

Tuesday, February 18, 2025.

European Omnibus Initiative: AFG calls for coherent and ambitious simplification to ensure sustainable competitiveness of the European Economy

The European Commission has launched an “Omnibus” initiative aimed at simplifying several Sustainable Finance regulations, including CSRD, Taxonomy, and CS3D. AFG fully supports this simplification initiative, provided that it preserves the ambition of these regulations while strengthening European competitiveness and sovereignty.

Philippe Setbon, Chair of AFG, stated:

"Let's simplify regulation without compromising its ambition: we must provide sustainable finance with a clear, stable, and coherent framework, essential for financing transitions and enhancing the competitiveness of the European economy. AFG advocates for smart simplification, bringing together investors and businesses to develop an operational solution that ensures both the financing of our transitions and the competitiveness of the European economy."

AFG warns against the unintended consequences of incomplete measures that could hinder European companies' access to financing.

Drastically raising the thresholds beyond which reporting obligations apply will only increase the dependence of investors and European companies on ESG data providers that are neither regulated nor supervised. This will also lead to higher data costs borne by the final investor and an increased risk of greenwashing accusations throughout the investment chain.

Succeeding in the CSRD is not just a matter of competitiveness and transition financing; it is also a question of European sovereignty. Whoever controls the data—its quality, accessibility, and cost—also controls the allocation of financial flows.

Furthermore, large companies' compliance with CSRD heavily depends on their ability to obtain reliable data from their suppliers, most of whom are SMEs.

That is why AFG calls for simplification while:

- Ensure a level playing field with a simplified CSRD reporting obligation **for all companies operating in the European Union that are subject to the CSRD, and, where applicable, for their group, whether their parent company is European or not.**
- Maintaining the **principle of double materiality** as a fundamental pillar of ESG analysis, in alignment with the SFDR, allowing for the anticipation and consideration of long-term risks and opportunities related to environmental and social factors.



Press contact:

Delphine de Chaisemartin | 06 75 31 73 91 | d.dechaisemartin@afg.asso.fr
Caroline Richard | 06 15 45 23 93 | c.richard@afg.asso.fr
41 rue de la Bienfaisance | 75008 Paris | T : +33 (0)1 44 94 94 00
Avenue des Arts 56 | 1000 Bruxelles



www.afg.asso.fr

- **Simplifying without undermining the objectives of the European Green Deal:**
 - o **CSRD:** Drastically reduce the number of reporting requirements for companies by focusing on essential data for investors and businesses.
 - o **Taxonomy:** Simplify reporting tables, the Green Asset Ratio (GAR), and the "Do No Significant Harm" (DNSH) principle to prevent complex and uneven application.
 - o **CS3D:** Postpone the implementation of the directive pending a thorough assessment of its impact on the competitiveness of European businesses, and the non-reopening of the review clause.

- **Ensuring regulatory coherence and harmonization:**
 - o Any modifications to CSRD or Taxonomy will impact both financial and non-financial actors. AFG calls for a comprehensive approach that ensures seamless integration with the broader European Sustainable Finance regulatory framework (SFDR, MiFID, IDD, etc.) and national regulations (such as the French Energy-Climate Law).

- **Guaranteeing accessibility, reliability, and comparability of ESG data:**
 - o Direct access to issuer-reported data should be ensured to reduce dependency on data providers and to provide reliable and comparable information for businesses, asset managers, and investors.

AFG remains committed to ensuring that this simplification effort effectively addresses the challenges of sustainable finance while strengthening European competitiveness.



About AFG

For 60 years, AFG has united asset management professionals, serving the actors of savings and the economy. It is the collective voice of its members, including portfolio management companies, entrepreneurial firms, and subsidiaries of banking or insurance groups, both French and international. In France, asset management involves over 700 management companies, with €4.7 trillion in assets under management.

AFG is dedicated to the growth of asset management, contributing to the emergence of beneficial solutions for all ecosystem stakeholders, and committed to promoting the industry's influence in France, Europe, and beyond. AFG is investing in the future.



Press contact:

Delphine de Chaisemartin | 06 75 31 73 91 | d.dechaisemartin@afg.asso.fr
Caroline Richard | 06 15 45 23 93 | c.richard@afg.asso.fr
41 rue de la Bienfaisance | 75008 Paris | T : +33 (0)1 44 94 94 00
Avenue des Arts 56 | 1000 Bruxelles

