



UGANDA CONSORTIUM ON
CORPORATE ACCOUNTABILITY
U C C A

STATEMENT ON EUROPEAN UNION'S CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE

Introduction

On February 28th 2024, the Committee of the Permanent Representatives of the Governments of the Member States to the European Union (COREPER) failed to endorse the final compromise text on the Corporate Sustainability Due Diligence Directive (CS3D). We express our disappointment because this setback has far-reaching implications for global corporate responsibility and accountability. The proposed CS3D aims to enhance the sustainable and responsible behavior of companies across their supply chains. However, the failure to reach a compromise by the COREPER risks robbing us of a future where business is required by law to play their part in addressing the urgent human rights and environmental challenges we face globally.

What is at Stake?

The failure of the COREPER to endorse the final compromise text on the Corporate Sustainability Due Diligence Directive (CS3D) derails the adoption of the much-needed law to address corporate violations in supply chains. It sets back and undermines the efforts made towards the development of this directive. Without the CS3D, some companies will ignore their responsibility to identify, prevent, mitigate, and account for negative human rights and environmental impacts in their operations, including their supply chains.

This jeopardizes the growing calls and concerns for increased corporate accountability, human rights protection in supply chains, mitigation of negative impacts by corporations, and transparency and risk reduction. As such, if the present impasse continues, this will not only endanger the realization of these critical benefits but will also curtail meaningful progress toward a more sustainable business environment.

Way Forward

We therefore call upon the EU Council to quickly overcome this impasse and vote to adopt this much-needed law. This will go a long way in ensuring corporate accountability and sustainable business conduct. The benefits of this directive extend far beyond the European Union, impacting workers, communities, and business ecosystems worldwide. We cannot afford to miss out on the ripple effect of the CS3D in the Global South.