# Live from Workplace Horizons 2025: International – Navigating a Ramped-Up EU Workplace Regulatory Landscape as US Moves in Opposite Direction

By Christopher V. Anderson May 21, 2025

## Meet the Authors



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Welcome to a special edition of We get work®, recorded live from Workplace Horizons 2025 in New York City, Jackson Lewis' annual Labor and Employment Law Conference. Over 500 representatives from 260 companies gathered together to share valuable insights and best practices on workplace law issues impacting their business today. Here's your personal invitation to get the insights from the conference, delivered directly to you.



### Transcript INTRO

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#### <u>Alitia Faccone</u>

#### Senior Director of Business Development

Good morning, Chris Anderson. We're here, live from Workplace Horizons 2025. Welcome to the podcast studio. How are you this morning?

#### Chris Anderson

Principal, Greenville

Thanks, Alitia, I appreciate it. Glad to be here.

#### Faccone

You are a principal in the Greenville, South Carolina, office at Jackson Lewis. Can you tell us a little bit about your practice and what, in particular, you're really working on these days with clients?

#### Anderson

My practice is all about helping U.S. employers, mainly U.S. employers. It can be employers in other countries as well, but our bread and butter is U.S. employers with engaged people outside the U.S. It can be employees, consultants, using employers' records to engage personnel and all the attendant issues with that. It's global employment, start to finish, the whole lifecycle. We help clients solve problems in over 100 countries.

I'm part of a practice group called the International Employment Group. John Sanders, our leader, along with Minnie Fu, has a growing team within that group to solve problems for U.S. and other clients as well.

#### Faccone

Sounds like a lot of people in a lot of companies. The title of your presentation here at Workplace Horizons is "Navigating a Ramped-Up E.U. Workplace Regulatory Landscape as the U.S. Moves in an Opposite Direction." That's a lot of words. Can you share with our listeners just a brief summary, maybe briefer than the title, but a brief summary of what your presentation is about?

#### Anderson

If you distill it down, it is just for employers who are either headquartered in the U.S. or headquartered in the E.U. and have an affiliate or a branch in the U.S. How do you balance between what is increasingly becoming a highly regulated environment in the E.U. versus an increasingly deregulated environment in the U.S. under President Trump's second term?

#### Faccone

Balance sounds like a pretty difficult word right now, given everything that's going on. How did you interpret that balance to create your presentation? How did it come out? What did you discuss?

#### Anderson

What I'm seeing right now with clients, Alitia, is that when clients have operations in both areas, they're having a head swivel. I was with my daughter at a tennis match a few weeks ago, where I live, and we were watching the match. All of a sudden, she's eight years old, she started laughing out loud, and I said, what are you laughing at? She said, look across at the other people on the other side. Of course, their heads were swiveling as the ball went back and forth, one way and then the other. I do feel like employers that have operations in both are having that moment of trying to keep up with what President Trump and the administration are doing, and then also looking at what the E.U. is doing as well. It could be other countries outside the E.U., but the focus of my presentation is the E.U. versus the U.S.

Let's start with the good news, which is that it's not as drastic as you might think on

first blush. The E.U. has put in place regulations called directives that then have to be implemented by each member country. Those directives seem onerous, and they are in many ways onerous in terms of diversity and ESG – environmental, social and governance regulations. There are some things that employers should be aware of within that, but there's also been a pullback on the E.U. side just recently. They're slowing down the clock on some of those things, and they're not going to come into effect as quickly. Employers can slow down the head swivel a little bit and take a moment.

That was a theme that came out on day one of the conference, which was just this idea of needing to be patient. Not to be inactive, but to be patiently active, proactive and thinking through before you jump and make the move. It's not just legal compliance. It's about what the stakeholders' demands are, our reputation in the marketplace and talent retention and acquisition. All of those things need to go in there, of course, with compliance being paramount. Just taking that moment to look and see, and now we have a moment where there is a stop of the clock on the E.U. side.

#### Faccone

You spoke about the fact that people need to just take a step back and let the dust settle. I'm assuming that's probably what we would normally tell employers when they're faced with a lot of regulatory change. Let's wait and see what happens before we jump in with both feet. How does practicing patience affect what's happening in the E.U. and those specific issues you might have covered during your presentation?

