

2020

「ecoDa

2020 Annual Report



ecoDa's Identity

Values

Professionalism, integrity and collaborative approach while encouraging excellence in Corporate Governance (CG).

Vision

To let board members exercise their leadership role, to enable them to focus more on strategy in order to foster competitiveness in Europe.

Purpose

ecoDa contributes to a sustainable and prosperous Europe by strengthening professionalism of directors and promoting good governance. We are the Voice of European Directors.

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LETTER FROM THE CHAIR – JAN WESSELDIJK



The COVID-19 pandemic has disrupted many aspects of our daily lives and is a threat to the well-being of lots of people. The effect on corporations has hit most sectors of the economy and has put pressure on management and directors. Boards had to urgently manage the crisis while preserving the values, culture, and assets of their companies.

The coronavirus outbreak marks a major test businesses face when reconciling short-term survival and long-term strategy.

As I have already expressed in my [letter](#) issued in March 2020, the goals of the model of Environmental, Social and Governance (ESG) takes on its full meaning. It is no longer a concept that pays off in the future, but it is the right way to respond to the immediate crisis. The ESG spotlight has turned to how companies treat their employees, customers and suppliers. This is a reality that we cannot deny and which transforms decision-making. Of course, taking stakeholder interests into account is not new, but the way to measure the impact that companies have on their ecosystem is changing. Managers and directors must adopt an integrated approach and accept a more precise reporting duty. Companies that resist this challenge are doomed to fail.

ecoDa strongly pleads that the European Union preserves its values and does not undermine the entrepreneurial spirit of companies by allowing each special interest group to question all corporate decisions. The duty of accountability and transparency should not be confused with a duty of bargaining.

Europe needs competent entrepreneurs and board members that behave responsibly. The importance of training should not be neglected. It is essential that the European Union takes into consideration the strengthening of European leadership on ESG issues. Balanced decision-making cannot be regulated. We repeat, in a few words, some of the main messages that ecoDa issued in 2020.

The few strategic changes that we have made will allow us to be as close as possible to the reality on the ground, to identify best practices in terms of ESG and to obtain more concrete data on the Corporate Governance evolution in European companies.

Because we believe that Europe can develop a specific and effective Corporate Governance framework – not a uniform model, but diverse in its implementation –, we developed Five Corporate Governance Guidelines which can serve as a roadmap for board members.

We believe that each company must make Corporate Governance a tool for competitiveness and innovation, and have therefore updated our Guidance and Principles for Unlisted Companies in Europe.

As the world is constantly changing, we turned to less hierarchical companies to see what we could learn from them in terms of Corporate Governance.

Corporate Governance is a fascinating subject that evolves constantly. ecoDa is the European Voice of Directors, positioned at the heart of all relevant debates and continues to strengthen its position.

It is therefore with proudness that I complete my term as its president, while continuing as board member. I am convinced that ecoDa will continue to thrive with Leena Linnainmaa, our new chair, and Béatrice Richez-Baum, our Director General.

JAN WESSELDIJK
PRESIDENT

A handwritten signature in blue ink, reading "Jan Wesseldijk", with a horizontal line underneath.

LETTER FROM THE DIRECTOR GENERAL – BEATRICE RICHEZ-BAUM



In general, if the crisis deprived us of more informal interactions, all of our activities were fortunately only moderately affected. We consider ourselves particularly fortunate, especially when so many companies and individuals have suffered the full brunt of the crisis, both economically and physically.

We want to show our solidarity with all those who have been affected by this crisis.

While we deeply regret having missed different opportunities for bringing together our national institutes of directors during face-to-face meetings, we worked hard to keep a common synergy. We generated numerous webinars about the most recent developments in Corporate Governance and tried to understand the issues for board members generated by the Covid crisis.

ecoDa was able to rely on its large network to maintain quality relationships with its peer organizations and the European Commission. The crisis has not prevented us, on the contrary, from stepping up our exchanges with the European Parliament. This year marked an opportunity for our Board and Policy Committee to have more exchanges with European institutions and organizations at the level of our Board and our Policy Committee.

We were able to actively participate in debates related to European Corporate Governance and expressed how it can help companies become more resilient. ecoDa secured its presence at the 25th European Corporate Governance under the Croatian presidency, for instance.

Many legislative initiatives are expected in 2021. ecoDa intends to support the changes taking place to promote sustainability and take ESG elements into account. However, we will also do our best to safeguard the principles of checks and balances in Corporate Governance.

2020 was also a year of strategic reflection for ecoDa. Our board has decided to strengthen our advocacy role through data-driven content. We thank Ethics & Boards for the confidence they place in us by joining ecoDa as partners.

In order to better understand what is happening in the area of Corporate Governance, to identify good practices and to share them as wide as possible, ecoDa will also bring together a few senior board members around ESG matters. These CG Circles will thus bring a bottom-up dimension to our position papers.

Finally, raising awareness of European board members and ensuring their level of understanding of current challenges undoubtedly requires training. To this end, ecoDa has decided to develop videos with its Corporate Associates to familiarize board members with recent legislation or with discussions at European level.

