

ZVEI Position

on the proposal for an environmental omnibus “Simplifying for sustainable competitiveness”

Introductory remarks

In view of the tense economic situation in Germany and Europe, ZVEI strongly supports the EU Commission's goal of strengthening competitiveness in Europe through simplification and less bureaucracy. The Commission's proposals send an initial signal for reducing bureaucracy: especially the deletions of the SCIP database goes in the right direction.

However, there is potential for more. There is a significant number of further EU environmental laws that offer potential for simplification and a reduction in the bureaucratic burden on businesses, while maintaining a high level of environmental protection. **In this statement, ZVEI puts forward specific proposals for simplifying EU environmental law and reducing bureaucratic hurdles for businesses.**

1. Phase out the SCIP database

ZVEI supports the Commission's proposal to discontinue the SCIP database, as it represents an important step towards reducing administrative burdens while maintaining a high level of environmental protection.

ZVEI proposal:

- **Closure of the SCIP database and deletion of Articles 9.1(i) and 9.2 from the Waste Framework Directive (EU) 2018/851**
- **Harmonisation and mutual recognition of existing information** requirements between REACH, ESPR/DPP, and other legal acts according to the principle of “one list – one declaration.” Information requirements for substances in articles should preferably be anchored in REACH.
- **Focus on practical solutions:** In line with the Commission's simplification objective, the discontinuation of SCIP should not lead to the creation of new reporting obligations that are similarly problematic. Any future requirements for information on substances in articles should be introduced gradually, based on a thorough assessment of feasibility, proportionality and enforceability, and designed in such a way that (existing) data can be (re)used to the maximum extent possible.

In practice, SCIP has proven to be a **costly instrument with limited added value**. Its reporting requirements go beyond what is necessary for supply-chain communication under **Article 33 REACH** and generate significant compliance costs and operational complexity - especially for complex products with multi-tier, global supply chains. From a downstream implementation perspective, SCIP is also of limited practical use for **waste operators** working at industrial scale, who cannot realistically sort or treat waste based on individual article identifiers or “SVHC status”.

Moreover, the SCIP database has become a **maze of duplicate notifications, unclear rules and technical shortcomings**. Persistent issues include inconsistent **TARIC codes**, weak filtering functionality, slow performance, long dissemination delays, undefined specifications, and a lack of safeguards against incorrect entries, including those that may be reputationally damaging. Companies therefore incur high administrative costs for information that is already covered under REACH and will increasingly be addressed through emerging product frameworks (e.g. **ESPR**, the **Batteries Regulation** and the **PPWR**) - risking further duplication if not coherently aligned.

2. Simplify REACH regulation

We welcome the European Commission's intention to achieve effective simplification and improve implementation through the announced revision of REACH as part of the 'Chemicals Industry Package'. The impact of REACH on the electro and digital industry, as an end-user sector of chemicals, is different but no less significant than its impact on the chemicals industry itself

ZVEI proposal:

- **Maintain and strengthen a risk-based REACH approach:** Preserve the distinction between hazard and risk by systematically considering use-specific exposure and emission potential across the full lifecycle of substances and articles. Regulatory decisions should remain grounded in risk assessment, not default hazard assumptions. Accordingly, do not introduce generic, hazard-driven concepts, such as the Generic Approach to Risk Assessment (GRA) or the Essential Use Concept (EUC), as horizontal default instruments under REACH.
- **Increase predictability and transparency in restriction and authorisation:** Ensure early, transparent and science-based assessment of risk and of the most appropriate risk management/regulatory option, including clear reasoning and consistent procedural steps. Strengthen the Candidate List (SVHC) as a focused tool - expand its role where warranted, but keep it manageable and targeted to a limited number of substances with a clear regulatory need.
- **Strengthen REACH as the central EU chemicals legislative framework:** Avoid the fragmentation of product-specific substance concepts and the creation of parallel reporting regimes, which lead to inconsistencies, duplicated obligations and legal uncertainty. Instead, centralise coherent information obligations for substances requiring regulatory attention under REACH and ensure that downstream product legislation is based on this common reference point.

The electro and digital industry, as a sector representing end-users of chemicals and manufacturers of complex articles, relies on high-performance chemicals and materials to ensure the safety, durability and functionality of products and equipment. Therefore, simplification must strengthen legal certainty, reduce duplication and inconsistencies across legislation, and maintain a high level of protection through robust, science-based decision-making.

Generic approaches and blanket bans on entire groups of substances do not achieve this. Chemicals regulation should continue to be based on the proven principle of scientific risk assessment, taking into account exposure and emission potential specific to the intended use. Purely hazard-based approaches can lead to unjustified restrictions on the availability of substances, negatively impacting innovation and technological progress. It must remain possible to manufacture and use hazardous substances where risks to human health and the environment are adequately controlled and where there is no unacceptable risk. This is essential for the continued development and production of sustainable products, as well as for safeguarding value creation in Europe.

3. Abandon the existing Substances-of-concern-concept

ZVEI supports the Commission's objectives of simplification and improved implementation. In this context, we regret that the Commission has not taken up our key recommendations on the Substances of Concern (SoC) concept, submitted during the consultation process, including in the Joint Industry Letter of 10 September 2025.

ZVEI proposal:

- **Abandon the existing SoC concept** and remove it from the **ESPR** and all **legal acts** in which it is referenced.
- **Establish a uniform REACH-based approach** for substances-in-articles information on substances requiring regulatory attention (with clear substance identification), building on established mechanisms such as the Candidate List/REACH Article 33, and—where appropriate—adapting the role of the Candidate List.
- **Focus on targeted and enforceable measures:** where substance-related product requirements are considered necessary, they should be limited to clearly defined substances and specific circular-economy problems, and be based on feasibility, proportionality and enforceability. Broad and vague SoC categories must not be used as default triggers for reporting or restrictions.

Several parallel initiatives and product-group studies aimed at identifying “substances of concern” are currently being pursued under the ESPR and other product frameworks, including the Batteries Regulation and the PPWR. This risks generating diverging definitions, methodologies and outcomes. For complex and highly interconnected supply chains, the result would be a fragmented and inconsistent set of substance concepts and information requirements - creating additional administrative burden without added value for circularity or environmental protection.

At the same time, the current SoC definition is overly broad and insufficiently operational. It would encompass a very large number of CLP-classified substances (potentially “several thousand”), which is not practically traceable across the lifecycle of complex articles and cannot be justified “by default” from an environmental perspective. The term “other substances ... negatively affect reuse and recycling”, is vague, lacks a harmonised methodology and is open to divergent interpretations, making enforceable implementation unrealistic. The SoC approach also risks duplicating existing obligations (e.g. SVHC communication under REACH Article 33) and multiplying reporting burdens for industry and authorities without any additional benefit.

A more workable solution is therefore to remove the SoC concept and rely on a uniform, REACH-based framework for substances-in-articles information where regulatory action is actually needed, ensuring coherence and legal certainty across downstream product legislation.

4. Avoid introducing a divergent SVHC definition in the Battery Regulation

ZVEI acknowledges that the European Commission in its Environmental Omnibus proposal [COM\(2025\) 981 final](#) addresses labelling requirements for hazardous substances under Regulation and the related draft implementing act. We welcome the intention to narrow and clarify the scope of substances subject to information and labelling requirements. However, the proposal would, for the first time in the batteries framework, introduce a definition of “substances of very high concern (SVHC)” that goes beyond the established REACH understanding, thereby creating legal uncertainty and inconsistencies across EU chemicals and product legislation.

