

Dear Honorable Commissioner Ms. Jutta Urpilainen

## **RE: An ambitious proposal for an EU directive on Corporate Due Diligence**

We write to you on behalf of 19 Finnish civil society organisations and trade unions concerning the European Commission's long-awaited forthcoming proposal for an EU directive on Corporate Due Diligence, in the framework of the Sustainable Corporate Governance initiative.

This legislative initiative has raised considerable expectations from civil society across Europe and the world, as the damaging influence of private corporations on human rights and the environment in global value chains has grown – and continues to grow – tremendously.

We have waited more than ten years since the 2011 passage of the United Nations Guiding Principles on Business & Human Rights to get to this point of government action. Action has been long-delayed and the response **must now be meaningful**.

In its legislative report, [Corporate Due Diligence & Corporate Accountability](#),<sup>1</sup> our directly-elected representatives in the European Parliament have already declared – by strong cross-party majority – that a strong proposal is essential. [All major parties have since reiterated this demand for an ambitious directive to the European Commission](#).<sup>2</sup>

We, the undersigned civil society organisations and trade unions, strongly agree with such demands and urge the Commission to maintain a level of ambition necessary to secure human rights and environmental protection and access to justice for victims. **In particular, the proposal for a directive on Corporate Due Diligence must:**

- Require that due diligence obligations cover the **entire value chain** since the vast majority of human rights abuses occur at the 'end' of global value chains. Here we would like to recall that in the context of the UN Guiding Principles on Business and Human Rights, the complexity of due diligence varies with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations.
- Establish consequences for non-compliant companies and **ensure access to judicial remedy** for victims, including when businesses fail to take action to identify, prevent and mitigate human rights abuses and environmental harms.<sup>3</sup>
- **Include a robust definition of 'environmental' due diligence and the harms** that such due diligence seeks to prevent, covering climate change prevention and mitigation measures.
- **Require due diligence obligations from all companies, including financial institutions**, in a proportionate manner.

1 [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0073\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0073_EN.html)

2 <https://responsiblebusinessconduct.eu/wp/2021/06/23/ep-groups-presidents-letter-to-president-von-der-leyen-on-sustainable-corporate-governance>

3 In particular, the directive must clarify that its provisions shall be considered overriding mandatory; provide for collective redress and representative actions by civil society organisations and trade unions; establish a reasonable and appropriate statute of limitations; ensure a fair distribution of the burden of proof; and help remove the financial barriers victims face in cases of business-related human rights litigation.

Over [half a million citizens](#) have directly demanded these elements from the Commission during its consultation; views also shared by the overwhelming majority of EU citizens as shown by [recent polling](#). A significant number of [European businesses](#)<sup>4</sup> are also calling for an ambitious proposal with the above elements, as are [global investors](#).<sup>5</sup>

**We respectfully urge you as European Commissioner to help bring Europe a legislative proposal that can effectively enforce corporate respect for human rights and the environment in global value chains and ensure victims have access to judicial remedy when corporate abuse occurs.**

15th November 2021, Helsinki, Finland



4 <https://www.business-humanrights.org/en/latest-news/list-of-large-businesses-associations-investors-with-public-statements-endorsements-in-support-of-mandatory-due-diligence-regulation>

5 <https://investorsforhumanrights.org/sites/default/files/attachments/2021-10/Investor%20Statement%20mHREDD%20FINAL%206%20October%202021.pdf>