

# Directive on Corporate Sustainability Due Diligence (CSDDD)

(Directive (EU) 2024/1760)

## **TIMELINE**

**COM Proposal**23 February 2022



Preliminary political agreement

13-14 December 2023



Revised political agreement

15/19 March 2024



Entry into force
OJ publication 5 July +
20 days



Council vote

24 May 2024



**EP plenary vote** 

24 April 2024



### WHY?

Green and just transition

Calls from co-legislators

Stakeholder support

ILO Tripartite
Declaration of
Principles concerning
MNEs and social
policy (1977)

UN Guiding Principles on Business and Human Rights (2011) OECD Guidelines for Multinational Enterprises (2011) and Due Diligence guidance for responsible business conduct

Protecting human rights and the environment, including in value chains

Sustainability
transition:
making the
economy more
competitive
and resilient

Ensuring level playing field in the Single Market



## **SUPPORT (I)**

**How to conduct due diligence**, in particular identification process, prioritization, adaption of purchasing practices, responsible disengagement, remediation, engagement with stakeholders

#### **Climate transition plans**

Sector-specific guidance

Assessment of **risk factors**, incl. those associated with conflict-affected and high-risk areas

## Guidelines

**Data/information sources** for carrying out DD duties, guidance about **digital tools** to facilitate and support compliance

Ways how to share resources and information among companies as part of DD

Information for stakeholders and their representatives on **how to engage** 

**Model contract clauses** 



## **SUPPORT (II): Accompanying measures** Financial support for **SMEs** Dedicated websites, MS platforms or portals Stakeholder support for exercise of rights Accompanying measures COM Single Helpdesk Industry & multistakeholder initiatives and independent thirdparty verification

Commission

## **Helping companies comply**

#### Limitation of trickle-down effect on SMEs **Burden limitation and streamlining** Sharing resources and information within groups Requesting Risk based approach, Adaptation of and with information directly other legal incl. for in-depth purchasing practices from where impact is entities assessment Limitation of most likely to occur Civil liability reporting limitation requirements Targeted and Fair, reasonable and Risk based proportionate Investment duty non-discriminatory approach / support, incl. contract terms prioritisation financial Digital tools **Termination** No passing-on of and as last resort costs of verification Information and technologies (Financial) support Industry & capacity-building reports, possibility to (MS, EU) use stakeholder initiatives and independent European third-party Commission verification

## **CSDD** timeline and deliverables

#### **July 2026**

- Review on financial sector
- Due diligence onestop-shop

#### January 2027

- 1st guidelines for MS and companies
- Model contractual clauses

#### **April 2027**

Delegated act on reporting and communication

#### **July 2027**

- 2nd batch of guidelines
- Single helpdesk

**July 2029** 

Sector specific guidance

July 2030

Implementation report

#### 25 July 2024 Entry into force

#### 26 July 2027

EU: 5000+ employees & 1500+ M turnover

Non-EU: 1500+ M EU turnover

#### 26 July 2028

3000+ employees & 900+ M turnover

Non-EU: 900+ M EU turnover

#### 26 July 2029

1000+ employees & 450+ M turnover

Non-EU: 450+ M EU turnover

#### 30 December 2024

Application date

Deforestation regulation

#### 30 June 2025

Application date for M&SMEs
Deforestation regulation

## 18 August 2025

Application
date
Battery
regulation
due diligence

#### Q2/3 2027 Application

date
Forced labour
regulation

## Application date CSRD Non- EU companies