



minerva

business and human rights
iş dünyası ve insan hakları



International Human Rights Frameworks Compared

Corporate Sustainability Reporting Directive, OECD Guidelines for Multinational Enterprises and Corporate Sustainability Due Diligence Directive Proposals

	EU CSRD	OECD Guidelines	EU CSDDD		
			EU Commission	EU Council	EU Parliament
PERSONAL SCOPE	<p>1.Covers the following companies:</p> <ul style="list-style-type: none"> Companies in an EU-regulated market (except for micro-undertakings) EU-based large undertakings (two of three criteria met): <ul style="list-style-type: none"> > 250 employees, > €40M net turnover > €20M total assets EU-based parent company whose entities meet the large undertakings criteria. Parent companies from third countries that generate more than €150 million net turnover in the EU + with EU subsidiary which is a large/public interest entity or with EU branch generated €40 million net turnover <p>2. Additional reporting criteria for high-risk sectors (EU Parliament Position)</p> <p>3. 49,000 companies are covered, >75% of total EU companies' turnover</p>	<ul style="list-style-type: none"> Covers (multinational) companies of all sizes and forms Covers all sectors 	<p><u>For EU companies:</u></p> <ul style="list-style-type: none"> 500+ employees & €150 million net worldwide turnover, or 250+ employees & €40 million net turnover, 50% of which generated in high impact sectors (textile, agriculture, food&beverage, extractive) <p><u>For non-EU companies:</u></p> <ul style="list-style-type: none"> €150 million net turnover in the EU, or €40 million net turnover in the EU, 50% of which generated in high impact sectors (textile, agriculture, food&beverage, extractive) 	<p><u>For EU companies:</u></p> <ul style="list-style-type: none"> 500+ employees & €150 million net worldwide turnover, or 250+ employees & €40 million net turnover, 50% of which generated in high impact sectors (textile, agriculture, food&beverage, extractive) <p><u>For non-EU companies:</u></p> <ul style="list-style-type: none"> €150 million net turnover in the EU, or €40 million net turnover in the EU, 50% of which generated in high impact sectors (textile, agriculture, food&beverage, extractive) <p><u>In addition to the Commission's proposal:</u></p> <ul style="list-style-type: none"> the thresholds must be met for two consecutive financial years, inclusion of financial institutions at the States' discretion. 	<ul style="list-style-type: none"> Covers all types of companies <p><u>For EU companies:</u></p> <ul style="list-style-type: none"> 250+ employees & €40 million net turnover, or Being the ultimate parent company of a group of 500 employees & €150 million net worldwide turnover <p><u>For non-EU companies:</u></p> <ul style="list-style-type: none"> €150 million net worldwide turnover in the EU, with €40 million net turnover in the EU, or Being the ultimate parent company of a group of 500 employees & €150 million net worldwide turnover, with €40 million net turnover in the EU Financial institutions are deemed directly linked to adverse impacts in their supply chain

	EU CSRD	OECD Guidelines	EU CSDDD		
			EU Commission	EU Council	EU Parliament
MATERIAL SCOPE	<ul style="list-style-type: none"> Extensive sustainability reporting requirements on social standards, treatment of employees, respect for human rights, anti-corruption, bribery, environment, governance, sector-specific standards, etc. Overall requirements: <ol style="list-style-type: none"> Inclusion in the Annual Report (reporting principles included) External assurance (from 2024) Integration in Auditor's Report Involvement of key audit partner Scope to include EU Taxonomy information and process to identify key relevant information General disclosures on: <ul style="list-style-type: none"> Business model, strategy and policies KPIs and targets Sustainability governance Overall due diligence operations Environment Sector-specific standards 	<ul style="list-style-type: none"> Covers due diligence requirements for all human rights Call for heightened due diligence for vulnerable groups 	<ul style="list-style-type: none"> Limited human rights due diligence coverage Actual and potential human rights and environmental adverse impacts 	<ul style="list-style-type: none"> Even more limited human rights due diligence coverage Limits the reach of human rights due diligence by implementing additional conditions such as the company being able to reasonably foresee the violation 	<ul style="list-style-type: none"> Expanded human rights due diligence coverage Scope based on causing, contributing to or being directly linked to an adverse impact



