

# 2022 Annual Report



APRIL 2023





# 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.

the Corporate  
enhancing  
Webinars  
educational  
new Develop  
Membersh  
Corporate  
financials

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## LETTER FROM THE CHAIR - LEENA LINNAINMAA

While companies are going from crisis to crisis, the regulatory pressure does not alleviate. Companies are asked to rethink and reshape their business models at a time when many of them are fighting not merely for competitiveness, but for survival. After having gone through uncertain sanitary times, companies are now walking a geopolitical tightrope.

Indeed, the international environment poses increasing challenges to board members who come, at the same time, under close scrutiny for their decisions.

To cope with this increased volatility, traditional governance recipes are stretched and require a more dynamic and flexible approach. The role of ecoDa is more than ever crucial, to share quality information and best practices at a European level.

To survive the challenges companies are facing and to stimulate board members towards a more sustainable and competitive future, The Corporate Governance Dialogue identified five boosters for innovation in 2022. Doing business as usual is no longer an option. Boards of directors need to move beyond boundaries to open up to new ideas. But this shift should be accompanied by a European

innovation-enhancing regulatory framework. To safeguard its companies' competitiveness and unleash their potential to complete successfully their sustainability journey, the European Union needs to ensure a flexible and clear legal framework.

Even though companies have a lot to digest with new upcoming requirements weighing on them, for all that, they all understand the strategic dimension of this required shift and are already working on it. ecoDa's and its members' role is also to raise awareness and facilitate the implementation of these numerous legislative proposals, including by training directors on these subjects. It is only collectively that we will be able to build a resilient and sustainable European economy and society.

**LEENA LINNAINMAA**  
CHAIR



## LETTER FROM THE DIRECTOR GENERAL - BÉATRICE RICHEZ-BAUM

In 2022, ecoDa focused even more on corporate governance and sustainability, not only to follow legislative developments but to create momentum for change and help exchange good practices at the European level. In legislative terms, ecoDa claims for new rules that provide an unambiguous framework without leading to legal entanglements and unrealistic constraints. The subject of directors' duties must, in that sense, be treated carefully.

Indeed, the international environment poses increasing challenges to board members who come, at the same time, under close scrutiny for their decisions.

In all existing legal systems, the liability for wrongdoing of the corporation lies primarily with the corporation as a legal person. The liability of directors, executive or not, is sought when they have acted intentionally outside the usual exercise of their duties.

Sustainability was also at the heart of the complete overhaul of our training program and the creation of our European Board Diploma, with high-level partners like INSEAD, ICGN, Chapter Zero, Morrow Sodali, or Embedding Project. Indeed, ecoDa remains convinced that beyond the legislative initiatives, the change of mindset will take place through the training of European directors. If ecoDa remains an advocacy body, we believe that advocacy and education go hand in hand and complement each other to achieve the objectives set. Our ambition with our European Board Diploma is to support our institutes' training activities by providing a European add-on.

The Corporate Governance Dialogue, which constitutes our platform for forward-looking reflection, has taken up the topic of the G dimension of ESG, considering that it is the weak link. ecoDa questions the need to put the three components of ESG on the same level or whether this dimension G is not intended to facilitate the implementation of the other two. The Corporate Governance Dialogue should be able to take some conclusions in 2023.

Another objective for 2023 is to strengthen our knowledge and the benchmark of legal provisions in the Member States. The partnership with Ethics & Boards already provides interesting figures. But other agreements are envisaged to enrich the legal information.

**BEATRICE RICHEZ-BAUM**  
DIRECTOR GENERAL

# MILESTONES OF 2022

-  7 Webinars (+ 1 800 attendees);  
39 Speakers;
-  13 Speaking slots;
-  13 meetings with EU regulators;
-  3 Publications;
-  1 New Board Education Programme;
-  9 Position Papers/Consultations;
-  8 Press Releases;

-  1 New Member;
-  2 Educational videos  
(300 views on Youtube);
-  3 new WGs;
-  5 Board Meetings;
-  58 WGs Meetings;
-  42 EU Alerts;  
9 External Newsletters.





# 2022 ecoDa's board

- Leena Linnainmaa (DIF in Finland), Chair
- Juan Alvarez-Vijande (IC-A in Spain),
- Rytis Ambrazevičius (Baltic Institute of Corporate Governance),
- Roger Barker (UK IoD), as interim,
- Gro Brækken (The Norwegian Institute of Directors)
- Leda Condoyanni, (The Non-Executive Directors' Club in Greece)
- Karine Dognin Sauze (IFA in France),
- Simona Fatu (AAI in Romania)
- Svante Forsberg (StyrelseAkademien in Sweden)
- Sandra Gobert (Guberna in Belgium)
- Michael Hilb (The Swiss Institute of Directors)
- Tom Jacobsgaard (Board Leadership Society of Denmark)
- Anne Kayser (ILA in Luxembourg)
- Daniela Mattheus (FEA in Germany)
- Gorazd Podbevsek (SDA in Slovenia),
- Alessandra Stabilini (Nedcommunity in Italy),
- Jan Wesseldijk (NCD in the Netherlands)



# Part 1 Advocacy Activities

Education Component

Membership Developments

Our Corporate Associates

Our Partners

Financials

# Priority topics for ecoDa 1

In 2022, ecoDa continued to closely monitor legislative developments that may impact European directors. ecoDa focused naturally on all subjects relating to sustainability. The European Commission has continued its initiatives by finalizing the Corporate Sustainability Reporting Directive (CSRD), by presenting its draft directive on Corporate Sustainability Due Diligence (CS3D), encouraging EFRAG to progress on the development of its standards ESRS, examining the usefulness of regulating ESG ratings through a consultation, or by continuing to reflect on the advisability of a Corporate Reporting reform (targeting the audit dimension and the role of audit committees). These proposals are real game-changers in the way companies will have to operate.

