

THE DIRECTOR GENERAL

**Ms Christina Kokkinakis** Deputy Managing Director Values and Multilateral Relations European External Action Service (EEAS) Christina.KOKKINAKIS@eeas.europa.eu

1 July 2022

Dear Ambassador,

I am writing you following the meeting organised by your services on 23 June to consult with business organisations on an EU comprehensive framework for business and human rights.

We support the European External Action Service (EEAS) in doing more to support European companies with the necessary information, advice and legal certainty as regards the situation in third countries where human rights violations exist or are a risk factor as this is key to support companies' decisions in terms of presence, investment and business relations in those countries.

Unfortunately, the current EU policy landscape is unbalanced. The proposed corporate sustainability due diligence directive (CSDD) creates many new EU binding obligations on companies, following what we regret to be a punitive approach, also with respect to the alleged high-impact sectors. Although the directive refers to supportive measures such as the creation of guidelines and websites it falls short in addressing the core challenge of companies operating in supply chains which is the gap of information of the situation on the ground particularly in third countries.

In the context of the EU due diligence legislative debate, it is a priority for us, besides adopting a workable framework, to avoid potential negative effects of any future EU due diligence rules in terms of companies' engagement in third countries, especially those that have least developed and more vulnerable markets. The main objective is to improve the situation on the ground and therefore we should avoid companies disengaging from certain third countries due to the related EU regulatory risks for them.

In this view, rather than putting some EU companies and sectors at a disadvantage on the basis of their legal economic activity, what is crucial is for the EU and Member States to bring economic diplomatic support to their companies for them to be able to make informed and secure decisions on where to invest and/or operate in third countries.



EU and national public authorities have a key role to better inform, advise and support companies on the possible risks involved in view of third countries' human rights track record. In this, the EEAS has an important role to go beyond the existing information it already provides on third countries' human rights profiles.

The EEAS should scale up its activities to mobilise EU delegations in the relevant third countries, in coordination with Member States' diplomatic services and in close cooperation with relevant services in the European Commission, so that EU companies know in practice how to proceed when considering their business operations in third countries where human rights risks are an issue.

Concretely, we call on the EEAS to design effective tools that are expressly conceived to support EU companies on business and human rights related issues, taking into account the particular needs of small and medium-sized companies.

EEAS's objective should be to as much as possible help EU companies achieving the necessary legal certainty on human rights related issues as regards their third country operations. This should take into account situations where third country governments in fact do not protect human rights as they should do in line with the UN guiding principles on business and human rights.

We look forward to cooperating with your services to achieve progress towards such tools and, more generally, to change the suggested due diligence EU legislation's punitive approach into an EU external policy approach led by EEAS that engages constructively with European companies to achieve EU business and human rights objectives globally in a way that is feasible for our business community.

Yours sincerely,

Markus J. Beyrer