

Civil society statement on the proposed EU CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE

We, the undersigned civil society organisations and trade unions, welcome the European Commission's legislative proposal for a directive on Corporate Sustainability Due Diligence. We believe that this is an essential and long-awaited step toward corporate accountability, responsible business conduct and access to justice.

However, it is now urgent to address significant flaws that risk preventing the directive from achieving the positive impact that people, planet and climate urgently need, and that EU citizens, workers and communities affected by corporate abuses worldwide have vocally and publicly demanded.

Therefore, we call upon the European Parliament and EU Member States to improve the proposal where it is lacking, in a gender-responsive manner, whilst building on its key positive elements. This is necessary in order to ensure that the law will effectively prevent corporate harm to human rights, the environment and climate; as well as ensure that victims of corporate abuse have access to effective remedies. We have outlined below our collective views on how to achieve these improvements:

We urge the co-legislators to introduce an effective and robust obligation to prevent and end adverse human rights and environmental impacts **across the entire value chain, in a risk-based and proportionate manner**. Regrettably, the proposed Directive limits the due diligence obligation to "established business relationships", which falls behind international standards and risks generating perverse incentives for companies to restructure their value chains in order to avoid their due diligence obligation.

Furthermore, the **definitions of adverse human rights and environmental impacts must be broadened to cover all human rights and environmental impacts**. In any event, the corresponding annex would need to be more inclusive in order to integrate all the relevant international instruments and should be updated on a regular basis in order to allow for their further development.



The co-legislators must also **strengthen provisions on civil liability and access to justice**. In court, the burden of proof must be on the company, to prove whether it acted appropriately or not. This burden must not be on the claimant who has limited resources and little access to evidence. Companies must also remain liable even when they have sought to verify compliance through industry schemes and third-party audits. Other well-known barriers to justice typical of transnational cases must also be lifted, including the lack of claimants' access to key information, unreasonable time limitations, and obstacles to collective redress. Independent non-profit organisations with a legitimate interest in representing victims must also be granted the right to act on their behalf.

Another burning issue is the complete absence of climate due diligence. Co-legislators must meet the climate emergency with an immediate duty for companies to address climate change risks and impacts in their value chains. Companies must also have concrete obligations to develop and implement an effective transition plan in line with the Paris Agreement, including absolute emission reduction targets for the short, medium and long-term. These obligations must be enforceable through action from public authorities, as well as civil liability.

Whereas international standards apply to all companies, the Commission's proposal directly excludes approximately 99% of EU companies. The European Parliament and EU Member states must **bring SMEs within the scope** of the proposed Directive. We also consider it unwarranted and unjustifiable for the financial sector to have reduced due diligence obligations and for companies in high-risk sectors to limit their identification process only to the most severe harms. **In line with the risk-based approach, we call for all companies to be fully covered by this law.**

Furthermore, the proposed directive should grant the perspective of stakeholders the role and weight it deserves and should mandate meaningful consultation with stakeholders informing all stages of due diligence. The due diligence obligation must be strengthened to **include meaningful and ongoing engagement, including mandatory and proactive consultation with workers, trade unions, local community members and other relevant or affected stakeholders**. This engagement must take into consideration the barriers that specific vulnerable groups face. In light of that, the omission of a gender and intersectionality perspective throughout the proposal is another key concern which we share.

Related to this, **the lack of specific references to human rights and environmental defenders is of grave concern.** The proposal fails to offer protection to all human rights and environmental defenders across the world, and only proposes to protect EU-based workers from the risk of retaliation. Protection for people and communities from retaliation and adverse consequences should be strengthened. The rights of Indigenous Peoples to self-determination and for Free, Prior and Informed Consent must also be expressly included and



recognised in the directive.

In all instances where it is necessary to cease a business relationship or business activities, the directive **must mandate responsible disengagement** by clarifying that companies remain responsible for un-remediated impacts as well as addressing new and additional impacts arising from the disengagement.