In general, ecoDa supports these initiatives and the desired objectives. Integrating ESG considerations into decisions (including in remuneration schemes) is indeed no longer a choice if companies want to attract talent, thrive and survive in the long term. However, ecoDa wants to ensure the feasibility of the requirements imposed on directors and companies. It is therefore essential with the Corporate Sustainability Due Diligence Directive that the European Union finalizes a text which is not subject to interpretation in national law and ensures an adequate level-playing field.

Furthermore, this text should not add unnecessary new and vague notions where the national texts are sufficiently clear, in particular with regard to directors' duties.



# Priority topics for ecoDa 2

ecoDa has had the opportunity to speak on several occasions both to European legislators and to its peer organizations to express its opinion, but also by speaking publicly in the context of webinars organized by ecoDa or external events.

On this specific file, ecoDa was able to benefit from the active support of its member institutes who relayed the concerns at the national level.

On other issues such as the Corporate Sustainability Reporting Directive, ecoDa has sought to understand the level of preparation of European directors and intends to continue its information work on the concrete implications that this entails. A workshop was held for this purpose and other webinars will still be organized in 2023.

The very ambitious objective of the EFRAG ESRS standards is to enable companies to gain a complete understanding of their impact, helping them avoid reputational risks, and spotlighting issues in their business models. This is not just a reporting standards change, this reflects a larger cultural shift, where ESG is being embedded into organisation culture.

ecoDa, therefore, showed a particular interest in this subject by setting up a dedicated task force.

# Priority topics for ecoDa 3

Our response to the EFRAG consultation was positive but emphasized the need to achieve maximum consistency with other broadly accepted frameworks (GRI, ISSB, among others) and to reach a common understanding at the international level. Companies and board members must address this new way of thinking and these new concepts, especially since other EFRAG standards will emerge for unlisted companies.

Besides, Anne-Hélène Monsellato (senior board member), who helps ecoDa a lot on these subjects, joined EFRAG's Community Working Group for the Listed SMEs Standards.

To ensure that all actors in the reporting chain provide clear and comparable information, the European Commission has launched a consultation on sustainable finance, ESG ratings, and sustainability risks in credit ratings. In its response, ecoDa broadly supported this proposal. ecoDa considers that the methodologies of the rating agencies should be more transparent and that a dialogue with companies should be ensured. ecoDa will follow this file with interest since an initiative is expected for the first part of 2023.

In 2022, the European Commission questioned the usefulness of reforming Corporate Reporting by paying particular attention to the roles of auditors and audit committees. If ecoDa has indicated that such a reform could be useful, ecoDa has encouraged to postpone any related initiative later, considering that companies already had a lot to digest.

In addition, ecoDa was invited by the European Commission to comment on draft guidelines on remuneration reports during a meeting with the European Commission Company Law Expert Group. The document is still to be published, but no date has yet been announced.



# Priority topics for ecoDa 4

Alongside these topics, at a more international level, ecoDa focused on the revision of the OECD Corporate Governance principles. Among other things, ecoDa recommended the OECD to enlarge the principles to cover both listed and unlisted companies and all governance actors (including risk managers and auditors, and not only board members).

ecoDa was invited to present its remarks at a stakeholder meeting organized in November in Paris by the OECD.

Under the impetus of our Luxembourg member (ILA), ecoDa sent a letter to the European Commissioner for Justice, Didier Reynders, regarding the directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU (commonly known as the “Anti-Tax Avoidance Directive III”). In the directive, only corporate directors – within the same group - will be considered as an indicator of minimum substance. For ATAD III, an independent non-executive director will not be considered as providing substance to an undertaking, which is against the previous assumption of the European Commission that the presence of independent directors is a good way to foster and restore confidence in financial markets.

On this specific subject of the concept of independent directors, ecoDa decided to set up a working group at the end of 2022 to study whether the European recommendation of 2005 still make sense and whether the Member States had put in place similar criteria to define this notion of independence.



## In summary: ecoDa's position papers in 2022

- **February 7th:** ecoDa's response to the European Commission consultation on Corporate Reporting;
- **February 7th:** Comment letter to ecoDa's Response to the EC consultation on Corporate Reporting;
- **February 11th:** ecoDa's response to the European Commission consultation on Listing Act;
- **March 21st:** ecoDa's comments on the EBA consultation on its guidelines on remuneration and gender pay-gap benchmarking;
- **May 12th:** ecoDa's reactions to ATAD III;
- **May:** ecoDa's position paper on the proposed EU Corporate Sustainability Due Diligence Directive;
- **June 3rd:** ecoDa's Comment letter to the European Commission consultation on the functioning of the ESG ratings market in the European Union;
- **August 8th:** ecoDa's Comment Letter to the EFRAG Drafts ESRS;
- **August 8th:** ecoDa's response to the EFRAG consultation on the draft ESRS;
- **October 6th:** ecoDa's comments on the Draft Guidelines on the standardised presentation of the remuneration report;
- **October 17th:** ecoDa's Input on Draft Revisions to the G20/OECD Principles of Corporate Governance.





# The Corporate Governance Dialogue

The subject of ESG/Sustainability is so important for ecoDa that the European Corporate Governance Dialogue (which brings together our member institutes and our Corporate Associates on looking-forward topics) has decided to deal with the **G dimension of ESG**. Preparatory meetings started in 2022 but the reflection will continue in 2023. Earlier in the year, the Corporate Governance Dialogue released a report on innovation and governance. This report claimed to relate these two dimensions and to see how one could influence the other. This topic has been taken up and developed by other organisations, including our English member, the UK IoD.

