

# THE EUROPEAN VOICE OF DIRECTORS

## #EUALERT

### Week 15



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#### EUROPEAN INSTITUTIONS

### Council: adopted position on a Single Market programme for 2021-2027

The Council adopted its first reading position on the proposed regulation establishing the EU Single Market programme for the years 2021 to 2027 aiming at enabling citizens, consumers, businesses and public authorities throughout the EU to take full advantage of the market integration. To that effect, it promotes actions aiming to:

- Improve the governance and the functioning of the internal market;
- Strengthen the competitiveness of EU enterprises, in particular micro, small and medium-sized enterprises;
- Enable the development of high-quality European standards;
- Increase consumer protection.

#### EUROPEAN DEVELOPMENTS

### Call for Reflection on Sustainable Corporate Governance (University of Oxford)

Academics from across Europe and the US have released a "[call for reflection](#)" asking the EU to pause for thought before pushing ahead with new corporate governance laws based on a [widely criticised study](#). They specifically emphasized on three misconceptions in the approach of the EC:

- The conflation of two separate issues, namely corporations' horizons and objectives;
- The belief that shareholders are only concerned with short-term value;
- The idea that the pursuit of shareholders' interests must come at the expense of other stakeholders' interests.

They concluded stating that "well-intentioned but ill-considered prescriptive corporate governance reform can make it harder, not easier, to address the pressing social challenges".

## ECGI: EU Sustainable Governance consultation and the missing link to soft law

This working paper investigates whether reform of EU company law is needed to make corporate governance more sustainable through an analysis of some of the key questions found in the European Commission's questionnaire in its public consultation on sustainable corporate governance. It underlines that the EU legislator has adopted several measures in recent years, which offer better prospects for sustainable governance than the reform of directors' duties the Commission is currently planning. Finally it concludes that the failure to take corporate governance codes and the existing regulatory framework into account could seriously impair pending reforms of directors' duties and their link to sustainability.

## Better Finance highlights cross-border engagement issues (Funds Europe)

Despite recent moves to improve EU cross-border shareholders' rights, increasing evidence suggests that engagement barriers remain between countries, according to Better Finance. The group is embarking on a research project looking into shareholders' EU cross-border voting rights and is calling on shareholders to share their experience with issues such as received information and investee companies' general meetings dates in light of the recent update to the Shareholder Rights Directive (SRD).

### INTERNATIONAL DEVELOPMENTS

## Report: Elevating climate diligence on proxy voting approaches

The report, released by the UN-convened Net-Zero Asset Owner Alliance outlines a set of principles and considerations that serve as the foundation for assessing and engaging asset managers on climate-related proxy voting. Conceived as a tool, it is intended to assist asset owners to use when engaging their existing and prospective external asset managers on climate-related proxy voting. The principles centre on four key themes: governance, interest alignment, merit-based evaluation, and transparency.

### NATIONAL DEVELOPMENTS

## UK: Better Business Act Campaign

By bringing together a growing number of business leaders, the Better Business Act coalition seeks to reform section 172 of the Companies Act to empower directors (from all types of businesses) to advance the purpose of their businesses in a way that benefits all stakeholders. Currently, section 172 gives directors a first duty to promote the "success" of companies; the draft legislation from the Better Business Act campaign changes that to promoting the "purpose of the company". The UK's Institute of Directors is backing the reform.

## US: Executives call on Biden to slash greenhouse gas emissions

310 businesses and investors (among them Google, Apple, Unilever...) with a footprint in the United States have signed a powerful open letter to President Biden indicating their support for the Biden administration's commitment to climate action. The letter indicates a shift by the private sector to address their own climate change impact and better align with the goals of the Biden administration, which has vowed to put the country on a path to net-zero carbon emissions by 2050.

It comes just ahead of the global leaders' climate summit the administration is hosting on the 22nd of April.

### EVENTS

## Advancing women in private sector leadership

As part of the OECD's March on Gender campaign, the OECD is organising in coordination with the Italian presidency a virtual event on 28 April (9:30 – 10:45 CET) to showcase the ongoing work of the OECD Corporate Governance Committee to strengthen women's leadership position in the private sector. This includes the forthcoming OECD Corporate Governance Factbook, which includes new data on OECD and G20 countries' implementation of policies related to women's participation on corporate boards and in senior management.

## Polish Corporate Governance Conference

The Polish 10th edition of its Corporate Governance Conference will take place on April 22-23, 2021 (from 1.00 to 3.00pm CET). The main topics will be addresses: EU sources of Corporate Governance reporting, Wirecard and its impact on boards, governance and audits, and finally, corporate governance; why it isn't working and how to remedy.

### **ECODA NEWS**

- ecoDa has been cited by l'AGEFI quotidien (a French newspaper) for the publication of its "5 Corporate Governance Guidelines to accelerate change and sustainable growth in Europe".
- **April 19th:** ecoDa, FERMA and ECIIA Joint Webinar on "The Impact of the Covid on the three lines" -540 registrations;
- **April 20th:** ecoDa Board meeting;
- **April 28th:** ecoDa participating in the GNDI Policy Committee meeting;
- **April 30th:** ecoDa/EuropeanIssuers meeting to discuss the recent ecoDa's publication on "5 Corporate Governance Guidelines".