



Council of the  
European Union

Brussels, 2 February 2024  
(OR. en)

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**Interinstitutional File:**  
**2022/0051(COD)**

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**5893/24**  
**ADD 1**

**LIMITE**

**DRS 9**  
**SUSTDEV 12**  
**COMPET 91**  
**CODEC 184**

**NOTE**

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From: General Secretariat of the Council

To: Permanent Representatives Committee

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Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937

- *Analysis of the final compromise text with a view to agreement*
- Joint statement of the European Parliament and the Council

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Delegations will find hereafter the joint statement linked to the Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937, as agreed between the European Parliament and the Council.

**Joint Statement of the European Parliament and the Council**

1. The European Parliament and the Council emphasise that financial undertakings, as companies in other economic sectors, should contribute to protecting human rights and the environment, which are core values of the Union.
2. They recall that, following the release of the first sustainable finance action plan on 8 March 2018, a number of measures has been adopted to steer financial flows towards sustainable activities. However, this Directive does not set specific legal requirements for financial undertakings as regards how to address the many potential and actual human rights or environmental adverse impacts that occur in the downstream part of their activities which encompasses both clients and investee companies.
3. Therefore, the European Parliament and the Council agree there is a necessity to develop legal requirements laying down appropriate sustainability due diligence requirements for regulated financial undertakings as regards the activities of their clients, investees and business partners, as well as, as appropriate, liability rules, in order for them to contribute to sustainable development and to the transition to a sustainable economy, by identifying, preventing and mitigating adverse human rights and environmental impacts. A legislative proposal for these requirements should be based on the report to be submitted by the Commission in accordance with Article 29(1) of Directive [insert number of CSDD Directive].
4. The European Parliament and the Council request the Commission to inform the European Parliament and the Council on the follow-up given to this Joint Statement by 1 June 2025.