



## Regulation Radar (EU/CH Focus)

### Overview of Key Sustainability Regulations: CSRD, CO<sub>2</sub>, and ESG Disclosures

*Last updated: May 2025*

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#### ◆ European Union (EU)

##### 1. CSRD – Corporate Sustainability Reporting Directive

- **In Force:** January 2024 (phase-in by company size)
- **Who must comply:**
  - 2024: Listed companies with >500 employees (report in 2025)
  - 2025: Large companies (2 of: €40M+ turnover, €20M+ assets, 250+ employees)
  - 2026: Listed SMEs (simplified standards)
- **What to report:**
  - Double materiality (impact + financial)
  - GHG emissions (Scopes 1, 2, and partially 3)
  - ESRS standards under EFRAG

##### 2. EU Taxonomy Regulation

- Classification system for sustainable economic activities
- Companies must report revenue, CapEx, and OpEx aligned with taxonomy

##### 3. Sustainable Finance Disclosure Regulation (SFDR)

- Applies to financial market participants
- Mandatory ESG disclosure for investment products

##### 4. Carbon Border Adjustment Mechanism (CBAM)

- Enters full force by 2026

- Applies CO<sub>2</sub> pricing on imports from carbon-intensive sectors (e.g., steel, cement)
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## ◆ Switzerland (CH)

### 1. Swiss Climate and Innovation Act

- Voted in June 2023, enters into force 2025
- Goal: net zero by 2050
- Incentives for companies to reduce emissions & adopt green tech

### 2. Swiss CO<sub>2</sub> Act (Revision 2025)

- Aligns with EU carbon market and includes:
  - Strengthened CO<sub>2</sub> levies
  - Mandatory emissions reporting for large emitters
  - Sector-specific reduction targets

### 3. Non-Financial Reporting (aligned with CSRD)

- Applies to public-interest companies with 500+ employees
  - Must report on environmental, social, and governance (ESG) issues
  - Climate disclosures based on TCFD, EU CSRD alignment expected
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## What to Watch

- **Quarter 3 2025:** EU to publish updated sector-specific ESRS
  - **2025-2026:** Expansion of CSRD to SMEs
  - **Swiss-EU alignment talks:** Potential interoperability on digital reporting formats
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## Recommendation for Businesses

- Start aligning with CSRD now if you work with EU companies
- Establish internal systems to track Scope 1–3 emissions
- Monitor Swiss CO<sub>2</sub> and innovation grants for funding opportunities
- Join industry groups for updates (e.g., Swisscleantech, EFRAG newsletters)