



Compliance & Risks

EU Omnibus Simplification: Essential Regulatory Insights for Global Manufacturers

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01. About the Authors



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Hannah joined the Global Regulatory Compliance team in Compliance and Risks in September 2022. She is responsible for the monitoring of regulatory developments in German-speaking countries and is an SME in several areas including: ESG reporting, Climate Change, Climate Disclosures, Supply Chain Due Diligence and Circular Economy. Prior to joining Compliance and Risks, she worked for the Federal Ministry of Agriculture in Germany in the area of the Common Agricultural Policy.

Hannah studied law in Germany (University of Bonn) and holds an LL.M. in Environmental and Natural Resources Law from University College Cork. She speaks German, English and French.

01. About the Authors



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Valentina is a Senior Regulatory Compliance Specialist and Team Lead at Compliance and Risks. She is responsible for monitoring, analyzing and evaluating global regulations across a wide range of topics, with a focus on chemicals legislation and leads a team of international product regulatory analysts/specialists. Valentina also works closely with clients on specific projects.

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She is an Italian native speaker and she also speaks English.

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Before that, she was a deputy head of a department at the Ministry of Justice of Georgia. In Ireland, she worked at a Cork City law firm prior to joining Compliance and Risks.

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01. About the Authors



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Michelle is a Senior Team Leader at Compliance & Risks and manages a team of senior legal experts. She is an Irish lawyer, currently living in Belgium with over 17 years experience in global product compliance and regulation.

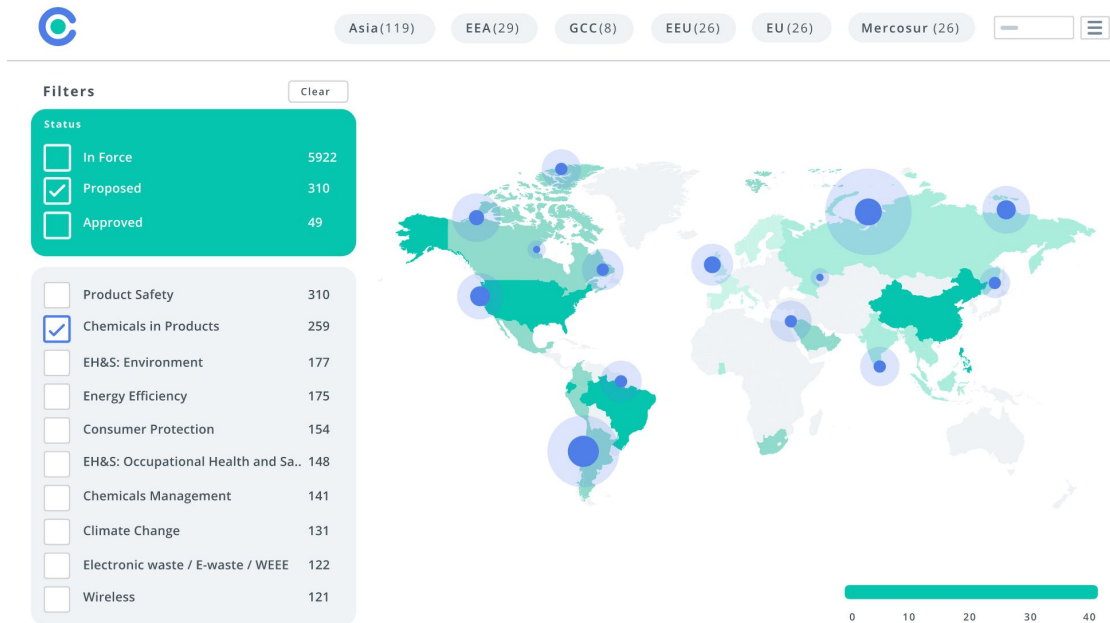
Michelle has a keen interest in sustainability and is the subject matter expert for circular economy, ecodesign, energy efficiency and ESG reporting on sustainable resource use. Her specialty areas also include waste electrical & electronic equipment (WEEE) and the transboundary movement of hazardous waste.

She leads numerous projects across global legislation and regularly provides in-depth analysis to complex legal queries. She is an expert researcher and regulatory tracker that prides herself in her attention to detail and providing clients with the best service possible.

