Priority question for written answer P-002881/2021
to the Commission
Rule 138
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Subject: Corporate sustainable governance and unfair purchasing practices

The companies’ unfair purchasing practices can lead to human rights violations and have an
environmental impact further down the supply chain. Existing trends have been exacerbated during
the COVID-19 pandemic, worsening the situation of workers even further and leaving millions without
livelihoods. Unfair purchasing practices include last minute order changes, unclear technical
specifications, prices below the cost of production, short lead times and late payment terms. For
example, producers can receive payments up to six months after delivery.

Parliament’s legislative own initiative report on corporate due diligence and corporate accountability
already highlights in Article 4(8) that there is a need to ‘ensure that purchasing practices do not cause
or contribute to potential or actual adverse impacts on human rights, the environment or good
governance’.

1. How is the Commission planning to ensure that the corporate sustainable governance proposal
contains provisions which will lead to companies addressing their own harmful purchasing
practices at every step of the due diligence process?

2. Will the proposal also include clear guidance on issues such as prices, payment terms etc.?

3. How will the Commission ensure that the cost of compliance will not be transferred to the weaker
parties further down the supply chain, thus further exacerbating these issues?