

# CSDDD

The European Union's Corporate Sustainability Due Diligence Directive Is a Direct Threat to U.S. Sovereignty, Free Markets, and Individual Liberty



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# POLICY STUDY

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# Introduction

The radical environmental, social, and governance (ESG) movement has recently experienced substantial setbacks in the United States. However, ESG is far from dead. In fact, it will soon be imposed on America by the European Union.

On May 24, 2024, the European Union (EU) officially adopted the Corporate Sustainability Due Diligence Directive (CSDDD),<sup>1</sup> after several years of development and intense deliberation. Upon its publication in the *Official Journal of the European Union* on July 5, 2024, the CSDDD entered into full force and effect on July 25, 2024.<sup>2</sup>

It is not hyperbolic to say the CSDDD is one of the most economically restrictive and nakedly authoritarian laws in the history of western democratic civilization. The directive attempts to globally institutionalize sweeping ESG objectives by mandating practices for large companies doing business in the European Union, regardless of whether those companies are headquartered in the EU. Even worse, the CSDDD forces those companies to impose the same standards on many of the businesses operating within their global supply chains—fundamentally transforming all social and economic activity around the world. It is one of the gravest threats to freedom that Americans face today.<sup>3</sup>



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- 1 European Council and Council of the European Union, “Corporate sustainability due diligence: Council gives its final approval,” Press Release, May 24, 2024, <https://www.consilium.europa.eu/en/press/press-releases/2024/05/24/corporate-sustainability-due-diligence-council-gives-its-final-approval/>
- 2 European Commission, “Corporate sustainability due diligence,” accessed February 22, 2025, [https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence\\_en](https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en)
- 3 For a full review of ESG systems in general and the threat they pose to democratic institutions, individual rights, and economic freedom, see: Jack McPherrin, “Environmental, Social, and Governance (ESG) Scores: A Threat to Individual Liberty, Free Markets, and the U.S. Economy,” The Heartland Institute, April 26, 2023, <https://heartland.org/publications/environmental-social-and-governance-esg-scores-a-threat-to-individual-liberty-free-markets-and-the-u-s-economy-2/>

EU policymakers deliberately designed the CSDDD to change business practices around the world, rather than only within the jurisdiction of EU member states. This is not speculative; it is a commonly known fact about the CSDDD that has been confirmed by scholars across the ideological spectrum.

For example, professors Rachel Chambers and David Birchall explained in an analysis of the CSDDD published in 2024 by the *UC Law Business Journal*, “[The CSDDD] is designed to be extraterritorial. The aim is to compel companies based within a jurisdiction to comply with human rights rules that are generally well enforced within that jurisdiction throughout its global operations. Extraterritoriality is very much the point.”<sup>4</sup>

All 27 member states of the European Union are required to transpose the CSDDD into their national laws by July 26, 2026.<sup>5</sup> EU countries will then be individually responsible for enforcing those laws. The CSDDD can best be understood as the regulatory floor to which EU member states must adhere during transposition, though they can make the obligations more severe if they choose, as will be referenced later in this paper. Companies within the CSDDD’s direct scope will be forced to adhere to the CSDDD in various phases, with the largest companies having to comply by July 26, 2027. By July 26, 2029, all affected companies will have been phased in.<sup>6</sup>

**If left unchecked, the CSDDD will eviscerate U.S. sovereignty, free markets, and individual liberty, replacing those ideals with a new system of global corporatism designed and enforced by elites in Brussels.**

By nature, the CSDDD is a direct assault on U.S. sovereignty and the liberties of American citizens. Yet, it poses significant economic problems as well. The CSDDD requires companies to change large parts of their operations, often in ways that are likely to drive up costs. For example, the CSDDD mandates companies align their practices with the Paris Climate Agreement, curtail water and land consumption, reduce and reverse biodiversity loss, and eventually eliminate their use of fossil fuels, among many other stipulations. All these actions come with substantial economic costs that will be passed on to consumers in the United States, Europe, and around the world, making the CSDDD one of the most economically harmful laws ever passed.

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4 Rachel Chambers and David Birchall, “How European Human Rights Law Will Reshape U.S. Business,” *UC Law Business Journal*, Volume 20, Issue 1, Article 3, January 2024, p. 21, [https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=1253&context=hastings\\_business\\_law\\_journal](https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=1253&context=hastings_business_law_journal)

5 Except as otherwise noted, the remainder of this *Policy Study* references the full text of the Corporate Sustainability Due Diligence Directive, cited as EU CSDDD. The law is organized into three sections: the preamble, which outlines the overarching policy objectives the CSDDD hopes to accomplish (“Preamble” in subsequent citations); the legally binding provisions (“Directive”), and an annex containing supplementary information (“Annex”). See: “Directive (EU) 2024/1760 of the European Parliament and of the council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859,” *Official Journal of the European Union*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024L1760>

6 EU CSDDD, Directive, Article 37.

# The All-Encompassing Scope of the CSDDD

The Corporate Sustainability Due Diligence Directive mandates member states impose ESG rules on companies directly and indirectly. A total of approximately 7,000 companies, including nearly 1,000 based outside the European Union, are estimated to fall under the direct scope of the CSDDD. Indirectly, however, the obligations of the CSDDD are designed to be compulsory for an incalculable number of other companies, because the directive coerces all directly affected companies to enforce CSDDD standards on many of their business partners.

## Direct Scope

The CSDDD is directly applicable to both EU-based companies and companies based outside the European Union. Businesses covered directly by the law include those based in the European Union that have at least 1,000 employees and a net worldwide turnover—similar to a company’s total revenue<sup>7</sup>—of greater than €450 million in the immediately preceding financial year.<sup>8</sup> Though a more precise figure depends on the constantly fluctuating exchange rate, €450 million is roughly equivalent to \$500 million.

Companies based outside of the European Union, such as American businesses, fall within the direct scope of the CSDDD if they generate a net turnover greater than €450 million within the European Union. The net turnover threshold is met under the CSDDD if a company generates



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combined turnover greater than €450 million in any of the EU’s 27 member states. For instance, if Company A generates €100 million in Italy, €150 million in France, and €250 million in Germany, it will be forced to comply with the CSDDD’s obligations.

The CSDDD also applies to subsidiaries. As an example, if Company A generates turnover of €300

<sup>7</sup> According to Investopedia, “overall turnover is a synonym for a company’s total revenues. It is a term that is most commonly used in Europe and Asia.” See: Adam Hayes, “What Is Overall Turnover?” Investopedia.com, January 26, 2023, <https://www.investopedia.com/terms/o/overall-turnover.asp>

<sup>8</sup> EU CSDDD, Directive, Article 2.

million in the European Union and Company B generates turnover of €200 million in the European Union, but both companies are owned by a larger parent, the parent company and all of its subsidiaries will fall within the scope of the CSDDD, regardless of where they are based.