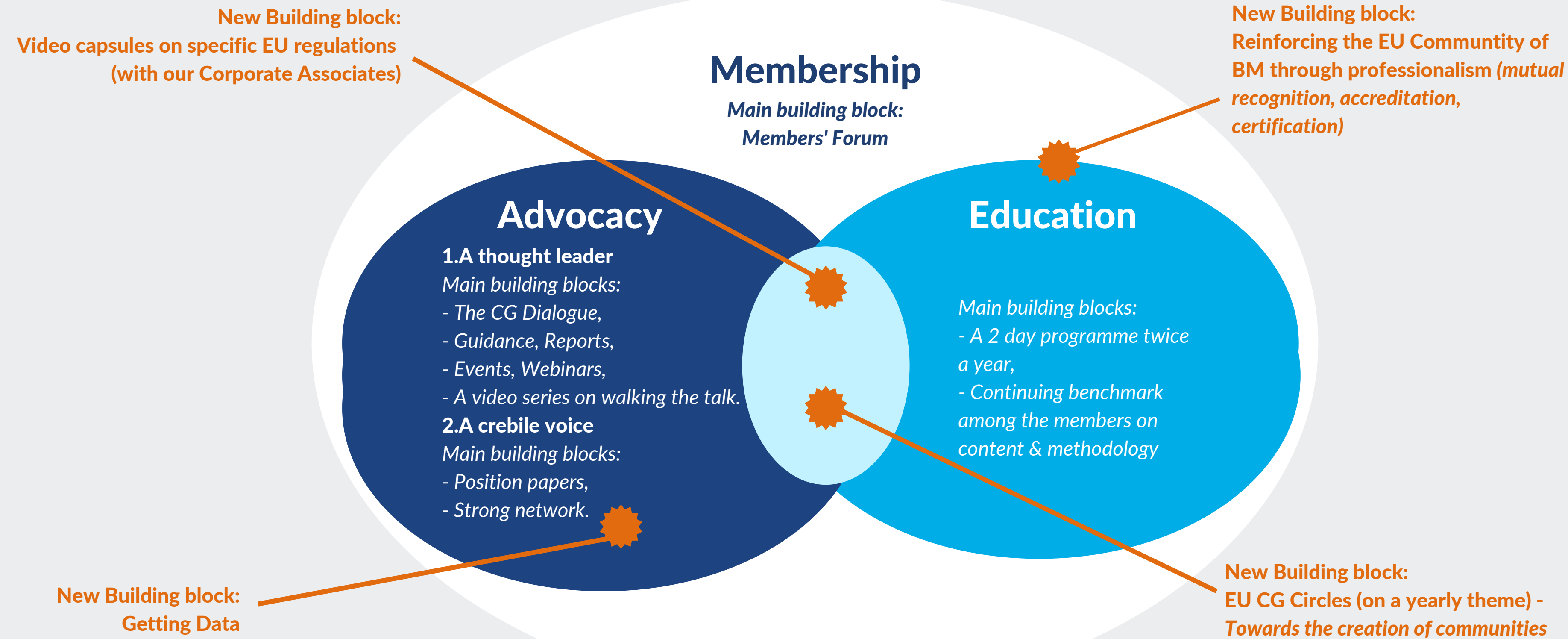
In addition, the time has come to consider both an accreditation of our national institutes wishing to benefit from a European label for their training programs and a European certification as a second level of skills' validation. On this second point, the intention is to transform our existing two-day program into a diploma program by integrating an ESG dimension with cutting edge knowledge.

In order to implement these new ambitions, we have restructured our team. Manon Roehrig, Junior Policy Committee joined us at the start of the first lockdown.

I would particularly like to thank our members for their loyalty, our Corporate Associates for their confidence and Manon Roehrig for our very efficient and pleasant cooperation in this, definitely, very special year.

BEATRICE RICHEZ-BAUM
DIRECTOR GENERAL

A handwritten signature in dark ink, appearing to read 'B. Richez-Baum'.



MILESTONES OF THE 2020



21
NATIONAL INSTITUTES
OF DIRECTORS



9
WEBINARS



+1 120
ATTENDEES TO OUR WEBINARS



10
SPEAKING SLOTS AT
EXTERNAL EVENTS



1
ONLINE EDUCATION SESSION



7
POSITION PAPERS



**The Corporate Governance
Dialogue** An initiative of ecoda

1
EDITION OF THE CORPORATE GOVERNANCE
DIALOGUE



2
VIDEOS ON EUROPEAN BOARD
MEMBERS WALKING THE TALK



NEW BYLAWS



2
NEW WORKING
GROUPS



**A NEW PARTNERHIP
WITH ETHICS & BOARDS**

2020 ecoDa's Board

- Jan Wesseldijk, Chair (NCD, The Netherlands)
- Juan Alvarez-Vijande, Board member (IC-A, Spain)
- Rytis Ambrazevičius, Board member (BICG, Baltic countries)
- Sorana Baciú, Board member (Romanian institute of directors)
- Gro Braekken, Board member (Norwegian institute of directors)
- François Bouvard, board member (IFA, France)
- Leda Condoyanni* (The Non-Executive Directors' Club in Greece)
- Svante Forsberg, board member (The Swedish Academy of Board Directors)
- Sandra Gobert, board member (GUBERNA, Belgium)
- Tom Jacobsgaard (Board Leadership Society of Denmark)
- Virginie Lagrange, board member (ILA, Luxembourg)
- Leena Linnainmaa, board member (Director's Institute Finland)
- Gorazd Podbevsek, board member (SDA, Slovenia)
- Alessandra Stabilini, board member (Nedcommunity, Italy)
- Chaleur Valeur, board member (IoD, UK)
- Volker Wiedmeyer, board member (VARD, Germany)

**Joined in November 2020 - to be formally elected at the 2021 GM*

Part 1:

Advocacy Activities

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ACTIVITIES
.....

PRIORITY TOPICS FOR
ecoDa
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Advocacy Activities

In 2020, the European Commission remained fully determined to accelerate the green and digital transition, as key components to relaunch the European economy and build a more resilient and sustainable Europe. At the same time, new initiatives were launched and new priorities were settled to respond to the coronavirus pandemic.

In terms of Corporate Governance, the European Commission largely continued its preparatory work on many issues, whether it was Sustainable Corporate Governance, the revision of the Non-Financial Reporting Directive or the renewal of the sustainable finance strategy.

Pressure on companies to promote sustainability came from all sides. In his letter to CEOs, Larry Fink said that BlackRock «*will be increasingly disposed to vote against management and board directors who do not show progress on sustainability*». The World Economic Forum event at Davos embraced the debate over stakeholder capitalism, as businesses and regulators seek to create long-term value. The Directorate General for Justice and Consumers of the European Commission entrusted, in November 2019, a research consortium led by EY to carry out a study on **directors' duties and sustainable corporate governance**. In July, EY released the final report for the European Commission assessing the root causes of “short-termism” in corporate governance. This report elicited many reactions from both academia and businesses.

In 2020, DG FISMA published an Inception Impact Assessment on the **Non-Financial Reporting Directive** and has left it for comments. It was followed by an online public consultation on the review of the Non-Financial Reporting Directive. The initiative to review the directive aims to address the following problems: 1- Lack of adequate, publicly available information about the impact of non-financial issues and sustainability issues on companies, 2- Companies incur unnecessary and avoidable costs related to reporting non-financial information. The revision of the directive is now expected for April the 21st, 2021. Concomitantly, in February 2020, Executive Vice-President Dombrovskis announced that the European Commission will support a process to develop European non-financial reporting standards. The European Financial Reporting Advisory Group (EFRAG) was invited to begin preparatory work for these standards as quickly as possible. In this context, Ms. Saskia Slomp, CEO of EFRAG, was invited to the ecoDa Board meeting on November 19th to discuss EFRAG's preparatory work.

