

TIMELINE OF ANTICIPATED ESG DEVELOPMENTS IN 2025



HORIZON SCANNING
Governance & Sustainability

Sustainability practitioners will be well aware that ESG is a fast-moving, and ever changing area, making keeping on top of developments a significant challenge. We have sought to set out key ESG developments expected in 2025 in this timeline, covering the UK and, at a high level, the EU, to support with horizon scanning efforts.

Please note, however, that this document is a summary and is necessarily not comprehensive. Please speak to your usual contact at Slaughter and May for more information on ESG horizon scanning, including information tailored to your business and/or sector. For more information on developments in the UK energy and infrastructure sector, please refer to our publication [here](#).

KEY

- Environmental
- Social
- Governance and Reporting
- Sustainable Finance

Note: We appreciate that some of these areas can overlap.

1 JANUARY 2025

The 2024 UK Corporate Governance Code applies to financial years beginning on or after this date (other than Provision 29 which applies to financial years beginning on or after 1 January 2026).

14 JANUARY 2025

Deadline for comments on draft legislation bringing ESG ratings providers within FCA regulation.

21 JANUARY 2025

The Joint Committee on Human Rights announced a new inquiry to examine the UK's legal and voluntary frameworks underpinning the UK's response to forced labour in international supply chains, whether they are effective, and whether changes are required. The deadline for written submissions was Friday 14 February.

1 JANUARY 2025

(EU) CSRD begins to apply to large companies who will need to report in 2026; however, this timing will almost certainly be delayed by two years by the EU's 'omnibus' proposals, announced on 26 February 2025. (Footnote 1)

2 JANUARY 2025

(EU) Regulation on ESG rating activities entered into force and will apply from 2 July 2026.

21 JANUARY 2025

The FRC published a thematic review of mandatory climate-related disclosures reporting by AIM-listed and large private companies.

23 JANUARY 2025

The TNFD released sector guidance to support with TNFD reporting for four additional sectors, and released draft guidance for consultation covering an additional three sectors. (Footnote 2)

23 JANUARY 2025

Two consultations on expanding the UK's ETS, covering the maritime sector and the non-pipeline transport of carbon dioxide, closed. In response to stakeholder feedback, the UK government has confirmed that updated proposals will be published in Q2 2025. (Footnote 3)

28 JANUARY 2025

(EU) Interinstitutional negotiations began on the final text of the EU Green Claims Directive.

6 FEBRUARY 2025

Deadline for feedback on HM Treasury consultation on a UK Green Taxonomy.

14 FEBRUARY 2025

The FCA published a statement noting that it no longer intends to publish a policy statement on extending the SDR investments labelling regime to portfolio managers in Q2 2025.

19 FEBRUARY 2025

Deadline for feedback on the FRC's consultation on proposed revisions to the UK Stewardship Code.

25-27 FEBRUARY 2025

Biodiversity COP16 resumed in Rome, Italy. Governments agreed, on 27 February 2025, on a strategy to raise funds needed to protect biodiversity and achieve the action targets of the Kunming-Montreal Global Biodiversity Framework, bringing the business of COP16 that was suspended in Cali, Columbia in 2024, to a close.

26 FEBRUARY 2025

Deadline for feedback on UK government consultation on reforms to the Energy Performance of Buildings regime, including potential updates to Energy Performance Certificate requirements.

26 FEBRUARY 2025

(EU) The European Commission published the Clean Industrial Deal, which outlines the EU's plan to accelerate industrial decarbonisation whilst securing the future of EU manufacturing in the face of high energy costs and global competition.

24 JANUARY 2025

Regulations implementing a drinks containers Deposit Return Scheme for England and Northern Ireland came into force. The Scheme will commence on 1 October 2027.

1 FEBRUARY 2025

Deadline for feedback on the TNFD's discussion paper on nature transition plans.

11 FEBRUARY 2025

(EU) Regulation on packaging and packaging waste came into force and will apply from 12 August 2026.

18 FEBRUARY 2025

Deadline for feedback on Department for Transport consultation on phasing out sales of new petrol and diesel cars from 2030.

24 FEBRUARY 2025

The Water (Special Measures) Bill 2024-25 received Royal Assent and became the Water (Special Measures) Act 2025. The Bill strengthens the powers of the water regulator and environment regulators.

26 FEBRUARY 2025

Climate Change Committee published its advice to the UK government on the level of its Seventh Carbon Budget, the legal limit for the UK's net emissions of greenhouse gases over the years 2038-2042.

