desirable for interoperability to be advanced to the extent that the missing ISSB disclosures can be seamlessly integrated into the CSRD report without any content overlaps for reporting entities.
4. Deletion of the sector-specific ESRS [Article 2 paragraph 6 letter a of the second Omnibus amendment (COM (2025) 81 final) amending the EU Accounting Directive]	Deleting the empowerment for the Commission to adopt sector-specific standards by way of delegated acts.	We support the EC's Omnibus proposals to delete sector-specific standards, as this will help simplify the sustainability reporting process and reduce the regulatory burden. Given the removal of sector-specific ESRS, no further standardization in the form of guidelines is needed. Additional guidance for the insurance sector is not considered necessary, as the industry is already subject to extensive and sufficient regulatory requirements. Clarifications should only be made where an analysis of existing CSRD reports indicates a clear need.

5. Limitation of reporting obligations along the value chain [Article 2 paragraph 8 of the second Omnibus amendment (COM (2025) 81 final amending the EU Accounting Directive]	A new Article 29ca is inserted to the EU Accounting Directive. This article requires the European Commission to adopt sustainability reporting standards for voluntary use via a delegated act. The standards would be based on the VSME standard developed by EFRAG and could be used by companies no longer under the CSRD.	We support the EC's Omnibus proposal to limit information requests from CSRD-covered entities to value chain companies with fewer than 1,000 employees, ensuring that value chain reporting obligations remain proportionate to the characteristic and operational complexity of the respective undertaking.
6. Clarification on digitalisation requirements [Article 2 paragraph 9 of the second Omnibus amendment (COM (2025) 81 final) amending the EU Accounting Directive]	A digital taxonomy for the EU's sustainability reporting standards will allow sustainability reporting to be tagged and to be machine-readable. According to Article 2 paragraph 9 of the second Omnibus amendment undertakings are not required to mark-up their sustainability statements <u>until</u> the adoption of this digital taxonomy, undertakings are not required to mark-up their sustainability statements. Considering that the sustainability statement will become machine-readable only once it is both included in an XHTML document and marked-up with a digital taxonomy, pending the adoption of the digital taxonomy undertakings are also not required to prepare the management report in XHTML.	We support the EC's intention to provide legal clarification through the Omnibus proposal. Until there is no legal adoption of the digital taxonomy, undertakings should not be required to prepare the management report in XHTML or apply tagging. However, to ensure a coherent regulatory framework, we believe the EC should go one step further and align digitalisation requirements with the Omnibus objectives. It is crucial that the application of ESEF tagging requirements aligns with the broader objectives of reducing regulatory burden in line with the Omnibus proposals on sustainability reporting simplification. As the revision of sector-agnostic standards is ongoing, regulatory stability is crucial to give reporting companies sufficient time to adapt.

		Therefore, we call for a pause in ESMA's work developing the Delegated Regulation, until reporting companies have had time to adapt to the revised ESRS. Furthermore, before introducing any new digitalisation requirements, ESMA should conduct a comprehensive assessment of ESEF's benefits and practical usage. Based on this assessment, targeted proposals for revising the ESEF regulation could follow, considering a cost-benefit analysis. The proposal should build on a phased implementation approach with investor-centric prioritisation. Additionally, we recommend that ESMA explores the use of new technological solutions, such as artificial intelligence (AI), to automate and streamline tagging processes. Encouraging innovation in reporting methodologies can enhance efficiency while ensuring high-quality disclosures.
7. Maintaining limited assurance [Articles 1 and 2 paragraph 11 of the second Omnibus amendment (COM (2025) 81 final	Deleting the time limits for the Commission to adopt standards for limited assurance and deleting the empowerment for the Commission to adopt standards for reasonable assurance together with the related cross-references.	We support the EC's Omnibus proposals to remove the transition from limited to reasonable assurance.

amending Directive 2006/43/EC and Directive and the EU Accounting Directive]		
8. Maintaining double materiality [This element is not included in the EC's proposal to directly amend the EU Accounting Directive.]	The obligation to carry out a double materiality analysis remains in place.	We support the retention of the double materiality analysis concept and welcome the Commission's intention to provide clearer instructions on how to apply the materiality principle.
CSDDD		
1. Extending the scope of maximum harmonisation [Article 4 paragraph 3 of the Omnibus amendment (COM (2025) 81 final]	Extending the scope of maximum harmonisation to several additional provisions of the Directive that regulate the core aspects of the due diligence process. This includes in particular the identification duty, the duties to address adverse impacts that have been or should have been identified and the duty to provide for a complaints and notification mechanism.	We support the extension as it prevents Member States from establishing more severe provisions (gold plating).
2. Targeting due diligence to direct business partners	Restricting due diligence measures, as a general rule, to the companies' own operations, those of their subsidiaries and, where related to their chains of	We strongly support the restriction as obliged entities would be required to have to look beyond their direct business partner only if they have plausible information that