ZVEI proposal:

- **Maintain full coherence with REACH:** Any reference to “SVHC” in the batteries framework should be limited to substances fulfilling the criteria in REACH Article 57 and identified in accordance with REACH Article 59(1) (i.e. Candidate List substances). A definition of “SVHC” should be provided only in REACH, not in product-specific legislation.
- **Amend the Omnibus text to align the SVHC definition with current REACH understanding (delete the CLP Annex VI extension):**

“(1) Article 3(1) is amended as follows:
(b) the following point (69) is added: substance of very high concern’ means any substance which fulfils the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 and is identified in accordance with Article 59(1) of that Regulation. *(delete “or any substance which fulfils the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 and listed in Annex VI of Regulation (EC) 1272/2008).*
(4) in Annex VI Point 8 in Part A is replaced by the following:
‘8. the substances of very high concern within the meaning of Article 3(1)(69) which are present in the battery, other than mercury, cadmium and lead, with a concentration above 0.1% (w/w)’¹⁰¹. *(delete “equal or”)*’
- **Embed batteries into a coherent “substances in articles” approach under REACH:** Substances-in-articles information requirements, including for batteries, should be anchored and governed under REACH (building on REACH Article 33/Candidate List mechanisms), and then consistently referenced by downstream product legislation.

The proposed introduction of a broader or alternative SVHC definition in the Battery Regulation would deviate from a concept that has been consistently applied under REACH for two decades. The Environmental Omnibus should therefore avoid introducing a divergent SVHC definition and ensure full alignment with the REACH-based framework.

5. Move EPR topics from Environmental omnibus to CEA

The Environmental Omnibus includes measures to simplify Extended Producer Responsibility (EPR), by suspending the obligation for EU-based companies to appoint an authorised representative.

ZVEI proposal:

Irrespective of the content, we recommend moving proposals for changing rules for Extended Producer Responsibility (EPR) from the omnibus proposal to the upcoming Circular Economy Act (CEA).

Background:

We doubt whether the proposed measure to simplify Extended Producer Responsibility (EPR), by suspending the obligation for EU-based companies to appoint an authorised representative, will work in practice in terms of controllability and enforcement. The CEA provides the possibility to create a coherent vision on EPR.

6. Additional documentation for and changes of the Packaging and Packaging Waste Regulation (PPWR)

ZVEI proposal:

- We support the objective of reducing bureaucratic hurdles in EPR packaging obligations in order to facilitate cross-border trade within the single market. While it is welcome that the Commission aims to improve the design of the EPR rules for packaging, the current proposal lacks clarity in several key aspects and risks creating legal uncertainty. Although we consider the proposal to be promising, effective enforcement must be ensured, and small and medium-sized enterprises must not be placed in an even more burdensome bureaucratic situation.
- It is therefore crucial that the EU establishes clear minimum rules rather than relying on “alternative measures” and ensures a uniform, simple, and comprehensible implementation across Member States. The overarching objective must remain the greatest possible harmonisation of producer responsibility in Europe. Priority should be given to EU-wide harmonised, digital, and interoperable solutions - ideally a one-stop shop for registration and reporting with a uniform data model, clear transition periods, and no double reporting at national and EU level.
- In addition, it remains essential that economic operators from non-EU countries are effectively held accountable. The progress made in recent years in addressing free riders must not be undermined by a half-hearted revision.

Background:

There is a risk that without clear guidelines, each member state will introduce its own control mechanisms. Unclear “alternative means” could lead to new national differences, more uncertainty, and higher costs – especially for SMEs. Country-specific fees, reporting formats, or special regulations such as national EPR obligations could even increase. If this happens, the proposal could ultimately have the opposite effect by increasing, rather than reducing, administrative burdens.

7. Making proposals for the Industrial Emissions Directive (IED) more effective

ZVEI proposal:

- The proposed amendments to the environmental management system (Article 14a IED) are insufficient; therefore, the overall regulatory scope of the EMS should be significantly reduced.
- Full relief with regard to the environmental management system can only be achieved by deleting all references to BAT conclusions, in particular to permanently exclude additional requirements related to chemicals.
- References to installation-specific benchmarks in BAT conclusions undermine a site-based environmental management system; these references should be deleted in order to enable implementation in line with ISO 14001.

