CEPE's proposals for simplification and digitalisation

CEPE
The voice of paint, printing ink and artists' colours in Europe

May 2025

Simplification proposals

CEPE's recommendations to boost competitiveness while safeguarding policy goals

CEPE is the European Council of the Paint, Printing Ink and Artists' Colours Industry. Our industry directly employs 100.000 people and is a key supplier to many industrial, professional and consumer downstream users.

Regulatory burden is a major concern for our sector, with a high impact on competitiveness, innovation and investment decisions. The European paint and printing ink industry is particularly affected by complex and rapidly evolving regulations.

We welcome the European Commission's commitment to reducing administrative burden by at least 25%, as announced in the Competitive Compass on 29 January 2025 and recognise the importance of broader regulatory simplification.

- Regulatory simplification means revising legislation to minimise complexity and administrative burden, to enable a more competitive and innovative industry.

This document presents a non-exhaustive set of concrete proposals to simplify certain regulations while maintaining the integrity of policy objectives. We acknowledge that legislation serves important policy objectives, but it often imposes unnecessary complexities, lack of digitalisation and disproportionate obligations. Our proposals are regarded as suitable to be quickly implemented. They are without prejudice to our general positions on complex legislation such as REACH, Biocides legislation, food contact material legislation, laid down in specific CEPE position papers.

We urge the European Commission to act decisively.

Christel Davidson
Managing Director CEPE

CEPE's Proposals:

Simplification | Digitalisation | Harmonisation

1	Adjust implementation deadlines for downstream users reliant on supplier information	REACH & CLP	S		
2	Stipulate in law a date by which time a guidance document should be available	REACH & CLP	S		
3	Provide affordable digital compliance solutions, especially for SMEs	REACH & CLP	S	D	
4	Make Impact Assessments mandatory for any new or revised regulatory measure in the field of chemicals	REACH & CLP	S		
5	Require ECHA to implement an early warning system for potential substance self-classification changes	REACH & CLP	S		
6	Revoke the microplastics reporting obligation	REACH	S		
7	Eliminate and prevent chemical safety provisions from legislation other than REACH	REACH	S	H	
8	Create a Commission-supported standard for digitally importing Safety Data Sheets	REACH	S	D	
9	Allow QR-codes for the distribution of Safety Data Sheets to professional users	REACH	S	D	
10	Delete the minimum font size requirements of the CLP Regulation for industrial and professional uses	CLP	S		
11	Exclude products for which poisoning is not prevalent from the Poison Center Notification	CLP	S		
12	Allow for submissions of Poison Center Notification dossiers in one language (English) for compliance throughout the EU	CLP	S		
13	Disallow fees imposed by national agencies when submitting Poison Center Notification dossiers	CLP	S	H	

14	Improve the approval processing time and associated high costs for new biocides and biocidal products	BPR	S	
15	Assess biocides by Product Type (PT) instead of one individual active substance at a time, taking into account market availability	BPR	S	
16	Disallow national product labelling requirements, strongly intervene when proposals arise	Internal Market	S	H
17	Launch an Action Plan to harmonise environmental legislation between Member States	Internal Market	S	H
18	Fully implement the Omnibus proposal on sustainability reporting	CSRD & CSDDD	S	
19	Restrict the use of the term “digital product passport” to official ESPR-compliant versions	ESPR	S	

REACH & CLP | Simplification

1 Adjust implementation deadlines for downstream users reliant on supplier information

Situation Now: REACH and CLP set deadlines for actions in the supply chain to fulfil obligations, such as for changing labelling or the SDS. In many cases the downstream users rely on information from their suppliers, who often have the same deadline.

Problem Description: The problem is that suppliers and downstream users often have the same deadline to comply, resulting in the undesirable situation where a downstream user receives necessary information very close to or on the deadline date. This is too late for the downstream user to act, as for example changing labelling often takes a preparation of months in advance. This lack of synchronisation and predictability hampers planning and compliance efforts

A specific example is the restriction on microplastics, which stipulates that downstream users need to change their labelling by a certain date if it contains solid polymer microparticles falling under the restriction. However, for this they rely on information from their suppliers, who need to communicate if the raw material falls under the restriction or not. Because both raw material supplier and the Downstream User have the same deadline for providing this information, this creates a timing issue, making compliance challenging.

Furthermore, downstream users often face challenges due to the scattered implementation deadlines of various pieces of legislation throughout the year. The two CLP revisions (one introducing new hazard classes and the other a text revision) illustrate the need for better coordination, as both introduce overlapping changes but follow different implementation timelines.

A more coherent and predictable framework for EU legislative deadlines—such as aligning them with the start of each quarter (four times a year) or on a biannual basis—would be highly beneficial.

CEPE's Proposal:

1. Introduce a staggered implementation approach by providing downstream users with extra time - or raw material suppliers with a shorter time - when downstream users rely on upstream actors to comply with obligations. Define transition timelines through clear definitions in the regulation.
2. Establish coherent timetables for implementation deadlines, especially for separate texts on the same subject, to ensure predictability and feasibility for industry.

REACH & CLP | Simplification

2 Stipulate in law a date by which time a guidance should be available

Situation Now: ECHA often creates guidance documents to help companies understand how to comply with legislation, such as the CLP guidance or the guidance on Safety Data Sheets. These guidance documents are valuable resources that provide companies with clarifications and reassurance that they are in compliance with the interpretation of the competent authorities. Subsequently they also form the basis of automation efforts by companies where appropriate. As a result, companies typically wait for these documents before adjusting their business processes and initiating or changing automation.

Problem Description: Recently guidance documents are published very late, creating a timing issue for companies, making compliance challenging. An example is the guidance on the REACH-restriction on microplastics.

CEPE's Proposal: Stipulate in law a legally binding publication deadline for essential guidance documents, ensuring they are available well in advance to the implementation date, sufficient time for industry adaptation and system automation changes.

We propose this deadline must ensure the guidance document is available no later than one-third (1/3) of the way through the total implementation period. For example, for a 3-year implementation timeline, guidance must be published within the first year. This principle ensures that at least two-thirds of the allocated time remains for industry to interpret, adapt, and implement necessary process and system changes, thereby mitigating compliance risks caused by late clarifications.

REACH & CLP | Simplification | Digitalisation

3 Provide affordable digital compliance solutions, especially for SMEs

Situation Now: Companies are required to submit information, make notifications, form dossiers, or fulfil other reporting obligations. While market providers can provide digital solutions to (semi-)automate these processes, these software packages are expensive.

Problem Description: Due to the excessive costs of software compliance packages, such as for submitting information through IUCLID or S2S, companies and in particularly SMEs are affected by administrative burden. In many cases the SMEs opt to not purchase these software systems and do reporting manually. An example is the Poison Center Notification, for which software packages exists, automating the reporting and reducing administrative burden, but due to the high costs often SME companies cannot afford this.

CEPE's Proposal: The Commission and ECHA should facilitate the availability of affordable, user-friendly digital compliance tools, particularly for SMEs. This could involve developing basic ECHA-provided tools (e.g., for PCN submissions), promoting open standards, or exploring options for subsidised access to commercial software.

REACH & CLP | Simplification

4 Make Impact Assessments mandatory for any new or revised regulatory measure in the field of chemicals

Situation Now: The European Commission is not obliged to perform an impact assessment for every new legislation or revision, only for "major legislative proposals." Some measures are adopted without assessing all the direct and indirect impacts, or looking at the efficacy of the proposed changes.

Problem Description: An example is the recent change to the CLP (Classification, Labelling and Packaging) regulation, which introduced new font size and formalism requirements for labels. While this creates significant operational impacts for downstream users, the actual benefits in terms of improving label comprehension are limited. Such measures are often introduced without proper analysis of their operational feasibility or the overall impact on the industry.

This lack of thorough impact assessments can lead to unintended consequences, such as increased costs and regulatory burdens, with minimal benefit to public safety or environmental protection.