# European Barometers



ecoDa being aware of the need to support our opinions with figures, we continued and amplified our collaboration with Ethics & Boards with which we published in September a first European barometer on sustainability. Another barometer of Gender Diversity in Governing Bodies in Europe will be released in March 2023.



# Enhancing Visibility

Most of the topics covered were tackled in webinars we organised with our Corporate Associates (see list below) or in public presentations. Eight press releases were published by ecoDa in 2022, either to highlight our positions or to inform our community about internal developments.

It should also be specified that ecoDa has kept its member institutes informed of European legislative developments in the area of corporate governance through its weekly EU Alerts, and through its EU Update (which gives a precise state of play of the procedures in progress).

As part of its information mission, ecoDa also seeks to help directors digest new legislation or new developments that make sense to them. To this end, ecoDa developed, in 2023, two educational videos, one on Whistleblowing with Diligent and Elvinger Hoss and another one on Climate reporting with PwC and Chapter Zero Brussels (489 views in total).

Throughout the year, ecoDa maintained its relations with the European institutions (whether it is the European Parliament, or the European Commission, particularly, DG JUST, DG FISMA, and DG GROW). ecoDa's legitimacy was further strengthened.

# 2022 Webinars

**March 18th:** ecoDa joint webinar with WTW on "How to align climate priorities with executive compensation?" - 165 registrations, 84 participants;

**April 5th:** ecoDa joint webinar with Mazars on "Sustainability - action needed on defining issues for SMEs across Europe" - 172 registrations, 87 participants;

**May 4th:** ecoDa joint webinar with Crowell & Moring on "The draft EU Corporate Sustainability Due Diligence Directive: What legal consequences on companies and board members" - 255 registrations / 146 participants;

**May 23rd:** ecoDa joint webinar with EY with the support of INSEAD on "How can a focus on governance help reimagine corporate integrity?" - 88 registrations, 61 participants;

**June 14th:** ecoDa co-organised an event in Brussels with Chapter Zero Brussels on "EU Green Deal: Speed of change & impact on the Board of Directors";

**October 10th:** ecoDa organised a webinar on "CG: a booster for innovation?" - 81 registrations, 46 participants;

**October 27th:** ecoDa joint webinar with PwC on "Corporate reporting: Internal control 2.0 as the way forward?" - 157 registrations, 93 participants

**November 21st:** ecoDa joint webinar with Mazars on "Corporate reporting: avenues to improve audit quality, supervision and governance" - 117 registrations, 70 participants;



# 2022 Publications

**October:** ecoDa publication on 'Innovation: is the EU Corporate Governance framework fit for purpose?';

**November:** ecoDa and Ethics&Boards joint publication 'The Corporate Governance Barometer';

**November:** ecoDa, ECIIA and FERMA joint publication 'ESG embedding: are you ready? A call for Boards, Risk Managers and Internal Auditors';



Advocacy Activities

Part 2 Education Component

Membership Developments

Our Corporate Associates

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Financials



# The European Board Diploma

After holding the last session of its two-day training program in March 2022 (28 participants), ecoDa launched its European Board Diploma in October 2022. It is now a four-day program comprising three core days as well as an optional day to be chosen between 1- a day dedicated to audit committees led by Anne-Hélène Monsellato (senior board member), 2- a day organized in partnership with ICGN on the relationship between shareholders and boards led by George Dallas and Paul Lee (ICGN), or 3- a day in partnership with Chapter Zero on climate issues, moderated by Ralf Otto (People Engagement and Change Expert).

The European Board Diploma has been the subject of nearly twelve months of preparatory work during which ecoDa had to define a new vision by:

- Looking at the best out of the existing international education programmes for directors;
- Developing a list of differential topics and critical board matters in Europe;
- Defining what will trigger board members to participate in such a programme;
- Making a robust assessment of possible senior board members that could contribute to the programme;
- Ensuring adequate networking opportunities among the participants who are keen to meet their European peers.





# The European Board Diploma

The modification of the program was not without risks, this is why ecoDa tested the appetite of its member institutes upstream and ecoDa worked carefully to define a strict and viable budgetary framework over the long term. It is to be reminded that the EBD has been built as an add-on to the national certificates or diplomas for board directors.

Insofar as our program is now graduating, ecoDa also had to find an operational platform for the evaluations of our participants. Finally, since our participants value the networking dimension a lot, ecoDa called on a recognized headhunter, Hagen Schweinitz, to ensure moderation and group dynamics.

The added value of this program lies in the fact that it is designed by European directors for European directors. Thanks to the various partnerships with INSEAD, ICGN, and Chapter Zero, but also Morrow Sodali or Embedding Project in Canada, ecoDa has surrounded itself with the best experts.





# The European Board Diploma

The European Board Diploma always attaches great importance to the analysis of the characteristics of governance models in Europe and addresses all relevant topics for directors, including sustainability and long-term value creation. The European Board Diploma includes many case studies for an empirical educational approach.

The first edition of the European Board Diploma was the subject of a large promotional campaign, in particular with the creation of various videos (5 videos in total including videos for the elective modules). Thanks also to the good promotion of the institutes, this first edition was a success with 35 participants in total (including 15 women and 20 men from 14 nationalities). The participants divided themselves equally between the three possible modules.

21 participants in 2023 decided to take the exam online, and all brilliantly passed. ecoDa will still have to define how to optimize this register of graduates which is now visible on our website.





Following this first edition and to maintain the network among the participants, the latter was invited to join ecoDa on its LinkedIn page but above all to join closed groups on each of the subjects of the modules offered. These groups are fed by recent news.

