

Corporate Sustainability Due Diligence Directive (CS3D)

EU companies / Groups

>1,000 employees and net w/w turnover
>€450 million*

* Different thresholds for franchise/royalty arrangements

Strengths

Net EU turnover >€450 million (no
employee threshold)*

Environmental and human rights due diligence

Integration of active DD and action against
any adverse impacts uncovered

Climate transition plan

Aligned with 1.5 degree Paris goal and
EU's 2050 climate neutrality goal

Business impacts

- Large EU entities and multinational corporate groups are likely to be caught
- Financial institutions, including alternative investment fund managers, are out of scope for downstream activities (for now), but holding companies may be in scope
- In-scope parent must act against impacts in its own and subsidiaries' operations
- Interplay between CS3D actions and CSRD disclosures is crucial
- **Out of scope entities in business relationships with large entities can also expect to be impacted**

Timeline (post Stop-the-Clock Directive)

Entry into force

25 July 2024

Member State legislation
to be adopted and
published

DELAYED

26 July 2026

DELAYED

Member State legislation for largest
entities (€1.5bn/5,000
employees)

26 July 2027

Member State
implementing legislation
to be adopted and
published (revised)

Application for very large
entities (€900m/3,000
employees – including any
entities in the previous
Wave 1)

26 July 2028

Application for all other
in scope entities

26 July 2029