However, it should be noted that some entities are exempt from the CSDDD. The CSDDD explicitly excludes “regulated financial institutions” from having to impose due diligence requirements on their business partners in their “downstream” chain of activities that receive their “services and products,” such as loans and investments.<sup>9</sup> This legal carve-out exempts many powerful financial entities from the obligations of the CSDDD, a clear sign of cronyism.

Overall, the European Commission estimates that approximately 6,000 EU-based companies and 900 companies based outside the European Union will fall under the direct scope of the CSDDD.<sup>10</sup> Many of America’s largest and most influential corporations will likely fall under the direct scope of the CSDDD. For example, publicly available financial data indicate that Amazon, Apple, Cargill, Ford, Google, McDonald’s, Meta, Microsoft, and Sysco Foods will be among the large U.S. corporations forced to comply with the Directive, among myriad others.

While there is currently no official estimate of the number of U.S. companies that will fall under the direct scope of the CSDDD, it is of little consequence in the end. Most U.S. companies, regardless of how much revenue they generate or the jurisdictions in which they conduct business, could ultimately be required to comply with the CSDDD because of its indirect scope.

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## Indirect Scope

The CSDDD’s most consequential provisions mandate that directly covered companies inflict the CSDDD’s obligations on many of their upstream and downstream business partners, referred to as a company’s “chain of activities,” regardless of how small they are or how much turnover they generate in the European Union.<sup>11</sup> The CSDDD effectively forces covered companies to ensure that business partners within their supply and value chains are compliant with the directive’s strictures through contractual assurances. Because of the interconnectedness of the global economic system, the CSDDD will likely apply indirectly to countless thousands of companies located around the world.

The CSDDD stipulates that upstream business includes the “activities of a company’s upstream business partners related to the production of goods or the provision of services by that company, including the design, extraction, sourcing, manufacture, transport, storage and supply of raw materials, products or parts of products and the development of the product or the service.”<sup>12</sup> Affected downstream businesses include “business partners related to the distribution, transport and storage of a product of that company, where the business partners carry out those activities for

<sup>9</sup> EU CSDDD, Preamble, Article 26,

<sup>10</sup> European Commission, “Directive on Corporate Sustainability Due Diligence: Frequently asked questions,” accessed February 22, 2025, [https://commission.europa.eu/document/download/7a3e9980-5fda-4760-8f25-bc5571806033\\_en?filename=240719\\_CSDD\\_FAQ\\_final.pdf](https://commission.europa.eu/document/download/7a3e9980-5fda-4760-8f25-bc5571806033_en?filename=240719_CSDD_FAQ_final.pdf)

<sup>11</sup> EU CSDDD, Directive, Article 3.

<sup>12</sup> EU CSDDD, Directive, Article 3(1)(g)(i).

the company or on behalf of the company.”<sup>13</sup>  
Downstream activity does not include disposal of the product.

As Chambers and Birchall rightfully contend, “this category could be highly expansive, as there are no size limits, and any firm in the value chain would be covered. ... These firms would not be covered directly by the EU Directive, but rather would be pressured to comply by another firm and may lose their business partnership if they do not comply.”<sup>14</sup> Thus, because there is no “end” to this chain of activities, it is possible nearly every company in the western world could ultimately become subservient to the CSDDD.

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Under the CSDDD, penalties for noncompliant covered companies will be issued by individual EU member states and are extremely severe, as will be discussed in later sections of this paper.

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<sup>13</sup> EU CSDDD, Directive, Article 3(1)(g)(ii).

<sup>14</sup> Rachel Chambers and David Birchall, “How European Human Rights Law Will Reshape U.S. Business,” p. 21.



# Policy Goals

The full scope of the CSDDD’s policy goals is too vast to be fully elucidated in this paper. These overarching goals are contained within 99 separate clauses—many of which are extremely lengthy and heavily detailed—in the preamble to the CSDDD, which comprises approximately half the document and serves as a declaration of the law’s intent. As such, this section of the paper attempts to briefly highlight some of the more concerning aspects of the preamble rather than provide an exhaustive list.

## International Agreements

Before examining some of the preamble’s provisions, it is vital to understand that the CSDDD refers to at least 95 other supranational and international agreements, covenants, regulations, directives, and other documents as sources for many of its policy objectives. A comprehensive list can be found at the end of this paper.<sup>15</sup> Some of these agreements include:

- The European Green Deal
- The Paris Climate Agreement
- The Glasgow Climate Pact
- The 1992 Convention on Biological Diversity
- The International Covenant on Economic, Social, and Cultural Rights
- The International Covenant on Civil and Political Rights
- The OECD Due Diligence Guidance for Responsible Business Conduct
- The United Nations Framework Convention on Climate Change
- The United Nations Convention on the Rights of the Child
- The United Nations Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights
- The International Convention on the Elimination of All Forms of Racial Discrimination
- The European Pillar of Social Rights
- The International Labour Organization Equal Remuneration Convention
- The International Labour Organization Discrimination (Employment and Occupation) Convention
- The International Labour Organization Right to Organise and Collective Bargaining Convention
- The Minamata Convention on Mercury of 10 October 2013
- The Stockholm Convention of 22 May 2001 on Persistent Organic Pollutants
- The Rotterdam Convention on the Prior Informed Consent Procedure on Certain Hazardous Chemicals and Pesticides in International Trade



<sup>15</sup> A full list of these accompanying regulations, directives, treaties, and agreements referenced in the CSDDD is provided in Appendix A.

International agreements can be important tools for solving collective action problems, and elements of some of these agreements may indeed be beneficial to humankind. Yet, such agreements have historically relied upon voluntary commitments from authorized representatives of sovereign governments, which are the result of internal deliberations by the leaders of those governments—who have, ideally, been elected to their positions by their citizens through democratic procedures. The CSDDD reverses that process. It creates a top-down, unitary governance model to which all countries must adhere.

By imposing aspects of these 95 agreements on much of the global private sector, the European Union is forcing every country in the world to adopt them, irrespective of whether those countries are a party to them. This is a direct attack on countries' national sovereignty and self-determination, especially for those nations that are not official parties to many of the most prominent international agreements cited by the CSDDD, such as the United States.

The American Bar Association (ABA) explains the problem succinctly:

*[The CSDDD] will cause the rights articulated in a variety of international agreements, all of which until now have been binding only on state parties... to become legally binding obligations enforceable against in-scope [companies] under the laws of all twenty-seven member states of the EU.*

*Those agreements include three international human rights treaties—the International Covenant on Civil and Political Rights (“ICCPR”), the International Covenant on Economic, Social and Cultural Rights (“ICESCR”), and the Convention on the Rights of the Child—eight core/fundamental conventions of the International Labour Organization (ILO), the core climate change*

*mitigation objective of the Paris Agreement, and eleven environmental conventions.*

*The U.S. has signed but not ratified the ICESCR and the Convention on the Rights of the Child, it has only signed two of the eight ILO conventions, and it has signed but not ratified three of the environmental conventions.<sup>16</sup>*

As the ABA implies, under the CSDDD, much of the economic activity within the United States would effectively be regulated by the European Union, all without any American legislative action. That should concern every U.S. citizen, irrespective of one's ideological predilections or support for the CSDDD's policy objectives.