CEPE's Proposal:

1. Mandate comprehensive Impact Assessments, for any new or revised regulatory legislation in the chemicals sector to ensure that the potential impacts on the industry, as well as the effectiveness of the measure, are properly evaluated.
2. Require these studies to include both direct and indirect impacts, assessing proportionality, cumulative burden, impacts on SMEs, international competitiveness, and innovation, alongside the intended benefits.

REACH & CLP | Simplification

5 Require ECHA to implement an early warning system for potential substance self-classification changes

Situation Now: Downstream users formulate products based on the classification of supplied substances and mixtures. ECHA, as part of substance evaluation or dossier evaluation under REACH, may request registrants (manufacturers/importers) to perform additional toxicological studies.

Problem Description: These requested studies can generate new hazard data, potentially leading registrants to change the self-classification of a substance under CLP. Downstream users often only become aware of these potential or confirmed changes when their supplier updates the SDS, which can happen with little warning.

While the CLP regulation provides a transition time, this is an insufficient lead time for downstream users to assess the impact, reformulate, if necessary, update their own product classifications and labels, and manage existing stock, leading to significant compliance challenges, costs, and potential market disruption. There is currently no systematic mechanism for ECHA to provide an early warning to the broader downstream user community about ongoing evaluations likely to trigger (self-)classification changes.

CEPE's Proposal: Require ECHA to enhance transparency by proactively informing relevant downstream user associations (such as CEPE) and potentially making public non-confidential information (e.g. via website updates or newsletters) when dossier evaluations are initiated (e.g. when dossier holders are asked to perform additional toxicological studies). This would serve as an early warning, allowing downstream users more time to prepare for potential impacts.

REACH | Simplification

6 Revoke the microplastics reporting obligation

Read the Joint Industry Call on revoking the microplastics obligation (31 March 2025)

Situation Now: The REACH-restriction on microplastics imposes a reporting requirement for derogated uses, such as for paint and printing inks, including their industrial downstream users, such as carpentry factories or the automotive industry. Companies are required to report their emissions at the production site, as well as emissions from their consumer and professional users. The reporting will be conducted annually with companies first having to submit their reports in 2027 over the previous calendar year.

Problem Description: A large majority of the companies having to report are SMEs, who will be particularly affected as they often lack the resources to comply with extensive reporting obligations. The reporting obligation causes high administrative burden, as paint and printing ink producers have a wide range of products and raw materials and work with many suppliers. The reporting requirements obliges them to record and manage extensive amounts of data such as end uses, generic information on the polymer types, concentrations and corresponding emissions. Furthermore, the designated reporting tool, IUCLID, is notoriously user-unfriendly.

Rather than developing their own calculation methods to come to these estimations, most companies—particularly SMEs—will rely on expert judgments at the EU level. This is because accurate estimations require a wide variety of considerations, such as multiple emissions routes and corresponding emission factors, which SMEs often lack the capacity or expertise to conduct independently. As a result, many companies will use the same emission factors, making the collected data redundant, as the European Commission could achieve the same or even a more accurate outcome more efficiently by conducting sector-specific studies, as has already been done.

CEPE's Proposal:

1. Revoke the microplastics reporting obligation.
2. Alternatively, conduct targeted sector-specific studies based on representative samples (building on existing Member State research) to gather necessary data, thereby avoiding the burden of universal reporting.

REACH | Simplification

7 Eliminate and prevent chemical safety provisions from legislation other than REACH

Situation Now: Since its introduction in 2007, the REACH Regulation has been the main legislative tool to protect human health and environmental from hazardous substances. It has thoroughly contributed to this policy goal. However, in recent years other legislation has also added provisions on chemical substances and safety, introducing new definitions and possibilities to restrict substances.

Problem Description: Allowing provisions on chemical safety in legislation other than REACH causes a fragmented legislative landscape for companies. The procedures and imbedded consideration procedures in REACH are in place for a reason and are bypassed with other legislation introducing new restrictions or requirements. An example is the introduction of Substances of Concern in ESPR and other legislation referring to this definition.

CEPE's Proposal: Prevent directives or regulations (excluding sector-specific legislation like food safety) from introducing new provisions on chemical safety. Instead, mandate the use of existing mechanisms under REACH for managing chemical risks.

REACH | Simplification | Digitalisation

8 Create a Commission-supported standard for digitally importing Safety Data Sheets

Situation Now: Paint and printing ink manufacturers are required to create Safety Data Sheets (SDS) for their products, which contain essential information on safe handling, storage, and disposal. These SDS must be distributed through the supply chain to ensure users have access to the necessary information. At the same time, paint and printing ink manufacturers also receive SDS from their raw material suppliers.

Currently, the widespread practice is to send SDS via email in PDF format. A typical company uses hundreds of different materials and markets many different products, each requiring its own SDS. Furthermore, SDS are frequently updated, and each significant revision must be redistributed through the supply chain. As a result, companies continuously exchange large volumes of SDS.

Problem Description: While the content of a SDS is standardised, the formatting is not. As a result, digitally extracting and accurately importing SDS data into internal software systems is challenging. Companies need to extract information from SDS to create SDS for their own products. Information enclosed in SDS is also needed for occupational health and safety purposes, which require companies to record toxicological information and perform exposure calculations.

The lack of a standardised digital format creates an administrative burden, as companies must manually enter information, increasing administrative costs, workload, and the risk of human error. While work on this has been underway for an exceptionally long time, currently no EU-approved standard exists.

CEPE's Proposal:

1. Work with the European Chemicals Agency ECHA to finalise the development of an XML-based SDS format officially supported by the European Commission, codified in legislation.
2. Require that SDS be made available in XML format by suppliers upon request; when a downstream user asks for an SDS in XML, the supplier must be obligated to provide it accordingly.

REACH | Simplification | Digitalisation

9 Allow QR-codes for the distribution of Safety Data Sheets to professional users

Situation Now: Paint and printing ink manufacturers are required to create Safety Data Sheets (SDS) for their products, which contain essential information on safe handling, storage, and disposal. These SDS must be distributed through the supply chain to ensure users have access to the necessary information.

According to Article 31 (8) of REACH "A safety data sheet shall be provided free of charge on paper or electronically no later than the date on which the substance or mixture is first supplied." The guidance document provided by ECHA states that national Competent Authorities interpret this as a proactive duty (e.g. sending as attachment by mail) and does not allow for QR-codes to be used as sole means of communication through the supply chain.

Problem Description: Professional painters buy a wide variety of products and as such receive a large amount of SDS, provided to them by mail. In practice most professional painters do not use SDS and experience receiving SDS from suppliers as spam. They might use alternate email addresses for receiving SDS, mark the mailings as spam or immediately send them to a separate inbox folder. Furthermore, while the idea is that a painter should always have access to the SDS while on the job, in practice this may not always be the case, for example when the person purchasing the product and receiving the SDS is not the same as the person using the product.

CEPE's Proposal: Amend the ECHA guidance on SDS provision (Article 31(8) of REACH) to explicitly recognise QR codes on packaging as a sufficient primary means of providing SDS access to professional users.

To uphold the integrity of the policy objective, a SDS should still be sent by email or provided on paper if the end user requests this. The same counts for distributing required revisions down the supply chain, for example when a hazard classification changes. In this instance the existing duty to inform the end user of a significant revision by email should remain. Furthermore, the Commission should set minimum requirements of what the QR-code should display, e.g. a webpage that clearly shows a download button for the product.

The possibility of using a QR-code is already hinted at in the Ecodesign for Sustainable Products Regulation, which introduces a digital product passport for certain product groups. In recital 34 it says: "Given that other Union law sets information requirements for products and sets up systems to make information available to economic operators and customers, the Commission should consider linking information requirements under this Regulation to those other requirements, such as the obligation to provide safety data sheets for substances and mixtures in accordance with Regulation (EC) No 1907/2006."

CLP | Simplification

10 Delete the minimum font size requirements of the CLP Regulation for industrial and professional uses

Situation Now: The revision of the CLP Regulation in 2024 introduced minimum font size requirements for labels of products containing classified substances and mixtures. New products placed on the market will have to comply with the new requirements as of December 2026.

Problem Description: The new minimum font size requirements are overly burdensome and significantly impact competitiveness in the EU yet offer little to no real benefit in terms of information clarity and consumer safety. A 2023 study commissioned by CEPE from New York University moreover concluded that there is only a "limited gain in legibility with a 1.4mm x-height compared to 1.2mm." Thus, the foreseen increased minimum font size from 1.2mm to 1.4mm for the 0.5-3-liter packaging capacity imposes significant costs (millions of euros per economic actor), with negligible readability benefits, especially in industrial and professional settings.

The new CLP font size requirements will moreover reduce the number of languages that can fit on the multilingual label. On average we estimate that the label fits a factor three less languages. This results in three times more unique product codes (Stock Keep Units) or making use of the fold-out labels, which entail significantly higher costs.

CEPE's Proposal: Exempt industrial and professional uses from these new labelling requirements for substances and mixtures in all the different volume categories. Industrial and professional users rely on Standard Operating Procedures, SDSs, and workplace and environmental risk assessments to ensure safe use of substances and mixtures and to protect the environment.

CLP | Simplification

11 Exclude products for which poisoning is not prevalent from the Poison Center Notification

Situation Now: Companies that place mixtures containing hazardous substances on the market are required to prepare Poison Center Notification (PCN) dossiers under Annex VIII of the CLP Regulation. These dossiers must include detailed information on the mixture composition, toxicological properties, Unique Formula Identifier (UFI), product identification, hazard classification, contact details, and market placement information. The purpose of this notification is to ensure that poison centers have access to critical data to provide emergency health responses in case of accidental exposure.

Problem Description: The PCN submission requirement imposes a significant administrative burden on companies. Particularly on small and medium-sized enterprises (SMEs), which often lack dedicated compliance departments or access to automated digital tools. For example, a medium-sized printing ink manufacturer has already submitted over 6,500 initial reports, with new ones being added daily. Maintaining compliance demands an additional 30 minutes of work per day for submitting or revising dossiers, which may seem minor in isolation but becomes a substantial operational burden when combined with other regulatory reporting requirements. Even for the larger companies, the automation effort required for notification and maintenance of the notification over time involves a significant investment.

Furthermore, in sectors such as paints and printing inks, the actual occurrence of poisoning incidents is extremely low. Even in cases where accidental exposure occurs, the added benefit of providing poison centers with detailed formulation data is minimal, if not negligible. Paints, for instance, are generally low in acute toxicity and have low potential of poisoning incidents.

As a result, the justification for including these product categories in the PCN system is weak when weighed against the administrative burden imposed on companies, especially when standard poison centre treatment protocols for these product types are often based on general product category rather than specific formulation.

CEPE's Proposal: Conduct an evidence-based review, using poison centre incident data and toxicological profiles, to identify product categories (such as most decorative paints and standard printing inks) with demonstrably low acute poisoning risks and negligible benefit from detailed PCN data. Exclude these categories from the Annex VIII notification requirements.

CLP | Simplification

12 Allow for submissions of Poison Center Notification dossiers in one language (English) for compliance throughout the EU

Situation Now: PCN dossiers must be submitted in the official language of the country where the mixture is marketed unless a Member State allows otherwise. Some Member States already accept submissions in English. If a company markets the same product in multiple countries, individual submissions must be made in each required language.

Problem Description: Having to make separate dossier translations causes administrative burden. This administrative burden is unnecessary, as only professionals working for the national poison centers will have access to the information. Poison centre staff are highly specialised professionals often operating in multilingual environments or possessing strong English proficiency.

CEPE's Proposal: Amend Annex VIII of CLP to allow PCN dossiers submitted in English to be valid across all EU Member States, potentially with Member States retaining the right to request a translation in specific emergency situations if necessary, rather than requiring upfront translations for all submissions.

CLP | Simplification | Harmonisation

13 Disallow fees imposed by national agencies when submitting Poison Center Notification dossiers

Situation Now: Member States are currently allowed to impose national fees for companies submitting Poison Center Notification dossiers. These range from a set amount per PCN dossier to yearly recurring fees.

