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REPORT

(prepared by the Secretariat)

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1. *The President of UNIDROIT, Ms Maria Chiara Malaguti*, opened the 104th session, convened as a remote session of the Governing Council by video conference. She welcomed all the Members of the Governing Council as well as the representatives of Member States invited in their consultative capacity and thanked them for their participation in the session. Then she invited the participants to adopt the draft agenda.

Item 1: Adoption of the annotated draft agenda ([C.D. \(104\) 1](#))

2. *The Governing Council adopted the agenda as proposed in document C.D. (104) 1.*

Item 2: Corporate Sustainability Due Diligence in Global Value Chains – consideration of upgrade to high priority ([C.D. \(104\) 2](#))

3. *The President* invited the Secretary-General to take the floor to introduce the item for consideration by the Council.

4. *The Secretary-General* welcomed all the participants, expressing gratitude for their participation in the session. He informed the Council that a few Council members had excused their participation and had already provided their comments in writing prior to the meeting. He observed that more than 13 Council members were already present at the opening of this session, which would ensure the required quorum.

5. Addressing the procedure for the session, he recalled that the remote session of the Council by video conference was being conducted in application of the mandate that the Secretariat had received from the Governing Council during its 103rd session in May 2024 concerning the Corporate Sustainability Due Diligence (CSDD) Project. All members of the Governing Council had received an invitation to the session, in addition to the representatives of the People's Republic of China and the United States of America participating in the Council in a consultative capacity. The rules for the session had been circulated by email and approved by the Council during March 2025, with slight amendments on the earlier version approved by the Governing Council in its previous. He reported that prior to the moment of the remote session, the Secretariat had already received five positive votes in favour of the proposed upgrade of the project's priority level, one abstention, one vote which might be interpreted as either a positive vote or an abstention, and one negative vote. He recalled that this early expression of vote did not prevent the representatives of the respective countries to change their vote during the present session.

6. Noting the vicinity of the session to the 105th session of the Council on 20-22 May 2025, the Secretary-General explained that several reasons had prompted the unfortunately delayed timing of this session dedicated to the CSDD Project, including the challenge to identify dates that were suitable for a sufficient number of Council members. He underlined that the decision to upgrade a project was distinct from the decision to initiate actual work on the project. The decision on the timing of when actual work would be initiated under the CSDD project would be taken only following a review of all project proposals for the new Work Programme 2026-2028 to be considered during the Council's 105th session on 20-22 May 2025, when the order of initiation of the high-priority projects would be decided as a whole.

7. Finally, the Secretary-General emphasised the Secretariat's interest to collaborate with UNCITRAL or other interested organisations in this project as in others. He then invited Ms Philine Wehling to present the content of document C.D. (104) 2.

8. *Ms Philine Wehling* presented the document, providing the participants with a brief summary on the results of the Exploratory Workshop that had brought together invited experts to assess the existing international framework as well as the need for a future UNIDROIT instrument on the topic.

The Workshop had confirmed the added value of a future UNIDROIT instrument and had provided clear recommendations with regard to its form, scope and content.

9. In view of the confirmed important gaps in the existing international framework, the future UNIDROIT instrument would have a significant added value: It would provide the currently lacking guidance on contracting at the global level, implementing the requirements set out in the existing international instruments and adopting an inclusive approach that consolidates diverse perspectives along global supply chains. Accordingly, the Secretariat recommended that the future instrument provide the currently lacking private-law contractual guidance and be purely technical, private law-based, in nature. The future instrument would build upon the UNIDROIT Principles of International Commercial Contracts (UPICC) drawing on several references to their articles. Naturally, it would also address the applications of technology in the context of CSDD. Regarding the form, the Secretariat recommended the development of a legal guide that would provide guidance on contracting, including model clauses, illustrations and examples of good practices, and be primarily addressed to private parties.

10. With regard to work planning and resource allocation, the Secretariat's recommendation was to commence the normative work when the availability of resources was confirmed, and it was reminded that the project could develop strong synergies with other ongoing high-priority projects as well as strengthen UNIDROIT's new area of work on private law and sustainability.

11. Finally, she noted that the Secretariat proposed to open the project to cooperation and coordination with UNCITRAL, including the development of a joint instrument, given the proven advantages of cooperation, if UNIDROIT were to receive a proposal to that effect from UNCITRAL.

12. *The Secretary-General* opened the floor for discussion.

13. *Mr Andrzej Szumański* expressed support for the proposed upgrade of the project from medium to high priority, highlighting that its private law approach would set it apart from other international instruments. He underlined the importance of a clear definition of "global supply chain" in view of the privity of contract doctrine and rights of third parties.

14. *Mr Lauris Rasnacs* seconded the previous intervention, supporting an upgrade of the project as well as the comments regarding the privity of contracts doctrine. Furthermore, he reported that there were considerable uncertainties and differences between EU Member States with regard to the current review of the CSDD related legal texts at EU level, and that a future UNIDROIT instrument would contribute clarity regarding contracts in this context.

15. *The Secretary-General* observed that UNIDROIT's work was independent from the developments at EU level, focussing on the global level. He agreed that the privity of contract doctrine was one of the core aspects to be analysed in the context of this project.

16. *The representative from the Peoples' Republic of China* thanked the Secretariat for the preparatory work yet opined that further consideration was warranted before upgrading the project. He remarked that CSDD remained a complex topic, and the policy environment was evolving, referring to the adjustments to the EU CSDD Directive currently under review. Furthermore, he referred to the working group on transnational corporations and other business enterprises with respect to human rights, established under the UN Human Rights Office of the High Commissioner in 2014 to elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises. He cautioned against the duplication of that work, as well as any work that might be initiated by UNCITRAL on the topic in the future. Furthermore, he noted that there was no consensus on definitions such as CSDD, and while the Report recommended the involvement of the Global South in the project, such involvement had been limited in previous UNIDROIT initiatives.

17. *The Secretary-General* clarified that the CSDD project had been on the UNIDROIT Work Programme for a long time and the Institute would be glad to cooperate with UNCITRAL, should the latter decide to include similar work on the topic in its Work Programme. He confirmed that the Secretariat had always strived for the participation of the Global South in its work.

18. *Ms Kathryn Sabo* explained her previously recorded negative vote on the upgrade, noting that she supported the project but had two concerns. The first concern had been about duplication of work with UNCITRAL, which had meanwhile been resolved, given that the UPICC would serve as a starting point for the project. The second concern had been the timing of the present session to consider the proposal of an upgrade one month prior to the 105th session of the Council on 20-22 May 2025. She had not yet received the project proposals for the 2026-2028 Work Programme and suggested to wait with the decision on the potential upgrade until that session to consider all proposals together.

19. *The Secretary-General* reported that the relevant Council document with the proposed Work Programme had just been posted on the UNIDROIT website. He explained that even if several projects had high priority, the Secretariat would only work on a set number of projects at a time. The aim of suggesting high priority status was to avoid having to convene another Council meeting in order to initiate the actual work on a project once another project was finalised and resources became available.

20. *Ms Karen Banks* remarked that she relied on the UNIDROIT Secretariat and its experts concerning the consideration of the project. Her only remark concerned the timing of the present session, enquiring what the effects of an upgrade of the project to high priority would be.

21. *The Secretary-General* clarified that the effect of an upgrade would merely be not to repeat the discussion of this project at the 105th Council session on 20-22 May. The Secretariat aimed to anticipate the discussion of this project as the 105th Council session had an already overburdened programme. Recalling that the decision to convene this present session dedicated to the CSDD project had been adopted by the Council during its last session in May 2024, he explained that the preparations for convening it remotely had taken longer than expected yet it would not have made a difference had it taken place a few months earlier.

22. *Ms Uma Sekhar* enquired about the impact the project would have on the Secretariat's resources. She observed that many of the core issues would need a lot of clarification and recommended that UNIDROIT observe relevant developments at UN level.

23. *The representative from the United States of America* stated that the United States were supportive of the CSDD project, as they had been since the beginning. She expressed concern only about coordination with other organisations and asked what UNIDROIT's reply would be if UNCITRAL or the Hague Conference on Private International Law would start work on the topic without proposing joint work with UNIDROIT.

24. *The Secretary-General* replied that UNIDROIT would invite those organisations to cooperate. Even if cooperation on a joint instrument would not materialise, UNCITRAL would confine its work on the sale of goods, following the scope of the CISG, while UNIDROIT would follow the more comprehensive scope of the UPICC, and in any case they would coordinate their guidance regarding the matters subject to overlap between both of these instruments.

25. *The representative from the United States of America* noted that the timing of the session and the decision on an upgrade of the project would not make a difference, and that they hoped the project would be upgraded to high priority with either immediate effect or following the 105th Council session in May.

