

1. Waste Framework Directive (WFD)

⚠ The lack of harmonised criteria for the recognition of end-of-waste status in the EU makes trade more difficult.

✓ Introduction of standardised end-of-waste criteria at EU level to avoid national differences and market distortions.

2. Carbon Border Adjustment Mechanism (CBAM) **Remove**

⚠ Low thresholds lead to a disproportionate bureaucratic burden for companies.

⚠ CO₂ pricing of imported goods with unclear specifications, missing data from suppliers and problems with goods tariff numbers.

Otherwise simplify:

🔧 Increasing the threshold for the application of CBAM and introducing half-yearly reporting instead of quarterly.

🔧 Simplification and standardisation of reporting obligations, transitional period, central EU database for emission values.

3. EU Emissions Trading System (ETS)

⚠ Complex requirements for small and medium-sized companies with low emissions.

✓ Raising the threshold for small emitters to opt out to 50,000 t_{eq}CO₂ in order to reduce the administrative burden.

4. EU Taxonomy Regulation **Remove**

⚠ Many different individual documents, incomprehensible changes to individual legal norms in different documents.

⚠ The EU taxonomy does not include specific economic activities in space/prioritise and reduce excessive reporting complexity

Otherwise simplify:

🔧 Standardisation of an EU taxonomy directive for simpler legal implementation.

🔧 Superfluous reporting if taxonomy does not broadly reflect the sector

🔧 Remove OpEx or consider it subordinate, only include research & development activities

🔧 DNSH voluntary for turnover KPIs: Comply or Explain approach makes the reporting of turnover KPIs much simpler and ensures that turnover can be reported more easily.

🔧 Expanding taxonomy-compliant sales using the comply or explain approach reduces the complexity of the audit and shortens it significantly.

🔧 Focus on CapEx, as investments are the best transformation indicator

🔧 Weapons that are not banned by international agreements signed by EU member states and that are intended for use by EU and/or NATO member states or countries classified as NATO-equivalent are to be categorised as a positive contribution to sustainability within the taxonomy (comparable to nuclear power).

5. EUDR (Regulation on Deforestation-free Products) **Remove**

⚠ Companies must ensure that raw materials have not contributed to deforestation; this also applies to indirectly affected companies.

Otherwise simplify:

🔧 The following would be desirable: realistic transition periods, clear definition of the products affected, standardised EU-wide test procedure.

🔧 The scope of the regulation should be re-examined.

🔧 Alternatively, a value threshold could be considered so that low-value materials are not affected.

🔧 The EUDR categories should be harmonised and merged with those of ESG so that joint monitoring can also take place.

6. Ecodesign Regulation

⚠ Excessively broad definition of „substances of concern“ leads to legal uncertainty.

✓ Limiting the definition to substances that actually hinder recycling and reuse.

7. European Sustainability Reporting Standards (ESRS) (for CSRD) **Remove**

⚠ Further reduction of the LSME draft in order to reduce the scope of the reporting obligation.

Otherwise simplify:

🔧 Direct relief for PIE SMEs and their suppliers. – Has been taken into account in the omnibus package of 26 February 2025

8. Industrial Emissions Directive (IED)

⚠ Overlapping requirements with other EU directives lead to multiple reporting.

✓ Removal of redundant requirements for environmental management systems and introduction of harmonisation with existing standards.

9. Sustainability Reporting Directive (CSRD)/Omnibus

⚠ Support for the current discussion and the simplification of reporting obligations through the omnibus procedure

⚠ Regulations on so-called mid caps are also expected, so that large companies will probably also be obliged to report on sustainability information outside this area of application.

- ✓ Size criteria for the application of the CSRD/ESRS are to be adapted to the scope of the CSDDD (1,000 employees, € 450 million turnover) as proposed in the omnibus package of 26 February 2025.
- ✓ Information on the value chain should only have to be provided for Tier 1 business partners, no longer for the entire value chain; in addition, the information should only be mandatory for business partners with more than 500 employees.
- ✓ The date of first-time application for the reporting obligations should be postponed; a subdivision into large, mid and small caps would be useful here
- ✓ The planned sector-specific standards are not to be implemented.
- ✓ In addition, the freedom to cover company-specific topics must be maintained.
- ✓ Development and provision of a digital tagging taxonomy for digital reporting and better comparability of information.
- ✓ An exception to the reporting requirements must be made specifically for defence equipment that cannot fulfil the ESG criteria in order to achieve its intended purpose.

10. Transition Plans

- ⚠** Inconsistent requirements in different pieces of legislation lead to uncertainty and duplication of effort.
- ✓ Create a standardised transition plan template for non-financial entities to meet all EU requirements.

