

PRESS RELEASE



Eurosif calls for a stronger Shareholder Rights framework to unlock sustainable investor engagement

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Eurosif, the leading pan-European sustainable finance association, has submitted its [response](#) to the European Commission's consultation on the review of the Shareholder Rights Directive (SRD II), calling for targeted reforms to strengthen shareholder rights, reduce fragmentation across EU markets, and enable more effective long-term investor engagement.

The review of SRD II represents a critical opportunity to ensure that investors can genuinely exercise their stewardship role, including in supporting the transition to a more sustainable, resilient and competitive European economy. While the current framework has improved transparency, significant legal, operational and cross-border barriers continue to limit meaningful shareholder participation and engagement.

Eurosif's response sets out a series of **concrete recommendations** to address these shortcomings. These include the introduction of an EU-wide stewardship code, defining what constitutes a "credible" engagement policy, particularly for sustainability-related engagement, a harmonised EU-level definition of 'shareholder', clearer rules to support collective engagement, and stronger shareholder rights at general meetings. Eurosif also calls for granting shareholders an EU-wide right to vote on "say on climate, nature or sustainability", putting sustainability decisions on an equal footing with financial decision-making, making shareholder votes on directors' remuneration binding across all Member States, and strengthening transparency on how ESG criteria are integrated into variable pay.

Eurosif also stresses the need to **address persistent shortcomings** in the transmission of information and communication between companies, intermediaries and investors, which continue to undermine the effective exercise of shareholder rights. Delays, fragmented practices and non-interoperable systems often prevent shareholders from receiving timely, complete and usable information, particularly in cross-border contexts. These challenges can limit investors' ability to participate effectively in Annual General Meetings and to exercise their voting rights. Improving information flows across the investment chain is therefore essential to enable informed voting, meaningful engagement and accountability.

Nathalie Dogniez, Chair of Eurosif, said: *"Effective shareholder engagement depends on investors receiving the right information, at the right time, and in a usable format. Strengthening information flows and communication between companies and investors is a prerequisite for meaningful stewardship and sound corporate governance across Europe."*

Aleksandra Palinska, Executive Director of Eurosif, commented: *"Investor engagement is indispensable for addressing systemic risks such as climate change, biodiversity loss and social challenges. Robust shareholder rights and legal clarity for stewardship are essential to ensure that investors can contribute effectively to long-term value creation and sustainability objectives across the EU."*

Eurosif looks forward to continued engagement with the European Commission, the European Parliament and Member States to ensure that the revised SRD framework supports active ownership, robust corporate governance and a just transition to a sustainable economy.

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Eurosif – the European Sustainable Investment Forum is the leading pan-European association promoting sustainable finance at the European level. Its membership is comprised of Sustainable Investment Fora (SIFs) from across Europe. Most of these SIFs have a broad and diverse membership themselves, including asset managers, institutional investors, index providers and ESG (Environmental, Social and Governance) research and analytics firms. Eurosif and its members are committed to the growth and development of sustainable finance and support the development of EU rules which are fit-for-purpose and facilitate the financial industry’s contribution to a just transition.

A full list of Eurosif’s members can be found [here](#) and further information is available at: www.eurosif.org

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