

EUROPE ESTABLISHES RULES FOR COMPANIES ON SUSTAINABILITY

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The European Commission has adopted a [proposal for a directive](#) establishing rules for companies on of sustainability, with the stated goal of “**promoting sustainable and responsible business behavior throughout global supply chains**”.

The directive aims to prevent, stop or mitigate the adverse effects of business activity on human rights (access to **decent working conditions**, avoidance of child labor) and environmental sustainability (< strong>fight against climate change, pollution, and the loss of biodiversity).

The body of the standard distinguishes between a Group 1 of companies of considerable size (more than 500 employees and 150 million euros in turnover) and a Group 2 of companies that operate in certain sectors. SMEs are not affected by the directive, at least directly.

According to the directive, group 1 companies must have a plan to guarantee that their **business strategy is compatible with limiting global warming to 1.5 °C**, an objective that it was established with the Paris Agreement.

Once the European Parliament and Council adopt the directive, EU states would have two years to incorporate it into their legal system.

There are no comments yet.