



Directive on Corporate Sustainability Due Diligence of enterprises with regard to sustainability and amending Directive (EU) 2019/1937 of 23 February 2022

Statement from German Social Insurance European Representation released on the 18.05.2022

German Federal Pension Insurance (DRV Bund), German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband), the statutory health and long-term care insurance fund associations at federal level and the Social Insurance for Agriculture, Forestry and Horticulture have all joined together to form the "German Social Insurance - Working Group Europe" with a view to their common European policy interests.

The association represents the interests of its members vis-à-vis the bodies of the European Union (EU) and other European institutions and advises the relevant players in the context of current legislative projects and initiatives.

Being part of the statutory insurance system in Germany, the health and long-term care insurance, pension insurance and accident insurance systems provide effective protection against the consequences of major life risks.

I. Preliminary remark

In recent years, responsible conduct in line with ethical, ecological and social criteria has become increasingly important when it comes to entrepreneurial activity. The EU would like to assume its international responsibility in this regard.

The intention of the European Commission is to protect human and children's rights along global supply chains and to strengthen environmental protection.

The umbrella organisations of the German Social Insurance support that all workers inside and outside the EU should have access to healthy working conditions and that child labour and forced labour should be abolished worldwide.



II. In detail

Sense and purpose of the inclusion of the statutory pension insurance

As defined in Regulations (EC) No. 883/2004 and (EC) No. 987/2009, Article 3 (a) (IV) of the proposed directive lists pension institutions among the regulated financial undertakings covered by the proposed directive. Thus, the statutory pension insurance institutions may fall within the scope of the proposed directive if the other conditions are met.

However, the purpose of this inclusion must be questioned. Statutory pension insurance institutions can be involved in entrepreneurial activity and be players on the capital market at the same time. However, the investment opportunities of financial resources of the statutory pension insurance institutions are subject to strict legal regulation as well as close monitoring in all Member States of the EU.

Therefore, the necessity of including the statutory pension insurance institutions is not apparent. Rather, this will lead to uncertainty in how the proposed directive will be interpreted. For this reason, the umbrella organisations of the German Social Insurance consider the deletion of the inclusion of retirement benefit institutions within the meaning of Regulations (EC) No. 883/2004 and (EC) No. 987/2009 to be necessary.