



EUROPEAN PARLIAMENT

2009 - 2014

Committee on the Internal Market and Consumer Protection

2011/2181(INI)

24.1.2012

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Legal Affairs

on a corporate governance framework for European companies
(2011/2181(INI))

Rapporteur: Constance Le Grip

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Takes the view that effective corporate governance should help promote sustainable growth and social responsibility in the single market and be oriented towards competitiveness and long-term investment strategies;
2. Takes the view, as also emphasised by the Commission in its Communication of 27 October 2010 ‘Towards a Single Market Act’¹, that it is of paramount importance that European business demonstrates the utmost responsibility not only towards its employees and shareholders but also towards society at large;
3. Calls on the business community to take its shared responsibility and to step up its commitment to promote sustainable consumption as an integral part of company strategies;
4. Calls on companies and shareholders to increase the diversity of company boards in terms of professional, social and cultural background, with the aim of stimulating debate and fostering the emergence of new ideas; underlines that diversity is an asset for more representative decision-making in leading positions in companies;
5. Emphasises the importance of capitalising on shareholder involvement in order to promote long-term investment strategies and to prevent inappropriate short-termism among investors that can sometimes threaten the long-term survival of the companies concerned, and hence, by extension, their small shareholders and employees, as well as consumers;
6. Recommends that Member States monitor whether companies provide their shareholders with the appropriate corporate governance statements in order to ensure full transparency and improve shareholder knowledge of corporate governance practices, thus helping to protect shareholders and citizens against excessive risk-taking and short-termism;
7. Believes it important to increase employee involvement in companies’ decision-making processes, for example by means of employee share-holding schemes, in order to increase motivation and ensure cohesion within companies;
8. Firmly emphasises that corporate management and remuneration policies must be sound and responsible and comply with the principles of wage parity and equal treatment of women and men, in accordance with the EU provisions in force; calls on the Commission to bring forward measures to ensure more balanced representation of women on boards of directors, with the aim of achieving at least 40% representation of each gender by 2020;
9. Proposes that measures for more balanced representation of women on boards of directors that may be taken include requiring the nomination committees to state, in connection

¹ COM(2010)0608.

with presenting their proposals, what effort they have made to attain this goal, encouraging peer comparison systems for public and private boards of directors, training of nomination committees, creating rosters of competent women candidates and encouraging open recruitment processes rather than untransparent appointments; calls on the Commission to require listed companies in their annual reports to describe their policy on diversity, including gender, the targets they have set for implementing the policy, and progress on achieving those targets; emphasises that corporate management and remuneration policies must comply with and foster the principle of equal treatment of women and men established by EU directives;

10. Stresses that the role of shareholders in establishing a remuneration policy for directors should be strengthened;
11. Welcomes the Commission's efforts to support cross-border shareholder voting as a means to remove barriers to shareholder cooperation within the internal market, provided that this is done in a transparent and secure manner;
12. Welcomes the Commission's recommendation that companies should disclose their remuneration policy and the results of shareholders' votes on remuneration, and establish independent committees on remuneration;
13. Calls on the Commission to bring forward proportionate proposals for Europe-wide guidelines on the type of information released to shareholders in annual company reports; considers that this information should be of a high quality and informative;
14. Calls on the Commission to adapt good corporate governance measures to the characteristics and needs of SMEs, given their limited resources, particularly in the fields of administration and human resources.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.1.2012
Result of final vote	+: 35 -: 2 0: 0
Members present for the final vote	Pablo Arias Echeverría, Adam Bielan, Cristian Silviu Buşoi, Jorgo Chatzimarkakis, Sergio Gaetano Cofferati, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Cornelis de Jong, Christian Engström, Evelyne Gebhardt, Louis Grech, Mikael Gustafsson, Małgorzata Handzlik, Iliana Ivanova, Sandra Kalniete, Eija-Riitta Korhola, Edvard Kožušník, Kurt Lechner, Toine Manders, Hans-Peter Mayer, Phil Prendergast, Mitro Repo, Heide Rühle, Christel Schaldemose, Andreas Schwab, Róza Gräfin von Thun und Hohenstein, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Ashley Fox, Marielle Gallo, Ildikó Gáll-Pelcz, Anna Hedh, Konstantinos Poupakis, Olle Schmidt