

ICOMIA / IMEC

# EU Quarterly Report

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# Content

1. General institutional updates
2. Clean Industrial Deal
3. Omnibus I package
4. Omnibus IV package
5. Batteries Regulation
6. Net-Zero Industry Act (NZIA)
7. Emissions Trading System (ETS) Directive
8. Carbon Border Adjustment Mechanism (CBAM)
9. REACH Regulation
10. CLP Regulation
11. Carcinogens and Mutagens Directive (CMD)
12. Ecodesign Regulation
13. Green Claims Directive
14. Ocean governance
15. Marine Strategy Framework Directive (MSFD)
16. Surface and groundwater pollutants
17. Waste Framework Directive
18. Deforestation Regulation
19. Trade

# Glossary of EU terms

**Council of the European Union:** One of the two co-legislative bodies of the EU (together with the European Parliament), made of the 27 EU Member State governments (represented by Member State Ministers). It adopts laws by co-decision with the European Parliament.

**COREPER:** Preparatory body of the Council, made up of Member States' Permanent Representatives to the EU.

**EU Directive:** EU law which has to be transposed into national law for its implementation.

**EU Regulation:** EU law which applies directly upon its adoption, without the need for transposition into national law.

**European Commission:** Executive body of the EU, in charge of proposing laws.

**European Parliament:** One of the two co-legislative bodies of the EU (together with the Council of the EU), made of elected MEPs (Members of the European Parliament). It adopts laws by co-decision with the Council of the EU.

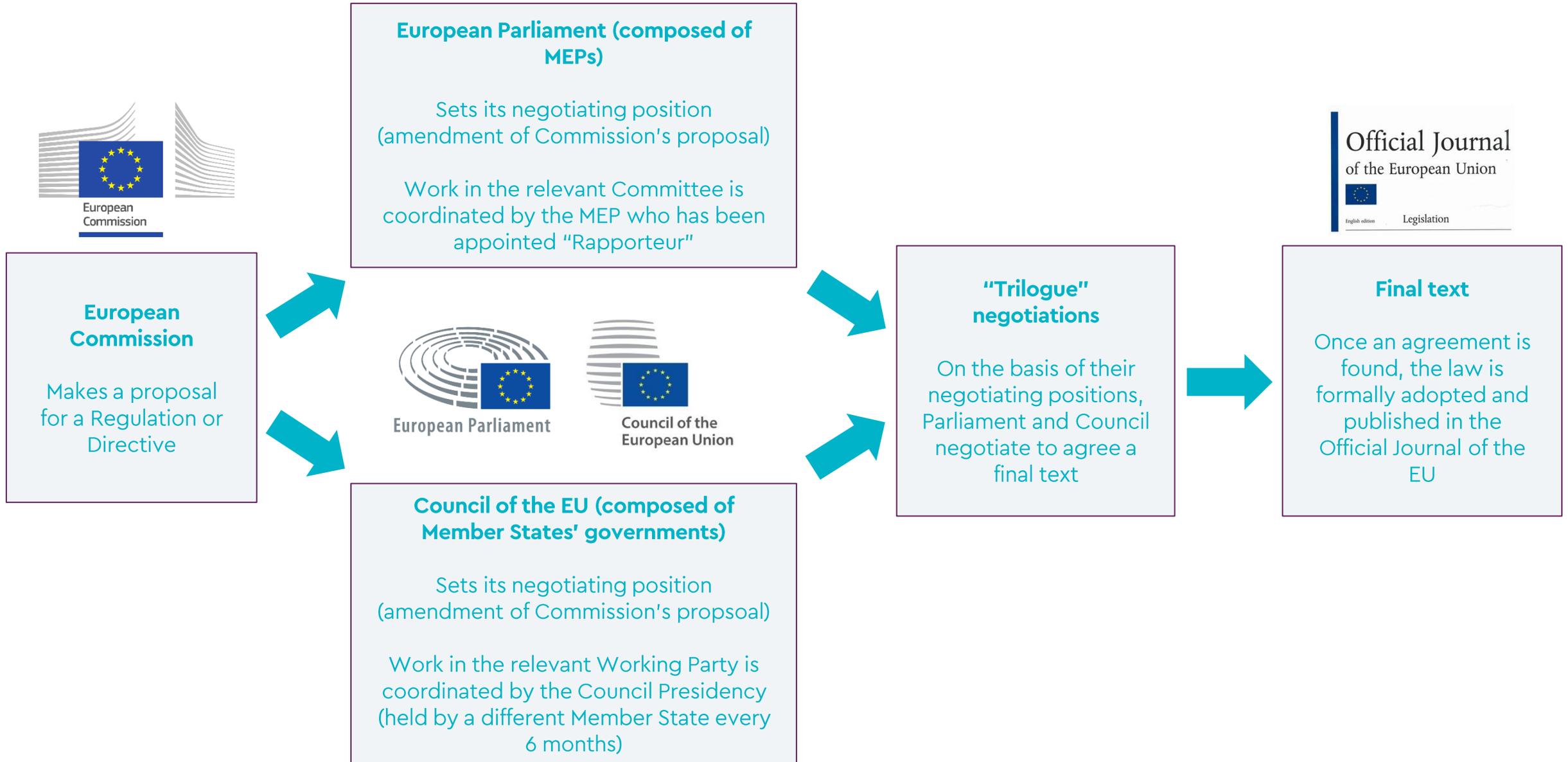
**European Parliament Committees:** Committees of MEPs, organised by policy area, which deal with specific proposals before they are adopted by the European Parliament plenary, e.g. ENVI Committee (Environment, Public Health and Food Safety), TRAN Committee (Transport and Tourism), IMCO Committee (Internal Market and Consumer Protection), ITRE Committee (Industry, Research and Energy).

**Rapporteur:** MEP in charge of coordinating the work for a specific proposal within a European Parliament Committee.

**Trilogue:** Negotiation between the European Parliament and the Council, also attended by the Commission, which aims at reaching an agreement on the final text of a proposal.

**Working Parties:** Preparatory bodies of the Council (below COREPER level) made up of Member State officials dealing with a specific policy area. There are over 100 Working Parties.

# EU policy-making process: A reminder



# 1. General institutional updates

## Latest developments:

### *Commission*

- Mehdi Hocine, former Head of Unit of the Machinery Unit (Unit H.2) in DG GROW (Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs), the unit in charge of the Recreational Craft Directive, has become Head of Unit for Services Strategy & Mutual Recognition (Unit E.5) in DG GROW. The new Head of Unit for H.2 is Barbara Bonvissuto.

### *Council*

- From 1 July 2025, Denmark is picking up the baton from Poland as Presidency of the Council of the EU (July-December 2025). The Danish Presidency will be followed by the Cypriot Presidency (January-June 2026). The Presidency chairs Council meetings (both at ministers level and at working level), has agenda-setting power when it comes to the Commission legislative proposals to discuss and adopt, and represents the Council during interinstitutional negotiations. Denmark unveiled its Presidency [website](#) and its [work programme](#). Some of the key tenets of the work programme include:
  - Boosting competitiveness.
  - Championing the green transition as a key growth driver and decarbonising industry.
  - Ensuring access to essential raw materials and affordable energy.
  - Focusing on regulatory simplification and cutting administrative burden.
  - Closing Europe's innovation gap.

## 2. Clean Industrial Deal

### Background (I):

- On 26 February 2025, the Commission presented the [Clean Industrial Deal](#). The aims are to decarbonise EU industry, strengthen competitiveness, foster innovation and circularity, mobilise public and private investment, ensure a just transition when it comes to jobs, and build global partnerships to secure critical materials. It includes several sections with various key actions:
- (1) Access to affordable energy
  - Given the need to lower energy prices, the Commission adopted on the same day an [Action Plan for Affordable Energy](#) with measures to lower energy bills, improve grid infrastructure and expand renewable energy.
  - Support for Power Purchase Agreements (PPAs).
  - Industrial Decarbonisation Accelerator Act in Q4 2025 to speed up permitting and electrification for industry.
  - European Grids Package for Q1 2026 to streamline interconnections, permitting and innovation in grid systems.
- (2) Lead markets for clean products
  - Voluntary carbon intensity labels for steel and cement.
  - Introduction of sustainability and EU content criteria in public procurement for strategic sectors.
  - Measures to promote the uptake of hydrogen.
- (3) Public and private investment
  - €100bn Industrial Decarbonisation Bank by 2026.
  - TechEU investment programme for scale-ups.
  - New state aid framework for industrial decarbonisation and clean manufacturing.

## 2. Clean Industrial Deal

### Background (II):

- (4) Circular economy and material security
  - Circular Economy Act for Q4 2026 to boost recycling, reuse and waste management.
  - Implementation of the Critical Raw Materials Act (first list of Strategic Projects in Q1 2025).
  - EU Critical Raw Material Centre to jointly purchase raw materials on behalf of interested companies.
  - A green VAT initiative.
- (5) Global trade and partnerships
  - Clean Trade and Investment Partnerships with certain countries, in order to diversify the EU's supply chains and secure better access to raw materials.
  - Stronger trade defence instruments.
  - Simplification and extension of CBAM.
  - Guidelines on the Foreign Subsidies Regulation.
- (6) Skills and quality jobs
  - A Union of Skills strategy and a Quality of Jobs Roadmap.
  - A European Fair Transition Observatory in Q1 2026 to track social fairness in the transition.

## 2. Clean Industrial Deal

### Latest developments:

- On 19 June 2025, the European Parliament adopted a [Resolution](#) on the Clean Industrial Deal, as a response to the Commission's Clean Industrial Deal [Communication](#) of 26 February. This Resolution in principle has no regulatory implications. The Parliament's text can be summarised as follows:
  - Parliament welcomes the Clean Industrial Deal as a needed framework to integrate climate action with industrial competitiveness, strategic autonomy and decarbonisation, while urging the Commission to move quickly from strategy to concrete implementation.
  - On industry and funding, Parliament supports the new Industrial Decarbonisation Bank, it supports a greater use of Carbon Contracts for Difference (CCfDs) and stresses the need for greater state aid coordination and fast approval for funding.
  - On energy and grids, Parliament endorses the [Action Plan for Affordable Energy](#), calls for ambitious cross-border grid infrastructure and calls for the updating of the Energy Taxation Directive.
  - On permitting and simplification, Parliament endorses simplification, digitalisation and shorter permitting, and calls for measures to clear bottlenecks for clean tech and grid projects.
  - On clean tech, Parliament wants investment-friendly rules for low-carbon and renewable hydrogen as well as an EU strategy on energy flexibility.
  - On circular economy and raw materials, Parliament calls underlines the need to stimulate demand for EU-made clean, circular and low-carbon products, for instance through public and private procurement or through requirements.
  - On trade, Parliament demands a proactive use of trade defence tools (anti-dumping, anti-subsidy, etc.), and wants CBAM strengthened and simplified.
  - On skills, Parliament stresses the need for a skilled workforce.

