

Sustainability trends and expected changes in 2024

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In late 2023 PwC conducted its 27th global CEO survey with 4,702 respondents from 105 countries. The survey suggests that CEOs feel increasingly under pressure to adapt and change their current economic activity so that their company remains viable in the long term. They mention technological advances, consumer behaviours, regulatory dynamics and climate change as key factors. From a sustainability perspective, most CEOs view decarbonising their companies or reducing greenhouse gases (GHG) as a priority, which can be achieved mainly by taking steps to improve energy efficiency and developing eco-friendly goods and services.

Last year Baltic CEOs planned to identify their material areas of sustainability (in conjunction with the Corporate Sustainability Reporting Directive – CSRD), calculate their GHG emissions, provide training for their management and staff, and develop their ESG strategy.

Which of these steps will your company be taking this year?



Securing regulatory compliance is undoubtedly a key incentive in strengthening sustainability practices. We are likely to see a number of changes over the next few years that will help us achieve the Green Deal goals and strengthen sustainability at industry level and company level. To date, the Green Deal has seen 58 approved strategic planning documents and instruments, with 21 drafts awaiting approval and 41 documents announced and proposed.

Some of the developments and trends we can expect in 2024

This is the first year in which some companies – subjects of the Non-financial Reporting Directive – are required to gather information on their sustainability under the CSRD, thus creating the first practice of reporting under the European Sustainability Reporting Standards (ESRS), which are to be followed by most companies in 2025. This year has seen the launch of a public consultation on draft sustainability reporting standards for small and medium enterprises (required to begin reporting from 2026). Approvals for

industry-specific and third-country sustainability reporting standards have been postponed to 2026 because of the ESRS novelty and to give companies time for setting up an appropriate reporting practice.

This year we expect approval for the Green Claims Directive, which aims to minimise the number of goods carrying environment-related information that misleads consumers. The directive will lay down preconditions for the use of environment-related information, mainly requiring that such information should be true and verifiable.

The European Financial Reporting Advisory Group, which drafted the ESRS, is planning to strengthen the practice of disclosing environment-related information in cooperation with the Taskforce on Nature-related Financial Disclosures (TNFD). This involves drafting informational material that will link the TNFD's recommendations for voluntary disclosure of companies' environmental impact (climate change, biodiversity etc.) with the ESRS data requirements.

In late 2023 discussions were resumed about the proposal for a Regulation of the European Parliament and of the Council on the transparency and integrity of environmental, social and governance (ESG) rating activities, expected to come into force this year. Service providers that offer ESG ratings or opinions on the ESG impact on companies (these are widely used by investment funds) are applying individually created methodologies that are based on different data sources. This gives rise to a number of risks around the reliability and comparability of these ratings, which are to be mitigated by prescribing uniform principles of operation.

The European Parliament and the Council have conceptually agreed on the Net-Zero Industry Act, which will help the EU achieve its goal of climate neutrality, while boosting the clean technology production capacity and competitiveness across the EU. The Act aims to promote the production of clean technology in the EU by easing the administrative procedures for approving such projects and to attract necessary investment. The Act covers clean technologies such as solar photovoltaic cells and thermal energy, development of onshore and offshore wind farms, production of sustainable biogas and biomethane, production of batteries and battery technology, and carbon capture and storage.

Our team of sustainability experts are happy to help companies identify their sustainability options, improve their performance and carry out their projects. We suggest you [reach out to us](#) and book a consultation.