MEETING WITH THE VOKA (FLEMISH BUSINESS ASSOCIATION) AND EUROCHAMBRES

Scene setter

- You will meet the VOKA (Flanders’ Chamber of Commerce and Industry) and Eurochambres (Association of the European Chambers of Commerce and Industry), on the upcoming initiative on sustainable corporate governance, upon their request. Particularly, the meeting will be attended by

- EuroChambres has expressed scepticism about the need to regulate directors’ duties by EU law, while supporting harmonisation of certain corporate due diligence practices.

- Under the auspices of Eurochambres, Voka (Flanders’ Chamber of Commerce and Industry) would like to address some of the key concerns of their members, in particular:
  - The role of government compared to business in relation to such crucial challenges like climate change;
  - the practical implications of the proposal on European businesses, in particular SMEs;
  - and the need to avoid sanctions and the threat of civil liability proceedings for unintended consequences.

Agenda of the meeting

- EUROCHAMBRES to introduce the delegation and pass the floor to
  Indicative timing: 3 minutes

- to make some introductory remarks. Indicative timing: 5 minutes

- Commissioner Reynders to give initial remarks and reaction – 10-15 minutes?

- Follow-up interventions and questions from:
  - (in French) = 3-5 minutes
  - VOKA on directors’ duties, corporate governance and the role of stakeholders 3-5 minutes

- Response from Commissioner Reynders

- Possible follow-up questions and answers, if time allows.

- Closing remarks by – 2 minutes
Lines to take

- The **aim** of the legislative proposal on sustainable corporate governance is to **foster sustainability and resilience** in corporate decision-making, and in particular to **help companies become environmentally and socially sustainable**. Embedding sustainability into corporate governance would also be an important **catalyst for a sustainable recovery** after the COVID crisis.

- The Commission is working intensively on the **Impact Assessment** which will inform the decision of the College on the proposal. The plan is to submit a **legislative proposal** to the EU co-legislators **later this year**.

- The impact assessment takes into account a **very broad range of evidence**, including several studies that demonstrate also the **benefits of switching businesses to a more sustainable modes of operation**.

- The Impact Assessment also reflects on stakeholders’ views, including the feedback received during our **open public consultation**, which generated almost **half a million of responses**.

- Despite some differences across the various respondent groups on how to achieve the goal, there is **overall support** for the **initiative itself**. The **consultation responses and a factual summary** have just been published on the Commission’s website.

- The impact assessment is looking into **three main elements**:

  - Possible EU-wide rules on **corporate due diligence**, to **mitigate or prevent adverse impacts** in the company’s **own operations** and its **value chains**.

  - How to **clarify that directors have a duty** to pursue **long-term value creation** and a **sustainable strategy** for their company and **manage sustainability** risks.
Reflections on possibly aligning directors’ remuneration schemes to ensure that incentives support long term sustainability.

- We are looking into whether the due diligence duty would have to apply across all industry sectors or not and how it could be aligned with internationally recognised human rights and labour standards and/or international environmental commitments and EU goals, such as the 2050 climate neutrality objective and the EU’s biodiversity goals.

- Ideally, all adverse impacts that can occur throughout the value chain should be captured.

- We are exploring how civil liability can play a role and whether obligations would apply beyond direct suppliers, as important risks to the environment as well as regards human rights (such as forced labour) tend to materialise in supply chains beyond tier one suppliers.

- We are also looking into the potential role of public authorities and whether the due diligence rules would also cover some third-country companies to level the playing field in the EU market.

- In this analysis, we are paying particular attention that obligations would be proportionate, both to the size of the company and to the risk of adverse impacts in the various economic sectors. We pay particular attention to mitigating the burden of SMEs and to the need to provide them with additional support so that they can also reap the benefits of the initiative.
Meeting with the VOKA (Flanders’ Chamber of Commerce and Industry) and Eurochambres
Remote - 11/06/2021 11:00
Meeting with the VOKA (Flanders' Chamber of Commerce and Industry) and Eurochambres
Remote - 11/06/2021 11:00
Meeting with the VOKA (Flanders’ Chamber of Commerce and Industry) and Eurochambres
Remote - 11/06/2021 11:00
Meeting with the VOKA (Flanders’ Chamber of Commerce and Industry) and Eurochambres
Remote - 11/06/2021 11:00