



**REACTION PAPER**  
**OF THE INTERDEPENDENCE COALITION – LED BY B LAB EUROPE – TO**  
**THE PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF**  
**THE COUNCIL ON CORPORATE SUSTAINABILITY DUE DILIGENCE**  
**(CSDD)**

**Summary**

The Interdependence Coalition (IC), representing over 100 Certified B Corporations, systems change and impact driven organisations, was established to advocate for board directors of companies registered within the EU to be mandated to consider the interests of all the company’s stakeholders in their decision-making process. It offers the experiences of B Corps as a proof of concept to support this case. B Corps are companies that have met high standards of social and environmental performance, and which have voluntarily embedded in the companies’ governing articles a commitment to run the company with consideration of the interests of all stakeholders.

To this end, the IC fully supports the Commission’s efforts to pass a Directive that would include a broader duty of care of directors. The growing demand for B Corp certification (over

6,000 companies globally sought certification in the last 2 years) and the tracked evidence on increased revenue growth of the European B Corps (on average over 30% p.a for each year of certification), indicate that such regulation would be a sum gain for climate, society and for sustainable growth.

The IC welcomes Art. 25 of the draft Directive which addresses the directors' duties in corporate governance (the core area of focus for the IC). We recommend **three changes to the framing of the article**. **Firstly**, to expand the scope of its application to all companies (not just to those within the scope of the Due Diligence obligations). Otherwise, this regulation will have a limited effect covering, for example, only 20 companies of the 830 in the European B Corp community and an estimated 1% of all EU businesses. **Secondly**, Art. 25 should also refer specifically to the stakeholders' interests alongside sustainability matters, and define clearly what is encompassed by consideration of "sustainability matters". This would ensure consistency with the framing and criteria of the CSRD and mitigates the risk of greenwashing, through misalignment between reporting and performance requirements. **Thirdly**, the Directive should clarify that directors while undertaking decisions are free to weigh appropriately the interests of the different stakeholders (including shareholders) and sustainability matters. Without this clarification, directors may not feel at liberty, when the situation requires, to make decisions favoring stakeholders and sustainability matters over shareholder interests.

The arguments that such an expansion of duties is either unnecessary or anti-competitive are contrary to all evidence facing us: B Corps that have voluntarily adopted such governance practices are outperforming against their peers in terms of revenue growth (on average over 30% p.a), are attracting and retaining the best of talent and are driving change in their own spheres of influence through supply chains, investors etc. However, it is no longer appropriate or possible for those that voluntarily adopt a broad duty of care in considering all stakeholders in the running of their companies to carry the load for all the other companies not covered by this directive.

This is a unique and critical moment to reset the role of business in tackling our global climate related challenges. Without an expansion of the scope and a clearer definition of the directors' duties in Article 25, it is hard to see how business will step up to play its most important role needed in line with the ambitions of the EU Green Deal.

## Full Response

The Interdependence Coalition (“IC”) represents over 100 hundred European businesses, primarily B Corps and benefit corporations, which embed advanced sustainable practices in their operations and which voluntarily modify their corporate governance rules mandating directors, management board members of their companies to consider stakeholders in their decisions (“duty of care of directors”). As such, 830 B Corps in Europe and 5000 B Corps globally have been pioneering forms of sustainable corporate governance, which are partly advanced by the EU Commission’s CSDD proposal. We consider that the B Corp is a proof of concept that the European Commission can draw on and we provide evidence of this throughout this response.<sup>1</sup>

The IC’s aim is to reach a state where **board directors (i.e. management board members) of companies registered within the EU are mandated to consider the interests of all the company’s stakeholders in their decision-making process.**

### Arguments in support of the Directive

The IC fully supports the Commission’s efforts to pass a Directive that would broadly address the proposal that came out of the EU Parliament and was reiterated in numerous responses from stakeholders during the consultation process.

