

## EDRi feedback on the Sustainable Corporate Governance Roadmap

The EDRi (European Digital Rights) network is a collective of 44 civil society organisations, as well as advocates and academics, working to defend and advance digital rights across Europe. We work to challenge private and state actors who abuse their power to control or manipulate the public. We do so by advocating for robust and enforced laws, informing and mobilising people, promoting a healthy and accountable technology market, and building a movement of organisations and individuals committed to digital rights and freedoms in a connected world.

EDRi reiterates the Commission's concerns that businesses operating in Europe are not sufficiently embedding genuine, meaningful and enforceable human rights processes, safeguards and redress measures; transparency and accountability mechanisms; and sustainability initiatives; across their business activities, in ways that can be properly analysed and measured from the outside.

In particular, EDRi:

- supports the introduction of a mandatory horizontal due diligence legislation in line with the [UN's Guiding Principles](#) and [OECD Due Diligence Guidance](#);
- supports the strengthening of "directors' duties" to ensure that the ultimate responsibility for fundamental rights compliance of every company's entire business activities and value chain sits with company leadership, and recommends that the definition of "director" is sufficiently broad to include appropriate duties on leaders of entities where director-like responsibility sits with another individual or group;
- notes that there is increasing demand from consumers and shareholders to ensure that all business activities are protective of the environment and of people's fundamental rights, wherever they may be in the world;
- demands that where technology is used with the stated goal of increasing environmental sustainability, that this is justified with evidence;
- asserts that innovation must not be a goal in its own right: rather, the EU's fundamental rights regime requires that innovation must always respect human rights;
- notes that the new Sustainable Corporate Governance Initiative must explicitly recognise that in addition to tackling the fact that European businesses are doing harm in third countries, there is also significant evidence of human rights, labour rights and environmental violations within the EU's borders. See EDRi's '[Platform Regulation Done Right](#)', '[Recommendations for Artificial Intelligence](#)', and '[Ban Biometric Mass Surveillance](#)' papers for examples. Such harms already disproportionately impact minoritised and racialised communities in Europe.

Concerning the policy options proposed by the Commission in Section B, 'Objectives and Policy Options', EDRi argues that:

- the aims of the initiative (page 3, beginning of section B) must be expanded to explicitly include the protection of human rights;
- it is not sufficient to ask companies “to take measures to address” or “to take into account” due diligence for sustainability and fundamental rights. The SCG roadmap recognises that self-regulation has not been successful so far. Therefore, **the SCG Initiative must move beyond the language of vague commitments and instead ensure that businesses are given clear, robust and specific rules for how they can ensure fundamental rights respect and protections;**
- **the third policy option (bullet point 3, p.4) for enforcement and remediation of due diligence is essential in order for the Initiative to adequately protect fundamental rights;**
- **policy options 1, 2 and 3 (bullet points 1, 2 and 3, pp. 3-4) should therefore be cumulative and mandatory.** The UN Guiding Principles already provide robust principles for ensuring genuine human rights compliance;
- **“complementary guidance” cannot be used instead of legislation.** Such guidance must only be used to better help companies to apply the binding rules, rather than being (ab)used by companies to avoid binding obligations.