



Sustainability Insight – unravelling regulatory complexity

Key policy and regulatory developments:
November 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

- [Taking stock of the UK Government's financial services regulatory agenda](#)
- [Sustainable aviation fuels \(SAF\) in Europe: Is your company on top of the regulatory landscape and how can policy shape SAF deployment and opportunities?](#)
- [Closing the loop for textiles](#)
- [Carbon Contracts for Difference \(CCfD\) as an instrument of choice](#)

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

[Parliament and Council approve the new von der Leyen Commission](#), 28 Nov

EU legislators approved the new College of Commissioners, set to take office from 1 December 2024 until 31 October 2029. The new Commission's key initiatives include:

- Launching a "Competitiveness Compass" as one of its flagship initiatives, with a primary focus on the upcoming Clean Industrial Deal and facilitating a strategic dialogue on the future of the automotive industry.
- Advancing burden reduction efforts with the introduction of an Omnibus initiative to streamline reporting under the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the Taxonomy Regulation.
- Issuing several initiatives during the first 100 days of the new Commission, including a new vision for agriculture and food.

The new Commission is expected to publish its work programme during the first quarter of 2025.

What is the impact?

The new Commission is expected to align closely with the Draghi report's recommendations on enhancing European competitiveness, especially in reducing red tape. Omnibus legislation is anticipated to simplify sustainability reporting, thereby easing the reporting burden, and lowering reporting costs for companies. However, no concrete proposals have been presented yet. Companies will gain more clarity when the Commission releases its work plan early next year.

For more information on the EU's sustainability agenda for the next five years, please read our blog [here](#).

[Parliament agrees to the proposed 12-month delay on EUDR](#), 2 Dec

The European Parliament and Council finalised negotiations on the proposed changes to the EU Deforestation-free Regulation (EUDR), paving the way for adoption of the 12-month delay to the EUDR application. The agreement comes after the European Parliament decided to drop its amendment to introduce a new category of countries posing "no risk" on deforestation to supplement the existing "low", "standard", and "high" risk categories. The amendment was deemed to be in conflict with World Trade Organization's rules by the Council's legal service and was rejected nearly unanimously by Member States.

What is the impact?

Companies can now work with confidence that there will be a 12-month delay to the EUDR (30 December 2025 for large and medium-sized companies and 30 June 2026 for micro and small enterprises). Compliance with EUDR is a complex exercise. Despite the delay, companies in scope of the requirements should proceed at pace to set-up implementation programmes if they have not already started.

Companies should continue to monitor updates related to the EUDR in anticipation of the Commission publishing further guidance to support compliance, the final country benchmarking system, and a report reviewing the possible expansion of the EUDR's scope to other commodities, ecosystems and financial services (set to be published by 30 June 2025).

[Council adopts the Urban Wastewater Treatment Directive](#), 5 Nov

The Council of the EU has formally approved the final text of the revision of the Urban Wastewater Treatment Directive (UWWTD). The revised Directive aims to enhance water quality and contribute to the EU's zero-pollution goals. New rules include the following:

- Extending the coverage of the water treatment requirement which now applies to smaller agglomerations (above 1000 population equivalents).
- Setting Extended Producer Responsibility (EPR) for producers of pharmaceuticals and cosmetics, who will need to contribute a minimum 80% of the additional costs to quaternary treatment (advanced level of wastewater treatment).
- Establishing an energy neutrality target by 2045 for urban wastewater treatment plants treating loads of 10,000 population equivalents and above.

The Directive will shortly be published in the Official Journal of the EU and Member States will have up to 31 months to transpose new rules into their national legislation.

What is the impact?

The UWWTD will significantly affect pharmaceuticals and cosmetics companies and large plants treating wastewater. Companies whose products release micropollutants into water streams will need to map the scope of expenses associated with EPR fees. They also need to consider how they can design their products to phase out or significantly reduce the use of micropollutants. Meanwhile, large plants treating wastewater need to ensure they have a strategy in place to avoid excessive energy consumption, as wastewater treatment is likely to increase energy use. Therefore, it is crucial for water companies to consider how to increase the share of energy generated from renewable sources in preparation for the 2045 energy neutrality target.

