

# EUCORPGOV Newsletter

**Issue No. 1, 2025**

*European Sustainable Corporate Governance*

## **1. State of Play**

Welcome to our newsletter on sustainable corporate governance across Europe.

In the face of escalating environmental and social challenges, sustainability has emerged as a central consideration in corporate strategy. Many European firms have been rethinking traditional governance models to incorporate broader environmental, social, and governance (ESG) concerns.

Key developments include more diverse and representative boards, executive compensation linked to ESG performance, and the integration of resilience into corporate planning. In this way, sustainable governance in Europe is evolving into a proactive force for change, positioning corporate governance as a meaningful contributor to societal and environmental well-being.

## **2. Policy Spotlight: EU Developments**

### **Corporate Sustainability Reporting Directive (CSRD)**

The CSRD has emerged as a transformative force in European corporate governance, requiring comprehensive sustainability disclosures from approximately 50,000 companies across the EU (SEC, 2025a). Recent developments include the European Commission's Omnibus package proposal from February 2025, which aims to simplify compliance for SMEs and postpone reporting requirements for companies due to report in 2026 and 2027 to 2028 (SEC, 2025b; SEC, 2025c). The European Financial Reporting Advisory Group (EFRAG) has submitted its work plan to revise and simplify the European Sustainability Reporting Standards (ESRS) by October 2025, focusing on substantial burden reduction while maintaining the directive's core objectives (Linklaters, 2025).

### **Corporate Sustainability Due Diligence Directive (CSDDD)**

The CSDDD entered into force in July 2024, establishing mandatory due diligence obligations for large companies to identify and address adverse human rights and environmental impacts throughout their value chains (SEC, 2025d). The directive requires companies to adopt transition plans for climate change mitigation aligned with the Paris Agreement's 2050 climate neutrality objectives (SEC, 2025d). An omnibus proposal to simplify duties while preserving original policy objectives is currently under consideration by the European Parliament and Council (SEC, 2025d).

## **EU Taxonomy Updates**

The EU Taxonomy continues evolving to support sustainable finance flows, with recent proposals creating derogations for companies with more than 1,000 employees and turnover below EUR 450 million (SEC, 2025e). These updates emphasize transition finance by introducing options for reporting on partial Taxonomy-alignment, providing greater flexibility for companies navigating sustainability transitions (SEC, 2025e).

## **Board and Stakeholder Impacts**

These legislative developments are fundamentally reshaping governance structures across Europe (Accountancy Europe, 2025). Audit committees now face expanded mandates covering ESG matters, sustainability reporting assurance, and climate-related risk oversight. Boards integrate sustainability considerations into strategic decision-making while ensuring robust internal controls for non-financial reporting (SEC, 2025f).

# **3. Market Trends & Data**

## **ESG Investment Growth**

European ESG investment continues its robust expansion, with responsible investment solutions reaching €142.6 billion in assets under management in 2024, representing a 7% increase from the previous year (SEC, 2025g). Climate transition solutions showed remarkable growth of 220%, demonstrating investor appetite for sustainable investment opportunities.

## **Board ESG Expertise Evolution**

Research reveals significant gaps in board sustainability competence across European companies (Competent Boards, 2024). Only 2% of Fortune 500 European companies demonstrate abundant sustainability competence, while more than 4% show no evidence of competence in this critical area (Competent Boards, 2024). However, progress is evident: ASML's supervisory board achieves 100% ESG expertise coverage among its members (SEC, 2025h), while British American Tobacco reports 40% ethnic minority representation and 50% gender diversity (SEC, 2025i).

## **Governance Structure Adaptations**

European companies are establishing dedicated sustainability committees to enhance ESG oversight (iBabs, 2025). These committees serve multiple functions: developing sustainability policies, monitoring ESG performance, and advising boards on sustainability strategy (iBabs, 2025).

## **Corporate Diversity Metrics**

Gender diversity on European boards continues changing, with companies like Vodafone targeting 46% female representation by 2025 (SEC, 2025j) and National Grid achieving 36.4% women on its board (SEC, 2025k). ASML reports 44% female representation on its supervisory board (SEC, 2025h), while Banco Santander maintains 67% gender diversity (SEC, 2025l).

## 4. Corporate Voices

### Interview: Solange Rouschop, Chief Sustainability Officer, ABN AMRO

*How has ABN AMRO integrated sustainability into its governance framework?*

"We can make the biggest impact through our clients, so we throw the bank's weight behind their sustainability transition: providing financing and expertise, as well as our network." Our approach centers on enabling bankers to support clients' sustainability transitions through dedicated training and resources.