26 FEBRUARY 2025

(EU) The European Commission published its proposals for the first in a series of 'omnibus' packages, aimed at streamlining the EU's sustainability reporting and due diligence legislation.

27 FEBRUARY 2025

The Independent Water Commission published a call for evidence, seeking views on future changes to the water sector from investors, the public, environmental groups and others. The call for evidence will close on 23 April 2025.

11 MARCH 2025

(EU) The European Commission launched a consultation on its draft State aid Framework accompanying the Clean Industrial Deal. The deadline for comments is 25 April 2025. The adoption of the Framework is planned for June 2025.

18 MARCH 2025

The Science Based Targets initiative published an initial draft of its revised Corporate Net-Zero Standard for public consultation. The consultation will close on 1 June 2025.

24 MARCH 2025

The FCA invited ESG ratings providers to complete a voluntary survey to help inform the future regulation of ESG ratings and broader sustainability disclosures. The deadline for responses is 16 May 2025.

25 MARCH 2025

The UK government published its maritime decarbonisation strategy and launched two calls for evidence on net zero ports and decarbonising smaller vessels, which will close on 24 June 2025 and 25 July 2025 respectively.

28 MARCH 2025

Ofwat launched a consultation on its proposals to introduce a rule to prohibit performance related executive pay as part of new powers created by the Water (Special Measures) Act 2025 to set rules about remuneration and governance. The deadline for responses is 29 April 2025.

26 FEBRUARY 2025

The UK government published its National Biodiversity Strategy & Action Plan, setting out how it intends to meet the global targets and goals set out in the Kunming-Montreal Global Biodiversity Framework agreed at biodiversity COP15.

5 MARCH 2025

The UK government launched a consultation on the North Sea's energy future. The deadline for responses is 30 April 2025.

11 MARCH 2025

The Planning and Infrastructure Bill was published. According to the UK government, the Bill will support delivery of its ambition to build 1.5 million homes in England, fast-track planning decisions on major economic infrastructure projects, and ensure that clean energy infrastructure is built as quickly as possible.

18 MARCH 2025

The UK government launched a consultation on how to implement mandatory ethnicity and disability pay gap reporting for large employers (those with 250 or more employees) in Great Britain. Responses will help to shape proposals to be included in the Equality (Race and Disability) Bill. The consultation will close on 10 June 2025.

24 MARCH 2025

The UK government published updated Section 54 Modern Slavery Act 2015 guidance.

26 MARCH 2025

The loan market trade associations published updated versions of the Green, Social and Sustainability-Linked Loan Principles and related guidance material.

31 MARCH 2025

- Separation of Waste (England) Regulations 2024 started to apply to businesses and relevant non-domestic premises.
- Separation of Waste (England) Regulations 2025 came into force and introduced certain exemptions relating to waste collection and separation.

31 MARCH 2025

The UK government published terms of reference for the independent review that it has commissioned on GGRs. The review will consider how GGRs can assist the UK in meeting its carbon budgets and net zero targets. A report and recommendations are expected to be produced by October 2025.

SPRING 2025

The UK government is expected to consult on implementing the UK's Principles for Carbon and Nature Market Integrity and increasing the use of the voluntary carbon and nature markets. The consultation was expected in 'early 2025', but has not been issued yet.

2 APRIL 2025

Natural England published its strategic direction for 2025 to 2030. It plans to launch a Natural England strategy in Autumn 2025.

3 APRIL 2025

The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025 were laid before Parliament and have effect from 11 May 2025. The regulations repeal most of the disclosures added to the directors' remuneration reporting regime in 2019 to comply with EU legislation, and make certain changes to the audit regulatory framework. The removal of overlapping requirements forms part of the UK government's ongoing work to streamline non-financial reporting.

6 APRIL 2025

The majority of the consumer protection provisions of the Digital Markets, Competition and Consumers Act 2024 came into force, including new "direct enforcement" and significant fining powers in relation to consumer protection rules afforded to the Competition and Markets Authority, the UK regulator which oversees, amongst other things, consumer protection in relation to greenwashing.

SPRING 2025

Finalised supplementary Environmental Impact Assessment guidance on scope 3 emissions is expected to be published by OPRED.

2 APRIL 2025

Limited temporary flexibility for firms to comply with the 'naming and marketing' rules under the SDR came to an end.

