

Regulatory overlaps in EU sustainability legislation

Scope						
Corporate Sustainability Reporting Directive (CSRD)	Corporate Sustainability Due Diligence Directive (CSDDD)	Taxonomy Regulation	Conflict Minerals Regulation	Forced Labour Regulation	Deforestation Regulation	Battery Regulation
<p>Art. 5</p> <p>Financial years from 1 January 2024</p> <p>- all listed companies with > 500 employees must report in accordance with the new rules</p> <p>Financial years from 1 January 2025</p> <p>- all companies with > 250 employees must report in accordance with the new rules</p> <p>Financial years from 1 January 2026</p> <p>- All listed companies with > 50 employees</p>	<p>Art. 2 and 37</p> <p>From 26 July 2027</p> <p>Companies founded in the EU or parent companies with at least 5,000 employees and at least 1,500 million euros in global net turnover per year</p> <p>From 26 July 2028</p> <p>Companies founded in the EU or parent companies with at least 3,000 employees and at least 900 million euros in global net turnover per year</p> <p>From 26 July 2029</p> <p>Companies founded in the EU or parent companies with at least 1,000 employees and at least 450 million euros in global net turnover per year</p>	<p>Art. 1 para. 2</p> <p>Financial market participants that make available financial products</p> <p>All companies that fall within the scope of the Sustainability Reporting Directive</p>	<p>Art. 1 para. 2 and 3</p> <p>"Union importers" of tin, tantalum, tungsten or gold if the quantity thresholds set out in Annex I are met</p>	<p>Art. 2 para. 9</p> <p>Any natural or legal "economic operator" placing or making available products on the Union market or exporting products</p>	<p>Art. 2 para. 15</p> <p>Any natural or legal "operator" who places on the market or exports relevant products in the course of a commercial activity</p> <p>Art. 2 para. 1 and 2</p> <p>Relevant raw materials or products: Cattle, cocoa, coffee, oil palm, rubber, soya and wood</p>	<p>Art. 1 para. 2 and Art. 3 para. 1 no. 22</p> <p>Economic operators (producers, authorised representatives, importers, distributors or fulfilment service providers) placing or putting into service batteries on the Union market</p> <p>Art. 47</p> <p>Due diligence provisions in accordance with Art. 47ff apply from 18 August 2025 for all economic operators with a net annual turnover of at least EUR 40 million</p>