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### Preamble Policy Goals

Like nearly all ESG systems, the CSDDD's goals listed in its preamble are oriented toward climate change mitigation and social justice objectives, many of which are aligned with the U.N. Sustainable Development Goals. In some cases, the CSDDD preamble is specific, but in many cases, provisions are broad and open to interpretation. This was likely a deliberate decision by the drafters of the directive, as broadly defined provisions make it easier for regulatory bodies and member states to evolve rules over time and engage in selective enforcement.

<sup>16</sup> David Lakhdir, “The EU Due Diligence Directive: Implications for U.S. Companies,” American Bar Association, *Business Law Today*, July 2024, [https://www.americanbar.org/groups/business\\_law/resources/business-law-today/2024-july/eu-due-diligence-directive-implications-us-companies/](https://www.americanbar.org/groups/business_law/resources/business-law-today/2024-july/eu-due-diligence-directive-implications-us-companies/)

The preamble is clearest when it comes to its objectives surrounding climate change mitigation. For instance, the CSDDD proclaims, “This Directive is an important legislative tool to ensure corporate transition to a sustainable economy, including to reduce the existential harms and costs of climate change, to ensure alignment with ‘global net zero’ by 2050, to avoid any misleading claims regarding such alignment and to stop greenwashing, disinformation and fossil fuels expansion worldwide in order to achieve international and European climate objectives.”<sup>17</sup>

Because this section of the preamble is focused on combating climate change, some might miss its reference to “disinformation,” but it is exceptionally important. The preamble’s “disinformation” clause could be used by EU member states as a justification for enacting far-reaching controls on free speech, at least when it comes to “European climate objectives.” It is impossible to know precisely what the drafters of the CSDDD mean by “disinformation,” as this is the only reference to the term throughout the entire document. However, considering the European Union has historically been aggressive with its censorship regimes—by American standards—this small provision could lead to widescale restrictions on free speech by the private sector in the United States. This is just one of the many ways the CSDDD moves beyond typical ESG goals.

Concerns over a totalitarian disinformation crackdown aside, the CSDDD also states that the business strategies of companies must be “compatible with the transition to a sustainable economy with the limiting of global warming to 1.5°C in line with the Paris Agreement, and the objective of achieving climate neutrality ... including its intermediate and 2050 climate neutrality targets. The Plan should address, where relevant, the exposure of the company to coal-, oil-, and gas-related activities.”<sup>18</sup>

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More specifically, the CSDDD prohibits “any measurable environmental degradation,” which includes “harmful soil change, water or air pollution, harmful emissions, excessive water consumption, degradation of land, or any other impact on natural resources, such as deforestation,” among many other similar provisions.<sup>19</sup> Much of the CSDDD is focused on climate change mitigation, and more specific provisions surrounding the obligations of companies will be discussed in the next section of this paper.

Social justice efforts are also referenced heavily throughout the preamble. For instance, the CSDDD states, “[T]aking account of specific contexts or intersecting factors, including among others, gender, age, race, ethnicity, class, caste, education, migration status, disability, as well as social and economic status, as part of a gender- and culturally responsive approach to due diligence, companies should pay special attention to any particular adverse impacts on individuals who may be at heightened risk due to marginalisation, vulnerability

<sup>17</sup> EU CSDDD, Preamble, Article 73.

<sup>18</sup> EU CSDDD, Preamble, Article 73.

<sup>19</sup> EU CSDDD, Preamble, Article 32.

or other circumstances, individually or as members of certain groupings or communities.”<sup>20</sup>

While this clause is relatively vague and could be applied broadly, the language contains highly problematic references, particularly “intersecting factors.” This is a fairly blatant reference to the doctrine of intersectionality theory, a core pillar upon which cultural Marxists attempt to create complete societal equity.<sup>21</sup>

There are many other references to climate change and social justice within the CSDDD’s preamble. Yet, as the language surrounding disinformation exemplifies, the CSDDD’s goals transcend typical ESG objectives, covering everything from collective bargaining and fair living standards to health care and education, among other aims.

For instance, the preamble declares that “any non-judicial remediations efforts should be without prejudice to encouraging collective bargaining and recognition of trade unions, and should by no means undermine the role of legitimate trade unions or workers’ representatives in addressing labour-related disputes.”<sup>22</sup> Further, the “annex” to the CSDDD—which outlines the policies of some of the international agreements the directive is based upon—ensconces “the right to freedom of association, of assembly, and the rights to organize and collective bargaining. ... Those rights include the following: workers are free to form or join trade unions; the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation; trade unions are free to operate in line with their constitution and rules, without interference from the authorities; and the right to strike and the right to collective bargaining.”<sup>23</sup>

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Moreover, the CSDDD’s annex provides “The right to enjoy just and favourable conditions of work, including a fair wage and an adequate living wage for employed workers and an adequate living income for self-employed workers and smallholders, which they earn in return for their work and production, a decent living, safe and healthy working conditions and reasonable limitation of working hours, interpreted in line with Articles 7 and 11 of the International Covenant on Economic, Social, and Cultural Rights.”<sup>24</sup>

While references to collective bargaining and fair living standards are often found within the “S” category of ESG metrics, it is important to remember that the CSDDD both mandates a uniform standard and binds affected companies to that standard under threat of severe penalties, which will be discussed more thoroughly later in this paper. Further, much of this language is based on the International Covenant on Economic, Social, and Cultural Rights and other standards promulgated by the International Labour Association, which, as noted earlier, have not been ratified by the United States. In fact, as will be elaborated upon in a later section of this paper, there has already been an example of similar standards being wielded against American society by German courts under a German supply chain law, which is considered by many to be the progenitor of the CSDDD.

<sup>20</sup> EU CSDDD, Preamble, Article 33.

<sup>21</sup> For more information on the links between intersectionality and Marxism, see: Ashley J. Bohrer, “Intersectionality and Marxism: A Critical Historiography,” *Historical Materialism*, Volume 26, Issue 2, July 30, 2018, [https://brill.com/view/journals/hima/26/2/article-p46\\_3.xml](https://brill.com/view/journals/hima/26/2/article-p46_3.xml)

<sup>22</sup> EU CSDDD, Preamble, Article 59.

<sup>23</sup> EU CSDDD, Preamble, Article 13.

<sup>24</sup> EU CSDDD, Annex, Part 1, Article 6.

