



## BMW Position on European climate resilience and risk management – integrated framework.

The BMW Group welcomes the European Commission's proposal to promote an agile and future-oriented approach to the introduction of legislation and to reduce bureaucratic requirements for companies. This paradigm shift is essential to ensure that the regulatory framework can effectively address both current and new challenges.

At the same time, real and sustainable change requires structures and processes that **accelerate the current regulatory systems and make them even more efficient**. The current omnibus procedures are a very good approach to reducing red tape but should in fact pursue a higher degree of harmonization to strengthen the European industry and make it more competitive. In this context, we encourage the Commission to initiate an open dialogue aimed at critically reviewing established practices and identifying opportunities for improvement.

The BMW Group has identified some potential ways in which the design and implementation of laws could be made more efficient and streamlined.

## 1. Adoption of a systemic approach.

Over the past decade, the landscape of EU legislation has grown ever denser, with the number of legal acts swelling from around 4,500 to over 6,500. This has increased the administrative burden for companies and can sometimes overwhelm national authorities, which now must navigate through an **increasingly complicated web of regulations**. In the European Commission, different Directorates-General sometimes work in parallel on legislation, which can lead to duplicate or contradictory regulations. The interplay of these overlapping regulations is rarely mapped, and the actual cumulative impact on the industry deserves more attention.

The European Union needs a **systemic, coordinated approach—one that treats regulation not as a series of isolated edicts, but as a living architecture**. This means building with modularity in mind: reusing and combining established definitions, rigorously assessing interdependencies before new laws see the light of day, and thoughtfully sequencing initiatives through multi-project management. By embracing this philosophy, the EU can shift from piecemeal action to a harmonized framework—one that not only lightens the load for all stakeholders, but fosters clarity, resilience, and genuine progress.

## 2. Harmonized definitions and methods: measure once, report once.

Over recent years, the complexity of EU regulations has increased, with each legislative update introducing new definitions, methodologies, and requirements—particularly in areas like CO2 accounting and due diligence. This has resulted in a landscape where stakeholders often confront overlapping or inconsistent obligations. An alternative approach could emphasize the consistent development and application of shared definitions and standards, to be adapted as needed. This could **reduce redundancies and administrative burdens, supporting a guiding principle of "measure once, report once."**

If adopted, a more coordinated framework could improve efficiency and decrease implementation times for new policies. In such an environment, regulatory clarity and alignment would facilitate compliance and better support policy goals across sectors.

## 3. Focus on feasibility and rapid development.

A thoughtful and well-paced approach to implementing new regulations is essential for lasting progress. History has shown—most notably with CBAM—that **rushing legislative measures into practice can create significant hurdles and unnecessary complications**. When new systems are deployed hastily, instability becomes inevitable, and guidance from national competent authorities often emerges unevenly, leaving stakeholders searching for clarity. This is **inefficient and hinders economic growth**. Member State governmental actors, as primary partners for companies, should be designated and fully empowered prior to the implementation of regulatory measures.

To build a regulatory landscape that endures, each step—from conception to execution—should be grounded in careful planning, robust dialogue, and open communication. The European Commission, however, has found itself increasingly behind in issuing timely guidelines and delegated acts (i.e. EU Battery Regulation). These delays result in a ripple effect: companies, suppliers, audit organizations, and regulatory bodies scramble to adapt, often at significant and unforeseen costs.

Providing adequate preparation and transition periods between the publication and enforcement of regulations is no longer a luxury, but a necessity. Only with **sufficient lead time** and dialogue can all involved stakeholders establish stable, reliable structures and processes. In this way, the path toward modernization becomes not only navigable but genuinely transformative for everyone involved.

It is essential that implementation obligations are imposed at the earliest two years after the official publication of the EU Guidelines to allow sufficient time for preparation and adaptation. Additionally, mandatory reporting should commence no earlier than one year after the obligation takes effect and should occur in clearly defined reporting cycles to ensure transparency and accountability.

To address these challenges, we advocate for the introduction of a **"regulatory rapid development" methodology**, inspired by agile practices in software engineering. EU legislative processes should be restructured to prioritize smaller, modular legal packages that can be drafted swiftly, piloted with willing stakeholders, and iteratively refined before wider implementation.

By **engaging volunteer participants from industry and authorities in early-stage regulatory beta testing**, the European Union can proactively identify unintended consequences, gather actionable feedback, and enhance both the quality and efficacy of new legislation. The exchange of experiences, a constructive error culture, and collective improvements should be institutionalized within an incentivized and voluntary early adopter scheme.

The **principle of standardization is crucial** for these efforts, ensuring that definitions, processes, and requirements are harmonized across regulations from the outset. This methodology not only expedites learning cycles but also promotes transparency, flexibility, and trust among stakeholders, thereby establishing the foundation for a regulatory framework that is resilient and responsive to practical demands.