

# The 2024-2025 EU Environment, Sustainability & ESG Law Compendium





## Foreword

The European Green Deal has brought with it a significant volume of new, incoming EU Environment, Sustainability & ESG Law. 2024 saw the adoption and entry into force of such a voluminous amount of important EU Environment, Sustainability & ESG Law – that it was perhaps unprecedented. So, where are we today? What has been adopted? And what should be front and centre of our minds as 2025 begins?

This Compendium sets out an overview of new EU Environment, Sustainability & ESG Law. It brings together some of the most popular Crowell & Moring Client Alerts and Publications on European (particularly EU and UK) Environment, Sustainability & ESG Law published in 2024. And, more than anything else, it aims to help and reassure clients, across the world, that during this time of change – we stand ready to support and assist, and look forward to the year ahead.

Marcus Navin-Jones

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2. Overview of incoming EU Environment, Sustainability & ESG Primary Law .....

#### 1. List of Most Popular 2024 EU Environment, Sustainability & ESG Client Alerts

• Antitrust / Competition

1. <u>https://www.americanbar.org/groups/environment\_energy\_resources/resources/trends/2024-nov-dec/sustainability-lawyers-need-antitrust-expertise/</u> November 2024

Batteries Regulation

2. <u>https://www.crowell.com/en/insights/client-alerts/the-eu-batteries-regulation-taking-stock-of-the-new-eu-battery-requirements\_September 2024</u>

• CSRD / CS3D / EU Taxonomy

3. <u>https://www.crowell.com/en/insights/client-alerts/preparing-for-cs3d-early-lessons-from-france</u> August 2024

4. <u>https://www.crowell.com/en/insights/client-alerts/navigating-compliance-preparing-for-the-eu-</u> <u>corporate-sustainability-due-diligence-directive</u> June 2024

• Deforestation Regulation

5. <u>https://www.crowell.com/en/insights/client-alerts/are-you-and-your-supply-chain-ready-for-the-deforestation-regulation\_October 2024</u>

• ESPR

6. <u>https://www.crowell.com/en/insights/client-alerts/companies-selling-consumer-products-in-the-</u> <u>eu-particularly-clothing-apparel-and-footwear-companies-beware-the-new-espr-rules-on-unsold-</u> <u>consumer-products-have-now-entered-into-force</u> September 2024

• Environmental Crime Directive / Ecocide

7. <u>https://www.crowell.com/en/insights/client-alerts/ceos-and-leaders-of-companies-is-the-new-eu-environmental-crime-directive-at-the-top-of-your-priority-list-if-not-it-probably-should-be</u> November 2024

Forced Labour

8. <u>https://www.crowell.com/en/insights/client-alerts/not-worried-about-modern-slavery-or-forced-labour-laws-perhaps-you-should-be\_October 2024</u>

• Greenwashing and green claims (ECGT and GCD)

9. <u>https://www.sustainableviews.com/how-eu-greenwashing-laws-will-affect-the-financial-services-sector-86fa5beb/</u> November 2024

10. https://www.crowell.com/en/insights/client-alerts/the-green-claims-directive August 2024

11. <u>https://www.crowell.com/en/insights/client-alerts/green-claims-german-climate-neutral-product-case</u> July 2024

12. <u>https://www.crowell.com/en/insights/client-alerts/banks-and-financial-service-providers-take-note-eu-law-on-greenwashing-and-social-washing-is-changing-and-it-is-likely-going-to-have-a-wide-impact</u> September 2024

13. <u>https://www.crowell.com/en/insights/publications/be-warned-new-eu-laws-are-coming-in-to-stop-unfair-and-unproved-green-environmental-and-social-claims-which-will-impact-the-events-industry</u> October 2024

• Packaging & Packaging Waste

14. <u>https://www.crowell.com/a/web/6jRWfYy5mHE19vAb6paNW3/what-new-eu-packaging-regulation-will-mean-for-companies.pdf</u> October 2024

15. <u>https://www.crowell.com/en/insights/client-alerts/do-you-sell-or-manufacture-products-in-the-eu-then-you-should-be-preparing-for-the-new-eu-packaging-and-packaging-waste-regulation-ppwr-now</u> October 2024

• Pharmaceuticals

16. <u>https://www.crowell.com/en/insights/client-alerts/preparing-for-the-eus-new-approach-to-critical-medicines-and-medicine-shortages-a-new-critical-medicines-act</u> July 2024

17. https://www.crowell.com/en/insights/client-alerts/preparing-for-the-us-biosecure-act June 2024

• Water Pollution (Urban Wastewater Treatment Directive)

18. <u>https://www.crowell.com/en/insights/client-alerts/the-new-urban-wastewater-treatment-directive</u> July 2024