As for health care, the CSDDD expounds, “This Directive acknowledges the ‘One Health’ approach as recognised by the World Health Organization, an integrated and unifying approach that aims to sustainably balance and optimise the health of people, animals and ecosystems. The ‘One Health’ approach recognises that the health of humans, domestic and wild animals, plants, and the wider environment, including ecosystems, are closely interlinked and interdependent. It is therefore appropriate to provide that environmental due diligence should encompass avoiding environmental degradation that results in adverse health effects such as epidemics, and should respect the right to a clean, healthy and sustainable environment.”<sup>25</sup>

Like many of the provisions of the CSDDD, this clause’s flowery language obfuscates its more concerning elements. Particularly alarming is the casual reference to the World Health Organization’s “One Health” approach. For one, any reference to a globally integrated, unitary approach to health care should be met with a healthy degree of caution. Second, the United States has recently given notice of its withdrawal from the World Health Organization.<sup>26</sup> Based on this language, the CSDDD could potentially coerce most U.S. companies—and all the people working for them—into complying with health care policies governed by an organization to which the United States will soon no longer be a party.

Regarding education, drawing from the language of the Convention on the Rights of the Child, the directive provides children with “the right to education ... the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere

with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral, or social development.”<sup>27</sup>

The language within this provision is highly nebulous, and it is difficult to speculate on the policies that companies could be forced to adopt because of it. However, what is clear is that the European Union believes it has the supreme authority to determine what is harmful to children around the world from a “physical, mental, spiritual, moral, or social perspective,” as opposed to American parents or civil institutions. Moreover, though the United States has not ratified the Convention on the Rights of the Child, the CSDDD would effectively require much of the U.S. business community to be subjected to its provisions.

As these examples from the CSDDD’s preamble clearly illustrate, the directive’s drafters designed the CSDDD to influence or control nearly every aspect of American society. While it is true that the goals ensconced within the CSDDD’s preamble are often vaguely worded, it is important to reemphasize that more specific language can be found in the international covenants referenced throughout the preamble and other sections of the law. Further, EU member states will make many of these guidelines clearer during the CSDDD’s transposition process. Though referenced previously, it is important to reemphasize that the CSDDD requires member states to draft legislation in compliance with the CSDDD’s rules. The CSDDD is a binding law for member states to craft their own laws that will govern the activities of covered companies and their business partners, rather than a law that will be directly imposed upon covered companies.

25 EU CSDDD, Preamble, Article 35.

26 See: WhiteHouse.gov, “Withdrawing the United States from the World Health Organization,” Executive Order, January 20, 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/withdrawing-the-united-states-from-the-worldhealth-organization/>

27 EU CSDDD, Annex, Part I, Article 8.

# Rules and Obligations for Companies

Following the CSDDD's preamble, which contains the legislation's policy goals, the CSDDD mandates the specific, binding obligations for companies. As noted in other sections, these requirements will not be directly enforced by the European Union's executive organs. Instead, the CSDDD binds EU member states to legislate and enforce these rules, which must at minimum comply with the CSDDD's regulatory floor. In addition to provisions surrounding supervision, enforcement, penalties, and other elements—which will be discussed in later sections of this paper—the 39 articles contained within this section of the CSDDD lay out covered companies' obligations to integrate a series of stringent policies into their operational frameworks.

## Obligations

The eight actions that covered companies must undertake to “conduct risk-based human rights and environmental due diligence,”<sup>28</sup> and therefore comply with the CSDDD, are briefly summarized below.

1. **Integrating due diligence into policies and risk management systems:** Companies are required to integrate due diligence (ESG) into all their “relevant policies and risk management systems” and formulate an overarching due diligence policy that applies to the whole business. This policy must contain the rules and principles for due diligence enshrined in a code of conduct for the company, its subsidiaries, and its direct and indirect business partners. It must also contain a description of the specific processes by which the company will integrate and implement due diligence, including measures taken to ensure compliance within the company and amongst the company's partners. This policy must be reviewed and updated at least once every 24 months.<sup>29</sup>
2. **Identifying, assessing, and prioritizing actual or potential adverse impacts:** Companies are required to identify and assess all actual and potential adverse impacts caused by their own operations, the operations of their subsidiaries, and the operations of business partners within their supply and value chains. This analysis includes mapping a company's own activities and those of its subsidiaries and business partners to identify areas where



<sup>28</sup> These eight items are laid out in Article 5 of the Directive, with more detail provided in Articles 6 through 16.

<sup>29</sup> EU CSDDD, Directive, Article 7.

adverse impacts are “most likely to occur and be most severe.” In cases where it is not feasible to “prevent, mitigate, bring to an end, or minimise” all identified adverse impacts, companies must prioritize addressing them based on severity and likelihood.<sup>30</sup>

3. **Preventing, mitigating, and ending adverse impacts:** Companies must implement “action plans” containing timelines and metrics designed to measure effectiveness, create contracts with business partners designed to ensure their partners’ compliance with the CSDDD, invest in infrastructure and production processes, modify their business plans and strategies, financially support other business partners that may not be able to afford compliance with the CSDDD, and/or collaborate with other companies to address potential and actual adverse impacts. If business partners are unwilling or unable to address these impacts, covered companies must suspend and ultimately terminate those relationships or else face the CSDDD’s penalties.<sup>31</sup>
4. **Providing remediation for actual adverse impacts:** Companies are mandated to provide direct remediation in instances where a company has “caused or jointly caused an actual adverse impact.” If adverse impacts are caused solely by a covered company’s business partner, the covered company is encouraged to provide voluntary remediation and to influence its business partner to provide voluntary remediation.<sup>32</sup>
5. **Carrying out meaningful engagement with stakeholders:** Companies are required to consistently engage with “stakeholders”

throughout much of the due diligence process. Stakeholders are defined by the CSDDD as the company’s employees, its subsidiaries’ employees, the employees of its business partners, trade unions and workers’ representatives, consumers, and “other individuals, groupings, communities or entities whose rights or interests are or could be affected,” including national human rights and environmental institutions and civil society organizations.<sup>33</sup> Companies must consult stakeholders at all critical stages of the due diligence process: identifying, assessing, and prioritizing adverse impacts; developing prevention and corrective action plans; suspending and/or terminating business relationships; adopting remediation measures; and developing qualitative and quantitative metrics for monitoring policy compliance and effectiveness.<sup>34</sup>

6. **Establishing and maintaining a notification mechanism and complaints procedure:** Companies must create a system through which they can receive and address concerns of various stakeholders about potential and adverse impacts related to a covered company’s operations, the operations of its subsidiaries, and/or the operations of a company’s business partners. This system must allow for complaints to be submitted by any “natural or legal persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact, and the legitimate representatives of such persons on behalf of them, such as civil society organizations and human rights defenders,” among other entities, such as trade unions and environmental organizations.<sup>35</sup>