In light of the critique focused around the need (or lack thereof) to amend through EU legislative acts the duty of care of directors of companies in the European Union (Art. 25 of the Directive), which was put forward mainly by business associations from the Nordic hemisphere, the IC would like to strongly reinforce the Commission’s plans in this regard and urge the legislator not to back out. In our view it is essential to keep Art. 25 in the Directive and frame it as broadly as possible (see our suggestions below).

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<sup>1</sup> See [www.bcorporation.eu](http://www.bcorporation.eu) for more information on the B Corp movement.

The IC does not agree with the sufficiency of the argument that in the majority of the jurisdictions in Europe, the corporate governance system is structured in a way that allows companies and stakeholders to function well. For instance, a "well-functioning corporate governance model" in the Nordic countries should not stand in the way of reform that will bring other countries in the sustainability sphere up to speed. In fact, the inverse is the case: there is a need for minimum harmonised thresholds of sustainable corporate governance.

The IC also challenges the argument that there is no convincing evidence that EU businesses do not already sufficiently reflect the necessary sustainability challenges, or that there are not sufficient incentives to do so. Recent climate reports and the EU contribution to the climate and related social crisis draw on strong evidence that business is not stepping up sufficiently, and that swift measures need to be taken in the EU to address this. What other evidence is needed? Thus, in our view, the burden of proof should be shifted and the question reframed to "Given that we are facing a human induced climate and related social crisis, what is the evidence that EU businesses are sufficiently taking into account sustainability matters and stakeholders?" This should be driving the design of the CSDD proposal.

The duty of care of directors targeted in Art. 25 of the Directive is an overarching principle in corporate law as it regulates the behavior of leaders, who usually drive culture change in the company. If the incentives are misplaced at the top, the whole organization suffers. This revised duty of care will drive an agenda in companies in which benefits for our environment and society would be planned for and incentivized alongside profits for shareholders, such as through board compensation.<sup>2</sup> **The duty of care of directors is a north star in corporate law.** Introducing other social and environmentally oriented legislation around reporting and use of

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<sup>2</sup> *B Lab Europe's internal data analysis reveals a statistically significant positive connection between a European B Corps's revenue growth and the connection of management's job descriptions that embed environmental and social KPIs. A further significant positive correlation appears between the revenue growth of a company and its engagement with its stakeholders through surveys, events, focus groups, community meetings etc. (B Lab Europe, 2022).*

finance, without making this change to corporate rules of behavior would increase the risk of greenwashing or piecemeal adoption by member states, creating divergence and uncertainty.<sup>3</sup>

Without the rule introduced by Art. 25 of the Directive, we see two options to induce change in companies on a broader scale. Either European businesses adopt a company by company approach (as B Corps or benefit corporations do) by voluntarily revising their corporate documents to include stakeholder governance, or the EU member states will have to rely on the courts or their individual, specific “stakeholder” friendly legislation to interpret the current rules in a way that infer the obligation to consider stakeholder interests by the directors in their decision-making process. Both approaches are inefficient and too slow to drive meaningful change at the speed we need.

Concerns for this Directive appear to cluster around the additional cost involved in measurement and scrutiny and the potential impact on the competitiveness of EU companies. The B Corp movement has much to contribute to this whole debate. Again, over 5000 B Corps globally and 830 B Corps in Europe have voluntarily committed, in their governing articles, to run their companies with consideration of the interests of all their stakeholders: always, not only in specific scenarios. And investors buy into this.

Most B Corps do not consider undertaking these interests into account as supplementary costs but rather as a necessary component of managing risk with integrity. In terms of competitiveness, B Corp data shows that those European B Corps that have been certified for three years and then recertified (as is required to maintain B Corp status) have shown average annual revenue growth of over 30%.<sup>4</sup> The data gathered by B Lab (globally) show that the vast majority of companies that have certified once, remain certified over time through successive rounds of recertification. In fact, the longer a company has been certified, the less likely they are to become de-certified, suggesting that sustainable practices become hard-wired into the

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<sup>3</sup> This would be in direct contrast to the intentions of the draft EU Directive on better protection against unfair practices and better information.

