

22 August 2025

NFU response to EBA Consultation on Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks

NFU submitted response

While NFU acknowledge the legal uncertainty surrounding the transitional application of ESG disclosure requirements pending the adoption of the Sustainability Omnibus Directive, we see substantial risks associated with the issuance of a no-action letter. In our view, such informal instruments are inadequate substitutes for high-quality legislation and risk creating further fragmentation and uncertainty in a domain that demands coherence, predictability, and public trust.

Employees and their representatives consistently emphasise the importance of clarity and a durable legislative framework. Stable, high-quality rules allow institutions to plan with confidence, safeguard jobs, and build skills in line with the long-term sustainability goals of the Union. While we, as trade unions, sympathise with the ambition of EBA to create clarity in an uncertain regulatory landscape, we also recognize that guidance that introduces future ambiguity risks creating further uncertainty for employees tasked with implementing sustainability legislation.

The European Union has, over the past years, built a globally respected sustainability framework that combines ambition with accountability. Reliance on non-binding guidance may unintentionally weaken this framework by inviting divergent national practices, potentially creating an uneven playing field and eroding the predictability that institutions and employees need.

NFU therefore does not recommend the use of a no-action letter. Instead, we believe that any delay, adjustment, or clarification of ESG disclosure obligations should come through formal legislative or regulatory channels, ideally embedded within the ITS themselves. In this respect, we advocate for the inclusion of explicit transitional provisions in the ITS, clearly stating that any disclosure obligations derived from the

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Sustainability Omnibus Directive will only take legal effect upon its formal adoption and entry into force.

Looking ahead, NFU urges the EBA to ensure that future ITS not only clarify technical requirements for environmental and climate risks, but also explicitly reflect how labour, workers' rights, diversity, and upskilling are integrated into banks' risk assessments and business strategies. Embedding these dimensions into disclosure frameworks will strengthen resilience, reinforce social legitimacy, and better align financial institutions with the EU's sustainability objectives.

As stressed in broader stakeholder communications, including recent civil society and institutional appeals, Europe's competitiveness must be rooted in regulatory excellence, sustainability leadership, and innovation—not in legal ambiguity or deregulation. A no-action letter would fall short of this standard. It would send the wrong signal to markets and citizens at a moment when clarity, consistency, and commitment are essential to accelerate decarbonisation and sustainable transformation.

NFU reiterates that by waiting for the proper legislative process to conclude, we ensure that any guidance is not only clear but also fully aligned with the updated definitions, classifications, and policy objectives that lawmakers have expressly decided are necessary.

Moreover, allowing the formal process to reach its conclusion respects the institutional legitimacy of the legislator, ensures consistency across the regulatory environment, and prevents the perception that some actors are gaining a head start through anticipatory interpretations. In short, patience here supports clarity, stability, and fairness — qualities that are best secured through the completed legislative framework rather than interim measures