11. Corporate Sustainability Due Diligence Directive (CSDDD) **Remove**

- ⚠** Extensive due diligence obligations, high liability risks and unclear regulatory requirements for companies. The current form is not feasible and leads to considerable legal uncertainty. In particular, the unclear definition of terms makes legally compliant implementation difficult.
- ⚠** Aviation industry has limited choice of suppliers.
Otherwise simplify:
 - 🔧 No acceptance beyond Tier 1: Companies should only be responsible for direct suppliers.
 - 🔧 Introduction of mechanisms to simplify reporting and avoid double charges.
 - 🔧 Recognition of certifications to avoid unnecessary testing processes.
 - 🔧 Clear regulations for exemptions for force majeure and secondary raw materials.
 - 🔧 Reduction of disproportionate information requests to companies not subject to reporting requirements.

- 🔧 Immediate relief for many EU „large“ (but non-PIE) companies and their suppliers by avoiding the trickle-down effect.
- 🔧 Centrally controlled certification processes
- 🔧 Exception for secondary raw materials: recycling processes must remain secure

12. Packaging and Packaging Waste Regulation (PPWR)

- ⚠** National differences in reuse quotas and packaging regulations make market introduction more difficult.
- ✓ Removal of national regulations that hinder the EU internal market and creation of standardised rules for packaging.

13. Late payment Directive

- ⚠** Limiting payment periods to 30 days leads to liquidity problems for SMEs and makes freedom of contract more difficult.
- ✓ Retention of the current regulations on contractual freedom and introduction of flanking measures to combat late payment.

14. REACH Regulation **Remove**

- ⚠** REACH is associated with far-reaching obligations to provide evidence, which is particularly burdensome for SMEs. The planned ban on the entire PFAS substance group makes the rapid production of defence equipment in the EU impossible in some areas and increases dependence on non-European suppliers.
- ⚠** In the areas of military and civil aviation and military and civil space a ban on the PFAS group of substances would mean a substantial restriction. For example, a ban on PFAS would make it impossible to continue rocket launches in space travel.

Otherwise simplify:

- 🔧 Greater consideration of defence policy aspects in new REACH nominations. Although there is the possibility of a defence exemption by the BMVg, this is not a panacea, as this is also associated with high bureaucratic hurdles and as the SVI market alone is too small for many manufacturers in the chemical industry. Therefore, there should be no general bans, but rather targeted restrictions where health hazards occur. Safety in production should be increased through occupational health and safety and not by banning entire groups of substances.
- 🔧 To avoid substantial restrictions in the military and civil aerospace industries due to a ban on the PFAS group of substances, targeted exemptions should be considered. An adjustment of the regulatory approach through differentiated exemptions would enable companies to better adapt to the requirements and continue to drive essential technological developments.

15. EIA Directive 2011/92/EU

A According to Art. 2 (4) of the Directive, Member States may, in exceptional cases, exempt an individual project as a whole or in part from the provisions of this Directive.

- ✓ Here, the EU should grant a – possibly temporary – sectoral exemption for all projects that serve as new, expansion or conversion investments for additional production capacities in the defence sector.

16. Directive 2009/81/EC on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts in the fields of defence and security

A The Directive contains certain provisions on procurement pursuant to Art. 346 TFEU and emergency exemptions, which should be adapted in light of the need to accelerate armaments procurement.

- ✓ Art. 8: Increasing the threshold values for supplies and services in order to avoid the greater expense of cross-border tenders.
- ✓ Art. 18 and Annex III: Examination of a sensible reduction of the requirements for technical specifications to defence and security-specific issues.
- ✓ Greater emphasis on the possibility of a functional service description.
- ✓ Art. 20: Deletion of the possibility for the national contracting authority to impose environmental and social aspects as conditions for the performance of the contract.
- ✓ Art. 21 (4) and Annex 4 No. 9: Deletion of the possibility for the contracting authority to require the contractor to subcontract up to 30% of the total contract value.

- ✓ Art. 29 para. 2, 4th subparagraph: Extension of the standard term of framework agreements (from 7 years to 10 years, for example) to increase planning security. The exception for special cases (agreement of a term beyond the standard term) remains in place.
- ✓ Art. 29 para. 4 2nd bullet point: The possibility of competitions within a framework agreement should be deleted. The „reverse auction“ option, which was also opposed by the industry at the time, leads to ruinous competition, in which small and medium-sized enterprises are unlikely to have any interest.
- ✓ Art. 33: Whether it makes sense to shorten the deadlines for the receipt of requests to participate and/or tenders in order to speed up award procedures should first be discussed with the companies on the basis of their practical experience with the current deadlines.

17. ICT Directive 2009/43; Directive on the „Simplification of the conditions for intra-Community transfers of defence-related products“

A Industry had expressly welcomed this as a very good basis. However, it was repeatedly reported that the transposition of this directive into the national law of the EU member states was very difficult or, in some cases, simply refused, mainly for political reasons.

- ✓ Examination of the national implementation in the EU member states and, if necessary, readjustment



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