30 EU CSDDD, Directive, Articles 8 and 9.

31 EU CSDDD, Directive, Articles 10 and 11.

32 EU CSDDD, Directive, Article 12.

33 The definition of “stakeholders” is provided in Article 3 of the Directive.

34 EU CSDDD, Directive, Article 13.

35 EU CSDDD, Directive, Article 14.

7. **Monitoring the effectiveness of their due diligence policies:** Companies must periodically assess their own operations and the operations of their business partners, based upon quantitative and qualitative due diligence (ESG) metrics. Companies are required to perform such assessments “without undue delay after a significant change occurs, but at least every 12 months and whenever there are reasonable grounds to believe that new risks of the occurrence of those adverse impacts may arise.”<sup>36</sup>
8. **Publicly communicating on their due diligence efforts:** Companies are required to publish annual statements on their websites covering the impact of their due diligence policies. Guidelines surrounding the specific content and criteria these statements must contain will be provided by the European Commission by no later than March 31, 2027.<sup>37</sup>

As the summaries above show, the obligations for companies directly covered by the CSDDD are extensive. However, they are only the tip of the iceberg. As noted in prior sections, the requirements imposed on covered companies under the CSDDD must also be imposed on business partners by the covered companies themselves. Thus, it is important to highlight how the obligations listed above will likely affect the relationship between large companies and their business partners in the coming years.

In many cases, it is highly likely small and medium-sized businesses in a covered company’s chain of activities will be unable to comply with the CSDDD’s requirements. Such mandates will be tremendously burdensome to these companies from a financial and operational perspective, and compliance could threaten their business viability. In those instances, the CSDDD mandates that

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covered companies provide financial support to make compliance possible. The CSDDD demands that covered companies “provide targeted and proportionate support” for their business partners, including by “providing or enabling access to capacity-building, training or upgrading management systems, and, where compliance with the code of conduct or the corrective action plan would jeopardise the viability of the SME, providing targeted and proportionate financial support, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing.”<sup>38</sup>

Additionally, if business partners fail to effectively address their adverse impacts, covered companies must sever those relationships or else pay the CSDDD’s penalties, which are discussed thoroughly in the next section of this paper.

### **Climate Change Mitigation**

On top of these obligations, the CSDDD also coerces companies into adopting a strict climate transition plan, echoing the goals contained within the preamble. This transition plan must ensure covered companies are working toward achieving the goals of the Paris Climate Agreement, including

<sup>36</sup> EU CSDDD, Directive, Article 15.

<sup>37</sup> EU CSDDD, Directive, Article 16.

<sup>38</sup> EU CSDDD, Article 11.



by entering into relevant agreements with business partners. According to the CSDDD, a covered company's business practices and strategic vision must be "compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and the objective of achieving climate neutrality ... including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil-, and gas-related activities."<sup>39</sup>

This plan must contain time-bound climate targets based on "conclusive scientific evidence," and, where appropriate, scope 1, 2, and 3 greenhouse gas emissions targets. Additionally, the plan must identify "decarbonization levers" and describe actions that will be taken to reach emissions targets. Further, companies must provide an "explanation and quantification of the investments and funding supporting the implementation of the transition plan for climate change mitigation."<sup>40</sup>

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Beyond the obligations specifically related to climate change and other environmental issues, there are few references in the CSDDD's primary text as to what, precisely, companies will have to report. The remaining details will largely be determined by EU member states during the transposition process.<sup>41</sup>

<sup>39</sup> EU CSDDD, Directive, Article 22.

<sup>40</sup> EU CSDDD, Directive, Article 22.

<sup>41</sup> It should be noted that other recently passed European Union laws such as the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) may also be used as a reference point for determining specific metrics companies must address. Though important, the CSRD and ESRS are separate laws and less impactful upon the United States in real terms. The CSDDD is focused upon action under threat of penalties, while the CSRD and ESRS are focused on reporting. For more information on the interplay between the CSDDD and these other flagship sustainability laws, see: Covington & Burling, "Covington's CSDDD Deep Dive Series: 3. The Interplay Between Due Diligence and the EU Corporate Sustainability Reporting Directive," December 16, 2024, <https://www.cov.com/en/news-and-insights/insights/2024/12/covingtons-csddd-deep-dive-series-3-the-interplay-between-due-diligence-and-the-eu-corporate-sustainability-reporting-directive-csrd>

# Enforcement and Penalties

## Supervision and Enforcement

The CSDDD requires each EU member state to designate its own national “supervisory authority,” which will be responsible for ensuring covered companies operating within its borders are in compliance with the CSDDD and related national legislation. These authorities must be vested with the power and the resources to gather information from companies and to carry out investigations of companies.<sup>42</sup>

Though each supervisory authority will be responsible for policing companies within its jurisdiction, representatives from each national authority will work together as part of a centralized European Network of Supervisory Authorities (ENSA). ENSA “shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, the sharing of information among them.”<sup>43</sup>

National supervisory authorities can initiate investigations of their own accord or at the urging of third-party stakeholders. The CSDDD stipulates that all EU countries must “ensure that natural and legal persons are entitled to submit substantiated concerns, through easily accessible channels, to any supervisory authority when they have reasons to believe ... that a company is failing to comply with the provisions of national law adopted pursuant to this Directive.”<sup>44</sup>



Under these provisions, any individual, company, non-governmental organization (NGO), or governmental body will be allowed to submit complaints and requests for investigations of companies that have ostensibly created or allowed for an adverse impact. The CSDDD states that after conducting an investigation and finding that a company has acted adversely or allowed such adverse impacts to arise through business partners’ activities, authorities should be empowered to order the company to “cease infringements,” “refrain from any repetition of the relevant conduct,” and “where appropriate, provide remediation proportionate to the infringement.”<sup>45</sup>

As an example, under these provisions of the CSDDD, an environmental NGO based in Berlin could submit to the German supervisory authority a “substantiated concern” about greenhouse gas

42 EU CSDDD, Directive, Article 24.

43 EU CSDDD, Directive, Article 28.

44 EU CSDDD, Directive, Article 26.

45 EU CSDDD, Directive, Article 25.

emissions resulting from the agricultural practices of a farm in Iowa that falls within the supply chain of McDonald's, a covered company under the CSDDD. Upon concluding that this farm has threatened the planet's survival, according to German authorities, the German supervisory body could then impose penalties on McDonald's.

### Pecuniary Penalties and Civil Liability

The CSDDD grants supervisory authorities the power to impose severe penalties upon companies that do not comply with its mandates. It stipulates that these authorities can impose pecuniary penalties based on a company's net worldwide turnover—which, as noted previously, is analogous to a company's revenue. According to the CSDDD, the penalty “shall be not less than 5% of the net worldwide turnover of the company in the financial year preceding that of the decision to impose the fine.”<sup>46</sup> So, for instance, if Company A generates a net worldwide turnover of \$100 billion, it could be assessed a \$5 billion fine for each adverse impact as described in the CSDDD—a staggering amount.

