

23 September 2023

Globalisation must not lead to prosperity for the few, but must create justice for all. Motivated by a deep yearning for a just and sustainable world, inspired by our shared Christian faith and the comprehensive experiences of our Christian development organisations, IXE - Initiative of Christians for Europe - issued this statement.

The sectors are numerous, the examples countless: Labour rights are disregarded in many textile factories, even ten years after the collapse of the Rana Plaza building in Savar, Bangladesh, the deadliest disaster in the history of the garment industry. Several mining projects cut off the water of the local population. Often cattle graze on illegally deforested rainforest areas. In the post-pandemic era, in a time of wars and conflicts where poverty is on the rise, in the worsening climate and biodiversity crisis, we need urgently fair and ecological trade. Many products that are part of everyday life in Europe contain violations on human rights and environmental integrity. In addition to individual behaviour justice needs a binding legal framework. Therefore, several member states of the European Union have passed national due diligence laws. The Commission presented its proposal for a European Directive in February 2022. In the institutional dialogue initiated in June 2023, there is the opportunity to achieve a European paradigm shift regarding trade relations. It is the chance to uphold human dignity, protect human rights and the environment consistently along value chains by means of a strong EU legislation that makes an important contribution to responsible globalisation. A legal framework obliging companies to respect human rights and environmental standards abroad is an instrument to reduce global inequality, prevent causes of flight and contain the ecological crisis.

Therefore, as a supranational European network, IXE calls on the European Parliament, the Council of the European Union and the European Commission for an ambitious directive modelled on the United Nations Guiding Principles on Business and Human Rights. Our call, in line with the Sustainable Development Goals (SDGs) and with several principles of the Catholic Social Teaching, human dignity, the option for the poor and sustainability, joins that of many EU citizens, companies, investors and international organisations such as the OECD¹, OHCHR², ILO³.

From our point of view, the following milestones are crucial for the dialogue negotiations:

1. **Address human rights violations:** The directive must tackle violations against human rights as well as The International Labour Organisation's Fundamental Conventions (ILO) and the free, prior and informed consent (FPIC) which is of high importance especially for indigenous people. Vulnerable groups, especially women, children and migrant workers, need the protection of the directive.
2. **Address environmental impacts:** In the climate and biodiversity crisis, caring for Creation must be at the heart of all corporate activities. European companies have contributed significantly to climate change. Therefore, the legal framework must cover a wider range of environmental risks and impacts in order to address the many negative environmental impacts of corporate activities. Companies must be required to draw up ambitious and verifiable climate protection plans with concrete reduction targets and timetables. We need sanctionable requirements on climate targets to avoid greenwashing.

¹ OECD = Organisation for Economic Co-operation and Development.

² OHCHR = Office of the High Commissioner for Human Rights.

³ ILO = International Labour Organization.

3. **Cover the entire value chain and include the financial sector:** Many violations of environmental protection and human rights occur at the beginning of the value chain. We advocate a risk-based approach. A company's due diligence process must apply to its business partners and cover general areas of significant risk across their operations. In order to close loopholes, the directive must address the entire value chain, including upstream and downstream risks and impacts, of companies with 250 employees, as well as small and medium-sized enterprises (SMEs) in risk sectors subject to appropriate thresholds.⁴ It is of paramount importance to address the financial sector due to its role in financing devastating global economic activities. At the same time, the financial sector is an important lever to mobilise investment for sustainable development as well as divestment for change. We oppose attempts to exclude the financial sector from the directive and we support the position of the Parliament and the Commission in this regard.
4. **Extensive and feasible reporting requirements:** The legal framework must include a detailed reporting and documentation obligation in order to achieve more transparency and traceability. The larger the company and the riskier the sector, the more strict and extensive the requirements of the directive must be.
5. **Ensure legal access for victims:** Provisions on civil liability and access to justice are not strong enough in the proposal of the European Commission. Those affected must be able to sue in courts in EU member states. We urge both institutions, the Council as well as the Parliament which has the most ambitious negotiating mandate, to improve the corresponding paragraphs. When companies cause or contribute to damages, it should not be the sole responsibility of victims to provide evidence. Courts should be able to order a defendant company to disclose additional evidence where necessary to fully prove a claim. The directive should address the practical hurdles faced by victims seeking justice, namely, for example, inadequate access to important information, statutes of limitations, and obstacles to accessing collective action. Full stakeholder participation in the implementation of the directive and the protection of vulnerable groups are crucial for the effectiveness.

We call on the policy-makers in the three EU institutions to build an effective and enforceable EU due diligence directive. To say it with the words of Pope Francis: "Their biggest concern should not be about a drop in the polls, but about finding effective solutions to the phenomenon of social and economic exclusion".⁵

Josian Caproens, BELGIUM, Interdiocesan Pastoral Council (IPB) / European Forum of National Laity Committees (ELF)

Raphael de Araújo Bittner, GERMANY, Zentralkomitee der deutschen Katholiken

Isabelle de Gaulmyn, FRANCE, Semaines Sociales de France

Dr Stefan Eschbach, GERMANY, Zentralkomitee der deutschen Katholiken

Dr Fr Roman Fihás, UKRAINE, Institute of Ecumenical Studies, Lviv

Claudia Gawrich, GERMANY, Zentralkomitee der deutschen Katholiken

Janko Korošec, SLOVENIA, Socialna akademija

Norbert Kreuzkamp, GERMANY, Acli Deutschland

Fr Benoît Willemas, BELGIUM, Jesuit European Social Centre

Mary McHugh, UNITED KINGDOM, National Board of Catholic Women of England and Wales & RENATE (Religious in Europe Network Against Trafficking and Exploitation)

Petr Mucha, CZECH REPUBLIC, Czech Christian Academy

Théo Péporté, LUXEMBOURG, Journées sociales de Luxembourg ASBL

Neven Šimac, CROATIA, Centre d'études et de documentation européennes R. Schuman

Sabine Slawik, GERMANY, ANDANTE. European Alliance of Catholic Women Associations

Marie Louise van Wijk-van de Ven, NETHERLANDS, Network of Catholic Women in the Netherlands

Benoit Willemas, sj, BELGIUM, Jesuit European Social Centre

Henryk Woźniakowski, POLAND, Znak Christian Culture Foundation

The Initiative of Christians for Europe (IXE) is an association of lay organizations and committed Christians from different European countries. General concern of IXE is to incorporate a more vivid awareness of a united Europe in the national debates. The initiative aims at fostering the encounter of Christians in Europe and to promote the Social Doctrine of the Church in order to achieve a better mutual knowledge and understanding of historical and cultural differences. Read more on <https://christiansforeurope.com/>.

⁴ The Directive should identify textiles, agriculture, raw materials, finance, construction, transport and audit firms as high-risk sectors.

⁵ Encyclical letter 'Fratelli tutti', paragraph 188.