2 APRIL 2025

The UK government announced proposed reforms to environmental regulation, with the aim of driving economic growth and safeguarding nature. These include, amongst other things, a rapid review of environmental guidance to remove duplication, ambiguity and inconsistency, and streamlining permits and guidance, including updating the Environmental Permitting (England and Wales) Regulations 2016. The announcement follows on from HM Treasury's regulatory action plan, published on 17 March 2025, which included proposals for action in relation to environmental and planning regulation. The UK government is expected to consult on environmental permitting reforms in Spring and Summer 2025.

6 APRIL 2025

Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024 came into force and take effect for financial years beginning on or after this date. (Footnote 4)

Q2 2025

Independent Water Commission review to be published, setting out recommendations to reform the water sector regulatory framework in England and Wales.

Q2 2025

The UK government is expected to consult on exposure drafts of the UK SRS, which will be based on the ISSB sustainability reporting standards. Following the consultation, the UK government will take a decision on whether or not to endorse the UK SRS for use in the UK, and will publish the final UK SRS if so. The consultation was expected in Q1 2025, but has not been issued yet.

JUNE 2025

The UK government is expected to publish its 10-year strategy for infrastructure.

H1 2025

(EU) The European Commission is expected to adopt the first working plan under the Ecodesign for Sustainable Products Regulation, setting out which products will be prioritised over the coming years. Development of product rules will then start.

H1 2025

The UK government is expected to consult on transition plans for financial institutions and large companies; the FCA is also expected to consult on transition plan disclosure expectations during 2025.

SUMMER 2025

The FRC is expected to publish the updated UK Stewardship Code with an effective date of 1 January 2026.

H2 2025

(EU) The European Commission is expected to publish legislative proposals after its scheduled review of the EU ETS. These proposals are anticipated to include: adjustment of emissions caps; guidance on how free allowances will interact with the EU CBAM; and sectoral refinements to ETS coverage of maritime transport, waste incineration, as well as the buildings and transport sectors. (Footnote 5)

OCTOBER 2025

Producers must start paying fees under the EPR regime.

2 DECEMBER 2025

Ongoing product and entity-level disclosures under the SDR come into force for firms with assets under management of over £50 billion.

NOVEMBER 2025

The UK government is expected to launch a biodiversity net gain requirement for terrestrial nationally significant infrastructure projects.

31 DECEMBER 2025

(EU) End of the EU CBAM transitional period, with the definitive regime applying from 2026.

30 DECEMBER 2025

(EU) The EUDR will begin to apply to large companies. NB: there is currently no indication of when the UK forest risk commodities regime will come into force.

DEFINITIONS

- **CBAM:** Carbon Border Adjustment Mechanism
- **CSR:** Corporate Sustainability Reporting Directive
- **EPR:** Extended Producer Responsibility
- **ETS:** Emissions Trading Scheme or System
- **EUDR:** EU Regulation on Deforestation-free Products
- **FCA:** Financial Conduct Authority
- **FRC:** Financial Reporting Council
- **FSMA:** Financial Services and Markets Act 2000
- **GGRs:** Greenhouse Gas Removals
- **ISSB:** International Sustainability Standards Board
- **OPRED:** Offshore Petroleum Regulator for Environment and Decommissioning
- **PRA:** Prudential Regulation Authority
- **SDR:** Sustainability Disclosure Requirements
- **SRS:** Sustainability Reporting Standards
- **TNFD:** Taskforce on Nature-related Financial Disclosures

ADDITIONAL ESG DEVELOPMENTS IN 2025

The below list sets out developments for which we do not yet have a set date

ENVIRONMENTAL

- **Legislation for producer responsibility for waste electrical and electronic equipment (WEEE)** is expected to be introduced to: (i) align the obligations of online marketplaces with those of conventional producers, and (ii) introduce a new category of WEEE for producers to report vapes.
- **The Circular Economy Taskforce is expected to publish a strategy for England.** The Taskforce is expected to publish the Strategy between Summer and Autumn 2025.
- The UK government is expected to publish a **roadmap for the delivery of new Environmental Outcome Reports**, as part of proposed reforms to environmental impact assessments.
- **A revised Environmental Improvement Plan is expected to be published**, following the UK Government's 'rapid review', which will set out plans to protect and restore England's natural environment, including plans to meet the Environment Act 2021 targets.
- **Several consenting regimes may be moved into the Environmental Permitting regime in 2025.** These include waste carriers, brokers and dealers and water abstraction licensing.
- The UK government is expected to publish its **10-year strategy for housing**.
- The UK government is expected to publish a **response to the feedback received on its December 2023 consultation on Future Homes and Buildings Standards**.
- **The UK CBAM is expected to complete its passage through Parliament.** The UK government is also expected to consult on and lay secondary legislation in relation to the UK CBAM. The UK Government intends for the UK CBAM to apply from January 2027.