If companies do not pay such pecuniary penalties on time, the CSDDD directs authorities to submit a “public statement indicating the company responsible for the infringement and the nature of the infringement,”<sup>47</sup> which effectively amounts to very high-profile naming-and-shaming that would likely cause significant reputational damage.

As if such penalties were not already severe enough, the CSDDD also creates a mechanism for individuals and activist groups to bring civil causes of action against companies. Under the CSDDD, all EU member states must establish a civil liability

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regime for companies that fail to comply with the CSDDD's mandates, whether the company does so willfully or negligently. Importantly, companies cannot be held liable when damages are caused by partners in their value chains; they can only be held liable for their direct actions. However, if damage is “caused jointly by the company and its subsidiary, direct or indirect business partner, they shall be liable jointly and severally.”<sup>48</sup>

The CSDDD obligates companies to fully compensate injured parties. Examples of injuries that could be incurred include “death, physical or psychological injury, deprivation of personal liberty, loss of human dignity, or damage to a person's property.”<sup>49</sup> Injured parties can authorize “a trade union, non-governmental human rights or environmental organization or other non-governmental organization, and, in accordance with national law, national human rights' institutions based in a Member State to bring actions to enforce the rights of the alleged injured party.”<sup>50</sup> These provisions apply to all covered companies, including American businesses.

46 EU CSDDD, Directive, Article 27.

47 EU CSDDD, Directive, Article 27.

48 EU CSDDD, Directive, Article 29.

49 EU CSDDD, Preamble, Article 79.

50 EU CSDDD, Directive, Article 29.

# Examples of How the CSDDD Works

Hundreds of large U.S. companies—such as Apple, Microsoft, Cargill, Ford, Google, McDonald’s, Meta, Amazon, Sysco Foods, and myriad others—will be forced to comply with the CSDDD’s obligations, in addition to many of those companies’ business partners. Below is a hypothetical example of how the CSDDD could impact one large company, followed by a real-world example that has already occurred under a different European law containing the same thematic elements.



## Hypothetical Example: Sysco Foods

Sysco Foods is the largest food distribution company in the United States, providing food for many restaurants, schools, hospitals, and other businesses. The International Food Group is a subsidiary of Sysco that operates outside of the United States, including in EU countries such as France.<sup>51</sup> In France, Sysco’s 2023 revenue totaled \$1,591,125,000.<sup>52</sup> This annual revenue number is approximately three times the threshold for direct coverage under the CSDDD. As a result of its business activity in France alone, Sysco and all its business partners will likely be forced to comply with the CSDDD. If Sysco does not comply with the CSDDD or fails to accurately account for and address any adverse activities of its business partners, it could be fined nearly \$4 billion for each violation—5 percent of its total 2023 revenue.<sup>53</sup> Further, additional civil lawsuits could be brought against Sysco.

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Sysco has thousands of American suppliers that would be caught up in the CSDDD’s web. According to Sysco’s most recent annual report, its supply network includes “large corporations selling brand name and private label merchandise, as well as independent regional brand and private label processors and packers.”<sup>54</sup> It also includes “specialty and seasonal products from small and

51 Sysco, “International Food Group,” accessed February 28, 2025, <https://www.sysco.com/international-food-group>

52 Sysco, *2023 Annual Report*, p. 84, accessed February 28, 2025, [https://investors.sysco.com/~/\\_media/Files/S/Sysco-IR/documents/annual-reports/Sysco\\_2023-Annual-Report\\_Web.pdf](https://investors.sysco.com/~/_media/Files/S/Sysco-IR/documents/annual-reports/Sysco_2023-Annual-Report_Web.pdf)

53 Sysco, *2023 Annual Report*.

54 Sysco, *2023 Annual Report*.

mid-sized producers to meet a growing demand for locally sourced products ... including produce, meats, cheese and other products.”<sup>55</sup> All of these suppliers, which includes countless American farmers and ranchers, would indirectly be forced to comply with the CSDDD’s regulations.

It does not end there. Many other kinds of companies operate in Sysco’s value chain, such as plastic manufacturers and distributors, transportation companies, logistics companies, third-party warehouses, packing manufacturers and distributors, energy companies, mechanics, tire manufacturers and distributors, various marketing and design consultants, among many others. Not only would each of these businesses have to comply with various aspects of the CSDDD—many of their upstream and downstream business partners would be forced to comply as well.

### Real-World Example

Though U.S. companies are not yet forced to comply with the CSDDD, there is already at least one real-world example that illustrates how the CSDDD could operate.

On January 1, 2023, the German Act on Corporate Due Diligence Obligations in Supply Chains (“German Supply Chain Act”) went into effect.<sup>56</sup> This German law operates in much the same fashion as the CSDDD by forcing German companies and certain large non-German companies—as well as companies in their supply chains—to adhere to ESG due diligence obligations under threat of severe penalties.

**Not only would each of these businesses have to comply with various aspects of the CSDDD—many of their upstream and downstream business partners would be forced to comply as well.**

In April 2024, following the implementation of the German Supply Chain Act, the United Auto Workers of America (UAW) sued Mercedes-Benz, accusing Mercedes-Benz of anti-union activity against U.S. autoworkers in Alabama.<sup>57</sup> Though it is relatively common for unions in the United States to file unfair labor practice charges against companies they wish to unionize, these lawsuits are typically resolved through the U.S. court system. In this instance, however, UAW filed its complaint based upon the newly passed German Supply Chain Act, attempting to have German courts punish Mercedes-Benz for its supposed anti-union activities within Alabama.

As explained by the U.S. Chamber of Commerce, the fines that could be imposed upon Mercedes-Benz “can amount to 8 million euros or 2% of global turnover, which in the case of Mercedes would mean, in the words of the UAW, ‘billions in penalties, including significant fines and bans on government contracts.’”<sup>58</sup> The Chamber of Commerce goes on to say, “Should such penalties be issued, that would mean a lot less money to pay workers or provide benefits or make new job-creating investments.” Ultimately, the UAW is attempting to circumvent U.S. labor laws and Alabama’s right-to-work

55 Sysco, *2023 Annual Report*.

56 Norton Rose Fulbright, “The German Supply Chain Act,” March 2024, <https://www.nortonrosefulbright.com/en/knowledge/publications/ff7c1d04/the-german-supply-chain-act>

57 UAW.org, “UAW Files Charges in Germany Against Mercedes-Benz: Company’s Anti-Union Campaign Against U.S. Autoworkers Violates New German Law on Global Supply Chain Practices,” April 3, 2024, <https://uaw.org/uaw-files-charges-in-germany-against-mercedes-benz-companys-anti-union-campaign-against-u-s-autoworkers-violates-new-german-law-on-global-supply-chain-practices/>

58 Glenn Spencer, “UAW Files Complaint with German Authorities Prior to Alabama Election,” U.S. Chamber of Commerce, April 26, 2024, <https://www.uschamber.com/employment-law/unions/uaw-files-complaint-with-german-authorities-prior-to-alabama-election>

laws<sup>59</sup>—which protect Alabaman workers from being forced to join a union—by appealing to the more pro-union laws of Germany.

