



ecoda

 The European Voice of Directors

EU Updates | 2022

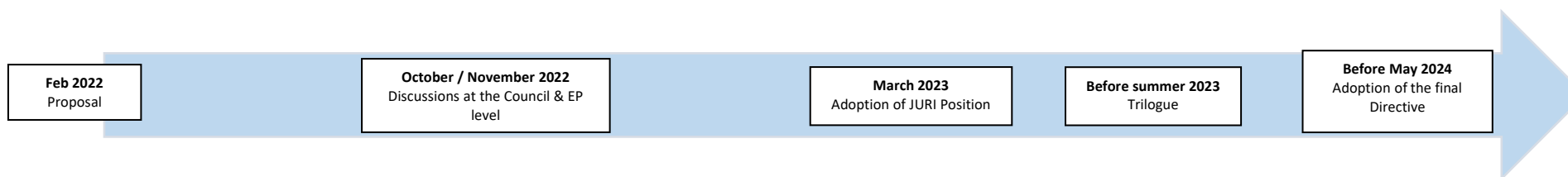
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1. Corporate Sustainability Due Diligence - Proposal (February 2022)

Points for discussion:

- **Article 15** : Should it encompass climate, the environment, biodiversity ?
- **Scope**: Should SMEs be included in the scope? Should the thresholds be lowered (ENVI proposal)?



European Commission	European Parliament	Council	ecoDa's Actions	Stakeholders' Opinion/Papers
<p>14 September 2022: the Commission put forward a legislative proposal in the form of a regulation that prohibits all products made with forced labour on the EU market. The ban covers both domestically made products as well as imports, and assigns the task of enforcing it mainly on national authorities. These will conduct investigations and withdraw from the EU market products made with forced labour.</p>	<p>JURI Committee (responsible): <u>Rapporteur</u>: Lara Wolters (S&D) <u>Shadow Rapporteurs</u>: Axel Voss, Adrian Vazquez Lazara, Heidi Hautala, Jorge Buxadé Villalba, Manon Aubry; <u>Calendar</u>:</p> <ul style="list-style-type: none"> • 27th of November: EP - Presentation of the draft report; • 13th of December (tbc): Deadline for amendments; • January-February 2023: Shadows meeting; • March 2023: Adoption by JURI; 	<p>7th of October: Council Presidency Compromise:</p> <ul style="list-style-type: none"> • Replacement of established direct and indirect business <i>relationships</i> by <i>partners</i> - (the significance should be related to the company's operations and turnover + repeated for a number of times/ reevaluation every 24 months) Ancillary part of the value chain can be ignored; • The parent company should be allowed to fulfil some of the due 	<ul style="list-style-type: none"> • 9 Meetings with several stakeholders; • 4 Meetings with representatives from the European Commission and Parliament; • Position paper sent to rapporteurs (European Parliament); • webinar with Crowell & Moring on «The draft EU Corporate Sustainability Due Diligence Directive: what legal consequences on companies and 	<p>May 2022 Consultation: <u>Responses received</u> (a summary is currently being made by the Commission);</p>

