



# How the EU Sustainability Due Diligence Directive Could Reshape Corporate America

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Starting point: ESG legislation ambitious in scope  
and depth

The real question: how it will be enforced?

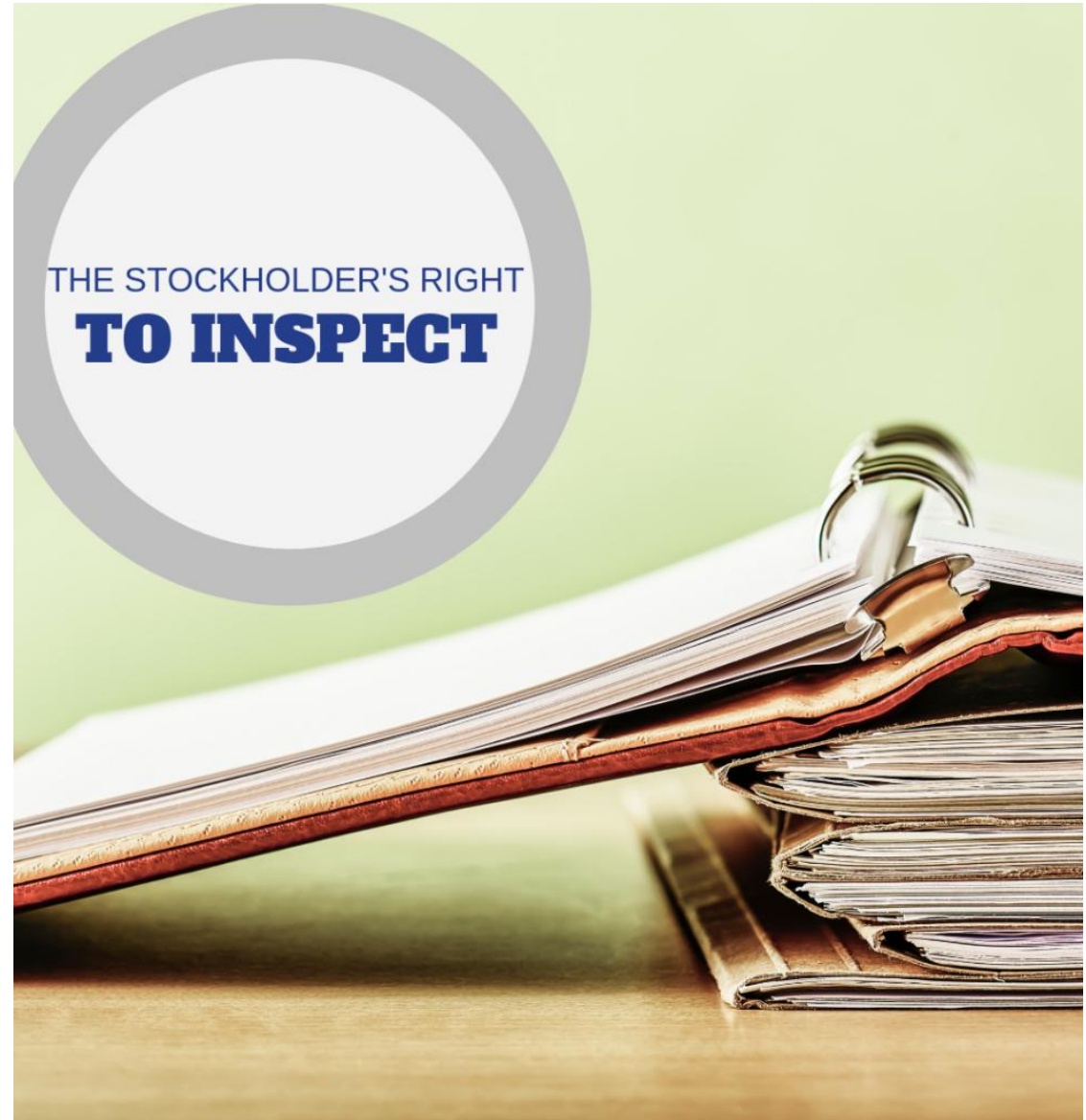
# How Does the CS3D Affect Corporate Law?

