



## Ensuring harmonisation and consistency across due diligence frameworks

As industry associations / responsible business initiatives, we stand behind the EU's objective to ensure respect for human rights and the environment through an EU-harmonised regulatory approach to due diligence. Due diligence policies need to be well-designed and proportionate in order to foster the creation of a *level-playing field*, which is vital to drive collective standards and avoid EU internal market fragmentation.

The proliferation of due diligence policies, legal frameworks and regulations at sector, Member State, EU, and international levels risks diverting resources towards compliance, instead of promoting collective action to address negative human rights and environmental impacts. The EU can play a leading global role by requiring the same responsibility standards to access European markets (within limits of international trade regulations) for businesses domiciled within or outside Europe.

We call for:

- Full harmonisation and consistency of EU due diligence requirements in sectoral and cross-sectoral policies and legal frameworks, in terms of scope, standards and enforcement modalities<sup>i</sup> to ensure respect of *better regulation principles*.<sup>ii</sup>
- Alignment of EU policies and legal frameworks with existing international standards on responsible business conduct<sup>iii</sup> to achieve global harmonisation.
- Consistent and integrated reporting requirements between relevant legal frameworks at EU and Member State level.
- The European Commission to facilitate engagement between enforcement agencies at Member State level by (for example) establishing an EU-level expert group, to ensure coherent national enforcement.

Failing to ensure consistency and harmonisation between different policies and frameworks will jeopardise the objectives of the Green Deal and undermine the following benefits:

- A level-playing field and legal certainty across sectors and supply chains for responsible business conduct and due diligence.
- Boosting Europe's and its businesses' competitiveness.
- Paving the way for sustainable investment in the private sector.
- Encouraging and enabling constructive stakeholder involvement.

- Ensuring progress on the implementation of the UN 2030 Agenda for Sustainable Development.

We stress our commitment and openness to find an effective EU approach and remain at the disposal of the Commission services to offer additional insights and expertise.

*16<sup>th</sup> December 2021*

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<sup>i</sup> Including EU Responsible Sourcing of Minerals Regulation, EU Timber Regulation, EU Batteries Regulation, EU Deforestation Due Diligence Regulation, EU Corporate Sustainability Reporting Directive and EU Textile Strategy, consumer information symbols & labelling and EPR schemes

<sup>ii</sup> As an example, we recommend closer alignment between Services responsible for the EU Batteries Regulation, EU cross-sectoral mandatory due diligence legislation, revision of the EU Responsible Sourcing of Minerals Regulation, EU CSRD proposal, EU Sustainable Products Initiative and EU Textile Strategy.

<sup>iii</sup> Including UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct.