

POLICY COMMITTEE

Description

The Policy Committee is the **main policy body of the association**. It is composed of senior legal and technical experts who are delegated by our members and bring in strong expertise and first-hand practical experience. The Policy Committee, which convenes on a bi-monthly basis, provides a high-level overview of EuropeanIssuers' policy work and decides on lobbying strategy and actions. It drafts the position papers in which EuropeanIssuers publicly expresses its members' views.

The Policy Committee, supported by EuropeanIssuers' Senior Policy Adviser, is a forum for:

- ✓ Policy mapping & discussing all developments of possible concern to quoted companies;
- ✓ Sharing information and co-ordinating the policy work of the association;
- ✓ Reacting to EU initiatives in line with EuropeanIssuers' priorities for the year;
- ✓ Seeking agreement on the key messages affecting issuers to help develop agreed EU positions in response to consultations.

Gerrit Fey, Head of the Capital Markets Department at Deutsches Aktieninstitut, is the Chair of the Policy Committee.

ESG COMMITTEE

Description

The ESG Committee is the **ad-hoc** Committee created by EuropeanIssuers to follow the evolution of the EFRAG's standards. Currently, it gathers 8 companies (Enel, ENI, Sanofi, RWE, Euroclear, Philips, L'Oréal, Michelin...) and 12 national and EU associations to discuss sustainability matters of importance, exchange practices and decide on a common line.

Members have access to all information and documents in real-time, as well as opportunities to speak at events and workshops organised on the subject by EFRAG and the Commission. Members also have the possibility to directly feed in the discussion with practical examples, ideas, features to EFRAG SRB, as the EFRAG itself values these inputs very much. Members of the ESG Committee are encouraged to attend the meetings and may also nominate alternants or substitutes, to support the work and discussion, and contribute with expertise and knowledge.

Luc Vansteenkiste, President of EuropeanIssuers is the Chair of the ESG Committee and official representative to the EFRAG SRB.

SMALLER ISSUERS COMMITTEE

Description

The Smaller and Medium Issuers Listed in Europe Committee **focuses on the specific needs of smaller listed companies**. The committee was set up in reaction to the increase of de-listings and the decrease of new listings, due to the ever-growing volume of regulations for listed companies. The goal of the Smaller Issuers Committee is to improve and facilitate the access for smaller issuers to capital markets. Lighter and better regulation for smaller issuers is the main objective.

It aims at getting a formal recognition by the EU of smaller issuers as a specific sector between SMEs and the largest listed companies in view of benefiting from a “lighter touch regime”.

The Smaller Issuers Committee also keeps a watching brief overall market regulations from a smaller issuer viewpoint and exchanges information on national legislation and politics affecting smaller issuers.

The Committee holds quarterly meetings in different locations in the EU and is jointly chaired by Caroline Weber (MiddleNext) and Miroslaw Kachniewski (SEG).

WORKING GROUPS

EuropeanIssuers has several groups of experts working together to discuss policy issues affecting European quoted companies and develop common positions reflecting the views of EuropeanIssuers members. Those Working Groups cover several legislative files in the same field and are created to analyse the European legislative proposals. There are at least 3 members from different member associations/companies with geographically balanced composition in order to represent a truly pan-European viewpoint. A chair is appointed amongst the members of each WG based on time commitment and expert knowledge of the topic. Decisions are taken by consensus.

EMIR - chaired by Vittorio D'Ecclesiis, ENI, Italy

This working group addresses the proposals of the European Commission on the reviews of the existing EMIR Regulation which regulates the reporting, clearing and margining of derivative transactions. The European Market Infrastructure Regulation (EMIR) is a body of European legislation for the regulation of over-the-counter derivatives. It was originally adopted by the EU legislature on July 4, 2012 and came into force on August 16, 2012.

Corporate Reporting - co-chaired by Elisabeth Gambert (Afep, France) & Lé Quang Tran Van (Afep, France)

This working group encompasses all the issues related to corporate reporting, both financial and non-financial. Lately, EuropeanIssuers' CR WG has been dealing with a vast array of items, following the EU agenda, namely:

- **Sustainable Finance Strategy**

On 6 July 2021, the European Commission has adopted several measures to increase the level of ambition on sustainable finance. Among these measures, the Commission has launched its new Sustainable Finance Strategy, setting out six main actions: 1) Extend the existing sustainable finance toolbox to facilitate access to transition finance; 2) Improve the inclusiveness of small and medium-sized enterprises (SMEs), and consumers, by giving them the right tools and incentives to access transition finance; 3) Enhance the resilience of the economic and financial system to sustainability risks; 4) Increase the contribution of the financial sector to sustainability; 5) Ensure the integrity of the EU financial system and monitor its orderly transition to sustainability; 6) Develop international sustainable finance initiatives and standards, and support EU partner countries.

- **Corporate Reporting and Audit Rules**

EuropeanIssuers has been involved in discussions and elaboration of positions related to the Audit rules and its review, as well as with regard to all European initiative on the corporate reporting activities, e.g. ESEF implementation, and the latest proposal on the European Single Access Point (ESAP).

- **Taxonomy Regulation**

The European Commission has released the Delegated Act supplementing Article 8 of the Taxonomy Regulation, specifying the content, methodology and presentation of information to be disclosed by large financial and non-financial companies on the share of their business, investments or lending activities that are aligned with the EU Taxonomy. EuropeanIssuers will also be involved in discussions with the Commission on the upcoming Taxo4 delegated act. EuropeanIssuers has been actively involved in this topic, engaging with other stakeholders and institutions in order to present its views and the position of issuers across Europe.

