

THE EUROPEAN VOICE OF DIRECTORS



#EUAAlert | Week 37

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EU INSTITUTIONS DEVELOPMENTS

EC: The Commission launched a public consultation on the SFDR

The European Commission has today launched a targeted consultation and a public consultation to seek feedback on the Sustainable Finance Disclosure Regulation (SFDR). The SFDR, which has been in application since March 2021, sets out how financial intermediaries, such as asset managers, have to communicate sustainability information to investors. It is designed to bring more transparency to the market and enable investors to make informed choices.

INTERNATIONAL DEVELOPMENTS

G20/OECD revised Principles of Corporate Governance

The revised G20/OECD Principles of Corporate Governance have been endorsed at the G20 Leader's Summit in New Delhi, India.

Among the key points that were addressed are

- the complex range of issues that boards are now expected to manage, including diversity, risk management and the interests of non-shareholder stakeholders;
- the use of digital technologies and the importance of digital risks to the board management;
- the rise in the role of institutional investors and trends in ownership concentration.

Within a launch event, main revisions were presented and discussed in a panel. The 2023 edition of the OECD Corporate Governance Factbook, which complements the Principles by tracking how countries implement the Principles, was also launched at the event. Pascal Durand-Barthez (chair of ecoDa Advocacy Committee) intervened on behalf of the BIAC.

Consultation on the IAASB Corporate Governance exposure draft of the International Standard on Sustainability Assurance 5000

The exposure draft of the International Standard on Sustainability Assurance 5000 are out for consultation until 1 December 2023. The IAASB project aims to enhance investor trust in sustainability information. To promote the understanding of the proposed stand-alone standard for sustainability assurance engagements, the IAASB organizes a range of webinars, accessible under the link to the webpage.

EUROPEAN DEVELOPMENTS

EFRAG and GRI publish joint statement on interoperability

EFRAG and GRI report to have achieved a high level of interoperability in their cooperation within the draft European Sustainability Reporting Standards (ESRS). The joint statement informs that double reporting was prevented and encourages reporters to be well prepared to report under the ESRS. Additionally, EFRAG and GRI aim for future cooperation, especially with respect to enhanced technical cooperation, to align their reporting standards, e.g. by allowing for cross-references.

NATIONAL DEVELOPMENTS

UK: The institute of Directors says the FRC proposal on board governance means 'lines of accountability will be blurred'

The UK's governance watchdog is being "too prescriptive" when it proposes that audit committees should be responsible for ESG reporting, according to the Institute of Directors.

The view comes in response to a consultation on a revised corporate governance code launch by the Financial Reporting Council in May.

The FRC says a new version of the code would give the audit committee a "new responsibility of monitoring the integrity of narrative reporting, including sustainability reporting, and for describing its work in this area in the annual report... ."

GENERAL/STRATEGY

What makes a great purpose statement?

Organizations in all sectors are increasingly required by their investors, customers, employees, and wider stakeholders to articulate a clear statement of corporate purpose. Purpose isn't about profit maximization; it's the reason the organization exists. The authors conducted a detailed analysis of purpose statements from leading organizations around the world and developed a diagnostic framework leaders can use to help craft the best purpose statement for their specific situation.

PUBLICATION/ARTICLE

European AGM Season Review

Georgeson released its annual European AGM Season Review, including analysis of nine European markets, covering Belgium and Denmark in this issue.

- Fewer "Say on Climate" proposals were put forward in 2023;
- Proxy advisors continued their influence on voting outcomes in 2023, though investors are increasingly relying on their own voting policies;
- Resolutions relating to executive compensation maintained their position as the most contested resolution type in Europe;
- The seven biggest indices by market cap, except for Spain and Germany, saw fewer contested director elections in 2023

ecoDa News

- **18th of September:** Meeting of ecoDa's Corporate Governance Dialogue
- **20th of September:** BIAC, ecoDa, IFAC webinar on "Revised OECD/G20 Corporate Governance Principles- What can companies do to promote sustainability and investor confidence?" - the event will be held virtually from 3:00pm-4:30pm CEST. Register [here](#)
- **20th of September:** Meeting of the Task Force on ecoDa's strategy