On June 18, the European Commission welcomed the adoption by the European Parliament of the Taxonomy Regulation. It created the world's first-ever classification system for sustainable activities. In addition, the European Commission set up a Platform on Sustainable Finance, **an advisory body whose purpose is to assist the Commission in developing its sustainable finance policies**.

The European Commission also undertook a **revision of its sustainable finance strategy**. The goal is to green the financial sector, to strengthen resilience as well as to ensure that environmental and social interests are fully embedded into business strategies.

On all of these subjects which directly impact companies and board members, ecoDa has clearly expressed itself through strong position papers, webinars and regular exchanges with MEPs, and peer organizations, both at the Policy Committee level and at the Board level. The legitimacy of ecoDa on these subjects has been evident as we have made our voice heard be it at 25th European Corporate Governance or at international conferences such as the ICGN Global Virtual Summit.

Finally, ecoDa has also expressed our views on important subjects such as the Consultation on internal governance from the European Banking Authority. ecoDa was also auditioned for a study commissioned by the European Commission (DG FISMA) on the Audit Directive and Regulation, led by Milieu Law and Policy Consulting together with the Center for European Policy Studies (CEPS) and Europe Economics.





Priority Topics for ecoDa



Sustainable Corporate Governance

Despite an interview with ecoDa in February during the preparation of the EY report, the conclusions were very divergent from its opinion and the perception of the reality of things as felt by its national institutes. In our response to the Consultation on the EC Impact Assessment on Sustainable Corporate Governance which followed this report, ecoDa clearly expressed its concerns about the legal excesses suggested in the report which would weaken European companies and the principles of directors' liability, as well as the negative vision the Commission relays on businesses which does not reflect all efforts undertaken by companies to integrate sustainability in their strategies.

ecoDa had already had the opportunity to comment on Sustainable Corporate Governance at the start of the year, through its contributions in two external reports:

- **The British Academy report Principles for Purposeful Business:** In our reaction, ecoDa questioned how and by whom the purpose of a company is to be decided. Delegating to the board to determine the company's purpose would largely strip the owners of the control of their company. The board does not own the company. ecoDa raised concerns on how board directors could be held accountable towards a range of stakeholders with in all likelihood different and more or less mutually conflicting interests.

- **The SMART Project Report: In our reaction,** ecoDa challenged the assumption that Corporate Governance codes further reinforce the shareholder primacy drive. ecoDa recalled that the main purpose of CG Codes has been to improve the independence and efficiency of boards of directors, precisely against the risk of concentration of power in the hands of management and/or controlling shareholders.

While the European Commission tends to associate the subject of directors' duties and due diligence, the European Parliament has made them two separate subjects. Two own-initiative reports were indeed discussed in 2020 at the European Parliament level.

ecoDa was able to have discussions on several occasions, with different MEPs including the rapporteurs Pascal Durand (Sustainable Corporate Governance) and Lara Wolters (Due Diligence). A discussion was held in June with Lucrezia Busa member from Commissioner Didier Reynders' Cabinet during ecoDa's Members Forum in June.

ecoDa also organized a joint webinar with EuropeanIssuers and Business Europe on October 28, 2020.

Non Financial Reporting Directive

In our response to the Impact Assessment, ecoDa expressed that far-reaching standardization in order to facilitate comparability across companies could be contradictory to true information about the circumstances of specific companies. For ecoDa, a full standardization and mass data processing would promote box-ticking exercise and would lead to green washing instead of pushing companies to disclose relevant information.

ecoDa's opinion was relayed in an article in Board Agenda.

In our following response to the EC consultation, ecoDa insisted on the fact that assurance needs to be applied at the right level and to the relevant reporting standards when defined. Formal auditing would need to be linked to the adaptation and capability of audit firms. ecoDa encouraged the European Commission to avoid any overlapping risk of reporting requirements. Finally, ecoDa expressed its concerns that most rating agencies are becoming American.

There is no point in Europe in developing a sophisticated regulatory framework if standards are set outside Europe.

Rogier Wezenbeek (Senior expert, DG FISMA) was invited to exchange with ecoDa's board members on the revision of the Non-Financial Reporting Directive, on the 29th of April 2020.

Sustainable Finance

In our response to the consultation, ecoDa supported EU guidelines enhancing long-term engagement between investors and their investee companies but highlighted that international investors should not be forced to act in conflict with their purpose. ecoDa expressed its support to investor coalitions which could exert a more engaged and long-term ownership role. ecoDa regretted the focus on institutional investors while other crucial investor categories (private investors for example) are not taken into account.

Part 2:

PROACTIVE INITIATIVES

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ACTIVITIES
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THE CORPORATE
GOVERNANCE DIALOGUE
.....

Proactive Initiatives

At ecoDa, we build our reputation both through the relevance of these positions and through our desire to engage in high-level discussions upstream of legislative debates. The Corporate Governance Dialogue plays an essential role in this regard. In order to make it more efficient, an Advisory Committee made up of renowned experts has been set up to support Abigail Levrau in her role as Leader of this internal think tank.

ecoDa decided to devote the 4th edition of **the Corporate Governance Dialogue** to less-hierarchical organisations from a Corporate Governance perspective. The notion of 'less hierarchical' organisation as well as the idea of self-management (flat management) is not a new concept. However, the Covid crisis has accelerated all these trends and forced companies to opt for shorter decision-making lines. These current trends also echoes the demand for autonomy and personal fulfillment from the new generations. In companies that are increasingly agile and that oscillate between more centralization and decentralization, the boards themselves are forced to reinvent their roles. The whole chain of command is called into question, and not just at the operational level.

In addition, throughout the year 2020, ecoDa launched three new working groups. First of all, ecoDa's objective was to unite European board members around a joint action plan responding to the multiple challenges board members face while defining good practices to strive for.

The Task Force on EU Corporate Governance Principles analyzed the governance models of a few European countries, looked at the common issues before defining what makes the European model specific. Their report was released in March 2021 in time to further influence the European debate on Sustainable Corporate Governance. The interest in the European model of Corporate Governance has increased to the level that even the Ministry of Economy, Trade and Industry of Japan interviewed ecoDa on the current developments taking place in Europe.

