

ACEA position on Omnibus 1 package

Corporate sustainability reporting and due diligence requirements



GENERAL CONTEXT

ACEA welcomes the Commission proposal on the first Omnibus covering the Corporate Sustainability Due Diligence Directive (CS3D), the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy Regulation, and its ambition to achieve a reduction of the regulatory burden surrounding these pieces of legislation. European car and truck manufacturers strongly believe that it is crucial to minimise disproportionate burden on companies, as excessive compliance efforts drag resources and money away from the work on the green transition of the automotive sector.

In this context, the EU automotive industry also **welcomes the recent approval by the European Parliament and Council of the “Stop-the-Clock” proposal**, postponing the dates of application of certain corporate sustainability reporting and due diligence requirements, as well as the transposition deadline of the due diligence provisions. This will allow companies to plan their reporting timelines more effectively, providing additional lead time to adapt to the due diligence requirements.

However, it is now pivotal that the **co-legislators also ensure meaningful simplification of the reporting requirements** outlined in the CSRD, CS3D, and EU Taxonomy, in order to significantly reduce the administrative burden on European car manufacturers and safeguard the competitiveness of the automotive sector.

ACEA SUGGESTIONS

In view of the upcoming legislative work on the Commission proposal on **corporate sustainability reporting and due diligence requirements** (COM (2025)0081), ACEA calls the European Parliament and the Council to continue the simplification exercise and to adopt further adjustments on certain key provisions of the legal text.

Hence, the EU auto industry invites the co-legislators to consider the following proposals:

- **Ensure a level playing field for all companies in scope until legal clarity has been reached.** The postponement of the CSRD reporting requirements for Wave 2 and Wave 3 companies is a welcome development. However, the auto industry urges policymakers to make CSRD reporting **voluntary, including pausing the application of new data points and third-party verification, for companies already in scope (Wave 1)**, at least until legal clarity is reached. This would ensure a level playing field across the EU, considering that some member states have not yet fully transposed the CSRD into their national legislative frameworks.
- **Harmonise the transposition timeline across member states.** To allow the collection of required long-lead information such as energy related KPIs and to ensure common reporting across member states, it is necessary to **harmonise the publication timing of reports**. Hence, the publication of such reports should not take place in the first six months after the end of the fiscal year.

- **Clarify, define and harmonise what is really expected within the CSRD and CS3D in relation to Climate Transition Plans.** The current proposal of the Commission introduced under the CS3D, introduces requirements to adopt “implementing actions” when creating their Transition Plans. Companies should be able to implement their climate plan with a trajectory aligned with the Paris agreement, based on *reasonable* efforts. To ensure harmonisation, refer to CSRD and ESRS E1 for the redaction of the transition pathway. There is a lack of benchmarks for aligning with the Paris Agreements for the automotive sector, but this does not mean that the automotive sector cannot contribute to 1.5°C target.
- **Avoid over-transposition for member states (“gold plating”) under CS3D.** To ensure uniformity and prevent fragmentation during the transposition phase, **member states should be discouraged from adding new rules** in their national legislative framework. Closing the legal loophole that could lead to fragmentation of the single market is essential to ensure that corporate due diligence requirements in the EU are not implemented through 27 different national laws, thereby avoiding additional business costs.
- **Exemption for subsidiaries from their own mandatory reporting.** Allow all subsidiaries in the same group to be exempted from their own mandatory reporting, if the parent company produces a consolidated sustainability report that conforms with the CSRD. This would mean an **extension of the exemption for own sustainability reporting obligations for companies**, if their parent company includes their data in its consolidated sustainability report, to large, listed companies.
- **Clarify the role of the auditor and space the required check on a triennial basis.** Major audit firms are significantly expanding the work required, bringing the audit closer to a reasonable assurance (eg the audit of financial statements), despite the directive not mandating this level of scrutiny. Given that ESG data is not yet mature enough for reasonable assurance, **this approach significantly increases costs** without proportional benefits.
- **Simplify the definition of stakeholders** by rationalising it with a pragmatic approach to specifically exclude, as an example, employees and unions from business partners (Article 3) and limit stakeholder consultation to the stage of developing the risk mapping (Article 13).
- **Provide for an exception to the obligation to suspend business relations** when the business partner supplies raw material, product, or essential service to produce goods or the provision of services of the company, and there are no alternatives available (eg rare earths) (Articles 10 and 11).

- **Ensure clarity for hard legal requirements.** Companies must carry out detailed due diligence assessments when there is “plausible information” about negative impacts in their operations, whether from direct or indirect activities (Article 8). However, other rules reduce the legal obligation of business partners beyond Tier 1 to share the necessary information when asked by the companies responsible for meeting these due diligence requirements. Hence, **legal clarification of ambiguous concepts related to the risk-based approach** is needed to ensure that companies can effectively conduct in-depth due diligence assessment. Clarify the exception by substituting the terms “plausible information” with “reliable and relevant information” (Article 8).



ABOUT THE EU AUTOMOBILE INDUSTRY

- 13.2 million Europeans work in the auto industry (directly and indirectly), accounting for 6.8% of all EU jobs
- 10.3% of EU manufacturing jobs – some 3.1 million – are in the automotive sector
- Motor vehicles are responsible for €383.7 billion of tax revenue for governments across key European markets
- The automobile industry generates a trade surplus of €106.7 billion for the European Union
- The turnover generated by the auto industry represents over 7.5% of the EU's GDP
- Investing €72.8 billion in R&D per year, automotive is Europe's largest private contributor to innovation, accounting for 33% of the EU total

ACEA REPRESENTS EUROPE'S 16 MAJOR CAR, VAN, TRUCK AND BUS MANUFACTURERS

ACEA

European Automobile
Manufacturers' Association
+32 2 732 55 50
info@acea.auto
www.acea.auto

 x.com/ACEA_auto

 linkedin.com/company/acea

 youtube.com/c/ACEAauto