

# HOW DO WE IMPROVE THE EU CORPORATE SUSTAINABILITY DUE DILIGENCE LAW?



Key areas to Maintain:	Key areas to Improve:
<b>From voluntary to mandatory:</b> the proposed Directive marks a major shift away from purely voluntary approaches which seek to 'encourage' responsible corporate behaviour to binding human rights and environmental obligations	<b>Applies to very few businesses:</b> 99% of businesses would be excluded from these new EU rules, including the vast majority of Irish companies
<b>Responsibility for activities overseas:</b> the Directive will enshrine a responsibility for companies to do due diligence and check for harms not just in their own activities, but also along their value chains. This is a crucial step.	<b>Dangerous loopholes:</b> However, companies may be able to avoid being held accountable by including 'get out' clauses in contracts with suppliers, effectively shifting the burden down the supply chain and evading responsibility. Also, only 'established business relationships' will be covered, leaving out short-term and informal suppliers.
<b>Civil liability:</b> victims of human rights violations will be able to take cases against companies in European courts and seek compensation where harm occurs.	<b>Access to justice:</b> the significant barriers to communities being practically able to take complex and expensive cases against EU companies remain unaddressed, and the remedies foreseen are limited.
<b>People and planet:</b> the Directive covers both human rights and the environment, recognising the link between the two, and introduces mandatory climate transition plans for some companies.	<b>Climate ambition:</b> the Directive's climate provisions are weak, with vague standards and limited enforcement. Greenhouse gas emissions are not included in the list of environmental harms to be assessed by companies.
	<b>Putting people first:</b> The Directive is weak on meaningful engagement with impacted communities, trade unions and protection of human rights defenders.  Furthermore, the draft law doesn't address specific challenges faced by marginalised groups, particularly women and indigenous people. Victims and rights-holders need stronger recognition in the text.
	<b>Conflict contexts:</b> The Directive doesn't outline specific responsibilities for businesses operating in or sourcing from conflict situations or occupied territories, which require a higher duty of care. Companies should be required to undertake conflict-sensitive due diligence checks.