She holds a law degree from University College Cork, Ireland as well as a higher diploma in business finance & information systems. She qualified as a lawyer in Ireland in 2007 and also speaks French.

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01. Introduction

The European Union has recently undertaken a massive effort to modernize its regulatory framework through a series of "Omnibus" packages.

In the EU context, an omnibus refers to a bundle of targeted amendments designed to update multiple existing regulations simultaneously.

This simplification agenda aims to reduce administrative burdens, foster innovation for smaller businesses, and ensure that legislation remains relevant in a rapidly changing technological and environmental landscape.

For manufacturers, keeping pace with these changes is a significant challenge, as the updates often delay compliance deadlines, introduce transitional periods, or provide specific exemptions for Small and Medium Enterprises (SMEs).

This comprehensive guide, based on our recent webinar "[EU Omnibus Simplification Agenda: Key Regulatory Changes for Manufacturers](#)," provides an overview of the key regulatory changes affecting global brands and manufacturers.

It covers critical updates across sustainability reporting, green finance, product digitization, chemical labeling, and the burgeoning fields of Data Protection and Artificial Intelligence.

By analyzing these packages, manufacturers can better understand their immediate compliance obligations and the long-term strategic shifts intended by the EU Commission.

This guide was originally published on the 23rd February 2026. Further regulatory developments may have occurred after publication.

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02. Omnibus I: The Evolution of Sustainability Reporting (CSRD & CSDDD)

The Corporate Sustainability Reporting Directive (CSRD) has undergone significant simplification to address concerns regarding the reporting burden on companies.

Large non-public companies, categorized as "wave two," now have until the financial year 2027 to begin reporting, a delay from the original 2025 deadline.

Furthermore, the scope of the CSRD has been drastically reduced, eliminating approximately 80% to 90% of previously included companies. Thresholds for EU companies remaining in scope of the CSRD are now set to companies with more than 1,000 employees and a net annual turnover exceeding €450 million, while non-EU companies are in scope if they generate net turnover in the EU of more than €450 million, and have an EU subsidiary or branch that generates at least €200 million per year.

Parallel to these changes, the Corporate Sustainability Due Diligence Directive (CSDDD) has also seen substantial revisions to its timeline and content. The compliance deadline has been pushed out to 26 July 2029, with member states required to implement the rules by 26 July 2028. Scope cuts mean the CSDDD now only applies to the largest entities - those with more than 5,000 employees and €1.5 billion in net turnover. Third-country undertakings remain in scope if they generate at least €1.5 billion in net turnover in the EU.

Notably, the requirement for companies to adopt climate transition plans has been deleted entirely from the directive. Manufacturers should note that even if they fall out of scope due to these new thresholds, they may still be required to provide data to larger companies within their value chain through a new voluntary standard currently under development.

03. Green Finance and Carbon Border Adjustments: Taxonomy and CBAM

The EU Taxonomy Regulation, which establishes a classification system for sustainable economic activities, has been updated through simplified delegated acts.

One of the most impactful changes is the introduction of a 10% materiality threshold for Capital Expenditure (CapEx), Operational Expenditure (OpEx), and turnover.

Non-financial companies can now omit activities that stay below this 10% threshold. It is however important to note that each KPI must be assessed separately, and, omissions must be disclosed in the report. If OpEx is considered entirely non-material, it can be omitted from reports altogether, providing significant relief for manufacturers.

These new rules are applicable from January 1, 2026, though for the financial year 2025, companies may choose to apply either the old or new rules.

The Carbon Border Adjustment Mechanism (CBAM) has also seen adjustments to its transitional reporting and full application phases.

The commencement date for the sale of CBAM certificates has been postponed from January 2026 to February 2027.

The EU has also introduced more flexibility in certificate coverage, reducing the required quarterly ratio from 80% to 50% of embedded emissions for goods imported since the start of the year.

While these changes offer breathing space, the EU is simultaneously considering extending the CBAM scope to include 180 downstream products to prevent carbon leakage and protect EU manufacturers who use basic materials like steel and iron.



04. Omnibus IV: SME Support, Digitalization, and Common Specifications

Omnibus IV targets overlapping and outdated product rules, introducing a new category of company known as "Small Mid Cap Companies" (SMCs).

The exact definition of SMCs is still being negotiated between the EU institutions. The EU Commission proposal includes companies with <750 employees with a max turnover of \leq €150M, whereas, the EU Council has proposed a definition for SMCs of <1000 employees with a max turnover \leq €200M. The EU Parliament has not yet published its' position on the specific thresholds.

Creating this new company category will allow these entities to avail of certain exemptions from burdensome requirements in specific laws, such as those found in the EU Batteries Regulation.

Specifically, for batteries, SMCs may be exempted from the heavy due diligence (DD) obligations that require companies to implement a DD policy for their critical raw materials.

This package also drives a "digital by default" approach, proposing to amend 20 different laws to remove mandatory paper requirements. If enacted, this would allow manufacturers to provide instruction manuals and technical documentation in electronic format, though paper remains mandatory for consumer safety instructions.

Furthermore, the EU is proposing "common specifications" as an alternative to harmonized standards.

These specifications will serve as a fallback option when harmonised standards do not exist or are insufficient, allowing manufacturers to demonstrate a presumption of conformity with essential requirements in directives like RoHS, EMC, and radio equipment.

05. Omnibus VI: Modernizing Chemicals and Cosmetics Regulation

The EU chemicals package, Omnibus VI, focuses on simplifying the Classification, Labelling, and Packaging (CLP) rules while addressing specific concerns in the cosmetics sector.

A key component is the "stop the clock" legislation, which postpones selected CLP obligations - such as new label formatting and advertising rules - until January 2028.

This delay provides manufacturers time to adapt to permanent simplification rules that replace rigid font and layout requirements with a high-level principle: labels must be easily readable.

Label updates following classification changes are also moving to a more flexible "without undue delay" standard, generally expected within 12 months.

In the cosmetics arena, the focus is on the CMR (Carcinogenic, Mutagenic, or Reprotoxic) framework.

The EU aims to clarify the derogation procedure to avoid automatic bans on ingredients that can be safely used despite their CLP hazard classification. Other simplifications include clearer procedures for including new ingredients like UV filters and colorants, as well as adjusted timelines for nanomaterial notifications.

Additionally, the environmental package (Omnibus VIII) proposes the repeal of the SCIP database, as its function for notifying substances of very high concern is expected to be replaced by the Digital Product Passport.

06. Omnibus VII: The Digital Frontier - Data Protection and Artificial Intelligence

Digital Omnibus and the Digital Omnibus on AI propose changes to the General Data Protection Regulation (GDPR) and the EU AI Act to better align with current technological realities.

A significant proposed change under the Digital Omnibus is the creation of a common portal for data breach reporting, which would cover incidents under the GDPR, the NIS 2 Directive, DORA, and the Critical Entities Resilience Directive.

The reporting window for data breaches is also proposed to be extended from 72 to 96 hours.

To address "consent fatigue," new rules would allow users to refuse non-essential cookies with a single click, and companies would be barred from repeatedly asking for consent for the same purpose for six months.

Regarding the EU AI Act, the Omnibus package proposes adjusting application dates for high-risk AI systems, based on industry readiness and the availability of standards. It also extends simplified technical documentation obligations from SMEs to the new SMC category.

Supervision for AI embedded in very large online platforms (VLOPs) or built on general-purpose models will be centralized under the AI Office.

Furthermore, the EU aims to foster innovation through the broader use of regulatory sandboxes and real-world testing, with an EU-level sandbox planned for 2028.



07. Omnibus VIII: Environmental Assessments and Management Systems

The environmental legislation package (Omnibus VIII) seeks to accelerate the realization of large-scale projects by speeding up Environmental Impact Assessments (EIA).

Member states will be required to establish a single point of contact for all related issues and shorten assessment periods for projects falling under the Water Framework and the Birds and Habitats Directive.

This initiative is particularly intended to benefit circular economy products, such as recycling plants, and AI factories.

For industrial facilities, the requirements for Environmental Management Systems (EMS) under the Industrial Emissions Directive are being simplified.

Companies will be permitted to consolidate systems for several plants within the same country, and some obligations regarding chemical inventories and transformation plans have been proposed for removal.

Crucially, the deadline to implement these mandatory systems is proposed to be pushed back from 2027 to July 2030.



Finally, the package proposes to suspend the requirement for EU-based companies to appoint an Authorized Representative (AR) for Extended Producer Responsibility (EPR) for WEEE, Batteries, Packaging and Single Use Plastics until 1 January 2035.

This means EU based companies that sell products in another member state may choose to appoint an AR or fulfill EPR obligations by themselves. It is important to note that the rules will not change for producers based outside EU.

Additionally, the environmental package (Omnibus VIII) proposes the repeal of the SCIP database, as its function for notifying substances of very high concern is expected to be replaced by the Digital Product Passport.

08. Webinar Q&A

During the live webinar, numerous questions were sent in by our live audience. Our webinar presenters, [Hannah Janknecht](#), [Valentina Marchetti](#), [Ani Nozadze](#) and [Michelle Walsh](#) provided expert answers to the most popular queries below.

Q1. Why is the requirement for climate transition plans being removed?

The requirement for companies in scope of the CSDDD to adopt and implement a climate transition plan was removed by the European Parliament in November 2025 as part of the negotiations on the Omnibus Simplification Package. While the EU Commission in its initial Omnibus Draft had only suggested to remove the obligation to implement the plans, while the obligation to adopt a plan would have been upheld, the Parliament, mainly lead by the EPP, eventually decided to remove the obligation entirely.

These changes were primarily made to reduce regulatory burdens and enhance EU competitiveness. The shift was however criticized by NGOs and civil society organizations (see [here](#).)

Please note that large EU companies and non-EU companies with significant EU operations are still required to disclose key climate change data based on the CSRD and ESRS E1.

Q2. Does the Suspension to appoint an AR mean that existent registrations have to be terminated and Applied for again?

No, there is no indication that existing registrations will need to be terminated.

The proposal is a temporary measure that aims to ease administrative burden rather than require more complications like termination and re-applications.

Q3. Can each Country decide that they keep the obligation to appoint an AR?

Yes, EU based companies that sell products in another member state can choose to appoint an Authorised Representative or fulfil EPR obligations by themselves. Both options are available.

However, the existing rules will not change for producers outside EU.

Q4. Do you know the latest timeline of EU Battery Regulation, especially on due-diligence survey & Battery EOL management?

Under Regulation (EU) 2025/1561, due diligence obligations have been postponed to 18 August 2027. The Commission's due diligence guidelines, originally expected earlier, are now scheduled for publication by 26 July 2026. At present, companies above €40 million turnover are required to implement battery due diligence policies. A proposal would raise that threshold to €150 million, with Council discussions suggesting €200 million. Independent third-party verification of due diligence policies is currently required annually; however, a proposal would reduce this requirement to once every three years.

With regard to end-of-life (EOL) management, the Regulation fully replaces the previous directive as of 18 August 2025 and strengthens extended producer responsibility (EPR) obligations. Collection targets for portable batteries will increase to 63% by 2027 and 73% by 2030, with similar stepped targets for light means of transport batteries. In addition, material recovery targets apply to recyclers, including 90% recovery for cobalt, copper, lead and nickel and 50% for lithium by 2027, with higher thresholds set for 2031.

All in all, EOL obligations are already being progressively implemented, while due diligence compliance becomes mandatory in August 2027

Q5. Regarding EPR - if a producer is based in Switzerland - what should they do?

The existing provisions on the appointment of an authorised representative for extended producer responsibility for producers established in third countries remain unchanged.

So for Switzerland based producers there is no change to existing requirements.

Q6. Can a legal entity that is not in scope of CSRD reporting scope anymore, but will be covered in an consolidated report, still make use of the value chain cap rights (protection)?

Based on the CSRD, as amended by the first Omnibus package, 'protected undertakings' are able to make use of the value-chain cap and can refuse information requests that go beyond the content of the voluntary reporting standard. A 'protected undertakings' is an undertaking that - does not exceed, on its balance sheet date, the average number of 1 000 employees during the preceding financial year; and - is in the value chain of a reporting undertaking'.

