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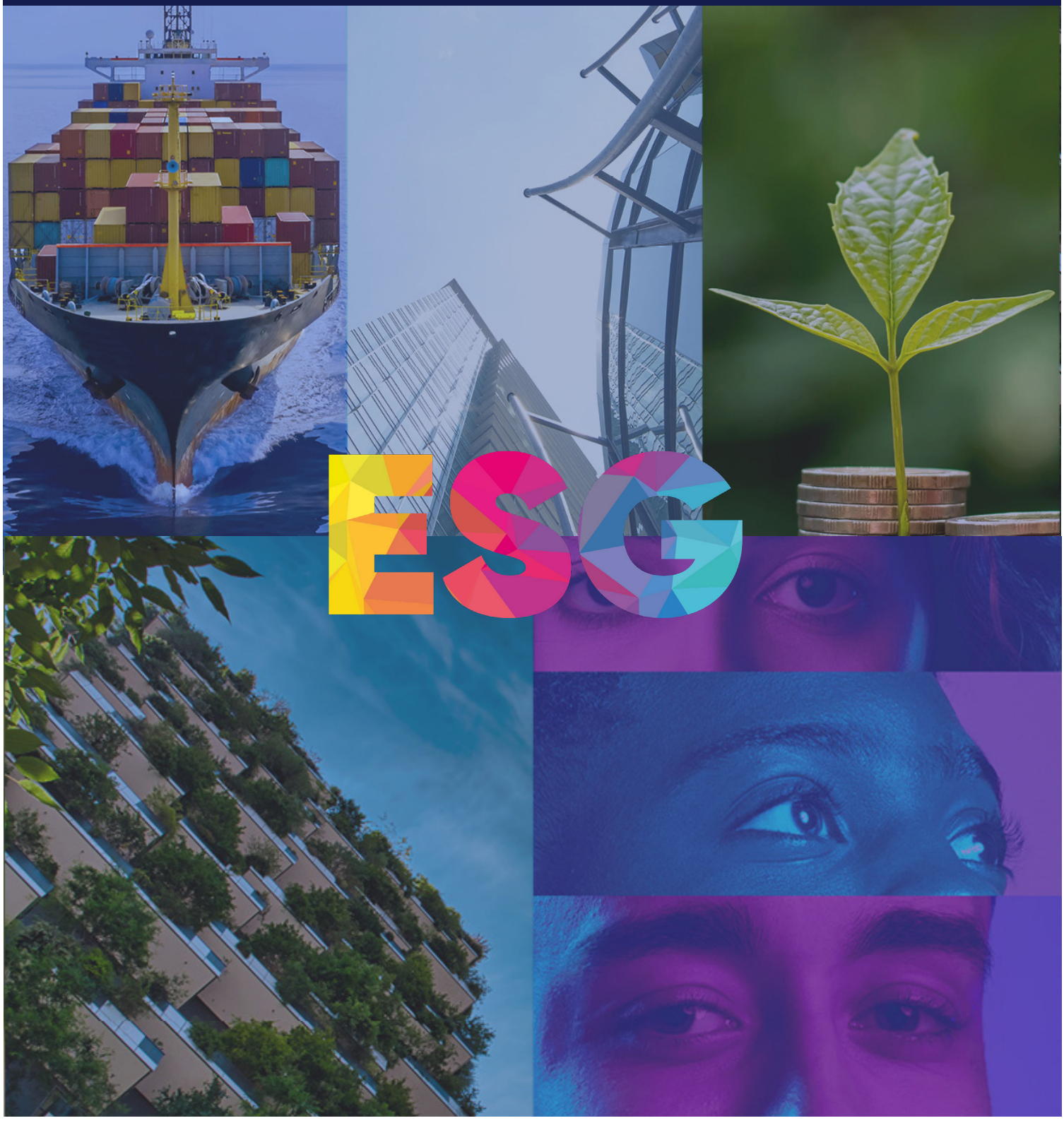
ESG Legislation Tracker

September 2025



Contents

Introduction

Climate change, regulatory requirements, geopolitical upheavals: Sustainability has played a central role for our clients worldwide for years. Today, the integration of environmental, social and governance (ESG) factors has become an integral part of corporate behaviour. By providing comprehensive advice, the ESG law firm Taylor Wessing ensures that legal certainty, sustainability, and economic success go hand in hand.

What is ESG legal advice?

The term sustainability encompasses many aspects: Compliance with environmental, social and governance standards is being demanded not only by an ever-increasing proportion of society including customers, investors and business partners. At the same time, regulatory requirements at national and international levels are evolving at a rapid pace and the sustainability obligations for companies are becoming ever stricter. It is therefore essential to take a comprehensive approach to ESG legal advice, whether in relation to environmental and climate issues, sustainable procurement and supply chains, business ethics and employment relations, diversity and inclusion, green advertising, sustainable governance and CSRD, ESG in M&A transactions, sustainable finance or ESG in the real estate sector.

The ESG Legislation Tracker

With our ESG Legislation Tracker, we aim to help companies monitor the challenges arising from fast-moving ESG issues and address them in a targeted manner as necessary. The ESG Legislation Tracker helps to monitor and comply with legal requirements in the areas of environmental, social, and corporate governance. This allows compliance risks to be identified and addressed; regulatory changes can be responded to at an early stage. The tracker is continuously expanded and updated.

Our ESG experts

Regardless of which ESG laws or areas your enquiry relates to, we will put you in touch with the relevant experts in our teams.

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Corporate Sustainability Due Diligence Directive (CSDDD)

Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859

Affected areas
[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 25 April 2024. To be applied in stages from 2028 to 2029. However, the directive is currently undergoing the omnibus procedure. As a result, far-reaching changes to the content are still under discussion, which could affect in particular the scope of application (possibly covering even fewer companies), the scope of the due diligence obligations, the supply chain to be reviewed (only Tier 1 or also Tier N), and the sanctions (possibly no longer civil liability, lower fines). With the exception of the one-year postponement, the following presentation does not yet include any proposed changes to the content from the omnibus procedure, as this has not yet been completed.

Content and objectives

Regulates corporate due diligence obligations to avoid human rights violations and the breach of environmental obligations in the supply chain. Protected goods: such as LkSG (see there) + right to life, liberty and security; right to privacy, family, home, correspondence, honour, reputation; right to freedom of thought, conscience and religion; right to adequate housing, food, clothing and sanitation for workers; protection of children with regard to highest level of health, education, adequate living conditions, protection from economic exploitation, sexual abuse, abduction and child trafficking; protection of biodiversity; prohibition of trade in endangered species of plants and animals; consideration of procedures for the import and export of toxic substances and pesticides; protection of the ozone layer; protection of natural heritage; protection of wetlands and protection from pollution from ships and pollution of the marine environment from discharges.

Addressees

- From 2028:
  (i) Companies that are based in the EU and have more than 5,000 employees worldwide and a global turnover of more than EUR 1.5 billion or
  (ii) Companies that are based outside the EU and generate a turnover of more than EUR 1.5 billion in the EU
- From 2028:
  (i) Companies that are based in the EU and have more than 3,000 employees worldwide and a worldwide turnover of more than EUR 900 million or
  (ii) Companies that are based outside the EU and generate a turnover of more than EUR 900 million in the EU
- From 2029:
  (i) Companies that are based in the EU and have more than 1,000 employees worldwide and a worldwide turnover of more than EUR 450 million or
  (ii) Companies that are based outside the EU and generate a turnover of more than EUR 450 million in the EU or
  (iii) Franchisors with franchise or licence agreements in the Union and annual franchise fees of more than EUR 22.5 million and a turnover of more than EUR 80 million (for companies based outside the EU, only turnover in the EU applies to the thresholds in (iii)).
- For the calculation of the thresholds, the parent company is taken into account

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Corporate Sustainability Due Diligence Directive (CSDDD)

Obligations

- Fulfilment of the following due diligence obligations (duty to make an effort / to fulfil the due diligence obligations, the CSDDD requires increased consultation with stakeholders):

  (i) Integration of risk-based due diligence into corporate policy,

  (ii) Identification and assessment of actual and potential adverse impacts (in the activity chain, i.e. upstream also regarding to the deeper supply chain, downstream only to a limited extent),

  (iii) Taking prevention and mitigation measures (in the event of potential adverse impacts) and mitigation, minimisation and reparation measures (in the event of actual adverse impacts),

  (iv) Setting up a complaints procedure (accessible to internal and external persons), monitoring and reviewing the effectiveness of strategies and measures,

  (v) Documentation and reporting once a year, usually via the sustainability report as part of the CSRD (see there).

Legal consequences of violations

- Fines, whereby the maximum fine is at least 5 % of turnover
- Explicitly mentioned possible civil liability of companies

Our advisory includes

- Implementation advisory (as a legal sparring partner, through validation of company approaches, health checks, gap analyses, active project management)
- Support in communication with authorities (e.g., in the event of complaints, requests for information, reports)
- Training and provision of e-learning courses for automated training of your own employees and suppliers

Your expert

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Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)

Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains) (Lieferkettensorgfaltspflichtengesetz - LkSG)

Affected areas

[•] **E - Environmental**

[•] **S - Social**

[•] **G - Governance**

Status

Adopted on 22 July 2021. Entered into force on 1 January 2023. Will be replaced by the CSDDD and the national implementation law (date still unclear). The abolition of the LkSG reporting requirement currently under discussion (possibly through an amendment to the LkSG) and other possible weakening of the LkSG have not yet taken place and are therefore not reflected below.

Content and objectives

Regulates corporate due diligence obligations for the prevention of human rights violations and breaches of environmental obligations in the supply chain.

Explicitly mentioned prohibitions: child labour; forced labour and slavery; disregard for occupational safety and health obligations and work-related health hazards; disregard for freedom of association and the right to collective bargaining; unequal treatment in employment; withholding of an adequate living wage; destruction of the natural basis of life through environmental pollution; unlawful violation of land rights; interference by security forces; prohibitions in connection with products containing mercury, persistent organic pollutants (POPs) and the import and export of hazardous waste.

Addressees

Companies that

(i) are based in Germany and

(ii) have at least 3,000 employees in Germany (since 2024 at least 1,000 employees in Germany are sufficient)

Obligations

Fulfilment of the following due diligence obligation (duty of care):

- Establishing a risk management system
- Performing risk analyses (in own business area and with direct suppliers; with indirect suppliers only in the case of substantive knowledge)
- Laying down preventive measures (for identified risks) and taking remedial action (for identified violations)
- Setting up a complaints procedure (accessible to internal and external persons)
- Ongoing documentation and annual reporting to the Federal Office of Economics and Export Control (BAFA)

Legal consequences of violations

- Fines of up to 2 % of the company groups' annual turnover
- Exclusion from public tenders for up to 3 years

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Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)

Our advisory includes

- Implementation advisory (as a legal sparring partner, through validation of company approaches, health checks, gap analyses, active project management)
- Support in communication with authorities (e.g., in the event of complaints, requests for information, reports)
- Training and provision of e-learning courses for automated training of your own employees and suppliers

Your expert

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EU Deforestation Regulation (EUDR)

Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 29 June 2023. To be applied from 30 December 2025.

Content and objectives

Prohibits the placing on the market, supply and export of certain raw materials (cattle, cocoa, coffee, oil palm, rubber, soya, wood) and certain products containing, fed with or produced using these raw materials (see Annex I) if these products (i) have contributed to deforestation or (ii) have not been produced in accordance with relevant legislation in the country of production (background: curbing international deforestation and protecting forests as CO_2 reservoirs and protecting biodiversity). In order to avoid this ban, companies must submit due diligence declarations in which they provide evidence that the products they provide have not contributed to deforestation and have been manufactured in accordance with the relevant legal provisions.

Addressees

- Any company (regardless of size) that is an operator (importer or exporter) or trader of a relevant product, whereby the EUDR, after postponement, will apply to all non-SMEs and medium-sized companies from 30 December 2025 and to small and micro-enterprises from 30 June 2026.

Obligations

Obligations of non-SMEs:

- Collecting information, in particular geolocalisation, i.e. determining from which property the product originally originated
- Risk assessment, i.e.

  (i) Verification that no deforestation has taken place on the country from which the product originated after 31 December 2020, and

  (ii) Whether the product has been produced in accordance with certain relevant legislation of the country of production (including land use rights, environmental protection, forest-related regulations, third party rights, labour rights, human rights protected under international law, protection of indigenous peoples, tax, anti-corruption, trade and customs regulations)
- Possibly taking risk mitigation measures
- Submission of a due diligence statement in which the positive result of the previously described test for the respective product is presented (or review and reference to existing due diligence statement) to the competent authority (in Germany: Federal Agency for Agriculture and Food) and submission to customs authorities

These points require the establishment of a due diligence system that must be reported publicly and to the relevant authorities.

Obligations SMEs:

SME traders do not have to carry out due diligence, but only collect information on contractual partners. In principle, SME operators have the same obligations as non-SMEs, with the exception that if they already have a due diligence statement, they

(i) do not have to review it and

(ii) do not have to submit their own due diligence statement.

Legal consequences of violations

- Fines, whereby the maximum fine is at least 4 % of turnover (publication of fines by the EU Commission)
- Confiscation of relevant products or revenue from relevant products
- Import, supply and export bans
- Exclusion from public tenders for up to 12 months

Our advisory includes

- Implementation advisory (as a legal sparring partner, through validation of company approaches, health checks, gap analyses, active project management)
- Support in communication with authorities (e.g., in the event of complaints, requests for information, reports)
- Training and provision of e-learning courses for automated training of your own employees and suppliers

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EU Forced Labour Regulation (FLR)

Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 12 December 2024. To be applied from 14 December 2027.

Content and objectives

Prohibits companies from placing and making available on the market and exporting products manufactured using forced labour. The regulation contains numerous obligations for Member States in terms of systems to be set up and control tasks of the authorities regarding the objective of the regulation.

Addressees

- Any company (regardless of size) that is a operator, trader or exporter of a product manufactured using forced labour

Obligations

No direct obligations for companies, but:

- Companies suspected of having violated the ban on placing on the market, making available or exporting may be obliged by the competent investigating authorities to provide a wide range of information. In this respect, the authority must prove a violation of the ban (no reversal of the burden of proof)

Legal consequences of violations

- Fines
- Import, supply and export bans for products manufactured using forced labour
- Confiscation / destruction of products manufactured by forced labour

Our advisory includes

- Implementation advisory (as a legal sparring partner, through validation of company approaches, health checks, gap analyses, active project management)
- Support in communication with authorities (e.g., in the event of complaints, requests for information, reports)
- Training and provision of e-learning courses for automated training of your own employees and suppliers

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EU Forced Labour Regulation (FLR)

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Corporate Sustainability Reporting Directive (CSRD)

(content: amendment of the CSR Directive Implementation Act) - see national implementation law

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards corporate sustainability reporting (Text with EEA relevance)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on January 1, 2024; amended by the first Omnibus Directive (DIRECTIVE (EU) 2025/794 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL) in such a way that the reporting obligation for companies in the second and third waves has been postponed by two years. Not yet implemented in German national law.

In addition, an adjustment of the thresholds is expected through a second Omnibus Directive (proposed Directive COM(2025)81). The Commission, Council, and Parliament have different positions on this. It is very likely that at least the threshold for employees will be raised to at least 1,000 (the Parliament's proposal is 3,000) and that the turnover thresholds will also be adjusted if necessary. The Council and Parliament propose raising the turnover threshold to EUR 450 million. The Commission's proposal does not provide for an increase in the turnover thresholds. However, as there is still no final agreement, the German draft bill does not provide for any rules on this either.

Content and objectives

Replaces the current NFRD. According to the Directive, companies must release publications on the following topics: environment, social matters and the treatment of employees, anti-corruption and anti-bribery, respect for human rights, diversity on company boards (in terms of age, gender, educational and professional background).

Addressees (It is expected that the scope of addressees will be adjusted by the Omnibus Regulation.)

- From 2025 for 2024:
  Large EU companies of public interest (capital market-oriented companies, credit institutions and insurance companies) with more than 500 employees and a balance sheet total > EUR 25 million or turnover > EUR 50 million (the same thresholds apply to EU parent companies on a consolidated basis)
- From 2028 for 2027 (amended by Omnibus Regulation: EU Directive 2025 (794)):
  Large EU companies that exceed two of the following three limits: Balance sheet total > EUR 25 million, turnover > 50 million, employees > 250 (the same thresholds apply to EU parent companies on a consolidated basis)
- From 2029 for 2028 (amended by Omnibus Regulation: EU Directive 2025 (794)):
  EU SMEs that exceed two of the following three thresholds: Balance sheet total > EUR 450,000, turnover > EUR 900,000, employees > 10 (the same thresholds apply to EU parent companies on a consolidated basis)
- From 2029 for 2028:
  Non-EU parent companies with a turnover in the EU of more than EUR 150 million and either an EU subsidiary that itself exceeds the CSRD thresholds or an EU branch with a turnover of more than EUR 40 million
- Non-EU companies whose securities are listed on a regulated market in the EU are obliged in the same way as EU companies

Obligations

- Obligation to publish a sustainability report on material sustainability topics; fulfilment of disclosure requirements in accordance with the ESRS; description of sustainability targets; description of the role of the company's management with regard to sustainability and the inclusion of sustainability topics in the remuneration structure
- Obligation to identify material sustainability topics through materiality analysis based on the concept of double materiality
- Obligation to audit the sustainability report

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Corporate Sustainability Reporting Directive (CSRD)

(content: amendment of the CSR Directive Implementation Act) - see national implementation law

Legal consequences of violations

- Sanctions are to be regulated in the national implementation law

Our advisory includes

- Legal review of the scope and extent (in relation to the group companies to be included) of the reporting obligation
- Creation of a legal understanding within the company of the scope and content of the reporting obligation in the form of workshops/training courses
- Support in carrying out the materiality analysis

Your expert

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Implementation Act for the CSRD

Amendment of various existing laws, in particular the HGB, WpHG, GmbH, AktG

Act implementing Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU regarding corporate sustainability reporting

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

On July 10, 2025, the Federal Ministry of Justice and Consumer Protection published a new draft bill for the law implementing the CSRD, which already incorporates the first omnibus directive (DIRECTIVE (EU) 2025/794 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL).

Content and objectives

Obligation for companies to publish a sustainability report on the impact of their activities on sustainability aspects and the impact of sustainability aspects on business performance, business results and the situation of the company. Sustainability aspects are environmental, social and human rights factors as well as governance factors.

Addressees

- From 2025 for 2024:
  Large EU companies of public interest (capital market-oriented companies, credit institutions and insurance companies) with more than 500 employees and a balance sheet total > EUR 25 million or sales revenue > EUR 50 million (the same thresholds apply to EU parent companies on a consolidated basis)
- From 2028 for 2027 (amended by Omnibus Regulation: EU Directive 2025 (794)):
  Large companies that exceed two of the following three thresholds: Balance sheet total > EUR 25 million, sales revenue > EUR 50 million, employees > 250 (the same thresholds apply to EU parent companies on a consolidated basis)
- From 2029 for 2028 (amended by Omnibus Regulation: EU Directive 2025 (794)):
  SMEs that exceed two of the following three thresholds: Balance sheet total > EUR 450,000, turnover > EUR 900,000, employees > 10 (for EU parent companies, the same thresholds apply on a consolidated basis)
- From 2029 for 2028:
  Non-EU parent company with a turnover in the EU of over EUR 150 million and either a German subsidiary that itself exceeds the CSRD thresholds or an EU branch with a turnover of over EUR 40 million
- Non-EU companies whose securities are listed on a German stock exchange are correspondingly obliged to companies domiciled in Germany

Obligations

- Obligation to publish a sustainability report on material sustainability topics; fulfilment of disclosure requirements in accordance with the European Sustainability Reporting Standards (ESRS); description of sustainability targets; description of the role of company management in relation to sustainability and the inclusion of sustainability topics in the remuneration structure
- Obligation to identify material sustainability issues by means of a materiality analysis based on the concept of double materiality
- Obligation to audit the sustainability report

Legal consequences of violations (expected)

- Fines for the company, the management and the supervisory board (personal liability)
- Criminal liability of the management and the supervisory board, e.g. in the event of a false balance sheet oath or incorrect presentation

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Implementation Act for the CSRD

Amendment of various existing laws, in particular the HGB, WpHG, GmbH, AktG

Our advisory includes

- Legal review of the scope and extent (in relation to the group companies to be included) of the reporting obligation
- Creation of a legal understanding within the company of the scope and content of the reporting obligation in the form of workshops/training courses
- Support in carrying out the materiality analysis

Your expert

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European Sustainability Reporting Standards (ESRS)

Commission Delegated Regulation (EU) .../... supplementing Directive 2013/34/EU of the European Parliament and of the Council with sustainability reporting standards (C/2023/5303 final)

Affected areas
[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Adopted on 31 July 2023. Entered into force on 1 January 2024.

Content and objectives

ESRS contain a total of approx. 1,000 qualitative and quantitative disclosure items/data (condensed presentation of all disclosure items/data in a spreadsheet published by EFRAG). The materiality analysis is an indispensable prerequisite for the applicability of the ESRS.

Addressees

All companies that are obliged to report on sustainability in accordance with the CSRD.

Obligations

The following tasks are to be published in the sustainability report:

- All publication points/data contained in the ESRS 2
- All disclosure items/data mentioned in the other ESRS, if the topic was recognised as material in the materiality analysis and no exemption/exception applies
- There are also publication points/data whose disclosure is voluntary

Legal consequences of violations

- No immediate consequences
- Sanctions for inadequate or incorrect reporting result from the regulations in accordance with the CSRD Implementation Act

Our advisory includes

- Legal review of the scope and extent (in relation to the group companies to be included) of the reporting obligation
- Creation of a legal understanding within the company of the scope and content of the reporting obligation in the form of workshops/training courses
- Support in carrying out the materiality analysis

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European Sustainability Reporting Standards (ESRS)

Your expert

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Non-Financial Reporting Directive (NFRD)

Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU regarding disclosure of non-financial and diversity information by certain large undertakings and groups (text with EEA relevance)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 6 December 2017. Will be replaced by the CSRD and the national implementation law.

Content and objectives

Extension of the reporting obligations of large capital market-oriented companies, credit institutions, financial services institutions and insurance companies on sustainability-related aspects (environmental, employee and social issues as well as respect for human rights and combating corruption and bribery).

Addressees

Aimed at capital market-oriented companies, institutions and insurance companies with more than 500 employees or a balance sheet total of more than EUR 25 million or turnover of more than EUR 50 million since the 2017 financial year.

Obligations

- Obligation to issue a non-financial statement containing the information necessary for an understanding of the company's business performance, results, position and the impact of its activities, covering at least environmental, social and employee matters, respect for human rights and the fight against corruption and bribery
- Has been applied since the 2017 financial year

Legal consequences of violations

- Pursuant to the CSR-RUG (national implementation of the NFRD) fines (up to EUR 10 million) for the company as well as the management and the supervisory board (personal liability)
- Criminal liability of the management and the supervisory board, e.g. in the event of a false balance sheet oath or incorrect statement

Our advisory includes

- Legal review of the scope and extent (in relation to the group companies to be included) of the reporting obligation
- Creation of a legal understanding within the company of the scope and content of the reporting obligation in the form of workshops/training courses
- Support in carrying out the materiality analysis

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Non-Financial Reporting Directive (NFRD)

Your expert

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Implementation Act for the NFRD (CSR-RUG)

amendments to Sections 289 b ff. HGB, 315 b ff. HGB, Section 340 a, b HGB

Act to strengthen non-financial reporting by companies in their management and group management reports (CSR Directive Implementation Act)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 19 April 2017. Will be amended by the CSRD and the national implementation law.

Content and objectives

Expansion of the reporting obligations of large capital market-oriented companies, credit institutions and insurance companies on sustainability-related aspects (environmental, employee and social issues as well as respect for human rights and combating corruption and bribery).

Addressees

Large EU companies of public interest (capital market-oriented companies, credit institutions and insurance companies) with more than 500 employees and a balance sheet total of more than EUR 25 million or a turnover of more than EUR 50 million.

Obligations

- Obligation to issue a non-financial statement containing the information necessary for an understanding of the company's business performance, results, position and the impact of its activities, covering at least environmental, social and employee matters, respect for human rights and the fight against corruption and bribery
- Has been applied since the 2017 financial year

Legal consequences of violations

- Fines for the company, the management and the supervisory board (personal liability)
- Criminal liability of the management and the supervisory board, e.g. in the event of a false balance sheet oath or incorrect statement

Our advisory includes

- Legal review of the scope and extent (in relation to the group companies to be included) of the reporting obligation
- Creation of a legal understanding within the company of the scope and content of the reporting obligation in the form of workshops/training courses
- Support in carrying out the materiality analysis

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Implementation Act for the NFRD (CSR-RUG)

amendments to Sections 289 b ff. HGB, 315 b ff. HGB, Section 340 a, b HGB

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Taxonomy Regulation

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force in July 2020. Applicable from 1 January 2022.

Content and objectives

EU-wide standardised definition of sustainability based on legally regulated criteria to ultimately prevent greenwashing.