<sup>4</sup> B Lab Europe’s own internal data analysis of European B Corps that have recertified at least once (required every three years) (B Lab Europe, 2022).

company.<sup>5</sup> Furthermore, B Corp data shows that recertifying B Corps increase their impact performance scores by an average of 4.4 points (with 80 points being required to certify) — and over 60% increase scores by an average of 12 points.<sup>6</sup> Certifying is therefore the beginning of a business’s journey to better social and environmental impact. There is also some evidence from multiple studies conducted outside the B Corp movement of a positive effect of B Corp certification on turnover growth and that this effect increases with the time since certification, implying that certification requires some time for its full effect to become apparent.<sup>7</sup>

A change in the corporate law through Art. 25 of the Directive would be a powerful statement and a cultural north star for boards of companies and its employees on what is expected from them in the economy of the XXI century.

### **Our suggestions for improvement**

Whilst the IC generally welcomes the proposal for the CSDD Directive, it intends to highlight - in a spirit of constructive engagement - some of its shortcomings related specifically to the wording of the articles of the Directive related to the duty of care of directors.

In our view the proposal for the CSDD Directive falls short on providing the increased corporate accountability that we seek because of the following reasons:

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<sup>5</sup> Yeuseung Kim, “Certified Corporate Social Responsibility? The Current State of Certified and Decertified B Corps,” *Corporate Social Responsibility and Environmental Management* 28, no. 6 (2021): 1760–68.

<sup>6</sup> B Lab Global’s [2021 Annual Report](#), p. 10.

<sup>7</sup> E.g. Valerie Paelman, Philippe Van Cauwenberge, and Heidi Vander Bauwhede, “Effect of B Corp Certification on Short-Term Growth: European Evidence,” *Sustainability* 12, no. 20 (2020): 8459; Valerie Paelman, Philippe Van Cauwenberge, and Heidi Vander Bauwhede, “The Impact of B Corp Certification on Growth,” *Sustainability* 13, no. 13 (2021): 7191; Xiujian Chen and Thomas F Kelly, “B-Corps—A Growing Form of Social Enterprise: Tracing Their Progress and Assessing Their Performance,” *Journal of Leadership & Organizational Studies* 22, no. 1 (2015): 102–14; Andrea Romi, Kirsten A Cook, and Heather R Dixon-Fowler, “The Influence of Social Responsibility on Employee Productivity and Sales Growth: Evidence from Certified B Corps,” *Sustainability Accounting, Management and Policy Journal*, 2018.

## 1. The scope of applicability of the Directive in relation to the obligations set in Art. 25 of the Directive should be significantly expanded

We do not see any convincing rationale why Art. 25 of the Directive should not apply to **all** companies in the EU. As set forth in the Final Social Taxonomy Report of February 2022<sup>8</sup>, risk management is a central task of any board of directors (including social and environmental risks). The concept of “double materiality” introduced by the Sustainable Finance Disclosure Regulation (SFDR), sets out risks to the company (outside-in) as well as risks caused by the company to the environment, to stakeholders and society at large (inside-out). Both perspectives must be considered by a company’s board.

By limiting the applicability of Art. 25 of the Directive, a conclusion could be made – according to a *contrario* reasoning – that directors of companies not covered by this scope will be free to forget about the consequences of their decisions on “sustainability matters”, including human rights and the environment. We are certain that this is not the message that the EU wants to send to directors of companies.

B Corps and benefit corporations of all sizes provide evidence that consideration of stakeholder interests (including environmental and human rights considerations) by the boards of directors, does not pose a significant burden on the boards and does not add a material unvalued cost to the operation of a company. On the contrary, consideration of these interests by directors creates social and financial value for the company.<sup>9</sup> Directors are able to make better informed decisions based on fundamental analysis of the company’s operations and its impact.

Currently, the first of the three determinants of scope of the draft CSDD would embrace only around 20 B Corps out of the 830 that operate in Europe. Yet, all B Corps have embraced the tenet of sustainability through their commitment to stakeholder governance (including

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<sup>8</sup> *Final Social Taxonomy Report of February 2022*, p. 62.

<sup>9</sup> See footnote 2 and footnote 7.

obligations to monitor and review their supply chains), with over 1000 more companies on their way to do so. This suggests that there is considerable appetite for such an approach and that the Directive needs to reflect this ambition of business leaders in Europe.

While the IC does not hold a firm view on the scope of applicability of the due diligence obligations, we note however that it might be advisable to expand it to cover a larger percentage of companies doing business in Europe. If it is not changed during the legislative process, only a small percentage of all companies in Europe will remain within its remit. This significantly limits and therefore defies the targeted end goal of the Directive which is a EU wide shift towards a more sustainable economy for all.

## **2. Lack of clarity regarding the directors' obligation to take into account consequences of their decisions for sustainability matters**

We argue that it should be clarified in Art. 25, that directors are free to weigh/balance the different competing matters that they take into account as the decision in particular circumstances requires (being properly informed, acting in good faith and in absence of conflict of interest). The Directive should clarify that this includes the freedom to balance in favour of these matters against the interest of the company to make profit.

If one of the goals of the Directive is to make it clear that directors of companies in Europe acting in the best interest of the company may put - if the situation requires - interests of stakeholders (including environment and human rights issues) at par (or even higher) with the interests of shareholders, then the Directive should make it clear that the director is free from the obligation to provide more weight to shareholder interests. The Platform on Sustainable Finance<sup>10</sup>, which advocates that sustainability competencies should be present in the highest governance body, goes as far as stating that “[respective] competencies have to be present [in the board of directors] and committees have to be established.”

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<sup>10</sup> *Final Social Taxonomy Report of February 2022*, p. 62, “Sustainability competencies in the highest governance body” further states that “Depending on the nature and size of the company, the kind of skills needed will vary greatly. The best way to ensure that a company’s board members are equipped with the necessary qualifications is to publish a skills matrix stating how many members of the board have sustainability skills relevant for the company.”

Without this clarity, the Directive may be misinterpreted and could fail to clarify the legal landscape regarding the possibility of directors in member states to weigh sustainability matters over shareholder interests, if the circumstances of the decision would be such that it would be justified to outweigh them.

In practice, there is alignment as the effects of not considering sustainability matters by the directors will, in most cases, be detrimental also to the company's own long term interest. However, in the short term, the incentives of directors may be opposite to the long term interests of the environment and the society (sustainability matters). The Directive should clarify that company directors need to have a "double materiality" consideration of the impact of the company on sustainability matters, as well as the impact that sustainability matters might have on the company's own short, medium and long term interests.

As a side note, when considering the liability of directors in respect of their duties as defined in Art. 25, proof of an appropriate level of consideration of consequences for sustainability matters of their decisions should be required from a director whose decision is put into question. The burden of proof should be placed on the director to show compliance. This calls for a separate clarification of what is the minimal level of appropriate consideration ("taking into account") by the director of consequences of decisions for sustainability matters. One could imagine that the EU, with help of expert advice, could provide guidance to Member States in this aspect in the process of implementation of the Directive to the legal systems of particular Member States. This to avoid divergence in regulations in the EU and to avoid a race to the bottom if the regulations in some jurisdictions require less from directors than in other Member States.

### **3. Inclusion of stakeholders**

Art. 25 (1) of the proposed Directive obliges directors to take into account the consequences of their decisions for sustainability matters. No mention is made about stakeholders and their

interests. One may think that sustainability matters is a broader term which encompasses stakeholder interests, yet other pieces of EU proposed legislation directly make the distinction and refer to these terms separately. Thus, for instance, the draft of the Corporate Sustainability Reporting Directive (“CSRD”) in the definition of sustainability matters does not include stakeholders. However, Art. 1 (3) section 2 of the CSRD requires the directors to disclose: “how the undertaking’s business model and strategy take account of the interests of the undertaking’s stakeholders and of the impacts of the undertaking on sustainability matters”.