26. *Ms Maria Ignacia Vial Undurraga* expressed support for the upgrade of the project. She noted that the topic was of utmost importance and highlighted the urgency of the work in order for UNIDROIT not to be late in this regard. She stated that UNIDROIT was very qualified to work on the topic, and that moreover the UPICC needed to be complemented with regard to sustainability. She expressed her appreciation to the Secretariat for having devoted a complete session to the topic, which was of the utmost importance, in particular the topic of promoting sustainability through contracts. She expressed her trust in the Secretariat regarding the proposal of an upgrade and the availability of resources.

27. *Mr Jean-Christophe Boulet* stated that the remote meeting in advance of the annual in-person Council session was very useful and should be considered as a standard procedure. With regard to the CSDD project, he shared the previous views that had been expressed regarding the privity of contract doctrine. He expressed doubts as to whether it was the task of a private person to enforce human rights vis-à-vis another private person and noted that UNIDROIT, with its considerable authority in private law, could add to the reflection on that fundamental question. He agreed that it was certainly an important topic. However, as the 105th session of the Council would be only three weeks later, he suggested that the decision should be adopted during that session.

28. *The Secretary-General* clarified that UNIDROIT would merely work on how to contractualise CSDD, not on the policy concept of CSDD as such.

29. *Mr Daniel Denman* expressed support for the upgrade of the project. He observed that there were strong reasons to upgrade the project to high priority and that it was the right time to do so, and that there would always be changes and new developments in the field and no better time to initiate work. This instrument would contribute to help businesses to put CSDD into practice. He underlined that the project would make a very important contribution to legal developments that were happening anyway.

30. *Ms Vial Undurraga* reported concerning the privity of contract doctrine that parallel discussions of that doctrine were taken place in the ongoing UNIDROIT Working Group on Collaborative Legal Structures of Agricultural Enterprises about third parties' rights. That Working Group had also discussed the significant need to develop legal tools for the protection of other stakeholders that were affected but not parties to contracts.

31. *Mr Boulet* thanked Ms Vial for the explanations and seconded that it was precisely the added value of UNIDROIT to flag those potential issues and describe the limits of a contractual approach to public-law environmental protection and respect of human rights.

32. *The Secretary-General* affirmed that the legal analysis of how to contractualise CSDD and its limits were indeed at the core of the project.

33. *Mr Yusuf Çalışkan* stated that the CSDD project should be upgraded to high priority. While he had initially expressed concerns about the timing of the proposed decision, the discussion had convinced him of the importance of the project.

34. *The Deputy Secretary-General* noted that various UNIDROIT Working Groups were already grappling with the same issue of sustainability and that it was very important to address the topic in a more general and comprehensive way, which would be through the CSDD project.

35. *Mr José Antonio Moreno Rodríguez* seconded the Deputy Secretary-General's remarks.

36. *Ms Eugenia Dacoria* noted that the project should have high priority, while she would prefer adopting a final decision on that question during the Council session in May when all proposed projects could be considered together.

37. *Mr Antti Leinonen* observed that it would be wise to postpone the final decision to the May session of the Council. If needed, he would support high priority, but it would be necessary to decide on all proposed projects together.

38. *Mr Niklaus Meier* supported the idea to postpone the decision to the May session for the same reasons mentioned by the previous speakers.

39. *The Secretary-General* clarified that the effect of upgrading the project now would not mean that a Working Group would be established immediately, rather it would only entail that the Council would not need to convene another meeting before establishing one.

40. *Ms Carla Heleen Sieburgh* spoke in favour of adopting a decision during the present session, expressing her trust in the Secretariat's proposal. There were no convincing reasons to not decide and considerable time had been dedicated to the present session.

41. *Ms Vial Undurraga* seconded Ms Sieburgh's intervention, affirming her trust in the Secretariat that the necessary resources would be available to work on the project.

42. *Mr Moreno Rodríguez* noted that CSDD was an important topic that was already being addressed in other Working Groups at UNIDROIT. The CSDD might bring light to those discussions that were ongoing in the other projects.

43. *The Secretary-General* thanked the Council Members for their support and interventions. He concluded that there was consensus on the importance of the project and, in principle, on its upgrading from medium to high priority, while in view of the vicinity of the 105th session of the Council on 20-22 May 2025 this project should again be considered together with the other projects proposed for the Work Programme 2026-2028.

