Procedure file

Basic information

INI - Own-initiative procedure	2020/2027(INI)	Procedure completed
Liability of companies for environmental damage Subject 3.70.16 Law and environment, liability		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	JURI Legal Affairs		15/06/2020
		MANDERS Antonius	
		Shadow rapporteur	
		ROBERTI Franco	
		KYUCHYUK Ilhan	
		TOUSSAINT Marie	
		BECK Gunnar	
		STANCANELLI Raffaele	
	Committee for opinion	Rapporteur for opinion	Appointed
	DEVE Development		14/07/2020
		ROOSE Caroline	
	ENVI Environment, Public Health and Food Safety		10/06/2020
		CANFIN Pascal	
	LIBE Civil Liberties, Justice and Home Affairs		23/04/2020
		BRICMONT Saskia	
European Commission	Commission DG	Commissioner	
	Environment	SINKEVIČIUS Virginijus	

Key events

13/02/2020	Committee referral announced in Parliament		
18/03/2021	Vote in committee		
06/04/2021	Committee report tabled for plenary	A9-0112/2021	Summary
19/05/2021	Debate in Parliament		
20/05/2021	Results of vote in Parliament		
20/05/2021	Decision by Parliament	T9-0259/2021	Summary

Technical information

Procedure reference	2020/2027(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	JURI/9/02513

Documentation gateway

Committee draft report		PE660.299	30/11/2020	EP	
Committee opinion	DEVE	PE658.987	09/12/2020	EP	
Amendments tabled in committee		PE663.019	18/12/2020	EP	
Committee opinion	LIBE	PE658.919	21/12/2020	EP	
Committee opinion	ENVI	PE657.389	29/01/2021	EP	
Committee report tabled for plenary, single reading		A9-0112/2021	06/04/2021	EP	Summary
Text adopted by Parliament, single reading		T9-0259/2021	20/05/2021	EP	Summary
Commission response to text adopted in plenary		SP(2021)538	09/11/2021	EC	

Liability of companies for environmental damage

The Committee on Legal Affairs adopted the own-initiative report by Antonius MANDERS (EPP, NL) on the liability of companies for environmental damage.

The report noted that ensuring liability for environmental damage is key to making European businesses more sustainable in the long term. Such an achievement is closely interlinked through the development of related legislation on corporate due diligence, corporate social accountability and sustainable corporate governance.

General observations

Members welcomed the Commissions efforts to assess and bridge gaps in the implementation of the Environmental Liability Directive (ELD) and the Environmental Crime Directive (ECD) across the Member States.

They considered that additional efforts are required to ensure regulatory standardisation in the EU and increased public confidence in the effectiveness of EU laws in order to prevent and remedy environmental damage more effectively and strike the right balance between corporate concerns and environmental protection.

Members regretted that environmental crimes are among the most profitable forms of transnational criminal activity. In this regard, they called on the Commission and the Member States, to allocate appropriate financial and human resources to preventing, investigating and prosecuting environmental crimes, and to increase the expertise of the authorities involved, including prosecutors and judges, with a view to more effectively prosecuting and sanctioning environmental crime.

Member States are called up on to set up or reinforce specialised units within their national police services at the appropriate levels for the investigation of environmental offences.

Recommendations

Members considered that, given the purpose of the ELD is to prevent and remedy environmental damage, a future regulation (Environmental Liability Regulation) should be applicable to all companies that operate in the EU, regardless of where they have been incorporated or where they are based, and that a holistic approach and reciprocity are necessary to meet the needs of companies in a global economy.

The report called on the Commission to:

- explore the possibility of extending the mandate of the European Public Prosecutors Office (EPPO), once it is fully established and fully functional, to cover environmental offences;

- consider the adoption of an overall framework directive on environmental offences and effective and proportionate sanctions;

- assess the introduction of a mandatory financial security system (covering insurance, bank guarantees, company pools, securities and bonds or funds) with a maximum threshold per case, aiming to prevent taxpayers from having to bear the costs resulting from remediation of environmental damage;

- develop a harmonised EU methodology for calculating the maximum liability threshold;

- compile a study on the introduction of an ELD financial compensation scheme at EU or national level for cases where available remedies are inadequate given the extent of the damage;

- ensure that corporate social responsibility in preventing and remedying environmental harm is taken into account in procurement contracts and the allocation of public funds;

- come forward with a proposal for environmental inspections at EU level without further delay;

- promote action by the EU, its Member States and the international community to step up efforts against environmental crime.

Liability of companies for environmental damage

The European Parliament adopted by 536 votes to 121, with 36 abstentions, a resolution on the liability of companies for environmental damage.

Responsible business conduct implies that companies take due account of environmental concerns. Environmental damage, dangerous and harmful chemicals and climate change pose significant risks to human health through air, soil and water pollution.

Reinforcing the current rules

Members welcomed the Commissions efforts to assess and bridge gaps in the implementation of the Environmental Liability Directive (ELD) and the Environmental Crime Directive (ECD) across the Member States.

However, the resolution stressed that differences in the implementation and enforcement of EU rules on corporate liability for environmental damage currently prevent EU industry from enjoying a level playing field.

Additional efforts are required to ensure regulatory standardisation in the EU and increased public confidence in the effectiveness of EU laws in order to prevent and remedy environmental damage more effectively and strike the right balance between corporate concerns and environmental protection.

Environmental crimes

Members regretted that environmental crimes are among the most profitable forms of transnational criminal activity. In this regard, they called on the Commission and the Member States, to allocate appropriate financial and human resources to preventing, investigating and prosecuting environmental crimes, and to increase the expertise of the authorities involved, including prosecutors and judges, with a view to more effectively prosecuting and sanctioning environmental crime.

Member States are called up on to set up or reinforce specialised units within their national police services at the appropriate levels for the investigation of environmental offences

Recommendations

Parliament called on the Commission to, inter alia:

- revise the ELD as soon as possible and transform it into a fully harmonised regulation in line with other EU legislation designed to protect the environment: a future regulation on environmental liability should apply to all companies operating in the EU, regardless of where they are incorporated or established

- update the Environmental Protection through Criminal Law Directive following an in-depth impact assessment, while taking into account new types and patterns of environmental crime;

- study the relevance of the qualification of ecocide for EU law and diplomacy;

- establish an EU ELD Working Group, composed of highly qualified experts and Commission officials, to support Member States in the implementation of the ELD;

- establish protection and assistance schemes for victims of environmental damage;

- explore the possibility of extending the mandate of the European Public Prosecutors Office (EPPO), once it is fully established and fully functional, to cover environmental offences;

- consider the adoption of an overall framework directive on environmental offences and effective and proportionate sanctions;

- assess the introduction of a mandatory financial security system (covering insurance, bank guarantees, company pools, securities and bonds or funds) with a maximum threshold per case, aiming to prevent taxpayers from having to bear the costs resulting from remediation of environmental damage;

- develop a harmonised EU methodology for calculating the maximum liability threshold;

- compile a study on the introduction of an ELD financial compensation scheme at EU or national level for cases where available remedies are inadequate given the extent of the damage;

- ensure that corporate social responsibility in preventing and remedying environmental harm is taken into account in procurement contracts and the allocation of public funds;

- come forward with a proposal for environmental inspections at EU level without further delay;

- promote action by the EU, its Member States and the international community to step up efforts against environmental crime.