

Her Excellency Signe Fenja Burgstaller Embassy of Sweden Mercury Court, 377 Dalhousie Street, Suite 305 Ottawa, Canada K1N 9N8

February 27, 2024

Dear Ambassador Burgstaller,

I am writing on behalf of the <u>41 member organizations</u> of the Canadian Network on Corporate Accountability (CNCA) to express our profound concern over the future of the E.U.'s Corporate Sustainability Due Diligence Directive (CSDDD).

The CNCA's membership represents the voices of millions of Canadians from diverse sectors, including the labour movement, solidarity organizations and faith-based, international development and responsible investment groups. We are connected with civil society organizations, corporate accountability experts, business leaders and decision-makers in every corner of the world.

We appreciate the advances that have taken place at the European Union towards meaningful implementation of the <u>state duty to protect</u> people from human rights abuses linked to business activities. For too long the negative impacts of transnational business have fallen into gaps in the international legal system. This lack of enforceable rules has allowed serious, widespread harms to people and the planet. Vulnerable, marginalized groups have paid the highest price.

Citizens around the world are demanding change, insisting that a rules-based economic order where businesses respect human rights and the environment is not only possible but urgently required. Increasingly, businesses and decision-makers are joining the call to put people and the planet first.

Once implemented, the CSDDD would be a significant step towards that rules-based order. As demonstrated in the appendix to this letter, the ground-breaking directive has received remarkable levels of support from the public, businesses, faith-based groups and academics in the E.U., as well as in other jurisdictions including Canada, and from international institutions like the OECD, ILO and OHCHR.

Governments around the world are recognizing that voluntary measures do not work and that legislation is required. The E.U. is not alone in advancing strong corporate accountability measures. Several European Union member states have laws in place, and there are advanced law proposals in Australia, Brazil, Canada, Japan, Mexico, South Korea, the United Kingdom and the United States. Developments at the E.U. will surely influence the outcome of these proposals, as well as the outcome of the Canadian government's commitment to introduce due diligence supply chain legislation.

We expect that the Government of Sweden appreciates the importance of the CSDDD for human rights and environmental protection around the world, its potential to set a crucial precedent for business and human rights everywhere, and the negative avalanche that could result in other jurisdictions if the CSDDD fails to move forward after years of careful negotiation.

We urge you to stand up for human rights and the environment and to join the other advanced economies that understand that meaningful measures to address corporate abuse are essential to long-term prosperity and sustainability for all.

Respectfully,

Emily Dwyer

Policy Director, Canadian Network on Corporate Accountability

cnca-rcrce.ca

APPENDIX

PART 1: Support for the CSDDD

Momentous public support

- More than 500,000 citizens and civil society groups from across the E.U. and around the
 world responded to the E.U. Commission's CSDDD consultation and demanded an ambitious law
 to protect human rights, the environment and climate from corporate abuse (source).
- Polling in nine E.U. countries shows that **85% of citizens** are in favour of rules to hold corporations responsible for their adverse human rights and environmental impacts (source).
- Over 100,000 E.U. citizens signed a petition calling for an ambitious E.U. CSDD (source).

Support from international bodies

- Since 2011 there has been international consensus that companies must respect human rights and the environment throughout their global value chains, a consensus that has been continuously promoted by the OECD, ILO and UN (source).
- The UN Working Group on Business and Human Rights has called on all Member States to support the CSDDD, as has the UN Office of the High Commissioner for Human Rights (source, source).

Support from business

- A selection of small, medium and large German companies, including **Bayer and ALDI**, have called for the passage of the trilogue deal in COREPER (source).
- Thirty major Nordic businesses have called on their governments to pass the CSDDD (source).
- A selection of 20 business and 11 major industry associations, including the Responsible Business Alliance, AMFORI and AIM, representing thousands of E.U. companies, called for immediate adoption of the CSDDD (source, source).
- The **European Brands Association**, representing 2,500 companies through national brands associations and direct members like Unilever, Coca Cola or Heineken, called on E.U. member states to support the CSDDD (source).
- The **Ethical Trading Initiative** representing companies with a combined turnover of £166 billion together with member unions and NGOs is calling for the CSDDD to be adopted (<u>source</u>).
- A recent article by the German investigative journal *Spiegel* shows that 51% of interviewed companies expect "rather positive" long-term financial impacts from the CSDDD, with 20% expecting "very positive" impacts (source).
- Major overseas minerals suppliers to the E.U. are strongly calling for passage of the CSDDD in order to ensure sustainability of supply (source).

• Investor groups such as the **Institutional Investors Group of Climate Change** welcomed the Trilogue result (source).

Support from faith-based groups

- In 2020, more than 230 Catholic Bishops called for an E.U. mandatory human rights and environmental due diligence law (source).
- This call was reiterated on Feb 13, 2024 by **CIDSE and COMECE** E.U. and global Catholic networks (source, source).

Support from academics and practitioners

- Over **300** business and human rights practitioners, lawyers and academics joined the call to support the CSDDD, urging E.U. governments to understand the significance of the moment and act collectively to secure the CSDDD in the February 9, 2024 vote (source).
- Over 70 academic researchers on business responsibility from German universities signed a letter refuting arguments made in Minister Lindner and Buschmann's letter to Member States (source).

Support from trade unions

UNI Global Union is calling on governments to support adoption of the CSDDD (source).

PART TWO: Support for a mandatory human rights and environmental due diligence law in Canada

- In 2023, the CNCA submitted a petition with 43, 000 signatures to the Parliament of Canada calling for the adoption of a mandatory human rights and environmental due diligence law (source).
- In 2022, **over 100 academics** and legal experts called on the Prime Minister of Canada to adopt a mandatory human rights and environmental due diligence law (<u>source</u>).
- In 2021, **150** groups representing affected people in **32** countries endorsed the CNCA's model legislation for mandatory human rights and environmental due diligence (source).
- In 2021, **50 Canadian civil society organizations** called on Canada to adopt mandatory human rights and environmental due diligence law (<u>source</u>).