



Sustainability Insight – unravelling regulatory complexity

Key policy and regulatory developments:
September 2024

Sustainability Insight is designed to keep you up to date with the key emerging sustainability-related regulatory developments.

The newsletter is produced by Deloitte's [EMEA Sustainability Regulation Hub](#), supported by [RegMiner.ESG](#), Deloitte's market-leading digital compliance platform.

Recent publications

- [EU sustainability agenda: what to expect over the next five years](#)
- [Tax, CSRD and Double Materiality Assessment](#)
- [Navigating the EU Packaging and Packaging Waste Regulation](#)
- [New UK Government - Sustainability priorities and policies](#)

The information in this newsletter is organised into three sections: **Key developments** highlight the most significant updates and their impact on companies. **Other developments** include additional news items that may be of interest. **Key timelines** provide the timing of recent events and announcements to help readers quickly grasp important regulatory events.

Key developments

[Von der Leyen announces new set of Commissioners](#), 17 Sep

President Ursula von der Leyen introduced her new team of Commissioner candidates and their portfolios for 2024-2029, following her re-election on 18 July 2024 and the presentation of her political guidelines. The new Commissioners' priorities include prosperity, security and democracy, with competitiveness as the first priority. The proposed Commission includes six Executive Vice-Presidents and 20 additional Commissioners. 19 of those 26 roles have embedded sustainability aspects as they include references to the EU's climate goals and the European Green Deal. All candidates will face a confirmation process by the European Parliament, including a confirmation hearing.

What is the impact?

For this second term, von der Leyen's Commission is expected to balance sustainability goals with competitiveness considerations. Through initiatives such as the Clean Industrial Deal (expected to be published during Q1 2025) the EU will seek to decarbonise industries while increasing investment and tackling high-energy prices. The Hub will continue to track these developments' implications for companies. For more information on the EU's sustainability agenda for the next five years, please read our blog [here](#).

[Mario Draghi publishes report on Europe's competitiveness](#), 9 Sep

Former Italian Prime Minister and former European Central Bank President Mario Draghi published a two-part report on the future of European competitiveness. The report presents a "competitiveness strategy for Europe" followed by an in-depth analysis and policy recommendations. Draghi highlights that "a joint plan for decarbonisation and competitiveness" is needed in Europe. The report estimates that the EU would require a minimum annual investment of EUR 750 to 800 billion to become more competitive, with over 50% allocated to the energy transition.

What is the impact?

The European Commission is expected to embed key recommendations from the report in its work program. Themes such as deregulation and competitiveness are aligned with Ursula von der Leyen's [political guidelines](#) published in July. For example, it is expected that the regulatory burden on companies will be reduced and that corporate reporting requirements will be simplified. Companies may be able to leverage data collected and reported under [Corporate Sustainability Reporting Directive](#) (CSRD), EU Taxonomy, and [Corporate Sustainability Due Diligence Directive](#) (CSDDD).

[Commission publishes State of the Energy Union report for 2024](#), 11 Sep

The State of the Energy Union Report 2024 highlights the EU's progress in addressing energy security, stabilising energy markets, and advancing the clean energy transition. The report emphasises important achievements, including the

generation of 50% of renewable electricity in the first half of 2024, or a 32.5% cut in greenhouse gas emissions since 1990. It also emphasises the need to address challenges such as energy efficiency targets or price competitiveness.

What is the impact?

The report is likely to inform the adoption of the upcoming EU's 2040 climate targets, the Clean Industrial Deal and the Industrial Decarbonisation Accelerator Act. Companies are likely to see increased support for clean technologies and renewable energy projects as actions are incorporated into legislative proposals.

[UK introduces Water \(Special Measures\) Bill](#), 5 Sep

The UK Government introduced the Water (Special Measures) Bill to Parliament. Initially [announced](#) in the King's Speech in July 2024, the Bill aims to reduce water pollution by strengthening environmental regulations within the water sector. It drastically increases the powers of the regulator to pursue criminal charges against water executives found to be in violation of environmental laws and introduces stricter penalties for them, including the possibility of imprisonment.