[Article 4 paragraph 4 of the Omnibus amendment (COM (2025) 81 final]	activities, those of their direct business partners.	suggests an adverse impact at the level of an indirect business partner.
3. Removing the duty to terminate the business relationship as a measure of last resort [Article 4 paragraphs 5 and 6 of the Omnibus amendment (COM (2025) 81 final]	Removing the duty to terminate the business relationships in the case of both actual and potential adverse impacts.	While relevant adverse impacts at business partners are not a plausible scenario in the insurance sector, we support the replacement of the requirement to 'terminate' the business relationship by the requirement to merely 'suspend' it as ultima ratio, as this is a less intense and thus more business-friendly solution.
4. Limiting the notion of 'stakeholder' and further restricting the stages of the due diligence process that require stakeholder engagement	Clarifying that companies are only required to engage with "relevant" stakeholders, thereby underlining that companies do not have to consult every possible stakeholder group but may limit themselves to those stakeholders that have a link to the specific stage of the due diligence process being carried out (e.g., affected individuals when designing a remediation measure). In addition, limiting the stages of the due diligence process at which companies are required to engage with stakeholders.	We support the amendments.

[Article 4 paragraphs 2 and 7 of the Omnibus amendment (COM (2025) 81 final]		
5. Extending the intervals in which companies need to regularly monitor the adequacy and effectiveness of due diligence measures [Article 4 paragraph 8 of the Omnibus amendment (COM (2025) 81 final]	Extending the intervals in which companies need to regularly assess the adequacy and effectiveness of due diligence measures, from 1 year to five years.	We support the extension as it significantly reduces burdens not just for obliged entities but also for their business partners, often SMEs, which risk being at the receiving end of (detailed) information requests as part of these monitoring exercise.
6. Clarifying the principles regarding pecuniary penalties and removing the 'minimum cap' for fines [Article 4 paragraph 11 of the Omnibus	Tasking the Commission with developing fining guidelines in collaboration with the Member States and prohibiting Member States from setting a fines cap. Furthermore, deleting the requirement for the fine to be commensurate to the company's net worldwide turnover	We support the amendments.

amendment (COM (2025) 81 final]		
7. Removing aspects of the civil liability clause and the rules regarding representative actions [Article 4 paragraph 12 of the Omnibus amendment (COM (2025) 81 final]	Removing the obligation to establish a specific, EU-wide liability regime including harmonized rules on representative actions.	We strongly support the amendments.
8. Changing the provisions on the implementation of the climate transition plans [Article 4 paragraph 10 of the Omnibus amendment (COM (2025) 81 final]	Introducing a modification regarding the requirement to put into effect the transition plan for climate change mitigation.	We welcome the amendment as it clarifies that obliged entities must not put into effect the transition plan but (only) include implementation actions planned and taken in the plan.

9. Deleting the review clause regarding financial services [Article 4 paragraph 13 of the Omnibus amendment (COM (2025) 81 final]	Deleting the review clause that would require the Commission to submit no later than 26 July 2026 a report to the European Parliament and to the Council on the necessity of laying down additional sustainability due diligence requirements tailored to regulated financial undertakings with respect to the provision of financial services and investment activities, and the options for such due diligence requirements as well as their impacts.	We strongly welcome the deletion.
EU Taxonomy		
1. Reducing the scope of reporting entities [Article 2 paragraph 2 and 4 of the Omnibus amendment (COM (2025) 81 final]	The scope of entities which are obliged to report taxonomy-related data in their non-financial disclosure will be significantly reduced. Only entities with more than 1.000 employees in the average of the last financial year and with a net turnover of more than 450 million euros are in scope. For smaller entities member states must offer a clearly reduced and voluntary taxonomy reporting, article 19b/29aa of the proposed directive to amend directive 2013/34/EU.	We generally support the EC's omnibus proposal to reduce the scope of the reporting entities as this is a clear relieve regarding smaller entities. But we would prefer a clear reference to Directive 2013/34/EU to avoid any doubts. Nevertheless, we want to point out, that less reporting entities result in less taxonomy data in the market. We currently assess with our members, if this reduction results in a shortcoming of needed data especially for the investors and risk management needs. Furthermore, interdependencies with other sustainability regulations, e.g. SFDR, must be examined to avoid further gaps.

