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Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	2022/0051(COD) Awaiting committee decision
Corporate Sustainability Due Diligence Amending Directive 2019/1937 2018/0106(COD)	
Subject 3.45.01 Company law 3.70.20 Sustainable development	
Legislative priorities Joint Declaration 2022	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Legal Affairs	 WOLTERS Lara Shadow rapporteur  VOSS Axel  VÁZQUEZ LÁZARA Adrián  HAUTALA Heidi  BUXADÉ VILLALBA Jorge  AUBRY Manon	28/02/2022
	Committee for opinion  Budgetary Control	Rapporteur for opinion The committee decided not to give an opinion.	Appointed
	 Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	 International Trade (Associated committee)	 ANDREWS Barry	14/07/2022
	 Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	 Constitutional Affairs	The committee decided not to give an opinion.	
	 Development	 MAJORINO Pierfrancesco	22/03/2022

Council of the European Union European Commission European Economic and Social Committee	CULT Culture and Education	The committee decided not to give an opinion.
	AFET Foreign Affairs (Associated committee)	11/05/2022  GLUCKSMANN Raphaël
	ENVI Environment, Public Health and Food Safety (Associated committee)	10/05/2022  WÖLKEN Tiemo
	IMCO Internal Market and Consumer Protection	21/04/2022  CLUNE Deirdre
	ITRE Industry, Research and Energy	19/04/2022  DLABAJOVÁ Martina
	ECON Economic and Monetary Affairs (Associated committee)	03/03/2022  REPASI René
	EMPL Employment and Social Affairs (Associated committee)	05/09/2022  RAFAELA Samira
	Commission DG Justice and Consumers	Commissioner REYNDERS Didier

Key events			
23/02/2022	Legislative proposal published	COM(2022)0071	Summary
04/04/2022	Committee referral announced in Parliament, 1st reading		
15/09/2022	Referral to associated committees announced in Parliament		

Technical information	
Procedure reference	2022/0051(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2019/1937 2018/0106(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114-p1; Treaty on the Functioning of the EU TFEU 050-p1; Rules of Procedure EP 57
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting committee decision
Committee dossier	JURI/9/08434

Documentation gateway					
Legislative proposal		COM(2022)0071	23/02/2022	EC	Summary
Document attached to the procedure		SEC(2022)0095	24/02/2022	EC	
Document attached to the procedure		SWD(2022)0038	24/02/2022	EC	
Document attached to the procedure		SWD(2022)0039	24/02/2022	EC	
Document attached to the procedure		SWD(2022)0042	24/02/2022	EC	
Document attached to the procedure		SWD(2022)0043	24/02/2022	EC	
Reasoned opinion	SE_PARLIAMENT	PE732.700	08/06/2022	NP	

Additional information		
Research document	Briefing	16/05/2022

Corporate Sustainability Due Diligence

PURPOSE: to lay down an EU legal framework on sustainable corporate governance, including cross-sector corporate due diligence along global value chains.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: EU companies operate in complex surroundings and, especially large ones, rely on global value chains. Given the significant number of their suppliers in the Union and in third countries and the overall complexity of value chains, EU companies, including the large ones, may encounter difficulties to identify and mitigate risks in their value chains linked to respect of human rights or environmental impacts.

Identifying these adverse impacts in value chains will become easier if more companies exercise due diligence and thus more data is available on human rights and environmental adverse impacts.

A number of Member States have already introduced national rules on due diligence and some companies have taken measures at their own initiative. However, there is need for a larger scale improvement that is difficult to achieve with voluntary action.

CONTENT: the proposed Directive will set out a horizontal framework to foster the contribution of businesses operating in the single market to the respect of the human rights and environment in their own operations and through their value chains, by identifying, preventing, mitigating and accounting for their adverse human rights, and environmental impacts, and having adequate governance, management systems and measures in place to this end.

Subject matter

The proposal lays down rules on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has an established business relationship and on liability for violations of the obligations mentioned above.

In order to comply with the corporate due diligence duty, companies need to:

- integrate due diligence into policies;
- identify actual or potential adverse human rights and environmental impacts;
- prevent or mitigate potential impacts;
- bring to an end or minimise actual impacts;
- establish and maintain a complaints procedure;
- monitor the effectiveness of the due diligence policy and measures;
- and publicly communicate on due diligence.