## 2. Clean Industrial Deal

### Next steps:

- The Clean Industrial Deal sets out a wide array of measures that will be implemented over the next few years. In addition, it is accompanied by a number of sectoral action plans to be rolled out progressively, containing specific measures for those sectors (e.g. action plan for the automotive sector, action plan for steel and metals).

## 2. Omnibus I package

### Background (I):

- On 26 February 2025, the Commission released the first and second Omnibus packages. The Omnibus I package focuses on simplifying sustainability legislation, and amends the Corporate Sustainability Reporting Directive ([CSRD](#)), the EU Taxonomy, the Corporate Sustainability Due Diligence Directive ([CSDDD](#)) and the Carbon Border Adjustment Mechanism Regulation ([CBAM](#)). All legal proposals can be found [here](#), while a Q&A page can be found [here](#).
- Regarding sustainability reporting, the changes made to the CSRD and the EU Taxonomy include:
  - Removing around 80% of companies from the scope of the CSRD, leaving the largest companies, which are more likely to have the biggest impact.
  - Ensuring that sustainability reporting requirements on large companies do not burden smaller companies in their value chains.
  - Postponing by two years (until 2028) the reporting requirements for companies currently in the scope which are required to report from 2026 and 2027.
  - Reducing the burden of the EU Taxonomy reporting obligations and limiting it to the largest companies (corresponding to the scope of the CSDDD).
  - Other changes to the EU Taxonomy, including: introducing the option of reporting on activities that are partially aligned with the EU Taxonomy; introducing a financial materiality threshold for the EU Taxonomy reporting and reducing the reporting templates by 70%; simplifying the most complex "do no significant harm" criteria for pollution prevention and control related to chemicals; adjusting the Green Asset Ratio.

# 3. Omnibus I package

## Background (II):

- Regarding due diligence, the changes made to the CSDDD include the following:
  - Simplifying sustainability due diligence requirements so that companies in the scope avoid unnecessary complexities and costs, by focusing requirements on direct business partners and reducing the frequency of periodic assessments of partners.
  - Reduce burden for SMEs by limiting the amount of information that may be requested by large companies.
  - Increasing harmonisation of due diligence requirements across the EU.
  - Removing EU civil liability conditions.
  - Giving companies more time to prepare to comply with the new requirements, by postponing application for largest companies by one year (to 26 July 2028) and by advancing the adoption of guidelines by one year (to July 2026).
- Regarding changes made to the Carbon Border Adjustment Mechanism, see the section on CBAM in this report.

# 3. Omnibus I package

## Latest developments (I):

### *Proposal on the postponement of CSRD and CSDDD requirements*

- The [proposal](#) which contained the postponement of reporting obligations (one of the two proposals for Directives that were part of the Omnibus I package) was formally adopted by the Parliament and the Council without changes to the original Commission text and signed on 14 April 2025. On 16 April, it was published in the Official Journal as Directive [2025/794](#). The Directive does the following things:
  - For economic operators that were required to report for financial years beginning on or after 1 January 2025 and 1 January 2026, the sustainability reporting requirements under the CSRD are now postponed by two years (to financial years starting on or after 1 January 2027 and 1 January 2028 respectively).
  - The date from which the CSDDD applies is postponed by one year in the following cases (see Article 37 of CSDDD):
    - From 26 July 2027 to 26 July 2028 for the first set of companies required to do due diligence reporting.
    - From 26 July 2028 to 26 July 2029 for the third set of companies required to do due diligence reporting.
  - The transposition deadline for Member States to transpose the CSDDD is postponed by one year, to 26 July 2027 instead of 26 July 2026.

# 3. Omnibus I package

## Latest developments (II):

### *Proposal on simplification of CSRD and CSDDD requirements*

- The [proposal](#) containing the more substantial modifications to CSRD and CSDDD requirements is still going through the legislative procedure.
- On the Council's side, the position of the Council on the Commission's proposal was set on 21 June. According to the Council's [negotiating mandate](#), the Council would propose the following amendments:
  - Regarding the scope of the CSRD, the Council would add a net turnover threshold of over €450m. It would also introduce a review clause regarding a possible extension of the scope to ensure the adequate availability of corporate sustainability information.
  - Regarding the scope of the CSDDD, the Council would increase the threshold to 5000 employees and €1.5bn in net turnover. Regarding the identification and assessment of actual and potential adverse impacts, the Council would adopt a risk-based approach rather than an entity-based one, focusing on areas where such impacts are more likely to occur.
  - In relation to combating climate change, the Council would clarify that transition plans must outline both planned and implemented actions.
  - On civil liability, the Council would retain the provisions of the Commission's proposal.
  - The Council would postpone the transposition deadline of the CSDDD by one year, to 26 July 2028 instead of 26 July 2027.

# 3. Omnibus I package

## Latest developments (III):

- Furthermore, the proposal is currently being discussed by MEPs in the European Parliament, in particular in the Legal Affairs (JURI) Committee. On 24 June, the JURI Committee held a discussion on the topic, following the release of amendments ([Draft Report](#)) proposed by the Rapporteur on the file, Swedish MEP Jörgen Warborn (EPP).
  - Jörgen Warborn (EPP, Sweden) suggested a number of amendments, including higher thresholds (€450m in turnover and 3000 employees) compared to the Commission proposal, voluntary climate transition plans, focus on direct suppliers, and broader SME exemptions to reduce compliance costs.
  - Lara Wolters (S&D, Netherlands) warned that the Commission's proposal would weaken corporate accountability and liability and transfer environmental and social costs to the public.
  - Pascal Canfin (Renew Europe, France) shared some cost-cutting goals but criticised the exemption of non-EU firms and the loss of harmonised data.
  - David Cormand (Greens, France) criticised the plan as deregulation that risks undermining EU Green Deal objectives.
  - Arash Saeidi (The Left, France) also criticised the Commission's proposal and the Rapporteur's amendments, saying that it would lead to impunity for rights violations in global supply chains, removing accountability and effective due diligence.
  - Mario Mantovani (ECR, Italy) welcomed the simplification, arguing that excessive administrative burdens harm European competitiveness and that proportionate rules are essential for SMEs.
  - The Commission argued that the 1000-employee threshold offered the best balance between burden reduction and policy objectives, and called against deleting the provisions on climate plans.

# 3. Omnibus I package

## Next steps:

- The Directive on the postponement of reporting requirements is now in force.
- The Directive on the modifications of CSRD and CSDDD requirements are still undergoing legislative process. The Parliament will consider MEPs' amendments in July 2025, with a vote on the Parliament position expected in October. Trilogue negotiations with the Council will therefore likely start in Q4 2025.

# 4. Omnibus IV package

## Background:

- The [Political Guidelines](#) for 2024-2029 from President von der Leyen, released in July 2024, stressed the need to make business easier and faster in Europe. In them, she stated: "I will make speed, coherence and simplification key political priorities in everything we do. Each Commissioner will be tasked with focusing on reducing administrative burdens and simplifying implementation: less red tape and reporting, more trust, better enforcement, faster permitting."
- As part of the Commission's ongoing regulatory simplification efforts, a number of Omnibus packages amending a wide array of existing laws are being proposed:
  - Omnibus I: Sustainability
  - Omnibus II: Investment
  - Omnibus III: Agriculture
  - Omnibus IV: Small mid-caps, digital documentation and common specifications
  - Omnibus V: Defence
  - Future Omnibus packages: chemicals, energy, environment/EPR, digital, automotive

# 4. Omnibus IV package

## Latest developments (I):

- On 21 May 2025, the Commission released the [fourth Omnibus package](#) for simplification, comprising the following measures:
  1. [Postponement of Batteries Regulation due diligence requirements](#) (one Regulation)
    - Article 48(1) is amended so that operators shall fulfil due diligence obligations from 18 August 2027 (instead of 18 August 2025).
    - Article 48(5) is amended to extend the deadline by which the Commission publishes guidelines on due diligence rules, by 26 July 2026 (instead of 18 February 2025).
  2. [Measures to support small mid-caps and other simplification measures](#) (one Directive + one Regulation):
    - Small mid-caps (SMCs) are established as a new category of companies (< 750 employees; ≤ EUR 150 million turnover or ≤ EUR 129 million total assets) that previously did not exist in EU law.
    - Amendment of the Batteries Regulation to support SMCs: The scope of Article 47, which exempts SMEs from certain due diligence requirements, is extended to also cover SMCs. In addition, the frequency of annual battery due diligence reports in Article 52 is reduced from yearly to every three years for all economic operators.
    - Amendment of GDPR: SMCs do not have to create and update records of activities on the processing of personal data except in cases where activities are likely to result in a high risk to the rights and freedoms of data subjects.
    - Measures to support SMCs against dumped and subsidised imports: Helpdesk to offer information on trade defence to SMCs (e.g. how to submit complaints), and easier processes for SMCs to provide data in investigations.
    - Other measures relating to financial markets and to the resilience of critical entities.

# 4. Omnibus IV package

## Latest developments (II):

3. [Measures on the digitalisation of documents and on the alignment of common specifications](#) (one Directive + one Regulation):

- Digital EU Declaration of Conformity must accompany products.
  - Digital contact information by manufacturers on products.
  - Product instructions may be provided electronically except safety information.
  - Reporting obligations to national authorities must be done in electronic format.
  - Electronic exchanges between economic operators and competent authorities.
  - Common specifications as an alternative to harmonised standards.
  - Obligation to provide the information contained in the EU declaration of conformity and instructions through the digital product passport in cases where the product is subject to another Union legislation that requires the use of such a digital product passport.
- The measures proposed under point 3 (above) on digitalisation of documents amend the Recreational Craft Directive (RCD), among many other existing laws. The changes to the RCD are the following (see Article 3 of the proposed [Directive](#)):
- Declarations of Conformity must now be in digital format.
  - Digital contact shall be made available with the product.
  - Instructions of products under the RCD may be provided in electronic form (except safety information).

[Continues below]

# 4. Omnibus IV package

## Latest developments (III):

- Information and documentation demonstrating conformity that is to be sent to competent authorities (upon request of authorities) or to Notified Bodies shall be provided in electronic format.
- Allows for the possibility of the Commission adopting common specifications to enable compliance with the essential requirements if necessary (e.g. if harmonised standards are lacking).
- Following the Commission's release of the proposed package, it was sent to Parliament and to the Council for scrutiny.
- Regarding the proposal under point 1 above (postponement of due diligence requirements in the Batteries Regulation), in Parliament, some MEPs have proposed amendments (e.g. some EPP amendments call for the deletion of several articles from the Batteries Regulation, while the Greens and The Left are rejecting the proposed postponement of due diligence requirements altogether). However, the Parliament is expected to approve the Commission's proposal without changes during a plenary vote on 10 July. At the same time, the Council has agreed not to make any changes to the Commission proposal. Therefore, the text is expected to go through a fast-tracked procedure without changes and enter into force before 18 August, when the affected requirements would otherwise kick in.
- The other two proposals (the one on measures for small-mid caps and the one on digitalisation of documents) have more substance and have less urgency compared to the proposal on the postponement of due diligence requirements under the Batteries Regulation, so they will be subject to the usual co-decision procedure. The discussions within Parliament and Council are just starting.