In addition, ecoDa decided that it was time to update the first edition of **Guidance on CG for unlisted companies**, dated from 2010. A working group was given the task to identify the major changes and adapting it to current challenges. The new version is due to be released by the end of April 2021.

Finally, ecoDa makes the subject of **ESG** a real priority by creating a dedicated working group. Its mission is to identify all emerging initiatives that impact board members and to strengthen the monitoring work for the member institutes. The Working Group has been active at different hearings including the B Corp and the Chapter Zero initiatives.

Moreover, ecoDa finalized two ongoing projects: a handbook on Cybersecurity with AIG and the Internet Security Alliance and a report with Mazars on "Time for sustainability to be at the heart of business" which was also the subject of an article in Board Agenda.



The Corporate Governance Dialogue



Main conclusions of its 4th edition on Less-Hierarchical organisations:

The experience of less hierarchical companies only reinforces and highlights the trends that we are already seeing in all companies, namely the predominant role of boards of directors and the need for them to adopt a holistic approach. Boards should focus on the continuity of the business, be aware of extra financial risks, but they also should have a long-term vision beyond the business model of their company. Leading an organization (embedding a flat management or not) means for board members more interactions with a growing number of stakeholders and in the first place the employees. It also means having to deal with much more information. There is much more need for stronger boards than before, who have a more refined understanding of what is happening on the ground. The whole notion of the supervisory power of directors is evolving. Because, as we have observed in non-hierarchical companies, the need for central operators to define policies that underline risk oversight is huge.

The 4th edition was based on hearings from Matthieu Leclercq (Former Chair of Decathlon) and Marie-Bernard Guillaume (Partner and Director, Mercuri Urval).

Composition of its Advisory Committee : Abigail Levrau (Leader of The CG Dialogue); David Beatty (Rotman Prof Strategy); Roger Barker (Head of CG, IoD); Torben Bellagaard Sørensen (Independent board member); Daniela Mattheus (Independent board member); Paola Schwizer (Independent board member); Lutgart Van den Berghe (Independent board member); - with the support of Béatrice Richez-Baum (Director General) and Manon Roehrig (Junior Policy Adviser).



2020 Publications



Cyber-Risk Oversight 2020

Key Principles and Practical Guidance for Corporate Boards in Europe



2021 Upcoming Initiatives

FIVE CORPORATE GOVERNANCE GUIDELINES TO ACCELERATE CHANGE AND SUSTAINABLE GROWTH IN EUROPE

Action Plan
MARCH 2021

ecoDa Corporate Governance Guidance and Principles for Unlisted Companies in Europe

New Edition
March 2021

Part 3:

WEBINAR

ENHANCING VISIBILITY

ACTIVITIES

WEBINARS

Enhancing Visibility

In order to overcome the Covid restrictions for face-to-face events, ecoDa has maintained broad visibility through a large number of webinars. In fact, ecoDa has never organized so many webinars (9). This approach has also made it possible to make the community of European board members more united in this period of exceptional crisis. The interest in these webinars has been strong, and the digital fatigue that may have set in over the year did not impact our events. A large European audience attended our events.

When our first webinar took place, organised together with iBabs and PwC on « The Future of Boards », ecoDa had not anticipated the Covid crisis. At the webinar, the digital dimension was addressed and highlighted the fact that not all boards are at the same stages of the digital journey.

ecoDa then organized a series of four webinars entirely dedicated to the Covid crisis to understand the consequences in terms of ethics, risk management, relations with shareholders and value chains.

The need to analyze the situation while board members were on the front line was real. The reports of these webinars will certainly be useful when it comes to analyzing the changes that have taken place. The report has been quoted in an article published by Board Agenda.

The Covid crisis made it even more urgent to address the challenges of cybersecurity as cyber criminals around the world were (and still are) capitalizing on this crisis to multiply their attacks. ecoDa therefore organized a webinar on the main challenges for board members when dealing with cyber security.

In order to keep as close as possible to regulatory developments, ecoDa organized a webinar with EuropeanIssuers and BusinessEurope on Directors' Duties in the presence of DG Justice and MEPs, two days after the European Commission had launched its related consultation. During this webinar, the speakers recommended to the regulator not to impose the same solutions on all companies. If balanced decision-making cannot be regulated, the European Commission could however help standardize the information.

ecoDa and Crowell & Moring discussed at a joint-webinar the new EU directive on whistleblowing, its legal implications as well as the resulting challenges.

In order to stimulate the ecoDa alumni group and to promote continued professional development, a new webinar was proposed to present the VW case. Offering the analysis of concrete cases is certainly the best way to maintain the link with our alumni while ensuring that best governance practices are well integrated.

All these events constitute a large source of inspiration for ecoDa members and to outline our positions.

In order to increase the visibility of the ecoDa brand and to raise awareness on ESG matters, ecoDa launched a series of videos developed by its member institutes to show how European board members walk the talk. The objective is clearly to share real life experiences that reflect the importance of corporate governance and board of directors in Europe.



2020 Webinars



March 10th: ecoDa/ iBabs/ PwC webinar on "How to approach the future of boards". [Summary report](#);

May 14th: ecoDa's alumni webinar on the [VW Case](#) - 113 registrations and **68 attendees**;

June 2nd: [1st Webinar](#) of our series on Covid crisis (How ethics can remain a driving force while priorities have shifted?): 255 registrations - **173 attendees**; *Speakers: Anthony Smith-Meyer, Independent Director, Compliance and Governance Activist and Educator, Dr Ian Peters, Director, Institute of Business Ethics (IBE), Roger Barker, Head of Corporate Governance, IoD, Bethan Grillo, Director, PwC Purpose Team, Moderator : Gro Braekken, ecoDa Board Member*

June 4th: [2nd Webinar](#) of our series on Covid crisis (Crisis management and risk control: How board members will be judged?): **279 registrations - 139 attendees**; *Speakers: Daniela Weber-Rey, Non-executive director; Pascal Durand-Barthez, IFA; Lutgart Van den Berghe, Non-executive director, Matt Dalton, Mazars, Partner for Internal Audit and Risk Management, Moderator: Charlotte Valeur, ecoDa's board member.*