SOCIAL

- **The Employment Rights Bill will continue to pass through Parliament**, with a number of consultations on the proposed reforms expected. Please refer to our [blog](#) for further information on the Employment Rights Bill.
- **The UK government may launch additional consultations on legislative and non-legislative measures and/or announce new measures, to tackle forced labour and transparency in supply chains**, following its response to the House of Lords Committee Report on the Modern Slavery Act 2015, and the Joint Committee on Human Rights' announcement on 21 January 2025 of a new inquiry to examine the UK's legal and voluntary frameworks underpinning the UK's response to forced labour in international supply chains, whether they are effective, and whether changes are required. Please see our [blog](#) for more detail.

GOVERNANCE AND REPORTING

- The FCA is expected to consult on updating its TCFD-aligned disclosure rules to bring them in line with the UK SRS (subject to a positive UK government endorsement decision). This may be combined with the FCA's consultation on transition plan disclosures. Any changes that are introduced are not expected to be effective for accounting periods beginning before 1 January 2026.
- **The UK government is expected to consult on introducing UK SRS disclosures for economically significant companies** (subject to a positive UK government endorsement decision). This could take place as early as Q2 2025. Any changes that are introduced would not be effective for accounting periods beginning before 1 January 2026. However, requirements are expected to apply later (likely from 2028).
- The Department for Business and Trade is expected to launch a **consultation on the Future of Corporate Reporting**, aimed at simplifying the non-financial reporting framework.

SUSTAINABLE FINANCE

- **The FCA is to consult on, or consider, applying the SDR to financial advisors, pension products and other investment products marketed to retail investors, and listed issuers.** HM Treasury is to consult on applying the SDR and labelling regime to funds operating under the overseas funds regime.

- The FCA is expected to finalise new prospectus disclosure requirements for ESG-labelled debt securities in 2025 as part of wider UK prospectus regime reforms. The new prospectus regime rules will apply in early 2026. The EU is to introduce similar rules for debt securities advertised as considering ESG factors or pursuing ESG objectives in 2026 as part of EU prospectus regime reforms.
- The PRA is expected to update its Supervisory Statement SS3/19 on banks' and insurers' approaches to the management of climate-related financial risks, with a consultation on proposed revisions expected at some point in 2025.
- ESG ratings providers are expected to be brought within the scope of the FSMA perimeter.

FOOTNOTES

- Footnote 1** The first CSRD reports required to be prepared by companies already in-scope of the CSRD will be published during 2025. This timing remains unchanged by the EU's 'omnibus' proposals. The EU's 'omnibus' proposals make a number of suggested changes to the CSRD scoping provisions, including a proposed two year delay to reporting requirements for companies who are required to report for financial years beginning on or after 1 January 2025 and on or after 1 January 2026. The EU Parliament voted to approve this delay on 3 April 2025, and it is expected to enter into force shortly. Please refer to our [briefing](#) on the omnibus for further information. (EU)
- Footnote 2** Final sector guidance has been released for: apparel, textiles & footwear; beverages; construction materials; and engineering, construction & real estate. Draft guidance for consultation covers: fishing; marine transportation & cruise lines; and water utilities & services. The consultation ran until 4 April 2025, and the TNFD plans to finalise the guidance in June 2025.
- Footnote 3** These forthcoming proposals are expected to set out: revised, sector-specific allocation mechanisms; adjusted free allocation eligibility rules, ensuring accurate calibrations for UK CBAM sectors; and detailed clarifications on how the Carbon Offsetting and Reduction Scheme for International Aviation will integrate with the UK ETS.
- Footnote 4** This will lift by ~50% the turnover and balance sheet total thresholds that determine company, LLP and group size classifications for reporting requirements and remove several reporting requirements from the directors' report which are thought to be duplicative or of low value to investors.
- Footnote 5** Negotiations and amendments to the European Commission's legislative proposals are expected to start in Q4 2025. Stakeholder consultations and parliamentary debates will take place, with finalised legislative changes anticipated to be adopted in 2026. These amendments will set the stage for revised compliance obligations coming into effect from 2027. (EU)

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