RocaJunyent Informa

ESG and Corporate Sustainability Department

30 April 2024

Following our alert last December on the proposed Corporate Sustainability Due Diligence Directive (CSDDD), on 24 April the European Parliament gave the green light to new legislation that will oblige companies to mitigate their negative impact on human rights and the environment.

The finally approved CSDDD does not differ from the content we published in our previous alert (click on the link in the previous paragraph to read it), except for the following:

- Subjective scope of application:
    - 1,000 employees
    - Annual net turnover of more than €450M in the last financial year
- The special regime in risk sectors is eliminated.
- Direct references to the management body and corporate social responsibility disappear.

- A minimum limitation period of 5 years has been included.

The new rules - with the exception of the reporting obligations - will gradually apply to EU and non-EU companies that reach the turnover thresholds indicated in the Union:

- from 2027 for companies with more than 5,000 employees and a worldwide turnover of more than EUR 1.5 billion;
- from 2028 for companies with more than 3,000 employees and an overall turnover of 900 million euros or more;
- from 2029 for all other companies, including those with more than 1,000 employees and a worldwide turnover of more than 450 million euros.

Following approval by the European Parliament, the timetable foresees that on 23 May EU ministers will give the final green light to the CSDDD following the Council's endorsement. Once published in the Official Journal of the European Union, Member States will have to implement due diligence within two years.