

Liability of companies for environmental damage

2020/2027(INI) - 20/05/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 536 votes to 121, with 36 abstentions, a resolution on the liability of companies for environmental damage.

Responsible business conduct implies that companies take due account of environmental concerns. Environmental damage, dangerous and harmful chemicals and climate change pose significant risks to human health through air, soil and water pollution.

Reinforcing the current rules

Members welcomed the Commission's efforts to assess and bridge gaps in the implementation of the [Environmental Liability Directive](#) (ELD) and the [Environmental Crime Directive](#) (ECD) across the Member States.

However, the resolution stressed that differences in the implementation and enforcement of EU rules on corporate liability for environmental damage currently prevent EU industry from enjoying a level playing field.

Additional efforts are required to ensure **regulatory standardisation in the EU** and increased public confidence in the effectiveness of EU laws in order to prevent and remedy environmental damage more effectively and strike the right balance between corporate concerns and environmental protection.

Environmental crimes

Members regretted that environmental crimes are among the most profitable forms of transnational criminal activity. In this regard, they called on the Commission and the Member States, to allocate appropriate financial and human resources to preventing, investigating and prosecuting environmental crimes, and to increase the expertise of the authorities involved, including prosecutors and judges, with a view to more effectively prosecuting and sanctioning environmental crime.

Member States are called up on to set up or reinforce specialised units within their national police services at the appropriate levels for the investigation of environmental offences

Recommendations

Parliament called on the Commission to, inter alia:

- revise the ELD as soon as possible and transform it into a fully harmonised regulation in line with other EU legislation designed to protect the environment: a future regulation on environmental liability should apply to all companies operating in the EU, regardless of where they are incorporated or established
- update the Environmental Protection through Criminal Law Directive following an in-depth impact assessment, while taking into account new types and patterns of environmental crime;
- study the relevance of the qualification of **ecocide** for EU law and diplomacy;
- establish an EU ELD Working Group, composed of highly qualified experts and Commission officials, to support Member States in the implementation of the ELD;

- establish protection and **assistance schemes** for victims of environmental damage;
- explore the possibility of extending the mandate of the **European Public Prosecutor's Office (EPPO)**, once it is fully established and fully functional, to cover environmental offences;
- consider the adoption of an overall framework directive on environmental offences and effective and proportionate sanctions;
- assess the introduction of a mandatory financial security system (covering insurance, bank guarantees, company pools, securities and bonds or funds) with a maximum threshold per case, aiming to prevent taxpayers from having to bear the costs resulting from remediation of environmental damage;
- develop a harmonised EU methodology for calculating the maximum liability threshold;
- compile a study on the introduction of an ELD **financial compensation scheme** at EU or national level for cases where available remedies are inadequate given the extent of the damage;
- ensure that corporate **social responsibility** in preventing and remedying environmental harm is taken into account in procurement contracts and the allocation of public funds;
- come forward with a proposal for environmental **inspections** at EU level without further delay;
- promote action by the EU, its Member States and the international community to step up efforts against environmental crime.