

Retail and wholesale need due diligence rules which reflect the reality of their businesses

Commenting today at the launch of the European Commission’s draft directive on Sustainable Corporate Governance, EuroCommerce Director General Christel Delberghe set out how seriously retailers and wholesalers take their responsibility to identify and reduce the risk of abuses in their supply chains:

“Retailers and wholesalers have long been active in addressing potential problems in their supply chains and have been closely involved in voluntary due diligence measures, and in sectoral and specific commodity schemes. We recognise our responsibility and act on it, working with suppliers to ensure responsible conduct across the chain. But the nature of retail and wholesale means dealing with a constantly changing multiplicity of actors in highly differentiated, often global value chains. We therefore ask the co-legislators to adopt a measure which takes these specificities into account and provides clear definitions and a proportionate allocation of responsibilities.”

Our sector relies on complex and diverse supply chains across the world. We need a due diligence regime which focuses responsibility where it can be implemented most effectively. Our sector is now, and in the future, committed to taking responsibility for tackling current societal challenges and committed to be part of the solution. But it can only have limited impact and leverage beyond the own-brand products it sources directly and in ensuring that tier-1 suppliers respect the rules and can give reliable assurances that they demand the same from their suppliers.

It is also important that the EU due diligence framework is consistent with existing European legislation, including among others, the Regulation on deforestation-free products/EU Timber Regulation, the Conflict Mineral Regulation but also EU Taxonomy and obligations on non-financial reporting. It should be built on current international and regional guidance such as the UN Guiding Principles on business and human rights or the OECD due diligence guidance for responsible business conduct.

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