• Other: A Legal Review of EU Boards of Appeal: Part 2, The Role and Functioning of EU Boards of Appeal, European Public Law, November 2024

Part 2 (2024): https://kluwerlawonline.com/journalarticle/European+Public+Law/30.3/EURO2024022

https://papers.ssrn.com/sol3/cf\_dev/AbsByAuth.cfm?per\_id=2228889

• Ramifications of the Aquind Judgements for Non Permanent Boards of Appeal

https://europeanlitigation.eu/wp-content/uploads/pdf/Volume-speciale\_.pdf

### 2. Overview of incoming EU Environment, Sustainability & ESG Primary Law<sup>1</sup>

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
Forced La	abour Regulation					
	All industries and segments	Products manufactured with forced labor	Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937	On 12 December 2024, Regulation (EU) 2024/3015 of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937 was published in the Official Journal. The text has to get final formal approval from the EU Council. It is expected that EU countries will have to start applying the new law in 2027.	2024	Published 12 December 2024 Entry into force on 13 December January 2024.
Corporat	e Sustainability Due Di	ligence Directive		1		
500+	Companies with 500+ employees & large public interest companies – Large companies that have more than 1000	Corporate Sustainability Due Diligence (CSDDD or CS3D)	Directive (EU) 2024/1760 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859	The CSDDD Directive imposes obligations in terms of reporting, risk assessment and mitigation on large companies regarding actual and potential adverse impacts on human rights and the environment, with respect to their own operations, those of their subsidiaries, and those carried out by their business partners.	2024	The CSDDD entered into force on July 25, 2024. First year of compliance is 2027 (for the largest in- scope companies)

<sup>&</sup>lt;sup>1</sup> NB This is an indicative list of new, incoming primary EU law. It does not include secondary or related law. It is incomplete and non-exhaustive and intended as a guide only.

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
	employees and a net worldwide turnover over €450 million					
	The Commission will also publish a list of non-EU companies that fall under the scope of the Directive					
Empowe	Fing consumers for the	green transition	Directive (EU) 2024/825	The Directive aims to improve consumer	Already	Member States
$\langle \rangle$	traders –	consumer protection	amending Directives 2005/29/EC and	protection against misleading commercial communications that state or imply green	adopted	must transpose into national law
ΥΩ	Retail industry, consumer product industry		2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information	transition characteristics of a product or service that are not substantiated ("greenwashing"). The Directive also prohibits unsubstantiated and generic environmental claims, as well as the displaying of a sustainability label that is not based on a certification scheme or established by public authorities. The Directive also classifies certain practices as unfair and misleading, e.g., where the fulfilling of what are in fact legal		by March 27, 2026 Applicable as from September 27, 2026

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				feature, or it is stated that the product can be repaired when in fact it cannot.		
Green Cla	aims Directive					
	EU producers / traders – <i>Retail industry,</i> <i>consumer product</i> <i>industry</i>	Improved consumer protection	Proposed EU Directive on substantiation and communication of explicit environmental claims (Green Claims Directive) COM(2023) 166 final	<ul> <li>In March 2023, the Commission adopted a proposal for a Directive on Green Claims. The proposal complements and further operationalizes the proposal for a Directive on empowering consumers in the green transition.</li> <li>Key measures:</li> <li>To ensure consumers receive reliable, comparable and verifiable environmental information on products, the proposal includes</li> <li>clear criteria on how companies should prove their environmental claims and labels</li> <li>requirements for these claims and labels to be checked by an independent and accredited verifier and</li> <li>new rules on governance of environmental labelling schemes to</li> </ul>	Not yet adopted	Expected to be adopted in Q1 2025

T	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				ensure they are solid, transparent and reliable.		
				The proposal targets explicit claims that		
				<ul> <li>are made on a voluntary basis by businesses towards consumers,</li> </ul>		
				<ul> <li>cover the environmental impacts, aspects or performance of a product or the trader itself</li> </ul>		
				<ul> <li>are not currently covered by other EU rules.</li> </ul>		
ESPR (Eco	odesign for Sustainabl	e Products Regulati	on)			
	EU producers /	Green and	Regulation (EU)	The ESPR is the cornerstone of the	Already	A. I I I I
					Alleauy	Adopted on June
	traders –	sustainable	2024/1781 establishing a	Commission's approach to more	adopted	Adopted on June 13, 2024.
() CTU	Retail industry,	sustainable products	2024/1781 establishing a framework for the setting of ecodesign			13, 2024. Entered into force
C C C C C C C C C C C C C C C C C C C			2024/1781 establishing a framework for the	Commission's approach to more environmentally sustainable and circular		13, 2024.