In the IC’s view, it would not be reasonable to oblige directors to take into account the consequences of their decisions for sustainability matters (broadly defined) and exclude stakeholders and their interests from this consideration, while at the same time requiring through the CSRD directors to disclose both of these points.

Taking this into account, we think that it may be an unintentional omission on part of the drafters of the CSDD Directive to exclude stakeholders from directors consideration. Therefore, in order to achieve consistency, the relevant descriptors of these two directives should be aligned, keeping in mind that the overarching, general duty of directors set out in Art. 25 of the CSDD should prevail over the obligations put on directors in CSRD, as they all stem from it. If Art. 25 of the CSDD would encompass stakeholders, a broader definition should be drafted that includes shareholders as a stakeholder in the company.

There are of course important arguments for imposing an obligation on directors to consider stakeholders’ interests in their decisions and we refer you to our and B Lab’s website<sup>11</sup> for more information and resources in this regard.

B Corps’ legal commitment to consider all stakeholders ensures that directors are free to weigh the interests of shareholders and all other stakeholders (including the environment) as the circumstances require - sometimes prioritizing stakeholders and their interests over

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<sup>11</sup> Find out more information on stakeholder governance and B Lab’s legal requirements on <https://www.bcorporation.net/en-us/about-b-corps/legal-requirements> and the Interdependence Coalition website <https://interdependencecoalition.eu/>

shareholder profits. The B Corp movement provides evidence that this concept drives long term customer loyalty, attraction and retention of employees, helps secure investment and generate well above average revenue growth.<sup>12</sup> The B Corp movement provides evidence that revision of directors duties to include stakeholders (including sustainability matters) is beneficial for all - stakeholders as well as shareholders. More than ten thousand (10,000) companies globally have voluntarily embedded a stakeholder governance commitment either by amending their articles of association or adopting a benefit corporation legal form or similar, where available (like the Benefit Corporation in the US, Societa Benefit in Italy or Entreprise à Mission in France).

#### **4. Definition of sustainability matters**

The CSDD Directive does not provide for a definition of “sustainability matters”. As the drafts of the CSDD and the CSRD are intended to be closely intertwined, there should be at least a reference to the term and the definition included in the CSDD. Without proper reference, there is a risk that the reporting becomes more powerful than the creation and implementation of a sustainability strategy - which invites greenwashing. Furthermore, companies may base their sustainability strategy on a reporting standard rather than a double-materiality assessment (an approach embraced by the CSRD in recitals 25 and 32). This pitfall may lead companies to forego significant impacts caused by their business activities. This may generate either an unintentional offramp or induce a fallacious sustainability strategy for companies.

As it currently stands, it appears that the CSDD Directive is running in parallel rather than in connection with the focus on other aspects of ESG disclosures that underpin the EU’s Green Deal.

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<sup>12</sup> See footnote 4 and footnote 7.

## Recommendation:

Taking all of the above into consideration, with a view that a more progressive wording of the Directive will not be attainable at this stage of the evolution of stakeholder corporate governance in the EU due to geopolitical and other reasons within the Member States, we suggest to revise Art. 25 of the draft Directive in the following way (our additions to the wording are highlighted):

### Article 25: Directors' duty of care

1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies ~~referred to in Article 2(1)~~ take into account the consequences of their decisions for **stakeholder interests** and sustainability matters (**as defined in [ ]**), including, ~~where applicable~~, human rights, climate change and environmental consequences, including in the short, medium and long term.
2. **Directors of companies are not obliged to assign a greater or lesser weight to any of the interests of stakeholders<sup>13</sup> or sustainability matters or their groups in relation to the other interests of stakeholders or sustainability matters or their groups.**
3. Member States shall ensure that their laws, regulations and administrative provisions providing for a breach of directors' duties apply also to the provisions of this Article.

