Amendment 16
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on behalf of the EPP Group
Heidi Hautala
on behalf of the Greens/EFA Group
Lara Wolters
on behalf of the S&D Group
Pascal Durand
on behalf of the Renew Group

Report
Lara Wolters
Corporate due diligence and corporate accountability
2020/2129(INL)

Motion for a resolution
Paragraph 16

16. Stresses that due diligence obligations should be carefully designed to be an ongoing and dynamic process instead of a ‘box-ticking exercise’ and that due diligence strategies should be in line with the dynamic nature of adverse impacts; considers that those strategies should cover every actual or potential adverse impact on human rights, the environment or good governance, although the severity and likelihood of the adverse impact should be considered in the context of a prioritisation policy; believes that in line with the principle of proportionality it is important to align existing tools and frameworks as much as possible; emphasises the need for the Commission to carry out a robust, impact assessment in order to identify types of potential or actual adverse impacts, to investigate the consequences on the European and global level playing field, including the administrative burden on businesses and the positive consequences on human rights, the environment and good governance, and to design rules that enhance competitiveness, the protection of stakeholders and of the environment, and are functional and
applicable to all actors on the internal market, including high risk and publicly listed small and medium-sized undertakings;
For the purposes of this Directive, due diligence should be understood as the obligation of an undertaking to take all proportionate and commensurate measures and make efforts within their means to prevent adverse impacts on human rights, the environment or good governance from occurring in their value chains, and to address such impacts when they occur. In practice, due diligence consists in a process put in place by an undertaking in order to identify, assess, prevent, mitigate, cease, monitor, communicate, account for, address and remedy the potential and/or actual adverse impacts on human rights, including social, trade union and labour rights, on the environment, including the contribution to climate change, and on good governance, in its own operations and its business relationships in the value chain. Companies covered by this Directive should not pass on due diligence obligations to suppliers.