

Subject: National legal framework for mandatory due diligence of companies

We, the signatory companies, express our support for a national legal framework for mandatory due diligence of companies with regard to human rights and the environment.

The ambition to make a positive contribution

Belgian companies make an important contribution to international development and large sectors of our economy are dependent on the import of raw materials. A growing number of Belgian companies are also committed to playing a positive role in contributing to the United Nations' sustainable development objectives (Agenda 2030). Since 2016, a number of them have signed the Belgian SDG Charter and are committed to working with other actors such as NGOs and governments to achieve the SDGs.

Despite these strong ambitions of many companies, the fact remains that **many companies still have a negative impact on people and planet, both directly and indirectly.**

According to the ILO, an estimated 45.8 million adults worldwide are victims of modern slavery. 150 million children work illegally, 73 million of them in dangerous conditions. The production of agricultural raw materials such as palm oil, cocoa and coffee or the dyeing of fabrics in the textile industry can lead to serious environmental damage or even to human rights violations in the countries of origin.

The challenge is particularly complex and it is clear that **individual voluntary initiatives alone are not sufficient** for installing an economic model that respects people and planet. As companies, we are therefore in favour of a legal framework as part of a well-considered mix of corporate social responsibility measures. **Business and government must shoulder their responsibilities together.**

A legal framework clarifies the standard

A legal framework clarifies the standard and the rules to be followed, and should oblige companies to do what governments already require them to do, namely: in line with the UN Guidelines on Business and Human Rights, apply due diligence throughout their entire value chains and, according to their size, potential impact and position in the chain, invest in the prevention and resolution of human rights and environmental abuses. **Leading Belgian companies are already showing that this is possible.**

Actively identifying, preventing and combatting human rights and environmental violations in international chains entails costs and investments. **Legislation also provides the right incentives, rewards efforts and creates fair competition between companies.**

An ambitious Belgian approach

A number of (neighbouring) countries have already passed laws or are in the process of drafting legislation. **Through their national legislation, these countries oppose freeriders and unfair competition** and create a level playing field to combat human rights violations and environmental damage in production chains.

On 29 April 2020, the European Commissioner for Justice, Didier Reynders, announced the European Union's intention to draw up a first legislative proposal for mandatory due diligence in the field of human rights and the environment by 2021.

With ambitious national legislation, Belgium underlines the importance of this European initiative and, as a frontrunner, can help shape the European approach. A Belgian law also gives Belgian companies the right impetus to prepare their operations in anticipation of the implementation of an EU regulation and thus gain a head start in a European market where policymakers, consumers and investors are sharpening expectations in the field of corporate social responsibility.

We therefore propose to set up a **working group or committee representative of Belgian society to help develop a legal framework** that is meaningful and that delivers results.

Doing business internationally with respect for human rights and the environment must be the norm. **With legislation as part of a well thought-out policy, you determine that norm.**

The signatories



