

Support for EU framework on mandatory human rights and environmental due diligence

We, the undersigned companies, business associations, and initiatives, welcome the announcement by the European Commissioner for Justice, Didier Reynders, that the European Commission will launch a legislative initiative on mandatory human rights and environmental due diligence.

The COVID-19 crisis is demonstrating the fragility of global supply chains, and the vulnerabilities this creates and exacerbates for workers, communities and businesses around the world. As we recover and rebuild, we recognise the need for new binding standards which benefit all and promote sustainability. Mandatory human rights and environmental due diligence is key to ensure that efforts by companies that respect people and the planet, both during and post COVID-19 recovery, are not undercut by the lack of a uniform standard of conduct applying to all business actors.

Some companies already take steps to implement their due diligence processes in line with the corporate responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, or sectoral standards. However, more companies need to take commitments and work to assess, act and report on their potential and actual impacts on human rights and the environment. Legislation introducing an obligation to conduct due diligence as defined by the UNGPs and covering all business actors is critical to bring all companies to the same standard and build on and scale progress to date.

Mandatory human rights and environmental due diligence legislation has already been introduced, or is under discussion, in a number of EU member states and other countries around the world and has gained [substantive public support by businesses](#). Mandatory legislation can contribute to a competitive level-playing field, increase legal certainty about the standards expected from companies to respect human rights and the environment, clarify legal consequences for when responsibilities are not met, promote engagement and impactful actions between supply chain partners and, above all, trigger and incentivise impactful and effective actions on the ground. EU-wide cross-sectoral legislation, reflecting national developments and with clear accountability, should harmonise these expectations towards companies, ultimately enhancing outcomes for people and the planet.

We therefore welcome the European Union and its member states' efforts to introduce new mandatory human rights and environmental due diligence legislation, as an integral part of the move to build back a more resilient economy that works for all. This issue should figure highly on Germany's EU Presidency agenda, paving the way for the European Commission to swiftly introduce an ambitious legislative proposal in 2021. As companies, business associations, and initiatives, we stand ready to support this leadership through open dialogue with EU policymakers, NGOs, trade unions, governments and local communities.

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