- The mandatory publication of EMS content on the internet creates additional administrative burdens without any discernible environmental benefit; Article 14a(4) should therefore be deleted without replacement.
- Integrating the environmental management system into installation permits leads to unnecessary administrative effort; the EMS should be monitored exclusively through general operator obligations and environmental inspections.
- The standardised setting of emission limit values at the lower end of BAT-associated emission ranges is impractical; limit values should continue to be determined on a case-by-case basis, taking technical feasibility into account.
- Existing derogations from emission limit values are overly restrictive; they should be expanded and the thresholds for their application significantly lowered.
- The introduction of environmental performance limit values leads to double regulation; such requirements should be deleted from the IED and left to existing sector-specific legislation.
- For installations with a legally defined decommissioning date, permit updates are disproportionate; an explicit exemption should be introduced in Article 21 IED.
- The baseline report for soil and groundwater entails high costs with limited added value; this obligation should be abolished entirely.

Background:

The revised Industrial Emissions Directive (IED) entails significant additional costs and administrative burdens for operators of industrial installations, which may jeopardise necessary investments as well as the transformation towards climate neutrality. However, these regulations must not hinder industrial transformation; instead, they must safeguard competitiveness and ensure a level playing field. Therefore, the Directive needs to be consistently reviewed with a view to reducing administrative complexity and improving investment friendliness. Against this background, the amendment proposals to the IED presented by the European Commission in the Environmental Omnibus Package (COM (2025) 986 final) are generally welcomed. However, they are insufficient to deliver tangible relief for industry and must therefore be complemented by further simplification measures.

8. Disclosure of information on unsold consumer products under ESPR:

ZVEI proposal:

- Transition periods with simplified reporting in the first reporting year
- Random sampling instead of limited assurance as the verification method

Background:

The disclosure requirement under Article 24 of the ESPR is already set to apply to large companies in 2026 for the 2025 financial year. However, the reporting requirements have not yet been fully finalized at this stage, as the adoption of the Delegated Acts announced for July 2025 has been delayed. We are therefore advocating simplified reporting for the first reporting year. In addition, a sufficient transition period must be allowed for the preparation and publication of reports after the end of a financial year.

We reject the use of the “limited assurance” approach as a verification method. Given that the CSRD and CSDDD are currently being amended via the Omnibus Package, many companies are likely to fall outside the scope of application. This would result in additional administrative work. Instead, random checks by the competent authority could be a more sensible approach.

9. Digitalisation of Information

ZVEI proposal:

- Staged introduction of Digital Product Passports
- Digital solution instead of paper documentation

Background:

- The ZVEI advocates a gradual introduction of the DPP system. Initially, the focus should be on essential functionalities, see [ZVEI Whitepaper](#) for further details. The same applies to data content. The DPP should not be overloaded from the outset. The focus must be on essential data that is actually available and can be collected along complex global value chains. The data must be meaningful, easy to understand, purpose-oriented, and verifiable. The benefits, necessity, and effort involved in data collection must be carefully examined and proportionate. Feasibility for SMEs must also be ensured.
- The DPP should replace existing paper documentation and not be introduced in addition to existing labeling and information requirements.

10. ESPR Label

ZVEI proposal:

- No one-size-fits-all ESPR Label: Product-specific approach; clearly distinguish between B2B and B2C requirements
- Digital-first
- Avoid regulatory overlap and multiple overlapping labels

Background:

The benefits of a new label and general requirements must be clear before further details are considered. Labels must be product-specific to remain meaningful, cost-effective, and consumer-friendly. The ESPR label may create a redundant burden on companies, as its coexistence with other methods like the Energy Label and Digital Product Passport is unclear. We especially oppose any requirements for a paper label. Additional physical labels contradict the EU's digitalization and packaging reduction goals.

ZVEI: Electro and Digital Industry Association

The ZVEI represents the common interests of the electrical and digital industry and associated service companies in Germany and internationally. The association has more than 1,100 member companies and 170 employees in the ZVEI Group.

At the end of 2024, the industry employed 900,000 people in Germany. This makes it the second largest industrial sector in our country. The sector's 2024 turnover amounted to 220 billion euros.

The electro and digital industry is one of the most innovative economic sectors in Germany. Every year, the industry spends 22 billion euros on R&D and more than nine billion euros on investments.

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