June 11th: 3rd Webinar of our series on Covid crisis (Has the COVID-19 crisis already set the direction for future supply chains - to be more local and less depending? Is it the beginning of deglobalization as a strategy?): **196 registrations - 130 attendees**; *Speakers: Benoît des Cressonnières, CEO Euler Hermes Reinsurance AG, Matthew Burton EMEA SC&O Leader, EY, Thomas Thune Andersen, Chairman & Independent Board Director Companies, Oersted, VKR Holdings, Lloyds Register Group and Foundations, Tom Behrens-Soerensen, Chairman & Independent Board Director Companies Danish-Chinese Business Forum, ECCO Group A/S, RAK Ports, WSS Ltd, Thomas Plenborg, Chairman & Professor, DSV Panalpina A/S, COWI A/S, Rosemund Aps, Copenhagen Business School - Tom Jacobsgaard, ecoDa Board Member & Steen Thomsen, Novo Nordisk Foundation Professor at Copenhagen Business School.*

June 25th: [4th Webinar](#) of our series on Covid crisis (Dialogue between directors and shareholders in times of crisis): 294 registrations - 153 attendees; *Speakers confirmed: Benoît van den Hove, Head of Listing at Euronext Brussels, Kerrie Waring, ICGN, Chief Executive Officer, Jose Luis del Valle, Non Executive Chairman of a Listed company as well as Independent Board Director in two Listed companies, Andrea Bischoff, Managing Director, Morrow Sodali, Mark Simms, Chief Executive Officer, CMi2i, Alessandra Stabilini, ecoDa Board Member*

A [summary report](#) was published on the main takeaways of these 4 webinars.

September 15th: Joint Webinar with AIG - "The Covid crisis and its cybersecurity implications: a new wake-up call for board members": 396 registrations – **200 attendees**. A summary report was released; *Speakers: Troels Ørting Jørgensen, Chairman of the Advisory Board, Board Leadership Society, Centre for Cyber Competences, Copenhagen Business School, Klara Jordan, Executive Director, EU and Africa, Global Cyber Alliance, Carolyn Dittmeier, President of the Board, Statutory Auditors of Assicurazioni Generali SpA, Sebastian Hess, Cyber Risk Advisor, EMEA AIG, Prof. Dr. Michael Hilb, International Board Foundation, Member of the Board of trustees.*

October 15th: Joint webinar with Crowell&Moring on Whistleblowing: 114 registrations – **66 attendees**; *Speakers: Rudy Hoskens, Partner at PwC on Forensic Services , Dispute Analysis & Investigations, Anne-Hélène Monsellato, Independent Director, Stefanie Tack, Crowell & Moring's Brussels office and head of the Brussels Corporate, Commercial & Employment Practices.*

October 28th: Joint event with ecoDa, BusinessEurope and EuropeanIssuers on Directors' Duties (Initiative from ecoDa) : 327 registration – **207 participants**. A summary report was released. *Speakers: Michel de Fabiani, Chair of ecoDa's Policy Committee, Odile de Brosses, Director of the AFEP Legal Department and Chair of the Policy Committee EuropeanIssuers, Cyril Rolling, from the Legal Department of L'Oréal, Heidi Hautala, MEP, Group of the Greens, Gorazd Podbevšek, Chair of the Slovenian Directors' Association, Marcello Bianchi, Vice Director general at Assonime and Member of the Board of EuropeanIssuers, Professor Steen Thomsen, Novo Nordisk Foundation Professor of Enterprise Foundations at the Center for Corporate Governance, Sandra Gobert, CEO, Guberna, Isabelle Cabie, Global Head of Responsible Development, Candriam, Lara Wolters, MEP, Group of the Progressive Alliance of Socialists and Democrats, Leena Linnainmaa, Secretary General of Directors' Institute Finland, Philippe Lambrechts, BusinessEurope, Susanne Knoefel, Deputy Head of Unit, DG Justice.*

Part 4:

THE EDUCATIONAL COMPONENT

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ACTIVITIES

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ROAD MAP
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The Educational Component

The ecoDa Education Committee has been extremely useful at the start and throughout the crisis of 2020. It allowed the different institutes of directors to communicate with each other on how to move to fully online/ blended training programs. The Committee was a real source of inspiration and of benchmark between all members. The Committee perfectly accomplished its mission of incubating new solutions that lead to agility and professionalism at board level.

All national institutes faced the same problem. As a consequence of the covid-19 crisis their education priorities for 2020 were interrupted, but also accelerated. While working on reframing some of their current training modules, while maintaining their renowned level of quality, they made digitalisation their number one priority. Our members Institutes of Directors struggled to find ways to maintain a certain level of networking, which is an added value and a sought-after aspect of their education programmes.

Beyond the specific role it played during the crisis, the Committee continued its action plan by publishing, in particular at the beginning of the year, a document summarizing the different trainings programs offered by ecoDa member institutes of directors. This is a unique reference document.

Due to the pandemic, ecoda canceled the two-day ecoDa training in March. However, the October meeting was conducted online, thus offering new service opportunities for the future. 36 participants participate online in a training led by Chris Hodge (Director, Governance Perspectives) and for which ecoDa has a partnership with INSEAD. The training programme is targeted at directors with a cross-border mandate in their board activities, or at those directors looking for such a mandate.

Due to the travel ban, the Education Committee was unable to implement a training program that it helped structure for the Armenian Institute of Directors.

The Education Committee continued its reflection to create an accreditation system for member institutes. A European certification program is also under consideration. The aim would be to transform the existing module into a diploma program. The Committee opted for a step-wise well-considered approach.

The Education Committee has reinforced the action of the Policy Committee to make the training of directors the central axis of the European Commission's forthcoming initiative on Sustainable Corporate Governance. The Education Committee hopes that a European budget line will be released to promote the training of board members on all ESG issues, in particular. To this end, the Education Committee has taken initiatives to make MEPs aware of this point, in particular Heidi Hautala, EP Vice-President.



ecoDa's Education Road Map





Collective intelligence / Sharing best practices (content & methods)

**ecoDa's
endorsement**

**ecoDa's
Booklet**

Mutual recognition

ecoDa's certification

European Board Certification

Part 5:

NEW DEVELOPMENTS IN TERMS OF MEMBERSHIP

DEVELOPMENTS

PARTNERSHIPS

NEW DEVELOPMENTS IN TERMS OF MEMBERSHIP

Despite the crisis that has impacted its member institutes, ecoDa has managed to maintain all of its full members. Brexit did not affect the affiliation of our UK member, IoD, which largely confirmed its commitment to ecoDa. Best of all, our network has expanded to include a recently established Greek institute, the Non-Executive Directors' Club in Greece. This institute integrated very easily into the confederation without physical distancing having been a problem. They have enriched our community with their dynamism.