Problem Description: Several Member States, such as Hungary, Belgium, Italy, and Ireland, impose national fees for Poison Center Notifications. This causes significant administrative burden for companies and impacts competitiveness.

CEPE's Proposal: Prohibit Member States from imposing national fees for the submission or maintenance of PCN dossiers made through the harmonised ECHA portal, ensuring the system operates without creating undue financial barriers inconsistent with the single market.

BPR | Simplification

14 Improve the approval processing time and associated high costs for new biocides and biocidal products

Situation Now: Under the Biocidal Products Regulation (BPR), producers of biocides and biocidal products have to get approval through national Competent Authorities before they can place the product on the market. Companies that want to get approval need to follow a set procedure, forming a dossier and performing tests. Legally, this approval procedure is set at a maximum of 3 years, in practice this can take much longer – up to 10 years.

Problem Description: Downstream users of biocides, such as those used to prevent mould growth in water-based paints before use, are facing an increasingly limited selection due to strict regulatory pressures. At the same time, the complex and resource-intensive approval process for new biocides and biocidal products creates significant cost and time barriers for manufacturers. Lengthy approval times discourage investment in safer biocidal products, creating bottlenecks in innovation.

The extremely long timelines for the review and approval process also result in moving goalposts whereby the requirements for dossiers already submitted are adjusted such that achieving the approval becomes even less likely. This situation undermines the BPR's goal of ensuring a high level of protection while facilitating the free movement of biocidal products.

CEPE's Proposal: Improve the approval processing time and associated costs to motivate manufacturers to innovate towards new and safer biocides and biocidal products. This can be achieved by setting *binding* processing time targets, simplifying dossier requirements where scientifically justified, increasing resources and efficiency at evaluating Competent Authorities and ECHA, and improving the functioning of mutual recognition.

BPR | Simplification

15 Assess biocides by Product Type (PT) instead of one individual active substance at a time, taking into account market availability

Situation Now: Biocides are used by downstream users to protect the mixture from the forming of microorganisms like bacteria or algae, such as those used to prevent mould growth in water-based paints before use. Downstream users are facing an increasingly limited selection of available active substances, due to strict regulatory pressures in the BPR (Biocidal Products Regulation). Suppliers of biocides and downstream users have invested a considerable amount of resources in R&D looking for alternatives. However, all results point to the same conclusion, namely, that industry is not able to move away from current substances.

Problem Description: The lack of available biocidal active substances for a given product type (e.g. PT6 – preservatives for products during storage or PT7 – film preservatives) causes several problems. For example, it increases the risk of microorganisms to build up resistance, when combinations of biocides cannot be used anymore. Furthermore, the product itself has a shorter shelf life or functional period, causing products to be spoiled sooner or have a shorter functional lifespan. This can already be seen in practice and goes against the goal of a circular economy, where waste is minimalised and raw materials are used efficiently. The current review process has no consideration for these consequences.

CEPE's Proposal: In the BPR assessment procedure for biocides, a holistic approach should be used: evaluation should be done by product types (e.g. PT7) instead of on individual substances basis, with the aim to incorporate market availability considerations to avoid situations where no appropriate alternatives remain.

Internal Market | Simplification

16 Disallow national product labelling requirements, strongly intervene when proposals arise

Situation Now: Some Member States have national requirements for product labelling, notably in the field of sustainability performance. Examples of this are new icons launched with guidance on what to do with packaging and paint post use in France, Spain (and U.K.).

Problem Description: The proliferation of national labelling requirements directly contradicts the principles of the Single Market. Companies have to change converging multi-lingual packaging into diverging national packaging, resulting in more administrative burden and associated costs. Additionally, regular changes in legislation and additional national requirements results in stock to be more frequently outdated, requiring technically good products to be disposed.

CEPE's Proposal: The European Commission should use its oversight role, including robust application of the TRIS notification procedure, to strongly discourage and prevent Member States from introducing national product labelling requirements that diverge from harmonised EU rules.