This is exactly how the CSDDD could be applied against the United States. Though Mercedes-Benz is a German company, the same tactic could be applied against a U.S. automaker such as Ford, or any other U.S. company covered by the CSDDD. Ford’s European subsidiary is headquartered in Germany, and would almost certainly meet the turnover threshold of the CSDDD. As such, Ford could be sued or fined under the CSDDD for myriad political reasons based purely upon its business operations in the United States, rather than its subsidiary’s activities in the European Union.

In a letter to former Treasury Secretary Janet Yellen in late 2024 discussing the conflict between Mercedes-Benz and UAW written by U.S. Representatives French Hill (R-AR) and Gary Palmer (R-AL), Hill and Palmer correctly explained:

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“Under CSDDD, lawsuits such as the UAW’s will only be the beginning. Other ‘stakeholders’ defined by the Directive, such as non-governmental organizations and political activists, are also expected to seek the European legal system to advance policy goals related to U.S.-based corporate activity, at the expense of American competitiveness.”<sup>60</sup>

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59 National Conference of State Legislatures, “Right-to-Work Resources,” Updated December 19, 2023, <https://www.ncsl.org/labor-and-employment/right-to-work-resources>

60 Letter from congressmen French Hill and Gary Palmer to Janet Yellen, re: Proposed Corporate Sustainability Due Diligence Directive, December 3, 2024, accessed from <https://punchbowl.news/wp-content/uploads/2024-12-03-Letter-to-Treasury-on-CSDDD.pdf>

# Conclusion

It is difficult to overstate the wide-ranging negative impacts the CSDDD will have on the sovereignty and democratic institutions of the United States, the competitiveness of U.S. companies, and the fundamental freedoms of American citizens.

The European Union consists of 27 member states: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.<sup>61</sup> Any U.S. company generating turnover that exceeds €450 million in any of the above countries, or any combination of those countries, falls under the CSDDD, in addition to all U.S. companies owned by EU parent companies that meet the CSDDD's criteria. Further, many of the U.S. companies that fall within the supply and value chains of these larger companies will also be required to comply with many of the CSDDD's rules—with limited exceptions, as noted in previous sections.

Via the CSDDD, the European Union has managed to create a global law that circumvents national sovereignty throughout much of the world, including in the United States and other extremely powerful countries. It effectively imposes left-wing policies and European values on hundreds of millions or even billions of people, without their consent or the consent of their elected representatives.

Further, the CSDDD destroys the entire notion of free markets. The top-down, centralized global economic system the directive engenders will severely restrict companies' ability to respond to the forces of supply and demand, or even common sense. Under the CSDDD, the needs and wants of customers must always take a backseat to the desires of EU officials, a development that will



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surely cause immeasurable amounts of economic harm.

Even worse, as concerning as the CSDDD is at present, EU countries could make the CSDDD's provisions even more severe during the transposition period, because the CSDDD creates a regulatory floor for its member states but has few limitations. As the CSDDD notes, "This Directive shall not preclude Member States from introducing, in their national law, more stringent provisions ...

<sup>61</sup> European-union.europa.eu, "The European Union," accessed July 10, 2024, [https://european-union.europa.eu/easy-read\\_en](https://european-union.europa.eu/easy-read_en)

or provisions that are more specific in terms of the objective or the field covered, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate.”<sup>62</sup>

It remains to be seen whether EU member states will legislate and enforce stronger policies than those outlined in the CSDDD, though this should be tracked closely.

If the CSDDD goes unanswered, the United States will effectively become a vassal state of the European Union and be fundamentally transformed through corporate coercion. The way Americans work, the products and services they can buy, the kinds of cars they can drive, the source of their electricity, their food and agricultural practices, the living standards they enjoy, and countless other aspects of their lives will be altered for the worse by the CSDDD.

Fortunately, there is still time to combat the CSDDD. In fact, the European Union has provided an opportunity that must be seized upon. Based on internal concerns about the European Union’s declining economic competitiveness, the European Commission introduced recommendations in February 2025 to simplify the CSDDD and harmonize it with other related laws.<sup>63</sup> Though the recommendations proposed by the Commission will ultimately have little practical effect upon the dangers posed to the United States, the process requires the legislative bodies of the European Union to congregate, debate, and approve a revised version of the CSDDD.

During this legislative process, the European Parliament and the Council of the European Union could significantly curtail the CSDDD beyond what the Commission proposed—or ideally, eliminate it

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altogether. Though such a scenario is far from likely, recent ideological shifts in European politics make it possible, especially if maximum pressure is applied from the United States.

U.S. policymakers must take advantage of this opportunity and be as aggressive as possible in their attempts to protect Americans from the CSDDD’s pernicious impacts. Some policymakers are already aware of the threat posed by the directive and have taken early steps to raise awareness, particularly in Congress. Rep. French Hill (R-AR)—chairman of the House Financial Services Committee—has been a prominent voice in these efforts, alongside Sen. Bill Hagerty (R-TN) in the upper chamber.<sup>64</sup> Altogether, dozens of senators and congressmen have signaled their opposition,<sup>65</sup> as has recently appointed Secretary of Commerce Howard Lutnick, who declared

<sup>62</sup> EU CSDDD, Directive, Article 4 (2).

<sup>63</sup> For more background on this initiative and its details, see: European Commission, “Questions and answers on simplification omnibus I and II,” February 25, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_25\\_615](https://ec.europa.eu/commission/presscorner/detail/en/qanda_25_615)

<sup>64</sup> For example, see an article co-authored by Rep. Hill and Sen. Hagerty for *The Wall Street Journal* in October 2024: Bill Hagerty and French Hill, “European Regulators Make a Power Grab,” *The Wall Street Journal*, October 15, 2024, <https://www.wsj.com/opinion/european-regulators-make-a-power-grab-and-biden-harris-dont-stop-it-econ-harm-bb50d548>

<sup>65</sup> For example, see the signatories list of a letter sent to former U.S. Treasury Secretary Janet Yellen in September 2024, which lists 26 senators and 40 congressmen: Letter from Congressmen French Hill and Gary Palmer to Janet Yellen, re: Proposed Corporate Sustainability Due Diligence Directive, December 3, 2024, accessed from <https://punchbowl.news/wp-content/uploads/2024-12-03-Letter-to-Treasury-on-CSDDD.pdf>



his intentions to oppose the CSDDD during his confirmation hearings.<sup>66</sup>

If the European Union fails to adequately address the CSDDD, then U.S. policymakers must act of their own accord and resort to more aggressive diplomatic measures. U.S. companies and their business partners must be explicitly excluded from all requirements of the CSDDD. The sovereignty, economic competitiveness, and freedoms of the United States and its citizens are at serious risk. All actions to protect those principles—no matter how aggressive—must be pursued.