[Countries agree on carbon trading at COP29](#), 12 Nov

Agreement was reached on carbon trading under Article 6 of the Paris Agreement at COP29. After almost a decade since Article 6 was promulgated, countries specifically

agreed to rules governing country-to-country trading under Article 6.2 and a new international carbon market under Article 6.4. The agreement will enable countries and companies to trade credits voluntarily to help them achieve national climate targets. For credits to be certified, they would have to meet new standards agreed by countries. As part of this initiative, project developers will be required to identify and address potential negative environmental and social impacts, and outline how projects contribute to UN sustainable development goals (SDGs).

What is the impact?

This UN-approved agreement is a step in the right direction by establishing a more trustworthy system for developing carbon removal projects and trading their associated credits. The agreement seeks to promote consistency, transparency, and ambition across markets, potentially attracting investment. However, concerns remain regarding the technical standards and methodologies that will be adopted, as well as the quality of projects. This uncertainty may affect how the agreement is implemented and its ability to achieve large-scale emissions reductions. For now, it is advisable for companies to track how the agreement's is developed and implemented before taking any concrete actions.

Other developments

COP29: [Commission secures new carbon market rules and new climate finance goal](#), 25 Nov

At COP29 in Baku, the EU secured agreements to align global finance with the Paris Agreement goals and enhance carbon market rules. The New Collective Quantified Goal (NCQG) aims to mobilise \$1.3 trillion annually by 2035 to drive clean investments, increase resilience and prepare the ground for further emission reductions. Developed nations committed \$300 billion of funding to support projects in developing countries.

COP29: [EU steps up efforts to abate methane emissions with partners](#), 12 Nov

The Global Methane Pledge, endorsed by 158 countries, aims to cut global methane emissions by 30% by 2030, from 2020 levels. Building on this momentum, the EU launched the Methane Abatement Partnership Roadmap to accelerate reductions in methane emissions from fossil energy. The Roadmap fosters cooperation between importing and exporting countries, supports robust monitoring and verification systems, and outlines concrete actions, including abatement plans for existing assets. Initial progress on its implementation will be presented at COP30.

COP29: [UK Government announces Clean Industry Bonus](#), 11 Nov

The UK Government announced plans for a new Clean Industry Bonus (CIB) to incentivise investment in clean energy manufacturing in the UK. Under proposed changes, the CIB would work within the UK's existing Contracts for Difference (CfD) mechanism to allocate extra revenue support ("a bonus") on a competitive basis. The scheme targets offshore wind and floating offshore wind projects that

incorporate meaningful actions to increase social, environmental and economic sustainability in their supply chains. The consultation closes on 10 December 2024.

COP29: [UK shows international leadership in tackling climate crisis](#), 12 Nov

The UK Prime Minister announced the UK's target to cut greenhouse gas emissions by 81% by 2035, compared to 1990 levels. The target forms part of the UK's Nationally Determined Contribution (NDC) and has been praised for its level of ambition. The Government will submit the detail underpinning the NDC to the United Nations Framework Convention on Climate Change ahead of the February 2025 deadline.

COP29: [UN-convened Net-Zero Export Credit Agencies Alliance launches the first edition of its Target-Setting Protocol](#), 13 Nov

The UN-convened Net-Zero Export Credit Agencies Alliance (NZECA) launched its first Target-Setting Protocol, providing guidance for export credit agencies and export-import banks to set and implement net-zero targets. The Protocol outlines science-based climate goals and encourages disclosures, helping institutions decarbonise international trade while supporting economic growth. Members have committed to ending support for unabated fossil fuel projects, aligning with a 1.5°C pathway, and reporting progress annually to drive coordinated climate action.

COP29: [Coalition against fossil fuel subsidies expands but misses initial targets](#), 19 Nov

The UK, Colombia, and New Zealand joined a coalition of 16 governments committed to phasing out fossil fuel subsidies, launched initially at COP28. The coalition, led by the Netherlands, aims to address international barriers, such as aviation and shipping fuel taxation restrictions, and to remove treaties hindering subsidy reforms. Despite pledges to publish fossil fuel subsidy inventories by COP29, only four members have done so. Challenges include political resistance and the complexity of identifying subsidies. The coalition recommends broader government engagement and gradual, socially inclusive reforms to address these challenges.

[Council adopts Construction Product Regulation](#), 5 Nov

The Council formally approved the final text of the Construction Products Regulation (CPR). The CPR updates existing EU rules for construction products to ensure they last longer, are easier to repair and can be recycled at the end of their lifespan. The CPR creates a digital passport system for construction products, similar to the one in the Ecodesign for Sustainable Products Regulation (ESPR). The Commission will define the functionalities and requirements of the product passport system in secondary legislation. The CPR will shortly be published in the EU Official Journal and apply one year after entry into force.