However, as an organization composed mostly of B Corps, we understand that the end goal of revising directors duties to include stakeholder and sustainable interests in their decision making process can be achieved in many different ways. Taking this opportunity we would like to point specifically to B Lab's website<sup>14</sup> where one can find specific clauses for particular jurisdictions in Europe and around the world to be used by companies who wish to amend their corporate documents in line with stakeholder corporate governance.

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<sup>13</sup> *The definition of stakeholders should include shareholders in order for this clause to have the intended meaning.*

<sup>14</sup> *Find out more information on legal requirements on*  
<https://www.bcorporation.net/en-us/about-b-corps/legal-requirements>

Understanding the weight of the proposed Directive we are of the impression that it is probably too early to advocate in the EU for regulations similar in its scope as the ones proposed by the Better Business Act initiative (<https://betterbusinessact.org>) in the UK. However, we are sympathetic to this initiative and point that, in light of the revisions to the company's laws in the UK, the proposals from the EU related to the obligations of directors in Art. 25 of the draft of the CSDD Directive are rather limited.

**As a concluding comment we would like to quote again our letter to the Commissioners (the full letter can be found [HERE](#)) and add three quotes from our webinars on this subject.**

*“The B Corp movement has pioneered this concept for you to make this bold decision easier: we offer it to you to adopt and adapt it for your broader noble ambitions. We ask this of you for the benefit of all Europe’s stakeholders – both those living and those yet to arrive.” (Katie Hill, Chief Executive Officer of B Lab Europe)*

*“The EU might soon become the first region in the world to enforceably mandate due diligence requirements along the supply chain. Yet, despite its initial ambition, this proposal won’t mark a Copernican Revolution in corporate behaviour to tackle the climate crisis and social disparities. (Professor Alberto Alemanno, Director of The Good Lobby and co-founder of the Interdependence Coalition)*

*“If we do not create sufficiently strong incentives at the top of business organisations to consider all stakeholders, we cannot expect new desired outcomes that will bring us closer to a more sustainable economy. The legal concept of duty of care of directors needs to reflect the new reality we are living in – you cannot expect different results by doing the same thing over and over again. Fortunately, the co-legislators in the EU still have a chance to revise the draft of the Directive.” (Wojciech Baginski, Impactiv.Law, co-founder of the Interdependence Coalition)*

For more information, please contact [policy@bcorporation.eu](mailto:policy@bcorporation.eu)  
and explore resources on <https://interdependencecoalition.eu>

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The IC is grateful for and acknowledges all contributions (written or oral) from its members and supporters.