Due diligence obligations						
Corporate Sustainability Reporting Directive (CSRD)	Corporate Sustainability Due Diligence Directive (CSDDD)	Taxonomy Regulation	Conflict Minerals Regulation	Forced Labour Regulation	Deforestation Regulation	Battery Regulation
The Directive does not contain any direct due diligence obligations.	Art. 7 to 15 Risk-based due diligence in the areas of human rights and the environment <ul style="list-style-type: none"> - Incorporating due diligence into corporate policy and risk management systems - Identification and assessment of actual and potential negative impacts - Prioritisation of the actual and potential negative impacts identified - Prevention of potential negative effects - Elimination of actual negative effects - Remediation for actual negative effects - Involvement with stakeholders - Introduction of a notification mechanism and complaints procedure - Monitoring 	Art. 9 Contains rules for assessing climate and environmentally friendly activities and investments; the following six climate and environmental protection targets are defined for this purpose: <ul style="list-style-type: none"> - mitigate climate change - Adaptation to climate change - Sustainable use and protection of water and marine resources - Transition to a circular economy - Prevention and control of pollution - Protection and restoration of biodiversity and ecosystems An activity is considered taxonomy-compliant if it makes a significant contribution to achieving at least one of these objectives and does not significantly impair any of the other objectives (double materiality). It must also fulfil international standards, for example with regard to human rights and social issues.	Art. 4 and Art. 5 Obligations in relation to the management system: <ul style="list-style-type: none"> - Definition of the supply chain policy and communication of the latest information on this to suppliers and the public in an unambiguous manner - Inclusion of the standards relevant to the fulfilment of due diligence in the supply chain in the supply chain policy - structuring of the respective internal management systems - Strengthening the supplier relationship in accordance with Annex II of the OECD Guidelines - Introduction of a grievance mechanism as an early warning system for risk detection - Introduction of a traceability system for the chain of custody or supply of minerals, metals and by-products, to be supported by the relevant documentation Risk management obligations: <ul style="list-style-type: none"> - Identifying and assessing the risks of adverse impacts in your supply chain - Implementation of a strategy to respond to the identified risks in order to prevent or mitigate negative effects Obligations to carry out audits by independent third parties	Art. 1 para. 1 Fundamental ban on placing, making available on the Union market or exporting products from the Union market manufactured using forced labour Art. 1 para. 3 "This Regulation does not create additional due diligence obligations for economic operators other than those already provided for in Union or national law." But: Commission shall draw up guidelines for economic operators on compliance with due diligence obligations on forced labour by 2026 (Art. 11 (a), (b) and (f))	Art. 3 Prohibition to place relevant raw materials and relevant products on the market or to make them available on the market or to export them, unless the following conditions are met: <ul style="list-style-type: none"> a) they are deforestation-free, b) they have been produced in accordance with the relevant legislation of the country of production and c) they are covered by a due diligence statement. Art. 8 to 13 <ul style="list-style-type: none"> - Collection of information, data and documents necessary to fulfil the requirements of Art. 9 - Risk assessment measures in accordance with Art. 10 incl. review and analysis - Measures to minimise risks in accordance with Art. 11, e.g. through independent surveys or audits. - Introduction of appropriate and proportionate policies, controls and procedures - At least annual review of the due diligence system. - Simplified due diligence if all relevant raw materials and relevant products were produced in countries or parts of countries for which only a low risk has been identified. 	<ul style="list-style-type: none"> - Introduction of sustainability, safety, labelling and information requirements for batteries - Gradual introduction of a labelling obligation within the meaning of Art. 13 from batteries to 2026 Art. 49 and 50 <ul style="list-style-type: none"> - Introduction of a risk management system (Art. 49 and 50) and adoption of a corporate strategy to fulfil the due diligence obligations applicable to batteries with regard to the raw materials listed in Annex X No. 1 and the associated categories of social and environmental risks listed in Annex X No. 2 and information to suppliers and the public - Establishment and operation of a system of supply chain controls and transparency, including a supply chain monitoring or traceability system that enables the identification of upstream actors in the supply chain - Introduction of a grievance mechanism, including an early warning system for risk identification and a redress mechanism

Reporting obligations

Corporate Sustainability Reporting Directive (CSRD)	Corporate sustainability due diligence Directive (CSDDD)	Taxonomy Regulation	Conflict Minerals Regulation	Forced Labour Regulation	Deforestation Regulation	Battery Regulation
<p>Art. 1 para. 4</p> <p>Comprehensive reporting within the management report on the impact of the company's activities on sustainability aspects and on facts that are necessary for understanding the impact of sustainability aspects on the company's business performance, business results and position on the basis of the sustainability standards adopted by the COM (Art. 1 para. 8)</p> <p>Simplified reporting standards apply to SMEs, which are also adopted by the COM</p> <p>Art. 1 para. 8</p> <p>The following factors must be considered in reporting:</p> <p>Environment: Climate protection, adaptation to climate change, resource utilisation, circular economy, pollution, biodiversity and ecosystems</p> <p>Social and human rights: Equal treatment and equal opportunities, working conditions, respect for human rights, fundamental freedoms, democratic principles and standards</p> <p>Governance: Role of the company's administrative, management and supervisory bodies, internal control and risk management systems, corporate ethics and culture (including anti-corruption and anti-bribery), lobbying activities, quality of relationships with customers, suppliers and communities</p>	<p>Art. 16</p> <p>Companies that fall under the revised Corporate Sustainability Reporting Directive (EU) 2022/2464 <u>do not</u> have to report additionally under the CSDDD</p> <p>Companies that are not covered by the Corporate Sustainability Reporting Directive publish an annual statement on their website on the matters covered by the CSDDD, the criteria for which are defined by delegated act</p>	<p>Art. 8</p> <p>All companies that fall under the scope of the Sustainability Reporting Directive include information in the non-financial statement on how and to what extent the company's activities are linked to economic activities that are considered environmentally sustainable economic activities within the meaning of Articles 3 and 9</p> <p>In particular:</p> <ul style="list-style-type: none"> - the share of its sales revenue generated with these products or services - the proportion of its capital expenditure and, where applicable, the proportion of operating expenditure relating to those assets or <p>The Commission shall adopt a delegated act for the specific organisation of these reporting obligations.</p>	<p>Art. 7 para. 3</p> <p>Union importers "shall, on an annual basis, publicly report as widely as possible, including on the internet, on their supply chain due diligence policies and practices for responsible sourcing. That report shall contain the steps taken by them to implement the obligations as regards their management system under Article 4, and their risk management under Article 5, as well as a summary report of the third-party audits, including the name of the auditor, with due regard for business confidentiality and other competitive concerns."</p>	<p>The regulation does not contain any direct reporting obligations for companies.</p> <p>But:</p> <p>Art. 17</p> <p>When a competent authority initiates an investigation into forced labour, it requests information from economic operators on their "relevant measures" to identify, reduce or eliminate the risk of forced labour.</p> <p>The basis of this information is:</p> <ul style="list-style-type: none"> - the applicable Union law on due diligence and transparency obligations regarding forced labour - Guidelines to be issued by the COM in accordance with Art. 11 - UN, ILO and OECD guidelines and recommendations - Other meaningful due diligence obligations <p>Economic operators must fulfil this obligation to provide information within 30 working days</p>	<p>Art. 12 para. 3</p> <p>Operators that do not fall into the categories of SMEs, including microenterprises, or natural persons shall report publicly (including on the internet) on their due diligence system, including the steps they have taken to fulfil their obligations under Article 8, on an annual basis and as comprehensively as possible.</p> <p>Operators that also fall within the scope of other Union acts setting out value chain due diligence requirements may fulfil their reporting obligations under this paragraph by including the required information in the reporting related to those other Union acts.</p>	<p>Art. 52</p> <p>On request, making available to the market surveillance authorities of the Member States the verification and authorisation report referred to in Article 51, the reports referred to in Art. 48 para. 2 and the evidence of compliance with a due diligence system recognised by the Commission referred to in Art. 53.</p> <p>Provide all relevant information obtained and kept up to date as part of its battery due diligence strategy to all immediate downstream customers</p> <p>Annual review of the strategy to fulfil the due diligence obligations applicable to batteries and publication of a report on this, including on the Internet</p>

Human rights agreements to be considered						
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Art. 1 para. 8 subpara. 2 Respect for human rights, fundamental freedoms, democratic principles and standards as set out in the International Bill of Human Rights and other fundamental human rights conventions of the United Nations, incl. the International Covenant on Human Rights United Nations Convention on the Rights of Persons with Disabilities United Nations Declaration on the Rights of Indigenous Peoples Declaration of the International Labour Organization on Fundamental Principles and Rights at Work fundamental conventions of the ILO (= Conventions 29, 87, 98, 100, 105, 111, 138 and 182, see CSDDD) European Convention for the Protection of Human Rights and Fundamental Freedoms European Social Charter Charter of Fundamental Rights of the European Union	Annex Part I ILO Convention No. 29 on Forced or Compulsory Labour and Protocol to ILO Convention No. 29 ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organise ILO Convention No. 98 on the Principles of the Right to Organise and to Bargain Collectively ILO Convention No. 100 on Equal Remuneration for Male and Female Workers ILO Convention No. 105 on the Abolition of Forced Labour ILO Convention No. 111 on discrimination in respect of employment and occupation ILO Convention No. 138 on the minimum age for admission to employment ILO Convention No. 182 on the Elimination of the Worst Forms of Child Labour International Covenant on Civil and Political Rights International Covenant on Economic, Social and Cultural Rights Convention on the Rights of the Child	Rec. 35 and Art. 18 Economic activities can only be categorised as environmentally sustainable if they comply with the following minimum requirements: OECD Guidelines for Multinational Enterprises United Nations Guiding Principles on Business and Human Rights ILO Declaration on Fundamental Principles and Rights at Work eight ILO core labour standards (= Conventions 29, 87, 98, 100, 105, 111, 138 and 182, see CSDDD) International Charter of Human Rights Charter of Fundamental Rights of the European Union	Art. 4 para. b Reference to Annex II of the OECD Due Diligence Guidance (link): Commitment to "fulfil all relevant resolutions on UN sanctions or, where applicable, to fulfil all national legislation implementing such resolutions Any form of torture or cruel, inhuman or degrading treatment Any form of forced labour Worst forms of child labour - with reference to ILO Convention No. 182 Other serious human rights violations, war crimes, serious violations of international law, crimes against humanity, genocide	Art. 2 para. 1f: ILO Convention 29 on forced or compulsory labour, including forced child labour ILO Convention 105 on the Abolition of Labour	Art. 10 para. 2h Due diligence obligations with regard to "human rights protected under international law" Art. 2 para. 30e Duty of care with regard to labour rights in accordance with the statutory provisions in the country of production	Annex X para. 2f Human rights, labour rights and industrial relations, including health and safety at work, child labour, forced labour, discrimination, trade union freedoms the eight fundamental ILO Conventions in accordance with the ILO Declaration on Fundamental Principles and Rights at Work (= Conventions 29, 87, 98, 100, 105, 111, 138 and 182, see CSDDD) ILO Declaration on Fundamental Principles and Rights at Work International Charter of Human Rights International Covenant on Civil and Political Rights International Covenant on Economic, Social and Cultural Rights

