

European Model Contract Clauses (EMCs)

Overview and Consultation Process

The European Working Group is pleased to announce the publication of the Zero Draft of the European Model Contract Clauses (EMCs) for consultation. The EMCs are a set of model clauses that aim to support effective human rights and environmental due diligence (HREDD). They are designed to be in alignment with the requirements of the new EU Corporate Sustainability Due Diligence Directive (CSDDD), which was adopted by the EU Council in May of 2024 and is soon to enter into force.

What Are the EMCs?

- The EMCs are a set of pan-industry and modular model contract clauses that can be incorporated into companies' supply chain contracts to improve human rights and environmental performance in global supply chains.
- The Zero Draft of the EMCs was prepared by the European Working Group, an independent group of legal practitioners and academics from across Europe.

The EMCs are designed to:

- Meet the requirements of the CSDDD and other mandatory HREDD legislation
- Conform to the contract law of various European jurisdictions
- Support the implementation of effective HREDD

Key Principles and Provisions of the EMCs

The EMCs are aligned with the CSDDD, the UN Guiding Principles on Business and Human Rights (UNGPs), as well as with the OECD Guidelines for Multinational Enterprises, the OECD Guidance on Due Diligence for Responsible Business Conduct, and the Guidance for Responsible Supply Chains in the Garment & Footwear Sector.

Key provisions of the EMCs include:

1. A joint commitment by both parties to cooperate in carrying out HREDD, as distinct from the traditional, one-sided guarantees of perfection
2. Buyer obligations to engage in responsible purchasing practices (e.g., pricing, modifications, providing assistance, responsible exit)
3. Prioritisation of human rights remediation over traditional contract remedies, such as contract termination; exit only as a last resort; and a joint commitment to responsible exit

EMCs and the EU Corporate Sustainability Due Diligence Directive (CSDDD)

Article 18 of the CSDDD requires the EU Commission to adopt guidance on voluntary model contractual clauses that companies can use to meet the law's requirements. The guidance is due to be developed within 30 months after the Directive enters into force. While the EMCs were not developed at the EU Commission's request, the European Working Group hopes that they will serve as a helpful resource for the Commission as it formulates the guidance.

EMCs Consultation Process

The consultations for the Zero Draft are being coordinated by the Responsible Contracting Project with generous support from the German development assistance organisation, GIZ. They aim to ensure that the first official version of the EMCs (the EMCs 1.0) are the product of an inclusive, balanced, and legitimate process.

Various stakeholder groups, including in-scope companies and smaller companies in the Global North and the Global South, civil society organisations, academics, think tanks, consultancies, and national and international governmental organisations, are encouraged to submit feedback.

Feedback can be provided in writing (by email or by completing an online questionnaire), or by participating in virtual meetings and workshops.

If you would like to participate in a consultation or for RCP to coordinate a session with or for you, please send an [email request](#).

For up-to-date information on the schedule of consultation sessions, please visit www.responsiblecontracting.org.

Timeline

2021: Working Group begins development of the EMCs

2023: Publication of initial draft EMCs for online consultation

May 2024: Adoption of the CSDDD

July - December 2024: Consultation of the Zero Draft of the EMCs

December 2024 - February 2025: Integration of the feedback from the consultations

February 2025 - March 2025: Publication of the EMCs 1.0