## APPENDIX

### Recent Research on the Benefits of Stakeholder Governance:

- [B Lab's 2021 Annual Report](#) on the standards adopted by the B Corp movement and how it is advancing stakeholder governance around the globe
- [European B Corp data](#) relating to the improvement in impact measured through higher scores on recertification.
- [UK research shows the benefits to the B Corps](#) from certification include attracting and retaining talented employees, securing investment and demonstrating a commitment to innovation.
- [Grow the Pie by Alex Edmans](#) reveals that companies with high employee satisfaction outperformed their peers by 2.3%-3.8% per year over a 28-year period.
- [Strength of Purpose Study](#) revealing a strong business benefit to impact driven companies, as consumers are four to six times more likely to buy from, trust, champion, and defend companies with a strong purpose.
- Kevin Sneader, Sarah Keohane Williamson, Tim Koller, Victoria Potter, and Ariel Babcock, "Corporate long-term behaviors: How CEOs and boards drive sustained value creation" – *"Ample evidence shows that companies create more value for investors when executives consistently make decisions and investments with long-term objectives in mind. Addressing the interests of all stakeholders also leads to better long-term performance. The future, it seems, should belong to managers who have a long-term orientation and accept the importance of treating various stakeholders fairly."*
- Shawn Cooper, Sarah Keohane Williamson, "The Board's Impact on Long-term Value", in: Harvard Law School Forum on Corporate Governance. *"Companies that orient themselves around a long-term time horizon while also delivering against short-term objectives have been shown to outperform their peers on several key business measures, including revenue, earnings, economic profit, market capitalization and job creation. These companies were hit hard during the last major economic downturn—as were most businesses—but saw a higher-than-average rebound after markets recovered."*
- Report from World Business Council for Sustainable Development, "Boards and their stakeholders: The state of play". *"Our survey asked respondents what they foresee as the potential consequences of not taking stakeholder views into account in decision-making. Unsurprisingly, failure to manage reputational risks (75%) and missing opportunities (68%) were considered the most common. Other consequences included loss of customers, talent and investment as well as being unable to deliver on the purpose of the company. These views were echoed in our interviews, where respondents indicated that the board needs to have a good understanding of ESG if they want to understand new and emerging risks; 'it's not about looking at risks with a backwards view, it's about understanding what might be coming your way and incorporating that into your decision-making and strategy'."*
- Carolyn Dewar , Scott Keller , Kevin Sneader , and Kurt Strovink, McKinsey Quarterly, The CEO moment: Leadership for a new era, July 21, 2020, *"We have spoken with and counseled hundreds of CEOs since the pandemic first hit. It is clear to us that they sense an opportunity to lead in a new, more positive and impactful way. If a critical mass of CEOs embraces and extends*

what they have learned during the pandemic, this CEO moment could become a CEO movement—one that is profoundly positive for the achievement of corporate, human, and societal potential.”; “Starting with the needs of their employees, stakeholder capitalism moved from an idea talked about at conferences to a rapid-sequence decision-making reality for many CEOs. Unilever’s Alan Jope tells us, “We realized after the event that we had followed our multistakeholder model. Week one was all about our employees. We secured everyone’s jobs and income for three months. The next week, we started thinking about our community response. We donated products, got into a big partnership for handwashing, and made €500 million available as working capital to pay small suppliers early. And after we had taken care of people and the community, that’s when we thought fundamentally about the business, about the fact that we make things and collect cash for them. That’s when we secured supply lines and built extra resilience into our supply chain.”; “Research has made it clear that tending to multiple stakeholders and managing for the long haul is good for not only stakeholders but also the company. Exposure to customer and stakeholder-related risks are minimized, and new opportunities present themselves. For example, 87 percent of customers say that they will purchase from companies that support what they care about. Ninety-four percent of millennials say that they want their skills to benefit a cause. Sustainable investing has grown 18-fold since 1995. These facts are not new to CEOs, but the COVID-19 pandemic has laid bare the profound interconnectedness between businesses and the broader world in which they operate. Furthermore, our early research indicates that consumers will be even more committed to social responsibility coming out of the pandemic.”; “Employees, customers, and stakeholders expect a CEO to articulate where the company stands on critical issues—it’s increasingly becoming an expectation of the CEO role. Some, such as Larry Fink, expect that this shift will continue to gain strength: “Going forward, there is going to be a lot more focus on society, customers and clients, family, and employees.”