For an economic activity to be considered environmentally sustainable under the Taxonomy Regulation, the following four conditions must be met (Art. 3 Taxonomy Regulation):

- A significant contribution to achieving one or more of the environmental objectives of the Regulation ("substantial contribution"),
- No significant harm to one or more of the environmental objectives ("do not significant harm"),
- compliance with the minimum social safeguards laid down in the Taxonomy Regulation (cf. Article 18 of the Taxonomy Regulation),
- fulfilment of technical screening criteria laid down in the delegated regulations to the Taxonomy Regulation.

The Taxonomy Regulation defines six environmental objectives that are decisive for the classification of economic activity:

- climate change mitigation,
- climate change adaptation,
- 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.

Addressees

Aimed at (i) financial market participants and issuers in connection with financial products / corporate bonds that are provided as environmentally sustainable and (ii) companies that are required under the CSRD to publish a non-financial statement (This may be adjusted by the Omnibus Regulation).

Obligations

- Application of EU-wide standardised definitions of sustainability based on legally regulated criteria for the areas of E, S and G.
- This creates a uniform understanding of the term sustainability, which is referred to in other laws and regulations.

Legal consequences of violations

- Not directly in the Taxonomy Regulation, but the legal consequence is based on the law, which regulates the obligation to act with regard to sustainability and refers to the concept of sustainability in the taxonomy.

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Taxonomy Regulation

Our advisory includes

- Implementation advisory (we support you in meeting the requirements of the Taxonomy Regulation by checking and evaluating taxonomy compliance)
- Developing measures to achieve taxonomy compliance
- Creating a legal understanding within the company of the content of the Taxonomy Regulation in the form of workshops/training courses

Your experts

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Markets in Financial Instruments Directive (MiFID II) / Delegated Regulation (EU) (DelVO)

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EU

Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

- MiFID II: entered into force on 2 July 2014
- DelVO: Applicable since 2 August 2022

Content and objectives

In the context of investment advice and asset management, sustainability preferences and sustainability-related investment objectives of customers should be queried and then considered when investing.

Addressees

- Personnel: Investment firms
- Material: Investment firms that provide investment advice and financial portfolio management

Obligations

- Enquiry and consideration of the sustainability preferences of (potential) clients as part of the suitability assessment by investment advisors and asset managers ("sustainability preferences" = decision of a (potential) client as to whether and, if so, to what extent one or more of the following financial instruments should be included in their investment: Sustainable financial instruments within the meaning of the Taxonomy Regulation, financial instruments within the meaning of the Disclosure Regulation (SFDR) or sustainable financial instruments by taking into account Principal Adverse Impact Indicators (PAIs) within the meaning of the SFDR).
- Consideration of sustainability risks at investment firms.

Legal consequences of violations

- BaFin supervisory measures against an institution in the event of a regulatory compliance breach
- Violation of specifications could trigger civil liability claims by the customer in individual cases
- Compliance with regulatory requirements also part of the annual WpHG audit in accordance with Section 89 WpHG

TaylorWessing

Markets in Financial Instruments Directive (MiFID II) / Delegated Regulation (EU) (DelVO)

Our advisory includes

- Implementation advisory (impact of ESG regulations on product governance requirements and implementation, recommendations for implementing/updating internal processes)
- Support in communicating with the supervisory authority BaFin
- Creating a legal understanding within the company of the obligations under MiFID II in the form of workshops/ training courses

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Sustainable Finance Disclosure Regulation (SFDR)

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Affected areas
[•] E - Environmental
[•] S - Social
[•] G - Governance

Status

Adopted on 27 November 2019. Entered into force on 10 March 2021.

Content and objectives

Strengthening the transparency of financial products labelled as "sustainable" to increase investor confidence in them and ultimately channel capital into sustainable financial instruments.

Addressees

Concerns financial market participants (e. g. insurance companies, insurance intermediaries, investment firms, credit institutions) or financial advisors (above institutions that provide investment advice) as well as financial products (managed portfolios, funds).

Obligations

- Sustainability-related disclosure obligations at company level (i.e. at the level of financial market participants and financial advisors) and at product level (i.e. at the level of the products they offer/develop).
- In particular, the obligated companies should develop strategies for dealing with the impact of their investment decisions on sustainability factors (ESG); these should also include their remuneration system
- Product level: Depending on how ESG-related the financial product or its investment strategy is, more detailed specific information about these ESG investment objectives must be provided
- The product-related disclosure requirements are, in particular, pre-contractual information requirements. Since 1 January 2022, the product-related disclosure requirements have been supplemented by Articles 5 to 7 of the Taxonomy Regulation. These financial products must indicate a taxonomy quota that reflects the proportion of environmentally sustainable investments (pursuant to Art. 2 No. 1 Taxonomy Regulation) in relation to the product's total investments.
- The obligations of the SFDR are specified in a Delegated Regulation (EU) 2022/1288. This contains detailed requirements in connection with the disclosure obligations (e. g. forms to be used for disclosure, etc.).

Legal consequences of violations

- Between the obligated institution and the customer: Possible liability from contractual breach of duty, e. g. if the pre-contractual disclosure obligations are not implemented
- Between the institution and its supervisory authority: Non-compliance with the obligations under SFDR constitutes a compliance violation for the institutions and can be penalised with supervisory measures)
- From a criminal law perspective, investment fraud may be involved

SFDR review

The EU Commission is currently conducting a comprehensive review of the SFDR. The main objective of the review is to simplify key terms, streamline disclosure requirements, and, where necessary, introduce clear product categories. On May 2, 2025, the EU Commission launched a consultation phase to assess the impact of the changes to the SFDR (Call for Evidence). A revised version of the SFDR is expected to be published in the fourth quarter of 2025.

TaylorWessing

Sustainable Finance Disclosure Regulation (SFDR)

Our advisory includes

- Legal review of the scope and extent of disclosure requirements
- Support in implementing the technical and procedural steps for reporting and embedding them in your reporting structures (e.g., by assisting in the drafting of contractual information obligations)
- Creation of a legal understanding within the company of the scope and content of reporting obligations in the form of workshops/training courses

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ESG Rating Regulation

Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force in January 2025. Applicable from 2 July 2026.

Content and objectives

Strengthen trust in and integrity of providers of ESG ratings, as they are often used as a basis for investment or capital decisions and therefore have considerable market power. The provisions of the ESG Rating Regulation are intended to improve the reliability and comparability of ESG ratings. ESG ratings provide an assessment of environmental, social and governance sustainability characteristics.

Addressees

ESG rating agencies that provide and publish ESG ratings or deliver them to regulated financial undertakings (Art. 2 para. 1 ESG Rating Reg.).

Obligations

- ESG rating providers based in the EU must apply to the European Securities and Markets Authority (ESMA) for authorisation. ESG rating providers from third countries that wish to operate in the EU must either seek authorisation for their ESG ratings to be endorsed by an ESG rating provider authorised in the EU, be recognised on the basis of quantitative criteria or be included in the EU register of ESG rating providers on the basis of an equivalence decision.
- For small ESG rating agencies, registration with a reduced set of obligations will suffice.
- The Regulation contains rules on business organisation and transparency obligations for ESG rating agencies (e.g. publication of methodologies and models on the website).
- In the future, ESG rating activities must be separated from other activities (such as auditing and consulting services) in order to avoid conflicts of interest.
- ESG ratings are gaining more and more market power, as they are often used as a basis for capital or investment decisions. The more transparent their methodology is, the more users are protected from a non-transparent basis for decision-making.

Legal consequences of violations

- Usual regulatory instruments, i.e. monitoring of the established business organisation and transparency obligations and, if necessary, regulatory sanctions in the event of violations.

TaylorWessing

ESG Rating Regulation

Our advisory includes

- Analysis of which procedure can be applied to the respective business model and what organizational implications this has
- Support in communication with the supervisory authority in connection with the approval or registration procedure
- Creation of a legal understanding within the company of the scope and content of obligations in the form of workshops/ training courses

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The EU Regulation on Markets in Crypto-Assets (MiCAR)

Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

MiCAR entered into force on 29 June 2023 and has been fully applicable since 30 December 2024.

Content and objective

MiCAR establishes a uniform legal framework for crypto assets in the EU and aims to increase investor protection, ensure market integrity and provide legal certainty for companies and investors through clear regulatory requirements.

Addressees

- Persons and entities: crypto asset service providers (CASPs)
- Subject matter: disclosure requirements regarding ESG data

Obligations

The crypto asset white paper to be published must include a description of the negative environmental impacts of the consensus mechanism.

In addition, MiCAR requires CASPs to publish information relating to the most significant adverse climate-related impacts and other adverse environmental implications of the consensus mechanism (e.g. proof-of-work or proof-of-stake) in a prominent place on their website. This is intended to increase transparency in the crypto market and ensure that investors receive reliable ESG information.

MiCAR itself does not contain any specific requirements regarding the content, methods and presentation of information on adverse environmental impacts. For more specific information, please refer to Commission Delegated Regulation (EU) 2025/422 of 17 December 2024 supplementing MiCAR with technical regulatory standards.

Legal consequences of non-compliance

- Supervisory measures by BaFin (the Federal Financial Supervisory Authority) in the event of a breach of supervisory compliance (e.g. fines or orders).

Our advisory includes

- implementation of ESG disclosure requirements for CASPs
- establishing a legal understanding within the company of the scope and content of the obligations in the form of workshops/training courses

TaylorWessing

The EU Regulation on Markets in Crypto-Assets (MiCAR)

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EU Benchmark Regulation

(including climate benchmarks through amending Regulation (EU) 2019/2089)

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 10 December 2019.

Content and objective

Strengthen trust in and integrity of providers of "climate benchmarks". Applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of benchmarks in the EU. Also includes specific requirements for climate benchmarks.

Addressees

- Personnel: Benchmark administrators
- Material: The legal act applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark in the Union

Obligations

- Ensure the accuracy and integrity of benchmarks that are used, for example, as reference values for financial instruments or for the performance of funds
- The Benchmark Regulation also introduced targets for EU reference values for climate-related change and Paris-aligned EU reference values (so-called climate benchmarks)
- Additional requirements apply to climate benchmarks with regard to their methodology
- Administrators of climate benchmarks must also fulfil special requirements and must publish, for example, which ESG factors are taken into account in the design of the climate benchmark

Legal consequences of violations

- Benchmark administrators are supervised companies; violations of the Benchmark Regulation are subject to supervisory penalties

Our advisory includes

- Analysis of existing processes and contracts during the implementation of the requirements of the EU Benchmark Regulation
- Support in communication with the supervisory authority BaFin in connection with the application for approval or registration for administrators of benchmarks based in the EU
- Establishing a legal understanding within the company of the scope and content of obligations in the form of workshops/training courses

TaylorWessing

EU Benchmark Regulation

(including climate benchmarks through amending Regulation (EU) 2019/2089)

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EU Whistleblower Directive

Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 16 December 2019.

Content and objectives

The EU Whistleblower Directive guarantees more protection for whistleblowers who wish to report breaches of EU law as defined in the Directive and obliges public and private organisations, legal entities and public authorities to set up secure channels for whistleblowing. This is intended to ensure improved protection for whistleblowers and better enforcement of EU law and policy in certain areas.

National implementation

The EU Whistleblower Directive requires all EU member states to implement it into national law by 17 December 2021. The Directive was transposed into national law in Germany by the Act for Better Protection of Whistleblowers (Whistleblower Protection Act - HinSchG).

Your expert

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German Whistleblower Protection Act (Hinweisgeberschutzgesetz)

Act for better protection of whistleblowers (Whistleblower Protection Act - HinSchG)

Affected areas
[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 2 July 2023.

Content and objectives

The aim of the German Whistleblower Protection Act is to protect natural persons who have obtained information about offences in connection with their professional activities or prior to their professional activities and who report or disclose these to the reporting offices within the meaning of the Whistleblower Protection Act. In addition, persons who are the subject of a report or disclosure and other persons who are affected by a report or disclosure are protected.

Addressees

- Affects all companies with at least 50 employees.
- In certain industries (securities trading, credit and stock exchange services, insurance), companies are affected regardless of this threshold value.
- Also applies to selected authorities.

Obligations

- Companies with 50 or more employees must set up and operate an internal reporting office in accordance with the requirements of the HinSchG
- When handling reports, established procedures and strict confidentiality requirements must be observed.
- Reprisals against the person providing the information are prohibited
- Selected authorities must set up and operate an external reporting office
- Persons providing information are liable to pay damages in the event of intentional or grossly negligent false reporting

Legal consequences of violations

- Fines of up to EUR 50,000
- In the case of serious offences, the maximum fine can be increased tenfold

Our advisory includes

- Advice on the legally compliant implementation of the HinSchG (setting up internal reporting offices, designing internal processes, drafting internal guidelines, conformity checks of existing processes and guidelines)
- TW Whistleblowing Services: Setting up and operating an outsourced internal reporting office (receiving reports, relevance checks, preparing decision templates, follow-up)
- Advice on handling specific reports and support in designing and conducting subsequent internal investigations
- Development of training and information materials to raise awareness of whistleblower protection among employees in a manner appropriate to the target group

TaylorWessing

German Whistleblower Protection Act (Hinweisgeberschutzgesetz)

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Lobbying Register Act (LobbyRG)

Act Introducing a Lobbying Register for the Representation of Special Interests in relation to the German Bundestag and the Federal Government

Affected areas
[ ] **E - Environmental**
[ ] **S - Social**
[•] **G - Governance**

Status

Entered into force on 1 January 2022. Last amended by Article 4 of the Act of 12 June 2024 (Federal Law Gazette 2024 I No. 190).

Content and objectives

The public Lobbying Register for the representation of interests in relation to the German Bundestag and the Federal Government has been kept electronically on the website of the German Bundestag since 1 January 2022. The Lobbying Register is intended to help strengthen public trust in politics and the legitimacy and integrity of the decision-making processes in parliament and government. The aim is to create more transparency regarding the influence of lobbyists on these processes. There are also Lobbying Register Acts in some Federal States.

Addressees

The legislator addresses all natural or legal persons, partnerships or other (non-governmental) organisations. Networks, platforms or other forms of collective activity are also addressees of the Lobbying Register Act.

Obligations

- Interest representatives who contact the German Bundestag or the Federal Government must register in the Lobbying Register. The scope of application is broad and includes all bodies, committees, members, parliamentary groups or groups of the German Bundestag as well as their respective employees. Regarding the representation of interests in relation to the Federal Government, the Lobbying Register Act also applies to the Federal Ministries up to the level of Heads of Unit.
- The registration obligation includes the disclosure of personal information of lobbyists, such as names and contact details. Furthermore, disclosure of interests is also required, i.e. a transparent presentation of the client and the objectives pursued.
- The addressees must adhere to certain rules of conduct when contacting the German Bundestag or the Federal Government.
- The information provided must be updated and an annual activity report must be submitted.

Legal consequences of violations

- According to Section 7 (1) LobbyRG, a lobbyist commits an administrative offence if he or she fails to register despite being obliged to register or fails to make entries, amendments, updates or confirmations correctly, completely or in good time. The fine can be imposed up to an amount of EUR 50,000.
- There is also the threat of consequences for the granting of access authorisations to the German Bundestag or, for example, for participation in public hearings of the committees of the German Bundestag as a person providing information and for the so-called participation of associations at the level of the Federal Government in accordance with Section 47 GGO.
- Ultimately, offences can be publicly reprimanded and the respective stakeholder can be entered in the register as "sanctioned".

TaylorWessing

Lobbying Register Act (LobbyRG)

Our advisory includes

- Process implementation for legally compliant implementation of the requirements of the LobbyRG in your company
- Design and support of legislative procedures
- Identification and approach of political stakeholders and decision-makers
- Preparation and representation at (public) hearings and expert discussions
- Preparation of well-founded legal opinions on draft legislation
- Development and implementation of political strategies
- Political monitoring

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EU Battery Regulation (EUBR)

Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (Text with EEA relevance)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Adopted on 28 July 2023. Entered into force on 17 August 2023; comes into force in stages and will become increasingly strict by the mid-2030s. The European Commission has postponed the start of application of the due diligence obligations by one year by means of an amendment regulation.

Content and objectives

The EU Battery Regulation creates a standardised legal framework for the entire life cycle of batteries. It also promotes the circular economy - also to safeguard the EU's strategic independence - and minimises the environmental and social impact of the battery industry.

The EU Battery Directive replaces the old Battery Directive 2006/66/EC of 06.09.2006 and forms a standardised legal framework for the entire life cycle of batteries.

The aim is to create a toxic-free environment and strengthen the EU's long-term competitiveness and strategic independence.

Addressees

- Personnel: Economic players (including manufacturers, importers, distributors, importers and authorised representatives, fulfilment service providers) and other "players" in the battery industry (such as recyclers)
- Material: Any object that stores and supplies electrical energy generated by direct conversion of chemical energy, i.e. all categories of batteries, namely: portable batteries, starter batteries, batteries for light vehicles, electric vehicle batteries, industrial batteries – everything is covered, from button cells to large, stationary battery energy storage systems.

Obligations

- Comprehensive obligations in the current product compliance area
- Obligation of certain economic operators to participate in an EPR (Extended Producer Responsibility) system, registration obligations (producers who make batteries available on the market must register in the producer register)
- Due diligence obligations of certain economic operators (from net sales of EUR 40 million)

Legal consequences of violations

- Compliance with the Battery Regulation is a prerequisite for being allowed to market batteries
- Threat of fines, recalls and sales bans
- Incidentally, no sanction provisions are currently in force under the Battery Regulation, but will be adopted at Member State level in the near future

TaylorWessing

EU Battery Regulation (EUBR)

Our advisory includes

- Support with compliance (in particular labeling battery passports, due diligence obligations, producer responsibility)
- Support with communication with authorities and regulatory defense
- Drafting of contracts for B2B
- Provision of customized training courses and compliance workshops

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TaylorWessing

Right to Repair Directive

Directive (EU) 2024/1799 of the European Parliament and of the Council of 13 June 2024 on common rules for the promotion of the repair of goods and amending Regulation (EU) 2017/2394 and Directives (EU) 2019/771 and (EU) 2020/1828 (Text with EEA relevance)

Areas Affected

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 30 July 2024. Part of the so-called European Green Deal. The Directive must be transposed into national law by the Member States by 31 July 2026 at the latest.

Content and objective

The manufacturer is primarily responsible. If the manufacturer is not based within the European Union, the authorised representative, then the importer or ultimately the distributor is obliged to fulfil the manufacturer's obligations (whereby they can subcontract the repairs). From a material point of view, all goods are covered, i.e. movable tangible property, with the exception of water, gas and electricity. Warranty law will be adapted; goods will only be free of defects if they can be repaired in the same way as goods of the same type. In addition, there is an independent repair obligation. This is limited to goods for which the EU has laid down repairability requirements in delegated acts (see Annex II of the Directive). This currently includes the following product groups: household appliances (washing machines, washer-dryers, dishwashers), refrigerators, electronic displays, welding equipment, vacuum cleaners, servers and data storage products, mobile phones, cordless phones and slate tablets, as well as products containing batteries for light means of transport (e.g. e-bikes and e-scooters), whereby the EU will expand the list over time.

Addressees

- manufacturers, authorised representatives, importers and distributors of goods and products.

Obligations

For manufacturers, this means above all that repairs can be demanded even after the warranty period of two years under sales law has expired. If the consumer demands the repair, the warranty period is extended by one year. The repair must be carried out free of charge or at a reasonable price, within a reasonable period of time and without significant inconvenience.

Legal consequences of infringements

Sanctions and responsibilities of authorities are to be regulated by the Member States at national level.

Our advisory includes

- Implementation advisory (in particular, examination of personal and material impact, fulfillment of repairability and eco-design requirements)
- Drafting and adapting contractual documents (e.g., general terms and conditions, dealer agreements, contracts for outsourcing repair services, agreements on quality requirements)
- Drafting documentation
- Strategy planning, CRM process in the area of subsequent performance, and supply chain review

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Right to Repair Directive

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Ecodesign Regulation

Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (Text with EEA relevance)

Areas Affected

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 18 July 2024. Part of the European Green Deal.

Content and objective

The Ecodesign Regulation provides for minimum criteria to be applied to products to improve their recyclability and energy efficiency. The Ecodesign Regulation is intended to **permanently reduce the CO_2 and environmental footprint of the European Union.** The Ecodesign Regulation replaces the Ecodesign Directive 2009/125/EC. The Ecodesign Regulation also provides for

- Expanded information obligations and introduction of a digital product passport with which stakeholders along the value chain and consumers can quickly and easily access relevant information about products, including environmental sustainability.
- A framework to prevent the destruction of unsold consumer products

The ecodesign requirements cover the entire life cycle of the respective product, from production, transport and operation to disposal or recycling. The Ecodesign Regulation acts as framework legislation; the concrete, product-specific ecodesign requirements are defined by the EU in implementing acts. The implementing acts will set out specific requirements for the reliability, reusability, reparability, energy consumption and energy efficiency of the specific product group they address. In addition, the implementing acts define the digital product passport (e. g. regarding product codes, unique product identifiers, instructions for use) and regulate the labelling to be affixed to the products (particularly regarding the content, design and manner in which the label is to be displayed to customers).

Addressees

The Ecodesign Regulation applies **to all physical goods** that are placed on the market or put into service within the Union, including components and intermediate products ("**product**"). Foodstuffs, animal feed, medicinal products for human and veterinary use, living organisms and motor vehicles are excluded from the scope of application. It applies **personally to** so-called "**economic operators**" who place such products on the market or put them into service, i.e. **authorised representatives, importers, distributors, dealers and fulfilment service providers** in addition to **manufacturers**. In some cases, the regulation also applies to operators of **online marketplaces and search engines.**

Obligations

The individual economic operators have the following obligations: **Manufacturers** must ensure that their products fulfil the ecodesign requirements for a sustainable product. In addition to performance and information obligations and the provision of a digital product passport including all relevant product information, there is still an obligation to carry out a conformity assessment procedure and affix CE labelling. **Authorised representatives** are persons appointed in writing by the manufacturer to carry out certain manufacturer tasks on their behalf. **Importers** must ensure (mainly by means of testing) that the manufacturer has fulfilled its obligations. **Distributors** must ensure that the **required** product-specific **information** is available.

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Ecodesign Regulation

Legal consequences of infringements

The Member States are obliged to adopt provisions on penalties for infringements of the Ecodesign Regulation. It is noteworthy that the Regulation provides for consumer claims for damages in the event of product non-compliance.

Our advisory includes

- Implementation advisory (in particular, examination of personal and material impact, fulfillment of ecodesign requirements)
- Support in fulfilling information obligations and creating the digital product passport
- Drafting B2B contracts and adapting other legal documents (e.g., terms and conditions)

Your expert

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Electrical and Electronic Equipment Act (ElektroG)

Act on the Placing on the Market, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment (Electrical and Electronic Equipment Act - ElektroG)

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

The ElektroG first came into force in 2005 and was amended at the end of 2015 and further amended in January 2022 (ElektroG2 and ElektroG3).

Content and objectives

The ElektroG regulates the placing on the market, return and environmentally sound disposal of electrical and electronic equipment. The law first came into force in 2005 and was amended in 2015 (ElektroG2) and in 2022 (ElektroG3). The ElektroG only applies in Germany. Each EU Member State has its own WEEE legislation.

The aim of the law is to prevent or reduce the harmful effects of the generation and management of waste electrical and electronic equipment, to reduce the overall impact of resource utilisation and to increase the efficiency of resource utilisation.

Addressees

- Manufacturers, producers, original equipment manufacturers (OEM) and importers of electrical and electronic equipment
- Distributors of electrical and electronic equipment
- Citizens as consumers of electrical and electronic equipment
- Public waste management organisations
- Specialised waste management companies for waste electrical and electronic equipment

Obligations

Anyone who sells electrical and electronic equipment must register for all types and brands of equipment. There is a labeling requirement for these products. Product manufacturers must clearly identify themselves on the equipment. In addition, retailers with at least 400 square meters of retail, storage, or shipping space are required to take back old electrical equipment. They must dispose of the equipment at their own expense. Food retailers with a total sales area of 800 square meters or more are also subject to the take-back and disposal obligation. Manufacturers are responsible for the entire life cycle of their products, including the take-back of waste electrical and electronic equipment.

Legal consequences of violations

(i) Violations of the ElektroG can be punished under both administrative and civil law. Breaches of duty are considered administrative offenses and can result in fines of up to EUR 100,000 per individual case.

Our advisory includes

- Support in fulfilling take-back obligations (e.g., setting up a take-back and disposal system)
- Support with registration and labeling
- Drafting B2B contracts and adapting other legal documents (e.g., general terms and conditions)

TaylorWessing

Electrical and Electronic Equipment Act (ElektroG)

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Regulation on Packaging and Packaging Waste (PPWR)

Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste

Affected areas
- [•] **E - Environmental**
- [ ] **S - Social**
- [•] **G - Governance**

Status

Adopted on 19 December 2024. Entered into force on 11 February 2025. Most obligations and requirements will apply from 12 August 2026. Obligations will become increasingly comprehensive and more strict throughout the 2030s.

Content and objectives

The PPWR aims to protect the environment by reducing packaging waste, improving recyclability, and strengthening the circular economy. Requirements on recyclates, reusability, compostability and labelling are being introduced.