As the pandemic does not allow travel abroad, ecoDa has consolidated its existing relations in certain countries where ecoDa has no representative body, to consider future opportunities. (Germany, Angola...).

Finally, all member institutes had the opportunity to exchange views with each other during the virtual Members' Forum which allowed for a very fruitful exchange. The members had the chance to hear from the new strategic developments at the UK IoD and at the French IFA. GUBERNA made a presentation on how their Center for hospitals has gained importance in light of the Covid crisis. The Baltic institute presented its training programme for state representatives in SOEs which is becoming very successful. The members had also the chance to hear from the personal experience of the Slovenian institute's CEO with regards to board selection and political influence.

On another note, ecoDa has consolidated our relations with our Corporate Associates, seeking to innovate and develop new joint projects. The intention is now to develop videos with them explaining the impact of European directives on the role of directors.

Besides the media partnership with Board Agenda and the digital partnership with IBabs, ecoDa has signed a new data partnership with Ethics & Board. Data mining has become a strategic issue for the advocacy mission in order to support the opinions expressed by a set of facts representing reality.

Furthermore, ecoDa is in the process of creating a library to share valuable knowledge with our members. The system will allow a versioning of the different position papers and will, therefore, enhance the collaborative approach. This is part of a digital transformation that will better serve our member institutes.



ecoDa's Partnerships



Media Partner

Board Agenda



Digital Partner

Ibabs



Data Partner

Ethics and Boards





Our Corporate Associates



EURONEXT



mazars



Part 6:

FINANCIALS



FINANCIALS

Philippe Decleire, Treasurer

Despite the Covid crisis, the ecoDa performance for 2020 is much better than expected, due to some positive outcomes: 1- the excellent attendance at the fall education session, 2- the absence of travel costs, 3-the extraordinary fee of €2.000 paid by each full member, 4- a low level of insolvency.

The good results allow ecoDa to take the full cost restructuring of the team in the 2020 accounts leaving more margin for investments in 2021.

ecoDa ends its 2020 financial year with a positive result of €17.556 (in comparison with €18.560 the previous year) which is much better than initially budgeted (-€8.054).

ecoDa maintains a growth in its membership and its Own Funds will raise up to €239,077 providing ecoDa with a sound financial structure (ratio Own Funds / Expenses above 50%).

The intention is to recruit a part-time assistant from June 2021 under a fixed-term contract given the excellent results and existing margins in the 2021 budget.

Our Members



Instituto de
Consejeros-Administradores
Asociación Española de Consejeros



SLOVENIAN
DIRECTORS' ASSOCIATION
for effective Corporate
Governance



BOARD LEADERSHIP SOCIETY
Boardwork for Value Creation and Good Governance



STYRELSEAKADEMIEN



ASOCIATIA
ADMINISTRATORILOR
INDEPENDENTI



armenian institute
of directors



INSTITUTE OF
DIRECTORS - MALTA



Appendice

2020 POSITION PAPERS

January: ecoDa's Reaction to the SMART's introductory report

February: ecoDa's Reaction to the British Academy report Principles for Purposeful Business

March: ecoDa's Reaction to the DG Fisma's Inception Impact Assessment on the Non-Financial Reporting Directive

June: ecoDa's Response to the EC Consultation on the revision of the NFRD

June: ecoDa's Position on the Public consultation on the revision of the non-financial reporting directive

July: Comment letter to ecoDa's Response to the EC Consultation on the renewed sustainable finance strategy

October: ecoDa's Response to the EC Impact Assessment on Sustainable Corporate Governance

November: ecoDa's Response to the EBA Consultation on the revision of its Guidelines on internal governance

COMPOSITION OF OUR COMMITTEES, WORKING GROUPS AND TASK FORCES IN 2020

Policy Committee

Michel de Fabiani (*Chair*), Rytis Ambrazevičius (*Baltic Institute of Corporate Governance*), Sorana Baciú (*Independent Directors Association*), Dirk Backhaus (*VARD*), Carum Basra (*Institute of Directors*), Bistra Boeva (*Bulgaria*), Leda Condoyanni (*The Non-Executive Directors' Club in Greece*), Annelies de Wilde (*GUBERNA*), Philippe Decleire (*ecoDa*), Pascal Durand-Barthez (*IFA*), Michael Hilb (*Swiss Institute of Directors*), Fernando Iguartua (*Instituto de Consejeros-Administradores*), Per Lekvall (*StyrelseAkademien*), Leena Linnainmaa (*Directors' Institute Finland*), Irena Prijović (*Slovenian Directors' Association*), Valerie-Anne Rondeau (*ILA*), Alessandra Stabilini (*Nedcommunity*), Steen Thomsen (*Board Leadership Society of Denmark*), Micaela Thorström (*Directors' Institute Finland*), Frank Van Den Akker (*NCD*), Edwin Ward (*IoD, Malta Branch*), Mark Watkinson (*IoD, Malta Branch*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

Education Committee

Jean Coroller (*Chair*), Rytis Ambrazevičius (*Baltic Institute of Corporate Governance*), Sorana Baciú (*Independent Directors Association*), Gerard Citroen (*NCD*), Rachel Feller (*GUBERNA*), Colina Frisch (*Swiss Institute of Directors*), Lena Henningsson (*StyrelseAkademien*), Emma Hicks (*IoD UK*), Agnès Remond (*IFA*), Rada Sibila (*Slovenian Directors' Association*), Melanie Terren (*ILA*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

Membership Development Committee

Philippe Decleire (*Chair*), Leena Linnainmaa (*Directors' Institute Finland*), Jan Wesseldijk (*NCD*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

Working Group on Unlisted Companies

Juan Alvarez-Vijande (*Co-Chair*), Roger Barker (*Co-Chair*), Rytis Ambrazevičius (*Baltic Institute of Corporate Governance*), Roberto Cravero (*Nedcommunity*), Sorana Baciú (*Independent Directors Association*), Liesbeth De Ridder (*GUBERNA*), Michael Hilb (*Swiss Institute of Directors*), Leena Linnainmaa (*Directors' Institute Finland*), David Moscato (*ILA*), Irena Prijović (*Slovenian Directors' Association*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