Internal Market | Harmonisation | Simplification

17 Launch an Action Plan to harmonise environmental legislation between Member States

Situation Now: Environmental legislation is primarily established and regulated by the EU – e.g. through the Industrial Emissions Directive and REACH. However, while in recent decades large steps have been made to harmonise legislation, the legislative landscape remains highly fragmented across Member States. Differences arise due to national gold-plating, varying interpretations of EU directives, and the introduction of additional national legislation.

Problem Description: Businesses face an unequal level playing field, having to deal with national requirements, associated administrative burdens and compliance challenges. This regulatory complexity impacts competitiveness, investment decisions and innovation of industries subject to these regulations.

One example – out of many – are the mandatory product registries in the Nordic region, where companies must provide product data to a national register. This is national legislation resulting in a lot of administrative burden, while not being harmonised with EU-reporting obligations, such as the Poison Center Notification.

CEPE's Proposal: The Commission should launch an Action Plan that includes the following elements:

- Commitment to use more regulations instead of directives.
- Strengthen the enforcement and scrutiny during the TRIS notification process to prevent national rules that create unjustified barriers or duplicate EU legislation.
- The European Commission should establish a task force to systematically identify inconsistencies in national environmental regulations, quantify their economic impact, and develop a roadmap for harmonisation. This initiative should actively involve Member State authorities and industry stakeholders.
- Incentivise Member States to remedy the unequal level playing field and broken internal market.

CSRD & CSDDD | Simplification

18 Fully implement the Omnibus proposal on sustainability reporting

Situation Now: The EU has introduced various sustainability reporting requirements under the Green Deal, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Dilligence Directive (CSDDD), which mandates extensive disclosures and obligations for companies, including SMEs. These reporting obligations result in a large administrative burden for companies, combined with the problem that they are spread across different regulations, leading to further complexity. The Omnibus proposal on sustainability reporting aims to simplify and reduce burden, while streamlining and aligning these obligations.

Problem Description: The current versions of the CSRD, CSDDD and Taxonomy are burdensome and complex for companies, especially for the SMEs having to deal with this legislation. For many businesses, CSRD is no longer about meaningful sustainability action but about managing compliance paperwork. The extensive reporting obligations demand specialised expertise, additional staff, and expensive consultancy services—costs that SMEs struggle to afford. Instead of driving real sustainability improvements, CSRD risks becoming a bureaucratic exercise that burdens companies without clear benefits.

The Omnibus proposal on sustainability reporting aims to address these concerns by reducing reporting complexity, streamlining disclosures, and easing administrative burdens. However, delays in its adoption leave companies stuck in a compliance maze that continues to grow more demanding. Sometimes overlapping sustainability reporting requirements under different frameworks. This creates inefficiencies, inconsistencies, and unnecessary administrative burdens for businesses, particularly in the downstream chemicals industry, which already faces extensive compliance obligations.

CEPE's Proposal:

1. Urgently implement the Omnibus proposal to alleviate the overwhelming reporting burden.
2. Ensure that future sustainability reporting requirements are proportionate to company size and capacity, preventing SMEs from being disproportionately affected.
3. Simplify the reporting process by limiting excessive data collection demands and focusing on sustainability disclosures that have real impact rather than formalistic compliance.

ESPR | Simplification

19 Restrict the use of the term “digital product passport” to official ESPR-compliant versions

Situation Now: The new Ecodesign for Sustainable Products Regulation (ESPR) introduces the concept of a digital product passport (DPP) for product groups covered by the regulation. This passport provides additional information on products, with a primary focus on sustainability. The specific information to be included in the DPP will be defined in delegated acts for each product group.

Problem Description: Some market providers are currently offering so-called "digital product passports" even though the ESPR’s requirements—set to be detailed through future implementation and delegated acts—have not yet been finalised. This creates confusion among companies and consumers alike and may lead businesses to invest in systems that ultimately do not comply with EU regulations.

CEPE’s Proposal: Restrict the use of the term “digital product passport” to systems that are fully aligned with the definitions and requirements set out under the ESPR. Companies should be prohibited from using this term unless their solution constitutes a compliant implementation under the regulation.

Alternatively, require providers of non-official systems using the term to include a clear disclaimer, such as 'not an official EU Digital Product Passport.’