

# THE EUROPEAN VOICE OF DIRECTORS



#EUAAlert | Week 25

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ecoDa New

## EU INSTITUTIONS DEVELOPMENTS

### **EP: Draft report on multiple-vote share structures**

As a general approach, the Rapporteur approves simplification and standardisation of the listing framework in the EU, as long as this is not to the detriment of investors and/or the market. The Rapporteur is proposing to amend the Commission's proposal on a number of elements:

- The placement of ESG rules needs to be strengthened in the prospectus presentation and elsewhere;
- The option for multiple voting structures should not be limited to SME growth markets but expanded to all regulated markets;
- In order to maintain a high level of trust in the market, the Rapporteur introduces a set of obligatory safeguards including a limited voting ratio and a 10-year (definite time-set) sunset clause.

### **ESAs: Consultation on the Digital Operational Resilience Act**

The European Supervisory Authorities launched a public consultation on the first batch of policy products under the Digital Operational Resilience Act (DORA). The first batch of technical standards, on which the ESAs launched a public consultation (which will run until 11 September 2023) are the following:

- regulatory technical standards on ICT risk management framework and on simplified ICT risk management framework;
- regulatory technical standards on criteria for the classification of ICT-related incidents;
- implementing technical standards to establish the templates for the register of information;
- regulatory technical standards to specify the policy on ICT services performed by ICT third-party providers.

A public hearing will be organised in the form of a webinar on 13 July 2023 from 09:00 to 18:00 CET.

## **CJEU: General Court dismisses MEP's challenge to Commission's regulation on fossil gas and nuclear energy sustainability**

The European Commission adopted the Taxonomy establishing the technical screening criteria for determining on which conditions certain economic activities relating to fossil gas and nuclear energy constitute transitional activities. Taking the view that the Commission exceeds the powers to adopt delegated acts conferred on it, Mr René Repasi, Member of the European Parliament, brought an action for annulment of that regulation before the General Court, claiming that the regulation infringed the Parliament's legislative competence and, therefore, the applicant's rights as a Member of the Parliament.

### **EUROPEAN DEVELOPMENTS**

## **EFRAG: Calls for candidates for its sustainability reporting financial institutions advisory panels**

EFRAG is launching a call for candidates (that will close on Monday 31 July) for the EFRAG Sustainability Reporting Financial Institutions Advisory Panels, i.e., Banking, Capital Markets and Insurance. The objective of these advisory panels is to advise EFRAG on the development and maintenance of the sector-specific ESRS on financial institutions and in general to provide sector-specific input in EFRAG sustainability reporting activity.

### **NATIONAL DEVELOPMENTS**

## **UK: Audit Committee Chairs show keen interest and understanding of ESG activities**

The Financial Reporting Council has published a research report about Audit Committee Chairs' (ACC) views on, and approach to ESG activities and reporting. ACCs showed a strong interest and understanding of ESG activities within their organisations. However, their involvement in decision-making processes, particularly related to environmental and social elements, is often limited and their primary role lies in risk management, compliance, and ensuring effective reporting. Some interviewees called for practical, sector-specific guidance to measure environmental and social activities and welcome best practice examples to ensure meaningful ESG reporting without excessive reporting requirements.

### **REPORTS**

## **Leadership in ESG integration: a study into board oversight, implementation and disclosure (Mazars & Board Agenda)**

Board Agenda asked chairs, chief executives, other C-suite executives and company secretaries about the extent to which their boards are focused on ESG. Their findings in numbers:

- 52% of boards have come under pressure on ESG issues from customers;
- 46% have faced pressure from employees;
- 44% of boards have put in place executive compensation schemes that include ESG criteria;
- 57% of boards have a formal structure for ESG governance;
- 65% of boards feel they have sufficient skills and understanding in relation to ESG.

## Estimating the effect of board independence on innovation efficiency (Emerald Insight)

The authors of the study investigated whether independent directors improve innovation efficiency. The results show that more independent directors improve innovation efficiency significantly. Specifically, firms forced to raise board independence experienced a much higher increase in innovation than those not required to change their board composition.

### EVENT

## CS3D: Priorities for EU final negotiations

On the 5th of July (from 17.15 to 19.00 CET), organisations (including Accountancy Europe, Eurosif and Frank Bold) will jointly organise an event that will bring together speakers representing the European Parliament, the European Commission, investors, business and civil society to debate key issues and hear their priorities for the negotiations.

### ecoDa News

- **30th of June:** ecoDa's Advocacy Committee meeting, in the presence of Daniel Blume, Head of Corporate Governance Unit, OECD;
- **SAVE THE DATE:**
  - **11th of July:** Joint webinar organised by ecoDa and PwC "The EU Country-by-Country Reporting Directive: What's in it for directors?";
  - **20th of September (from 3.00 to 4.30pm CET):** Joint webinar organised by ecoDa and IFAC (International Federation of Accountants) on the update of the Corporate Governance OECD Principles.