

# The U.S. Business Perspective on the EU Corporate Sustainability Due Diligence Directive

The U.S. Chamber of Commerce supports the broad intent of the European Union's Corporate Sustainability Due Diligence Directive ("Directive") to make global supply chains more efficient, resilient, and sustainable.

However, the Chamber has several concerns about how the Directive might be too burdensome for businesses in and outside the EU, which could lead to excessive legal risks.

## Key points:

- **Agreement in principle:** The Chamber agrees with the Directive's overall goal of improving sustainability in global supply chains.
- **Legal risks:** The Chamber is concerned that the Directive will likely expose companies to excessive and potentially frivolous litigation.
- **Extraterritorial impact:** The Chamber worries that U.S. firms could be unduly burdened by regulations for companies operating within the EU, which would remove decision-making authority from U.S. regulators.
- **Directors' responsibilities:** The Chamber does not support potential new obligations placed on company directors that would expand for due diligence, as this would interfere with established domestic law.
- **Complexity in Implementation:** The Chamber argues that the Directive's definitions and scope, such as the "value chain," could create serious challenges for business compliance.
- **Lack of proportionality:** The Directive's requirements are not proportional to the burdens they impose.
- **Impact on financial services:** The Chamber does not support including financial services companies in due diligence requirements because of their unique function, business models, and existing regulations.
- **Global political dynamics:** The Chamber calls for careful consideration of the Directive's global impact, especially given concerns from U.S. and other officials about the unintended consequences of the Directive's extraterritorial reach.

The Chamber recommends addressing these concerns in ongoing discussions to ensure that the Directive's requirements are practical and reasonable for those subject to them.