<p>Member States' customs authorities will enforce the ban at EU borders. The Commission will issue guidelines on forced labour due diligence and on risk indicators of forced labour. An EU Forced Labour Product Network will be established to enable structured coordination and cooperation between competent authorities and the Commission;</p>	<ul style="list-style-type: none"> • Before summer 2023: plenary votes and trilogues. <p>Committee for opinion: DEVE: <u>Rapporteur:</u> Majorino Pierfrancesco</p> <p>DROI: <u>Rapporteur:</u> Raphaël Glucksmann <u>Calendar:</u></p> <ul style="list-style-type: none"> • 14th of October: deadline for amendments • 13th of November: Adoption of the DROI Opinion <p>ECON <u>Rapporteur:</u> René Repasi <u>Calendar:</u></p> <ul style="list-style-type: none"> • Beginning October: Report; • 24th of October: Deadline for amendments; • 26th of January 2023: Opinion submitted to JURI; <p>ENVI – draft opinion <u>Rapporteur:</u> Tiemo Wölken <u>Calendar:</u></p> <ul style="list-style-type: none"> • 17th of October: deadline for amendments; • February 2023 (tbc): Vote in ENVI Committee. <p>IMCO – draft opinion <u>Rapporteur:</u> Deirdre Clune</p>	<p>diligence obligations on behalf of its subsidiaries;</p> <ul style="list-style-type: none"> • Consideration of the level of involvement of a company in an adverse impact - for civil liability; • Civil liability restricted to the sole act or omission of the company (the compromise includes examples of cases); • Same threshold for companies established in the EU and for third-country companies (but 50% of the turnover generated in the EU); • Only oblige to prevent or mitigate the adverse impacts that they cause or to which they contribute (if this is not the case: they have to use their influence); • No termination of the business relationship if that would result in a more severe adverse impacts; • Under art. 22: reference is made to the right to full compensation; • Art 25 and 26: still deleted. 	<ul style="list-style-type: none"> • board members?»; • Representation in several roundtables and workshops (Business Europe on the 27th of September, S&D on the 12th of October...). 	
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ITRE – [draft opinion](#)

Rapporteur: Martina Dlabajova

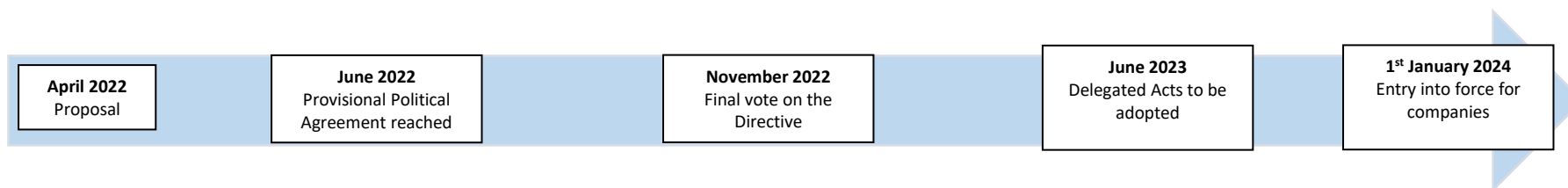
INTA

Rapporteur: Barry Andrews

EMPL

Rapporteur: Samira Rafaela

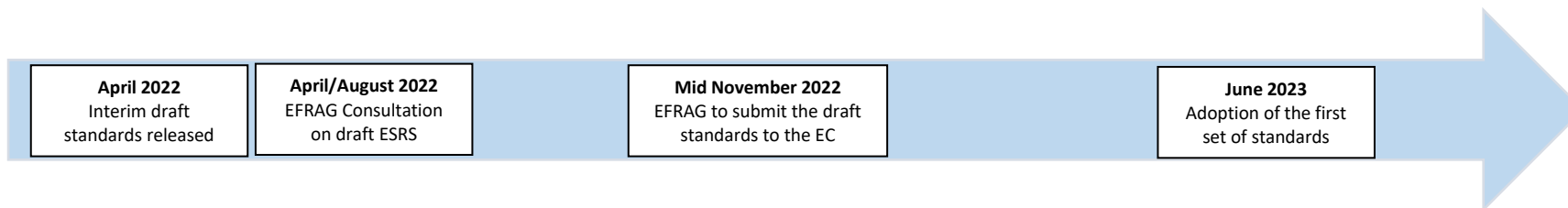
2. Corporate Sustainability Reporting Directive - Proposal (April 2022)



