

From: [REDACTED] [\(CAB-BRETON\)](#)
To: [CAB BRETON ARCHIVES](#)
Subject: Readout - Meeting between [REDACTED], [REDACTED] BusinessEurope, accompanied by [REDACTED], [REDACTED] BusinessEurope, and Commissioner Breton on Sustainable Corporate Governance, 11 January 2022
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Meeting between [REDACTED], [REDACTED] BusinessEurope, accompanied by [REDACTED], [REDACTED] BusinessEurope, and Commissioner Breton on Sustainable Corporate Governance, 11 January 2022

- [REDACTED] thanked the Commissioner for the meeting, following the letter that the BusinessEurope sent on the upcoming proposal.
- He underlined that getting the proposal right is essential for European companies and they see an added value of harmonised rules on due diligence in the Single Market. Such rules should focus on obligation of means, do not impose undue burden on SMEs, target largest companies, and should be limited to the first tier suppliers.
- Commissioner Breton assured that the proposal remains a priority for the Commission and the aim is proportionate and effective legislation, focusing on obligation of means.
- The key objectives of the proposal are: 1) to avoid the fragmentation of the single market and diverging national laws; 2) build on existing international standards – such as the OECD and the United Nations and 3) ensure a level playing field with companies from third countries.
- Commissioner underlined that there is a need to cover the whole supply chain and due diligence cannot stop at Tier 1. Covering the whole chain is feasible, for example through appropriate contractual clauses and their cascading.
- [REDACTED] outlined that companies would need support, for example through transparency tools, to get information in the supply chains. Commissioner Breton found the idea interesting, in the context of a toolbox to help companies with the compliance, and suggested to follow up with the teams.
- [REDACTED] pleaded not to weaken current corporate governance models and blurring directors' duties. Commissioner Breton highlighted this issue is being carefully looked into following the feedback received from the public consultation and various stakeholders to ensure a well calibrated and justified approach on directors' duties.