2. Introduction of a 10 % de minimis threshold [Article 1 paragraph 5 Delegated Regulation (…) amending article 6 Delegated Regulation 2021/2178]	Reporting companies may apply a 10 % de minimis threshold (for underwriting premiums and assets) if the premiums and/or the assets represent not more than 10 % of the denominator of the relevant KPI. They may be considered not material and must not be assessed on compliance with the Taxonomy criteria. The extent of not assessed premiums and/or assets must be reported separately.	We fully support this EC's omnibus proposal of a de minimis threshold for the investment KPI. Based on our understanding, auditors have strongly urged companies to collect Taxonomy data even if this would only marginally increase the Taxonomy alignment (e.g., by less than 1 %). Assessing Taxonomy criteria for assets that make no measurable contribution to the reported figures is both burdensome and not meaningful. Furthermore, it should be clarified, if these assets (up to 10 %) should be included in the denominator or not and that the auditor must not request estimated data. For the underwriting KPI, the benefits are less clear. Once the calculation of the underwriting KPI is integrated into existing internal processes, we do not anticipate a significant simplification. However, for (re)insurers developing new lines of business or in case of small entities, having the option not to implement the calculation in the systems might be valuable. Therefore, we welcome the flexibility to calculate or not to calculate this KPI as needed.
3. Simplification of the templates [Annex 5 to the Delegated Regulation (…)	The templates reporting entities must use are simplified. Both, the template for the underwriting KPI as well as the templates for the investment KPI (now Green Asset Ratio KPI) are clearly simplified.	We fully support the proposed simplification. The adjustments to both the underwriting KPI and the investment KPI (now Green Asset Ratio KPI) will significantly streamline the templates. Nevertheless, we believe, that there is still room for further simplification. In particular, we doubt

amending article 6 Delegated Regulation 2021/2178]		whether the breakdown of covered assets provides meaningful additional insight from an investor's perspective. E.g., reporting on undertakings not subject to article 19a and 29a of Directive 2013/34/EU gives no added value and could easily be excluded from the denominator without any disadvantage for investors. Generally, we recommend aligning the wording of the template with section 1 of annex IX, e.g. using "total investments" or "total assets" for the avoidance of doubts. Furthermore, a general review of all templates regarding form and logic should be done, e.g. such as pro-rata approach concerning reinsurance.
4. KPIs without companies not in scope of the CSRD [Article 1 paragraph 6 Delegated Regulation (…) amending article 7(3) Delegated Regulation 2021/2178]	Due to the proposed new article 7 (3) exposure to undertakings that are not large undertakings in the meaning of the amended directive 2013/34/EU (i.e., undertakings with less than 1.000 employees during the financial year) shall be excluded from the denominator of the KPI of financial undertakings.	We support this EC's omnibus proposal. Although we see that this proposal reduces the number of undertakings in scope of the KPI, we see merits in excluding them. Leaving them in scope of the KPI might create indirectly pressure on these undertakings from investors to provide Taxonomy data.

5. The consolidated KPI (between Investment KPI and Underwriting KPI) [Not included in the EC's Omnibus proposal]	This element is not included in EC's omnibus proposal.	The consolidated KPI is based on two completely different KPIs and in our view adds no significant informational value. Therefore, we strongly recommend adapting the EU Taxonomy to clarify that aggregating the two insurance KPIs (i.e. consolidated KPI) is not necessary and can be omitted. Additionally, guidance on consolidated KPI should be removed from Q&As. This holds true for any other consolidated KPI of a group of different (financial) companies (e.g. insurers, banks, asset manager).
6. Voluntary and partial reporting [Article 2 paragraph 2, 3, 4 and 5 of the Omnibus amendment (COM (2025) 81 final]	The proposed articles 19b and 29aa Directive 2013/34/EU allow undertakings with more than 1.000 employees but less than 450 million Euro net-turnover to opt-in on a voluntary basis for a simplified Taxonomy reporting and/or for a reporting on partial Taxonomy alignment, i.e., a Taxonomy reporting on economic activities of the undertaking that are not yet fully taxonomy-aligned.	We generally support the EC's proposal. A simpler voluntary Taxonomy reporting with only a few key KPI may animate companies to voluntary report, although they are not obliged to do so. This holds true for the possibility to report on partial alignment. However, it is not clear, whether this also applies for financial undertakings. A clarification is necessary. We admit that most financial institutions cannot be Taxonomy-aligned with their own business activities. But this is not the case for (re)insurers who can have Taxonomy-aligned activities. Therefore, this option should be made available for all undertakings who can perform Taxonomy-aligned economic activities, not only for non-financial undertakings.

		Additionally, it should be considered to admit a voluntary partial reporting also to large reporting entities in scope of the CSRD.

Berlin, 08. April 2025