

**From:** [REDACTED] (CAB-JOUROVA)  
**Sent:** jeudi 10 juin 2021 11:44  
**To:** NIKOLAY Renate (CAB-JOUROVA); BRAUN Daniel (CAB-JOUROVA); LADMANOVA Monika (CAB-JOUROVA); DE ELERA Alvaro (CAB-JOUROVA); HULICIUS Eduard (CAB-JOUROVA); TALKO Wojtek (CAB-JOUROVA); [REDACTED] (CAB-JOUROVA)  
**Cc:** CAB JOUROVA ARCHIVES; [REDACTED] (CAB-JOUROVA)  
**Subject:** Report from the meeting with the Confederation of Swedish Enterprise on Sustainable Corporate Governance – 07/06/2021

**Report from the meeting with the Confederation of Swedish Enterprise on Sustainable Corporate Governance – 07/06/2021**

**Participants:**

- European Commission : Simona Constantin, Member of Cabinet of VP Jourová
- Confederation of Swedish Enterprise: [REDACTED]  
[REDACTED] EU Office in Brussels

The representatives of the Confederation of Swedish Enterprise explained their position and concerns as regards the upcoming proposal on sustainable corporate governance. In their view this concerns two aspects – due diligence and corporate governance/directors duties – which should not be linked and not included in one proposal.

On due diligence, they agree that businesses should be sustainable, green and take responsibility for their supply chains – and in their view all boards already take this into consideration. Harmonisation is needed to ensure legal certainty and a level playing field, although Swedish companies can achieve sustainability even without binding rules.

On directors duties/corporate governance they expressed strong concerns/opposition, not seeing the rationale for interfering on this. They criticised the Ernst and Yung study as being flawed both as regards methodology and conclusions. They are concerned about interfering with basic corporate governance foundations, for example if this would mean giving stakeholders another role in the company compared to now. This could change the business structure and if there is also interference with remuneration rules, again this risks leading to a situation where companies will not have basic access to markets. They opinionated that businesses perform already sustainability and it would be counterproductive to interfere with aspects that might turn into obstacles. They did not see an emerging compromise on directors duties, although they expressed some openness to consider recommendations. In their view the Swedish model includes already a strong role for stakeholders and a lot of boards make sure to have a diversity of expertise. Going further would take away the property rights of shareholders.

I explained that the Commission's work on shorttermism is not new, referring to the review of the Shareholders Rights Directive and the actions on sustainable finance. The EP has now adopted two reports, covering both due diligence and directors duties. On due diligence it will be key to get the balance right, especially in terms of scope of companies covered and to ensure coherence with other Commission's initiatives. On directors duties, while nothing is decided, it is clear that directors play an important role in moving forward on sustainability, including in delivering the due diligence duty. To which extend there will be more specific corporate governance aspects, it remains to be seen. But we do see a societal expectation that more interests are taken into account by companies. I reassured them that the Commission will rely on a variety of sources, not just one study and that the aim is to have a

well targeted intervention with a view to achieve the objectives of the proposal, while not imposing a paternalistic approach.

As regards the timing of the proposal, I indicated that thorough preparation is ongoing and the proposal can be expected for after the summer.

Please, see attached for background, the position paper of the Confederation of Swedish Enterprise.



**SIMONA CONSTANTIN**

Member of Cabinet of Vice-President Věra Jourová  
Values and Transparency

**European Commission**

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