The objective is to extend these groups to new ecoDa alumni. The intention is also to bring together all the alumni once several cohorts have passed as part of a networking event in the form of speed dating by sector of activity or by type of company. Fire-side events have also already been organized online and will continue in 2023.

# THE EUROPEAN BOARD DIPLOMA



*An initiative of*

**ecoDa**

 The European Voice of Directors



# Benchmarking of national education programmes

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# Benchmarking of national education programmes

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The Education Committee has compiled a database with some case studies used by the institutes.

## Co-creation

The Education Committee has begun to reflect on possible avenues of co-creation for operational and concrete tools useful to all institutes. In order to give shape to these projects, external partners will have to be found.



Advocacy Activities

Education Component

Part 3 Membership Developments

Our Corporate Associates

Our Partners

Financials

# Membership developments

In 2022, ecoDa welcomed a new German member institute, The Financial Expert Association (FEA). ecoDa membership remains stable. ecoDa has, however, strengthened its relations with the Association of Independent Non-Executive Directors in Poland. Contacts have also been established with the Corporate Governance Professional Association in Ukraine.

ecoDa will offer candidate member status in 2023 to selected institutes that will be able to benefit from the ecoDa network, but will not be considered full members within two years. The institute should present a development plan covering this period.

Membership fees remain unchanged. Indexing has been applied.



# Members list



Advocacy Activities

Education Component

Membership Developments

Part 4 Our Corporate Associates

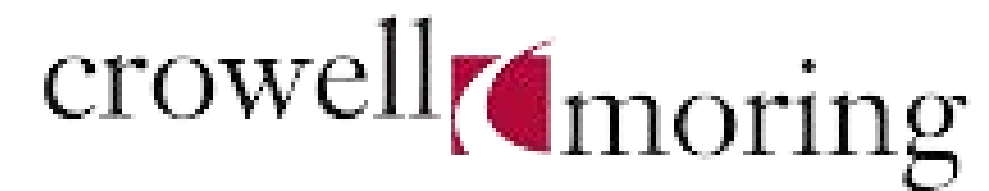
Our Partners

Financials



# Corporate Associates

mazars



Advocacy Activities

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Part 5 Our Partners

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# Partners

MEDIA PARTNER



DIGITAL PARTNER



DATA PARTNER



Advocacy Activities  
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Our Partners

## Part 6 Financials





# Financials

Philippe Decleire, treasurer

The financial year of ecoDa ended on December 31 2022 with a positive result of 14 053 € compared to 9 266 € the year before, better than the budget of 1 119 €.

Despite the general crisis context and the inflation, this excellent outcome is the consequence of the intense activity of ecoDa's team and contributors together with a very professional daily management.

Moreover, the own funds of the association raised to 276 561 € ( + 10%) including the admission fee paid by a new full member.

Year after year, ecoDa's financial situation does not stop improving. The cash assets above 300 000 € give ecoDa a very sound and safe balance structure.

With the new version of the European Board Diploma that seems to be successful, the turnover of ecoDa jumps from 317 K€ to 414 K€ (+ 31 %) with an improved gross margin.

This trend allows us to have the best hope for further developments of ecoDa's activities for the best profit of its member institutes.

# APPENDIX 1 - OVERVIEW OF ACCOUNTS 2022

ecoda asbl ANNUAL ACCOUNTS (IN EUR)		2022	2021
<b>ASSETS</b>			
<b>FIXED ASSETS</b>	<b>20/28</b>	<b>0,00</b>	<b>6 660,26</b>
I. Preliminary expenses (exhibit I)	20		
II. Intangible assets (exh. II)	21	0,00	6 660,26
III. Tangible assets (exh. III)	22/27		
IV. Long-term investments (exh. IV and V)	28		
<b>CURRENT ASSETS</b>	<b>29/58</b>	<b>394 001,62</b>	<b>332 049,41</b>
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	87 084,73	62 133,21
A. Trade receivables	40	83 112,88	62 133,21
B. Other accounts receivable	41	3 971,85	
VIII. Short-term investments (exh. VI)	50/53		
IX. Cash assets	54/58	299 506,60	263 006,00
X. Accruals (exh. VII)	490/1	7 410,29	6 910,20
<b>TOTAL ASSETS</b>	<b>20/58</b>	<b>394 001,62</b>	<b>338 709,67</b>

		2022	2021
<b>LIABILITIES</b>			
<b>PARTNERSHIP FUND</b>	<b>10/15</b>	<b>276 561,10</b>	<b>249 176,33</b>
I. Accumulated surplus	10	193 330,00	179 998,00
V. Profit carried forward	140	83 231,10	69 178,33
<b>PROVISIONS</b>	<b>16</b>		
<b>LIABILITIES</b>	<b>17/49</b>	<b>117 440,52</b>	<b>89 533,34</b>
VIII. Long-term liabilities (exh. X)	17		
IX. Short-term liabilities - up to one year (exh. X)	42/48	117 392,07	89 510,50
A. Long-term liabilities - more than one year - falling due this year	42		
B. Financial liabilities	43	569,99	501,17
C. Trade accounts payable	44	53 103,56	33 577,55
D. Payments on accounts for orders	46		
E. Taxes, salaries and social liabilities	45	63 718,52	55 431,78
F. Miscellaneous liabilities	47/48		
X. Accruals (exh. XI)	492/3	48,45	22,84
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>10/49</b>	<b>394 001,62</b>	<b>338 709,67</b>

		2022	2021
<b>PROFIT AND LOSS ACCOUNT</b>			
<b>I. Sales and services</b>	<b>70/74</b>	<b>414 223,71</b>	<b>316 548,37</b>
A. Turnover (exh. XII, A)	70	144 497,46	37 480,00
Other products	71/4	269 726,25	279 068,37