Essential value chain transparency and disclosure requirements are also missing in the proposal. We believe that the directive **must require companies to map their value chain and business relationships and publish the relevant information.**

Worryingly, the proposed directive gives considerable weight to codes of conduct, contractual clauses, third party audits and industry initiatives, which have proven to be insufficient means to identify and address human rights violations and environmental damage. **Such means cannot be considered as proof that companies engage in effective and meaningful due diligence.** It is also clear that companies' own purchasing practices generate serious adverse human rights and environmental risks and impacts, therefore **companies must be explicitly required to address the risks and adverse impacts of their own purchasing practices.**

Finally, the proposal should **further clarify the directors' duty of care and the responsibility to provide oversight of the due diligence process, including transition plans and sustainability targets.** Company boards should have a clear obligation to integrate sustainability risks and impacts into the company's strategy, whilst variable remuneration of directors needs to be strengthened and directly linked to the sustainability performance of companies, particularly on climate.

We are putting forward the above changes in order to ensure that the European Union does not legally mandate a mere tick-box exercise and consolidate a broken system that allows ongoing systematic corporate harm to people, the planet and climate. It is now crucial that co-legislators improve the directive in line with these recommendations.

Co-legislators must implement these changes urgently. We cannot afford to wait until the end of the decade until these provisions become reality, as human rights, environmental and climate harm continues to unfold across the globe.

List of signatory organisations

International organisations

ActionAid
Action on Smoking and Health
Amnesty International



Anti-Slavery International
 Asia Floor Wage Alliance (AFWA)
 Business & Human Rights Resource Centre (BHRRCC)
 CARE International
 CIDSE
 Clean Clothes Campaign
 ClientEarth
 Economy for the Common Good
 Projet Accompagnement Québec-Guatemala (PAQG)
 Fair Finance International
 Fairtrade International
 Fair Trade Advocacy Office
 Front Line Defenders
 Global Witness
 Human Rights Watch
 International Corporate Accountability Roundtable (ICAR)
 International Dalit Solidarity Network
 International Federation for Human Rights (FIDH)
 INSP!R (International Network on Social Protection Rights)
 International Service for Human Rights
 OMCT – World Organisation Against Torture
 Open Society Foundations
 Our Food. Our Future
 Oxfam
 Peace Brigades International (PBI)
 PICUM – Platform for International Cooperation on Undocumented Migrants
 Protection International
 Publish What You Pay
 Rainforest Alliance
 Solidaridad
 SOMO (Centre for Research on Multinational Enterprises)
 Transport & Environment
 United Evangelical Mission
 We Effect
 WeWorld
 Women's International League for Peace and Freedom
 WWF

Regional networks

Advocates for Community Alternatives
 African Resources Watch (AFREWATCH)
 Avocats Sans Frontières (ASF)
 Climate Action Network (CAN) Europe
 Coordinadora Latinoamericana y del Caribe de Pequeños/as Productores/as y
 Trabajadores/as de Comercio Justo (CLAC)
 Environmental Justice Foundation (EJF)
 EU-LAT Network
 European Center for Constitutional Human Rights (ECCHR)
 European Coalition for Corporate Justice (ECCJ)
 European Environmental Bureau
 European Federation of Public services Unions (EPSU)
 European Trade Union Confederation
 Friends of the Earth Europe
 International Network for Human Economy Asia
 INSP!R Asia
 Red europea de Comités Oscar Romero
 ShareAction
 World Fair Trade Organization - Europe

National networks and organisations

11.11.11 - Belgium



Acción Ecológica - Ecuador
 ActionAid France - France
 ACV-CSC - Belgium
 Alboan Fundazioa - Spain
 Al Haq – Palestine
 ALSEAN – Burma
 AK EUROPA - Austria
 Akota Garment Workers Federation – Bangladesh
 Amis de la Terre France (Friends of the Earth France) - France
 Amnesty International Polska – Poland
 Arisa - Netherlands
 Asociația Mai bine - Romania
 Asociación por la Paz y los Derechos Humanos Taula per Mèxic - Spain
 Asociación Pro Derechos Humanos de España (APDHE) - Spain
 Association for Human Rights and Civic Participation PaRiter - Croatia
 Association for Sustainable Development INKINGI - Uganda
 Association marocaine des droits humains (AMDH) - Morocco
 Association of Rural Education and Development Service (AREDS) - India
 Bangladesh Center for Workers Solidarity – Bangladesh
 Bangladesh Garment and Industrial Workers Federation (BGIWF) - Bangladesh
 Bangladesh Independent Garment Workers Union – Bangladesh
 Bangladesh Revolutionary Garment Workers Federation – Bangladesh
 Belgian Alliance for a Smoke-Free Society – Belgium
 Broederlijk Delen – Belgium
 Brot für die Welt - Germany
 Cambodian Alliance of Trade Unions (CATU) - Cambodia
 Campagna Abiti Puliti - Italy
 Canadian Network on Corporate Accountability (CNCA) - Canada
 Catholic Agency for Overseas Development (CAFOD) - UK
 CCFD-Terre Solidaire - France
 Center for Alliance of Labor and Human Rights (Central) - Cambodia
 Center for Education, Counselling and Research (CESI) - Croatia
 Centre for Labour Rights – Albania
 Center for the Politics of Emancipation – Serbia
 Centre d'Aide Juridico-Judiciaire CAJJ - Democratic Republic of the Congo
 Centre for Peace Studies (CMS) - Croatia
 Centre for Research on Multinational Corporations (SOMO) - Netherlands
 Centre National de Coopération au développement (CNCD-11.11.11) - Belgium
 Centro de Políticas Públicas y Derechos Humanos - Peru EQUIDAD – Peru
 China Labour Bulletin (CLB) - China
 Christliche Initiative Romero e.V. (CIR) - Germany
 Civil Rights Defenders – Sweden
 Coalition of Cambodian Apparel Workers' Democratic Union – Cambodia
 Collectif Ethique sur l'étiquette - France
 Conectas Direitos Humanos – Brazil
 Coordinadora Estatal de Comercio Justo (Fair Trade Spanish Platform) - Spain
 CorA Netzwerk für Unternehmensverantwortung - Germany
 Corporate Justice Coalition – UK
 Covenants Watch – Taiwan
 Cambodian Labour Confederation (CLC) - Cambodia
 De Transformisten - Belgium
 Entraide et Fraternité - Belgium
 Entrepueblos, Entrepobles, Entrepobos, Herriarte – Spain
 Estonian Green Movement – Friends of the Earth Estonia – Estonia
 Equo Garantito - Assemblea Generale Italiana del Commercio Equo e Solidale - Italy
 Facing Finance – Germany
 Fair – Italy
 Fair Action - Sweden
 Fairtrade Sweden - Sweden
 Fastenaktion / Swiss Catholic Lenten Fund – Switzerland
 FEDINA – India
 FEMNET - Germany
 Finnish League for Human Rights - Finland
 Finnish Development NGOs FINGO - Finland
 Finnwatch – Finland
 FOCSIV - Italy
 Focus Association for Sustainable Development – Slovenia
 Forests of the World - Denmark
 FOS – Belgium
 Frank Bold – Czech Republic
 Fundación Libera - Chile
 Fundacja Dajemy Dzieciom Się – Poland
 Fundacja Frank Bold - Poland
 Fundacja Kupuj Odpowiedzialnie – Poland
 Fundacja La Strada - Poland
 Gender Alliance for Development Centre – Albania
 Germanwatch – Germany
 GLOBAL 2000 – Friends of the Earth Austria - Austria
 Gonoshasthaya Kendra (GK) - Bangladesh
 Green Liberty - Latvia
 HEKS – Switzerland
 Home Based Women Workers Federation – Pakistan
 HRM “Bir Duino-Kyrgyzstan” – Kyrgyzstan
 Human Rights International Corner - Italy
 Human Rights in China (HRIC) - China
 IUCN National Committee of the Netherlands - Netherlands
 Impresa2030. Diamoci una regolata - Italy
 Independent Trade Union of workers of Croatia (Nezavisni sindikat radnika Hrvatske, NSRH) - Croatia
 Initiative Lieferkettengesetz – Germany
 Initiative pour un devoir de vigilance - Luxembourg
 INKOTA-netzwerk – Germany
 Institute for Mission, Ecumenism and Global Responsibility (MÖWe) Protestant Church of Westphalia - Germany
 Internationale Liga für Menschenrechte – Germany
 Irish Coalition for Business and Human Rights – Ireland
 Justiça Global – Brazil
 Justice et Paix – Belgium