## 4. Omnibus IV package

### Next steps:

- The Regulation on the postponement of reporting requirements is expected to be approved without changes over the coming month and enter into force by August 2025.
- The other sets of measures are beginning their course along the legislative procedure.

# 5. Batteries Regulation

## Background:

- The Batteries Regulation ([2023/1524](#)) was published in the Official Journal on 28 July 2023. It contains the following measures, which will apply between 2025 and 2031 (note that requirements apply to specific battery categories – please check Regulation):
  - Battery categories: portable batteries; industrial batteries; starting, lighting and ignition (SLI)/automotive batteries; light means of transport (LMT) batteries; electric vehicle (EV) batteries.
  - Sustainability and safety requirements: carbon footprint declaration; recycled content targets; performance durability criteria.
  - Labelling and information: QR codes; battery passports.
  - Supply chain due diligence.
  - Collection targets, recycling efficiency and material recovery targets.
  - Replaceability and removability.
  - End-of-life management and extended producer responsibility.

# 5. Batteries Regulation

## Latest developments (I):

### *Simplification proposal*

- On 21 May 2025, the Commission proposed the [Omnibus IV](#) simplification package, which proposes to amend a wide array of laws for the purpose of simplification and burden reduction. In relation to the Batteries Regulation, it includes:
  1. [Postponement of Batteries Regulation due diligence requirements](#):
    - Art. 48(1) amended so that operators fulfil due diligence obligations from 18 August 2027 (instead of 18 August 2025).
    - Art. 48(5) is amended to extend the deadline by which the Commission publishes guidelines on due diligence rules, by 26 July 2026 (instead of 18 February 2025).
  2. [Measures to support small mid-caps \(SMCs\)](#):
    - Extension of the scope of Article 47, which exempts SMEs from certain due diligence requirements, to cover also SMCs, defined as "economic operators that had a net turnover of less than EUR 150 million in the financial year preceding the last financial year, and that are not part of a group, consisting of parent and subsidiary undertakings, which, on a consolidated basis, exceeds the limit of EUR 150 million".
    - Reduced frequency of annual battery due diligence reports in Article 52 from yearly to every three years for all economic operators.
    - Reporting obligations to national authorities in electronic format.
    - In cases where a digital product passport will be required, the information contained in the EU declaration of conformity and instructions must be provided on the digital product passport.

# 5. Batteries Regulation

## Latest developments (II):

3. [Measures to digitalise product legislation](#):
  - Digital EU Declaration of Conformity to accompany products.
  - Digital contact information by manufacturers on products.
- These proposals are currently being discussed by Parliament and Council:
  - Regarding the postponement of due diligence requirements, the Parliament and the Council have not proposed amendments to the Commission proposal. The measure (which is contained in a stand-alone draft act) is therefore expected to be adopted and published soon.
  - Regarding the other proposals, they are still being processed by Parliament and Council. In particular, regarding the second measure, which reduces the burden of the Batteries Regulation on economic operators, the Council adopted its position on the act on 20 June, proposing no amendments to the Commission proposal. Parliament will adopt its position on 10 July.

### ***Secondary legislation***

- On 21 March 2025, the Commission adopted a Commission [Delegated Regulation](#) under the Batteries Regulation, establishing the methodology for calculation and verification of rates for recycling efficiency and recovery of materials from waste batteries, and the format for documentation.
- The act is undergoing a three-month scrutiny period for Parliament and Council to raise objections if any. After the end of this period (end of June), it is expected that the act will be published in the Official Journal.

# 5. Batteries Regulation

## Next steps:

- Regarding the amendments to the Batteries Regulation proposed through the Omnibus IV simplification package:
  - The two-year delay on due diligence obligations from 2025 to 2027 will be formally adopted by Parliament and Council without changes in the coming weeks.
  - The other proposed amendments, which have more substance, still have to undergo discussions in Parliament and Council followed by interinstitutional negotiations.
- Furthermore, secondary legislation stemming from the Batteries Regulation will be presented and adopted in due course.

# 6. Net-Zero Industry Act (NZIA)

## Background:

- The NZIA (Regulation [2024/1735](#)), adopted on 13 June 2024 and entered into force on the 29 June, establishes a framework to ensure the EU's access to a secure and sustainable supply of net-zero technologies.
- The Act introduces measures to reduce supply risks for net-zero technologies by supporting the scale-up of manufacturing, establishing an EU market for CO<sub>2</sub> storage, and boosting demand through public procurement and auctions. It also aims to strengthen skills, foster innovation via regulatory sandboxes and coordinated R&I, and improve the EU's capacity to monitor and manage supply chain risks.
- Article 4 of the Regulation lists the net-zero technologies covered under its scope, including solar energy, battery and energy storage systems, onshore wind, offshore renewable technologies, and others. Therefore, the NZIA encompasses final products, components and machinery necessary for manufacturing net-zero technologies.

# 6. Net-Zero Industry Act (NZIA)

## Latest developments (I):

### *Secondary legislation*

- On 23 May 2025, the European Commission three Implementing Acts, one Delegated Act and one Communication.
- [Implementing Act](#) setting the list of net-zero technology final products and their main specific components for assessing the contribution to resilience:
  - The Act's [Annex](#) defines the list of final net-zero technology products and their key components, which are used to assess their contribution to supply chain resilience. This includes technologies such as battery systems and energy storage solutions. This Act will apply from 30 December 2025.
- [Implementing Act](#) on guidelines for the implementation of certain selection criteria for net-zero strategic projects:
  - The [Annex](#) of this Implementing Act provides clear rules to make sure all net-zero strategic projects are selected using the same criteria (as described in Article 13 of the Regulation). These guidelines help assess whether added manufacturing capacity involves first-of-a-kind or best available technologies, and whether that capacity is considered "significant." Additionally, the criteria and methods for determining what constitutes a 'significant' impact have been more clearly defined.
- [Implementing Act](#) on pre-qualification and award criteria for renewable energy auctions:
  - This Act specifies the pre-qualification and award criteria for auctions for the deployment of energy renewables sources (specifying the criteria laid down in Art 26 NZIA).

# 6. Net-Zero Industry Act (NZIA)

## Latest developments (III):

- [Delegated Act](#) listing final products and specific components considered to be primarily used to produce net-zero technologies:
  - This Act replaces the existing Annex of the NZIA. This new [Annex](#) revises the list of final products and specific components primarily used for the production of net-zero technologies such as battery and energy storage systems, electric charging infrastructure, and sustainable alternative fuel technologies. For example, the Act added battery packs and battery cells for battery technologies to the list.
- [Communication](#):
  - The Commission released a Communication to provide updated information on the share of EU supply of final products and their main components originating in third countries. Under the NZIA, resilience criteria are triggered when more than 50% of the EU's supply of a specific net-zero technology or its key components comes from a single non-EU country.
  - According to the Communication, China exceeds the 50% threshold for supply of battery technologies.

## Next steps:

- The Implementing Acts were published in the Official Journal on 18 June 2025 and will enter into force on 8 July 2025.
- The Delegated Act has been sent to the European Parliament and Council, who have until 23 July to object. If neither objects, it will also be published in the Official Journal and enter into force.

# 7. Emissions Trading System (ETS) Directive

## Background (I):

- The Emissions Trading System (ETS) Directive ([2003/87/EC](#)) sets up a greenhouse gas emissions trading system for several sectors (before the 2023 amendment, these were the energy sector, energy-intensive installations, and aviation).
- In July 2021, the Commission issued a [proposal](#) to revise the Directive. The amendment was published in the Official Journal on 16 May 2023 as [Directive 2023/959](#). It includes:
  - Application of ETS to maritime transport activities covered by Article 2(1) of the MRV Regulation Art. 2(1) (ships of 5000 GT and above on voyages for transporting cargo or passengers for commercial purposes) – applies to CO<sub>2</sub> and, from 1 January 2026, methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) – applies to 100% of emissions from voyages between EU ports and 50% of emissions from voyages between EU and non-EU ports – accompanied by [Regulation](#) amending MRV Regulation (scope extended to cover not only CO<sub>2</sub> but also CH<sub>4</sub> and N<sub>2</sub>O + monitoring obligations covering the GHG emissions covered by ETS).
  - Application to road transport and buildings (under a separate so-called ETS 2 system) – affects the “regulated entities” referred to in Annex III (fuel suppliers in the case of road transport), which must hold greenhouse gas emissions permits issued by competent authorities – this means fuel suppliers supplying fuel to be used in road transport would have to monitor and report the quantity of fuel they place on the market and surrender emission allowances each calendar year depending on the carbon intensity of their fuels.
  - Other measures: decrease in the total quantity of allowances; stricter ETS requirements for aviation.

# 7. Emissions Trading System (ETS) Directive

## Background (II):

- Several Member States have expanded the scope of the ETS 2 scheme (intended for road transport and buildings) to other sectors, including waterborne navigation:
  - Delegated Decision [2024/2985](#) of 24 September 2024 regarding the Netherlands – covers emissions from fuels used to propel water-borne vessels on inland waters, including hovercraft and hydrofoils, but excluding fishing vessels.
  - Delegated Decision [2024/2986](#) of 24 September 2024 regarding Austria – covers emissions from fuels used to propel waterborne vessels, including hovercraft and hydrofoils, but excluding commercial activities on the Danube River and on the international lakes (Constance and Neusiedl).
  - Delegated Decision [2025/318](#) of 14 February 2025 regarding Sweden – covers emissions from railways, waterborne navigation, off-road transport and agriculture, forestry and fishing.

# 7. Emissions Trading System (ETS) Directive

## Latest developments (I):

- In late June, sixteen EU Member States, led by the Czech Republic, called the Commission to consider adjustments for the forthcoming EU ETS 2 system for building and road transport. In a joint note (not publicly available), they proposed auctioning ETS2 emission allowances from mid-2026 to improve price transparency and market preparedness ahead of the system's launch in January 2027. The note also recommends strengthening the price cap mechanism by revising the Market Stability Reserve (MSR), including increasing the volume or frequency of quota withdrawals if the €45/tCO<sub>2</sub> cap is exceeded. Additional suggestions include slightly increasing the release of quotas in tight market conditions and extending the MSR beyond 2031. France and other Member States may join the initiative before it is formally submitted to the Commission.

## *Secondary legislation*

- On 20 May 2025, the Commission adopted a [Delegated Regulation](#) updating rules for monitoring, reporting and verification of aviation emissions (in alignment with the Carbon Offsetting and Reduction Scheme for International Aviation, CORSIA). The Act has not yet been published in the Official Journal.
- On 26 May 2025, the [public consultation](#) on the evaluation of the implementation of the EU ETS Modernisation Fund closed. The Commission is expected to present the evaluation in the form of a report.
- [Implementing Act 2025/1192](#) of 18 June 2025 updating the requirements on the accreditation of verifiers in relation to the climate-neutrality report was published in the Official Journal and entered into force on 22 June. The measure updates the requirements on the accreditation of verifiers in relation to reports submitted under the EU Emissions Trading system. Additionally, it focuses on the verification process for aircrafts and verifiers.

# 7. Emissions Trading System (ETS) Directive

## Latest developments (II):

- [Delegated Decision 2025/737](#) of 15 April 2025 regarding Finland extends the ETS 2 scheme to cover emissions from fuels used to propel water-borne vessels, including hovercraft and hydrofoils, but excluding commercial navigation, was published in the Official Journal on 26 June. The measure includes additional allowances to be published starting in 2027 based on the average amount of emissions reported by Finland, and all regulated entities are obliged to monitor and report their emissions corresponding to the quantity of fuels released for consumption. Furthermore, it allows for additional allowances in 2027 on the basis of the average amount of total emissions of 1 179 206 tonnes of CO<sub>2</sub> reported by Finland.
- [Implementing Decision 2025/1162](#), adopted on 5 June, was published in the Official Journal on 24 June. It updates the questionnaire used by Member States to report on the application of the EU ETS. The revised questionnaire now also includes reporting requirements for international maritime transport activities.
- [Delegated Regulation 2025/1235](#) of 11 February 2025, published in the Official Journal on 26 June, updates the rule for the Union Registry. It amends [Delegated Regulation 2019/1122](#) which governs the functioning of the Union Registry and supplements the EU ETS Directive.

# 7. Emissions Trading System (ETS) Directive

## Next steps:

- The Commission is expected to adopt an Implementing Act to update the list of neighboring container transshipment ports as part of the inclusion of maritime transport activities in the EU ETS. The expected measure would update the existing list to identify ports that meet the following criteria:
  - Has a share of transshipment of containers exceeding 65% of its total traffic contained during the last twelve months of available data.
  - They are located outside the EU but within 300 nautical miles of a port under the jurisdiction of a Member State
  - Whose country of jurisdiction does not effectively apply measures equivalent to those set out in the revised EU ETS Directive
- Following the closure of the public consultation on 26 May, the European Commission is expected to publish its first evaluation of the Modernisation Fund, established under the EU ETS, in Q4 2025.
- The inclusion of CH<sub>4</sub> and N<sub>2</sub>O emissions in the ETS for maritime transport will apply from 2026. The ETS 2 scheme, covering road transport and buildings (as well as other sectors as decided by specific Member States), will apply from 2027.

# 8. Carbon Border Adjustment Mechanism (CBAM)

## Background (I):

- On 14 July 2021, the Commission published a [proposal](#) for a Regulation establishing a carbon border adjustment mechanism (CBAM) as part of its Fit for 55 package. Following the end of the legislative process, the final law was published in the EU Official Journal on 16 May 2023 as Regulation [2023/956](#).
- The CBAM Regulation aims to prevent carbon leakage of goods imported into the EU by ensuring that those goods bear a carbon price equivalent to that borne by EU producers under the EU Emissions Trading System (ETS).
  - The scope includes cement, electricity, fertilisers, iron and steel, aluminium and hydrogen, as well as selected products made from these.
  - Importers must purchase CBAM certificates to cover the emissions embedded in their goods. The price of CBAM certificates mirrors the average weekly price of auctioned ETS allowances. Importers must surrender certificates annually. Not doing so may result in financial penalties.
  - Only authorised declarants (authorised by national competent authorities) can import CBAM goods. They must comply with certain reporting obligations.
  - Embedded emissions must be calculated using approved methodologies and must be verified by accredited verifiers. Importers can deduct carbon pricing applied in the country of origin, if it is applied and if it is verifiable.
  - Importers must begin purchasing CBAM certificates from 1 January 2026.
  - Countries that participate in or are fully linked to the EU ETS are excluded.
  - The Commission must review the CBAM by the end of 2027.

# 8. Carbon Border Adjustment Mechanism (CBAM)

## Background (II):

- On 26 February 2025, the Commission published its [Omnibus I package](#), with proposals for amendments of several laws to reduce the burden on companies. This included a [proposed amendment of CBAM](#):
  - Over 90% of affected importers (mostly SMEs) would be removed from the scope of the CBAM Regulation, while leaving within the scope importers that represent over 99% of emissions embedded in CBAM imports. This is done by setting a new threshold of 50 tonnes per year for an importer to be in the scope.
  - For importers that remain within the scope, certain processes would be simplified in order to facilitate their compliance with reporting requirements (in particular, simplifying the authorisation procedure for national competent authorities, the data collection processes third country producers to authorised CBAM declarants, the calculation of embedded emissions for certain goods, the emission verification rules, the calculation of the authorised CBAM declarants' financial liability during the year of imports into the EU, and the claim by authorised CBAM declarants for carbon prices paid in third countries where goods are produced).
  - The start of sales of CBAM certificates by national authorities would be postponed from 1 January 2026 to 1 February 2027.

# 8. Carbon Border Adjustment Mechanism (CBAM)

## Latest developments:

- Following the Commission's proposal amending CBAM for the purpose of simplification and burden reduction (part of the Omnibus I package), the co-legislators (Parliament and Council) set their respective positions and entered into trilogue negotiations. On 28 June 2025, both institutions reached an agreement on the final law:
  - Only companies importing over 50 tonnes per year of the products covered by the CBAM Regulation will have to comply, replacing the narrower threshold that was written in the Regulation until now. This means around 90% of EU importers will be exempt from the rules, while still covering 99% of import-related emissions, according to the Commission's calculation. Safeguards were included to ensure this figure and to prevent circumvention of the rules.
  - Disruptions to importers in the beginning of 2026 will be avoided as importers will be able to continue importing CBAM goods while awaiting CBAM registration.
  - Processes affecting imports covered by the CBAM have been simplified. This affects:
    - The authorisation process
    - The data collection process
    - The calculation of embedded emissions
    - The emission verification rules
    - The calculation of the CBAM declarants' financial liability during the year of imports
    - The claim by CBAM declarants for carbon prices paid in third countries where goods are produced.
  - Provisions have been included to ensure certainty and clarity regarding the arrangement on financing of the costs incurred by the establishment, operation and management of the common central CBAM platform (which will be used to sell CBAM certificates to CBAM declarants).

# 8. Carbon Border Adjustment Mechanism (CBAM)

## Next steps:

- After having been agreed, the proposed amendments to simplify CBAM (part of the Omnibus I package) will be formally adopted by the Parliament and Council, expectedly by September, and the text will then be published in the Official Journal.
- The Commission will publish a review of CBAM in the second half of 2025 on the potential extension of the scope to other products. This will be followed by a legislative proposal in the first half of 2026. The Commission is expected to open a public consultation on this matter soon.
- A number of secondary acts (on CBAM declarations, carbon price paid in third countries, calculation of embedded emissions, etc.) are being developed and will be released in due course.

# 9. REACH Regulation

## Background:

- The REACH Regulation ([1907/2006](#)) establishes provisions on the registration, evaluation, authorisation and restriction of chemicals produced, imported, sold and used in the EU, and sets up the European Chemicals Agency (ECHA).
- The Commission's 2020 Chemicals Strategy for Sustainability announced the revision of the Regulation. The Commission is currently working on the revision proposal. Key aspects of the revision include:
  - Increased information/registration requirements (e.g. info on hazardous substances, registration of polymers of concern, possible info on environmental footprint).
  - Better information along the supply chain (e.g. better eSDS).
  - Reform of authorisation and restriction processes (e.g. generic risk management approach for most harmful substances (ED, PBT, vPvB), "essential use" derogations).
  - Essential use concept for derogations from restriction:
    - Industries themselves would have to prove that the use of a substance is essential (i.e. necessary for health, safety or functioning of society, and no viable alternative). A Committee of Member States could evaluate the proof submitted by a company that a substance is essential – but final decision with the Commission. The concept will be developed in a specific non-legislative document.
  - Mixture assessment factor (MAF) to account for so-called "cocktail" effect of mixing substances.
- According to Ursula von der Leyen's [Political Guidelines](#) of July 2024, setting out the Commission's actions for the new 5-year term (2024-2029), the Commission will put forward a new chemicals industry package aiming to simplify REACH and provide clarity on PFAS.

# 9. REACH Regulation

## Latest developments:

- On 12 May 2025, the Commission held a Strategic Dialogue with the chemicals industry, to determine priority actions to support the industry's competitiveness while guaranteeing sustainability and safety. The meeting was attended by President von der Leyen, Executive Vice-President Stéphane Séjourné, and Commissioner Jessika Roswall. The Commission committed to presenting an Action Plan for the chemicals sector, a chemicals Omnibus package for simplification, and a Chemicals Industry Package (to include the revision of REACH, announced in the 2025 [Work Programme](#)). The press release can be found [here](#).
- On 10-12 June 2025, the Commission presented to Member States the main elements of the expected revision of REACH (part of the upcoming Chemical Industry Package), during a meeting of the ECHA's Member State Committee, according to the meeting minutes. However, the presentation is not available.

## Next steps:

- The revision of the REACH Regulation (and the wider Chemical Industry Package) is expected for Q4 2025.

# 10. CLP Regulation

## Background:

- The CLP Regulation ([No 1272/2008](#)) harmonizes rules for classifying, labelling, and packaging hazardous substances and mixtures. It sets obligations for manufacturers, importers, and suppliers regarding classification, labelling, and packaging:
  - Manufacturers, importers and suppliers must identify and classify chemicals based on their hazards, using harmonised classifications if applicable.
  - Labels must include pictograms, signal words, hazard and precautionary statements, product identifier and supplier details.
  - Packaging must be safe, durable, child-resistant, and should not be misleading.
  - Companies must notify ECHA about classification and labelling of their products.
- The act was last amended by Regulation [2024/2865](#), which included aspects such as clear hazard labels, digital labelling, information on hazards in advertisements and online offers, hazard classifications, rules for refillable products, or rules for classifying multi-constituent substances.

# 10. CLP Regulation

## Latest developments:

- The Commission plans to issue a Chemicals Omnibus simplification proposal on 8 July 2025. The [draft proposal](#) has been leaked. The text would amend the CLP Regulation, reconsidering some of the measures put in place by the last revision approved in 2024. In particular, the amendment would repeal some of the labelling requirements introduced in 2024, reverting to the previous version of the CLP Regulation, which required companies to ensure that information on labels be readable, without further specificity. The Commission thinks this change would lead to cost saving for companies. Besides the CLP Regulation, the Omnibus proposal will also amend the Cosmetics Regulation and the Fertilisers Regulation.

