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## **Streamlining and Simplifying Environmental Legislation as an Opportunity to Strengthen the Competitiveness of the European Economy**

*Business & Science Poland position*

**Certain elements of EU law require review and adjustment to enhance the competitiveness of the European economy by reducing the administrative burden placed on enterprises and public authorities. The initiative aims to simplify and streamline environmental requirements, particularly those concerning the circular economy, waste management, products and industrial emissions.**

### **Summary**

The European Union is at a decisive stage in shaping solutions aimed at achieving climate neutrality by 2050. Decarbonising the economy, transitioning towards a circular economy and strengthening environmental protection necessitate the implementation of numerous EU-level regulations. However, the regulatory framework is increasingly expanding in a way that hampers the ability of European businesses to operate effectively and to compete with entities from third countries. The current regulatory complexity, duplication of obligations and data fragmentation significantly raise operating costs.

Business & Science Poland (BSP) welcomes the continuation of the Commission's efforts to simplify requirements, including environmental ones. This is the right direction, as it strengthens the competitiveness and productivity of European industry, accelerates investment and decarbonisation, and improves regulatory predictability. Streamlined and proportionate rules reduce costs, allow resources to be focused on real needs and facilitate scaling of operations. Higher data quality and greater process consistency benefit both businesses and public administrations, enabling the internal market to function more efficiently.

In terms of specific thematic areas that should be harmonised and subjected to simplification under the ongoing work of the European Commission, BSP highlights the following:

1. Industrial emissions (in particular within the Industrial Emissions Directive (IED) framework),
2. Carbon storage (including the Directive on the geological storage of carbon dioxide),
3. Emissions trading (including Union reporting requirements under IEPR 2024/1244, ESRS E2, and the regulation on the monitoring and reporting of greenhouse gas emissions),
4. Requirements concerning transition plans and climate neutrality,

5. Due diligence requirements in supply chains (including Regulation (EU) 2023/1115 on deforestation).

In this context, BSP highlights the following elements that should be subject to a simplification process by the European Commission:

### **1. Environmental permitting procedures**

In the area of environmental permitting, the objective should be to shorten and harmonise decision-making pathways, ensure full digitalisation and guarantee predictability of requirements. We propose reinforcing the principle of proportionality, limiting duplication between individual stages of proceedings, introducing clear rules on completeness, and establishing simplified pathways for low-risk modifications. The content of decisions should focus on the conditions of normal operation of installations, while ensuring consistency of assessments and decisions, as well as timeliness for infrastructure projects of systemic importance. The expected outcome is faster deployment of low-emission technologies and greater regulatory certainty.

### **2. Harmonisation of currently overlapping environmental requirements**

With regard to unnecessary duplication, the priority should be a single-entry point for reporting, common taxonomies and identifiers, and the re-use of verified data. Consistency of reporting requirements, proportionality in emissions monitoring, recognition of mature management systems, and the replacement of dispersed plans with a single transition plan are required. Harmonising methodologies in the fields of biodiversity and due diligence would reduce multiple audits and assessments. This approach lowers administrative costs, increases comparability of information and improves enforceability, thereby strengthening the foundations for investment and industrial transition.

Below are further details on selected provisions of the above-mentioned regulations which should be addressed in the forthcoming proposal of the European Commission:

### **1. Environmental permitting procedures**

#### **1.1. Procedure and timelines for issuing integrated IED permits**

The current process for granting and modifying permits under Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions, including integrated pollution prevention and control, is excessively lengthy, fragmented and unpredictable. In practice, the total duration of the procedure can exceed three years, while repeated requests for additional information often create a spiral of formalities without delivering proportional environmental benefits. The scale of the problem concerns both new projects and modifications in existing plants, where environmental

impacts are negligible or fully assessable at the stage of the integrated decision. Enterprises point to the absence of binding deadlines, the lack of a single administrative window, an excess of duplicated documents, and the absence of simplified pathways for minor changes. Therefore, we recommend:

- a) **Establishing a maximum binding deadline for issuing a permit decision**, not exceeding 12 months from the date of submission of a complete application.
- b) **Creating a national “one-stop shop” system for environmental permits** under Directive 2010/75/EU, with full digitalisation of workflows.
- c) **Introducing a simplified pathway for minor changes and modernisations** within existing installations.
- d) **Defining the completeness of an application based on a closed list of required documents and data**, as well as a mandatory scoping meeting, the signed protocol of which confirms the scope of materials, thereby eliminating subsequent disputes.
- e) **Ensuring the use of existing, verified data and technical documents at all stages of the procedure**, to avoid re-generating the same content in different parts of the application.
- f) **Establishing special decision windows and priority schedules for projects of strategic importance for security of supply and employment**, while maintaining full environmental oversight, so that critical modernisations and investments are not blocked at purely formal stages.

### 1.2. Other Than Normal Operating Conditions (OTNOC under the IED)

The practice of providing detailed and case-by-case descriptions of other than normal operating conditions (OTNOC), including their duration, emission parameters and hypothetical scenarios, leads to an excessive expansion of permit content and additional obligations that do not translate into better environmental outcomes. By definition, OTNOC events are rare, difficult to predict, and largely managed operationally through safety systems and emergency procedures. Excessive formalisation is often used as a pretext for sanctioning insignificant deviations instead of enabling a rapid and effective response to exceptional situations. Therefore, we recommend:

- a) **Limiting permit content to requirements relating to normal operating conditions**, while referring to OTNOC only briefly in terms of approach and response mechanisms.
- b) **Avoiding the inclusion in permits of tabular numerical limits for OTNOC** and the requirement for exhaustive ex ante catalogues of scenarios.
- c) **Introducing proportionate monitoring requirements during OTNOC periods**, based on operational records rather than separate measurement campaigns, unless there is suspicion of a permanent breach of emission standards under normal conditions.

- d) **Establishing a uniform notification procedure for events exceeding a defined materiality threshold**, with a deadline for submitting a concise report on causes and corrective actions, without imposing additional parallel reporting obligations.

### **1.3. Environmental Impact Assessments (EIA) under the IED**

Excessive length and frequent duplication of assessments in EIA procedures cause significant delays and costs, particularly where obligations are imposed on low-risk projects implemented on already transformed land. In many cases, detailed and reliable verification of impacts is in any case carried out at the stage of the integrated permit under Directive 2010/75/EU, where mature technical data are available. Separating analyses between the EIA stage and the permitting stage leads to repetition of questions and document updates without delivering better environmental outcomes. Therefore, we recommend:

- a) With regard to Article 1(3) and Annexes I and II of Directive 2011/92/EU, extending exemptions to cover modernisations in existing installations on industrial sites, provided there are no new significant sources of emissions and no increase in the processing of the main raw material.
- b) Similarly, with regard to Annex I of Directive 2011/92/EU, reviewing the list of projects included therein by allowing the preparation and implementation of modernisation projects without an environmental impact assessment.
- c) With regard to Article 4 of Directive 2011/92/EU, adopting the principle that projects subsequently subject to an integrated permit under Directive 2010/75/EU should not require a separate EIA, or should be limited to an EIA restricted to the implementation stage.
- d) With regard to Article 4(6) of Directive 2011/92/EU, significantly shortening timelines and limiting the possibility of their extension. Environmental decisions should function as a gateway to further permits, without parallel substantive assessment where the assessment is carried out under the integrated permit.
- e) With regard to Article 5 of Directive 2011/92/EU, narrowing the scope of the EIA report to information necessary for the implementation stage, including abandoning operational modelling where parameters will be verified under the integrated permit.
- f) Furthermore, we propose allowing the combination of a Strategic Environmental Assessment (SEA) required under Directive 2003/35/EC with an Environmental Impact Assessment under Directive 2011/92/EU, provided the level of detail required by both directives is ensured. This particularly applies to the possibility of combining an SEA for spatial plans setting location conditions for projects subsequently subject to EIA. Duplication

of assessment under the EIA Directive is not justified where spatial plans are already assessed under the SEA Directive.