[Click here for PDF-file](#)



# APPENDIX 1 – OVERVIEW OF ACCOUNTS 2022

Supply, Goods, Services	60/61	-1 26 861,79	-76 624,81
<b>A.B. Exploitation Gross profit</b>	<b><u>70/61</u></b>	<b><u>287 361,92</u></b>	<b><u>239 923,56</u></b>
C. Salaries and wages, social expenses and pensions (exh. XII, C2)	62	-2 56 692,97	-2 18 015,13
D. Depreciations and amounts written down on preliminary expenses, intangible and tangible assets	63 0	-6 660,26	-7 896,91
E. Amounts written down on stock, orders in progress and on trade debts (allowance +, reversal -)	63 1/4	-3 161,07	10 401,87
F. Provisions for risks and liabilities (allowance +, application and reversal -) (exh. XII, C3 and E)	63 5/7		
G. Other operating expenses (exh. XII, F)	64 0/8	-5 439,53	-14 121,62
H. Operating expenses for restructuring (-)	64 9		
<b>III. Operating profit (+)</b>	<b><u>70/64</u></b>	<b><u>15 408,09</u></b>	<b><u>10 291,77</u></b>
<b>Operating loss (-)</b>	<b><u>64/70</u></b>		
<b>IV. Financial income</b>	<b>75</b>	<b>61,04</b>	<b>37,29</b>
<b>V. Financial expenses</b>	<b>65</b>	<b>-1 338,72</b>	<b>-971,99</b>
<b>VI. Current profit before tax (+)</b>	<b><u>70/65</u></b>	<b><u>14 130,41</u></b>	<b><u>9 357,07</u></b>
<b>Current loss before tax (-)</b>	<b><u>65/70</u></b>		
<b>VII. Extraordinary revenues</b>	<b>76</b>		
<b>VIII. Extraordinary expenses</b>	<b>66</b>		
<b>IX. Profit of current accounting year before tax</b>	<b><u>70/66</u></b>	<b><u>14 130,41</u></b>	<b><u>9 357,07</u></b>
<b>Loss of current accounting year before tax (-)</b>	<b><u>66/70</u></b>		
<b>IV. Income taxes</b>	<b><u>67/77</u></b>	<b><u>-77,64</u></b>	<b><u>-91,30</u></b>
<b>Profit of the year</b>	<b><u>70/67</u></b>	<b><u>14 052,77</u></b>	<b><u>9 265,77</u></b>
<b>Loss of the year</b>	<b><u>67/70</u></b>		
<b>A. Profit to be appropriated</b>	<b><u>70/69</u></b>	<b><u>83 231,10</u></b>	<b><u>69 178,33</u></b>
1. Profit of the periode to be allocated	70/68	14 052,77	9 265,77
Loss of the year to be allocated	68/70		
2. Reported profit from previous year	79 0	69 178,33	59 912,56
<b>D. 1. Profit to carry forward</b>	<b>69 3</b>	<b>-83 231,10</b>	<b>-69 178,33</b>
<b>OFF BALANCE ACCOUNTS</b>			
040000 Third Holders on their behalf of values		-10 000,00	-13 332,00
041000 Value Held by third Parties in their name		10 000,00	13 332,00



## INDEPENDENT PRACTITIONER'S REVIEW REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

### « European Confederation of Directors Associations » « ECODA » ASBL

AVENUE DES ARTS 41 – 1040 BRUSSELS  
RPM BRUSSELS 0870.726.636

In accordance with the assignment entrusted to us by the board of directors, we have reviewed the balance sheet and the income statement as at 31 December 2022 of the Association, which balance sheet total amounts to EUR 394,002 and which income statement shows a positive result for the year of EUR 14,053.

#### Responsibility of the Management

The preparation of the balance sheet and income statement is the responsibility of the management of the Association. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the balance sheet and income statement that are free from material misstatement, whether due to fraud or error. It also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor

Our responsibility is to issue a report on this balance sheet and income statement based on our review. We conducted our review in accordance with International Standard on Review Engagements of Historical Financial Statements (ISRE 2400).

ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the balance sheet and income statement, taken as a whole, are not prepared in all material respects in accordance with the financial reporting framework applicable in Belgium. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The practitioner performs procedures, primarily consisting of enquiries of management and others involved in accounting and financial functions within the entity, applying analytical procedures and an evaluation of the sufficiency and appropriateness of the evidence obtained.



The procedures applied in a limited review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the balance sheet and income statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the balance sheet and income statement as at 31 December 2022 do not present fairly, in all material respects, the net assets, the financial position and the results of operations of 'ECODA' ASBL as at 31 December 2022 in accordance with the financial reporting framework applicable in Belgium.

#### Limitation of use of this report

This Limited Review Report is intended solely for the use of the Association's management and may not be used for any other purpose.

Wavre, 29 March 2023

Be Audit SRL,  
Represented by  
Ghislain Dochen  
(Signature)  
Date: 2023.03.29  
12:09:59 +02'00'

Ghislain DOCHEN  
Réviseur d'entreprises

[Click here for PDF-file](#)



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **Corporate Sustainability Due Diligence Directive**

#### **Objectives of the draft directive**

- The CSDDD will apply to all EU companies with more than 500 employees and a global turnover of over €150 million, as well as smaller companies in specific sectors and non-EU companies active in the EU that meet the same criteria, based on their EU turnover.
- Under the CSDDD, companies will be required to identify and, where necessary, prevent, mitigate or end adverse impacts of their activities on human rights and the environment.
- This corporate due diligence duty applies to companies' own operations, their subsidiaries, and their value chains.
- The directive also requires large companies to define a plan to ensure that their strategy is compatible with the goals of the Paris Climate Agreement.

## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **ecoDa's position**

After being postponed twice due to negative opinions from the Regulatory Scrutiny Board, the European Commission released its proposal for a Corporate Sustainability Due Diligence directive in February 2022. At that time, ecoDa issued a press release welcoming the European leadership in promoting sustainable supply chains in Europe and beyond and saying that breaching human rights and overlooking the environment can no longer be acceptable business conduct.

However, ecoDa clearly expressed that the proposal does not provide useful clarifications on the notion of directors' duty of care. The provisions of article 25, which is drafted in a rather confusing and unclear way, seem to breach the subsidiarity principle by introducing a duty of care concept in national company law. In addition, ecoDa highlighted that the due diligence requirements should apply at the group level and not at the corporate level which would result in costly processes with each subsidiary being subjected to a specific review by local authorities. ecoDa was widely supported by its member institutes, which relayed and amplified these warning messages (in particular the key role played by the Swedish institute of administrators, StyrelseAkademien).

Over the course of the debates in the European Parliament, ecoDa has seen other sources of concern emerge such as the use of buzz words (stakeholders engagement, etc.).



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **ecoDa's actions**

Throughout the year, ecoDa met on several occasions with the European Commission Directorate Generals responsible for the file, DG GROW and DG JUST. Interviews were also organized with MEPs, especially with the Legal Affairs Committee. ecoDa has also been in contact with the French and the Czech Republic presidencies of the European Union.

In addition, ecoDa liaised not only with its peer organisations (Businesseurope and EuropeanIssuers, mainly), but also with European sectoral associations.

ecoDa also organized a webinar on the topic with Crowell & Moring in May 2022, with the presence of the French Permanent Representation, which, back then, presided over the Council. A comparison with the US approach to ESG was made at that time. The recording of the webinar as well as the summary report are available.

## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **Corporate Sustainability Due Diligence Directive**

The role of both companies and corporate governance in helping to create fairer and more sustainable socio-economic models was central to the European Corporate Governance Conference 2022, held under the auspices of the Czech Presidency of the Council of the EU. The conference was organized by EY, ecoDa, and the Czech Institute of Directors. ecoDa contributed to the programme skeleton. Rytis Ambrazevicius, Pascal Durand-Barthez, and Leena Linnainmaa intervened on behalf of ecoDa at this conference.

In February 2023, ecoDa joined forces with 26 European business organisations (including BusinessEurope, EuropeanIssuers, and SMEunited...) around a letter intended for the Council and the European Parliament. The signatories highlighted the need for full harmonisation, a risk-based and group approach, an obligation of best efforts, and clear and timely guidance.



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### Next steps

The triilogue, which should start before the 2023 summer will be critical to reaching a common ground between the balanced approach defended by the Council and the more demanding European Parliament's position.

In 2023, ecoDa intends to continue its efforts to ensure that the text provides sufficient legal certainty and an appropriate level-playing field. A video to convey our key messages is being finalized in March 2023. ecoDa will also see to what extent the accompanying measures promised by the Commission to facilitate the implementation of the directive include a dimension relating to the training of directors on these subjects.



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **Corporate Sustainability Reporting Directive** **Objectives of the draft directive**

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force. This new directive modernises and strengthens the rules about the social and environmental information that companies have to report. A broader set of large companies, as well as listed SMEs (except listed micro-enterprises), will now be required to report on sustainability – approximately 50 000 companies in total.

Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS).

With the first CSRD reports due in 2025 – for companies with the year-ending of 31 December 2024 – companies should be prepared to provide accurate information from different parts of the organization to support the new assurance requirements. From 2024 onwards, companies will have to report on hundreds of metrics and targets. This is an extension to both the range of indicators that companies need to report on, and the depth of information required, with a need for far greater transparency over the entire value chain.



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### ecoDa's actions

ecoDa did not carry out any advocacy actions in 2022 on this file, which was in the final phase of the legislative process.

ecoDa has focused more specifically on increasing the awareness of European board members. Above all, ecoDa has initiated a joint publication with the European Confederation of Institutes of Internal Auditors (ECIIA) and the European Federation of Risk Managers (FERMA) ("ESG embedding: are you ready? A call for Boards, Risk Managers and Internal Auditors"). This report, released in November 2022, clearly stated that boards of directors need to work closer with risk managers and internal auditors to meet the sustainability challenges facing corporations. Otherwise, there is an increased risk of not meeting legal obligations and market expectations. The publication comprises a maturity matrix to help organisations have a better sense of their sustainability journey.

In addition, in December 2022, ecoDa organized, together with Mazars a workshop bringing together a dozen members of audit committees from different European countries to understand their level of preparation for the implementation of the Corporate Sustainability Reporting Directive. From this exchange, it was clear that the difference in preparation, not only between European countries, but also between sectors, should not be overlooked.



## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### **Corporate Sustainability Reporting Directive**

While some companies have understood the strategic dimension that this legislative shift will have, others are just starting a simple compliance exercise. The Covid crisis did not help and slowed down the required change. Linking ESG materiality and financial performance seems to be even more complex. ecoDa concluded at this workshop that companies have to start small even if this will not have the same meaning for all companies.

### **Next steps**

In 2023, ecoDa will closely monitor the delegated acts that the Commission will develop and adopt. Two informative webinars on CSRD will be organized with Mazars in April 2023.