Scope

The proposed Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions:

EU companies:

Group 1: all EU limited liability companies of substantial size and economic power (with 500+ employees and EUR 150 million+ in net turnover worldwide).

Group 2: Other limited liability companies operating in defined high impact sectors, which do not meet both Group 1 thresholds, but have more than 250 employees and a net turnover of EUR 40 million worldwide and more. For these companies, rules will start to apply 2 years later than for group 1.

Non-EU companies active in the EU with turnover threshold aligned with Group 1 and 2, generated in the EU.

SMEs are not directly in the scope of this proposal however they could be impacted by its provisions as contractors or subcontractors to the companies which are in the scope. Therefore, the proposal includes, accompanying measures, which will support all companies, including SMEs, that may be indirectly affected. Measures include the development of individually or jointly dedicated websites, platforms or portals and potential financial support for SMEs.

Monitoring

Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of human rights and environmental adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 12 months and be revised in-between if there are reasonable grounds to believe that significant new risks of adverse impact could have arisen.

Directors duty of care

Member States should ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies take into account the consequences of their decisions for sustainability matters, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term.

European Network of Supervisory Authorities

The Commission should set up a European Network of Supervisory Authorities that will bring together representatives of the national bodies, in order to ensure a coordinated approach and enable knowledge and experience sharing.

Fines

Member States should supervise that companies comply with their due diligence obligations. They could impose fines to companies, or issue orders requiring the company to comply with the due diligence obligation.

It is particularly important to enable victims to obtain compensation for damage. Therefore, the proposal will also give those affected by harm the opportunity to hold companies to account. This means that victims will have the possibility to bring a civil liability claim before the competent national courts.

Transparency				
VOSS Axel	Shadow rapporteur	JURI	22/01/2021	Westdeutscher Handwerkskammertag e.V. (WHKT) Österreichische Bundesarbeitskammer
VOSS Axel	Shadow rapporteur	JURI	31/08/2021	Ecosense
VOSS Axel	Shadow rapporteur	JURI	07/09/2021	Bundesverband Pharmazeutische Industrie
VOSS Axel	Shadow rapporteur	JURI	13/09/2021	B-Connect GmbH
VOSS Axel	Shadow rapporteur	JURI	07/12/2021	Deutsche Post DHL Group (DPDHL)
VOSS Axel	Shadow rapporteur	JURI	12/01/2022	Die Deutsche Kreditwirtschaft (DK)
VOSS Axel	Shadow rapporteur	JURI	01/02/2022	Bayerische Motoren Werke Aktiengesellschaft (BMW Group)
VOSS Axel	Shadow rapporteur	JURI	07/02/2022	CSR Europe, The Business Network for Corporate Social

				Responsibility (CSR Europe)
WOLTERS Lara	Rapporteur	JURI	17/03/2022	SER
DURAND Pascal	Rapporteur	JURI	21/03/2022	Mazars GmbH & Co. KG
DURAND Pascal	Rapporteur	JURI	22/03/2022	Minderoo Foundation Limited ATF The Minderoo Foundation Trust
REPASI René	Rapporteur for opinion	ECON	23/03/2022	Deutscher Industrie- und Handelskammertag e. V.
VOSS Axel	Shadow rapporteur	JURI	29/03/2022	Bundesverband Großhandel, Außenhandel, Dienstleistungen
VOSS Axel	Shadow rapporteur	JURI	29/03/2022	Deutsche Post DHL Group (DPDHL)
REPASI René	Rapporteur for opinion	ECON	29/03/2022	Bundesministerium der Justiz
DURAND Pascal	Rapporteur	JURI	30/03/2022	Value Balancing Alliance e.V. (VBA)
VOSS Axel	Shadow rapporteur	JURI	30/03/2022	Bundesvereinigung der Deutschen Arbeitgeberverbände e.V. (BDA)
WOLTERS Lara	Rapporteur	JURI	30/03/2022	Members Green Trade Network
DURAND Pascal	Rapporteur	JURI	31/03/2022	Afore Consulting
DURAND Pascal	Rapporteur	JURI	06/04/2022	Carbon Disclosure Project
DURAND Pascal	Rapporteur	JURI	07/04/2022	ERAMET
HAUTALA Heidi	Shadow rapporteur	JURI	13/04/2022	International Cocoa Initiative (ICI) European Cocoa Association (ECA) the Association of Chocolate, Biscuit and Confectionary Industries of Europe (CAOBISCO)
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	20/04/2022	Confederación Española de Organizaciones Empresariales (CEOE)
VOSS Axel	Shadow rapporteur	JURI	20/04/2022	Zentralverband des Deutschen Handwerks (ZDH)
VOSS Axel	Shadow rapporteur	JURI	21/04/2022	Dutch Confederation of Industry and Employers
WOLTERS Lara	Rapporteur	JURI	22/04/2022	Volksvertegenwoordigers Belgium

VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	26/04/2022	Colegio de Registradores de España (CORPME)
WOLTERS Lara	Rapporteur	JURI	26/04/2022	DoGood
WOLTERS Lara	Rapporteur	JURI	26/04/2022	Sweden?s trade union - Unionen
WOLTERS Lara	Rapporteur	JURI	27/04/2022	Quifactum
WOLTERS Lara	Rapporteur	JURI	27/04/2022	German Confederation of Trade Unions
WOLTERS Lara	Rapporteur	JURI	27/04/2022	Danish Institute for Human Rights ECCJ member the Danish 93 Gruppen
REPASI René	Rapporteur for opinion	ECON	28/04/2022	European Coalition for Corporate Justice Global Witness SÜDWIND
REPASI René	Rapporteur for opinion	ECON	28/04/2022	EUROPEAN TRADE UNION CONFEDERATION
WOLTERS Lara	Rapporteur	JURI	28/04/2022	Climate Finance Fund
WOLTERS Lara	Rapporteur	JURI	03/05/2022	Vereniging VNO-NCW
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	04/05/2022	Huawei Technologies
WOLTERS Lara	Rapporteur	JURI	04/05/2022	Finnish Trade Union Representation to the EU
WOLTERS Lara	Rapporteur	JURI	04/05/2022	ETUC
TOUSSAINT Marie	Shadow rapporteur	ENVI	10/05/2022	Global Witness
HAUTALA Heidi	Shadow rapporteur	JURI	11/05/2022	Responsible Business Alliance (RBA)
WOLTERS Lara	Rapporteur	JURI	11/05/2022	Vereniging VNO-NCW
WOLTERS Lara	Rapporteur	JURI	11/05/2022	AFME
REPASI René	Rapporteur for opinion	ECON	12/05/2022	Responsible Business Alliance
REPASI René	Rapporteur for opinion	ECON	12/05/2022	Dutch Ministry of Foreign Affairs
WOLTERS Lara	Rapporteur	JURI	16/05/2022	EFFAT, UGGC and Blue Star Strategies
WOLTERS Lara	Rapporteur	JURI	17/05/2022	EBCA
WOLTERS	Rapporteur	JURI	17/05/2022	Hoogleraar

Lara					ondernemingsrecht - Erasmus Universiteit Rotterdam
WOLTERS Lara	Rapporteur	JURI		18/05/2022	European Trade Union Institute
TOUSSAINT Marie	Shadow rapporteur	JURI		19/05/2022	Friends of the Earth Europe
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI		26/05/2022	Confederación Española de Organizaciones Empresariales
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI		27/05/2022	GlovoApp23, S.L.
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI		27/05/2022	Vinces Consulting
WOLTERS Lara	Rapporteur	JURI		30/05/2022	Global Witness
WOLTERS Lara	Rapporteur	JURI		03/06/2022	KNVB, RBFA and Amnesty International
WOLTERS Lara	Rapporteur	JURI		10/06/2022	MVO Platform and IDVO
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI		14/06/2022	COPA-COGECA
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI		14/06/2022	U.S. Chamber of Commerce, Institute for Legal Reform (ILR)
REPASI René	Rapporteur for opinion	ECON		14/06/2022	OECD
TOUSSAINT Marie	Shadow rapporteur	JURI		14/06/2022	WWF European Policy Programme
REPASI René	Rapporteur for opinion	ECON		16/06/2022	Open Society European Policy Institute
TOUSSAINT Marie	Shadow rapporteur	JURI		16/06/2022	Max Havelaar
WOLTERS Lara	Rapporteur	JURI		16/06/2022	Conference participants
?TEFANEC Ivan	Shadow rapporteur	JURI		21/06/2022	Secretariat of COMECE (Commission of the Bishops of the European Union)
REPASI René	Rapporteur for opinion	ECON		21/06/2022	Andreas STIHL AG & Co. KG
WOLTERS Lara	Rapporteur	JURI		21/06/2022	MVO Platform
WOLTERS Lara	Rapporteur	JURI		21/06/2022	Evofenedex
HAUTALA Heidi	Shadow rapporteur	JURI		22/06/2022	Rainforest Alliance FTAO

