



Dear Member of the European Parliament:

The European Trade Union Confederation (ETUC) represents 45 million working people in the European Union (EU) and the AFL-CIO represents nearly 15 million working people in the United States. Together, we write in support of the EU's Corporate Sustainability Due Diligence Directive (CSDDD) and in opposition to recent "omnibus" proposals that would undermine the directive by significantly reducing its effectiveness as a tool for ensuring respect for human rights around the world.

In 2024, the EU passed the CSDDD to level the playing field for large, multinational businesses operating in the EU by requiring them to conduct human rights due diligence to identify, assess, prevent and mitigate risks to human rights, including fundamental labour rights, as well as to provide access to a meaningful remedy. The proposals to remove the civil liability requirement and reduce the due diligence requirements of the current directive would substantially undermine the law's intended outcome of preventing unscrupulous companies from undercutting those that abide by the UN Guiding Principles on Business and Human Rights and conduct robust due diligence plans and remedies.

We also are deeply troubled by last month's <u>joint statement</u> on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade, which included commitments to very negative changes in the CSDDD with regard to civil liability and imposition of the directive requirements on the U.S. companies.

The CSDDD also was intended to help ensure that companies conduct the due diligence necessary to avoid forced labour-made goods in their supply chains, per the new EU Forced Labour Regulation. That regulation will, when it enters into force, prohibit the commercialization of goods made from forced labour in the European market, whether that forced labour occurred inside or outside the EU. With forced labour on the rise globally, including in the private sector, due diligence conducted by companies operating in the EU would be necessary for proper implementation of the EU Forced Labour Regulation.

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Undermining CSDDD through the omnibus proposals would be a gift to bad actors who gain unfair advantage by ignoring international standards, including fundamental labour rights, in their supply chains. Weakening the impact and effectiveness of the directive would leave high-road companies to compete with companies abroad that engage in social and environmental dumping.

Sincerely,

Elizabeth H. Shuler

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President, AFL-CIO

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General Secretary, ETUC