

5th Briefing on Regulatory Trends in the European Union and at the International Level

Online | 7th February | 14.00 - 15.00 CET

A joint initiative of the Global Compact Local Networks



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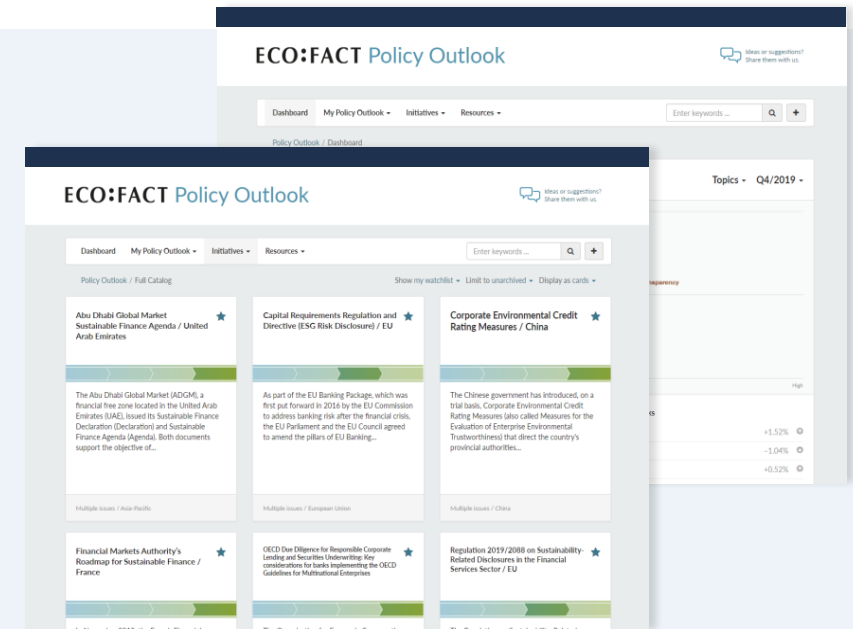
This briefing on regulatory trends in the European Union and at the international level builds on the research made available via the ECOFACT Policy Outlook.

This webinar will focus on key regulatory developments that took place in the fourth quarter of 2021 and on what is expected in 2022.

The Policy Outlook is the world's largest and most comprehensive research package focusing on hard and soft law initiatives pertaining to sustainable finance and corporate responsibility across the globe.

The Policy Outlook monitors more than 30 regulatory topics in over 50 countries and the European Union; our coverage encompasses jurisdictions responsible for over 85% of global GDP.

To know more reach out to us via policy@ecofact.com





What regulatory topics are on your mind lately?



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Trends dashboard



Top 5 rapidly developing topics in the last quarter

1. Transparency
2. Environmental risks
3. Climate change
4. Biodiversity
5. Human rights due diligence



Key open consultation

EU Commission is holding a consultation **until 29 March 2022** on a proposed regulation that would establish a European single access point (ESAP). An ESAP would centralize access to publicly available financial and non-financial information (i.e. NFRD/CSR reports).



Be aware that

... in late December 2021, the US government adopted new rules imposing limits on importing goods produced in China that use forced labor, especially goods produced in the Xinjiang region.

... as of 1 January 2022 several new regulatory requirements became applicable, such as Taxonomy-aligned reporting under the NFRD across the EU.



Expected developments in the coming months

EU Commission's proposal for a directive on corporate due diligence and corporate accountability and a corporate sustainability reporting directive (CSRD).

Test phase of the Taskforce on Nature-related Financial Disclosures' proof of concept.

Key international regulatory developments since December 2021



The US, Australia, Denmark, and Norway issued a joint statement on establishing an Export Controls and Human Rights Initiative. Governments of these countries commit to working over the next year to set up a voluntary, nonbinding written code of conduct to guide the application of human rights criteria to export licensing policy and practice. While not going so far as signing the joint statement, Canada, France, the Netherlands, and the United Kingdom also expressed support for the initiative.



EFRAG

As part of developing the CSRD, the GRI and EFRAG announced that they have joined together to co-construct their respective biodiversity standards. The GRI will contribute to the EU standards, and it will update its own biodiversity standard in the first quarter of 2023.



The Partnership for Carbon Accounting Financials (PCAF) and the CDP announced their partnership. The common objective is to combine the organizations' resources and networks to promote PCAF's accounting standard. They will also work together to increase assessment and disclosure of greenhouse gas (GHG) emissions among financial institutions globally. Together, they will provide workshops, reports, and case studies for financial institutions.