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66 Lutnick stated, “The CS3D imposes a significant burden on American corporations. I will consider using all available trade tools at the Department’s disposal, as appropriate, to respond to any actions by foreign governments, including the EU, that harm the American economy and impose unreasonable burdens on our companies.” See: Senate Committee on Commerce, Science, and Transportation, “Republican Questions for the Record: Mr. Howard Lutnick,” January 29, 2025, <https://www.commerce.senate.gov/services/files/716AD67A-D991-4888-8542-299E69ECB48D>

# Appendix A:

## International and Supranational Agreements

The following is a list of the international and supranational agreements, covenants, regulations, directives, and other documents used as guiding authorities for much of the Corporate Sustainability Due Diligence Directive.

### CSDDD: International and Supranational Agreements Cited

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989
Charter of Fundamental Rights of the European Union ('the Charter')
Communication of the Commission of 11 December 2019 on A European Green Deal
Communication of the Commission of 14 January 2020 on a Strong Social Europe for Just Transition
Communication of the Commission of 11 March 2020 on A New Circular Economy Action Plan for a Cleaner and More Competitive Europe (Action Plan on a Circular Economy)
Communication of the Commission of 20 March 2020 on the EU Biodiversity Strategy for 2030: Bringing nature back into our lives (Biodiversity strategy)
Communication of the Commission of 20 March 2020 on A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system (Farm to Fork strategy)
Communication of the Commission of 17 September 2020 on 'Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people' (2030 Climate Target Plan)
Communication of the Commission of 14 October 2020 on the Chemicals Strategy for Sustainability Towards a Toxic-Free Environment (Chemicals strategy)
Communication of the Commission of 18 February 2021 on Trade Policy Review
Communication of the Commission of 24 February 2021 on Forging a Climate-Resilient Europe
Communication of the Commission of 4 March 2021 on the European Pillar of Social Rights Action Plan
Communication of the Commission of 5 May 2021 on Updating the 2020 New Industrial Strategy (Industry 5.0)
Communication of the Commission of 12 May 2021 on the EU Action Plan Towards Zero Pollution for Air, Water and Soil
Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention)
Convention on Biological Diversity (1992)
Convention on Biological Diversity of 12 October 2014
Convention Concerning the Protection of the World Cultural and Natural Heritage of 16 November 1972
Convention on the Elimination of All Forms of Discrimination Against Women
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) of 3 March 1973
Convention on the Rights of Persons with Disabilities
Convention on Wetlands of International Importance especially as Waterfowl Habitat of 2 February 1971
Council Directive 2001/86/EC

Decision (EU) 2022/591 of the European Parliament and of the Council
Directive 2002/14/EC of the European Parliament and of the Council
Directive 2004/35/EC of the European Parliament and of the Council
Directive 2009/38/EC of the European Parliament and of the Council
Directive 2009/65/EC of the European Parliament and of the Council
Directive 2011/36/EU of the European Parliament and of the Council
Directive 2011/61/EU of the European Parliament and of the Council
Directive 2012/29/EU of the European Parliament and of the Council
Directive 2013/34/EU of the European Parliament and of the Council
Directive 2014/23/EU of the European Parliament and of the Council
Directive 2014/24/EU of the European Parliament and of the Council
Directive 2014/25/EU of the European Parliament and of the Council
Directive 2014/95/EU of the European Parliament and of the Council
Directive (EU) 2016/943 of the European Parliament and of the Council
Directive (EU) 2017/828 of the European Parliament and of the Council
Directive (EU) 2019/1937 of the European Parliament and of the Council
Directive (EU) 2020/1828 of the European Parliament and of the Council
Directive (EU) 2024/1619 of the European Parliament and of the Council
European Pillar of Social Rights
Geneva Conventions of 1949
Glasgow Climate Pact
Interinstitutional Agreement of 13 April 2016 on Better Law-Making
International Convention on the Elimination of All Forms of Racial Discrimination
International Convention for the Prevention of Pollution from Ships of 2 November 1973
International Covenant on Civil and Political Rights
International Covenant on Economic, Social and Cultural Rights
International Labour Organization Abolition of Forced Labour Convention
International Labour Organization Core Labour Standards
International Labour Organization Declaration on Fundamental Principles and Rights at Work
International Labour Organization Discrimination (Employment and Occupation) Convention
International Labour Organization Equal Remuneration Convention
International Labour Organization Forced Labour Convention
International Labour Organization Freedom of Association and Protection of the Right to Organise Convention
International Labour Organization Minimum Age Convention
International Labour Organization Right to Organise and Collective Bargaining Convention
International Labour Organization Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

International Labour Organization Worst Forms of Child Labour Convention
Joint communication of the Commission on the EU Action Plan on Human Rights and Democracy 2020-2024
Minimata Convention on Mercury of 10 October 2013
OECD Due Diligence Guidance for Responsible Business Conduct
Paris Agreement
Protocol of 1978 (MARPOL 73/78)
Regulation (EC) No 1606/2002 of the European Parliament and of the Council
Regulation (EC) No 1013/2006 of the European Parliament and of the Council
Regulation (EU) 2016/679 of the European Parliament and of the Council
Regulation (EU) 2017/821 of the European Parliament and of the Council
Regulation (EU) 2017/852 of the European Parliament and of the Council
Regulation (EU) 2019/125 of the European Parliament and of the Council
Regulation (EU) 2019/1021 of the European Parliament and of the Council
Regulation (EU) 2019/2088 of the European Parliament and of the Council
Regulation (EU) 2020/852 of the European Parliament and of the Council
Regulation (EU) 2021/821 of the European Parliament and of the Council
Regulation (EU) 2021/1119 of the European Parliament and of the Council
Regulation (EU) 2023/1115 of the European Parliament and of the Council
Regulation (EU) 2023/1542 of the European Parliament and of the Council
Regulation (EU) 2023/2859 of the European Parliament and of the Council
Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) of 10 September 1998
Stockholm Convention of 22 May 2001 on Persistent Organic Pollutants (POPs Convention)
Treaty on European Union
Treaty on the Functioning of the European Union
United Nations Convention against Corruption
United Nations Convention on the Law of the Sea of 10 December 1982
United Nations Convention on the Rights of the Child
United Nations Development Program's 'Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts. A Guide'
United Nations Declaration on Human Rights Defenders
United Nations Declaration on the Rights of Indigenous Peoples
United Nations Framework Convention on Climate Change
United Nations Guiding Principles on Business and Human Rights
United Nations Guiding Principles Reporting Framework
United Nations Sustainable Development Goals
Universal Declaration of Human Rights
Vienna Convention for the protection of the Ozone Layer





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