				Solidaridad Fairtrade
HAUTALA Heidi	Shadow rapporteur	JURI	28/06/2022	Anti-Slavery International Ericsson Global Witness European Center for Constitutional and Human Rights (ECCHR) UN PRI Natural Justice Kenya OECD
WÖLKEN Tiemo	Rapporteur for opinion	ENVI	28/06/2022	DIHK Osnabrück
REPASI René	Rapporteur for opinion	ECON	29/06/2022	Bundesarbeitskammer Österreich
TOUSSAINT Marie	Shadow rapporteur	JURI	30/06/2022	Clean Clothes Campaign
HAUTALA Heidi	Shadow rapporteur	JURI	05/07/2022	EUROPEAN TRADE UNION CONFEDERATION
HAUTALA Heidi	Rapporteur	JURI	05/07/2022	EUROPEAN TRADE UNION CONFEDERATION European Coalition for Corporate Justice ShareAction Europe WWF European Policy Programme
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	06/07/2022	American Chamber of Commerce to the European Union
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	06/07/2022	EUROPEAN TRADE UNION CONFEDERATION
REPASI René	Rapporteur for opinion	ECON	06/07/2022	EUROPEAN TRADE UNION CONFEDERATION
TOUSSAINT Marie	Shadow rapporteur	JURI	06/07/2022	ECCJ ETUC
WÖLKEN Tiemo	Rapporteur for opinion	ENVI	07/07/2022	Deutscher Gewerkschaftsbund
REPASI René	Rapporteur for opinion	ECON	13/07/2022	Shift
REPASI René	Rapporteur for opinion	ECON	13/07/2022	American Chamber of Commerce to the European Union
REPASI René	Rapporteur for opinion	ECON	14/07/2022	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
VÁZQUEZ LÁZARA Adrián	Shadow rapporteur	JURI	15/07/2022	CEOE
HAUTALA Heidi	Shadow rapporteur	JURI	24/08/2022	Suomen Yrittäjät ry
HAUTALA	Shadow	JURI	24/08/2022	HEUNI (The European

Heidi	rapporteur			Institute for Crime Prevention and Control, affiliated with the UN)
WÖLKEN Tiemo	Rapporteur for opinion	ENVI	30/08/2022	BDI
DURAND Pascal	Rapporteur	JURI	06/09/2022	AEFR
HAUTALA Heidi	Shadow rapporteur	JURI	06/09/2022	Confederation of Finnish Industries EK
WÖLKEN Tiemo	Rapporteur for opinion	ENVI	07/09/2022	Global Witness WWF ClientEarth Frank Bold
TOUSSAINT Marie	Member	02/03/2022	European Environmental Bureau	
TOUSSAINT Marie	Member	30/03/2022	Mouvement Impact France	
TOUSSAINT Marie	Member	07/04/2022	Friends of the Earth Europe	
CAVAZZINI Anna	Member	31/05/2022	Euro-Toques International Fair Wear Foundation	
FRANSSEN Cindy	Member	01/06/2022	Broederlijk Delen	
GALLÉE Malte	Member	10/06/2022	European Center for Constitutional and Human Rights European Coalition for Corporate Justice Frank Bold Society Global Witness 853889944167-66 10439809375-73 57221111091-19 48872621093-60	
CAVAZZINI Anna	Member	21/06/2022	Scientists	
ARIMONT Pascal	Member	23/06/2022	VERBOND VAN BELGISCHE ONDERNEMINGEN / FEDERATION DES ENTREPRISES DE BELGIQUE	
DURAND Pascal	Member	28/06/2022	METRO AG	
DURAND Pascal	Member	12/07/2022	Confédération des Petites et Moyennes Entreprises	
MACMANUS Chris	Member	08/09/2022	Irish Coalition for Business and Human Rights	