

Sustainable Finance Regulation Calendar 2024

1 January 2024 **CSRD applies (for companies previously subject to NFRD)**

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force. It requires all large companies and listed companies to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. Reporting requirements will be phased-in, with the largest companies having to report first, while slightly smaller firms will have to report only in future years.

1 January 2024 **Taxonomy criteria for remaining 4 environmental objectives apply**

The EU Taxonomy defines criteria for environmentally sustainable economic activities for in total 6 environmental objectives. Priority had been given to the objectives climate change mitigation and climate change adaptation, with FMPs (and companies) having to report only on those. It is only now that the EU has defined criteria for the remaining 4 objectives of the taxonomy.

Q2

Q2/Q3 2024 **Publication of sector specific ESRS (set 2)**

The second set of ESRS standards, which contains reporting requirements for specific sectors, was initially expected to be adopted by the Commission by 20 June 2024, but this date has now been delayed to 2026; however, the first draft is expected to be published for consultation by EFRAG in 2024. Following sectors will be in scope: Textiles, Accessories, Footwear, Jewellery, Mining & Coal Mining, Road Transport, Food & Beverages, Energy Production & Utilities

30 June 2024 **Deadline for publishing annual PAI statement on website (for large FMPs >500 employees)**

Large FMPs are under SFDR required to publicly disclose a Principal Adverse Impact (PAI) Statement on their website by 30th June every year, with the financial year before as reference period. This includes the aggregated impact of their investments on +/- 16 ESG KPIs. 2024 marks the second round of reporting, and FMPs will now for the first time have to include a historical comparison of the impact between the reference periods 2023 and 2022.

Q3/Q4 2024 **Green Claims Directive enters into force (expected)**

Today it is difficult for consumers to make sense of the many labels on the environmental performance of products and companies. With a proposed new law on green claims, the EU is taking action to address greenwashing, and protect consumers and the environment.

Ensuring that environmental labels and claims are credible and trustworthy will allow consumers to make better informed purchasing decisions. It will also boost the competitiveness of businesses who are striving to increase the environmental sustainability of their products and activities.

Q3/Q4 2024 **Regulation establishing a European Single Access Point (ESAP) enters into force (expected)**

On 25 November 2021, the Commission adopted a legislative proposal on the European Single Access Point (ESAP). The ESAP will offer a single access point for public financial and sustainability-related information about EU companies and EU investment products.

Q4

Q1

1 January 2024 **ESRS apply (expected)**

The European Sustainability Reporting Standards (ESRS) will be mandatory for use by all companies subject to the CSRD. This first set of ESRS includes 12 separate standards (cross-cutting, environment, social, governance) which specify what and how companies must disclose under CSRD. In the future, these standards will be accompanied by another set of sector-specific ESRS, which are still under development.

1 January 2024 **FMPs start reporting on full Taxonomy Alignment KPIs**

While the EU Taxonomy already applies to FMPs and companies since 2020, it includes separate reporting rules and phase-ins for companies and FMPs. FMPs have in the past years only been required to report their taxonomy eligibility KPIs, while non-financial undertakings (companies) had to already include reporting on taxonomy alignment. Starting in 2024, FMPs will need to do the same.

16 June 2024 **Deadline transposition of CSRD into national law**

As the CSRD is a directive and not a regulation, it is not immediately applicable in all EU countries, but needs to be transposed into national law. Countries have been given a deadline for this transposition. While the CSRD is a directive, the accompanying ESRS will enter into force as a delegated regulation, meaning the standards will have immediate effect in all EU countries.

Q3

Q3/Q4 2024 **EU Nature Restoration Law enters into force (expected)**

The European Commission's proposal for a Nature Restoration Law is the first continent-wide, comprehensive law of its kind. It is a key element of the EU Biodiversity Strategy, which calls for binding targets to restore degraded ecosystems. EU countries are expected to submit National Restoration Plans to the Commission within two years of the Regulation coming into force, showing how they will deliver on the targets. They will also be required to monitor and report on their progress.

Q3/Q4 2024 **CS3D enters into force (expected)**

On 23 February 2022, the Commission adopted a proposal for a Directive on corporate sustainability due diligence. The aim of this Directive is to foster sustainable and responsible corporate behavior and to anchor human rights and environmental considerations in companies' operations and corporate governance. The new rules will ensure that businesses address adverse impacts of their actions, including in their value chains inside and outside Europe.

30 December 2024 **EU Regulation 2023/1115 applies**

European Union has implemented Regulation 2023/1115 to combat deforestation and forest degradation. This regulation aims to reduce the Union's contribution to deforestation by regulating the import and consumption of products associated with deforestation. Operators and traders are required to submit a due diligence statement before placing relevant products on the market or exporting them.