

# Review of Corporate Sustainability Due Diligence Directive (CS3D)

*Published by AGRINFO on 07 Mar 2025*

## European Commission launches review of due diligence requirements

Proposal [[2025/0044](#)] for a Directive amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

Proposal [[2025/0045](#)] for a Directive amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

## Update

In February 2025, the European Commission published a proposal to change certain parts of the Corporate Sustainability Due Diligence Directive [2024/1760](#) (CS3D) to reduce the regulatory burden and potential negative economic impacts on companies. This is the Directive that establishes due diligence obligations for large companies, meaning they must identify, prevent, and bring to an end any adverse impacts on human rights and the environment that arise from their operations across the entire value chain.

Most non-EU operators are not directly impacted by these obligations. However, they might be indirectly affected – they may be asked to provide specific information on the impacts their production and processing might have on human rights and the environment to help large companies demonstrate that they meet new due diligence obligations.

This proposal intends to focus due diligence on any adverse impacts related to the direct business partners of large companies, and to reduce the amount of information requested from indirect business partners. It also recommends that the new requirements apply 1 year later than initially foreseen (from mid-2028).

## What is changing?

The following proposed changes are likely to have implications for agri-food suppliers in low-and middle-income countries.

- Large companies operating in the EU that have to comply with the Corporate Sustainability Due Diligence Directive (CS3D) must issue a due diligence statement (assessing their own operations and measures) at least every 5 years (instead of annually).
- Large companies will only need to proactively assess potential adverse impacts in relation to direct business partners rather than all actors in the supply chain. Assessment of indirect partners will only be necessary if specific adverse impacts are identified.
- Where direct partners have fewer than 500 employees, large companies may only request information in a limited number of areas that are set out in a voluntary standard. This standard, which still has to be adopted, will be based on the Voluntary reporting standard for SMEs (VSME) published in 2024 by the European Financial Reporting Advisory Group (EFRAG).
- Direct suppliers to large companies will have to provide contractual assurances that they will comply with the buyer's code of conduct on due diligence. These direct partners will also have to seek contractual assurances from their own business partners (indirect business partners to the large companies) that this due diligence code of conduct is followed. Direct and indirect partners' compliance with the code of conduct must be verified.
- The new rules will apply first to the largest companies (with more than 3,000 employees and over €900 million net turnover worldwide) from mid-2028, a delay of 1 year.
- General guidelines on how to conduct due diligence in accordance with these rules will be published by 26 July 2026, 6 months earlier than foreseen in the Directive.

For further information on due diligence requirements see [Corporate Sustainability Due Diligence Directive](#).

## Why?

The proposed changes are in response to the following concerns.

- Having different obligations for companies under different rules – such as the CS3D and the Corporate Sustainability Reporting Directive (CSRD) – create additional burdens for companies and may create confusion that deters sustainable finance (European Commission 2025a). Aligning legislation helps to reduce the assessment and reporting duties facing companies.
- SMEs have reported concerns about unrealistic and disproportionate demands for information from their business partners (European Commission 2025a).
- Such regulatory burdens could reduce the EU's competitiveness (Draghi 2024) and indirectly its capacity to meet its Green Deal objectives (European Commission 2025b).

This is one of a series of proposals (“Simplification Omnibus Packages”) aimed at stimulating growth and reducing administrative burdens for SMEs by 25–35% over the next 5 years.

## Timeline

The Council of the EU (Member States) and the European Parliament will review and amend the proposal, a process that can take up to 2–3 years. The Commission will ask for fast-track adoption of the delay in implementation dates (by the second half of 2025).

## What are the major implications for exporting countries?

The CS3D requires large companies operating in the EU to engage with all stakeholders (exporters, processors, producers) that are directly and indirectly involved in their supply chain, including any located outside of the EU. It could require all actors in the supply chain to collect and provide information to be used by the large companies to demonstrate that they meet their due diligence obligations.

Under the European Commission’s latest proposal to amend the CS3D, the requirements would be less stringent, and only producers and processors that are directly supplying the large companies would generally be required to collect and provide information.

The proposal also aims to limit the amount of information that large companies can request from small companies (<500 employees) that directly supply them. This information will be restricted to a number of areas that are listed in a voluntary standard (based on the [VSME](#)). However:

- the voluntary standard still requires significant data/information collection and processing
- in certain cases, large companies can potentially request information in relation to areas not covered by the voluntary standard
- it is not yet specified how this voluntary standard would operate in practical terms, or how it would relate to the private voluntary industry standards that are already in operation in most EU food supply chains.

## Recommended Actions

Smaller operators (<500 employees) directly supplying large companies in the EU can consult the [VSME](#) to learn more about the type of information they may need to provide. However, larger companies (>500 employees) may be required to provide additional information.

## Background

The Directive is aimed at large companies that must comply directly with due diligence obligations. These are:

- EU companies with more than 1,000 employees and a turnover above €450 million (or the parent company of a group that reaches these thresholds)
- non-EU companies with a net turnover above €450 million within the EU in the financial year before the most recent financial year (or the parent company of a group that reaches these thresholds).

Operators who supply large companies will be indirectly affected, as they will have to provide information and data to help the large companies demonstrate due diligence.

For further information, see [Corporate Sustainability Due Diligence Directive](#).

The CS3D complements the [Corporate Sustainability Reporting Directive \(CSRD\)](#). The CS3D focuses on the actions that companies need to be taking to achieve sustainability, whereas the CSRD focuses on the reporting of those actions.

## Resources

Draghi, M. (2024) [The future of European competitiveness](#).

European Commission (2025a) [Commission Staff Working Document accompanying the documents \[...\] COM\(2025\)80 and COM\(2025\)81](#)

European Commission (2025b) [Questions and Answers on Simplification Omnibus I and II](#)

## Sources

Proposal [\[2025/0044\]](#) for a Directive as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

Proposal [\[2025/0045\]](#) for a Directive as regards certain corporate sustainability reporting and due diligence requirements

**Disclaimer:** *Under no circumstances shall COLEAD be liable for any loss, damage, liability or expense incurred or suffered that is claimed to have resulted from the use of information available on this website or any link to external sites. The use of the website is at the user's sole*

*risk and responsibility. This information platform was created and maintained with the financial support of the European Union. Its contents do not, however, reflect the views of the European Union.*