



EUROPEAN COMMISSION

Ursula von der Leyen
The President

Brussels, 28. 07. 2021
Ares (2021) 4087711

Dear Honourable Member, *dear Iratxe*

I thank you and your co-signatories for your letter in relation to the upcoming legislative proposal on sustainable corporate governance.

Since the start of its mandate, the Commission has been working on such a legislative initiative, which, as you are aware, is included in the Commission Work Programme for 2021. I welcome the European Parliament's reflections and work on this issue: the resolutions supporting legislation are important contributions to our work. In line with my commitment in the Political Guidelines to respond to European Parliament resolutions calling for legislation, the reply to President Sassoli on 8 June sent by Vice-President Šefčovič outlines the detailed follow-up, which we intend to provide.

As you rightly point out, it is the task of the Commission to present a proposal with the right level of ambition, based on a solid assessment. I share your view that companies should have a responsibility to make their own contribution towards sustainable development goals with respect to the environment, climate change and the protection of human rights.

We are currently preparing the impact assessment for this legislative initiative, taking into account a large number of replies to the public consultation and numerous contributions from civil society, business associations, and other interested parties. These inputs are informing our analysis of the key issues of proportionality and subsidiarity, as well as our choices in terms of policy options, scope and enforcement mechanism, which will be carefully considered through the impact assessment, taking into account existing international standards,

./..

Ms Iratxe García Pérez, MEP

President of the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament

60 Rue Wiertz

1047 Brussels

E-mail: s-d.leader@europarl.europa.eu

The legislative proposal is part of the Commission's ongoing work towards a more sustainable framework for economic operators. The recently adopted proposal for a Corporate Sustainability Reporting Directive¹ and the upcoming proposals on deforestation and on sustainable products are examples of this work. Consistency and coherence is particularly important, to put in place a comprehensive EU framework which avoids duplication.

The aim of the Commission is to ensure that its legislative proposal is solid and well-balanced. I believe that the result will be a substantial and well-considered proposal, which the Commission will adopt later this year.

Yours faithfully,



Ursula von der Leyen

¹ COM(2021) 189 final