- Milton Friedman, A Friedman doctrine—The social responsibility of business is to increase its profits, *New York Times Magazine*, September 13, 1970. “It may well be in the long-run interest of a corporation to devote resources to providing amenities to [its] community or to improving its government. That may make it easier to attract desirable employees, it may reduce the wage bill . . . or have other worthwhile effects.”
- Yeuseung Kim, “Certified Corporate Social Responsibility? The Current State of Certified and Decertified B Corps,” *Corporate Social Responsibility and Environmental Management* 28, no. 6 (2021): 1760–68
- Valerie Paelman, Philippe Van Cauwenberge, and Heidi Vander Bauwhede, “Effect of B Corp Certification on Short-Term Growth: European Evidence,” *Sustainability* 12, no. 20 (2020): 8459
- Valerie Paelman, Philippe Van Cauwenberge, and Heidi Vander Bauwhede, “The Impact of B Corp Certification on Growth,” *Sustainability* 13, no. 13 (2021): 7191
- Xiujian Chen and Thomas F Kelly, “B-Corps—A Growing Form of Social Enterprise: Tracing Their Progress and Assessing Their Performance,” *Journal of Leadership & Organizational Studies* 22, no. 1 (2015): 102–14
- Andrea Romi, Kirsten A Cook, and Heather R Dixon-Fowler, “The Influence of Social Responsibility on Employee Productivity and Sales Growth: Evidence from Certified B Corps,” *Sustainability Accounting, Management and Policy Journal*, 2018.

# The list of supporters

This response to widen the directors duties as defined in the CSDD is endorsed by the supporters of the Interdependence Coalition. The Interdependence Coalition is a union of 100+ businesses led by B Lab Europe advocating for policy change. We aim to transform the way we do business so that every company registered in the European Union must take ownership of its social and environmental impact in its governance.



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**Gold Spark Consulting**  
**GOLDMANN & PARTNERS SRL Società Benefit**  
**Goodness&Co**  
**Greenjobs**  
**Gui Athia & Partners**  
**Habitech - Distretto Tecnologico Trentino S.c. a r.l.**  
**HonorALL**  
**HR and Organisation Strategy - Non Exec Director**  
**ICADA eV**  
**Imfusio**  
**Impact Hub Madrid**  
**Innate Motion**  
**InVento Innovation Lab**  
**JJW Arkitekter**  
**Juta Mewangi Enterprise (M) Sdn Bhd**  
**KA Research Limited**  
**Leyton**  
**Luko**  
**LUZ SRL SOCIETA` BENEFIT**  
**LWRO**  
**Ma Bonne Etoile ("Squiz")**  
**Managing A Sustainable Business, S.L.**  
**Märk**  
**MAS Business**



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**MAT Aps**  
**Mondora srl sb**  
**MOYU**  
**N&B Natural is Better**  
**Nativa**  
**Netguru**  
**neu.land GmbH**  
**Neuf & Associates**  
**Nfoque**  
**NOW Partners**  
**NWG Energia Spa SB**  
**OMPLIM Gestió i Edificació Responsable**  
**OPERARI**  
**Organizzare Italia Srl SB**  
**Partner Consulting ApS**  
**Pearl Consulting**  
**PENSIUM SL**  
**PGP CONSULT**  
**PhytoDerm**  
**PNO**  
**PNZ-Produkte GmbH**  
**POSITIVE IMPACT CONSULT**  
**Pragmetica Società Benefit SRL**  
**Primate srl sb**  
**Profit Through Ethics Ltd**  
**Project Cece**  
**QHSE Consulting**  
**Rethinking Capital**  
**revin srl s. b.**  
**Roots for Sustainability (R4S)**  
**Save The Duck S.p.A.**  
**sdesostenibile**  
**ShareAction**  
**Skysun**  
**SRT**  
**Successori Reda Spa**  
**Sustain Azores, Lda.**  
**Sustainable Growth Associates GmbH**  
**Symington**  
**Synergie**  
**TANIA ELLIS - The Social Business Company**  
**TerraProofed**  
**The B Team**  
**The Change Collective**  
**The Good Lobby**  
**The Manipedi**  
**The Positive Project Sàrl**

**Tirelli & partners srl SB**  
**Tony's Choclonely**  
**Underprotection ApS**  
**Universidade Federal do Paraná**  
**Urban Green Club**  
**Utopies**  
**Vadim Titica B&C**  
**Way2Global Srl SB**  
**We Don't Need Roads**  
**wehlers**  
**WeTransfer**  
**WHYZ Partners**  
**Willicroft**  
**Win-Win Textiles**



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