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Regulatory Update

Consolidation of EU Green Deal Regulation on the Horizon

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The European Commission is advancing a major regulatory initiative in the form of an Environmental Omnibus Package (Omnibus) to streamline and consolidate core EU environmental legislation. Framed as a simplification effort, the package is part of a broader EU policy to reduce regulatory fragmentation, facilitate implementation by Member States and ease compliance burdens for regulated entities, particularly SMEs and multinational operators navigating complex sustainability rules.

A [2024 EU survey](#) found that many SMEs face challenges “greening” their operations due to complex legal and administrative procedures; 35% cited difficulties with resource efficiency actions and 26% with environmental reporting. Similar burdens affect larger businesses. Stakeholder feedback highlighted the need to simplify compliance and reporting without undermining legal goals.

A [call for evidence](#) was published on 22 July 2025 seeking input from stakeholders across the public and private sectors. The feedback period is open until 10 September 2025.

The initiative aims to reduce administrative burdens from environmental legislation in areas such as the circular economy, industrial emissions and waste management. It draws on extensive stakeholder input from prior consultations. Key issues identified include implementation challenges, digitalisation and data quality. Potential measures include rationalising reporting and notification obligations, harmonising extended producer responsibility (EPR) rules across Member States, streamlining and digitalising reporting processes and addressing permitting challenges. The final set of measures may evolve with ongoing stakeholder input and analysis.

The legislative drafting phase is anticipated to begin in autumn 2025, with several major environmental instruments likely to be included.

Key Legislative Areas Under Review

The Omnibus is expected to cover a wide range of existing EU environmental laws, either for revision, consolidation or targeted repeal. (The commission is screening all existing environmental legislation to identify administrative burden reduction opportunities. The list of laws under review is not fixed and may expand based on stakeholder input.)

Key instruments to be addressed, among the 73 pieces of law considered, include the following:

Industrial Emissions Directive (IED)

The IED governs pollution prevention and control from industrial activities. The Omnibus may streamline the directive to reduce overlapping reporting obligations and accelerate the adoption of Best Available Techniques (BAT) across regulated sectors, particularly energy and manufacturing.

Environmental Impact Assessment (EIA) Directive

The EIA aims to ensure that the environmental effects of certain public and private projects are assessed before they are authorised. While the EIA Directive is not explicitly named in the call for evidence, it is implicitly within scope due to its role in environmental permitting. One of the key simplification areas the commission is exploring is reducing the complexity of permitting, including environmental assessments, core to the EIA process.

National Emission Ceilings (NEC) Directive

NEC aims to reduce air pollution across the EU by setting binding national limits on emissions of key atmospheric pollutants that harm human health and the environment. Although the NEC isn't explicitly named in the July 22 call for evidence, the commission's screening includes a broad review of environmental legislative acts. NEC may, therefore, be assessed under a "fitness check" for simplification potential along with related air pollution legislation. Possible simplification measures that could affect NEC include streamlining emission reporting by reducing duplication across National Air Pollution Control Programmes (NAPCPs) and inventories, digitalising reporting systems, enhancing data sharing and introducing harmonised compliance thresholds across Member States. (See [National Emission reduction Commitments Directive | European Environment Agency's home page.](#))

Other Potentially Affected Laws

These include:

- Waste Electrical and Electronic Equipment Directive (WEEE)
- Waste Framework Directive (WFD)
- Urban Wastewater Treatment Directive (UWWTD)
- Council Regulation (EC) No. 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein.

These instruments are referenced in the commission's broader environmental acquis review and may be subject to codification, clarification or targeted amendment under the Omnibus.

Broader Context: The EU Simplification Agenda

The Omnibus is part of a wider European Commission effort to streamline regulatory frameworks, improve coherence, and address legislative overload across environmental and financial sectors.

Key related developments include a capital markets simplification package which may propose the repeal of the Shareholder Rights Directive II (SRD II). This package is intended to reduce perceived red tape in corporate governance.

Ongoing legislative developments include the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), both of which remain under negotiation. In parallel, recently adopted amendments to the EU Taxonomy will take effect after the conclusion of the co-legislators' scrutiny period.

On 18 June, the EU reached a provisional deal to simplify CBAM and exempt importers of under 50 tonnes per year. Further proposals aim to expand CBAM to downstream products, tighten anti-circumvention rules, and revise electricity emissions calculations.

Green Claims Directive (GCD)

Initially introduced in 2022, the GCD is designed to combat greenwashing by mandating substantiation of voluntary environmental claims (e.g. on carbon neutrality, durability and recyclability). Although the commission briefly signalled its intention to withdraw the proposal as a

result of political pressure from the European People's Party (EPP), this position has since been reversed. Triologue negotiations are set to resume, with microenterprises now excluded from the scope. This instrument could form part of the Omnibus.

EU Deforestation Regulation (EUDR)

The EUDR restricts the import and marketing of commodities linked to deforestation, including cattle, cocoa, palm oil, soy, rubber and wood. It imposes due diligence obligations on operators and traders. In light of recent political resistance from both the European Parliament and Member States, the commission is reportedly considering the conversion of the regime into a labelling-based system, seeking the reduction of administrative burdens.

Implications for Businesses

- **Legal and Compliance:** Prepare for simpler, more harmonised rules that are more likely to be enforced across a broad range of environmental management obligations, including stricter requirements for substantiating environmental claims. Marketing, labelling and ESG reporting practices may need to be reviewed and updated to ensure consistency with evolving EU standards.
- **Supply Chain:** Reassess compliance with EUDR and other traceability requirements. Companies in high-risk sectors should monitor developments around possible transition to labelling regimes.
- **Sustainability Disclosures:** Align internal reporting systems with evolving CSRD and CSDDD obligations once the scoping thresholds have been finalized (likely in December 2025).
- **Investment Planning:** Consider the regulatory trajectory when evaluating greenfield investments or acquisitions in EU-facing businesses, especially those reliant on emissions-intensive or deforestation-linked inputs.

Organisations are encouraged to closely monitor the European Commission's call for evidence as it offers an early opportunity to evaluate the potential scope and direction of the Omnibus and to initiate internal planning and alignment. Stakeholders should also consider actively engaging in public consultations and relevant industry forums to contribute to the development of the proposed simplification measures. In preparation, businesses are advised to conduct a comprehensive gap analysis of their existing environmental compliance frameworks, particularly in relation to industrial emissions permitting and waste management.

Our ESG team remains available to provide tailored legal advice on the anticipated impacts of the Omnibus package, strategic risk management and compliance with evolving EU environmental legislation.



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