

**Press Release****Brussels, Belgium – 2 November 2020**

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**EuropeanIssuers raises concerns vis-à-vis the European Commission regarding its plans on Sustainable Corporate Governance and Due Diligence along the Supply Chain**

On the occasion of EuropeanIssuers Advisory Council meeting of 29 October 2020, EuropeanIssuers, representing more than 70% of all European stock quoted companies, has alerted the EU Commissioner for Justice, Mr Didier Reynders, not to launch any legislative action based only on the conclusions of the recently published study on Directors' Duties and Sustainable Corporate Governance of EY, mandated by the EU Commission. This message will be reiterated in the EuropeanIssuers' response to the public consultation of the EU Commission on sustainable corporate governance.

In the presence of EU Commissioner Didier Reynders and numerous top-executives of major European companies, being members of the Advisory Council, EuropeanIssuers expressed full support to the concept of sustainable corporate governance, which helps to reconcile economic growth, social progress and protection of the environment. At the same time, EuropeanIssuers strongly opposes unfounded arguments from the Study on Directors' Duties and Sustainable Corporate Governance, used in favour of regulatory action, stating that companies are mainly short term oriented and focus primarily on profit for shareholders.

Luc Vansteenkiste, Chairman of EuropeanIssuers, comments: *"Quoted Companies across Europe take their societal responsibility seriously and play an active role in the fight against global warming, social inequalities and loss of natural resources. This can be seen in corporate practices and in the various corporate governance codes across the Union in which the long term value creation requirement has been incorporated as well as the need to take into consideration the interest of relevant stakeholders. Those corporates include sustainability objectives in their company decisions as well as in the management of their supply chains. This is showcased by the adherence to sustainable business conduct principles and large amounts of other industry initiatives."*

*"European companies have not waited for the study on directors' duties and sustainable corporate governance to increasingly integrate sustainability risks, opportunities and impacts into their business strategies, considering that mitigating societal issues have become a key factor of their competitiveness and of their "license to operate" adds, Secretary General, Florence Bindelle.*

Regarding due diligence along supply chains, EuropeanIssuers emphasizes that any action from the EU Commission should carefully look at the potential competitive disadvantage vis-à-vis non-European companies, operating in EU, that do not adhere to EU environmental, social and governance standards. Moreover, any measure should strive to avoid overly

administrative burdens for companies, respect the existing laws on collective board responsibility, preserve competitiveness of European companies on global markets, allow for flexibility, be realistic in its execution and bring legal certainty.

The positioning of the EU at the world's pole position on environmental issues, in line with the Green Deal, is a unique opportunity for our companies to develop new and strong long term strategy's and visions. EuropeanIssuers is eager to contribute to the debate to showcase the experience of Boards of Directors in promoting long term value creation in the social and environmental aspects in their business strategy and activities. Regarding directors' duties, soft law should be preferred over regulation and should be meant to facilitate the process and to encourage businesses in this transition.

EuropeanIssuers requests that an open dialogue is put in place to develop a system which works for all the stakeholders including governments, investors and shareholders and allows for a fair and balanced approach.

For this press release, please click [here](#).

## NOTES TO EDITORS

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### About EuropeanIssuers Advisory Council

The [Advisory Council](#) exists since 2018 and brings together around 50 senior executives of major multinational companies in Europe in a wide range of industrial sectors. It meets twice a year with high-level policymakers. The Advisory Council serves the purpose of strengthening the dialogue between business and politics whilst improving the quality of the European Commission's policy proposals following the debates. The meetings are supported by EuropeanIssuers' thought leader partner EY.

### About EuropeanIssuers

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. Our members include both national associations and companies from all sectors in 15 European countries, covering markets worth € 7.6 trillion market capitalisation with approximately 8000 companies. We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers. [EuropeanIssuers Vision 2019-2024](#) contains key priorities and policy recommendations in a number of areas to support the policymakers.

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