**6th session of the Open-ended Inter-Governmental Working Group on transnational corporations**

**and other business enterprises with respect to human rights**

**Oral Statement**

Dear chairperson, I am speaking on behalf of the Treaty Alliance Germany, which represents 28 civil society organisations. As a network committed to the promotion of human rights and environmental standards in global business, we are in Europe at a very crucial time.

The German government is debating the concrete form and substance of a supply chain due diligence law to be passed in this legislative term. And the EU commission has announced that it will present a proposal at the beginning of 2021 on how corporate due diligence obligations can be anchored at EU level.

The key points of the legislation discussed are very similar to the current draft of the Legally Binding Instrument. For instance, it is envisaged that companies should exercise **human rights and environmental due diligence** in accordance with international standards. That the breach of obligations should lead to **proportionate sanctions**. And that the **access to justice** for those affected must be improved.

For this reason, we see the Treaty process as **the opportunity** to establish regulations on corporate responsibility as an international standard and to encourage states worldwide to increase their efforts to prevent serious human rights violations and environmental deconstruction by economic actors.

We therefore regret that the German government and the EU commission are still not engaging actively in this process that was initiated by states of the global south and to which these states already dedicated considerable resources. This is particularly regrettable because concerns of the EU were taken into account and the draft has again gained in stringency, especially regarding the scope of application and the alignment with the UNGPs.

German legal experts at a recent consultation organised by the German Institute for Human Rights also supported this. To them the current draft is “ready for negotiation”.

We very much support this view and see only a need for minor changes to improve the prevention of harm that can all be implemented as part of this process – with the necessary political commitment even within this round of negotiations.

In our opinion, it is essential for an effective prevention of harm to people and the environment that state parties require business enterprises under their jurisdiction to:

* due diligence processes, fully in line with the international standard of the UNGPs, according to which companies must also have in place **complaint mechanisms**, since these are an important tool for companies to find out about grievances and for those affected to obtain reparation.
* and to comprehensive environmental due diligence, since this corresponds to the current trend due to the recognition that environmental and human rights risks are intertwined and should be addressed with the same effort. In this context it would also be imported to define the environmental standards covered.

Most important is however that states, especially those of the EU that have huge economic influence and should have a particular interest in this process due to the opportunity to create a *“level playing field”* finally recognise the importance of this process and dedicate the necessary commitment and recourses to it to ensure its successful continuation.

Thank you chair!