*What governance innovations have you implemented?*

"We made steady progress on our climate strategy, structuring ESG data and setting decarbonisation targets aligned with our overall strategy, covering the majority of our lending portfolio including mid- and upstream oil and gas, agriculture, and residential mortgages. Additionally, we introduced our Human Rights Remedy Mechanism, an industry first in Europe, offering facilitation for people who believe their rights have been violated by our corporate clients."

*How do you measure success in sustainable governance?*

"We're very proud to present our first annual report within the framework of the EU's Corporate Sustainability Reporting Directive. Our governance framework now incorporates nature considerations, having issued our Nature Statement supporting the Kunming-Montreal Global Biodiversity Framework" (ABN AMRO, 2025).

## 5. Tools & Resources

### EFRAG Resources

- *ESRS Implementation Guidance*: EFRAG's comprehensive work plan for revising European Sustainability Reporting Standards, with technical advice expected by October 31, 2025 (Linklaters, 2025).
- *Simplification Framework*: Evidence-based approach leveraging lessons from first-wave CSRD preparers and users of sustainability statements (Linklaters, 2025).

### EU Parliament and Commission

- *Corporate Sustainability Reporting Directive*: Full text and implementation guidance for companies subject to new sustainability reporting requirements (SEC, 2025a).
- *Corporate Sustainability Due Diligence Directive*: Comprehensive framework for human rights and environmental due diligence obligations (SEC, 2025d).

### Professional Development

- *Certified Sustainability (ESG) Practitioner Program*: Three-day digital program offering practical tools for implementing corporate sustainability strategies, June 25-27, 2025 (Oveit, 2025).

- *Competent Boards Sustainability Assessment*: Ground-breaking tool measuring board sustainability credentials across Fortune 500 European companies (Competent Boards, 2024).

### **Industry Research**

- *Board Diversity and ESG Performance Studies*: Comprehensive research analyzing relationships between board characteristics and sustainability outcomes across European markets (Emerald, 2024a; Wiley, 2024; Emerald, 2024c).
- *Sustainability Committee Effectiveness*: Research demonstrating positive impacts of dedicated sustainability committees on corporate ESG performance (MDPI, 2022).

## **6. Upcoming Events**

### **Major Conferences**

- *European Corporate Governance Conference 2025*: May 13, 2025, Warsaw, Poland – "The Governance Edge: Unlocking European Competitiveness" featuring simplification of sustainability reporting and cybersecurity governance (LinkedIn, 2025a; LinkedIn, 2025b).
- *Annual Conference on European Company Law and Corporate Governance*: April 10-11, 2025, Trier, Germany – Covering CSRD and CSDDD compliance, diversity in corporate leadership, and digital transformation (Brussels Legal, 2025).
- *Euronext Sustainability Week*: September 4-11, 2025 – Full week dedicated to sustainable finance featuring ESG experts, corporate issuers, investors, and policymakers (Euronext, 2025).

### **Specialized Webinars**

- *Infrastructure, Energy & Defence Investor Conference*: September 4, 2025, Milan – Focus on sustainable investing and ESG reporting (Euronext, 2025).
- *ESG Bond Markets Evolution*: September 9, 2025, Milan – Embracing standards and innovation in sustainable finance (Euronext, 2025).
- *CSRD Evolution and Investor Expectations*: September 12, 2025 – Impact assessment for issuers navigating new reporting requirements (Euronext, 2025).

### **Training Programs**

- *Certified Sustainability (ESG) Practitioner Program*: June 25-27, 2025 – Digital format with live Zoom sessions covering practical ESG implementation tools (Oveit, 2025).

## 7. Reader Feedback / Call to Action

We invite your engagement in shaping Europe's sustainable governance future. Share your experiences, challenges, and innovations in implementing ESG governance frameworks within your organization.

### Join the Conversation

- **Poll Question:** Which governance innovation has had the greatest impact on your organization's sustainability performance: board diversity, sustainability committees, or ESG-linked executive compensation?
- **Q&A Submissions:** Submit questions about CSRD implementation, board ESG expertise development, or sustainability committee effectiveness.
- **Topic Suggestions:** Recommend focus areas for our next issue, including specific governance challenges or emerging regulatory developments.

### Connect With Us

Share your sustainable governance stories and lessons learned. We particularly welcome insights on:

- Innovative approaches to board ESG education and development
- Practical experiences with CSRD and CSDDD implementation
- Effective sustainability committee structures and processes
- Challenges and solutions in developing diverse board composition

Your contributions help build a knowledge-sharing community driving sustainable governance excellence across Europe. Together, we can advance corporate governance practices that create lasting value for all stakeholders while addressing our most pressing environmental and social challenges.

### Next Issue Preview:

We'll examine the role of artificial intelligence in sustainable governance, featuring case studies of European companies leveraging AI for ESG data management and decision-making processes.

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