[Commission launches Ecodesign Forum under ESPR](#), 7 Nov

The Commission launched the Ecodesign Forum to facilitate collaboration on product-specific eco-design requirements outlined in the ESPR. This platform provides a space for stakeholders from various sectors, including industry, civil

society, and academia, to engage directly with EU policymakers and contribute to the development of Delegated Acts (DAs) under the ESPR.

[Commission publishes JRC report on ESPR new product priorities](#), 13 Nov

The Joint Research Centre (JRC) published a report on products to be prioritised under the ESPR, following a consultation. The report:

- ranks textiles, footwear, furniture, and tyres as top products for future environmental regulation, with tyres highlighted as strategically important for the EU. Iron and steel, commodity chemicals, and non-ferrous metals as key intermediate products are also likely to be targeted in future regulatory efforts;
- considers horizontal requirements for products with technical similarities, focusing on durability, recyclability, and recycled content across product categories; and
- suggests expanding horizontal requirements to energy-related products, with clarity on priorities expected in the upcoming ESPR working plan.

The new ecodesign rules are expected to be published in mid-2027.

[Commission, Spain, Lithuania and Austria publish joint press release on the European Hydrogen Bank's 'Auctions-as-a-Service' scheme](#), 18 Nov

The European Commission, Spain, Lithuania, and Austria announced their participation in the European Hydrogen Bank's "Auctions-as-a-Service" scheme. The scheme will combine €1.2 billion in EU Innovation Fund resources with over €700 million in national funds to support renewable hydrogen projects. This joint effort will fund projects via a competitive bidding process, offering 10-year fixed premiums to bridge hydrogen production costs and market prices. The initiative aligns with the REPowerEU Plan, the Green Deal Industrial Plan, and hydrogen goals under the Renewable Energy Directive.

[UK Government unveils package of sustainable finance measures in Mansion House speech](#), 14 Nov

The UK Chancellor revealed a package of sustainable finance initiatives in the Mansion House Speech and publications. The announcements aim to support the UK government's ambition for the UK to be a global leader in sustainable finance. Key initiatives included:

- Consultation on the value of implementing a UK Green Taxonomy.
 - Confirmation that the UK government will consult on requiring "economically significant companies" to disclose information based on the International Sustainability Standards Board (ISSB) Reporting Standards, with an endorsement decision by Q1 2025.
 - Plans to consult in H1 2025 on how to mandate UK-regulated financial institutions and FTSE100 companies to develop and implement credible transition plans that align with the 1.5°C goal of the Paris Agreement.
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- Consultation on the draft legislation to extend regulatory oversight to Environmental, Social, and Governance (ESG) ratings providers. The Government aims to introduce the relevant secondary legislation in early 2025.

[Commission provides further clarifications on the EU taxonomy for sustainable economic activities](#), 29 Nov

The Commission has released a set of frequently asked questions (FAQs) to assist stakeholders in implementing the EU taxonomy for sustainable economic activities. This document is part of an EU initiative to simplify the taxonomy and reduce the administrative burden on companies, supporting the Commission's broader agenda to streamline the EU sustainable finance framework. The FAQs offer technical clarifications on various aspects of the EU taxonomy, including general requirements, reporting obligations and screening criteria for activities in the Climate and Environmental DAs. They also explain the "do no significant harm" (DNSH) principle.

[UK Government publishes policy paper on DRS for drinks containers](#), 19 Nov

The UK Government is set to launch a Deposit Return Scheme (DRS) in England, Scotland, and Northern Ireland by October 2027. The DRS aims to reduce litter from drinks' containers, especially single-use, and increase recycling. The DRS is expected to create 4,000 jobs and drive infrastructure investment. Regulations for England and Northern Ireland will be introduced in November 2024. For Scotland, the Minister for Green Skills, Circular Economy and Biodiversity [announced](#) that the DRS will be delayed until at least October 2025. Wales has also [delayed](#) its participation in the scheme.