The question is therefore whether the subsidiary of a parent company is considered to be in the parent companies value chain, or if it is part of the parent company's own operation. Since the CSRD uses the same logic as financial reporting frameworks, subsidiaries are part of the company's own operations if they are covered by the parent company's consolidated report.

This means, they are not part of the company's value chain and not able to make use of the value chain cap.

Q7. If you are under the de minimis threshold, do you still need to submit the application?

If you do not exceed the de minimis exemption threshold of the CBAM Regulation (previously 150 euro per consignment, now 50 tonnes of imports per year), you are not required to apply for authorized CBAM declarant status. Please note however that you are required to self-identify in your customs declaration as an 'occasional CBAM importer'.

Also, please note that the requirement to apply for declarant status is based on your estimated/ projected imports for the year, which means that the declaration must be filed before the threshold is reached.

Q8. If we only brand batteries, are we obligated for Battery Due Diligence? The question I am asking since many small vendors may say they are exempted.

If you only brand batteries and place them on the EU market under your own name or trademark, you are considered a manufacturer under Regulation (EU) 2023/1542.

Battery due diligence obligations apply only if:

- You place rechargeable industrial or EV batteries on the EU market, and
- Your company (or group) has a net turnover above EUR 40 million (this has been proposed to change to EUR 150 million and EUR 200 million).

Small vendors are not automatically exempt. The exemption is based on turnover (at group level) and applies only to the due diligence chapter, not to all other manufacturer obligations.

So, branding batteries can trigger due diligence, depending on battery type and turnover.

Q9. To come back on the Omnibus IV about Common Specifications: 2 questions:

- 1. Without hEN, does it mean it is necessary to assess the conformity according to the essential requirements to use a Notified Body or self-assessment is possible?**
- 2. e.g on EMC topic no new list of hEN has been published on OJEU since mid of 2022: Does it mean we can use IEC (or ISO) standards instead former EN standards?**

The proposal is that without a harmonised standard available you will be able to use instead a new option which is referred to as common specifications.

These common specifications will be adopted by the Commission as an alternative option that will carry the same presumption of conformity. "Common specifications" for example in the ROHS directive is defined in the proposal as a "set of technical requirements, other than a standard, that provides means of complying with the requirements applicable to a product, device, service, process or system;".

Whether you have to use a notified body or self assessment will depend on the requirements of each directive. At present where there are no harmonised standard available, manufacturers have no choice but to look at international standards in order to demonstrate a presumption of conformity.

This new common specification will help with this current problem by providing manufacturers with an alternative means for demonstrating conformity with essential requirements set by EU rules.

Q10. How does the EU identify a small mid cap company? If a global company has HQ in the US but has legal entities in most EU countries, is the assessment based on employee numbers in country and turnover rate of that country entity or the company as a whole?

The EU Commission proposal for a small mid cap is a company with 250 to 750 employees + max turnover \leq €150M or balance sheet total \leq €129M. This definition is based on EU Commission Recommendation 2025/1099.

If the HQ is in the US, then it will depend on whether the EU legal entity is autonomous, partner, or linked. Commission Recommendation (EU) 2025/1099 explicitly includes and defines the concepts of autonomous, partner and linked enterprises in its Annex (see [here](#).)



09. Conclusion

The EU Omnibus Simplification Agenda represents a significant shift toward more flexible and efficient regulation, but manufacturers must remain vigilant.

While many deadlines have been postponed and thresholds raised, the underlying requirements for sustainability and product safety remain firm.

