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**WTO 36** 

## **NOTE**

From:	General Secretariat of the Council
To:	Delegations
Subject:	Due diligence requirements on human rights and environmental impacts
	- Explanatory note by the Luxembourg delegation

Delegations will find in <u>Annex</u> an explanatory note by the Luxembourg delegation regarding the "Any Other Business" item on the due diligence requirements on human rights and environmental impacts that it wishes to raise at the Foreign Affairs Council (Trade) on 12 March 2020.

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## FOREIGN AFFAIRS COUNCIL (TRADE), 12 MARCH 2020

## **Explanatory note by the Luxembourg delegation**

## Due diligence requirements on human rights and environmental impacts

- 1. At the Foreign Affairs Council Trade on 21 November and 19 December 2019, Luxembourg expressed its support for the idea raised by the Netherlands to develop an EU harmonised framework on responsible business conduct.
- 2. A recent study of the European Commission (<a href="https://op.europa.eu/en/publication-detail/-/publication/8ba0a8fd-4c83-11ea-b8b7-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/8ba0a8fd-4c83-11ea-b8b7-01aa75ed71a1/language-en</a>) analyses the possible development of regulatory options at the EU level. It reveals that only one out of three companies tries to implement due diligence requirements on human rights and environmental impacts.
- 3. The study highlights that action at the European level on a general due diligence requirement for human rights and environmental impacts is highly welcomed by the survey respondents.

  A European legislative proposal on that matter could have beneficial effects for businesses, as it could guarantee legal certainty and create a level playing field.
- 4. Minister Asselborn would therefore like to raise awareness to this issue at the next FAC Trade.