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				<ul> <li>defined in <u>Regulation 178/2002</u>), including to: <ul> <li>improve product durability, reusability, upgradability and reparability;</li> <li>make products more energy and resource-efficient,</li> <li>address the presence of substances that inhibit circularity;</li> <li>increase recycled content;</li> <li>make products easier to remanufacture and recycle;</li> <li>set rules on carbon and environmental footprints;</li> <li>improve the availability of information on product sustainability.</li> </ul> </li> <li>For groups of products that share enough common characteristics, the framework allows horizontal rules to be set.</li> <li>The ESPR also contains a number of other new measures:</li> <li>Digital Product Passport</li> </ul>		

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
Deforesta	ation Regulation			<ul><li>II. Rules to address destruction of unsold consumer products</li><li>III. Green Public Procurement</li></ul>		
	EU producers / traders – Retail industry, consumer product industry – Operators and traders of livestock (e.g., cattle), cocoa, coffee, oil palm, soya, wood (including paper) including any company or entity who uses any of these commodities - or their derivative products	Stops products which originate from recently deforested land or have contributed to forest degradation from being placed on the EU market	Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010. Amendments	The Deforestation Regulation aims to ensure that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide. Under the Regulation, any operator or trader who places these commodities on the EU market, or exports from it, must be able to prove to customs authorities that the products do not originate from recently deforested land or have contributed to forest degradation. The Deforestation Regulation repeals the <u>EU Timber</u> <u>Regulation</u> .	Already adopted	Entered into force on June 29, 2023 Rules begin to apply for medium & large operators and traders on December 30, 2024 Rules begin to apply for micro and small enterprises on June 30, 2025 NB Proposed Regulation to amend deadlines currently being adopted. Next steps is for the is for the European Council

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
Environm	nental Crime Directive					to formally adopt the Proposed (amending) Regulation - expected 19 December 2024.
රීර්	EU producers / traders – All natural and legal persons who commit environmental crime offences Legal and natural persons who have a serious, or potentially serious, impact on the environment	Requirement of EU Member States to recognize and punish certain environmental crime offences	Directive (EU) 2024/1203 on the protection of the environment through criminal law	The New Environment Crime Directive replaces the 2008 Directive. It establishes minimum rules with regard to the definition of criminal offences and penalties in order to protect the environment more effectively, as well as with regard to measures to prevent and combat environmental crime and to effectively enforce Union environmental law. It sets out a number of new offences, in addition to those that were listed in 2008 Directive. Member States are required to ensure that certain acts and omissions constitute criminal offences. Some of these require an intentional act or omission. Others require merely serious negligence. The offences include: a discharge of chemicals into air, soil or water which " <u>causes or is likely to cause the death</u> of, or	Already adopted	Adopted on April 11, 2024 Entered into force on May 20, 2024 Member States are required to adapt their national laws accordingly on by May 21, 2026

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				damageto the quality of air, soil or water, or substantial damage to an ecosystem, animals or plants" (Article 3(2)(a) Environmental Crime Directive).In some cases, an act or omission will not merely constitute a criminal offence but also a "qualified offence". This is where there is particularly serious damage to and destruction of the environment. These qualified offences shall be subject to more severe penalties for natural and legal 		

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description					
Packagin	Packaging and Packaging Waste Regulation										
	EU producers / traders – EU producers / traders – Packaging and waste industries, consumer products industries: Producers and sellers of packaging products and products which requiring packaging	Requirement for certain packaging products to adhere to legal requirements	Proposed EU Regulation on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC (COM/2022/677 final)	The aim of the proposed P&PW Regulation is to tackle the increase in packaging waste generated in the EU, while harmonizing the internal market for packaging and boosting the circular economy. The proposal, which was put forward in November 2022 by the European Commission as part of the European Green Deal and the new circular economy action plan, is intended to replace the Packaging and Packaging Waste Directive (94/62/EC) in November 2022. The initiative's objective is to ensure that all packaging is reusable or recyclable in an economically feasible way by 2030. The aim is to reinforce the essential requirements for packaging to ensure its reuse and recycling, boost the uptake of recycled content, and improve the requirements' enforceability. Measures are also envisaged to tackle over-packaging and reduce packaging waste. The P&PW Regulation is intended to revise and repeal the current Packaging and Packaging Waste Directive (PPWD – Directive 94/62/EC).	Not yet adopted	On 16 December 2024, The <u>Council</u> formally adopted the new <u>Regulation</u> . Publication in the Official Journal expected imminently. Expected to be adopted in Q4 2024 or Q1 2025					

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
End-of-Lif	e Vehicles (ELV) Regu	llation				
1.	EU producers / traders – Producers and sellers of vehicles and parts of vehicles Automotive and battery industries	Requirement for vehicles to comply with certain legal requirements	Proposed EU Regulation on circularity requirements for vehicle design and on management of end-of- life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC COM(2023) 451 final	The End-of-Life Vehicles (ELV) Regulation is intended to address the whole life cycle of vehicles, from design to end-of-life, aimed at improving design and end-of-life management of vehicles for a more resource-efficient automotive sector. It would set circularity requirements on vehicle design and production concerning reusability, recyclability, recoverability and the use of recycled content. It would also lay down requirements on information and labelling of parts, components and materials in vehicles. In addition, the proposed regulation would establish requirements on extended producer responsibility, collection and treatment of end-of-life vehicles, and on the export of used vehicles from the EU to third countries. The ELV Regulation is intended to revise and repeal the current ELV Directive (Directive 2000/53/EC).	Not yet adopted	Presented by the Commission on July 13, 2023.

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
Urban Wa	astewater Treatment D	Directive (UWWTD)				
	EU producers / traders – Producers of any pollutants that may be present in urban wastewater Pharmaceutical, cosmetic and water industries	Water Pollution: Requirement for pharmaceutical and cosmetic industries to pay for the clean-up of urban wastewater	Directive (EU) 2024/3019 of the European Parliament and of the Council of 27 November 2024 concerning urban wastewater treatment (recast)	<ul> <li>The new Urban Wastewater Treatment Directive (UWWTD Directive) sets out: <ul> <li>the obligation to set up urban wastewater collecting systems would be extended to all agglomerations with 1000 inhabitants or more (compared to 2000 inhabitants currently);</li> <li>stricter standards would be introduced for nutrient removal;</li> <li>locally integrated urban wastewater management plans would need to be established to combat pollution from rain waters (urban runoff and storm water overflows);</li> <li>urban wastewater would have to be subject to additional (i.e., quaternary) treatment in order to eliminate the broadest possible spectrum of micro-pollutants. In line with the "polluter pays principle", producers of pharmaceuticals and cosmetics leading to urban wastewater pollution by micro- pollutants would need to contribute</li> </ul> </li> </ul>	Adopted	Published in the Official Journal on 12 December 2024.

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				<ul> <li>to the costs of this additional treatment, through an extended producer responsibility (EPR) scheme;</li> <li>a binding energy neutrality target would be introduced at Member State level for the urban wastewater treatment sector;</li> <li>new monitoring obligations would be introduced, covering among other things the presence of micro- plastics (including in sludge) and the presence of some viruses like SARS- CoV-2 in urban wastewater.</li> <li>Member States would be required to improve and maintain access to sanitation for all, in particular for vulnerable and marginalized people.</li> <li>New provisions would be included on information to the public, access to justice, and compensation.</li> </ul>		
				The new UWWTD Directive is intended to revise and repeal the current UWWTD Directive (Directive <u>91/271/EEC)</u> .		

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
The trans	parency and integrity	of Environmental,	Social and Governance (ESG)	rating activities		
	ESG Rating Providers inside and outside the EU/EEA.	ESG Rating activities	Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859	The new rules aim at making rating activities in the EU more consistent, transparent and comparable in order to boost investors' confidence in sustainable financial products. ESG ratings provide an opinion of a company's or a financial instrument's sustainability profile, by assessing its impact on society and the environment and its exposure to risks associated with sustainability issues. ESG ratings have an increasingly important impact on the operation of capital markets and on investor trust in sustainable investment products. The new rules aim to strengthen the reliability and comparability of ESG ratings by improving the transparency and integrity of the operations that ESG ratings providers carry out and by preventing potential conflicts of interest. In particular, ESG rating providers established in the Union will need to be authorised and supervised by the European Securities and Markets Authority (ESMA). ESG rating providers established outside the Union that wish to operate in the Union, will need	Adopted	Published in the Official Journal on 12 December 2024. Applies as of 2 July 2026.

Ť	Impacted industry (ies)	Subject	Law/Regulation	Content in a nutshell	Due Date - Period	Due date - Description
				to obtain an endorsement of their ESG ratings by an EU authorised ESG rating provider, a recognition based on a quantitative criterion, or be included in the EU registry of ESG rating providers on the basis of an equivalence decision.		
Directive	e on Liability for Defect			1		1
- <u>`@</u> `-	Digital Products &	Product liability	Proposed EU Directive	The European Commission has proposed	2024	Approved by the
	Engineering,		on liability for defective	repealing Council Directive 85/374/EEC on		European
	Manufacturing &		products COM/2022/495	liability for defective products.		Parliament on
	Industrial –		<u>final</u>			March 12, 2024
				This proposal aims to modernize and		
				reinforce current EU product liability rules		The Directive will
				to bring them into alignment with the digital		enter into force 20
	Manufacturers, in			age. This includes allowing compensation		days after its
	particular of digital			for damage caused when products are		publication and
	products			made unsafe by software updates or Al		must be
	,			necessary to operate the product.		transposed into
						Member State
						national law 24 months after its
						entry into force.