

# 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