[CDP and EFRAG announce extensive interoperability between CDP questionnaire and ESRS](#), 12 Nov

The Carbon Disclosure Project (CDP) and the European Financial Reporting Advisory Group (EFRAG) have announced the alignment between CDP's questionnaire and the European Sustainability Reporting Standards (ESRS) climate standard (ESRS E1). A comprehensive mapping will be published in early 2025, ahead of the 2025 CDP disclosure cycle for its members. The preliminary mapping released by both organisations this month indicates that strong alignment between the standards offers mutual benefits to companies. Companies reporting under ESRS E1 will find it simpler to complete CDP disclosures, while those already disclosing to CDP will be well-equipped to meet ESRS E1 requirements.

[IFRS Foundation publishes 2023 progress report on corporate climate-related disclosures](#), 12 Nov

The International Financial Reporting Standards (IFRS) Foundation released a progress report on mandated and voluntary climate-related disclosures by companies:

- 30 jurisdictions, including the UK, Canada, and China, are advancing toward mandatory ISSB-aligned requirements. Most jurisdictions include Scope 3 greenhouse gas emissions disclosures, often with transitional relief, and industry-specific disclosures. Additionally, the majority of the jurisdictions plan to address all sustainability-related risks and opportunities.
- Over 1,000 companies have referenced ISSB standards in their sustainability-related disclosure reports and 82% of a sample of 3,814 public companies align with at least one Task Force on Climate-Related Financial Disclosures (TCFD) recommendation.

[UNEP FI publishes reports on PRB responsible banking implementation journey, including a guidance on transparency](#), 21 Nov

The UN Environment Programme Finance Initiative (UNEP FI) published three reports for Principles for Responsible Banking (PRB) member banks. The PRB implementation and progress reports discuss how the PRB guides responsible banking and helps reduce reporting burdens, align practices with each Principle and emphasises sustainability in the bank's strategy. The guidance for transparency shows how mature signatories can align actions with all six PRB Principles, focusing on impact analysis, target setting, and transparent disclosure.

[UNEP FIT publishes first global guide on transition plans for insurance companies](#), 13 Nov

The UN Environment Programme for Insurance Transition to Net Zero (UNEP FIT) published a report identifying the need for insurance-specific transition plan guidance. The report assesses key features of insurers' underwriting portfolios that should be considered in insurance-specific transition plan guidance. It also outlines the elements of the Transition Plan Taskforce (TPT) Disclosure Framework that require insurance-specific guidance and sets out "initial narratives" for them. The UNEP FIT plans to publish two more transition plan reports: deep-dive guidance in relation to underwriting activities; and guidance covering underwriting and investment activities.

[UK TPT concludes work on transition plans](#), 1 Nov

The UK TPT concluded its work on 31 October 2024. The TPT was launched by the UK government in April 2022 to help private sector companies develop, disclose, and deliver "gold standard" climate transition plans. The TPT's work has been instrumental in making transition plans a crucial tool for companies and financial institutions in their decarbonisation efforts. The IFRS Foundation has now assumed responsibility for the TPT's disclosure materials. The transfer ensures TPT's technical standards will inform global climate disclosures. The TPT's legacy continues through the newly launched International Transition Plan Network (ITPN), which will support the development of global norms for transition plans.

[IOSCO report reveals investors see transition plans as a material business imperative](#), 13 Nov

The International Organization of Securities Commissions (IOSCO) published a report summarising how investors and other stakeholders use transition plans. The report finds that investors “increasingly see the development and disclosure of transition plans as a material business imperative for entities to maintain access to capital”. IOSCO will engage with the ISSB on interoperability, and the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) on sustainability assurance. The report will encourage standard setters to provide markers on what constitutes forward-looking climate-related information. The report concludes that in the future IOSCO should consider taking action on the following: enhancing legal and regulatory clarity and oversight, encouraging consistency and comparability of transition plan disclosures, and promoting assurance of transition plan disclosures.

Key timelines

ESPR	On 13 November, the Commission opened a public consultation on ecodesign and labelling rules for electronic displays. The consultation closes on 5 February 2025.
Maritime Safety Legislative package	On 18 November, the Council adopted the maritime safety legislative package.
Regulation prohibiting products made with forced labour	On 19 November, the Council adopted the Regulation prohibiting products made with forced labour.
UK Green Taxonomy	On 14 November, the UK Government opened a consultation on implementing a green taxonomy in the UK. The consultation closes on 6 February 2025.
ESG Rating Activities Regulation	On 19 November, the Council adopted the ESG Rating Activities Regulation. It will now be published in the EU’s Official Journal and enter into force 20 days later. It will start applying 18 months after its entry into force.

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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