- **Corporate Sustainability Reporting Directive**

On April 2021, the European Commission released its proposal for a Directive for Corporate Sustainability Reporting (CSRD), which proposes to extend the scope of the Directive, thus including more companies in the reporting obligations, reinforcing transparency requirements and setting the basis for a new EU sustainability-reporting standard to be adopted by October 2022 based on technical advice from EFRAG. EuropeanIssuers has been following the developments related to sustainability reporting since its inception, with the NFR Directive, and has always expressed its position of essential flexibility to be left to companies, avoid unfair competition and excessive burden.

- **Non-financial reporting standardisation**

EuropeanIssuers closely monitors the developments relating to the different reporting standards, both at international and European level. We have always advocated for the need to have convergence between the international and European reporting rules, so to avoid a proliferation of standards which would not

benefit neither the companies preparers nor the investors and other users. EuropeanIssuers is member of the EFRAG Sustainability Reporting Board, in charge of developing the European Sustainability Reporting Standards, and supports its work and forms its positions within the ESG Committee.

Supervisory Reporting - chaired by Vittorio D'Ecclesiis (ENI, Italy)

This working group addresses the consultation on the fitness check of the EU supervisory reporting requirements in the financial sector. The assesses the supervisory reporting requirements in EU financial legislation to check if these requirements are meeting their objectives, if the different reporting frameworks are consistent with one another, and if the cost and burden of reporting is reasonable and proportionate. It identifies areas where the reporting cost and burden could be reduced by streamlining requirements, while continuing to ensure financial stability, market integrity, and consumer protection.

Capital Markets Union - chaired by Gerrit Fey (Deutsches Aktieninstitut, Germany)

This working group addresses the European Commission's Action Plan for a Capital Markets Union to help build a true single market for capital across the EU launched in 2015. The Action Plan is a key pillar of the Investment Plan for Europe, the so-called "Juncker Plan". A single capital market will be beneficial for all EU Member States, but will particularly strengthen the Economic and Monetary Union, by fostering cross-border private risk-sharing in the Euro area to absorb systemic economic shocks. It is built around the following key principles:

- Deepening financial integration and increasing competition;
- Creating more opportunities for investors;
- Connecting finance to the real economy by fostering non-bank funding sources; and
- Ensuring a stronger and more resilient financial system.

Securities Law & Markets' Infrastructure – chaired by Pierre Marsal (ANSA, France)

This working group addresses the proposal published on 12 March 2018 by the Commission for a Regulation on the law applicable to the third-party effects of assignments of claims, accompanied by a Communication clarifying the applicable law to the proprietary effects of transactions in securities. The group is also involved in the work of the Corporate Actions Industry Group, and more specifically contributes to the development of the market standards in the context of the SRD II. Furthermore, the working group addresses the 2014 Regulation on improving securities settlement in the European Union and on central securities depositories (CSDR) sought to improve the safety and efficiency of settlement as well as provide a set of common requirements for CSDs across the EU.

Corporate Governance I - chaired by Odile de Broses (Afep, France)

This group addresses all matters related to governance issues and legislation at the EU level. Lately, the group has been intensively working on Sustainable Corporate Governance, Corporate Sustainability Due Diligence Directive (CSDDD), Shareholders' Right Directive and Remuneration.

Corporate Governance II – chaired by Pierre Marsal (ANSA, France)

This group addresses the proxy advisors and institutional investors. The experience with shareholder voting research & analysis providers, often referred to as "proxy advisors", seems to vary among different

EU countries and companies: transparency and engagement with companies, of the voting policy, management of conflicts of interests, local corporate governance and market practices are covered in this working group.

Public Country-by-Country Reporting - chaired by Pierre Marsal (ANSA, France)

This working group addresses the proposal on public country-by-country reporting. On 12 April 2016, the Commission published a proposal on public country-by-country reporting as an amendment to the Accounting Directive of 2013, together with an impact assessment. After multiple discussions to complete the file, during the 2021 Portuguese Presidency a deal was finally reached on the file on 1 June 2021.

Prospectus - chaired by Lé Quang Tran Van (Afep, France)

This working group addresses the Regulation EU 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and the Commission's draft delegated act to be adopted under the Prospectus Regulation (EU) 2017/1129 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market

Market Abuse - chaired by Paola Spatola (Assonime, Italy)

The working group addresses the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation). The Market Abuse Regulation (MAR) seeks to ensure that European Union (EU) regulation keeps pace with market developments to combat market abuse on financial markets as well as across commodity and related derivative markets.

Company Law - chaired by Valentina Allotti (Assonime, Italy)

This working group addresses the Company Law Package. On 25 April 2018, the Commission adopted the "Company Law package", which consists of two proposals for Directives amending Directive (EU) 2017/1132: a Directive on the use of digital tools and processes in company law and a Directive on cross-border conversions, mergers and divisions. The package aims to facilitate the use of digital technologies throughout a company's lifecycle and cross-border conversions, mergers and divisions. Lately, the group has been involved in the consultation process on the Digitalisation of Company Law and addressed the proposal of the European Commission for a Directive on Multiple-Vote Share Structures.

Corporate Bonds - chaired by Lé Quang Tran Van (Afep, France)

This working group is active on corporate bond market liquidity in the European Union: the analysis of the factors that influence market liquidity in corporate bonds, both financial and non-financial. It also addressed the scope of the PRIIPs in respect of corporate bonds.

Financial Transaction Tax - chaired by Lé Quang Tran Van (Afep, France)

This working group addresses the European Union financial transaction tax (EU FTT), which is a proposal made by the European Commission to introduce a financial transaction tax (FTT) within some of the member states of the European Union initially by 1 January 2014, later postponed several times.

According to early plans, the tax would impact financial transactions between financial institutions charging 0.1% against the exchange of shares and bonds and 0.01% across derivative contracts, if just one of the financial institutions resides in a member state of the EU FTT.