#### Anderson

The directives themselves are related to ESG. That's what the Stop the Clock Directive, or this stopping of the clock, relates to. There are other directives in the E.U. that I also talked about, but the focus here with Stop the Clock is on these directives related to ESG, which is environmental, social, and governance regulations. The ESG-specific directives, and for employers, we're focused on the S of ESG, and that's the social. The directives that came out in the last few years in Europe led to a lot of clients, U.S. clients and others asking questions. Am I implicated by this? Will I have to report? Will I have to do due diligence? What does that look like?

There are two directives. One is the CSRD, Corporate Sustainability Reporting Directive. The other is the CSDDD, which is the Corporate Sustainability Due Diligence Directive. Those are big names. If you boil it down, what they're saying is employers in the E.U. and even other employers outside the E.U. that are implicated will have to report and or do due diligence. Stop the Clock and employers were worried about that and thinking, what will this mean for us? How much diligence will we have to do? What will satisfy? There was not a lot of clarity. Employers were rightly asking questions, and that was everything from the social side of diversity and inclusion, to health and safety, to even union and workplace labor issues as well. We were starting to field questions on that.

The Stop the Clock Directive really came at a great time because it allows employers to take a moment and think about what the directive says, and now we have some

more time to be ready for it. What we're finding is that when you look at what the two directives say, they're asking for a lot, and there are going to be revisions that are going to come in the next few months. All this is happening in real time, and that's all going to happen between now and the end of the year; there'll be some revisions on the substance of the reporting. That's going to be good. It's going to be very welcome to have it.

As it stands now, what you'll really have to do is report on your initiatives. That doesn't mean you're violating U.S. law when you do that or violating E.U. law. None of the directives require any proactive or positive discrimination. They don't require companies to do certain things. We're certain now that U.S. companies that are implicated in the directives, when it comes time to report, will be able just to show that they are being compliant with U.S. law and that their European parent or subsidiaries are being compliant as well, and that that's going to be sufficient. Again, there's going to be a lot of changes. Even with that piece, we can wait and see now for the next six to eight months to see what happens with it.

#### Faccone

Compliance is always the name of the game. For companies that have global operations, they're also dealing with federal law changes and probably state law changes. How is Jackson Lewis helping those employers handle all of the issues that you just spoke about, and quite frankly, all of the uncertainty?

#### Anderson

It's come up a lot at Workplace Horizons. We have lots of U.S. employment experts who are dealing with every aspect of President Trump's administration, how the first 100+ days have been and all the outworkings of that. Obviously, we're helping in that way, but also helping clients to find the balance between that deregulation and how they can comply in the E.U. and other countries around the world that we're working in as well. Just helping to figure out the balance between them so that clients don't have a panic moment. Instead, really just get back to a proactive mindset of, I'm going to wait and see, but we definitely recommend clients to read the directives as they stand now and then be ready when there's new substantive requirements that come out. They're aimed at simplifying it, and the whole point is to simplify. We'll wait and see on that.

The big thing for now is that the timing of the directives is substantial. Just to give a few highlights that I focused on at the event, the timing has now been delayed by two years. Obviously, that is a welcome thing for employers because it was going to come into effect basically next financial year, and then they would have to start reporting now. That's now until the 2027 financial year reporting, and 2028 in the EU. Now, everything is pushed back to 2028. Obviously, there's a great bit of time, and that's for the CSRD. Then, for CSDDD, nothing starts till 2028, either now. There's a lot of time. I won't say it is all the time in the world because things happen, and clients should obviously be aware, but it gives you that clear moment to say, okay, we're not going to panic on this. We're going to wait and see what the new directive says, and how it gets simplified.

Also, along with the timing now is it used to be that if you had more than 250

employees, you were considered a large employer in the E.U., and you would have to comply and report. Now, that's if you have more than a thousand employees. That's a huge point for European employers and for U.S. companies that have European subsidiaries that could be seen as a large employer in the E.U. Now we know that the thousand threshold will be there.

#### Faccone

I am sure, Chris, that you are reading the directives. If anybody has a question about it, they can call you and you will help them out. I want to thank you for stopping by the podcast studio today here at Workplace Horizons, and enjoy the rest of the conference.

#### **OUTRO**

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