



## **Press Release — For Immediate Release**

### **Proposed European Legislation Tackles Responsibility of Institutional Investors and Intermediaries in Fostering Long-Term Sustainable Growth**

**09 April 2014; Brussels, Belgium:** Eurosif (the European Sustainable and Responsible Investment Forum) welcomes the European Commission's Proposal to amend the Shareholders' Rights Directive (2007/36/EC), which was released earlier today.

The Proposal is a follow-up to the Commission's 2014 Communication on the Long-Term Financing of the European Economy, its 2013 Green Paper on the same topic, and its 2012 Corporate Governance Action Plan, along with their associated public consultations.

It addresses a number of corporate governance shortcomings and clearly establishes a link between, on the one hand, transparency along the entire investment chain and shareholder engagement and, on the other, the long-term growth and sustainability of European companies.

In particular, Eurosif welcomes the following proposed measures:

- Provisions facilitating the exercise of shareholder rights, more specifically, those pertaining to the roles and responsibilities of intermediaries in the voting chain, as well as to transparency regarding securities lending policies.
- A "comply or explain" requirement for asset owners and asset managers to develop and publicly disclose engagement and voting policies.
- The recognition of the importance of monitoring the non-financial performance of investee companies as part of a shareholder engagement policy.
- Requirements for companies to be more transparent regarding director remuneration policies, in particular with regard to how remuneration takes into account companies' long-term interests and non-financial performance.
- The ability of shareholders to have the opportunity to vote on the remuneration policies and reports of the companies in which they are invested.

In the coming weeks, Eurosif will consult its members to analyse the details of the Proposal and will publish a more comprehensive response in due course.

François Passant, Executive Director of Eurosif, comments:

*"In many ways, this Proposal is a bold and ambitious move by the Commission to address some issues pertaining to excessive short-termism in financial markets and absentee share-ownership. While some aspects of the Proposal need to be looked at more closely, we are very happy to see that the Commission is bringing the*



*responsibility of asset owners and intermediaries into the equation, as these are two critical, but often forgotten, participants in the overall investment chain.”*

The Proposal will be taken up by the new European Parliament and the Council later this year.

## **ENDS**

### **Notes to Editor**

The Proposal that is the subject of this Press Release can be found at:  
[http://ec.europa.eu/internal\\_market/company/docs/modern/cgp/shrd/140409-shrd\\_en.pdf](http://ec.europa.eu/internal_market/company/docs/modern/cgp/shrd/140409-shrd_en.pdf)

The European Commission's 2014 Communication on the Long-Term Financing of the European Economy can be found at:  
[http://ec.europa.eu/internal\\_market/finances/docs/financing-growth/long-term/140327-communication\\_en.pdf](http://ec.europa.eu/internal_market/finances/docs/financing-growth/long-term/140327-communication_en.pdf)

The European Commission's 2013 Green Paper on the Long-Term Financing of the European Economy can be found at: [http://eur-lex.europa.eu/resource.html?uri=cellar:9df9914f-6c89-48da-9c53-d9d6be7099fb.0009.03/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:9df9914f-6c89-48da-9c53-d9d6be7099fb.0009.03/DOC_1&format=PDF)

The European Commission's 2012 Corporate Governance Action Plan can be found at:  
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012DC0740&from=EN>

### **Media Contacts**

François Passant, Executive Director, +32 (0)2 274 14 35, [francois@eurosif.org](mailto:francois@eurosif.org).

### **About Eurosif**

Eurosif is the leading pan-European sustainable and responsible investment (SRI) membership organisation whose mission is to promote sustainability through European financial markets. Eurosif works as a non-for-profit partnership of several Europe-based national Sustainable Investment Forums (SIFs) with the direct support and involvement of 65 Member Affiliate organisations drawn from the sustainable investment industry value chain. These Member Affiliates include institutional investors, asset managers, financial services and index providers and ESG research and analysis firms. Eurosif's indirect European network spans across over 500 Europe-based organisations. The main activities of Eurosif are public policy, research and creating platforms for nurturing sustainable investing best practices. [www.eurosif.org](http://www.eurosif.org)