44. *The Governing Council took note of the results of the Exploratory Workshop on the project to develop a guidance document on Corporate Sustainability Due Diligence in Global Value Chains held at the Institute on 27-28 May 2024. The Council decided, in principle, to upgrade the project's priority level from medium to high priority, subject to further discussion in light of other possible priorities at the 105th session of the Governing Council on 20-22 May 2025, and also subject to possible future joint work with UNCITRAL.*

Item 3: Any other business

45. With regard to the procedure more generally, *Ms Sabo* suggested that the Secretariat share the original proposals for projects directly upon their receipt and provide the Council sufficient time for their consideration prior to the meeting. The Secretary-General agreed that a clear rule in this respect would be highly useful.

46. *The Council expressed its gratitude to the Secretariat for the online session.*

ANNEXE I**LIST OF REMOTE PARTICIPANTS**

(Rome, 29 April 2025)

**LIST OF PARTICIPANTS /
LISTE DES PARTICIPANTS**

(Remote, 29 April 2025 / *a distance*, 29 Avril 2025)

**MEMBERS OF THE GOVERNING COUNCIL /
MEMBRES DU CONSEIL DE DIRECTION**

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Mr Leonardo BRANT
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Judge
International Court of Justice
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Mr Jean-Christophe BOULET

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Mr Eesa Allie FREDERICKS	Academic Deputy Director Research Centre for PIL in Emerging Countries University of Johannesburg Johannesburg (South Africa)
Mr Antti T. LEINONEN	Director General Law Drafting Department (Civil Law) Ministry of Justice Helsinki (Finland)
M. Niklaus D. MEIER	Co-chef de l'Unité de droit international privé Office fédéral de la Justice Bern (Suisse)
Mr José Antonio MORENO RODRÍGUEZ	Professor of Law Attorney Asunción (Paraguay)
Ms Sharon ONG	Director-General International and Advisory Director of Legal Services Legal Services Regulatory Authority Ministry of Law (Singapore)
Ms Monika PAUKNEROVÁ	Professor of Private International Law and International Department of Commercial Law Charles University, Faculty of Law Prague (Czech Republic)
Mr Lauris RASNACS	Docent University of Latvia Riga (Latvia)
Ms Kathryn SABO	General Counsel Constitutional, Administrative and International Law Section Department of Justice Ottawa (Canada)
Ms Uma SEKHAR	Additional Secretary (Legal & Treaties) Ministry of External Affairs New Delhi (India)

Mr Jorge SÁNCHEZ CORDERO

Director of the Mexican Center of Uniform Law
Professor
Notary public
Mexico City (Mexico)

Ms Carla Heleen SIEBURGH

Judge
Civil Senate
Supreme Court of the Netherlands

Mr Andrzej SZUMAŃSKI

Professor
Chair of Private Law
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Ms Maria Ignacia VIAL UNDURRAGA

Professor
Coordinator of Community and Global
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Universidad de los Andes
Santiago (Chile)

* * *

REPRESENTATIVES OF MEMBER STATES ATTENDING IN A CONSULTATIVE CAPACITY

CHINA / CHINE

Mr JI Wenhua
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UNIDROIT

Ms Maria Chiara MALAGUTI

President / *Présidente*

Mr Ignacio TIRADO

Secretary-General / *Secrétaire Général*

Ms Anna VENEZIANO

Deputy Secretary-General / *Secrétaire Générale adjointe*

Mr William BRYDIE-WATSON

Senior Legal Officer / *Fonctionnaire senior*

Ms Myrte Meijer Timmerman THIJSEN	Senior Legal Officer / <i>Fonctionnaire senior</i>
Ms Priscila PEREIRA DE ANDRADE	Legal Officer / <i>Fonctionnaire</i>
Ms Giulia PREVITI	Legal Officer / <i>Fonctionnaire</i>
Ms Philine WEHLING	Legal Officer / <i>Fonctionnaire</i>
Ms Theodora KOSTOULA	Legal Consultant/ <i>Consultante Juridique</i>
Ms Kateryna BOVSUNOVSKA	Legal Consultant/ <i>Consultante Juridique</i>

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ANNEXE II

ANNOTATED AGENDA

1. Adoption of the annotated draft agenda (C.D. (104) 1)
2. Corporate Sustainability Due Diligence in Global Value Chains – consideration of upgrade to high priority (C.D. (104) 2)
3. Any other business

ANNOTATIONS

1. The 104th session of the Governing Council will be held remotely via written procedure and video conference, as per the invitation on behalf of the President based on the Rules of Procedure for Remote Sessions (see UNIDROIT C.D. (104) Misc. – Remote Procedure UNIDROIT Governing Council), on a date to be determined by Doodle poll.