

## Subject: EU Corporate Sustainability Due Diligence Directive

Tuesday, 12 December 2023

Dear Sir or Madame,

The <u>European Network of National Human Rights Institutions</u> (ENNHRI) calls on the colegislators to support the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD) in upcoming political negotiations. ENNHRI brings together over 40 National Human Rights Institutions (NHRIs) to enhance the promotion and protection of human rights in Europe. NHRIs are state-mandated bodies, independent of government, with a broad constitutional or legal mandate to promote and protect human rights at the national level. In ENNHRI's view, the CSDD Directive is a critical step to safeguarding and protecting human rights in global value chains.

As outlined in the Commission's proposal, human rights and environmental impacts within the business context persist, underscoring the pressing need for a comprehensive regulatory framework. The proposed legislation plays a pivotal role in requiring companies to systematically identify and address potential human rights and environmental impacts throughout their value chains. Furthermore, the legislation will help to ensure that those affected can assert legal claims if inadequate human rights management on the part of companies leads to harm. By establishing rules and accountability measures, the EU can set standards that prioritize the protection of human rights and the environment.

The national laws in France and Germany have been a crucial instrument to addressing human rights violations and ensuring legal certainty for both companies and rightsholders. Notably, diverse stakeholders, including companies, civil society organizations, and legal experts, have rallied in support of this legislation. A coherent approach at the European Union level is imperative, as a fragmented legislative landscape with varying national regulations would only compound the challenges for rightsholders seeking redress and add unnecessary complexity for companies striving to comply with diverse and disparate requirements. A European level approach would streamline expectations and enhance the effectiveness of corporate due diligence, fostering a responsible business environment across member states.

The fundamental principles set out in the UN Guiding Principles on Business and Human Rights (UNGPs) remain a critical touchstone for regulatory measures on corporate due

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diligence. In line with <u>previous statements</u> by ENNHRI on the CSDDD, ENNHRI therefore highlights the need for legislation in order to comply with the UNGPs to include:

- **Risk-based** due diligence obligations, that cover the upstream and downstream part of the value chain
- Requirements to remediate harm occurred and strong civil liability mechanisms with access to justice regulations for rightsholders
- Meaningful rightsholder and stakeholder engagement in the due diligence process
- Due diligence obligations applied to financial institutions
- Broad inclusion of international human rights and environmental instruments.

We remain available for further discussion.

The European Network of National Human Rights Institutions





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