European Commission	European Parliament	ecoDa's Actions	Stakeholders' Opinion/Papers
<p>April 2022: Proposal</p>	<ul style="list-style-type: none"> • 21 June 2022: the Parliament and the Council reached a provisional political agreement; • 14 July 2022: the JURI committee (Pascal Durand, rapporteur) approved the text agreed at 1st reading interinstitutional negotiations. <p>JURI (Responsible) Rapporteur: Pascal Durand (Renew) Shadow rapporteurs: Daniel Buda, Lara Wolters, Marie Toussaint, Gilles Lebreton, Raffaele Stancanelli, Manon Aubry</p> <p>Committee for opinion : FEMM – Draft Opinion Rapporteur : Robert Biedron</p>	<p>July 2021: Comment Letter to the EC related consultation</p>	<p>Feb/June 2021: Responses to the EC consultation;</p>

	<p>DEVE– Draft Opinion <u>Rapporteur</u> : Pierfrancesco Majorino</p> <p>AFET – Draft Opinion <u>Rapporteur</u> : Karin Karlsbro</p> <p>ECON – Draft Opinion <u>Rapporteur</u> : Jessica Polfjärd</p> <p>EMPL – Draft Opinion <u>Rapporteur</u> : Kira Marie Perer-Hansen</p> <p>ITRE – Draft Opinion <u>Rapporteur</u> : Cristian-Silviu Busoi</p> <p>ENVI – Draft Opinion <u>Rapporteur</u> : Lidia Pereira</p>		
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3. European Sustainability Reporting Standards - Developed as part of the CSRD - [Interim Draft](#) (April 2022- EFRAG)



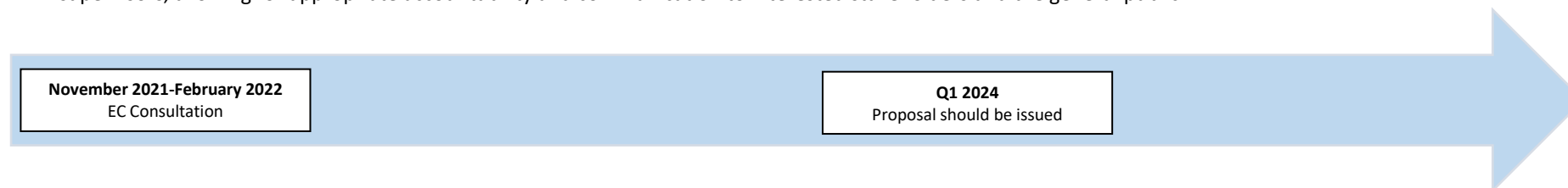
European Commission	European Parliament	ecoDa's Actions	Stakeholders' Opinion/Papers
		<ul style="list-style-type: none"> • August 2022: Response to EFRAG consultation on the ESRS interim draft; • August 2022: Comment Letter to the ESRS interim draft. 	<ul style="list-style-type: none"> • Business Europe: Response to the EFRAG consultation (Part one / Part two); • ESMA: Response to the EFRAG consultation; • Accountancy Europe: Response to the EFRAG consultation;

4. Corporate reporting – improving its quality and enforcement

[Call for evidence](#) (November 2021)

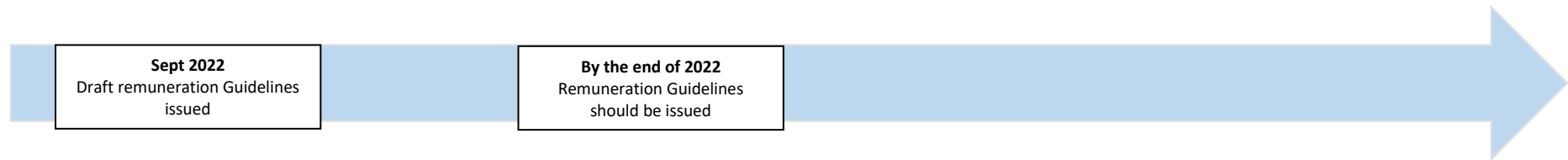
Objectives of the future proposal

- **Corporate governance:** ensure that companies strengthen the quality of their corporate reporting and to reinforce the responsibilities of company boards and audit committees to achieve this objective. The initiative will look at the role and responsibilities of company boards for corporate reporting, their accountability and the role that internal controls can play in achieving high-quality reporting. It will also assess how audit committee can become more effective.
- **Statutory audit:** enhance audit quality and audit supervision by increasing auditors’ incentives to focus on their public interest role, removing (potential) conflicts of interest and ensuring effective, efficient and consistent audit supervision.
- **Supervision of corporate reporting:** ensure effective, efficient and consistent supervision of corporate reporting. It should also increase transparency of the work of supervisors, allowing for appropriate accountability and communication to interested stakeholders and the general public.