Addressees

- Personnel: All economic operators (manufacturer, importer, distributor) and so-called producers, i.e. primarily those who place packaging (filled, if applicable) on the market in a Member State of the European Union for the first time.
- Material: All packaging and packaging waste placed on the market in the EU, regardless of the material used, and for all packaging waste, regardless of whether the packaging arises in industry, other manufacturing, retail or distribution companies, in administration, in service sector or households.

Obligations

- Restriction of substances of concern in packaging material or packaging components to a minimum level
- Recyclability of all packaging placed on the market
- Mandatory minimum recycled content in plastic packaging (recovered from post-consumer plastic packaging waste)
- Compostability of packaging and sticky labels affixed to fruits and vegetables
- Minimisation of packaging weight and volume to the necessary minimum for functionality
- Labelling requirements are being gradually introduced by the EU (e.g. mandatory QR-Code, harmonized labelling, etc.)
- Restriction of excessive packing (empty space ration must not exceed 50%) and on certain packaging formats
- Obligation of economic operators using reusable packaging to participate in re-use systems
- Information obligations for economic operators offering refill options, including details on:

  (i) Types of containers that can be used

  (ii) Hygiene Requirements

  (iii) Responsibility of end users regarding safety and health protection
- Economic operators must inform end users about the possibility of refilling. Producers must inform end users about the proper collection of packaging and waste prevention measures
- Member States are obliged to reduce per capita packaging waste. The regulation contains targets that provide for a gradual reduction
- From 2029, deposit and return systems must be in place for single-use plastic beverage bottles and single-use metal beverage containers with capacity of up to three litres. At least 90% per year of these packages must be collected separately

Regulation on Packaging and Packaging Waste (PPWR)

Legal consequences of violations

The regulation requires Member States to adopt rules on penalties. The Packaging Act (national implementation of the EU Packaging Directive in Germany), imposes various penalties and sanctions on producers, distributors, and importers. In case of violation, fines up to €200,000 may be imposed.

Our advisory includes

- Implementation consulting (in particular, examination of personal and material implications)
- Support in fulfilling packaging compliance
- Support with registration

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EU Conflict Minerals Regulation

Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 1 January 2021.

Content and objectives

Aims to ensure that EU importers only purchase tin, tantalum, tungsten, their ores and gold from responsible sources and not from conflict or high-risk areas. The aim is to prevent the financing of armed groups through profits from the raw materials trade. In this way, violence and human rights violations are to be curbed, the exploitation of local village communities ended, and local development supported.

Addressees

Directly affects companies that import 3TG minerals and metals into the EU (upstream industry) and exceed a certain quantity limit.

Obligations

- The regulation made extensive due diligence and reporting obligations along the supply chain binding for EU importers of tin, tantalum, tungsten, their ores and gold. They must apply risk management when purchasing raw materials, have this verified by an independent third-party audit and publish a report on this
- Importers affected by the EU regulation must implement a supply chain policy in their management system that corresponds to the five-step process of the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas"
- For risk management purposes, it is necessary to introduce a traceability system in which descriptions of the minerals or metals, quantities and information on origin (country of origin, supplier, smelter or refinery and other information) are documented
- The fulfilment of due diligence obligations must be verified by an independent 3rd party audit
- Furthermore, affected companies must publish a report on their supply chain due diligence activities, including via the internet

Legal consequences of violations

- The EU Conflict Minerals Regulation provides for each EU Member State to develop its own enforcement model
- The competent national authority in each Member State determines how infringements are dealt with

TaylorWessing

EU Conflict Minerals Regulation

Your expert

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German Mineral Raw Materials Due Diligence Act (MinRohSorgG)

Act on the Implementation of Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union imports of tin, tantalum, tungsten, their ores, and gold originating from conflict-affected and high-risk areas (German Mineral Raw Materials Due Diligence Act).

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Issued on 29 April 2020. Came into force on 7 May 2020

Content and objective

The Act serves to implement Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 (**Conflict Minerals Regulation**) laying down supply chain due diligence obligations for the introduction into the Union of tin, tantalum, tungsten and gold originating from conflict-affected and high-risk areas, as well as the supplementary and implementing provisions issued by the Council and the European Commission for this Regulation.

Adressees

- The Federal Institute for Geosciences and Natural Resources is responsible for implementing the Conflict Minerals Regulation (EU) 2017/821. The Act is primarily addressed to the Federal Institute and regulates its powers.
- Companies are subject to the Conflict Minerals Regulation if they import tin, tantalum, tungsten or gold directly into the EU and the corresponding quantity thresholds from Annex I of the Conflict Minerals Regulation are exceeded.

Obligations

Section 3 of the Act grants the Federal Institute for Geosciences and Natural Resources various powers of intervention, such as the right to demand information from companies, to enter company property or to inspect company documents, in order to ensure that the purpose of the Conflict Minerals Regulation is achieved.

The Conflict Minerals Regulation requires affected companies to:

- conduct due diligence,
- establish a risk management system,
- comply with documentation and reporting requirements and
- conduct internal controls and audits.

Legal consequences of violations

- Pursuant to Section 9 of the Act, the Federal Institute can impose fines of up to EUR 50,000.

TaylorWessing

German Mineral Raw Materials Due Diligence Act (MinRohSorgG)

Your expert

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ReFuelEU Aviation

Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation).

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[•] **G - Governance**

Status

- Enacted on 18 October 2023.
- Entered into force on 1 January 2024. Articles 4, 5, 6, 8 and 10 apply from 1 January 2025.

Content and objectives

The regulation aims to address the challenges and opportunities arising from the growing demand for air travel and the associated CO_2 emissions in the context of set climate targets. It promotes the increased use of sustainable aviation fuels (SAF) as a means of reducing CO_2 emissions in aviation and is intended to create a level playing field for sustainable aviation. The Regulation itself must be sustainable so that legal certainty and predictability prevail on the market and investments are permanently channelled into the production capacity for SAF. The legislator plays here a key role.

Addressees

The Regulation is aimed at:

- **Airlines** that have operated at least 500 commercial passenger flights or 52 all-cargo commercial flights from EU airports in the previous reporting period
- **aviation fuel suppliers** and
- **European Union airports** that have transported more than 800,000 passengers or more than 100,000 tonnes of cargo in the previous reporting period and are not part of the outermost regions listed in Article 349 TFEU.

Obligations

- Airlines are obliged to refuel at least 90 % of their annual fuel requirements at airports within the EU, states Article 5 of the Regulation. This obligation was introduced to prevent "tankering", which means over fuelling with cheap fuel in countries without SAF regulation.
- The minimum share of SAF is to be increased evenly from 2 % in 2025 to a minimum share of 70 % in 2050. It is also stipulated that at least 35 % of SAF must be synthetic aviation fuel by 2050 (Article 4 in conjunction with Annex 1 of the Regulation).
- No feed or food raw materials may be used in the production of SAF, which could result in indirect land-use change (Article 4(5) of the Regulation).
- Airport operators are obliged to provide the necessary infrastructure for the integration of SAF pursuant to Article 6 of the Regulation. This includes ensuring sufficient availability of SAF.
- The Commission is required to submit a report to the European Parliament and the Council by 1 January 2027 and every four years thereafter with a detailed assessment of the development and impact, according to Article 17 of the Regulation.

Legal consequences of violations

Sanctions in the form of fines are imposed for non-compliance with the obligations under Article 12 of the Regulation. This ensures that the Regulation is enforced. These fines are then invested in environmental projects.

TaylorWessing

ReFuelEU Aviation

Your expert

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EU Urban Wastewater Treatment Directive (UWWTD)

At the beginning of April 2024, the amendment to the EU Urban Wastewater Treatment Directive (UWWTD) was adopted by the European Parliament. The previous EU directive on the treatment of urban wastewater dated back to 1991. The aim of the new Directive is to prevent harmful effects caused by inadequately treated urban wastewater (such as micropollutants).

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[•] **G - Governance**

Status

Entered into force on 1 January 2025. Implementation into national law required by July 2027.

Content and objectives

The aim of the Directive is to protect human health and the environment from the effects of untreated urban wastewater. It obliges EU Member States to ensure that cities and urban areas collect and treat wastewater properly.

The amendments to the EU Directive on urban wastewater primarily include a fourth treatment stage in wastewater treatment plants for the targeted elimination of micropollutants from wastewater, the establishment of extended producer responsibility and the promotion of energy neutrality in wastewater treatment plants. The limitations for nutrients such as phosphorus and nitrogen will also be tightened up to minimise water pollution. The Directive also requires Member States to draw up wastewater management plans to ensure better monitoring and documentation of wastewater treatment.

Addressees

Concerns all Member States and their urban wastewater treatment plants if

i. more than 150,000 population equivalents are connected to the plant, or
ii. the plant with a population equivalent of 10,000 - 150,000 discharges into endangered areas. The endangered areas have yet to be defined.

The Directive also affects producers of medicinal and cosmetic products.

Obligations

- All 27 Member States are obliged to report to the Commission on the measures they have taken to implement the Urban Wastewater Treatment Directive.
- For urban centres, Member States must remove biodegradable organic substances from urban wastewater by 2035 before it is discharged into the environment. Exceptions to this are possible.
- From 2039, the removal of nitrogen and phosphorus will be mandatory for urban wastewater treatment plants that treat urban wastewater with a load of 150,000 population equivalents or more. For these urban wastewater treatment plants, Member States will have to carry out additional treatment to remove micropollutants from 2045.
- From 2045, municipal wastewater treatment plants that treat a wastewater volume of 10,000 population equivalents or more must use energy from renewable sources that is generated in the respective plants.
- Under the extended producer responsibility system, producers of pharmaceuticals and cosmetics must pay at least 80 per cent of the additional costs for cleaning wastewater and many other costs in accordance with the polluter-pays principle.
- Additional measures include the introduction of wastewater management plans to reduce overflows into bodies of water. Furthermore, wastewater monitoring is to be carried out to identify pathogens.

National implementation act

A national transposition act has not yet been adopted. The Member States have 30 months from the entry into force of the Directive to transpose the new provisions into national law.

Legal consequences of violations

This depends on the respective national implementation act.

Our advisory includes

- Quick check to see whether your company falls under the manufacturer definition of the Municipal Wastewater Directive
- Strategic handling of the extended manufacturer obligation or early preparation for it
- In-house seminars and training courses on the requirements and legal consequences of the Municipal Wastewater Directive.

Your expert

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TaylorWessing

EU Emissions Trading Scheme (EU ETS)

Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (Text with EEA relevance)

Affected areas
- [•] **E - Environmental**
- [ ] **S - Social**
- [ ] **G - Governance**

Status

Entered into force on 25 October 2003; reformed by "Fit for 55" programme in 2023.

Content and objectives

Emissions trading with the aim of reducing greenhouse gas emissions within the EU. A fixed upper limit (cap) determines the maximum total amount of CO_2 equivalents that may be emitted by the regulated companies. The cap will be gradually lowered to reduce the total permitted emissions to zero by 2050. This is intended to incentivise companies to invest in climate protection.

Addressees

- Personnel: Plant operators, aircraft operators and shipping companies must purchase emission allowances for the CO_2 emissions that they have caused themselves (downstream emissions trading)
- Material: Large energy plants and energy-intensive industrial plants that release CO_2 and other climate-damaging gases (N20); air traffic with take-off or landing in the EEA; since 2024 maritime traffic within the EEA and due to port calls

Obligations

- Annual monitoring and reporting obligations on GHG emissions released
- Annual obligation to purchase and redeem EU ETS allowances; the number of allowances depends on the amount of GHG emissions reported

Legal consequences of violations

- Pursuant to the Implementation Act for breaches of the obligation to purchase and surrender EU ETS allowances: EUR 100 per tonne of CO_2 equivalents for which no allowance is surrendered

Your expert

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EU Emissions Trading Scheme 2 (EU ETS 2)

Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (Text with EEA relevance)

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 5 June 2023.

Content and objectives

In addition to the EU ETS, a separate EU ETS 2 is to be created in buildings, road transport and additional sectors. After a three-year preparatory phase (reporting obligation from 2024), EU ETS 2 will start in 2027 (Directive (EU) 2023/959 of 10 May 2023).

Until 2030, the EU GTS 2 will be treated in a separate market from the EU ETS 1.

Addressees

The connecting factor is the placing of fuels on the market, i.e. the link to the incurrence of tax in accordance with the Excise Duty Directive.

Obligations

- From 2025, regulated facilities must monitor the emissions attributed to them and report them to the competent authority from 2026; in addition, emissions for the year 2024 must be reported by 30 April 2025.
- From 2028, regulated facilities must surrender certificates for the emissions attributable to them from the previous year by 31 May each year. However, if it transpires that energy prices exceed a defined threshold, the start of trading will be postponed by one year.

Your expert

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Carbon Border Adjustment Mechanism (CBAM)

Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (text with EEA relevance)

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 19 May 2023.

Content and objectives

Serves to create a CO_2 border adjustment system: in future, importers will have to pay a CO_2 price for the emissions generated during the production of goods when importing certain emission-intensive goods from other EU countries into the EU. To this end, CBAM certificates must be purchased and redeemed with the EU from 2026. Since January 2024, importers have also been subject to extensive monitoring and reporting obligations regarding the emissions generated during the production of goods in other EU countries.

Addressees

- Personnel: aimed at importers, namely those who submit customs declarations
- Material: concerns all companies based inside and outside the EU that import certain goods in the iron, steel, cement, aluminium, electricity, fertiliser and hydrogen sectors, including upstream and downstream products from non-EU countries into the EU

Obligations

- Since January 2024, affected importers must submit quarterly reports on the CO_2 emissions generated during the production of the goods using a register installed by the EU. Importers must request the relevant information from their suppliers or the manufacturers of the goods
- From 2026, a CO_2 price will be levied on the goods. Affected importers must purchase the quantity of CBAM certificates that corresponds to the reported quantity of CO_2 emissions. From 2026, CBAM reports must be submitted annually rather than quarterly

Legal consequences of violations

- Violations of the reporting obligations: Penalties of between EUR 10 and EUR 50 per tonne of unreported emissions
- Violations of the obligation to purchase CBAM certificates: EUR 100 for each tonne of CO_2 emitted by the installation for which the importer has not purchased CBAM certificates

Our advisory includes

- Implementation consulting (as a legal sparring partner, through validation of company approaches, health checks, gap analyses, active project management)
- Support in communication with authorities (e.g., in the event of complaints, requests for information, reports)
- Training of your own employees and suppliers

TaylorWessing

Carbon Border Adjustment Mechanism (CBAM)

Your expert

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EU Energy Efficiency Directive (EED)

Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (text with EEA relevance)

Affected areas
- [•] **E - Environmental**
- [ ] **S - Social**
- [ ] **G - Governance**

Status

Entered into force on 10 October 2023.

Content and objectives

The key point of the amended EED is the definition of binding European energy efficiency targets. The aim of the reform is to reduce final energy consumption, i.e. the total energy consumption of end consumers, across the EU by 11.7 % by 2030 compared to the forecasts for 2020. By 2030, the Member States must save an average of 1.5 % final energy per year, starting at 1.3 % in 2025 and rising to 1.9 % by the end of 2030. All Member States are obliged to set out their national contributions to achieving this target in their integrated national energy and climate plans (NECPs) by 2024. In Germany, the EED is transposed into national law by the Energy Efficiency Act (EnEfG).

Addressees

- Factual: The EED stipulates that energy-intensive companies are also obliged to set up energy and environmental management systems (Art. 11 EED)

Obligations

- The EED stipulates that energy-intensive companies are also obliged to set up energy and environmental management systems (Art. 11 EED)
- Further specific obligations arise from the national implementation laws, in Germany from the EnEfG

Legal consequences of violations

- In accordance with the EnEfG (national implementation of the EED) Fines of up to EUR 100,000

Your expert

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TaylorWessing

CO_2 Cost Sharing Act

Act on the Sharing of Carbon Dioxide Costs

Affected areas
- [•] **E - Environmental**
- [ ] **S - Social**
- [ ] **G - Governance**

Status

Entered into force on 1 January 2023. The adjustment of the regulation for non-residential buildings (introduction of a tiered model) is planned for 2025. The specific legal implementation is expected later in the year, possibly toward the end of 2025. The law is to be evaluated every two years and adapted if necessary. The first evaluation will take place at the end of 2025.

Content and objectives

The CO_2 Cost Sharing Act is intended to create further incentives to reduce carbon dioxide emissions (CO_2) and achieve the national climate protection targets. To this end, the CO_2 costs are to be apportioned according to the source.

Addressees

- Personnel: landlord and tenant
- Material: tenancies of residential and commercial premises heated with fossil fuels

Obligations

- For residential premises, the allocation follows a 10-tier model based on the CO_2 emissions per square metre. The worse the energy efficiency of the building, the higher the share of CO_2 costs that landlords must bear.
- For non-residential buildings, CO_2 costs will be split equally until the planned introduction of the new tiered model. The transition to a tiered model is expected to take place in the course of 2025 (see 'Status').

Legal consequences of violations

- If the landlord overcharges, the tenant can reduce the heating costs by a flat-rate amount.

Your expert

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TaylorWessing

Energy Efficiency Act

Act to Increase Energy Efficiency and Amend the Energy Services Act

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 18 November 2023. Specific details are provided in information sheets issued by the Federal Office of Economics and Export Control (BAFA).

According to the coalition agreement, the Energy Efficiency Act is to be amended and simplified in the new legislative period.

Content and objectives

The Energy Efficiency Act serves to implement the EU Energy Efficiency Directive and is intended to significantly increase energy efficiency in Germany, including setting requirements for the energy efficiency of data centres.

Addressees

- Personnel: Data centre operators, companies with high energy consumption, federal and state governments
- Material: Data centres, energy-intensive industry

Obligations

Energy-intensive companies:

- Obligation to set up energy or environmental management systems from 7.5 GWh annual consumption.
- Total energy consumption: preparation and publication of implementation plans for energy-saving measures from 2.5 GWh annual consumption.
- Duty to provide information on waste heat potential Data centre operators:
- Energy efficiency and waste heat requirements Information obligations on energy consumption and waste heat utilisation.

Legal consequences of violations

- Violations can result in fines of up to EUR 100,000

Your expert

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Smart Meter Act

Act to Restart the Digitalisation of the Energy Transition

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 27 May 2023, and partially amended by the Act Amending Energy Industry Law to Avoid Temporary Generation Surpluses (Solar Peak Act), which entered into force on 25 February 2025 (e.g., the statutory price cap was raised).

Content and objectives

The Act to Restart the Digitalisation of the Energy Transition (GNDEW) aims to accelerate and reduce the bureaucracy involved in the rollout of smart meters and the digitization of the energy transition in Germany. Key measures include a binding timetable for the installation of intelligent measuring systems (iMSys). The law significantly amends the Metering Point Operation Act (MsbG) to push ahead with the rollout of iMSys and modern metering equipment (mME). The MsbG has since been amended again (see Status).

Addressees

- Personnel: Metering point operators, electricity suppliers, manufacturers of smart meters, network operators (in particular distribution network operators) and connection users.

Obligations

- Introduction of a statutory phased plan with target years 2030 and 2032 for the nationwide installation of smart metering systems
- Costs and price caps (POG): The MsbG sets annual gross price caps for metering point operation.
- Mandatory dynamic electricity tariffs: From 2025, all electricity suppliers will be required to enable end consumers with an iMSys to purchase electricity at dynamic tariffs.
- Simplifications in calibration law: To reduce bureaucracy, the calibration period for smart meter gateways has been set to indefinite with effect from 1 February 2024, provided that certain conditions (e.g., self-test function) are met.
- Installation at the customer's request: Since January 2025, all electricity customers have also been able to request individual smart meters, which could be of particular interest to consumers and producers who are not subject to the mandatory rollout (consumers with less than 6,000 kWh per year or producers with less than seven kW of installed capacity).

Your expert

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Solar Package I (Solarpaket I)

Act Amending the EEG and Other Energy Industry Regulations to Increase the Expansion of Photovoltaic Energy Generation

Affected areas
- [•] **E - Environmental**
- [ ] **S - Social**
- [ ] **G - Governance**

Status

Entered into force on 16 May 2024. However, important financial and quantitative regulations, in particular regarding the amount of subsidies and tender volumes, still require approval under state aid law from the European Commission and are not yet fully applicable until such approval has been granted.

Content and objectives

The Solar Package I aims to accelerate the energy transition and reduce bureaucracy in order to increase the share of renewable energies in electricity consumption to 80 % by 2030 and achieve a largely climate-neutral electricity supply by 2035. Solar Package I implements the photovoltaic strategy of the Federal Ministry for Economic Affairs and Climate Protection and provides comprehensive support for the expansion of PV. In addition to this, the Solar Power Act, which came into force on 25 February 2025, has further developed the framework conditions for new PV systems, particularly with regard to remuneration and grid integration.

Addressees

- Personnel: operators of photovoltaic systems, tenants, apartment owners
- Material: photovoltaic roof systems, balcony solar power systems, solar farms

Obligations

- Promotion of photovoltaic systems on buildings: The use of PV on commercial and residential buildings shall be strengthened through increased subsidies, flexible thresholds and simplified verification procedures. The use of PV on commercial and residential buildings will be strengthened. Solar Package I provides, among other things, for higher feed-in tariffs for certain system sizes (some subject to EU approval, as of May 2025). The general EEG feed-in tariffs will continue to be adjusted regularly (degression). For new installations since February 2025, the following also applies: If electricity prices on the exchange are negative, the feed-in tariff will not apply. Larger installations require an intelligent metering system (iMSys) and a control box; without these, feed-in will initially be limited.
- Strengthening solar farms: More land will be made available for solar farms and the bid quantities for solar farms will be increased. Minimum nature conservation criteria will be introduced and special solar installations such as agrivoltaics will receive targeted support.
- Expansion of other renewable energies and grid regulations: Solar Package I also includes measures for other renewable energies and grid infrastructure. Approval procedures for wind energy have been simplified. In the biomass sector, implementation deadlines for biomethane projects have been adjusted (in some cases subject to EU approval). The regulations for electricity grids and grid connections have since been significantly further developed, in particular through the Solar Peak Act and adapted technical connection rules (VDE standards), in order to improve the integration of renewable energies.
- Grid connections and storage for renewable energies: The grid connection of renewable energy systems has been accelerated (e.g., through online portals of grid operators and raising the threshold for the simplified procedure). The regulations on the flexible use of electricity storage systems have been comprehensively expanded by the Solar Peak Act and enable new operating models. The technical connection requirements have been simplified by amendments to the relevant VDE standards for certain system sizes.

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Solar Package I (Solarpaket I)

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Act for the Improvement of Climate Protection in Emission Control

Act to Improve Climate Protection in Emission Control, to speed up emission control authorisation procedures and to implement EU law

Affected areas

[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 9 July 2024.

Content and objectives

The law is intended to speed up the authorisation procedures under the Federal Emission Control Act enable a faster expansion of renewable energy plants.

Addressees

- Personnel: developers of renewable energy systems
- Material: renewable energy plants

Obligations

The climate is expressly included as a protected good in the Federal Emission Control Act (BImSchG). This clarifies that ordinances issued on the basis of the BImSchG can also regulate requirements for climate protection.

Authorisation procedures under emission control law, particularly for renewable energy plants, are to be significantly accelerated to achieve climate neutrality by 2045 as stipulated in the Federal Emission Control Act.

Individual requirements of the Industrial Emissions Directive 2010/75/EU on public participation in authorisation procedures and plant monitoring are to be implemented.

Your expert

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TaylorWessing

Energy Performance of Buildings Directive (EPBD)

Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings

Affected areas
[•] **E - Environmental**
[•] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 28 May 2024. Implementation into national law by the member states must generally take place by 29 May 2026. Exception: The ban on financial support for boilers that run exclusively on fossil fuels should have been implemented by the member states by 1 January 2025. Germany has not met this deadline.

According to the coalition agreement, the new federal government intends to push for an extension of the implementation deadline. It is still unclear how the implementation will be structured in concrete terms.

Content and objectives

Improving overall energy efficiency and decarbonisation are two of the most important goals of the EPBD. By 2050, the EU's building stock shall be highly energy efficient and decarbonised.

Addressees

- Personnel: Member States, indirectly building owners
- Material: Applies to new buildings (residential and non-residential buildings) and existing buildings (residential and non-residential buildings)

Obligations

From 2030, new buildings shall only be permitted as **zero-emission buildings**.

Renovation of existing buildings:

- The Member States shall set minimum energy performance standards (MEPS) for non-residential buildings. By 2030, the energy performance of the non-residential building stock shall be improved so that it exceeds the threshold of 16% of the non-residential buildings with the worst energy performance (based on the 2020 building stock). By 2033, this value must exceed the threshold of 26% of buildings with the worst overall energy performance.
- For existing residential buildings, Member States must set national targets to reduce average primary energy consumption by at least 16% by 2030 and by at least 20-22% by 2035 compared to 2020. At least 55% of this reduction should be achieved by renovating the 43% of residential buildings with the lowest energy efficiency. There is no individual renovation obligation for individual residential buildings at EU level, but rather reduction targets for national average consumption.
- Solar energy: The directive provides for the gradual introduction of mandatory solar energy installations on the roofs of buildings.
- Phasing out fossil fuel boilers
- Energy performance certificates: Energy performance certificates are to be improved in terms of quality and harmonized across Europe.
- Obligation to create infrastructure for sustainable mobility

TaylorWessing

Energy Performance of Buildings Directive (EPBD)

Legal consequences of violations

Under Article 33 of the EPBD, the Member States are required to lay down effective, proportionate, and dissuasive penalties for infringements of national transposition measures. The specific form of these penalties (e.g., fines, administrative measures) is left to national legislators. It is unclear how this will be implemented in Germany. Regulations on this are expected to be included in the amendment to the Building Energy Act (GEG).

Your expert

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TaylorWessing

Building Energy Act (Gebäudeenergiegesetz)

Act on Energy Conservation and the Utilisation of Renewable Energies for Heating and Cooling in Buildings

Affected areas
- [•] **E - Environmental**
- [•] **S - Social**
- [ ] **G - Governance**

Status

The amended GEG came into force on 1 January 2024. Further adjustments to implement the reformed EU Energy Performance of Buildings Directive (EPBD) are likely. These are expected to include the introduction of zero-emission building standards, requirements for the life cycle greenhouse gas potential (GWP) of buildings, and expanded solar obligations. The coalition agreement announced an amendment to the GEG that is intended to make the law more technology-neutral, flexible, and simpler. A draft of the new Building Energy Act is to be presented to the cabinet in the course of 2025.

Content and objectives

Serves to implement the EU Buildings Directive EPBD and applies to all heated/air-conditioned buildings. This is intended to ensure the most economical use of energy in buildings and an increasing use of renewable energies.

Addressees

- Personnel: Builder or owner of buildings, including condominium owners' associations
- Material: Concerns new buildings (residential and non-residential buildings) and existing buildings (residential and non-residential buildings), insofar as they are heated or cooled.

Obligations

- Since the beginning of 2024, as a rule, only heating systems that generate at least 65% of their heat from renewable energies may be installed. This applies to both residential and non-residential buildings. The new federal government is planning a revision. Instead of specifications for specific heating technologies, such as the much-discussed 65% renewable energy requirement, the "achievable CO2 reduction is to become the key control variable."
- For existing buildings and new buildings outside of new development areas, the 65% EE requirement will only apply after the municipal heat plan has been submitted by the respective municipality, but no later than 30 June 2026 (municipalities >100,000 inhabitants) or 30 June 2028 (municipalities ≤100,000 inhabitants). Important: Some municipalities have already completed their heat planning, and others plan to submit their heat plans well before these deadlines. Earlier designation of areas by the municipality may trigger the requirement one month after announcement.
- Non-residential buildings (including existing buildings) with a rated heating or air conditioning capacity of more than 290 kW had to be equipped with building automation systems and digital energy monitoring technology (Section 71a GEG) by 31 December 2024. This obligation remains binding. It includes continuous monitoring of energy consumption, data accessibility, and the appointment of a person responsible for energy management.

Legal consequences of violations

- Operating ban for heating systems that do not comply with legal requirements
- The competent authority may order the owner to make changes to existing installations
- Fines for building owners

TaylorWessing

Building Energy Act (Gebäudeenergiegesetz)

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TaylorWessing

Building Electromobility Infrastructure Act (GEIG)

Act on the Development of a Building-Integrated Charging and Cable Infrastructure for Electromobility

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 25 March 2021. An adjustment and tightening of requirements is expected as a result of the implementation of the revised EU Energy Performance of Buildings Directive (EPBD).

Content and objectives

The aim is to decarbonise the transport sector

Addressees

- Personnel: Builder or owner of buildings, including condominium owners' associations
- Material: Applies to new buildings (residential and non-residential buildings) as well as existing buildings (residential and non-residential buildings)

Obligations

- For new residential buildings, a certain percentage of parking spaces must be equipped with empty conduits; for new non-residential buildings, a certain percentage of parking spaces must be equipped with charging infrastructure and charging points
- There are retrofitting obligations for major renovation projects
- Certain buildings must be equipped with at least one charging point from 2025
- Exceptions: The GEIG provides for various exceptions, including for non-residential buildings owned by small and medium-sized enterprises (SMEs) and predominantly used for their own purposes.
- Neighborhood solutions: The GEIG enables owners of spatially connected buildings to jointly meet the requirements for charging and cable infrastructure through agreements.
- Technical requirements & notification: The installation of charging points is subject to minimum technical requirements (including the Charging Station Ordinance) and must be reported to the network operator.

Legal consequences of violations

- Violations may result in fines of up to EUR 10,000

Your expert

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EU Construction Products Regulation (CPR)

Regulation (EU) 2024/3110 laying down harmonized conditions for the marketing of construction products (new EU Construction Products Regulation)

Affected areas

[•] **E - Environmental**

[ ] **S - Social**

[ ] **G - Governance**

Status

The new EU Construction Products Regulation entered into force on 7 January 2025. Most provisions will apply from 8 January 2026. Specific transition periods apply to individual articles (e.g., Art. 92 on penalties from 8 January 2027; phased introduction of environmental indicator declarations). The original EU Construction Products Regulation (Regulation (EU) No. 305/2011) will be repealed with effect from 8 January 2026, with exceptions for certain transitional scenarios.

Content and objectives

Regulation (EU) 2024/3110 establishes harmonized conditions for the marketing of construction products. Its objectives are to promote sustainability (in line with the Green Deal and the circular economy), digitize the construction sector, ensure product safety, improve market surveillance, and facilitate the free movement of goods.

Addressees

- Personnel: The scope of application extends to all economic operators with points of contact with construction products (manufacturers, authorized representatives, importers, distributors, fulfillment service providers, online marketplaces).
- Material: Construction products, including used products, digital data sets, materials intended for 3D printing, and services, components that are supplied directly to the construction site for immediate installation, as well as essential components and materials that are intended for construction products according to the manufacturer's specifications.

Obligations

The most important changes in the amended EU Construction Products Regulation (EU CPR) are as follows:

- Gradually mandatory declaration of defined environmental indicators for construction products in order to implement the Green Deal
- Introduction of product-inherent requirements and a digital building product passport
- Authorisation of the European Commission to create sustainability requirements for the environmentally friendly public procurement of construction products
- Incentives for Member States to use more sustainable construction products
- Introduction of a construction product passport register

Legal consequences of violations

Construction products that do not fulfil the requirements may not bear the CE mark.

If a construction product does not fulfil the requirements, the competent authority can demand that the product be adapted, sales be stopped or even recalled.

TaylorWessing

EU Construction Products Regulation (CPR)

Your expert

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TaylorWessing

Restriction of Hazardous Substances (EU-RoHS 2)

Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast) (Text with EEA relevance)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Adopted on 8 June 2011. Entered into force on 2 January 2013.

Content and objectives

The EU RoHS 2 Directive replaces the EU RoHS 1 Directive 2002/95/EC and regulates the restriction of the use of certain hazardous substances in electrical and electronic equipment and their maximum permitted concentration. By setting certain requirements for the placing on the market of electrical and electronic equipment, the aim is to reduce the release of particularly hazardous substances into the environment during the manufacturing and recycling processes and at the same time counteract harmful effects on the environment and human health.

Addressees

- Personnel: All economic operators (manufacturer, authorised representative, importer, distributor)
- Material: Any electrical and electronic equipment that is dependent on electric current or electric fields for its proper operation and falls into a category listed in Annex I

Obligations

- Restricted use of certain substances listed in Annex II of the RoHS 2 Directive, such as lead, mercury, cadmium and chromium, as well as other hazardous substances in electrical and electronic equipment, which can only be used up to a maximum concentration value in electrical and electronic equipment, unless exemptions under Annexes III and IV of the Directive apply.
- Internal production control, which proves that the maximum permitted concentration has been complied with
- Implementation of a conformity assessment procedure by the manufacturer
- Affixing of the CE mark by the manufacturer to declare the conformity of the product with the requirements of the RoHS 2 Directive, including the obligation to issue an EU Declaration of Conformity

Legal consequences of violations

- Product recalls, sales bans, in national implementation (DE) fines of up to EUR 100,000

Your expert

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TaylorWessing

Directive as regards Empowering Consumers for the Green Transition ("EmpCo Directive")

Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[•] **G - Governance**

Status

Entered into force on 26 March 2024.

Content and objectives

With this directive, the EU Parliament wants to protect consumers from misleading marketing practices in the area of sustainability advertising and thus enable a more transparent purchasing decision. In future, companies will be subject to strict requirements regarding the use of environmental claims and the use of self-developed sustainability labels will be curbed. The regulations of the EmpCo Directive are only one component of the European Green Deal and are flanked by the Green Claims Directive.

Addressees

Every advertising company

Obligations

No direct obligations for companies, but:

- Prohibition of advertising with generic environmental claims
- Ban on product-related climate-neutral/-reduced or -positive advertising based on the offsetting of greenhouse gas emissions
- Regulation of advertising with sustainability labels: Requirement of a third-party certification scheme
- Extensive obligations to provide evidence to support the environmental claims

Legal consequences of violations

- As the directive will be implemented in the German Act Against Unfair Competition: Danger of warning letters and/or preliminary injunctions

  (i) cease and desist order

  (ii) Obligation to provide information

  (iii) Financial compensation

Our advisory includes

- Advice on the design of environmental and sustainability advertising
- Review of individual "green claims"
- Conducting "green claims & green brands" audits and quick checks
- Defense against attacks by third parties (competitors or consumer/environmental associations)
- Europe-wide campaign consulting
- Advice on securing, using, and enforcing "green brands"

TaylorWessing

Directive as regards Empowering Consumers for the Green Transition ("EmpCo Directive")

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Green Claims Directive

Proposal for a Directive of the European Parliament and of the Council on the substantiation and communication of environmental claims (Green Claims Directive) (COM(2003)166 final)

Affected areas
[•] **E - Environmental**
[ ] **S - Social**
[•] **G - Governance**

Status

The European Commission published the proposal in March 2023. On June 20, 2025, the Commission announced completely out of the blue that it intended to withdraw the Green Claims Directive entirely. This was met with fierce criticism, as the trilogue negotiations were nearing completion. The Danish Presidency is keen to revise the proposed directive and put it to the vote again. It is currently unclear what will happen to the directive.

Content and objectives

The Green Claims Regulation will regulate the substantiation and verifiability of environmentally-related advertising in order to prevent "greenwashing". It is intended to supplement the Empco Directive and contain special provisions (lex specialis) such as

(i) Minimum requirements for voluntary environmental claims (substantiation/verifiability and communication)

(ii) Requirements for environmental labels and environmental labelling schemes

(iii) Pre-Verification procedures for environmental claims and environmental labels by independent, accredited, national test centres

(iv) Sanctions for violations

Addressees

- Every advertising company (exception: micro-enterprises < 10 employees and < EUR 2 million annual turnover). SMEs (fewer than 250 employees and up to EUR 50 million annual turnover) are to be given an additional year to implement the new regulations

Obligations

No direct obligations for companies, but:

- Extensive obligations to provide evidence (internally and in external communication) for advertising with explicit environmental claims
- Pre-certification for the use of environmental claims and eco-labels by national authorities
- Strict requirements for eco-labels (three-party certification system and pre-validation)
- IMPORTANT: Details are currently still unclear as the draft is pending and changes are expected

Legal consequences of violations

- According to the current version, the member states are to provide for 'effective, proportionate and dissuasive' sanctions for violations in their national implementing laws. This means that both monetary fines and, for example, exclusion from public procurement procedures are possible.

TaylorWessing

Green Claims Directive

Our advisory includes

- Advice on the design of environmental and sustainability advertising
- Review of individual "green claims"
- Conducting "green claims & green brands" audits and quick checks
- Defense against attacks by third parties (competitors or consumer/environmental associations)
- Europe-wide campaign consulting
- Advice on securing, using, and enforcing "green brands"

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Shareholders' Rights Directive (ARUG II)

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (Text with EEA relevance)

Affected areas

[•] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 3 September 2020.

Content and objectives

The aim of the ARUG II Directive is to further improve the participation of shareholders in listed companies and to facilitate cross-border information and the exercise of shareholder rights.

Following the implementation of the second European Shareholder Rights Directive (Directive (EU) 2017/828) by ARUG II, German stock corporation law stipulates that the supervisory board of listed companies must align the remuneration structure of the management board with the sustainable and long-term development of the company (see Section 87 (1) sentence 2 AktG). In particular, linking to ESG-related aspects has gained importance in recent years and is often expected by stakeholders.

