

Treaty Alliance Germany: General Statement

Thank you very much Mr. Chairman!

I am speaking on behalf of the **Treaty Alliance Germany**, Brot für die Welt, Global Policy Forum, MISEREOR and Südwind.

We **congratulate** the Chair for the clarifications in the Third Draft of the LBI, such as:

- The clarification that all core human rights treaties and ILO conventions are covered in the **scope** of the LBI;
- The explicit reference to the **right to a safe, clean, healthy and sustainable environment**;
- The modified provisions on prevention and legal liability not only covering the activities, but also **business relationships** of companies;
- The explicit reference to **civil sanctions** in the provisions on liability.

While the draft text already serves as appropriate basis for substantive negotiations, we **recommend** the following improvements:

- In line with the UNGP, due diligence requirements should include an obligation for companies to provide effective **grievance mechanisms** and **reparations** for damages even before civil proceedings have established a company's guilt;
- In line with the German Supply Chain Act, non-compliance with due diligence obligations should lead to **administrative sanctions** even in cases, when the company *does not* contribute to damages;
- Administrative sanctions should also be imposed when companies do not comply with **environmental due diligence** obligations;
- And, concrete measures should be added, how states should ensure compatibility of trade and **investment agreements** with the LBI.

As German CSO, we express our disappointment that, the **EU** keeps on **refusing negotiations**, has not provided any **legal analysis**, has not contributed **any recommendations** and not even sought for a negotiation **mandate** by EU member States.

After **France**, **Germany** has also passed an Act on due diligence obligations this year, and the **EU** itself is preparing a Corporate Due Diligence and Accountability regulation. If the EU is really interested in an **international level playing field**, it should seize the opportunity. **Start negotiating now!**

Thank you very much!