The UN General Assembly reaffirmed the mandate of the Global Compact. In a resolution, UN member states also agreed to improve engagement with the private sector in the recovery from the COVID-19 pandemic.



Key European Union regulatory developments since December 2021



The EU Commission issued guidance on implementing the Directive on Unfair Commercial Practices. It replaces the guidance issued in 2016. The document explains how to apply the directive to specific topics, such as claims of environmental sustainability.



The EU Council came to an agreement on a common position to shrink the gender pay gap with a proposed directive on pay transparency.



A delegated regulation that specifies how to comply with disclosure obligations under article 8 of the Sustainability Taxonomy entered into force. This delegated regulation applies to all companies subject to the NFRD and its potential revision, the CSRD.

As of January 2022	<ul style="list-style-type: none">Non-Financial entities report Taxonomy eligibility for the previous calendar year*Financial entities report Taxonomy eligibility for the previous calendar year*
As of January 2023	<ul style="list-style-type: none">Non-Financial entities report eligibility and alignment for the previous calendar yearFinancial entities report Taxonomy eligibility for the previous calendar year
As of January 2024	<ul style="list-style-type: none">Non-Financial entities report eligibility and alignment for the previous calendar yearFinancial entities report Taxonomy eligibility and alignment for the previous calendar year
As of January 2025	<ul style="list-style-type: none">Financial entities may include estimates on Taxonomy alignment for DNSH assessments of third-country exposures subject to the 2024 review period
As of January 2026	<ul style="list-style-type: none">Credit institutions include Taxonomy alignment of their trading book and fees and commissions for non-banking activities

Source: EU Commission (2021)

Status update on the CSRD



The EU Parliament Committee on Legal Affairs published 616 proposed amendments to the CSRD that were tabled in committee. The proposed amendments and the CSRD were forwarded to the appropriate parliamentary committees.

The EU Parliament's Committee on Women's Rights and Gender Equality considered the amendments to the draft report on the proposed CSRD. During the debate, it is highlighted that the current text of the CSRD does not adequately address reporting requirements concerning issues such as diversity, social inclusion, gender equality, or protection of minorities and vulnerable groups.



The EU Council started to assess the CSRD text. The Council was able to agree on “partial compromise texts on certain political issues identified in the course of the examination [however] there are still diverging orientations among delegations on several political issues.”

EFRAG EFRAG published its first batch of working papers (work-in-progress documents), technical preparatory documents prepared for the Project Task Force on European Sustainability Reporting Standards. They include working papers on: 1) strategy and business model; 2) sustainability governance and organization; 3) sustainability material impacts, risks, and opportunities; 4) definitions for policies, targets, action plans, and resources; 5) climate change; 6) double materiality; and 7) characteristics of information quality. Working papers like these are work-in-progress documents.

Notable developments at the national level since December 2021



The Canadian Prime Minister asked the minister of labour to “introduce legislation to eradicate forced labour from Canadian supply chains and ensure that Canadian businesses operating abroad do not contribute to human rights abuses.”



The Dutch minister of foreign trade and development announced that the government will develop and introduce a national law on human rights and environmental due diligence. A draft law is expected soon. If adopted, this law would replace the Child Labour Due Diligence Law.



The Italian Inter-Ministerial Committee for Human Rights published the country’s second National Action Plan on Business and Human Rights.



The Swiss Federal Council issued the final and amended ordinance that implements due diligence obligations for child labor and for minerals and metals from conflict zones and high-risk areas. The obligations entered into force on 1 January 2022. However, a one-year transition period means they will first apply to the 2023 financial year, which will be reported on in 2024.



The US White House published the Federal Sustainability Plan. It sets out actions the federal government plans to take to help limit global warming to 1.5°C. It aims to reduce the country’s GHG emissions by 50%–52% by 2030, compared to 2005 levels.

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Mon, 16 May | Online Event

6th Briefing on Regulatory Trends in the European Union and at the International Level

6th Quarterly call

Sign up

6th Briefing on Regulatory Trends in the European Union and at the International Level

Online | 16th May | 14.00 - 15.00

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The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system. By incorporating the Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Companies operate responsibly



HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.



LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Companies contribute to progress

SUSTAINABLE DEVELOPMENT GOALS



Let's make Global Goals Local Business



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HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



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