

## Corporate Sustainability Due Diligence

### Brief description and main aims:

In February 2022, the European Commission adopted its proposal for a **Directive on Corporate Sustainability Due Diligence** (CSDDD) which aims to foster sustainable and responsible corporate behaviour throughout global value chains. The Directive was finally adopted in April 2024. Under the new rules, companies will have to identify, prevent, or put an end to potential or actual negative human rights and environmental impacts resulting from their activities.

The new due diligence rules will apply to certain company's own operations and their upstream and downstream partners. Companies can be held liable for damages and can be fined for non-compliance. Although only companies that meet defined thresholds will come directly under the scope of the due diligence rules, SMEs working as sub-contractors for such companies will therefore indirectly be impacted too.

### Why FIEC is dealing with this topic:

Contractors across Europe are still sensing the repercussions of the Covid-19 pandemic and are now confronted with the impact of a war in Ukraine on their supply chains. Therefore, there is a need to ensure that the ruleset for CSDD is manageable and does not lead to additional cost burden for European businesses.

As such, while FIEC supports the introduction of a harmonised EU legal framework for the CSDD, we call upon the EU legislator to limit corporate responsibility to companies' own operations and direct business partners. Furthermore, the corresponding obligations must provide a level playing field between EU and non-EU construction companies whilst avoiding disproportional obligations for SMEs.

### Actions and key dates:

**23/02/2022** – European Commission publish proposal for EU Directive CSDD.

**08/07/2022** – FIEC-EIC publish their [Position Paper](#) on EU Directive CSDD.

**26/09/2022** – FIEC-EIC publish their joint amendments on EU Directive CSDD.

**30/01/2023** – FIEC-EIC publish their [Key Messages](#) on 10 priority issues for upcoming European Parliament and Trilogue negotiations.

**22/11/2023** – FIEC-EIC publish their [Key Messages](#) on the CSDDD Trilogue and the Construction Sector.

**15/12/2023** – Member States reach an agreement on CSDD in the *Committee of Permanent Representatives*.

**26/03/2024** – FIEC-EIC publish a joint [Press Release](#) ahead of the vote in plenary calling on the European Parliament to reject the text of the CSDDD.

**24/04/2024** – The European Parliament approves the CSDD Directive.

**05/05/2024** – Publication in the Official Journal of the EU.