

MICHEL BARNIER

Membre de la Commission européenne

20 MARS 2013

Brussels,
KS/nl D(2013) 274590

Dear Ms Gomes,

Thank you for your letter of 13 December 2012 in which you ask the Commission to propose legislation on supply chain due diligence to meet the OECD standard. Let me first apologise for my late reply.

The Commission fully shares the objective of promoting greater transparency and more accountability, in particular as regards the extractive industry. With this objective in mind, the European Commission put forward a legislative proposal on 25 October 2011 requiring the disclosure of payments to governments on a country and project basis by listed and large unlisted companies with activities in the extractive and forestry sectors. This proposal is now in the hands of the European co-legislators. The Commission also supports the Extractive Industry Transparency Initiative (EITI), which focuses on the transparency of payments (corporate taxes, royalties, etc.) by multinational companies to its host countries. The implementation of the EITI global standard is on a voluntary basis and so far 18 out of 37 countries fulfil all the requirements to become a EITI Compliant country.

The Commission is also involved in on-going efforts to address the issue of conflict minerals and strongly supports the OECD's Due Diligence Guidance on Responsible Supply Chains of Minerals. In this regard, the Commission continues to work with the OECD through multi-stakeholder processes on implementation of this Guidance.

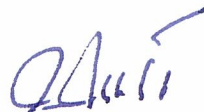
Moreover, in the EU the question of the improvement of the relationships within the supply chain, including third countries, has come under deeper scrutiny.

As stated in your letter, the Commission is taking due action with the view of improving supply chain transparency. It has recently adopted a Green Paper on a more balanced business-to-business food and non-food supply chain in the EU. This initiative covers the chain of transactions between undertakings or between undertakings and public authorities that leads to the delivery of goods destined mainly for the general public for personal or household consumption or use. The Green Paper has launched a consultation which will remain open until the end of April. Based on the results of this consultation, the Commission will consider the appropriate next steps before the end of 2013 and decide, inter alia, whether the scope of any initiative in this area would apply to players within the supply chain located outside the EU.

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These initiatives show our commitment to explore ways of improving supply chain transparency as set out in COM(2012)22. Further reflections are on-going as to the next steps for a comprehensive EU approach in this very important area.

Yours sincerely, *Michel Barnier*



Michel BARNIER

Cc: Mr David Martin, Sir Graham Watson, Ms Marita Ulvskog, Mr Michael Gahler,
Mr Richard Howitt