

Brussels, 1st June 2023

CIDSE PRESS RELEASE

CSDDD EUROPEAN PARLIAMENT TEXT IS CRUCIAL MILESTONE TOWARDS CORPORATE ACCOUNTABILITY AND JUSTICE

<u>CIDSE</u>, the international family of Catholic social justice welcomes the European Parliament's report on the Corporate Sustainability Due Diligence Directive (CSDDD).

"Today's vote represents another milestone on the path to corporate accountability and justice, ahead of the trilogue negotiations" according to Josianne Gauthier, CIDSE Secretary General. "The Parliament's text is not perfect but includes a strong human rights and environmental due diligence duty and crucial access to justice and civil liability provisions that will prove essential for women, Indigenous Peoples, peasants and workers all over the world who are living the devastating impacts of irresponsible business activities", she added.

CIDSE has been working with the larger Catholic family for a text that centres human dignity and the protection of our Common Home. According to Josianne Gauthier, "this text is a crucial step in building an economy of solidarity and care for each other. Economic activities cannot ignore the dignity of the human person and the need to care for Creation, and the pursuit of profit cannot trump the cry of the poor. We welcome today's vote, and we encourage EU lawmakers to preserve its spirit throughout the upcoming trilogue".

The text approved by the Parliament will compel large companies headquartered and operating in the EU to conduct human rights and environmental due diligence throughout their value chains, in consultation with affected stakeholders and communities. It also includes important civil liability provisions and lifts significant barriers to justice for those seeking redress for corporate harm.

Yet, according to Lieve Herijgers, Director of <u>Broederlijk Delen</u>, CIDSE's member organisation in Belgium, there is room for improvement. "The timing for the implementation of the legislation, which will take a full seven years to enter into force, seems detached from the urgent reality many of our partners on the ground are living every day, some of which have been waiting for justice for years." Indeed, the text will enter into force for large companies first and will gradually cover all the companies in scope only. "We hope the co-legislators will address the issue during the upcoming negotiations."

Despite the text gathering a majority in today's vote, the adoption of the report was an uphill battle, with many opposing amendments being tabled by centre-right MEPs. "Some of these amendments were tabled by Members with close ties to businesses directly impacted by the future law" highlighted Giuseppe Cioffo, Corporate Regulation Officer at CIDSE. "This gives a worrying signal to EU citizens, who expect their representatives to work for them and not for private interests", Cioffo added.

"Today's vote was a positive signal that business as usual is no longer an option. This text is an unprecedented move towards a world in which companies are held accountable for their impact" said Sylvie Bukhari de Pontual, President of <u>CCFD-Terre Solidaire</u>, CIDSE French member organisation, "notwithstanding, important access to justice provisions, like the reversal of the burden of proof for victims and parent company liability, did not survive the parliamentary discussion" she added. "We hope, this shortcoming will be addressed in the trilogue."

The report is currently being revised by the Parliaments' office in order to be the object of negotiations together with the Council of EU's General Approach and the Commission draft proposal. The inter-institutional negotiations are expected to start before the summer, with a final version of the directive to be consolidated by the end of the year.

NOTE TO THE EDITORS:

<u>CIDSE</u> is an international family of Catholic social justice organisations. We work with global partners and allies to promote justice, harnessing the power of global solidarity to achieve transformational change for people and the planet. We challenge systemic injustice and its destructive impacts through connecting, mobilising, influencing and telling stories of change. We promote environmentally and socially just alternatives to allow everyone to thrive in our common home. CIDSE's work is guided by Catholic Social Teaching and Gospel values.

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