## APPENDIX 3 - DETAILED INFORMATION ON OUR DIFFERENT ADVOCACY FILES (State of play & ecoDa's opinions)

### EFRAG European Sustainability Reporting Standards (ESRS)

#### **Corporate Sustainability Reporting Directive**

##### **Objectives of the draft directive**

Under the CSRD, companies falling into the scope will have to report in compliance with ESRS. These standards aim at bringing sustainability reporting on par with financial reporting. The reporting requirements will be phased in over time for different kinds of companies. The first companies will have to apply the standards in the financial year 2024, for reports published in 2025. Listed SMEs are obliged to report from 2026, with a further possibility of voluntary opt-out until 2028, and will be able to report according to separate, proportionate standards that EFRAG will develop in 2023. The standards respond to the acknowledged need to improve the consistency, comparability and reliability of ESG reporting.



# EFRAG European Sustainability Reporting Standards (ESRS)

## ecoDa's position

The ESRS Exposure Drafts (EDs) prepared by the EFRAG were exposed for comments from 30 April to 8 August 2022. ecoDa set up a dedicated Task Force led by Anne-Hélène Monsellato (senior board member) to answer, in detail, the consultation.

As summarized in ecoDa's comment letter, EFRAG's framework can effectively achieve a whole new maturity level for sustainability reporting which will provide a huge incentive for companies to prepare and report reliably and thoroughly. International cooperation is desirable to reach a common understanding and implementation of sustainability standards.

The disclosure requirements will require a huge effort internally to conduct due diligence, define materiality, and identify the scope of data points to report on. A few years will be necessary to achieve convergence, harmonization, and consistency in sustainability reporting. A significant educational effort will have to be made to accompany companies. To provide a more efficient framework, ecoDa also recommended EFRAG to ensure a level playing field for non-EU companies, to provide more clarifications regarding the terminology used, and to address the potential overlaps with other disclosure requirements.

ecoDa also recommended that:

- Alignment of definitions is considered for all major concepts to achieve maximum consistency with other popular frameworks (GRI, ISSB, among others) and to reduce potential inconsistencies in the reports ;
- The level of assurance is gradually built-up ;
- EFRAG starts thinking about developing a uniform carbon accounting system.



# EFRA G European Sustainability Reporting Standards (ESRS)

## Corporate Sustainability Reporting Directive

### Next steps

The European Commission is now consulting EU bodies and Member States before adopting the final standards as delegated acts in June 2023.

At the very beginning of 2023, Anne-Hélène Monsellato (Chair of ecoDa task force) joined EFRA G's Community Working Group for the Listed SMEs Standards.

ecoDa together with ECIIA should issue a [joint video](#) explaining briefly the structure of the ESRS and inviting board members and internal auditors to take actions quickly.

Following the publication issued by ecoDa, ECIIA and FERMA, ecoDa has been approached by AccountancyEurope to join a project on ESG governance broadly, and more specifically, on issues for the boards to consider in view of the CSRD and the future CS3D. The possible topics to consider include for example new concepts such as double materiality and materiality determination, internal controls, setting up a due diligence process, and internal/external assurance needs.



# Corporate reporting

## Objectives of consultation

The European Commission launched in November 2021 a public consultation seeking views about the overall impact of the existing EU framework for the three pillars of high-quality and reliable corporate reporting: corporate governance, statutory audit and supervision.

## ecoDa's position

In February 2022, in its response to the EC consultation, ecoDa stated that the current audit reform is driving the quality of corporate reporting and the board of directors' and audit committees' quality of oversight in the right direction. Although the effects of the reform are yet to materialize fully, ecoDa mentioned that some clarifications, simplification and more uniform rules with fewer exemptions could be useful for a more harmonized framework across the EU.

While the European Commission seemed ready to improve corporate reporting and audit quality by ensuring better risk management and internal control as well as by increasing boards' responsibility, ecoDa invited the Commissioner McGuinness to postpone any initiatives in that field.

In December 2022, ecoDa issued a press release and a letter encouraging the European Commission to give European companies time to digest the impacts of the CSRD, the implementation of the future CS3D and ESRS standards, before embarking on new legislative projects.



# Corporate reporting

## ecoDa's actions

On the 27th of October 2022, ecoDa and PwC organised a joint webinar on internal controls. ecoDa made it clear that the European institutions should, first of all, clarify the expectations weighing on audit committees regarding the monitoring of the effectiveness of the undertaking's internal quality control system (as stated in the 2014 EU Audit Reform). Evidence shows that countries having defined rigorous and detailed requirements for an internal control system to be adequate, have experienced a reduction in terms of cost of capital and benefit from an increased stakeholders' confidence as the level of risk turns out to be lower.

As the second episode of an ecoDa's series on Corporate Reporting, ecoDa and Mazars held a webinar to discuss avenues to improve audit quality, supervision and governance, on the 21st of November 2022. It was clearly said during this webinar that overall, a systemic approach should be adopted. It is not by setting up new rules tying up management's capacity that the corporate reporting framework will be enhanced but by bringing all the elements of the ecosystem together (including supervision and enforcement).



# Consultation on ESG ratings

## Objectives of consultation

The European Commission has launched a consultation on sustainable finance, ESG ratings, and sustainability risks in credit ratings. As investors increasingly use ESG ratings as part of their sustainable investment strategy, these ratings have an increasing impact on the capital markets without being subject to supervision. The main objectives of this initiative are to strengthen the reliability, and comparability of ESG ratings and to ensure that relevant ESG risks are captured in credit ratings. The European Commission will possibly propose a related legislative or non-legislative initiative in Q1 2023.



