RocaJunyent Informs

ESG and Corporate Sustainability Department
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Sustainability issues that will dominate the Agenda of Directors and Boards in 2024

2023 marked an important milestone for environmental, social and governance (ESG) initiatives: a year in which companies made substantial investments, both in capital and time, to conduct comprehensive CSRD assessments and dual materiality analyses. For 2024, there is great anticipation of new regulations coming into force that will directly or indirectly affect many companies, requiring the diligent attention of Boards of Directors.

The focus is on climate disclosure, covering the implementation of far-reaching sustainability standards such as the EU Corporate Sustainability Reporting Directive (CSRD) and the forthcoming US Securities and Exchange Commission regulations.

Within the framework of the CSRD, the board has the responsibility to review its own sustainability initiatives, identify new tasks to be incorporated into the agenda and establish the relevant working mechanics in this area. The CSRD will demand space on the board's agenda to reassess corporate strategies.

The pathway to addressing climate impact is a very complex process, with significant interdependencies, which requires councils to pay particular attention to data governance and architecture, reporting, as well as emissions reductions, and green finance.

Every link in the supply chain is important, from the sourcing of raw materials to the disposal of e-waste, from the cost of energy for production to the transport of goods and the use of technology. In this respect, councils play a key role in driving improvements in the climate sensitivity of their organisations.

This spring, although delayed, the US SEC's rule on climate change reporting is due to come into force. The rule will require subject companies to invest heavily in internal controls. For those not directly subject, its interest stems from the SEC's global influence on regulators around the world.

Ultimately, specific new regulatory developments are anticipated in areas such as circular economy, waste, packaging, energy efficiency and biodiversity, underlining the need for constant vigilance on the part of advisors in this evolving regulatory landscape.