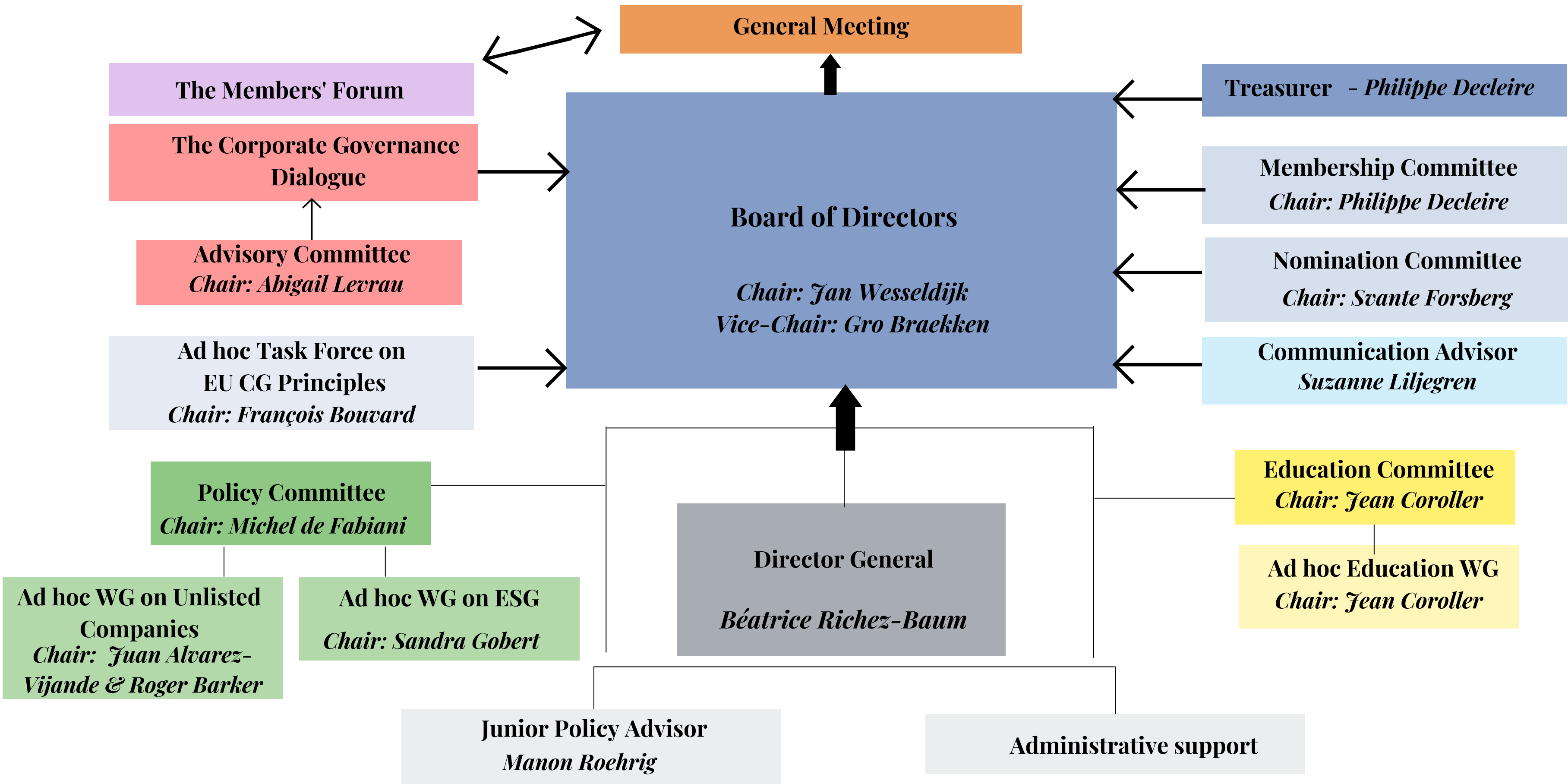
Working Group on ESG

Sandra Gobert (*Chair*), Rytis Ambrazevičius (*Baltic Institute of Corporate Governance*), Sorana Baciú (*Independent Directors Association*), Bistra Boeva (*Bulgaria*), Jean Coroller (*ecoDa*), Michel de Fabiani (*ecoDa*), Christelle de Fournier de Brescia (*ILA*), Rachel Feller (*GUBERNA*), Antonio Fuertes (*Instituto de Consejeros-Administradores*), Roberta Lepre (*Malta IoD*), Natasha Martsekis (*The Non-Executive Directors' Club in Greece*), Nicolas Naudin (*IFA*), Livia Permattei (*Nedcommunity*), Micaela Thorström (*Directors' Institute Finland*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

Task Force on EU Corporate Governance Principles

François Bouvard (*Chair*), Sorana Baciú (*Independent Directors Association*), Roger Barker (*IoD-UK*), Gro Braekken (*Norwegian Institute of Directors*), Sandra Gobert (*GUBERNA*), Per Lekvall (*StyrelseAkademien*), Leena Linnainmaa (*Directors' Institute Finland*), Pierre Margue (*ILA*), Alessandra Stabilini (*Nedcommunity*), Gudrun Timm (*Germany*), Steen Thomsen (*Board Leadership Society of Denmark*), Charlotte Valeur (*IoD-UK*), Jan Wesseldijk (*NCD*), Béatrice Richez-Baum (*ecoDa*), Manon Roehrig (*ecoDa*).

