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#EUALERT

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ecoDa's News

EUROPEAN INSTITUTIONS DEVELOPMENTS

EC: Guidelines on the standardised presentation of a remuneration report

Following reprioritization, the European Commission is currently envisaging to finalise and adopt the Guidelines on the standardised presentation of a remuneration report under Directive EU 2017/828 in Q3 2022.

EP: EESC: Opinion on the role of corporate taxes in corporate governance on amendments regarding CSRD

The European Economic and Social Committee has published its own initiative opinion on the role of corporate taxes in corporate governance. The main recommendations are that:

- The debt-equity financing distortion in taxation needs to be addressed;
- Rules regarding the composition of boards should be country-specific;
- The ultimate control over corporate activities and accountability for them should lie with the shareholders;
- Any policy action on the topic should enhance the role of capital markets and private funds in encouraging the path of companies towards a sustainable greener and digitalised economy.

Council: Common position reached to tackle gender pay gap

The Council agreed on its position on a draft law on pay transparency which will help to tackle the existing pay discrimination at work. The proposed law aims to empower workers to enforce their right to equal pay for equal work or work of equal value between men and women through a set of binding measures on pay transparency (that would apply to employers with at least 250 employees).

Council: First part of the Taxonomy approved

The EU passed the first part of its taxonomy rulebook, setting out environmental criteria for investments including renewable energy, shipping and car manufacturing that will apply as of January 2022. But no decision has been taken yet on the most politically sensitive part of the taxonomy, dealing with gas and nuclear investments. Pascal Canfin, the chair of the Parliament's environment committee, has suggested a compromise proposal whereby gas and nuclear power would be included in the taxonomy's "transitional" category.

INTERNATIONAL DEVELOPMENTS

B Lab: SDG Insights Report

B Lab Global's Insights has conducted a comprehensive analysis of where companies are prioritizing actions on the SDGs, how they are performing, and what they are looking to improve upon. Among the main findings:

- Most companies have not set any improvement goals;
- The most prioritized SDGs are the fight against poverty (26.3%), to ensure decent working conditions (26.1%), and foster responsible consumption and production (23.3%);
- When it comes to having positive impacts on SDGs, companies are performing best in their internal operations;
- Gender equality, climate action and decent work have the highest reported risk of negative business impact.

Australian regulator shies away from mandatory climate disclosure (Minerva Analytics)

The Australian Prudential Regulation Authority (APRA) has opted not to include mandatory climate risk disclosures in new guidance for the country's financial services sector. The recently published guide on climate change-related financial risks, does not impose new regulatory requirements or obligations. Instead, it has been designed to assist entities to manage climate-related risks and opportunities within their existing risk management and governance practices, the regulator said.

NACD Board Talk: The powerful forces of ESG and activism

Managing director in ESG services and experts in transformational change exchanged on the powerful combined forces of ESG and activism in the current business environment. The main points of discussion are:

- The increasing importance of ESG factors in investor activism these days;
- On the drivers of investor activism;
- Advice for a board member to best handle ESG activism.

EUROPEAN DEVELOPMENTS

French EU Presidency: Priorities and position on Sustainable Corporate Governance file

Macron unveils priorities of French EU presidency, and reconciling climate ambitions and economic development is one of them. One of the presidency's objectives will be to implement the carbon adjustment mechanism at the borders of Europe.

Regarding sustainable corporate governance proposal and its scope, the French permanent representation is considering pushing for mixed criteria: turnover/companies' size. In addition, non European companies should be subjected to due diligence requirements only through a name and shame process.

The EU NGOs ask von der Leyen to intervene on delayed corporate human rights law

47 civil society and trade union organisations have sent a letter to President Von der Leyen raising their concerns about the new delay to the publication of the sustainable corporate governance initiative. In the letter, NGOs denounced the complete lack of transparency on the reasons for this new delay and are calling on the President to publicly reiterate her commitment to making supply chains of companies active on the EU market sustainable through ambitious, binding human rights and environmental due diligence legislation.

NATIONAL DEVELOPMENTS

Belgium Corporate Governance Committee: ESG toolkit

The Corporate Governance Committee ESG working group released the ESG toolkit, a practical and educational guide for companies and their boards of directors, to assist them in non-financial reporting, in anticipation of future European legislative instruments.

UK FRC: Creating positive culture: opportunities and challenges

While the pandemic has challenged the resilience and agility of companies, the FRC report on “Creating positive culture” aims to promote good practice and positive working culture in companies, bringing together a wide range of views from board directors, leaders, senior individuals from across different functions and workforce representatives. This research explores how companies frame this culture, how they assess, monitor, embed and assure it, and what enablers and barriers they encounter.

GUBERNA: Newly published reports

1. Governance practices in Belgian listed companies

Every year, GUBERNA publishes an update of the governance practices in Belgian listed companies, with a focus on the composition and the functioning of the board of directors. The results show that:

- The share of female and independent directors continues to increase but tends to stabilise;
- 65.1% of board member are male;
- Board of directors are mainly composed of independent directors.

2. Report on Governance and remuneration

In this practical guide, GUBERNA and Hudson intend to define a clear framework for organizations wishing to set up a remuneration committee or improve its functioning. In addition, the practical guide sheds light on the pillars useful for setting up an effective remuneration strategy and a sustainable remuneration policy.

Dutch government: Pushes for national due diligence rules

Disappointed by the new delay of the European Commission on due diligence proposal, the Dutch government has announced plans to switch to national legislation. The intention would be twofold: increase the pressure on the European Commission and not lose any time on such an important matter.

This announcement was followed by a similar declaration of a Belgian MP stating that Belgium could also work on such legislation as from now.

ecoDa's NEWS

- **13th of December:** ecoDa Policy Committee meeting with the participation of Tatyana Panova (Head of Unit, DG FISMA B.1, European Commission).