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European Union

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#### **'I/A' ITEM NOTE**

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: Draft DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (**first reading**)  
- Adoption of the legislative act  
= Statements

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#### **Joint Statement by Estonia, Lithuania and Slovakia**

Estonia, Lithuania and Slovakia have definitely supported and welcomed the general aim of the directive on the protection of human rights and environment. We are certain that companies, especially large enterprises play an important and even crucial role in regards of sustainability, as the means of production of goods and services have significant impact on the environment and human rights principles.

However, we have expressed numerous times during the negotiations that clear and feasible due diligence obligations are a prerequisite for the fulfillment of the objectives of the directive. We continue to have concerns that the application of legally unclear provisions might create excessive administrative burden for both Member States and companies, as well as might diminish their competitiveness. Namely, despite the narrower scope in the final text, the large amount of small and medium-sized enterprises remains indirectly under the obligations of the directive through the chain of activities.

More specifically, the logic of the Annex still creates questions on how to form legally clear and understandable obligations in the national law and at the same time achieve unified obligations across the European Union. Additionally, applying civil liability to the breaches of unclear obligations is another concerning aspect of implementation. Furthermore, we find that the addition of the access to justice measures in the civil liability provision disrupts the national law of the Member States unduly and unnecessarily. Finally, these concerns, including the ambiguities alone could seriously affect the transposition of the directive into domestic law.

To sum up, despite several last-minute improvements, the final text does not address these concerns and thus we remain worried about the disproportionate burden that will be created to the Member States and companies. It is equally important to point out that these last-minute amendments to the text were not properly negotiated. Therefore, the negotiation process of the directive, unfortunately, deviated from the Better Law-Making rules and we are concerned that it could become a precedent for the future.

In the context outlined above, Estonia, Lithuania and Slovakia regrettably cannot endorse the final text and will abstain.

### **Statement by Hungary**

Hungary recognises and promotes equality between men and women in accordance with the Fundamental Law of Hungary and the primary law, principles and values of the European Union, as well as commitments and principles stemming from international law. Equality between women and men is enshrined in the Treaties of the European Union as a fundamental value. In line with these and its national legislation, Hungary interprets gender as providing equal chances and opportunities for women and men. In line with these and its national legislation, Hungary interprets the concept of 'gender' as reference to 'sex' and the concept of 'gender equality' as 'providing equal chances and opportunities for women and men' in the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.