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# Greens/EFA welcomes COM proposal holding companies accountable for human rights and environmental violations

Today, the European Commission published the so-called "Just and sustainable economy" package, which includes the Corporate Sustainability Due Diligence Directive (CSDD) and a Communication on Decent Work in the World. The proposal on Corporate Sustainable Governance is something the Greens/EFA group have long been pushing for and it represents an important tool to stop human rights and environmental violations being carried out throughout corporate supply chains. The Greens/EFA group welcomes the Commission's proposal.

**Heidi Hautala MEP,** Vice-President of the European Parliament and member of the Legal Affairs committee, comments:

"The Corporate Sustainability Due Diligence proposal is a landmark step towards implementing the United Nations Guiding Principles on Business and Human Rights. It is a victory that all major companies operating within the EU will be obliged to ensure respect for human rights and the environment in their global value chains. By adopting this legislation, the EU will be at the forefront in advancing ambitious global standards for responsible business conduct.

"The proposal encompasses the whole value chain and includes clear liability provisions, which sends a strong signal to the global market that the EU wants to see a substantive and lasting change. This is also something we have pushed for.

"Due diligence needs to bring about concrete changes on the ground by improving people's lives, respect of human and labour rights and stopping the destruction of the environment, not just on paper. Passing contractual obligations down the value chain is simply not enough. Companies cannot be allowed to shirk liabilities for human rights violations or environmental damage with legal tricks and innovative lawyering. I welcome the idea that the Commission provides guidance and expertise on best due diligence practices, but model contract clauses are a step in the wrong direction.

"In her State of the European Union address, Ursula von der Leyen promised to put forward a concrete proposal on the Forced Labour Ban. Such a ban is a necessary tool that would complement the due diligence legislation. What we see in today's communication on Decent Work in the World is regrettably very vague. We are impatiently waiting for a separate legislative instrument to be presented before the end of the year, as promised."

#### More:

The long-awaited proposal for a new Corporate Sustainability Due Diligence Directive (CSDD) will require companies to take steps to identify, assess and address human rights and environmental risks in its supply chains and operations. It incorporates due diligence requirements developed and adopted by the EU and all EU Member States in 2011 via the UN Guiding Principles on Business and Human Rights. The proposal comes out together with a Commission Communication on Decent Work in the World.

The European Parliament Working Group on Responsible Business Conduct chaired by MEP Heidi Hautala will organise a public webinar on the 2nd of March between 2 to 4.30 pm to present the Corporate Sustainability Due Diligence proposal with Commissioner Didier Reynders, and to discuss the contents with a wide range of stakeholders. Registration

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# Responsible MEPs



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