

JOINT PRESS RELEASE

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Corporate Sustainability Due Diligence

While welcoming the fact that construction is no longer classified as a "high impact sector", FIEC and EIC maintain their opposition to the new Corporate Sustainability Due Diligence Directive (CSDDD), which will place a significant burden on EU companies and risk creating an unlevel playing field in the Single Market. Both federations therefore call on the European Parliament to reject the text negotiated by the Belgian EU Presidency.

On 15 March, the Committee of Permanent Representatives of the Governments of the Member States to the European Union (COREPER) gave its green light to the Corporate Sustainability Due Diligence Directive (CSDDD). The European Parliament's Legal Affairs Committee (JURI) followed suit on 19 March.

FIEC and EIC welcome the fact that the EU Council and the European Parliament have corrected their erroneous decision taken during the trilogue negotiations to classify the construction sector as a "high impact sector". The two federations are pleased to note that their joint demand to raise the thresholds for in-scope companies to 1.000 employees and €450 million net turnover was met at the last minute of the legislative process. FIEC and EIC also welcome the long transition periods.

At the same time, FIEC and EIC maintain their opposition against the final text, as it will burden affected companies with excessive bureaucracy and expose them to significant liability risks given the construction sector's complex and changing supply chains. The two federations pointed out that the introduction of a civil liability and the harsh sanctions regime will place a particularly heavy burden on the construction industry. The linkage of the CSDDD with public procurement has the potential to exacerbate the situation, as it will affect the construction industry more than other sectors.

The two federations further criticise the intrusive clause on stakeholder engagement and the low level of harmonisation, which could lead to gold-plating and an unlevel playing field within the EU Single Market. FIEC and EIC expect that the costs associated with implementation will be high and will affect a larger group of companies than expected given the structure of the European construction industry. With regard to overseas business, FIEC and EIC are concerned that European contractors may be forced to withdraw from markets where sufficient information on supply chains is not readily available.

In the light of the sensitivity and the importance of the subject matter, **FIEC and EIC call on the European Parliament to reject the current proposal.**

ABOUT FIEC

Through its 32 national member federations in 27 European countries (24 EU & Norway, Switzerland, Ukraine) and a supporting partner in the United Kingdom, the *European Construction Industry Federation* represents construction enterprises of all sizes (from one person craftsmen and SMEs through to large international firms), from all building and civil engineering specialties, engaged in all kinds of working methods.

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ABOUT EIC

The *European International Contractors'* members are construction industry trade associations from 14 European countries and represents the interests of the European construction industry in all questions related to its international construction activities. The international turnover of companies associated with EIC's Member Federations amounts to around €200 billion per year.

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