Provisions regarding overlaps with other legislation						
Corporate Sustainability Reporting Directive (CSRD)	Corporate sustainability due diligence Directive (CSDDD)	Taxonomy Regulation	Conflict Minerals Regulation	Forced Labour Regulation	Deforestation Regulation	Battery Regulation
No provisions to exclude overlaps with other legal acts	<p>Rec. 17</p> <p>" This Directive is without prejudice to obligations in the areas of human, employment and social rights, protection of the environment and climate change under other Union legislative acts. If the provisions of this Directive conflict with provisions of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act should prevail to the extent of the conflict and should apply to those specific obligations. Examples of such obligations in Union legislative acts include the Conflict Minerals Regulation, the Batteries Regulation and the Deforestation Regulation."</p> <p>Art. 16</p> <p>Reference to the CSRD regarding reporting obligations a separate reporting standard is created for companies that are not covered by the CSRD</p>	<p>Art. 1</p> <p>Scope of application refers, among other things, to the CSRD: all companies covered by the CSRD are also covered by the Taxonomy Regulation</p> <p>Art. 8</p> <p>CSRD reporting obligations are supplemented by further reporting obligations, for which the Commission adopts a separate delegated act under the Taxonomy Regulation</p>	No provisions to exclude overlaps with other legal acts	<p>Art. 1 para. 3</p> <p>"This Regulation does not create additional due diligence obligations for economic operators other than those already provided for in Union or national law."</p> <p>But:</p> <p>Commission shall draw up guidelines for economic operators on compliance with due diligence obligations on forced labour by 2026 (Art. 11 (a), (b) and (f))</p> <p>Companies are obliged to provide information to the competent authorities - in addition to information based on applicable Union law on due diligence obligations, the guidelines pursuant to Art. 11 can be used for this purpose (Art. 17 para. 1)</p>	<p>Rec. 56</p> <p>'Other Union legal acts that provide for due diligence requirements in the value chain with regard to adverse impacts on human rights or on the environment should apply in so far as there are no specific provisions with the same objective, nature and effect in this Regulation which can be adapted in the light of future amendments to Union legal acts. The existence of this Regulation should not exclude the application of other Union legal acts that lay down requirements regarding value chain due diligence. Where such other Union legal acts provide for more specific provisions or add requirements to the provisions laid down in this Regulation, such provisions should be applied in conjunction with this Regulation."</p> <p>Art. 12 para. 3</p> <p>Market participants that are also covered by other legal acts (CSRD) can also fulfil their reporting obligations under the Deforestation Regulation within the framework provided for therein</p>	<p>Rec. 91</p> <p>'Other Union legal acts that lay down requirements regarding supply chain due diligence should apply to batteries in so far as there are no specific provisions with the same objective, nature and effect in this Regulation which can be adapted in the light of future legislative amendments. Such legal acts might address the civil liability of companies for damages arising due to their failure to comply with due diligence requirements. Where such legal acts do not or not completely address the civil liability consequences of battery due diligence obligations of this Regulation, it should be possible for them to be addressed by national rules."</p>