## Next steps:

- The Omnibus proposal is planned for release on 8 July 2025. As most EU laws, the proposal will be followed by a legislative process through co-decision procedure.

# 11. Carcinogens and Mutagens Directive (CMD)

## Background (I):

- Directive [2004/37/EC](#) on the protection of workers from the risks related to exposure to carcinogens or mutagens at work:
  - Sets EU rules on the minimum requirements for protecting workers against risks to their health and safety arising from exposure to carcinogens and mutagens at work, and rules on the prevention of such risks.
  - It was amended in 2022 to also include reprotoxic substances (therefore becoming the Carcinogens, Mutagens and Reprotoxic substances Directive, CMRD).
  - It covers the substances, mixtures or processes referred to in Annex I.
  - It lays down Occupational Exposure Limits (OELs) for substances. These are listed in Annex III.
  - Employers must reduce the use of carcinogens, mutagens and reprotoxic substances at work, and must limit the number of workers exposed.
  - Employers must carry out risk assessments to determine the nature, degree and duration of workers' exposure on a regular basis (the information used for making the risk assessment, as well as other information, must be supplied to authorities if requested).
  - When unforeseeable incidents may lead to abnormal exposure, employers must inform workers accordingly.
  - Employers must take certain measures on hygiene, personal protection, and information and training of workers.
- The CMD is subject to a process of continuous revision to set new or revised Occupational Exposure Limits (OELs) for priority substances.

# 11. Carcinogens and Mutagens Directive (CMD)

## Background (II):

- The 6<sup>th</sup> amendment of the occupational exposure limits (OELs) in the CMD will include five substances: welding fumes, PAHs, isoprene, cobalt, and 1,4-Dioxane. On 22 September 2023, the Commission's Advisory Committee on Health and Safety at Work (ACSH) adopted its [Opinions](#) on the five substances, proposing potential Binding Occupational Exposure Limits (BOELs), Biological Limit Values (BLVs) and Short-Term Exposure Limits (STELs). Based on these Opinions, the Commission will decide whether and how to integrate these substances in a proposal for a Regulation amending the CMD for the sixth time.
- The 7<sup>th</sup> amendment of the OELs in the CMD could cover any of the substances listed in the Staff Working Document [SWD\(2022\) 438](#) (either adding new substances to the scope of the CMD or revising OELs for already listed substances). Several substances are being assessed by the European Chemicals Agency (ECHA) for potential inclusion in the CMD.
- On 6 March, a group of Member States submitted a [statement](#) calling on the Commission for an acceleration of the process of revising or setting new limit values, including by increasing the capacity of preparing scientific opinions for chemicals. The referred countries are Cyprus, Czechia, Denmark, Finland, France, Germany, Italy, Lithuania, Luxemburg, the Netherlands, Portugal, Slovenia, Spain and Sweden.

# 11. Carcinogens and Mutagens Directive (CMD)

## Latest developments:

### *6<sup>th</sup> update of OELs/BELs*

- The Commission is finalising its proposal for a Directive to amend the Occupational Exposure Limits (OELs) set out in the CMD for welding fumes, polycyclic aromatic hydrocarbons (PAHs), isoprene, cobalt and inorganic cobalt compounds, and 1,4-Dioxane. After some delays, the proposal is now expected for the second half of 2025.

### *7<sup>th</sup> update of OELs/BELs*

- On 17 June 2025, the ECHA published:
  - A Scientific Report evaluating limit values for [anthraquinone](#), and a consultation on the report (closing on 16 August).
  - A Scientific Report evaluating limit values for [oximes](#) (butanone oxime and acetone oxime), and a consultation on the report (closing on 16 August).
- On 26 June 2025, the ECHA launched calls for comments on the scientific evaluation limits at the workplace regarding [lithium compounds](#), [organotin compounds](#) and [poorly soluble low toxicity particulates \(PSLTs\)](#), all of which will close on 26 September 2025. The ECHA will prepare Scientific Reports on the OELs of these substances.

# 11. Carcinogens and Mutagens Directive (CMD)

## Next steps:

- The 6<sup>th</sup> amendment of the CMD is expected to be presented by the Commission in the second half of 2025. It will cover welding fumes, polycyclic aromatic hydrocarbons (PAHs), isoprene, cobalt and inorganic cobalt compounds, and 1,4-Dioxane.
- The 7<sup>th</sup> amendment of the CMD is expected to be proposed in the coming years, once all potential substances are assessed by the ECHA and by the Commission's Advisory Committee on Health and Safety at Work (ACSH). It is not yet clear which substances will be included, but work is currently ongoing in the following substances: respirable crystalline silica, 1,2,3-trichloropropane, 1,2-dichloropropane, 2,3-epoxypropyl methacrylate (glycidyl methacrylate), 2-chloro-1,3-butadiene (chloroprene), nitrosamines, 4,4-isopropylidenediphenol (bisphenol A), 1,3-butadiene, 1,2-dihydroxybenzene (pyrocatechol), boron and its compounds, silicon carbide fibres, chromium IV compounds, 1,3-propanesultone, ethylene dibromide (EDB) or 1,2-dibromethane, n-(hydroxymethyl)acrylamide (NMA), oximes (butanone oxime and acetone oxime), anthraquinone, lithium compounds, organotin compounds, and poorly soluble low toxicity particulates (PSLTs).

# 12. Ecodesign Regulation

## Background:

- In March 2022, the Commission [proposed](#) an Ecodesign for Sustainable Products Regulation to replace the Ecodesign Directive. After going through the legislative process, the law was adopted and published in the EU Official Journal on 28 June 2024 as Regulation [2024/1781](#).
- The law establishes a framework for setting ecodesign requirements that products will have to comply with, in order to improve the sustainability of products on the EU market:
  - The Commission will published product-specific delegated acts setting requirements for aspects such as durability, reliability, reusability, repairability, upgradability, energy and resource efficiency, recycled content, recyclability, environmental footprint, and presence of substances of concern.
  - Digital Product Passports will be required (as determined through future delegated acts), providing consumers accessible and standardised information on product composition, environmental performance, repair and dismantling instructions and end-of-life handling.
  - The destruction of unsold goods is banned unless justified (applying to textiles and footwear, but with other products potentially added later through delegated acts).
- On 27 September 2024, the Commission published an [FAQ document](#) providing clarifications on the Regulation.

# 12. Ecodesign Regulation

## Latest developments (I):

- Pursuant to Article 18 of the Regulation, the Commission is required to adopt and publish a Working Plan that identifies the products or product groups to be prioritised for the development of ecodesign requirements along with indicative timelines. In this context, "prioritised" refers to the Commission's selection of products that should be addressed first for the introduction of new or updated ecodesign and energy labelling requirements. The ESPR outlines specific criteria for prioritisation, focusing on the potential of products to contribute to the EU's climate, environmental, and energy efficiency objectives. Each Working Plan must cover a period of at least three years.
- On 16 April 2025, the Commission adopted its first [2025-2030 Working Plan](#):
  - It identifies the product groups considered priorities for the development of ecodesign requirements through delegated acts.
  - It also lists the products that will be carried forward from the 2020-2024 Ecodesign and Energy Labeling [Working Plan](#) (under the Ecodesign Directive, which was limited to energy-related products). 19 will continue to be regulated under the old Directive until 31 December 2026 while the remaining 16 have been incorporated into the 2025-2030 Working Plan.
  - It excludes the following products for the time being:
    - Footwear
    - Chemicals
    - Detergents, paints and lubricants
    - Electrical switchgear
  - See the following slides for details.

# 12. Ecodesign Regulation

## Latest developments (I):

**New products to be included in the Working Plan:**

Product/Measure	JRC ranking	Stakeholders' opinion	Market size (EU)	Improvement potential	Indicative timeline for adoption
Final products					
Textiles/Apparel	1 <sup>st</sup>	High support	EUR 78 billion (out of EUR 142 billion of all textiles and footwear in market size, 2019)	High potential to improve product lifetime extension, material efficiency and to reduce impacts on water, waste generation, climate change and energy consumption. Information requirements under the ESPR will work in synergy with the Textile Labelling Regulation, currently under review.	2027
Furniture	2 <sup>nd</sup>	Support	EUR 140 billion (2021)	High potential to improve aspects of resource use, with impacts of production and supply of materials often being the main contributor across different environmental impact categories (e.g. climate change, acidification, eutrophication), and waste generation. Positive impact on other categories such as air, soil and biodiversity.	2028

**Note:** ICT products are not listed in the table but are included in the Working Plan as they will be covered in the work to prepare the two horizontal requirements (below).

# 12. Ecodesign Regulation

## Latest developments (II):

Tyres	3 <sup>rd</sup>	High support	EUR 45 billion (2021)	Though already regulated by other pieces of EU legislation (including the Tyre Labelling Regulation (EU) 2020/740), potential to improve recyclability and recycled content and to mitigate risks related to waste management of end-of-life tyres.	2027
Mattresses	4 <sup>th</sup>	High support	EUR 10 billion (2022)	High potential to improve waste generation, lifetime extension and material efficiency.	2029
Intermediate products					
Iron & Steel	1 <sup>st</sup>	High support	EUR 152 billion (2023)	High potential to improve the impacts on climate change, energy consumption, water, air and to boost the EU's resilience, strategic autonomy and technological innovation. Measures under the ESPR will complement the green steel label announced in the Clean Industrial Deal as well as existing environmental and climate measures on steel products and production such as the ETS and CBAM.	2026

# 12. Ecodesign Regulation

## Latest developments (III):

Aluminium	4 <sup>th</sup>	Support	EUR 40 billion (2019)	Potential to improve effects on climate change, energy consumption, air, water, biodiversity, soil pollution and raw materials. Incorporating secondary materials during manufacturing can reduce greenhouse gas emissions by up to 11 times. Aluminium is one of the metals with the highest potential for recyclability and for increasing EU supply resilience. Measures under ESPR are expected to complement existing environmental and climate measures on aluminium products and production such as ETS and CBAM.	2027
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# 12. Ecodesign Regulation

## Latest developments (IV):

Horizontal requirements					
Repairability (including scoring)	N/A	High support	N/A	High potential for improvement; depending on the scope of the measure and coverage of resource use, increased circularity for (critical) raw materials, climate change, and targeted requirements on durability (reliability) could also be included. The scope, to be refined during the preparatory study, could include products such as consumer electronics and small household appliances.	2027
Recycled content and recyclability of electrical and electronic equipment	N/A	Support	N/A	High potential for improvement, depending on the exact scope of the measure and coverage of resource use, increased circularity for (critical) raw materials, climate change and waste prevention.	2029

# 12. Ecodesign Regulation

## Latest developments (V):

Energy-related products that are carried forward from the old 2022-2024 Working Plan under the old Directive to the new Working Plan:

Energy-related products	New product	Ecodesign requirements	Energy label	Indicative timeline
Low-temperature emitters	Yes	No	Yes	Adoption: 2026
Displays	No	Yes	Yes	Adoption: 2027
EV chargers	Yes	To be specified	To be specified	Adoption: 2028
Household dishwashers	No	Yes	Yes	Adoption: 2026
Household washing machines and household washer-dryers	No	Yes	Yes	Adoption: 2026
Professional laundry appliances	Yes	Yes	To be specified	Adoption: 2026
Professional dishwashers	Yes	Yes	To be specified	Adoption: 2026
Electric motors and variable speed drives	No	Yes	No	Adoption: 2028
Refrigerating appliances (including household fridges and freezers)	No	Yes	Yes	Adoption: 2028
Refrigerating appliances with a sales function	No	Yes	Yes	Adoption: 2028
Light sources and (only for ecodesign) separate control gears	No	Yes	Yes	Adoption: 2029
Welding equipment	No	Yes	No	Adoption: end 2030
Mobile phones and tablets	No	Yes	Yes	Adoption: end 2030
Local space heaters	No	Yes	Yes	Energy label: adoption in 2026 Ecodesign requirements: Adoption: mid-2030
Tumble dryers	No	Yes	Yes	Adoption: end 2030
Standby and off mode consumption	No	Yes	No	Adoption: end 2030

# 12. Ecodesign Regulation

## Latest developments (VI):

- On 17 June 2025, the Environment Council met to discuss the implementation of the ESPR. During the meeting, France, Estonia, and the Czech Republic requested the Commission to prioritize high-voltage switchgear (in form of a Delegated Act) within the ESPR 2025-2030 Working Plan. However, the Commission declined this request and the ESPR Working Plan will not be updated to include this product group at this stage.

## Next steps:

- Throughout the period 2025-2030, the Commission will work on ecodesign requirements as per the Working Plan. A mid-term review of the Working Plan is scheduled for 2028.

# 13. Green Claims Directive

## Background:

- On 22 March 2023, the Commission issued a [proposal](#) for a Directive on substantiation and communication of explicit environmental claims. It would set common criteria against greenwashing and misleading environmental claims, addressing explicit claims and the proliferation of new public and private environmental labels. Claims already covered by other EU laws are excluded from the scope.
  - Green claims must be scientifically substantiated and verifiable, must rely on widely recognised scientific evidence, and must consider the lifecycle of the product or service. The claim must disclose if offsetting (through carbon credits) is used.
  - Claims must include a clear definition of the environmental impact or benefit, relevant data, and a timeframe and conditions for achieving the claimed benefit, and must avoid misleading wording.
  - Environmental claims must be independently verified by a third-party, who will issue a certificate of conformity.
  - Only certified and approved ecolabels may be used.
  - Lighter obligations and support tools for microenterprises.
  - Member States must carry out checks and enforce penalties for non-compliance.
- The Parliament adopted its [position](#) on the proposal on 12 March 2024, while the Council adopted its [position](#) on 17 June 2024. Interinstitutional negotiations started with a first trilogue meeting on 28 January 2025.

# 13. Green Claims Directive

## Latest developments:

- On 24 April 2025, a second trilogue negotiation was held. A third one was planned for 23 June, where an agreement was expected to be found on the final text.
- In mid-June, the right-wing parliamentary groups start to express reluctance towards resistance to the Directive due to the burden it would introduce for businesses. This was shown by a letter from two MEPs from the EPP to Environment Commissioner Jessika Roswall, leaked on 18 June to the media, stating the EPP will not support the outcome of the third trilogue. The ECR and P/E groups also sent letters to the Commission calling for the proposal's withdrawal.
- On 20 June, the Commission announced its intention to withdraw the proposal. At the same time, within the Council, Italy withdrew its support for the proposal, citing an amendment from the Council that would include microenterprises within the scope of the proposal. These events led the Polish Presidency of the Council to cancel the trilogue planned for 23 June.
- On 23 June, the Commission clarified that it intended to withdraw the proposal only if microenterprises were included in the scope of the proposal (as introduced by the Council), as this would go against the Commission's mission to simplify legislation. The Commission said that it would decide whether or not to withdraw the proposal after the next round of trilogues.
- On 25 June, during the COREPER (Council's preparatory body) meeting, Member States discussed the state of play. From 1 July, it will be the task of the Danish Presidency of the Council to lead the way.

# 13. Green Claims Directive

## Next steps:

- The next trilogue meeting might be rescheduled to July. In the Council, Member States will discuss how to move forward with the file.
- According to the proposal, once the Directive is published, Member States are expected to have an 18-month transposition period. Measures included in the Directive are expected to apply from 24 months after the entry into force of the Directive.

# 14. Ocean governance

## Background:

- Some of the key EU documents adopted in the last years in the area of ocean governance and the blue economy include:
  - January 2018 – Parliament's [Resolution](#) on international ocean governance.
  - June 2020 – Commission's [EU Blue Economy Report 2020](#) on the performance of economic sectors linked to oceans and coastal environments.
  - July 2020 – Commission's [Atlantic Action Plan 2.0](#).
  - June 2022 – Commission's [Joint Communication](#) on the EU's international ocean governance agenda.
  - October 2022 – Parliament's [Resolution](#) on strengthening ocean governance and biodiversity.
  - December 2022 – [Council Conclusions](#) on International Ocean Governance for safe, secure, clean, healthy and sustainably managed oceans and seas.
  - June 2024 – [Council Decision](#) green-lighting the EU's adoption of the [UN agreement](#) on the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction (the BBNJ agreement). The agreement will provide for shared governance over 95% of the ocean's volume, allowing for the establishment of marine protected areas on the high seas (currently, only about 1% of the high seas is protected).
  - July 2024 – Commission's announcement of €12.9 million in funding for 26 new projects under the EU Mission "Restore our Ocean and Waters".
- July 2024 – Von der Leyen's [Political Guidelines](#) for 2024-2029 announced a European Oceans Pact. According to von der Leyen's [mission letter](#) addressed at the new Commissioner for Fisheries and Oceans, Costas Kadiis, the Pact should focus on supporting resilient and healthy oceans and coastal areas, promoting the blue economy, managing the use of the seas coherently, and developing a comprehensive agenda for marine knowledge, innovation and investment.

# 14. Ocean governance

## Latest developments (I):

### ***BBNJ Agreement***

- On 24 April 2025, the Commission published its [proposal for a Directive](#) on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction. The Directive aims to help Member States to implement the BBNJ Agreement (Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction, adopted in June 2023). The proposed Directive is designed to ensure that the EU is fully prepared to meet its obligations under the BBNJ Agreement and focuses on several key areas:
  - Establishment of large-scale marine protected areas
  - Mandatory environmental impact assessments
  - Access to and fair sharing of marine genetic resources
  - Promotion of good governance and ocean sustainability
  - Streamlining of administrative procedure.

### ***European Ocean Pact***

- On 5 June 2025, the Commission released the [European Ocean Pact](#), a non legislative strategy designed to safeguard the ocean, promote a sustainable and a competitive blue economy, and strengthen maritime security. This Pact brings together all EU ocean related policies under a single framework, aiming to address growing pressures on marine eco-systems from pollution, climate change and over-exploitation.

# 14. Ocean governance

## Latest developments (II):

- The Ocean Pact outlines 6 priorities:
  - Protecting and restoring ocean health
  - Boosting the competitiveness of the EU sustainable blue economy
  - Supporting coastal and island communities and outermost regions
  - Enhancing maritime security and defence advancing ocean research knowledge, skills and innovation,
  - Strengthening EU ocean diplomacy and international ocean governance
- The European Oceans Pact was presented at the 2025 UN Ocean Summit in Nice on 9 June. On 10 June, Commission President Ursula Von der Leyen additionally announced €1 billion investments to support science, the ocean conversation, sustainable fisheries and innovation in ocean technologies.
- The Ocean Pact outlines the following measures:
  - Ocean Act: By 2027, the Commission will propose an Ocean Act that will build on a revision of the MSP Directive aiming at strengthen and modernising maritime spatial plannings as a tool that ill serve the priorities of the Ocean Pact. The Ocean Act will reference relevant targets and will facilitate their coherent and effective implementation. Further to the Ocean Act, the Commission will organise a high level " Our Baltic" Event in 2025.
  - Simplification: The Commission will also work towards simplifying and synchronising ocean-related reporting obligations for Member States in existing legislation to increase legal clarity.

[Continues below]

# 14. Ocean governance

## Latest developments (II):

- The Ocean Pact outlines the following measures:
  - EU Ocean Pact Dashboard: To monitor and report progress on the Pact's targets and indicators, the Commission will create a public EU Ocean Pact dashboard.
  - Creation of a high-level Ocean Board to support the Commission in its task of monitoring and ensuring implementation of the Ocean Pact.
  - Revision of the Maritime Strategy Framework Directive (MSFD), to accelerate progress towards achievement of the environmental objectives, simplify implementation and reduce administrative burden.
  - Evaluation and possible revision of the CFP and a Vision 2040 for fisheries and aquaculture (no date specified).
  - The Commission will develop an Industrial Maritime and EU Ports Strategy (no date specified).
  - Blue Generational Renewal Strategy: Planned for 2027, it will foster a skilled next-generation workforce in marine research, ocean tech and sustainable fishing. It will promote education, ocean literacy, and intergenerational knowledge transfer.
  - EU Coastal Communities and Resilience Strategy: Expected in 2026 to promote early warning capacities and climate adoption plans.
  - Consultation on a new Strategy for EU Islands and on an updated Strategy on Outermost Regions: The Commission will launch a consultation on both strategies (no date specified).
  - Ocean Observation Initiative by 2030, to secure historical data from ocean observation that are currently at risk in EU-bases databases.
  - Ocean R&I Strategy (no date specified).
  - Establishment of an EU Ocean Youth and Intergenerational Ambassador Network. The Commission will host annual Youth Policy Dialogues.

# 14. Ocean governance

## Next steps:

- The Commission will carry out the actions foreseen in the European Ocean Pact over the coming years.

# 15. Marine Strategy Framework Directive (MSFD)

## Background:

- The Marine Strategy Framework Directive ([2008/56/EC](#)) establishes a framework for Member States to take measures to achieve or maintain good environmental status in the marine environment by 2020. It provides for the development and implementation of national marine strategies with the aim of protecting and preserving the marine environment and preventing and reducing inputs in the marine environment. Such marine strategies must apply an ecosystem-based approach to the management of human activities.
- In June 2020, the Commission adopted a [report](#) on the first implementation cycle of the Directive. The report shows that the framework for marine environmental protection is one of the most comprehensive worldwide but it needs to be improved to be able to tackle pressures (unsustainable fishing, plastic litter, excess nutrients, underwater noise, and other pollution).
- On 6 March 2025, the Commission published its [evaluation](#) of the Marine Strategy Framework Directive, concluding that:
  - The Directive has succeeded in establishing a comprehensive and integrated framework for protecting EU marine waters, and has led Member States to put in place marine strategies and to monitor the state of marine water. However, the aim of attaining good environmental status for all descriptors by 2020 has not been achieved, due to both external factors and weaknesses in the Directive's framework. There are also regional differences in implementation.
  - The Directive has delivered in terms of cost-effectiveness, as its benefits outweigh the costs of implementation.
  - The Directive has led to broad-scale marine data collection and knowledge-building, but the data collected is not fully harmonised and lacks quality, leading to major knowledge gaps. Data-sharing and earth observation remain untapped.
  - Inconsistencies exist with other laws (Water Framework Directive, Habitats Directive, Birds Directive, Nature Restoration Regulation).