What is the impact?

The proposed regulatory changes have significant implications for water companies in England and Wales, as they increase personal accountability for company executives, creating potential reputational and litigation risks. Water companies will need to adapt their operations and practices to comply with the new rules if adopted in their current form.

Other developments

[IFRS publishes guide for companies applying ISSB standards](#), 25 Sep

To help companies respond to investor demand for voluntary adoption of International Sustainability Standards Board (ISSB) standards, the International Financial Reporting Standards (IFRS) Foundation has released a guide on how companies can implement these standards on a voluntary basis. The guide highlights two key support elements: transition reliefs allowing phased implementation, and proportionality mechanisms to accommodate diverse company capabilities and circumstances.

[Launch of new Taskforce on inequality and social-related financial disclosures](#), 23 Sep

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) was launched to develop a global framework for companies and financial institutions to enhance public reporting on social issues, including impacts, risks, and opportunities related to inequality.

Following the launch, the European Financial Reporting Advisory Group (EFRAG) [signed](#) a cooperation agreement with TISFD to advance the development and

adoption of social-related financial disclosures. As part of the agreement, EFRAG and TISFD will ensure consistency between EFRAG's EU Sustainability Reporting Standards (ESRS) and TISFD's global framework.

[UNEP FI publishes new guidance on Client Engagement and Governance to promote responsible banking progress](#), 10 Sep

The UN Environment Programme Finance Initiative (UNEP FI) published two guidance reports to enable banks to understand effective practices on client engagement and governance, including robust internal setups for client engagement and clear sustainability governance models. The guidance documents emphasise the importance of data analysis, capacity building, and stakeholder engagement. They also encourage banks to move beyond target-setting to actionable implementation, ultimately supporting the transition to a more sustainable financial sector.

[SBTi revises corporate net-zero standard](#), 18 Sep

The Science Based Targets initiative (SBTi) is revising its Corporate Net-Zero Standard, which guides companies in setting science-based net-zero targets. As part of this process, the SBTi updated the project terms of reference to include plans to refine its approach to neutralisation, and how companies can address their residual emissions (greenhouse gas emissions that remain after efforts to reduce them have been made) through carbon removal and storage. Input will be gathered through workshops and a public consultation. The current standard remains in effect until the revision process is complete.

[Commission publishes FAQ on the Ecodesign for Sustainable Products Regulation](#), 27 Sep

The European Commission has published a Frequently Asked Questions (FAQs) document on the Ecodesign for Sustainable Products Regulation (ESPR). The document aims to provide clarity on the ESPR, which entered into force on 18 July 2024. It covers a wide range of topics including: the scope of the regulation and how it affects specific product categories, the Digital Product Passport, and the timeline for implementation.

[IEA publishes report on integrating solar and wind energies](#), 18 Sep

The International Energy Agency's (IEA) latest report highlights the rapid expansion of solar and wind power globally, which doubled between 2018 and 2023. To realise their benefits fully, it is essential that these technologies are fully integrated into power systems. Key challenges for grid operators include the need for system flexibility, storage solutions, and improved forecasting. The report highlights that proactive policy and regulatory measures are crucial for smooth integration into power systems.

[European Commission adopts new measures to restrict use of PFAS](#), 19 Sep

The European Commission, under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, is restricting the use of Perfluorohexanoic acid (PFHxA) for textiles, food packaging, and cosmetics where safer alternatives exist. PFHxA is a type of per- and polyfluoroalkyl substances (PFAS) found in food packaging, skincare products and waterproofing sprays. PFHxA is highly persistent in water and poses human health and environmental risks. This action aims to reduce PFHxA releases into the environment and limit its use as a substitute for other banned PFAS chemicals.

