**OEIGWG 24-28 October 2022 - EU comments based on EU legislative proposals**

*The following comments aim to inform about relevant developments in the EU and notably the recent legislative proposals in the area of due diligence. They do not represent a negotiating position on behalf of the EU on the draft text. The proposals are under legislative procedure and under discussion by the EU co-legislators (European Parliament and Council).*

**- CHECK AGAINST DELIVERY -**

**To be delivered on Tues 25 – Wed 26 (morning / afternoon hrs):**

**Article 8. Legal Liability**

With the caveat that this does not represent a negotiating position on behalf of the EU, the EU would like to provide some comments on the issue of legal liability on the basis of the recent legislative proposal by the [European Commission for a Directive on Corporate Sustainability Due Diligence](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071).

The Proposal for a Directive on CSDD, provides for a combination of administrative sanctions and civil liability.

Member States should provide for dissuasive, proportionate and effective **sanctions** for infringements of those measures, including pecuniary sanctions

Member States are required to lay down rules governing the **civil liability** of companies for damages arising due to failure to comply with the obligations to prevent and mitigate potential adverse impacts or to bring actual impacts to an end and minimise their extent.

The civil liability regime in the Proposal applies in case harm occurs in a company’s own operation, at the level of its subsidiaries and at the level of business relations in the value chain.