

EU Omnibus, Focus on Feasibility While Maintaining Ambition

The Dutch Association of Insurers welcomes the European Commission's announced Omnibus package, which aims to revise and streamline existing European rules on sustainability reporting. Like other industries, insurers have seen a significant increase in regulatory pressure in recent years due to various European rules on sustainable finance. We therefore fully support the current European Commission's goal of reducing this regulatory burden.

For insurers, it is crucial that easing regulatory pressure does not hinder the level of ambition or the attainability of previously established climate goals, particularly the goal of net-zero by 2050. As both investors and risk carriers, insurers directly experience the effects of a changing climate on both sides of their balance sheets. Additionally, given their societal role, insurers are strongly committed to contributing to a clean economy. Sustainability reporting is essential in this regard.

The Dutch Association of Insurers has therefore established the following key principles:

- **Streamlining EU legislation must not lead to legal uncertainty.**
- **Simplify through addressing unnecessary complexity and double reporting** arising from overlapping regulations. Current reporting obligations under the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and Solvency II exhibit significant overlaps in requirements while differing in scope. As a result, insurers are currently obliged to produce multiple reports based on the same data.
- **Align reporting requirements between financial and non-financial companies** to ensure the availability of reliable sustainability data. The European Sustainability Reporting Standards (ESRS) should not impose more demands than strictly necessary and should allow sector-specific exceptions when justified by a lack of impact and/or materiality. The financial sector should not be required to report on matters that non-financial companies themselves do not disclose.
- **Focus reporting on areas with the greatest impact.** The current EU Taxonomy Regulation does not provide sufficient input for insurers' investment decisions. Therefore, the Dutch Association of Insurers wants the inclusion of the financing transition enables in the taxonomy. Additionally, unnecessary complexity within the EU Taxonomy should be addressed.
- **Include Solvency II in the Omnibus package** to prevent duplicate reporting requirements under CSRD and new sustainability risk management requirements for insurers.
- **Ensure uniform implementation.** To maintain fair competition within the internal market, a uniform implementation of the CSRD must be pursued.

Based on these principles, the Dutch Association of Insurers is convinced that the EU Omnibus package can help reduce the regulatory burden on businesses without compromising the ambition to meet existing climate goals.