# Consultation on the revision of the G20/OECD Corporate Governance Principles

## ecoDa's position

A public consultation was conducted on draft revisions to the Principles to which ecoDa responded. Among other things, ecoDa recommended the OECD to enlarge the principles to cover both unlisted and listed companies and all governance actors (including risk managers and auditors, and not only board members). Furthermore, ecoDa asked for some concepts to be better defined such as sustainability, which is approached mainly from a risk and disclosure-based perspective, and stakeholders, which is too broad to be relevant.

Following its written contribution, ecoDa has been invited by the OECD, in November, to a stakeholder consultation in Paris where Leena Linnainmaa, ecoDa chair, intervened.

At the European Corporate Governance Conference in Prague, Pascal Durand-Barthez, Vice-Chair of the Corporate Governance Committee, Business at the OECD and member of ecoDa's Advocacy Committee, pointed out that sustainability is not only about managing risks, it is also about seizing opportunities.. Furthermore, he emphasized the importance of regulatory stability, saying that companies become fatigued as a result of complex regulations that change all the time.

## Next steps

The review will be completed in 2023. OECD, G20 and FSB members participate in the review as well as other countries through the Committee's regional Roundtables (Asia, Latin America and the Middle East and North Africa). ecoDa is planning a joint event with IFAC in 2023 when the procedure will be finalized.



# Guidelines on remuneration reports

## Objectives of the guidelines

As the level of detail of these disclosures varied across companies, requirements to align the required presented information were published by the European Union in the EU Directive (2017/828/ EU) about shareholder engagement. The guidelines are supposed to bring more consistency.

## Next steps

The Guidelines had to be delayed again given possible interferences with the draft Directive on Sustainable Corporate Due Diligence.

## ecoDa's position

In September 2022, ecoDa was invited to join the European Commission Company Law Expert Group to discuss the draft Guidelines on the standardised presentation of a remuneration report.

ecoDa stressed that the information on how the remuneration complies with the remuneration policy and how performance criteria were applied only concerns executive directors but not supervisory directors.

Following the meeting, ecoDa recapped its comments in [a letter](#) highlighting that:

- While developing its Guidelines, the Commission should sufficiently take into consideration the existing best practices developed at national levels;
- The timing for adoption is unfortunate to the extent that companies under the scope of the Directive have got used to existing standards and practices since the entry into application of the Directive, and they will have to adapt to the upcoming guidelines.

Regarding the reclaim of Variable Remuneration, ecoDa is concerned that the application of this article could create risks from a privacy perspective for both the company and the individual concerned. The risk is particularly high if the entity is required to report and if later the case is taken to court and reversed (image risk, reputation risk, liability).



## Nomination Committee

The Nomination Committee is chaired by Svante Forsberg and composed of Juan Alvarez-Vijande (IC-A), Gro Braekken (The Norwegian Institute of Directors), and Jan Wesseldijk (NCD) as well as Béatrice Richez-Baum (ecoDa).

## Advocacy Committee

The Advocacy Committee was chaired by Michel de Fabiani (IFA) and composed of: Andris Grafts (Baltic Institute of Corporate Governance), Bistra Boeva, Mariana Ciurel (AAI), Leda Condoyanni (The NED Club), Nicolas Coomans (Guberna), Philippe Decleire, Peter Duiven (NCD), Pascal Durand-Barthez (IFA), Michael Hilb (The Swiss Institute of Directors), Leena Linnainmaa (DIF), Wilhelm Lüning (StyrelseAkademien), Irena Prijovic (SDA), Valérie-Anne Rondeau (ILA), Alessandra Stabilini (Nedcommunity), Micaela Thorström (DIF), Tine Roed (Board Leadership Society of Denmark), Samantha Griffiths (IoD), Tom Boardman-Weston (IoD), Edwin Ward (Malta IoD) as well as Béatrice Richez-Baum and Manon Roehrig (ecoDa)

Michael Hilb has been replaced since then by Lee Howell. Alessandra Stabilini has been replaced by Guido Ferrarini.

At the end of 2022, Pascal Durand-Barthez succeeded Michel de Fabiani as Chairman of the Advocacy Committee.

## Education committee

The Education Committee is chaired by Jean Coroller (IFA) and composed of Rytis Ambrazevičius (Baltic Institute of Corporate Governance), Dragos Cabat (AAI), Lena Henningsson (StyrelseAkademien), Laura Lainel (IFA), Rachel Feller (Guberna), Andrea Schmid (The Swiss Institute of Directors), Emma Hicks replaced by Lisa Maltman (UK IoD), Tom Jacobsgaard (Board Leadership Society of Denmark), Rada Sibila (SDA), Mélanie Terren (ILA), Paola Musiletanzi (Nedcommunity) as well as Béatrice Richez-Baum and Manon Roehrig (ecoDa).



## **Membership committee**

The Membership Committee is chaired by Philippe Decleire and composed of Leena Linnainmaa (ecoDa's chair) and Jan Wesseldijk (NCD) as well as Béatrice Richez-Baum and Manon Roehrig (ecoDa).

## **The Advisory Committee of the Corporate Governance Dialogue**

This Advisory Committee is led by Abigail Levrau (Guberna) and composed of: Roger Barker, David Beatty, Ramsay Brufer, Daniela Mattheus, Torben Ballegaard Sorensen, Paola Schwizer, Lutgart Van den Berghe, as well as Béatrice Richez-Baum and Manon Roehrig (ecoDa)

## **The Working Group on Sustainability**

In 2022, the EU Corporate Governance Circles and the Working Group on ESG have been merged to form the WG on Sustainability.

The WG on sustainability is composed of : Sandra Gobert, Maria Pierdicchi, Matt Vickers, Tina Mavraki, Soriana Popescu, Catherine Delanghe, Natasha Martsekis, Renaat Verhelst, Mirela Iovu, Rachel Feller, and Livia Piermattei.



# Contact Information

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