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 (BHRRC)
CARE International
CIDSE
Clean Clothes Campaign
ClientEarth
Economy for the Common Good
Projet Accompagnement Québec-Guatemala (PAQG)
Fair Finance International
Fair Trade 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)
INSPIR (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
INSPIR 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
Broderlijk Delen – Belgium
Brot für die Welt - Germany
Cambodian Alliance of Trade Unions (CATU) - Cambodia
Campanha 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
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 Siłę - 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 Menschenerziehung – 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 Természetvédelmek 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 |
| NOAA 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 |
| Qué 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 |
| vzvb – 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 |