

Courtesy translation



SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
13TH TERM

463rd

RESOLUTION OF THE SENATE

Delivered on the 25th session held on 11th May 2022

On the Package on corporate due diligence and decent work in the context of sustainability

Senate Print no. N 163/13 – Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 /COM(2022) 71/

Senate Print no. K 164/13 – Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on decent work worldwide for a global just transition and a sustainable recovery /COM(2022) 66/

The Senate

I.

- 1. Recognizes**
the need to address the issue of limiting the negative impacts of business activity on human rights and the environment;

2. **Expresses doubts, however,**
 - whether it is necessary to regulate this issue by the binding legislation in the form of a directive, which, as proposed, will pose another bureaucratic burden on the companies concerned;
 - as regards the enforceability and actual implementation of some of the proposed measures in relation to non-European companies (setting up subsidiaries, chaining);
 - whether the issue of temporary suspension or termination of business relationship is sufficiently clearly defined;

3. **Is also concerned**

that the proposed legislation could result in the closure of short-term contracts and the turnover of suppliers in order to avoid the regulation;

4. **Insists**

that the Proposal of the Directive be amended during the negotiations within the EU institutions, in particular in the following respects:

 - minimising the administrative burden on companies resulting from the Proposal;
 - maintaining a level playing field and rules for EU and non-EU companies operating in the EU internal market (in particular when adjusting the turnover criterion);
 - a more precise legislative definition of the risk business sectors and the value chain;
 - a significant reduction of the sanctions that can be imposed on companies for breaching the obligations under the directive;
 - detailed definitions of the enforceability of obligations for non-EU companies;
 - on an extension of the transposition period by 1 to 2 years;

5. **Points out**

that without the above-mentioned amendments, there will not only be a further increase in the already mentioned administrative burdens, but at the same time there will be an increase in costs which will be reflected in the final price for all customers;

6. **Supports**

the Government's position;

7. **Agrees**

with the Government's proposal to set up an EU searchable database for easy check of the existence of decisions imposing sanctions across Member States;

II.

1. Requests

the Government to inform the Senate no later than on 30th September 2022 about the way this Resolution was taken into account and about the further progress of negotiations;

2. Authorises

the President of the Senate to forward this Resolution to the European Commission.

Miloš Vystrčil

sign manual

President of the Senate

Josef Bazala

sign manual

Senate Verifier