# 15. Marine Strategy Framework Directive (MSFD)

## Latest developments:

- On 24 April 2025, MEPs in Parliament's Environment (ENVI) Committee discussed the Commission's [evaluation](#) of the MSFD released on 6 March (see background slide):
  - On behalf of the Commission, Veronica Manfredi, Director for Zero Pollution and Green Cities (DG ENV) outlined the aims and impact of the MSFD, commending Member States for their performance, but stressed the disparities in measures taken across Member States and the need for further investments to protect freshwater. The Directive has been partially effective, and good environmental status has not yet been achieved. Furthermore, simplification and reduced administrative burden can be enhanced by aligning the MSFD with other legislation.
  - The EPP acknowledged the worsening situation regarding the state of waters and pollution, calling for greater efforts, cross-cutting work, coordination, and implementation of measures.
  - The S&D expressed concern with the lack of progress, and called on the Commission to take action against pollution, PFAS and other contaminants, through a holistic strategy, while emphasising resilience and systematic coordination.
  - Renew Europe stressed the issue of overfishing, calling for third countries to be subject to the same rules as EU fishers.
  - The Greens noted that the problems of overfishing, chemical contamination and decline in marine biodiversity are not new, and stressed the need for enforcement, clear governance structures and links with other water-related measures.
  - The Left expressed concerns about lack of action, destruction of biodiversity, overfishing and the use of PFAS.

## Next steps:

- The Commission might release a proposal for revision of the MFSD later this year.

# 16. Surface and groundwater pollutants

## Background (I):

- On 26 October 2022, the Commission released a [proposal](#) for a Directive amending the Water Framework Directive (2000/60/EC), the Groundwater Directive (2006/118/EC) and the Environmental Quality Standards Directive (2008/105/EC).
- The proposal aims to update the pollutant lists, enhance the monitoring of chemical mixtures, harmonise pollutant management for surface water and groundwater, facilitate the legal framework's rapid adaptation to new scientific findings, and improve data transparency and reuse
- The new Directive will revise the list of pollutants affecting surface water and groundwater, identifying new priority substances (including new priority hazardous substances), and will set corresponding Environmental Quality Standards.
  - Annex X of the Water Framework Directive, which lists 45 substances that must be progressively reduced or phased out from the aquatic environment, would become the revised Annex I of the Environmental Quality Standards Directive, which would deal only with surface water pollutants. Amending the list would be possible through Delegated Acts instead of Ordinary Legislative Procedure (therefore not needing co-decision between Council and Parliament, which is a lengthy process). In addition to new individual substances, new groups are added: pesticides and PFAS.
  - Annexes I and II of the Groundwater Directive would be revised. Annex I establishes groundwater quality standards for the purpose of assessing chemical status. Annex II sets the threshold values for groundwater pollutants as indicators of pollution. New substances would be added to both Annexes.

# 16. Surface and groundwater pollutants

## Background (II):

- On 24 April 2024, the European Parliament adopted its first-reading [position](#) on the Commission's proposal, while the Council adopted its [position](#) on 19 June 2024. The following are some of the key differences:
  - Enforcement: Parliament wants quicker compliant deadlines (within 6 months), with no delays beyond 2033 for existing pollutants and immediate monitoring of newly identified pollutants. The Council proposes to push compliance to 2033 for existing pollutants in surface water and to 2039 for newly added pollutants.
  - Stricter standards: Parliament supports stricter thresholds for pollutants like PFAS, glyphosate and pharmaceuticals. The Council wants weaker provisions to address the risk from chemical mixtures, and proposes to remove certain thresholds.
  - Exemptions: The Council proposes introducing two new exemptions to the environmental objectives of the Water Framework Directive, allowing temporary or localised water quality deterioration. Parliament rejects this.
  - Polluter responsibility: Parliament calls for an extended producer responsibility scheme.
  - Monitoring delays: The Council proposes for the monitoring of substances on the Watch List to start 9 months after adoption rather than 6 months.

# 16. Surface and groundwater pollutants

## Latest developments:

- Since the first trilogue meeting between Parliament and Council held on 28 January 2025, there have been two other meetings: on 20 May and 17 June. So far, co-legislators have agreed on a number of technical issues, including the procedure of the Annexes, Access to justice, standard producer responsibility and inventories of emissions. They have also held preliminary discussions on timelines, compliance and non-deterioration.

## Next steps:

- Interinstitutional negotiations will continue throughout the coming months, with a fourth trilogue scheduled for 15 July 2025. A final text would likely be adopted in the second half of 2025.

# 17. Waste Framework Directive

## Background:

- The Waste Framework Directive ([2008/98/EC](#)) lays down measures to protect the environment and human health by preventing or reducing the generation of waste and the impacts of waste generation and management. It also aims to reduce the overall impacts of resource use and improve the efficiency of such use.
  - It applies the following waste hierarchy as a priority order in waste prevention and management legislation and policy: (a) prevention, (b) preparing for reuse, (c) recycling, (d) other recovery (e.g. energy recovery), and (e) disposal.
  - The Directive sets out some measures concerning hazardous waste and waste oils.
  - Under the 2018 revision of the Directive, Member States must take a number of measures to prevent waste generation, including identifying the products that are the main source of marine litter in natural and marine environments and aiming to halt the generation of marine litter.
- On 5 July 2023, the Commission presented a [proposal](#) for revising the Waste Framework Directive when it comes to food and textile waste. The revision does not affect the provisions related to hazardous waste and waste oils, which could be the most relevant to the boating industry.

# 17. Waste Framework Directive

## Latest developments:

- Following the agreement between Parliament and Council from 18 February 2025, the revision is going through the final stages of adoption. On 23 June 2025, the Council approved the text, while Parliament is expected to approve it in plenary on 8 September.
- As a reminder, the revision will amend the Directive in the following ways:
  - Amendment of the scope to state that gaseous effluents emitted into the atmosphere and CO<sub>2</sub> captured and transported for the purpose of geological storage are excluded from the scope.
  - Some new definitions are added.
  - On food waste, new measures on waste prevention to be taken by Member States are specified, and new food waste reduction targets to be met by December 2030 are set.
  - On textiles, extended producer responsibility for textile and footwear products is introduced, whereby producers will have to cover certain costs.
  - The Commission must review the Directive by 31 December 2029.

## Next steps:

- Once Parliament votes on the revision, it will be published in the Official Journal, likely in September or October 2025.

# 18. Deforestation Regulation

## Background (I):

- The Deforestation Regulation (EUDR) ([2023/1115](#)) aims to minimise the consumption of products coming from supply chains associated with deforestation or forest degradation and simultaneously increase EU demand for and trade in legal and deforestation-free commodities and products. It was published in the Official Journal on 9 June 2023.
  - Operators and traders must exercise due diligence, including risk assessments and mitigation. Small and medium-sized traders must maintain specific business information, while simplified due diligence applies to low-risk regions.
  - Member States must designate competent authorities (CAs) to ensure compliance through checks, with penalties for non-compliance. High-risk countries will face enhanced scrutiny, with at least 15% of operators being checked annually.
  - Customs procedures require verification of due diligence before releasing relevant commodities and products.
  - Countries are classified as low, standard, or high risk based on deforestation and agriculture trends. The Commission will update risk classifications and engage with producer countries to address deforestation.
  - Public engagement allows individuals to submit concerns about non-compliance, with access to judicial review for those with sufficient interest.
  - The Commission will maintain a system to track due diligence statements, customs interconnections and risk profiles.
  - The Timber Regulation (995/2010) is repealed.
- An [amendment](#) to change the date of application of the EUDR was proposed by the Commission on 2 October 2024 and published in the Official Journal on 23 December 2024. It moved the application date of the general requirements from 30 December 2024 to 30 December 2025. Furthermore, the application date of the provisions affecting micro-undertakings and small undertakings was moved from 30 June 2025 to 30 June 2026.

# 18. Deforestation Regulation

## Background (II):

- The EUDR was not included in the Commission's Omnibus simplification packages, which covered other laws such as the CSRD and CSDDD. However, some Member States, including the Czech Republic and Slovenia, have called for its simplification during Council discussions. Industry reactions have been mixed. Some stakeholders argue that simplifying the Regulation could undermine legal clarity, while others support its inclusion in future simplification efforts. In the European Parliament, members from the EPP and other right-leaning groups have also advocated for easing certain provisions of the Regulation.

## Latest developments (I):

- On 15 April 2025, the European Commission launched a public [consultation](#) on a draft Delegated Regulation amending the EUDR product list. Stakeholders were called to submit feedback on the exclusion of coffee, wooden pallets, single-use and reusable packaging, labels, exported samples and second-hand products. The consultation remained open until 13 May.
- On 15 April, the European Commission published its updated [guidance document](#) and a set of [frequently asked questions](#) to help companies and national authorities interpret the EUDR. While these documents are not legally binding, they provide practical explanations on how to comply with the Regulation, which requires companies to trace the origins of imported products such as coffee, cocoa, and palm oil to ensure they are not linked to deforestation. In addition, the Commission announced that it will adopt an Implementing Act by the end of June 2025 to introduce a country benchmarking system, classifying countries and regions as high, medium, or low risk for deforestation (see next slide on Implementing Act released in May). Depending on the risk level, companies will be required to carry out more or less extensive due diligence checks on their supply chains.

# 18. Deforestation Regulation

## Latest developments (II):

- On 14 May 2025, a group of 40 Members of the European Parliament from right-wing groups (EPP, ECR, ESN and PEF) sent a letter to the European Commission calling for a postponement of the full implementation of the EUDR. They argued that the implementation should be delayed until the most pressing technical and legal issues are resolved. Additionally, the MEPs advocated for the creation of a "zero-risk" category of countries, which would be exempt from the EUDR's obligations. MEP Veronika Vrecionová (Czechia, ECR), Chair of the European Parliament's Agriculture Committee, also called for a further delay in the implementation of the EU's Deforestation Regulation.
- On 22 May, the European Commission released its [draft classification](#) of countries under the EUDR. Four countries, Russia, North Korea, Myanmar, and Belarus, were designated as high-risk due to existing UN sanctions on relevant commodities. Notably, key EU trading partners such as Brazil, Indonesia, and Malaysia, often criticised for deforestation-related concerns, are not currently classified as high-risk countries but instead fall under the standard risk category. Additionally, all EU Member States have been classified as low-risk, alongside countries such as China, the United States, Canada, the Democratic Republic of Congo, Ghana, Kenya, Vietnam, and others.
- Following the release of the draft country risk classification, reactions from MEPs have been mixed. MEP Alexander Bernhuber (Austria, EPP) criticised the list for disproportionately targeting countries with minimal trade ties to the EU, while overlooking major trading partners with questionable forest conservation records. She and MEP Mathilde Androuët (France, PEF) filed two motions to withdraw the Commission's country risks classification method arguing for a new "negligible risk" category and criticised the limited number of high-risk countries listed.

# 18. Deforestation Regulation

## Latest developments (III):

- In another example, MEP Marie Toussaint (Greens, France) expressed disappointment, suggesting the classification weakens the overall ambition of the Regulation. Moreover, countries such as Malaysia, which was not granted low-risk status, have voiced criticism, accusing the EU of unfairly favouring its Member States in the classification process.
- On 26 May 2025, EU Agriculture Ministers met to discuss the implementation of the Deforestation Regulation. A group of countries, led by Luxembourg and Austria, and supported by Bulgaria, Croatia, the Czech Republic, Italy, Finland, Latvia, Portugal, Romania, and Slovenia, called for a revision of the Regulation to simplify its requirements. The group argued that the new rules would create "disproportional red tape" on farmers and foresters. Therefore, the Commission should exclude from the scope of the Regulation countries or regions with an "insignificant risk" of deforestation. Commodities sourced from the regions falling into this category would be subject to little to no checks and companies buying from these regions would not have to perform strict due diligence checks of their supply chains.
- Moreover, according to these Member States, countries should be able to cut down trees if these harvests are compensated with new tree planting somewhere else in the same country. They also called for reporting and documentation requirements to be significantly streamlined. The group of Ministers therefore called on the Commission to include the EUDR to one of its upcoming simplification packages and called for a further delay.

# 18. Deforestation Regulation

## Latest developments (IV):

- France opposed calls to postpone the implementation of the Regulation. French representatives argued that any necessary adjustments should be addressed through the revision clause already included in the Regulation. Under this clause, the Commission is required to conduct a general review of the Regulation by 30 June 2028 and, if appropriate, propose legislative changes. Environment, Water resilience and Competitive Circular Economy Commissioner Jessika Roswall reaffirmed the Commission's position against further simplifying or delaying the EUDR. She noted that the Commission has already taken steps to ease implementation, including a one-year delay to the Regulation's entry into force, and argued that additional simplification is unnecessary.
- On 24 June, Members of the ENVI Committee have objected to the Commission's country risk classification published on 22 May following the two motions filed to withdraw the Commission's country risks classification method. At the debate MEP Pär Holmgren (Sweden, Greens) criticised the EPP for aligning with far-right groups to weaken environmental legislation. MEP Jonas Sjöstedt (Sweden, The Left) added that the EPP was performing a political "moonwalk", appearing progressive while actually moving backwards.

# 18. Deforestation Regulation

## Next steps:

- The EUDR will apply from 30 December 2025 to large and medium size companies and from 30 June 2026 to micro and small companies.
- The European Parliament is expected to vote on the objection to the Commission's country risk classification during the plenary session on 7–10 July. However, the outcome of the vote will be non-binding. As the classification is set through an Implementing Act, it falls under the exclusive competence of the European Commission, which is not legally required to act on Parliament's position.

# 19. Trade

## EU-US

- On 12 March, the US started applying 25% tariffs on EU steel and aluminium, followed by 25% tariffs on automobile imports from 3 April. Then, on 2 April, the US announced the introduction of "reciprocal" tariffs (to be applied generally to all products), setting a 20% rate for the EU, effective from 9 April. However, on 9 April, the US announced a 90-day pause on these reciprocal tariffs (until 9 July) and applied a 10% baseline tariff instead. On 23 May, President Trump threatened to impose 50% tariffs on EU goods starting on 1 June, though this was again subsequently postponed to 9 July following further discussions. Meanwhile, on 28 May, a US court ruled that the reciprocal tariffs from April were illegal and ordered them to be rescinded. However, this ruling was temporarily overturned by an appeals court, which reinstated the tariffs pending a full review of their legality.
- In response to the US steel and aluminium tariffs, the European Commission announced on 10 April 2025 that once adopted, countermeasures would be put on hold for 90 days with implementation contingent on the outcome of the negotiations. On 14 April, the EU adopted [Implementing Regulation 2025/778](#), applying tariffs to €21 billion worth of US exports, reflecting measures previously announced in March. This was immediately followed by [Implementing Regulation 2025/786](#), which suspended the application of these tariffs until 14 July. The first Regulation divides the affected goods into four annexes:
  - Annex I: Reinstates the 2018 tariffs, effective 15 April, applying 10% or 25% duties on steel, aluminium, and other products, including recreational boats.
  - Annex II: Applies 25% tariffs on steel, iron, and aluminium products from 16 May.
  - Annex III: Also effective 16 May, imposes 25% tariffs on a wide range of products including wood products, food products and others.
  - Annex IV: Introduces 25% tariffs on dried fruits, effective 1 December.

# 19. Trade

- On 7 April 2025, the Commission proposed a "zero-for-zero" tariff scheme to the United States during a [press conference](#). The offer aimed to eliminate tariffs on a reciprocal basis on industrial goods.
- On 8 May, the EU launched a [public consultation](#) on potential additional measures against the U.S, including increased customs duties, export duties, and non-tariff export restrictions on certain EU exports to the U.S. The draft list of possible import duties notably includes boat or dock fenders, boat propellers, excursion boats and vessels designed for the transport of persons, lifeboats among other products. The consultation remained open until 10 June, with Member States expected to decide on the final list in July.
- On 6 June 2025, the Commission reoffered to remove existing tariffs on industrial goods, including chemicals, pharmaceuticals, rubber, plastics, and machinery, as part of ongoing efforts to de-escalate trade tensions with the US.
- On 25 June 2025, German Chancellor Merz publicly urged the Commission to finalise a trade agreement with the US within days. He raised the issue ahead of the European Council summit, expressing dissatisfaction with the Commission's negotiation strategy, which he described as overly complex. France's President Macron also called for a swift agreement but insists on balanced terms. Macron has warned that if the US maintains a 10% baseline tariff, the EU must respond with equivalent measures. French officials have advocated for a firmer stance, including potentially targeting US services.
- On 26–27 June 2025, at the European Council summit, Chancellor Merz reiterated his concerns, highlighting the need to protect key European industries, particularly Germany's automotive, manufacturing, semiconductor, pharmaceutical, and metals sectors, from targeted US tariffs. He warned against the possibility of the EU settling for a broad framework agreement that would impose a flat 10 percent tariff on most goods, rather than addressing sector-specific duties that disproportionately affect German exporters.

# 19. Trade

- The EU and the US are now trying to finalise an agreement before the end of the deadline on 9 July 2025. On 2 July, Trade Commissioner Maroš Šefčovič is scheduled to travel to Washington for last-minute negotiations and will brief EU Member States on the outcome later in the week. According to EU chief spokesperson Paula Pinho, the presence of a “technical” delegation indicates that negotiations are progressing well. However, she declined to clarify which issues remain off the table, most notably, digital Regulation.
- Despite pressure from the U.S Commerce Secretary, EU officials have made it clear that digital legislation is not subject to renegotiation. There is speculation that the EU–U.S deal could mirror aspects of the recent G7 agreement, which saw the US exempted from the 15 percent global minimum corporate tax rate. Meanwhile, the EU may also be prepared to accept President Trump's proposed 10 percent universal tariff on a wide range of EU exports, provided that key sectors, such as pharmaceuticals, alcohol, semiconductors, and commercial aircraft, receive exemptions.

# 19. Trade

## EU-Mercosur

- Denmark's Council Presidency [Programme](#) (19 June), mentions its intention to pursue the ratification of the EU-Mercosur trade agreement among its external relations priorities, following the political agreement reached in December 2024 between the Commission and Mercosur countries (Argentina, Brazil, Paraguay, Uruguay) on the trade pillar of the association agreement.
- Early June, French President Macron reiterated his concerns about the EU-Mercosur agreement, calling for an additional protocol to protect EU farmers from a potential influx of South American meat, a longstanding red line aimed at appeasing France's influential farming sector. On 5 June, Brazilian President Lula visited Paris in an effort to sway French opinion. However, President Macron reaffirmed that the current version of the agreement remains unacceptable to France. On 17 June, France's Agriculture Minister, Annie Genevard, announced that an "additional protocol" to the Mercosur agreement, aimed at introducing further safeguards for agriculture, is currently under discussion.
- During the European Council Summit on 26–27 June, German Chancellor Merz said he is optimistic about a swift ratification of the EU-Mercosur agreement. He said that his impression from a conversation with President Macron was that there is strong willingness to move the agreement forward.
- The European Commission [expects](#) to submit the proposal to the Council for signing and concluding the agreement in Q2 2025. Legal scrutiny is underway, with Commission and Council lawyers finalising the agreement text. A blocking minority in the Council, led by France and supported by Poland, the Netherlands, Austria, Ireland, and Romania, remains a possibility. If approved, the agreement moves to the European Parliament for a yes/no consent vote. Upon Parliament's consent, the EU and partner countries will notify the depository. Once both sides ratify and notify, the agreement will enter into force.

# 19. Trade

## EU-UK

- At the UK–EU summit on 19 May, both sides agreed to [reset](#) aspects of their trade relationship, particularly around food regulation and border checks. The UK committed to aligning certain food safety regulations with the EU in exchange for the removal of sanitary and phytosanitary (SPS) checks on food exports to the EU. Discussions also touched on business mobility, recognition of professional qualifications, and regulatory cooperation, though no formal agreements were reached on these points.
- In June 2025, the UK's Department for Business and Trade (DBT) confirmed that:
  - The alignment process on food regulation will take 12–18 months, during which current border checks will remain in place.
  - The UK will gain limited access to EU food agencies and be able to comment on new EU regulations, though its influence remains unclear

# 19. Trade

## EU-Australia

- EU-Australia trade talks stalled in 2023 due to disagreements over agricultural market access.
- On 17 June 2025, during the G7 Summit, European Commission President Ursula von der Leyen and the Australian Prime Minister met to discuss the status of the EU-Australia Free Trade Agreement (FTA) negotiations. The Australian Prime Minister emphasised that concluding the agreement would send a strong signal in support of free and fair trade. He also expressed optimism, noting that both sides are getting closer to a deal, which he hoped would be finalised as soon as possible.
- Negotiations might resume in the second half of 2025. Should talks restart, the Commission is expected to report back to the Council and the European Parliament's Committee on International Trade on the progress made.

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