European Commission	European Parliament	ecoDa’s Actions	Stakeholders’ Opinion/Papers
<ul style="list-style-type: none"> • November 2021 – February 2022: EC related consultation; • July 2022: Summary report of the results of the consultation; 		<ul style="list-style-type: none"> • February 2022: Response to the Commission consultation; • February 2022: Comment Letter to the Commission consultation; • 27th of October 2022: Webinar (with PwC) on “Corporate Reporting: Internal control 2.0 as the way forward?”; • November 2022: Webinar (with mazars) on “Corporate Reporting: Avenues to improve audit quality, supervision and governance?”. 	<ul style="list-style-type: none"> • Consultation: Responses received;

5. Draft Guidelines on the standardized presentation of the remuneration report



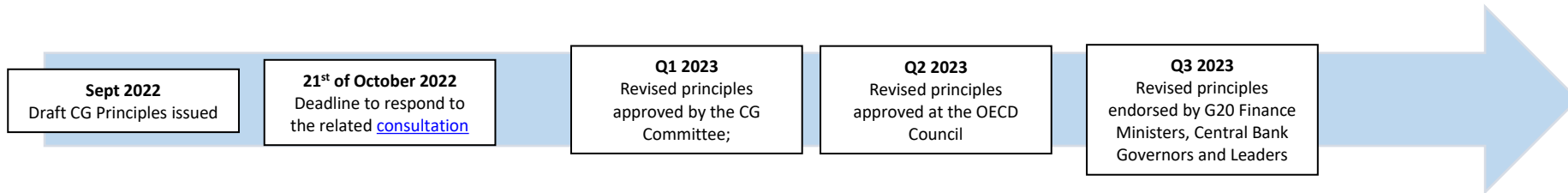
European Commission	European Parliament	ecoDa's Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • September 2029: A first draft was initiated but the project was delayed because of the Corporate Sustainability Due Diligence file; • September 2022: Release of the new draft remuneration guidelines; • September 2022: Organisation of a stakeholder meeting to collect preliminary feedback. 		<ul style="list-style-type: none"> • 29th of September: ecoDa has been invited by the European Commission Company Law Expert Group stakeholders' meeting on remuneration guidelines; • October 2022: Comments on the draft remuneration guidelines. 	

6.The ESG ratings market in the European Union and the consideration of ESG factors in credit ratings



European Commission	European Parliament	ecoDa's Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • January 2021: A study on sustainability-related ratings, data and research was published identifying a number of issues pertaining to the functioning of the market of ESG ratings providers; • April to June 2022: the European Commission launched a related public consultation; • August: A summary report of the results of the consultation has been issued. 		<ul style="list-style-type: none"> • June 2022: Comment letter to the consultation. 	<ul style="list-style-type: none"> • Consultation: Responses received;

7. Review of the G20/OECD Principles of Corporate Governance



OECD	ecoDa's Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • September 2022: The OECD released the draft Corporate Governance Principles reviewed; • September to the 21th of October: Public consultation on the draft revisions of the OECD Principles of Corporate governance. 	<ul style="list-style-type: none"> • 11th of May: ecoDa invited Mr. Blume, Senior Policy Analyst, OECD Corporate Governance and Corporate Finance Division, to its board meeting; • 21st of October: Response to the consultation; • 21st of November: ecoDa has been invited by the OECD to participate in a consultation meeting on the review of the G20/OECD Principles of Corporate Governance. 	



Contacts

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