



## Recent developments in CSR in the shadow of the Covid-19 pandemic

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The ongoing Covid-19 pandemic has not only changed everyday life in the EU considerably, but has also completely pulverised legislative plans and initiatives of the EU Commission under the leadership of Ursula von der Leyen. The German Council Presidency's goals, which were drawn up with great difficulty and agreed to by the various federal ministries, have also fallen victim to the Covid-19 pandemic.

Short-term adjustments to the work programmes of the Commission and the German Council Presidency were necessary. As a result, the focus has shifted all the more to the area of corporate social responsibility of companies.

In both the current work programme of the EU Commission and the programme of the German Council Presidency, the many initiatives and plans for the economic recovery of Covid-19 are closely linked to somewhat concrete demands for a strengthening of CSR standards, especially due diligence rules.

This may only be surprising at first glance. Good internal company programmes to comply with ESG standards increase resilience and reduce the risk of companies being negatively affected by crises in their economic performance. However, the supply chains of the globalised economy and the direct and indirect effects of the economic activities of companies in other regions and countries have also become all the more important due to the Covid-19 pandemic.

Thus, the responsibility of companies for their supply chains is one of the German Presidency's priorities in the field of labour and social affairs. Comparable to the national debate on the planned Supply Chain Act, companies would have to check their suppliers and their operations to ensure that they do not rely on child labour or, for example, discharge untreated chemicals into rivers.

For companies, this would mean above all a multitude of new reporting obligations that would have to be met. However, it is especially important for the legal profession to see how they themselves may be affected in the supply chain. Law firms will not per se be treated differently from other businesses in the supply chain. For example, it has long become increasingly common - also against the background of national regulations such as in France - for law firms to have to fill out extensive questionnaires for the purpose of being mandated or to sign code of conduct regulations.

At the same time, a central concern must also be to ensure that the protection of access to justice for the client is given priority. Lawyers cannot be forced to cease advising or defending clients because they violate CSR standards. This applies, for example, to environmental objectives to which the EU is also committed. These include the protection of water and marine resources, recycling management,

protection and restoration of biodiversity and ecosystems as well as prevention and reduction of pollution. The technical assessment criteria are currently being defined here, which will then serve as the basis for the reporting obligations for companies covered by the CSR Directive.

In the CSR area, it should therefore be ensured that the reporting obligations of companies do not create a parallel, normative order based on "soft law" norms, which focus on "negative effects" and not on violations of the law.