- Information-systems: put it on the agenda!
- Red-flags: more warnings will flow to the board level

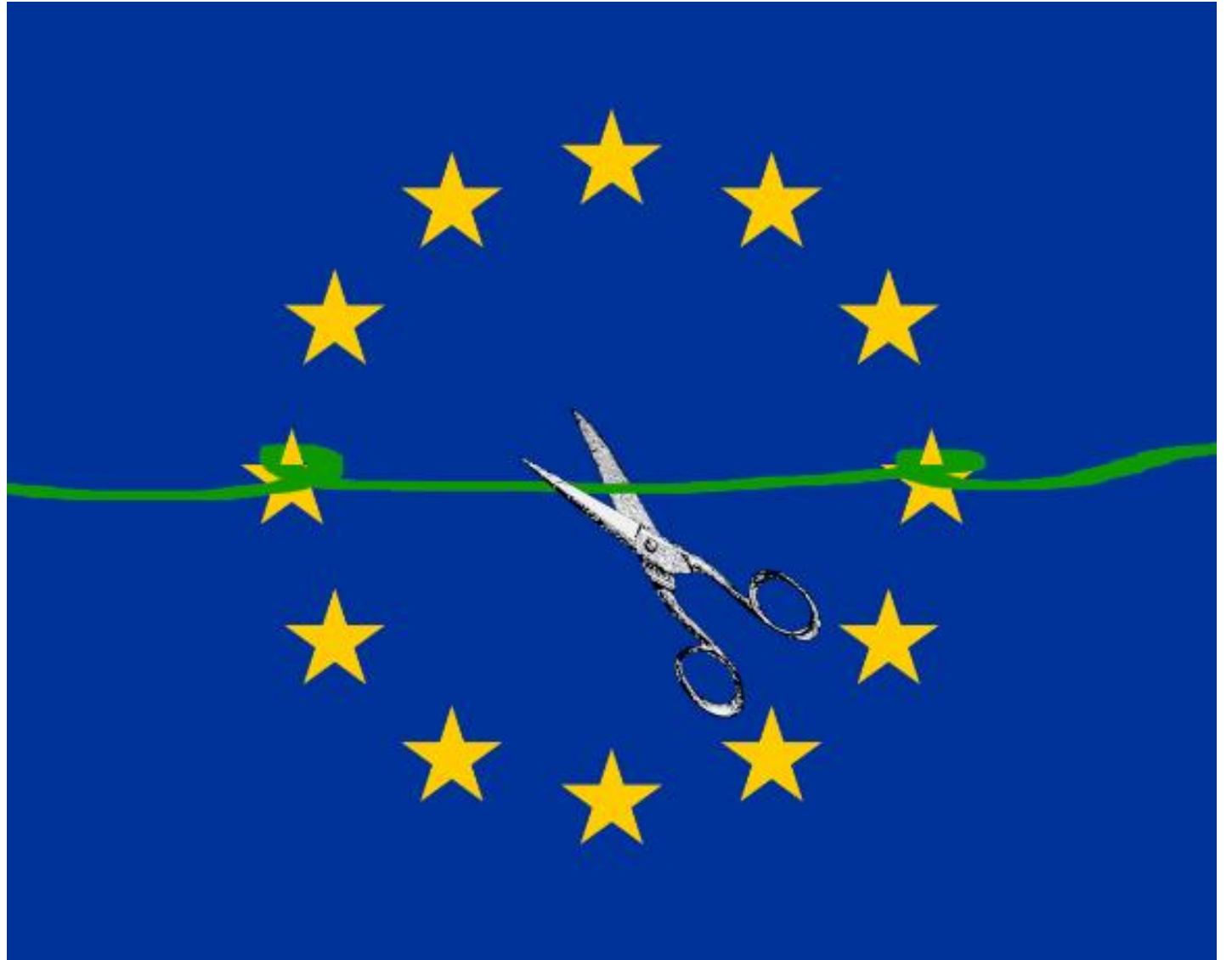
# How Does Corporate Law Affect the CS3D?

- Private-litigation enforcement amplifies the Brussels effect
- Less cosmetic compliance

SB 21  
Diluting the  
DE Effect?



# Pressures from Inside the EU



Pressures  
from Outside  
the EU

**SEC. 4. PROHIBITION ON COMPLIANCE WITH FOREIGN SUSTAINABILITY DUE DILIGENCE REGULATIONS.**

(a) **IN GENERAL.**—Except as provided in subsection (b), no entity integral to the national interests of the United States may comply with any foreign sustainability due diligence regulation.

... EU Inc.  
diluting the  
Brussels  
Effect?



EUxit  
amplifying  
the DE  
Effect?

