



Commissioner Didier Reynders announced EU human rights and environmental due diligence legislation in 2021

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The COVID-19 pandemic crisis has created major disruptions to public health as well as to economic and social spheres, creating implications also for business and human rights. Indeed, the global emergency is affecting global value chains and workers have become more vulnerable than before due to collapsing global markets.¹ The International Labour Organization (ILO) [has recently called](#) to action in the global garment industry to support manufacturers and protect workers' income, health and employment affected by the economic disruption caused by COVID-19 outbreak.

Against this challenging background, companies play a greater role in minimising their adverse impacts on people and society. States should ensure companies' due diligence towards human rights and the environment even under these special circumstances and the existing governmental security measures.

On 29 April 2020, the European Commissioner for Justice Didier Reynders committed to bring forward an EU legislation on mandatory human rights and environmental due diligence for companies as part of the Commission's 2021 work plan. The Commissioner stressed that the EU initiative would be **mandatory, cross-sectoral**, enforceable with a **sanction regime** and that would also include **liability** of companies causing human rights abuses and environmental harms. The **EU legislation** would require companies and financial institutions to identify, prevent, mitigate and account for human rights abuses and environmental damages linked to their operations, subsidiaries or value chains.

The Commissioner's announcement came during the webinar hosted by the European Parliament's [Responsible Business Conduct Working Group](#),² during which he presented the findings of the Commission [study on due diligence requirements through the supply chain](#). The study, released in February 2020, revealed that the majority of surveyed stakeholders agreed on the current regimes of corporate voluntary measures' failure and that an EU-level regulation on due diligence would provide benefits for businesses.

As mentioned by Reynders during the webinar, the EU legislation would help prevent potential future crises and ensure more sustainable global value chains. The main key points of the future EU legislative initiative announced by the Commissioner are: (i) it will be part of the EU Green Deal and potentially of the Recovery Plan; (ii) it will have a large scope, including SMEs and ensuring an *ad hoc* and fair treatment to them; (iii) it will provide an effective enforcement mechanism through the provision of sanctions and a potential oversight authority; (iv) it will provide for corporate liability for human rights and environmental abuses; (v) it will guarantee access to justice, as inspiration could be the proposed rules on representative actions³ for the protection of the collective interests of consumers; (vi) it will be based and modelled on the [UN Guiding Principles on Business and Human Rights](#), the OECD framework⁴ and the [ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#).

¹ See for example Human Rights Watch, [Protecting Garment Workers During COVID-19 Crisis](#), 22 April 2020, and the Guardian, [Garment workers face destitution as Covid-19 closes factories](#), 19 March 2020. See also the recent case in Malaysia: [Malaysia: Medical glove manufacturers see surge in orders due to COVID-19, amid forced labour concerns](#), Business and Human Rights Resource Centre; the Guardian, [NHS urged to avoid PPE gloves made in 'slave-like' conditions](#), Pete Pattison, 23 April 2020.

² Please find the transcription of Commissioner Reynders's speech on [RBC Working Group's website](#).

³ [Proposal for a Directive Of The European Parliament And Of The Council on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC](#), 11 April 2018.

⁴ See the [OECD Guidelines for Multinational Enterprises](#) and [OECD Due Diligence Guidance For Responsible Business Conduct](#).