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VALUE CHAIN	<ul style="list-style-type: none">Covers companies' own activities, their subsidiaries' activities (if applicable under personal scope), and their business relationships - all upstream and downstreamOnly covers 'material' impacts - requires assessment on double materiality (impact and financial)	<ul style="list-style-type: none">Covers all business relationships, full up and downstream of the value chain	<ul style="list-style-type: none">Covers enterprises' own activities (including subsidiaries) and their "established" business relationships (both up and downstream)	<ul style="list-style-type: none">Covers enterprises' own activities and those of their business relationships, both up- and downstream	<ul style="list-style-type: none">Covers enterprises' own activities and those of their business relationships, both up- and downstreamNo limitation by "established business relationship"

EXPECTED DUE DILIGENCE DUTY	EU CSRD	OECD Guidelines	EU CSDDD		
			EU Commission	EU Council	EU Parliament
	<ul style="list-style-type: none"> Sustainability reporting duties by applicable companies as outlined in the personal scope regarding their impacts on the environment, human rights, social standards, and work ethics Report needs certification by an independent auditor As of 2025, third party assurance required for compliance 	<ul style="list-style-type: none"> Companies should address all impacts - prioritisation is possible based on severity of the impact Initially requires a broad scope for due diligence obligations, followed by an in-depth assessment Meaningful stakeholder engagement throughout HRDD process Responsible disengagement instead of termination Remediation of harm in case of causing or contributing; using leverage to remediate in case of direct link 	<ul style="list-style-type: none"> Due diligence policy Identification of adverse impacts Prioritisation not allowed Prevention action plan Corrective action plan Engagement with stakeholders, at every stage Termination in case the risks cannot be prevented or mitigated Grievance mechanism Reporting (annual) Monitoring (annual) 	<ul style="list-style-type: none"> Due diligence policy Identification of adverse impacts Prioritisation is possible based on severity and likelihood Prevention action plan Corrective action plan Remediation Engagement with stakeholders, at every stage Termination in case the risks cannot be prevented or mitigated, only as a last resort Grievance mechanism Reporting (annual) Monitoring (in case of a significant change, but at least every 2 years) 	<p><u>In addition to parent companies, subsidiaries' compliance to HRDD requirements is also included</u></p> <ul style="list-style-type: none"> Due diligence policy Identification of adverse impacts Prioritisation not allowed Prevention action plan Corrective action plan Engagement with stakeholders, at every stage (including meaningful engagement with affected ones) Termination in case the risks cannot be prevented or mitigated, only after a risk assessment & notice) Grievance mechanism (further detailed and elaborated) Reporting (annual) Monitoring (annual)

SUPERVISORY AUTHORITY	EU CSRD	OECD Guidelines	EU CSDDD		
			EU Commission	EU Council	EU Parliament
	N/A	N/A	<p>National supervisory authorities to have the following powers:</p> <ul style="list-style-type: none"> • Initiate investigations (ex officio or by complaint) • Request information/documents and investigate • Order sanctions, interim measures, cessation, remediation 	<p>National supervisory authorities to have the following powers:</p> <ul style="list-style-type: none"> • Initiate investigations (ex officio or by complaint) • Request information, documents and investigate • Order sanctions, interim measures, cessation, remediation 	<p>National supervisory authorities to have the following powers and duties:</p> <ul style="list-style-type: none"> • Initiate investigations (ex officio or by complaint) • Request information/documents and investigate • Order sanctions, interim measures, cessation, remediation • Publish an annual report on its website covering its activities and serious non-compliance cases • Publish and update a list of companies subject to the legislation on its website

SANCTIONS & CIVIL LIABILITY	EU CSRD	OECD Guidelines	EU CSDDD		
			EU Commission	EU Council	EU Parliament
	<p>Three possible penalties in case of non-compliance (left at the discretion of the Member States):</p> <ul style="list-style-type: none"> Public announcement of the breach Order to provide compliance Financial penalty (side effect: loss of investment) 	<ul style="list-style-type: none"> No specific clauses on sanctions and liability Multi-stakeholder initiatives, audits and third party verification would not derogate liability for non-compliance 	<ul style="list-style-type: none"> Monetary fines based on company's worldwide turnover Civil liability for damages occurred due to non-compliance with HRDD obligations - with an escape clause Directors' duty of care for HRDD obligations is envisaged 	<ul style="list-style-type: none"> Monetary fines based on company's worldwide turnover Civil liability for damages occurred due to non-compliance with HRDD obligations - joint & several liability for supply chain actors No liability if the damage is caused only by other business partners in the supply chain No directors' duty of care 	<ul style="list-style-type: none"> Monetary fines based on company's worldwide turnover Civil liability for damages occurred due to non-compliance with HRDD obligations - no escape clause Specific reference to multi-stakeholder initiatives and third party verification - being a member would not derogate civil liability Directors' duty of care for HRDD obligations is envisaged