ECIA Industry Alert: August 17, 2026 - Modified CSDDD, Directive (EU) 2026/470

INDUSTRY ALERT

The **CSDDD (Corporate Sustainability Due Diligence Directive)** is a major EU law that requires large companies to identify, prevent, mitigate, and address human rights and environmental harms in their operations, subsidiaries, and supply chains. The original CSDDD was significantly modified by the EU's **Omnibus Simplification Package (Directive (EU) 2026/470)**.

What Changed:

1. Which companies are covered
2. Compliance Timelines
3. Some Due Diligence Requirements
4. Penalty Provisions
5. Climate Transition Plan Requirements

Under the 2026 amendments, the scope is much narrower and generally focuses on:

- EU companies with more than 5,000 employees and €1.5 billion+ turnover
- Non-EU companies generating more than €1.5 billion revenue in the EU

Compliance Deadlines Were Delayed:

- EU member states now have until **26 July 2028** to incorporate the directive into national law.
- Companies must comply by **26 July 2029**.

Key Points of Interest:

- Many electronics manufacturers could still be affected, but far fewer companies are covered than under the original version(s).
- This is not a product compliance law, instead it is a company-level governance and supply chain due diligence law. However, products can trigger scrutiny if their supply chains involve: Conflict minerals, Child labor, Forced labor, Illegal logging, Deforestation, Environmental destruction, Unsafe manufacturing practices.

- CSDDD is essentially a mandatory supply chain due diligence law for the largest companies operating in the EU and is designed to make companies responsible for identifying and managing human rights and environmental risks throughout their value chains.
- Although the scope was significantly narrowed by the 2026 Omnibus amendments, the directive will still influence thousands of suppliers globally because large, covered companies will push compliance expectations deeper into their supply chains.
- For the Electronics industry, the biggest practical implications are likely to be in supply chain transparency, responsible sourcing of minerals and materials, supplier monitoring, and documentation of labor and environmental practices.
- For smaller companies, even if not directly covered in this Directive, they still may be affected.
- Large companies subject to CSDDD will likely demand information from suppliers regarding: Human rights practices, Environmental controls, Supplier codes of conduct, Audits, Traceability data, Corrective action plans

Data Sources: [The-Adhere…y-2026.pdf] and EUR-Lex - 02024L1760-20260318 - EN - EUR-Lex