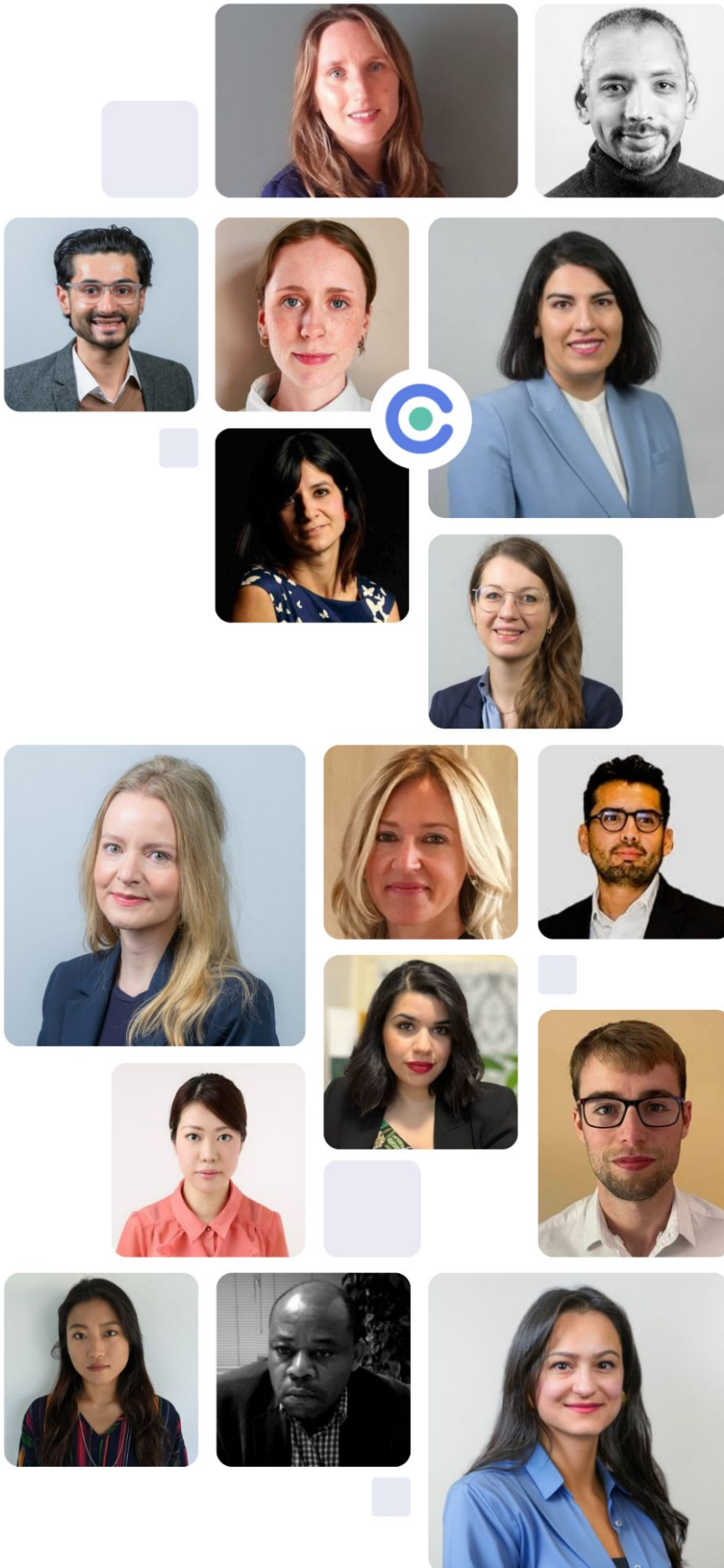
Postponed timelines should be viewed as additional time to act and implement necessary data collection policies, not as time to delay preparation. Transitioning technical documentation and manuals to digital formats can significantly reduce administrative costs and align with the EU's long-term "digital by default" vision.

Ultimately, staying ahead of these changes requires continuous horizon scanning and regulatory tracking to ensure global compliance in an era of rapid legislative modernization.

Managing the complexities of the Omnibus packages requires a proactive approach to regulatory monitoring, which is where Compliance & Risks provides essential support. By utilizing specialized regulatory tracking tools, manufacturers can move beyond manual research and receive real-time alerts on the specific amendments affecting their product categories.

Compliance & Risks helps companies navigate this sensitive landscape by providing expert analysis of evolving directives like CSRD, the AI Act, and CLP, ensuring that teams understand not just the "what" of the regulations, but the "when" and "how" of implementation.

This level of oversight is critical for maintaining market access and ensuring that the opportunities for simplification - such as reduced reporting or digital documentation - are fully leveraged to reduce administrative burdens while maintaining rigorous compliance standards.



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