- g) Alternatively to the proposal under point f), the scope of the EIA under Directive 2011/92/EU could be limited in terms of alternatives assessment, in cases where the project location stems from a spatial plan previously subject to an SEA.

#### **1.4. Geological Storage and Transport of Carbon Dioxide (CCS)**

The current permitting regime for geological storage projects of CO<sub>2</sub> is fragmented and leads to duplication of assessments. For the same geological structure, a separate environmental decision is required at the exploration stage and again at the injection licence stage, even though much of the evidentiary material is identical. There is also no fast-track procedure for CO<sub>2</sub> transport infrastructure, which delays market development and limits the Union's ability to meet its injection capacity targets. This applies in particular to Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide, including Articles 5 and 6. Therefore, we recommend:

- a) **Relying on a single reference environmental decision for a given geological structure.** The decision issued at the exploration stage should serve as the reference point for the CO<sub>2</sub> injection licence stage, with repeat assessments limited strictly to new information or material changes.
- b) **Limiting the scope of environmental studies and documentation at the early stage** to the minimum necessary from the perspective of safety and environmental protection, with full supplementation at the licensing stage, when seismic and drilling data are already available.
- c) **Establishing short, binding deadlines for issuing decisions and handling appeals, both for storage sites and for CO<sub>2</sub> transport infrastructure.** For CO<sub>2</sub> pipelines, applying a procedure analogous to that for strategic projects under the Net Zero Industry Act, in order to accelerate the development of transmission networks and access to storage.

## **2. Harmonisation of currently overlapping environmental requirements**

### **2.1. Reporting and Documentation**

Reporting obligations in the Union concerning emissions to air, water and soil currently operate under at least two parallel regimes, which to a large extent duplicate the same data.

First, Regulation (EU) 2024/1244 of the European Parliament and of the Council establishes the European Industrial Emissions Portal and rules for data submission at installation level. Article 6 of

the regulation refers to the list of pollutants set out in Annex II to Regulation 2024/1244, which replaces the former list from the E-PRTR Regulation 166/2006, from 2028.

Second, Directive (EU) 2022/2464 of the European Parliament and of the Council on corporate sustainability reporting, together with Commission Delegated Regulation (EU) 2023/2772, requires disclosures in accordance with the European Sustainability Reporting Standards (ESRS). These include reporting the quantities of each pollutant listed in Annex II to Regulation 2024/1244 (though ESRS E2 text still directly references the soon-to-be-obsolete Regulation 166/2006) for facilities under both financial and operational control of the undertaking. In practice, the same figures must be collected, processed and published twice, often under different consolidation frameworks. From 1 January 2028, a further migration to the new portal will be required under Regulation 2024/1244. This does not improve the quality of information but generates organisational costs for companies and burdens authorities with repeated validation of identical datasets. Therefore, we recommend:

- a) **Establishing a single national entry point for environmental reporting covering emissions to air and water, waste management, and data required by the emissions trading system.** The portal should automatically distribute verified data to the relevant Union and national registers.
- b) **Synchronising the scope and format of data between IEPR (2024/1244) and ESRS E2,** including allowing ESRS disclosures to reference IEPR data so that corporate reporting is automatically populated from the portal.
- c) **Publishing by the Commission a uniform and mandatory methodology for estimating emissions of synthetic polymer microparticles.** The current absence of such a methodology prevents companies from properly fulfilling obligations introduced by Commission Regulation (EU) 2023/2055 amending Annex XVII to Regulation (EC) No 1907/2006. The method should be coordinated with proposal COM(2023) 645 on preventing pellet losses.
- d) **Establishing a common taxonomy and mapping of environmental data identifiers,** including NACE, PRODCOM, CN and installation identifiers, so that the same values can feed into different obligations without additional transformations.
- e) **Adopting the principle of re-use of evidence,** so that verified data and documents are recognised in other procedures if they relate to the same period and scope.