Kalikasan People's Network for the Environment (Kalikasan PNE) - Philippines
 Karnataka Garment Workers Union (KOOGU) - India
 Labour Behind the Label - UK
 Labour Action - Denmark
 Les Amis de la Terre - Belgium
 Ligue Burundaise des droits de l'homme Iteka - Burundi
 Ligue des droits de l'Homme (LDH) - France
 MADPET - Malaysians Against Death Penalty and Torture - Malaysia
 Magyar Természettudósok Szövetsége - Friends of the Earth Hungary - Hungary
 Mani Tese - Italy
 Manos Unidas - Spain
 Manushya Foundation - Thailand
 Maquila Solidarity Network - Canada
 National Garment Workers Federation - Bangladesh
 MISEREOR - Germany
 MVO Platform - Netherlands
 National Garment Workers Federation (NGWF) - Bangladesh
 National Trade Union Federation - Pakistan
 Naturefriends - Greece
 NaZemi - Czechia
 NeSoVe - Austria
 NOAH Friends of the Earth Denmark - Denmark
 Notre Affaire à Tous - Belgium
 Novi sindikat (New Trade Union) - Croatia
 Observatorio Ciudadano - Chile
 OKUP - Bangladesh
 Organisation Marocaine Des Droits Humains (OMDH) - Morocco
 People in Need - Czech Republic
 Plataforma por Empresas Responsables (PER) - Spain
 Polskie Stowarzyszenie Sprawiedliwego Handlu - Poland
 Polski Instytut Praw Człowieka i Biznesu - Poland
 PowerShift e.V. - Germany
 Pro Ethical Trade - Finland
 Public Eye - Switzerland
 Quê Me: Vietnam Committee on Human Rights - Vietnam
 Regional Industrial Trade Union (Regionalni industrijski sindikat, RIS) - Croatia
 Red de Entidades para el Desarrollo Solidario (REDES) - Spain
 Regional Watch for Human Rights (RWHR) - Liberia
 Regroupement pour la Responsabilité Sociale des Entreprises - Canada
 Resource Matters - Belgium
 Rights and Accountability in Development (RAID) - UK
 Schone Kleren Campagne - Netherlands
 Setem - Spain
 Sherpa - France
 Society of Women in Action for Total Empowerment (SWATE) - India
 Solidair met Guatemala - Belgium
 Solsoc - Belgium
 Südwind - Austria
 Swedish Society for Nature Conservation (SSNC) - Sweden
 Swedwatch - Sweden
 Swiss Coalition for Corporate Justice (SCCJ) - Switzerland
 SWISSAID - Switzerland
 Syrian Center for Media and Freedom of expression (SCM) - Syria
 Temiz Giysi Kampanyası - Turkey
 Terre des Hommes Schweiz - Switzerland
 Tudatos Vásárlók Egyesülete - Hungary
 Turkmen.News - Turkmenistan
 The All Indonesia Trade Union Confederation (AITU-KSBSI) - Indonesia
 The KIOS Foundation - Finland
 Trócaire - Ireland
 Umanotera, The Slovenian Foundation for Sustainable Development - Slovenia
 Unión Sindical de Trabajadores de Guatemala - UNSITRAGUA - Guatemala
 vzbv - Verbraucherzentrale Bundesverband - Germany
 ver.di, vereinte Dienstleistungsgewerkschaft - Germany
 Viva Salud - Belgium
 Vredesactie - Belgium
 WH4C - Workers Hub For Change - Malaysia
 We Social Movements (WSM) - Belgium
 Workers Rights Watch - Kenya
 World Economy, Ecology and Development (WEED) - Germany
 Yokohama Action Research - Japan
 Zentrum für Mission und Ökumene - Nordkirche weltweit - Germany