

Interview with Eurochambres Economic Policy committee chair – Wolfgang Grenke

1. What is the main priority of the Economic Policy Committee for the remainder of 2022?

I consider that the proposal for a directive on Corporate Sustainability Due Diligence adopted on 23 February will shape EU policymaking in the months and years to come due to the major impact brought by extensive due diligence requirements and new corporate governance obligations imposed on companies covered by its scope.

2. What activities do you have lined up in this area?

We have just finalised our position on the proposal, highlighting how the business community is committed to improve responsible business conduct across the supply chain. This will provide the basis for Eurochambres to hold discussions with MEPs, Council representatives and Commission officials as the proposal goes through the legislative procedure and bring about substantive recommendations on how to create a level playing field for EU companies and avoid liability litigation risks. We also plan to emphasize our concerns during meetings with the Commission's SME Envoy Network, the European Parliament's SME Intergroup, and the SME Assembly scheduled for the second half of the year.

3. The pandemic and now the war in Ukraine have had a huge impact on the business community. How do you perceive this in relation to corporate due diligence?

The economic disruption brought by COVID-19 during 2020 and 2021 shed light on the financial vulnerability of many small businesses due to restrictions to the free movement of goods, services, and people within Europe. Following the Russian invasion of Ukraine, businesses involved in global supply chains have struggled to recover despite their vital place in Europe's economic landscape. Businesses are important actors in supporting the EU to overcome the successive crises and the last [Eurochambres Economic Survey](#) shows that their expectations and perceptions are strongly shaped by European policy responses.

The business sector can contribute to a more sustainable economy as long as the right legal framework conditions exist. Nevertheless, EU decision-makers must consider that the adoption of a law on corporate due diligence creates substantial additional burdens for businesses, especially at a time when supply chains are already disrupted, or at least under additional pressure. This poses challenges not only for in-scope companies but also indirectly upon their subsidiaries and smaller businesses that are part of their supply chain. The law should only have practical implications for large companies' own operations and their respective tier 1 suppliers, while sector specific administrative burdens should be reduced to a minimum. MEPs in particular should acknowledge that a large number of European companies take into account

ESG interests in value creation following long-held responsible practices and national corporate governance codes.

Companies stand ready to support the EU in combating climate change and human rights violations without jeopardising competition and innovation. Higher levels of commitment are needed from public authorities, NGOs, and consumers to fulfil common responsibilities towards our planet and its future generations.