[European Commission publishes report on strategic future of EU agriculture](#), 4 Sep

The report on the Strategic Dialogue on the Future of EU Agriculture has been presented to the European Commission, following several months of stakeholder engagement across the agri-food sector. The report provides recommendations to shape its Vision of Agriculture and Food and the reform of the EU's Common Agricultural Policy (CAP). Key recommendations include adapting the CAP for greater sustainability and competitiveness, promoting sustainable farming practices, strengthening risk management tools, fostering generational renewal in the agri-sector, and improving access to knowledge and innovation.

[European Commission launches new online portal to support investments in critical technologies across the EU](#), 10 Sep

The European Commission has launched an upgraded version of the Strategic Technologies for Europe Platform (STEP) Portal. The platform helps project promoters, investors, and national authorities access EU funding opportunities in three key sectors: digital and deep-tech innovation, clean technologies, and biotechnologies. STEP channels resources from 11 EU funding programs and awards a "STEP Seal" to eligible projects, which will be actively promoted. This initiative aims to enhance EU competitiveness, reduce strategic dependencies, and support key industries such as AI, green technologies, and biotechnology.

Key timelines

Regulation on Fluorinated greenhouse gases (F-gases)	<ul style="list-style-type: none">• On 20 September 2024, the European Commission adopted four non-legislative acts on the implementation of the F-gases Regulation.• From 1 January 2025, companies need to use the new format of F-Gas labels; and by 31 March 2025, they must issue their first F-Gas report, with data from 2024.
Revision of renewable energy directive and energy efficiency directive	<ul style="list-style-type: none">• On 2 September 2024, the European Commission published guidance to support EU countries to transpose the revised directives on renewable energy and energy efficiency into national law.

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- By 21 May 2025, Member States must transpose the revised Renewable Energy Directive and by 11 October 2025 the revised Energy Efficiency Directive.
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Consultation on National Emissions Reductions Commitment Directive

- On 3 September 2024, the European Commission launched a public consultation on the National Emission Reduction Commitments Directive. The consultation will close on 26 November 2024.
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Draft Delegated Act under the revised EU hydrogen and gas market legislation

- On 27 September 2024, the European Commission opened a four-week consultation for feedback on secondary legislation related to low-carbon hydrogen fuels. The consultation will close on 25 October 2024. The findings will feed into the Commission's final text.
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Applications for energy infrastructure projects

- On 18 September 2024, the European Commission opened a call for energy infrastructure projects under the Trans-European Networks for Energy Regulation (TEN-E). Successful projects benefit from streamlined permitting and EU funding. Applications can be made during November and December 2024, based on project type.
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Innovation Fund 2024 Auction

- On 27 September 2024, the European Commission finalised the Terms and Conditions for its second auction for the production of renewable hydrogen. The auction will open on 3 December 2024.
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Sustainability Insight is a monthly newsletter to keep you up to date with key sustainability-related regulatory developments in the EU. The newsletter focuses on the EU Green Deal and EU institutions, but also includes selected international and national developments where they provide context for EU developments. The developments covered are intended to be used for broader general awareness and do not imply any form of advice from Deloitte.

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About the EMEA Sustainability Regulation Hub

The [EMEA Sustainability Hub](#) is a source of critical regulatory strategy insight and advice, designed to help business leaders understand and assess how sustainability regulation will drive the evolution of business strategies and operating models. As sustainability regulatory requirements and standards expand, it is essential to adopt a strategic approach to navigate the complexity, and to engage with regulators proactively. We develop early insights across industries on emerging EU sustainability regulations, policies, industry standards and codes of conduct to help you assess how best to transform strategies and operating models.

About RegMiner.ESG

[RegMiner.ESG](#) helps firms to optimise the management of regulatory adherence. RegMiner is designed by risk and compliance professionals and helps firms establish traceability and transparency, transform how they manage their risks, and achieve cost efficiencies by digitising the regulatory lifecycle into a single platform.

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