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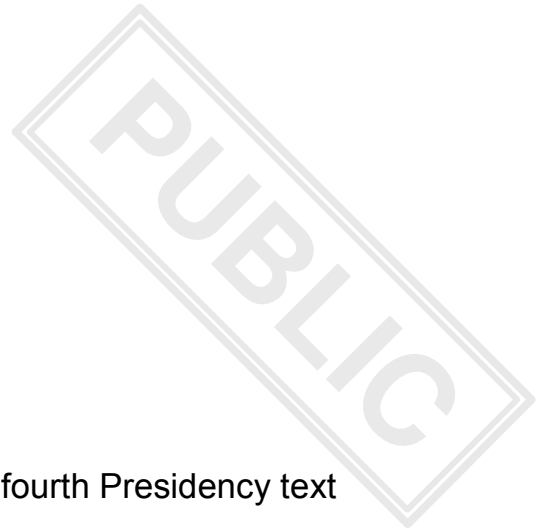
MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Company Law
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 – SE comments

Delegations will find attached for their information the Swedish comments on the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937



Ministry of Enterprise and Innovation



Sweden's written comments on the fourth Presidency text (CS3D)

Article 3(g)

The proposal contains provisions that could make it difficult and prevent employers from taking out insurance and occupational pensions to protect their employees. Sweden believes that the directive should not put obstacles in the way of such protection for individuals and would like a clarification of this.

The latest compromise text clarifies that policyholders are included in the definition of value chain (art. g (ii)), i.e., also employers. SMEs and "households" are exempted in art. g, last paragraph. Sweden wants to see an amendment clarifying that a company, when it takes out occupational pensions and insurance policies for its employees in its capacity as an employer, is exempted.

Please find below proposed drafting suggestion.

The value chain of companies within the meaning of point (a)(iv) providing such services or investments does not cover SMEs and households receiving the services or the investments, **nor does it cover legal entities when they, in their capacity as employers, enter a relationship to fulfil their obligations to provide employees with occupational pension and insurance.**

Article 3(c)

Sweden notes that the definition of *adverse human rights impact* has been adjusted in the compromised text. Sweden would like to ask the following clarifying questions, with the aim of making the text clearer.

- Please explain the rationale for including the clause “*as those human rights are enshrined in the international instruments listed in the Annex 1, Part 1 Section 2*” in article 3(c)(i). What added value to the provision does the clause entail?
- What situations is article 3(c)(ii) targeting?
- What is the added value of referring to human rights that “can be abused” by companies in article 3(c)(ii)(1)?
- Because states “violate” and not “abuse” human rights, perhaps the clause “*other than a Member State or a third country or their authorities*” in article 3(c)(ii)(1) is superfluous?
- Article 3(c)(ii)(3) appears to add a procedural requirement to the definition of “adverse human right impact”. Perhaps this is a requirement for responsibility for adverse human rights impact, rather than part of the definition thereof?
- Please clarify what is meant with “impair[ment] of a legal interest” in article 3(c)(ii)(2).