Appendice - ecoDa's 2020 organizational chart



Annual Accounts

ANNUAL ACCOUNTS & AUDITOR REPORT

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ASSETS			
FIXED ASSETS	20/28	<u>14,557.17</u>	<u>2,473.33</u>
I. Preliminary expenses (exhibit I)	20		
II. Intangible assets (exh. II)	21	14,557.17	2,473.33
III. Tangible assets (exh. III)	22/27		
IV. Long-term investments (exh. IV and V)	28		
CURRENT ASSETS	29/58	<u>287,966.02</u>	<u>280,326.68</u>
V. Long-term accounts receivable (more than one year)	29		
VI. Stocks and orders in progress	3		
VII. Short-term receivables (up to one year)	40/41	47,280.39	54,591.37
A. Trade receivables	40	43,530.06	54,591.37
B. Other accounts receivable	41	3,750.33	
VIII. Short-term investments (exh. VI)	50/53		
IX. Cash assets	54/58	233,630.87	217,473.49
X. Accruals (exh. VII)	490/1	7,054.76	8,261.82
TOTAL ASSETS	20/58	302,523.19	282,800.01
LIABILITIES			
PARTNERSHIP FUND	10/15	<u>234,076.56</u>	<u>200,686.65</u>
I. Accumulated surplus	10	174,164.00	158,330.00
V. Profit carried forward	140	59,912.56	42,356.65
PROVISIONS	16		
LIABILITIES	17/49	<u>68,446.63</u>	<u>82,113.36</u>
VIII. Long-term liabilities (exh. X)	17		
IX. Short-term liabilities - up to one year (exh. X)	42/48	64,096.63	74,344.49
A. Long-term liabilities - more than one year - falling due this year	42		
B. Financial liabilities	43	257.36	738.31
C. Trade accounts payable	44	24,101.33	25,024.73
D. Payments on accounts for orders	46		
E. Taxes, salaries and social liabilities	45	39,737.94	48,581.45
F. Miscellaneous liabilities	47/48		
X. Accruals (exh. XI)	492/3	4,350.00	7,768.87
TOTAL LIABILITIES AND OWNERS' EQUITY	10/49	302,523.19	282,800.01

PROFIT AND LOSS ACCOUNT		2020	2019
I. Sales and services	70/74	347,095.32	342,850.71
A. Turnover (exh. XII, A)	70	38,480.00	63,430.00
Other products	71/4	308,615.32	279,420.71
Supply, Goods, Services	60/61	-63,130.84	-111,893.73
A.B. Exploitation Gross profit	70/61	283,964.48	230,956.98
C. Salaries and wages, social expenses and pensions (exh. XII, C2)	62	-239,890.73	-197,337.78
D. Depreciations and amounts written down on preliminary expenses, intangible and tangible assets	630	-7,896.92	-1,236.67
E. Amounts written down on stock, orders in progress and on trade debts (allowance +, reversal -)	631/4	-5,355.02	-7,453.92
F. Provisions for risks and liabilities (allowance +, application and reversal -) (exh. XII, C3 and E)	635/7		
G. Other operating expenses (exh. XII, F)	640/8	-7,401.24	-6,060.01
H. Operating expenses for restructuring (-)	649		
III. Operating profit (+)	70/64	23,420.57	18,868.60
Operating loss (-)	64/70		
IV. Financial income	75	1.52	83.47
V. Financial expenses	65	-1,312.39	-743.69
VI. Current profit before tax (+)	70/65	22,109.70	18,208.38
Current loss before tax (-)	65/70		
VII. Extraordinary revenues	76		643.40
VIII. Extraordinary expenses	66	-4,553.79	-291.52
IX. Profit of current accounting year before tax	70/66	17,555.91	18,560.26
Loss of current accounting year before tax (-)	66/70		
IV. Income taxes	67/77		
Profit of the year	70/67	17,555.91	18,560.26
Loss of the year	67/70		
A. Profit to be appropriated	70/69	59,912.56	42,356.65
1. Profit of the period to be allocated	70/68	17,555.91	18,560.26
Loss of the year to be allocated	68/70		
2. Reported profit from previous year	790	42,356.65	23,796.39
D. 1. Profit to carry forward	693	-59,912.56	-42,356.65
OFF BALANCE ACCOUNTS			
040000 Third Holders on their behalf of values		-25,832.67	-21,666.67
041000 Value Held by third Parties in their name		25,832.67	21,666.67

THE EUROPEAN CONFERENCE OF DIRECTORS'
ASSOCIATIONS
Avenue des Arts, 41

1040 BRUXELLES

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS
FOR THE YEAR ENDED ON 31 DECEMBER 2020

Réviseurs d'Entreprises / Bedrijfsrevisoren / Belgische Wirtschaftsprüfer
Agréé pour les Institutions Financières / Erkend voor de Financiële Instellingen / Für Finanzinstitute anerkannt
Agréé par l'Office de contrôle des mutualités / Erkend door de Controledienst voor de Ziekenfondsen / Von der Krankenkassenaufsicht anerkannt

Audit / Tax / Corporate Finance / Risk / Accounting / IT Audit
Antwerp / Brussels / Hasselt / Kortrijk / Namur / Verviers / Luxembourg (L) / Berlin (G) / Lille (F)

Numéro d'Entreprise / Ondernemingsnummer BTW TVA BE 0427.897.088
IBAN: BE84 6110 9295 4059 / BIC: DEUTBEBE



Dear Madam, Dear Sirs,

We have the honour of delivering you our report on the limited audit you asked to conduct for the year ended December 31, 2020.

We have performed a limited review of the annual accounts prepared under the supervision of the board of directors for the financial year ended December 31, 2020 with a balance sheet of € 302.523,19 and a benefit of € 17.555,91.

Our limited review of the financial information was conducted in accordance with the standard "ISRE 2400" related to limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises". A limited review consists of making inquiries of management and applying analytical and other review procedures to the financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on annual accounts as issued by the "Institut des Réviseurs d'Entreprises". Accordingly, we do not express an audit opinion.

The board of directors of the company is responsible for the preparation and fair presentation of this financial information. Our responsibility is to express a conclusion on this financial information based on our review.

According to the ISRE 2400, we have taken into account the way of dealing with the administrative and financial matters of the Association and its internal control policies. The representatives of the Association have responded with clarity to our requests for explanations and information. We have examined the explanations related to the figures given on the financial statements by questioning.

In conclusion, while considering the work undertaken, our analysis of the financial statements has not revealed any elements that could lead to significant amendments of the financial statements.

Based on our limited review, nothing has come to our attention that causes us to believe that the financial information ended December 31, 2020 is not prepared, in all material respects, in accordance with the accounting standards as adopted in Belgium.

Brussels, 19 April 2021

Callens, Pirene, Theunissen & C°
Represented by

DocuSigned by:
Baudouin Theunissen
7D0B261C5D2B40C...
Baudouin THEUNISSEN
Auditor

Original version of this auditor's report in French

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Director General

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