

(English version)

**Question for written answer E-001837/25
to the Commission
Mario Mantovani (ECR), Denis Nesci (ECR)
(7 May 2025)**

Subject: Cutting red tape and the failure to extend the Omnibus provisions for SMEs to banking supervision and prudential requirements

The proposed Omnibus package lays down provisions to relieve the administrative burden on small and medium-sized enterprises (SMEs) under the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD). SMEs would become exempt from the obligation to report on a series of environmental, social and governance (ESG) standards linked to environmental sustainability.

However, this lifting of reporting and due diligence obligations would not extend to EU banking supervision and prudential requirements. In particular, the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR) would, regardless of the Omnibus exemption, continue to oblige SMEs to report on a series of ESG/ESR environmental sustainability factors and standards used to assess risk profiles in banking relations. Such an assessment would be particularly complicated and costly for SMEs, would require them to go to great lengths to provide the necessary information and could lead to difficulties in accessing credit for reasons that do not necessarily have any bearing on the way the company is managed. There is no point to the proposed Omnibus package if simplifications are not extended to the banking sector too.

In view of this, given that the proposed Omnibus package lifts the obligation on SMEs to report sustainability metrics, does the Commission not think that it should provide for their exemption from ESG/ESR reporting obligations in the CRR and CRD with respect to banking supervision and prudential requirements?

Submitted: 7.5.2025

**Answer given by Ms Albuquerque on behalf of the European Commission
(11 July 2025)**

With the Omnibus package on sustainability ⁽¹⁾, the Commission proposed to reduce the reporting burden for a significant number of undertakings in the EU.

In so far as credit institutions are subject to obligations under the Corporate Sustainability Reporting Directive (CSRD) ⁽²⁾ and the Corporate Sustainability Due Diligence Directive (CSDDD) ⁽³⁾, they will benefit of such simplification.

Under the prudential framework (Capital Requirements Regulation and Directive-CRR/CRD) ⁽⁴⁾, credit institutions are subject to Environmental, Social and Governance (ESG)-related obligations in relation to their exposure to climate risk.

The European Banking Authority (EBA) is mandated to prepare uniform reporting and disclosure formats specifying how credit institutions need to comply with such prudential obligations.

The EBA has already published guidelines on ESG matters ⁽⁵⁾, which guide credit institutions towards compliance with prudential requirements.

The EBA's implementation of other related mandates in CRR and CRD is catering for and adjusting to the simplification introduced by the Omnibus package, ensuring appropriate proportionality. The Commission sees therefore no need to amend CRR and CRD at this stage.

⁽¹⁾ https://finance.ec.europa.eu/publications/commission-simplifies-rules-sustainability-and-eu-investments-delivering-over-eu6-billion_en.

⁽²⁾ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en.

⁽³⁾ https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en.

⁽⁴⁾ https://finance.ec.europa.eu/banking/banking-regulation/prudential-requirements_en.

⁽⁵⁾ <https://www.eba.europa.eu/activities/single-rulebook/regulatory-activities/sustainable-finance/guidelines-management-esg-risks>.