Addressees

- Personnel: Only listed companies within the meaning of Section 3 (2) AktG fall within the scope of the provision, i.e. those whose shares are admitted to trading on the regulated market. Companies whose shares are included in the open market only are beyond the scope; however, a voluntary orientation towards the legal provisions can also be useful for other companies.
- Material: The term "remuneration structure" comprises usually the remuneration of the management board which usually consists of (a) a fixed basic remuneration and (b) a performance-related variable component which is divided into (i) short-term and (ii) long-term incentives.

Obligations

- The supervisory board must regularly submit a management board remuneration system to the annual general meeting for approval that regulates, among other things, the remuneration structure (Sections 87a, 120a AktG).
- The terms "sustainability" and "long-term" are not defined; in any case, social and ecological aspects should also be taken into account. Social aspects may include employee and customer satisfaction, succession planning or occupational safety. Environmental aspects may include the reduction of CO_2 emissions, water and energy consumption and the use of renewable energies. A climate roadmap can provide orientation.
- Variable remuneration components should have a multi-year assessment basis (Section 87 (1) sentence 3 AktG)

Legal consequences of violations

- Supervisory board members may be liable for damages if they culpably violate the statutory requirements for the appropriateness and structuring of management board remuneration and the company suffers damages as a result (Section 116 in conjunction with Section 93 (3) AktG).
- In the event of a particularly serious breach of duty, a court-ordered removal of a member of the Supervisory Board for good cause (Section 103 (3) AktG) may be considered.
- In the case of intent, the criminal offence of embezzlement (Section 266 StGB) may also be fulfilled.

TaylorWessing

Shareholders' Rights Directive (ARUG II)

Our advisory includes

- Creation, review, and revision of the executive board compensation system
- Support in preparing the compensation report
- Assistance in dialog with investors, shareholder associations, and other stakeholders
- Creation and adaptation of executive board service contracts

Your expert

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General Equal Treatment Act (AGG)

General Equal Treatment Act (AGG)

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[ ] **G - Governance**

Status

Entered into force on 17 August 2006.

Content and objectives

The law is intended to prevent discrimination on the grounds of race or ethnic origin, gender, religion or belief, disability, age or sexual identity.

Addressees

- Personnel: All employees, employers as well as self-employed persons and board members (insofar as conditions for access to employment and career advancement are affected)
- Material: Generally in all areas and phases of working life, including the application phase

Obligations

- Taking the necessary (also preventive) measures to protect against discrimination
- Employer's duty to provide information on the inadmissibility of discrimination
- Working to ensure that discrimination does not occur
- Sanction requirement for employers in the event of violation by employees

Legal consequences of violations

- Claims for elimination of the disadvantage, Section 21 para. 1
- Claim for damages, Section 21 para. 2, a reversal of the burden of proof in favour of the employee applies

Your expert

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Occupational Health and Safety Act (ArbSchG)

Law on the implementation of occupational health and safety measures to improve the safety and health protection of employees at work (Occupational Health and Safety Act - ArbSchG)

Affected areas
[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 21 August 1996; last amendment on 2 July 2023.

Content and objectives

The law ensures and improves the safety and health protection of employees through occupational health and safety measures; more specialised laws may apply depending on the specifics of the workplace

Addressees

- Personnel: Basically all employees
- Material: Generally in all areas of activity

Obligations

- Taking the necessary health and safety measures in consideration of the circumstances
- Assessment of the hazards
- Checking the effectiveness of the measures and making adjustments if necessary

Legal consequences of violations

- Violation can be considered both an administrative offence, Section 25 (fine of up to EUR 30,000) and a criminal offence, Section 26 (fine or imprisonment of up to 1 year). In addition, civil damages if applicable

Your expert

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Management Position Laws (FüPoG I and FüPoG II)

Second Management Positions Act - FüPoG II (previously: First Management Positions Act (FüPoG I))

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

Entered into force on 12 August 2021.

Content and objectives

Serves to increase the proportion of women in management positions in both the private and public sectors to ensure equal participation of women and men in these areas.

Addressees

- Personnel: Minimum participation requirement of one woman applies to management boards with more than three members of listed companies and companies determined on a parity basis
- Material: Concerns management positions in the private and public sectors as well as federal bodies

Obligations

- Companies in the private sector: Minimum participation requirement of one woman (applies to management boards with more than three members of listed companies and companies with co-determination on a parity basis). Obligation for companies to justify why they do not appoint women to the management board
- Companies with majority shareholding federal government and public corporations: fixed gender quota of 30 % in supervisory boards

Legal consequences of violations

- Fines for incomplete or incorrect information in the corporate governance statement (administrative offence pursuant to Section 334 (1) HGB)

Your expert

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TaylorWessing

Accessibility Reinforcement Act (BFSG)

Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on accessibility requirements for products and services (Text with EEA relevance) and amending other laws.

Affected areas
[ ] **E - Environmental**
[•] **S - Social**
[ ] **G - Governance**

Status

Key provisions enter into force on 28 June 2025.

Content and objectives

In implementing the European Accessibility Act (EAA), the law obliges private economic actors (manufacturers, retailers, service providers) to comply with accessibility requirements for their products and services for the first time. Products and services are considered accessible if they can be found, accessed and used by people with disabilities without particular difficulty and generally without assistance.

Addressees

- Personnel: Manufacturers, importers, distributors and service providers of products/service providers covered by the law; exception for small companies
- Material: Personal computers, notebooks, smartphones, tablets, e-book readers, self-service terminals such as ATMs, telecommunications services, e-books, banking services, all e-commerce services

Obligations

- Product/service compliance: Obligation to place accessible products on the market and to provide accessible services. Requirements are slightly concretised in the BFSGV
- Law contains presumptions of conformity: Compliance with norms/standards, such as EU harmonised standards, DIN, ISO or WCAG, means that accessibility requirements can be met
- Obligation to provide documentation, carry out conformity assessment procedures and labelling
- Ongoing inspection obligations after placing on the market

Legal consequences of violations

- Inspection and sanction powers of the market surveillance authority up to the cessation of product distribution or service provision
- Fines of up to EUR 100,000

TaylorWessing

Accessibility Reinforcement Act (BFSG)

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Ordinance on the Accessibility Improvement Act (BFSGV)

Ordinance on the accessibility requirements for products and services in accordance with the Accessibility Improvement Act (Ordinance on the Accessibility Improvement Act - BFSGV)

Affected areas
[ ] **E - Environmental**
[•] **S - Social**
[ ] **G - Governance**

Status

Key provisions enter into force on 28 June 2025.

Content and objectives

The Ordinance sets out the accessibility requirements for products and services, which the BFSG formulates in a programmatic and abstract manner. However, the requirements resulting from the ordinance remain vague.

Addressees

- Personnel: Manufacturers, importers, distributors and service providers of products/service providers covered by the law; exception for small companies
- Material: Personal computers, notebooks, smartphones, tablets, e-book readers, self-service terminals such as ATMs, telecommunication services, e-books, banking services, all e-commerce services

Obligations

- Numerous specifications on accessibility, legibility, perceptibility, operability, interoperability with assistance systems of products, especially products with a screen, user interface or for communication
- Products and features such as identification methods for banking services that are used as part of the provision of services must also fulfil the accessibility requirements
- Product and service information and information on their accessibility must be accessible without barriers (legible, perceptible) and fulfil the two-senses principle, i.e. always be accessible via two of the three senses of sight, hearing and touch

Legal consequences of violations

- Inspection and sanction powers of the market surveillance authority up to the cessation of product distribution or service provision
- Fines of up to EUR 100,000

Your experts

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German Corporate Governance Code (DCGK)

German Corporate Governance Code (DCGK)

Affected areas

[ ] **E - Environmental**

[ ] **S - Social**

[•] **G - Governance**

Status

The current entered into force on 27 June 2022.

Content and objectives

Contains principles, recommendations and suggestions for the management board and supervisory board on appropriate corporate governance based on applicable law, in particular stock corporation law and internationally recognised standards of good and responsible corporate governance.

Relevant topics include the tasks of the management and supervisory boards, the composition and working methods of the supervisory board, the avoidance of conflicts of interest, transparency and management board remuneration.

With regard to ESG topics, the DCGK recommends that companies generally take into account the risks and opportunities associated with social and environmental factors, as well as the ecological and social impacts of corporate activities, when developing their strategies and planning. When appointing members of the management board and other management positions, attention should be paid to diversity. The DCGK also recommends that the internal control system and the risk management system should also cover sustainability-related goals, unless already required by law.

Addressees

Management and supervisory boards of listed companies within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG), i.e. companies whose shares are admitted to trading on the regulated market, and in particular not of companies whose shares are only included in the open market.

Obligations

- Listed companies are obliged to submit a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG) once a year. The principle of "comply or explain" applies, i.e. companies must disclose which of the DCGK's recommendations have not been and are not followed, as well as the reason for this.
- In the event of corporate governance changes during the year that affect compliance with the recommendations, the declaration of conformity must be updated.
- There is no obligation to follow the recommendations and suggestions of the DCGK. Deviations can provoke criticism from stakeholders, but they can also be sensible and well justified.
- Non-listed companies are not subject to disclosure requirements. However, the DCGK is often used as a guideline for due diligence obligations and modern corporate governance, so it may be useful to examine the content of the DCGK.

Legal consequences of violations

- Incorrect or omitted submission of the declaration of conformity may have the following consequences:

(i) Claims for damages against the management board, supervisory board and, if applicable, the company

(ii) Criminal liability of the management board or supervisory board in the event of incorrect submission or incorrect information in the annual financial statements

(iii) Resolutions to grant discharge may be contestable if the incorrect aspects in the declaration of conformity are so significant that they are equivalent to a serious violation of the law or the articles of association.

German Corporate Governance Code (DCGK)

Our advisory includes

- Drafting, reviewing, and revising the declaration of conformity
- Supporting the implementation of recommendations and suggestions
- Reviewing and adapting governance structures
- Assisting in dialogue with investors, shareholder associations, and other stakeholders

Your expert

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TaylorWessing

Equal Pay Directive

DIRECTIVE (EU) 2023/970 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 10 May 2023 on strengthening the application of the principle of equal pay for men and women for work of equal value through pay transparency and enforcement mechanisms.

Affected areas

[ ] **E - Environmental**
[•] **S - Social**
[•] **G - Governance**

Status

EU Member States have until 7 June 2026 to transpose the Equal Pay Directive (EU) 2023/970) into national law.

Content and objective

In the EU, women earn on average 13% less per hour than men. The Directive aims to combat gender-based pay discrimination through pay transparency and by improving the enforcement of rights and obligations regarding equal pay for men and women.

Addressees

- This Directive applies to employers in the public and private sectors. It applies to all employees (and, in some cases, job applicants) who have an employment contract or are in an employment relationship in accordance with the laws, collective agreements and/or practices applicable in the Member State concerned, considering the case law of the Court of Justice.

Obligations

Obligations for employers

- Remuneration transparency before the start of employment
  Employers must provide applicants with information about the starting salary or the relevant salary range in the job advertisement or before the interview.
- Transparent pay structures
  Companies must apply and document objective and gender-neutral criteria for determining and developing remuneration.
- Right to information
  Employees have the right to obtain information about the average remuneration of colleagues for the same or equivalent work, broken down by gender.
- Reporting requirements for larger companies
  Companies with more than 100 employees must report regularly on gender-specific pay differences:
  - From 250 employees: annually
  - 150–249 employees: every three years
  - 100–149 employees: every eight years
- Remedial measures in the event of pay inequality
  If a gender-specific pay gap of more than 5% is identified, the employer must conduct a pay assessment together with employee representatives and take measures to eliminate it.

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Equal Pay Directive

Obligations of Member States

- Ensuring enforcement: introduction of effective, proportionate and dissuasive penalties for infringements.
- Procedural simplifications: e.g. reversal of the burden of proof in cases of suspected discrimination.
- Collective enforcement: Trade unions and equality bodies may represent or support those affected.

Legal consequences of violations

- Legal right to compensation: Affected employees are entitled to full compensation for the damage suffered, including retroactive payment of wages and any non-material damages (e.g. due to discrimination).
- Reversal of the burden of proof: In proceedings for breach of the equal pay requirement, the burden of proof lies with the employer as soon as there is evidence of discrimination.
- Sanctions by Member States: EU Member States must provide for effective, proportionate and dissuasive sanctions in the event of infringements, e.g. fines or court orders to ensure equality.
- Publication requirements: Companies with more than 100 employees must report regularly on gender-specific pay differences. Violations of these obligations may also be sanctioned.
- Collective enforcement: Trade unions and equality bodies will be given the right to take legal action on behalf of those affected or to support them.

Our advisory includes

- Review of the remuneration system (GAP analyses)
- Advice on the legally compliant implementation of remuneration systems
- Training and delegation concepts on topics such as remuneration systems and anti-discrimination

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