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Answer given by Mr Reynders
on behalf of the European Commission
(12.3.2020)

The Commission is committed to delivering on the United Nations Sustainable Development Goals and the Paris Climate Agreement. It considers that businesses must behave responsibly, contribute to sustainable development and comply with human rights obligations.

It promotes responsible and sustainable supply chains through all policies. Regulations (EU) 995/2010¹ and 2017/821² contain sector specific due diligence requirements. Directive 2014/95/EU³ and Regulation (EU) 2019/2088⁴ provide for due diligence reporting requirements. Regulations (EU) 1215/2012⁵ and 864/2007⁶ can, under certain conditions, benefit victims of corporate abuses in third countries.

In its Communication on the European Green Deal⁷, the Commission announced that it will, inter alia, review Directive 2014/95/EU and assess the need for additional measures to support deforestation-free value chains. It stressed EU's ability to transform its economy and society and highlighted that sustainability should be further embedded into the corporate governance framework, as many companies still focus too much on short-term financial performance compared to their long-term development and sustainability aspects.

Under its 2018 Action Plan on Financing Sustainable Growth⁸, the Commission contracted a study on due diligence requirements through the supply chain, also covering child labour. This study assesses the need for regulating due diligence in the area of human rights, environment and governance as well as options of doing so. One of the options explored is a legal duty of care at the European level. The results of this study⁹ and the experience with the implementation of the existing EU due diligence rules, will inform the work of the Commission.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0821>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1576233593084&uri=CELEX%3A32019R2088>

⁵ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R1215>

⁶ <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32007R0864>

⁷ COM(2019)640 final.

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0097>

⁹ https://ec.europa.eu/info/business-economy-euro/doing-business-eu/company-law-and-corporate-governance_en#studies