## 2.2. EU Emissions Trading System (ETS)

The parallel application of the requirements of Implementing Regulation (EU) 2018/2066 for stationary installations as well as for fuels and distribution results in duplication of analyses and inconsistencies in requirements. In practice, this concerns three areas:

First, Article 26 leads to the application of the same levels of accuracy also to minor streams, which generates disproportionate sampling costs. Second, the recognition of fuels as equivalent to standardised commercial fuels differs between the installation and fuel regimes, since Article 31(4) and Article 75k(2) are based on different criteria. Third, Article 28 maintains the general obligation to assess uncertainty, whereas Article 75j provides simplifications based on the excise regime and equipment subject to legal metrological control. Therefore, we recommend:

- a) Adjusting Article 26 of Regulation (EU) 2018/2066 to the principle of proportionality by applying to minor streams accuracy levels one tier lower than the highest levels specified in Annex II.
- b) Harmonising the rules for recognising fuels as equivalent to standardised commercial fuels by applying the criterion in Article 75k(2) also to stationary installations, and establishing Union or national fuel lists defined by CN codes and quality parameters, together with fixed emission factors and calorific values, so that operators can use predefined coefficients instead of carrying out individual analyses.
- c) Aligning the approach to uncertainty assessment by extending the simplifications from Article 75j to stationary installations and appropriately amending Article 28, and replacing multiple separate documents with a single standardised uncertainty and risk assessment report submitted once and updated in case of material changes.
- d) Restoring clarity in the classification of reserve installations and the assignment of product codes in delegated acts, particularly following recent amendments. Clear definitions and references would remove duplication of applications and clarifications at the monitoring and verification stage.

### **2.3. Environmental Management Systems**

The inclusion of extensive environmental management system requirements directly in permits issued under Directive 2010/75/EU on industrial emissions results in duplication of documentation and processes already covered by recognised certifications such as ISO 14001, ISO 50001 or EMAS. At the same time, the practice of requiring full inventories of chemical substances includes items that are irrelevant to emissions and environmental impacts, duplicating the obligations of Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as well as occupational health and safety rules. The outcome is the creation of a second, parallel set of instructions, indicators and inventories, which do not provide tangible environmental value but consume resources and increase compliance costs. Therefore, we recommend:



- a) Recognising ISO 14001, ISO 50001 and EMAS certifications as sufficient evidence of compliance with management requirements under Articles 14 and 14a of Directive 2010/75/EU, without the need to create separate, parallel procedures and instructions for the purposes of permitting.
- b) Limiting the inventory of substances in permit documentation to those relevant to emissions and environmental impacts, and referring all other substances to obligations under Regulation (EC) No 1907/2006 (REACH) and occupational health and safety legislation.
- c) Ensuring proportionality in imposing targets and performance indicators for management systems, by basing them on Best Available Techniques conclusions and emission standards.
- d) Applying a single audit and control pathway for management systems, so that the results of audits by accredited bodies and verifiers are recognised by competent authorities without requiring the production of additional, parallel materials.

#### **2.4. Transition and Climate Neutrality Plan**

Planning obligations are currently fragmented across several legal acts. At installation level, the transition plan is required under Article 27d of Directive 2010/75/EU as amended by Directive (EU) 2024/1785. For the purpose of free allocation of allowances, a climate neutrality plan is required under Article 10a(5) and Article 10b(4) of Directive 2003/87/EC and Implementing Regulation (EU) 2023/2441 on the content and format of the plan. At entity level, disclosure of the plan is required under Directive 2013/34/EU as amended by Directive (EU) 2022/2464 and under ESRS E1. This framework leads to duplication of analyses and inconsistencies in formats and timelines. Therefore, we recommend:

- a) Adopting a single company transition plan recognised simultaneously for the purposes of Directive 2010/75/EU, Directive 2003/87/EC together with Regulation (EU) 2023/2441, and Directive 2013/34/EU as amended by Directive (EU) 2022/2464 and the ESRS standards.
- b) Establishing flexible update cycles for the plan, including the possibility to update modules and indicators without having to rebuild the entire document, so that the plan can respond to technological, market and regulatory changes without losing validity in other processes.
- c) Introducing a standardised compliance table that maps IED, EU ETS and ESRS requirements to the fields of the plan and to companies' data systems.

#### **2.5. Biodiversity and Natura 2000 Areas**

Requirements for assessing impacts on biodiversity and meeting taxonomy criteria operate in parallel, leading to repeated field studies and analyses under different names and in different



formats. This concerns in particular Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, together with Commission Delegated Regulation (EU) 2023/2486 setting out technical screening criteria, as well as Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, in particular Article 6(3). In parallel, Regulation (EU) 2024/1991 of the European Parliament and of the Council on nature restoration establishes restoration measures which may overlap with compensatory measures under the Habitats Directive and Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds. Therefore, we recommend:

- g) **The European Commission should develop a uniform methodology for assessing the materiality of risks**, impacts and dependencies in the field of biodiversity, as well as standardised indicators. This should serve simultaneously the requirements of the taxonomy regulation, the assessments under Article 6(3) of Directive 92/43/EEC, and disclosures under the ESRS.
- h) **Recognising that restoration measures implemented under Regulation (EU) 2024/1991 may, where appropriate, fulfil compensatory requirements under the Habitats Directive and the Birds Directive**, in order to avoid duplication of actions and financing.
- i) **Clarifying how measures arising from nature restoration plans may be treated as a “substantial contribution” within the meaning of Article 9(f) of Regulation (EU) 2020/852**, with clear reliance on scientific data and Union-wide comparable metrics.

## 2.6. Supply Chains and Due Diligence

Due diligence requirements in supply chains are emerging in parallel under several legal acts, resulting in duplication of audits, analyses and documentation despite similar regulatory objectives. This applies in particular to Regulation (EU) 2023/1115 on deforestation, including the obligations in Articles 9–12 on information (including geolocation), risk assessment, mitigation measures and due diligence systems, and to Directive (EU) 2024/1760 on corporate sustainability due diligence, which in Articles 5–9 sets out the due diligence process. The absence of a common methodology, inconsistent formats and limited proportionality lead to duplication of work for both businesses and administrations and create interpretative divergences. Therefore, we recommend:

- a) **Introducing a fast-track risk assessment procedure for entities that already hold independent supply chain audit results meeting quality criteria**, while maintaining the obligation to submit a due diligence statement and preserving the authority’s right to carry out inspections.

- b) **Adjusting the scope of due diligence to the materiality of impacts and sectoral–geographic risk** and focusing the obligations of Directive (EU) 2024/1760 on the suppliers and subcontractors at highest risk, with harmonisation of risk assessment criteria with the approach under Regulation (EU) 2023/1115.
- c) **Developing a uniform due diligence methodology** that combines the requirements of Regulation (EU) 2023/1115 and Directive (EU) 2024/1760 with the process of identifying the materiality of risks, impacts and dependencies in line with ESRS IRO-1, so that a single analysis feeds both regimes.
- d) **Introducing a standardised data model for geolocation and supply chain mapping**, and establishing a single national entry point to validate and distribute data across the relevant regimes, ensuring that once-collected information is re-used for obligations under Regulation (EU) 2023/1115 and Directive (EU) 2024/1760.

## About BSP

*Business & Science Poland (BSP) combines the experience of leading Polish enterprises with the EU agenda. We represent the knowledge and interests of Polish companies employing over 230,000 people in Poland, the EU, and globally. Our goal is to support the EU Single Market in line with the need for its responsible and effective transformation.*