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Answer given by Mr McGrath
on behalf of the European Commission
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The Commission takes the issues of corporate responsibility and accountability seriously and has contributed to establishing frameworks such as Directive 2014/95/EU[1] to improve corporate disclosure of social and environmental information. The Corporate Sustainability Reporting Directive 2022/2464 (CSRD)[2] broadens the scope, mandates EU Sustainability Reporting Standards and enhances consistency and comparability in sustainability reporting. With the Corporate Sustainability Due Diligence Directive 2024/1760 (CSDDD)[3], the Commission sets clear expectations for large companies to regularly identify and address potential and actual adverse human rights and environmental impacts. The obligations aim to prevent benefiting from or contributing to violence and extortion, amongst others.

In shaping the CSDDD, the EU institutions were guided by Article 2 of the Treaty on European Union and Article 191 of the Treaty on the Functioning of the European Union, as reflected by their inclusion in Recitals 1 and 2 of the CSDDD.

Preventing fragmentation was one of the main aims of the CSDDD and it was reinforced in the proposal COM(2025) 81 final[4], which makes more provisions subject to full harmonisation.

The Commission is committed to enhancing and simplifying, not weakening, directives related to due diligence, sustainability reporting, and taxonomy. The proposal COM(2025) 81 final aims to ensure that European companies contribute positively to sustainable development and respect for human rights including labour rights, and the environment globally, while remaining competitive by doing so in the most cost-efficient way.

[1] Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.
[2] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.
[3] Directive 2024/1760 on corporate sustainability due diligence.
[4] Proposal for a Directive amending Directives 2006/43/EC, 2013/34/EU, 2022/2464 and 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements.