

Per e-mail to

Commissioner Dr. Johannes Hahn

cab-hahn-contact@ec.europa.eu

Vienna, the 19th of November 2021

Subject: An ambitious proposal for an EU directive on Corporate Due Diligence

Dear Honorable Commissioner Hahn!

We write to you on behalf of the Treaty Alliance Austria¹ and other organisations 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](#),² our directly-elected representatives in the European Parliament have already declared – by strong cross-party majority – that a strong proposal is essential.

¹ The Treaty Alliance Austria is an association of organisations committed to the creation of binding rules for corporate responsibility to respect human rights and the environment. Members of the Treaty Alliance Austria are NGOs, the Austrian Trade Union Federation and the Chamber of Labour. In our current campaign "[Menschenrechte brauchen Gesetze](#)" („Human rights need legislation"), the Treaty Alliance Austria is calling for a due diligence law in Austria and in the European Union. At the same time, we demand support for the UN-Binding Treaty on Business and Human Rights.

² https://www.europarl.europa.eu/doceo/document/TA-9-2021-0073_EN.html

[All major parties have since reiterated this demand for an ambitious directive to the European Commission.](#)³

We, the undersigned NGOs and workers representatives', 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 in a risk-based and proportionate manner; the vast majority of human rights abuses occurring at the 'end' of global value chains.
- Provide for civil liability for human rights and environmental harms, and improved access to justice for victims;⁴ as this is the only way to ensure that victims are guaranteed remediation for their harm suffered.
- Include a robust definition of 'environmental' due diligence, covering climate change prevention and mitigation measures.
- Require due diligence obligations from all companies, including financial institutions, in a proportionate manner.

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](#)⁵ are also calling for an ambitious proposal with the above elements, as are [global investors](#).⁶

³ <https://responsiblebusinessconduct.eu/wp/2021/06/23/ep-groups-presidents-letter-to-president-von-der-leyen-on-sustainable-corporate-governance>

⁴ 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.

⁵ <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>

⁶ [https://investorsforhumanrights.org/sites/default/files/attachments/2021-10/Investor Statement mHREDD FINAL 6 October 2021.pdf](https://investorsforhumanrights.org/sites/default/files/attachments/2021-10/Investor%20Statement%20mHREDD%20FINAL%206%20October%202021.pdf)

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.

Yours sincerely
Bettina Rosenberger
Coordinator of the Treaty Alliance Austria

