

# **Corporate Liability for Violations of Fundamental Human Rights in Supply Chains in Private International Law**

## **Abstract**

This thesis focuses on the issue of corporate liability for violations of fundamental human rights in supply chains. It analyzes this issue through the lens of Private International Law. This thesis addresses cases where the protected legal goods of individuals are infringed on in specific relation to countries of the Global South. These infringements occur in the sphere of suppliers of European companies or their subsidiaries. Because of the lack of access to justice in countries of the Global South, claimants take their claims against parent companies or major buyers with seats in the EU to the courts of its member states. This constitutes the international element of the tackled issue and therefore the interest of the legal field of Private International Law is given.

The issue is topical since the Czech legislator is now facing the challenge of implementing Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence, known by the acronym CS3D, to the Czech legal system.

Determining international jurisdiction and applicable law is the main focus of this thesis. This thesis aimed to examine whether Private International Law rules strike a fair balance between the rights and obligations of the stakeholders, what effect the mentioned directive will have in Private International Law, and finally what is the solution to the core issue of liability in terms of substantive law.

The analysis is based on four case-law examples involving large companies, such as Shell and Kik, that were sued.

Based on an analysis of the Brussels Ibis Regulation, it was concluded that establishing international jurisdiction does not present a challenge for claimants in the case of companies with seats in the EU. In contrast, the situation is reversed in relation to non-EU companies.

Analysis of the Rome II Regulation showed that the applicable law would typically be the law of non-EU countries. Although the applicable law will typically be the law of the countries of the Global South, this will not necessarily mean that the claimants will be unsuccessful in the litigation and vice versa.

The main substantive question of the liability of EU-based parent companies or buyers for infringements of fundamental human rights occurring in their supply chain was answered in

the negative, with references to German jurisprudence. Therefore, CS3D with its civil liability regime is seen as a milestone.

Finally, the CS3D regulation is analyzed. Light is shed on its scope of application, selected obligations of corporations and civil liability. Ultimately, the dubious aspects of the mandatory provision under Article 29(7) CS3D are outlined. In the future, the key issue will be the relationship between the applicable law (*lex causae*) and the mandatory national provisions implementing civil liability.

**Key words: applicable law, international jurisdiction, corporate sustainability due diligence directive**