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European Corporate Governance Conference 2025

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Unlocking the governance edge: corporate boards and Europe's competitive future

The purpose of this report is to provide an overview of the discussions, debates, and exchanges of views that occurred at the 2025 European Corporate Governance Conference in Warsaw, Poland among keynote speakers, panelists, and the audience. It does not necessarily represent the positions of EY, which served as the convenor of the event.

Key takeaways

- Boards are navigating a new era of geopolitical instability – and must remain agile to withstand continued shocks.
- Sustainability is a priority for companies, but the reporting burden is becoming increasingly heavy. Regulators should trust boards to focus on material risks.
- Europe's risk-averse investment culture is holding the continent back. It will take a united front across industries to turn capital into innovation and innovation into competitiveness.
- Technology is both a risk and a competitive lever. Boards must get smarter – through education or technical expertise at the table.

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1 Governance at a turning point

> Corporate governance is not just a compliance exercise … it is a strategic lever that drives performance, builds trust and enhances the competitiveness of European economies.

Jacek Kędzior
EY Central, Eastern and Southeastern Europe & Central Asia (CESA) Managing Partner, EY Poland Managing Partner

Europe is facing unprecedented times, marked by a range of geopolitical changes. We must collectively seek ways to address these challenges. It is essential to foster an environment that encourages innovation and adaptability, paving the way for a prosperous future.

This report explores how boards can take on a proactive role across these areas, specifically focusing on geopolitics, capital, competitiveness, simplification and cybersecurity. Reflecting the discussions at the 2025 European Corporate Governance Conference in Warsaw, Poland, it outlines how boards need to evolve to ensure business resilience and drive growth amid today's challenges.

2 Driving competitiveness through governance

> EU law seeks to ensure that corporate governance boosts competitiveness.

Michael McGrath
Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection, European Commission

Europe needs to become more competitive through innovation. A sticking point is the inertia and fragmentation of the European capital markets, and their inability to support the growth of European companies together with innovative start-ups and scale-ups. While the usual culprit – fragmentation – remains a challenge, discussions focused on another villain: Europe's risk-averse approach to investing. Europeans tend to be more cautious, favoring deposits and safer financial products. This is the 'European mindset', which will be difficult to change overnight.

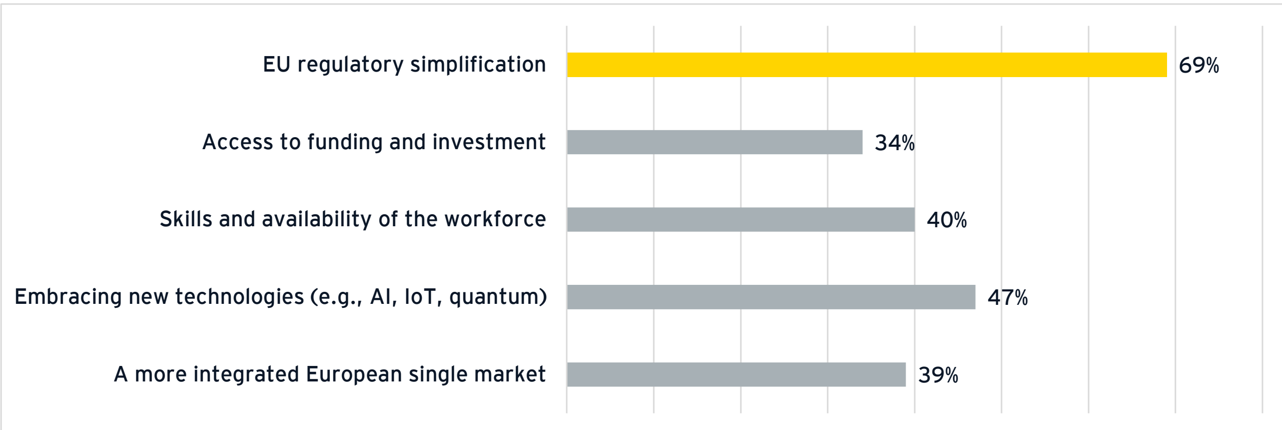
There is also a case for financial literacy, starting from the top. Very few European politicians own stocks and shares, whereas it is the opposite case in the US. A societal shift in this mindset could help build public confidence in investing and encourage citizens to build their own portfolios. It would also raise awareness of the importance of long-term investment.

Boards will also need to play their part. Too few board members have hands-on market experience with scale-ups – highlighting the need for more diverse and growth-oriented expertise at the top. Changes to tax systems also need to be considered to incentivize long-term investments for citizens. Creating a one-stop shop for small businesses to navigate and access financing could help unlock their investment potential. Europe must find a way to turn the trillions of euros sitting in deposits into investments that fuel the innovation needed at this critical time.

> I believe that the main answer lies in our attitude. It's the question to what extent we Europeans, we are hungry enough for going on the battle for being more competitive.

Zofia Dzik
Strategist, Founder and CEO, Think&Do Tank Humanites Institute – Human & Technology & Independent Board Director, CCC S.A.

Which factors do you believe will have the greatest impact on improving competitiveness for European companies and SMEs?



Based on responses from 70 conference participants (in-person and online)

3 Addressing geopolitical risk in a shifting security landscape

> “We have already bidden farewell to the global world order that we knew. The new world order will be multipolar, it will be contested, and it will be fragmented. Geopolitical shocks are a feature of this new system, not a bug.

Prof. Katarzyna Pisarska
Chair of the Warsaw Security Forum & Chairwoman of the Casimir Pulaski Foundation Council

In the face of ongoing geopolitical crises, companies and their boards must do all they can to manage risk. In recent years, businesses have demonstrated remarkable agility in responding to significant unforeseen shocks: innovating out of necessity during the COVID-19 pandemic; ensuring staff safety and operational continuity during the invasion of Ukraine; and adapting calmly to threats such as US tariffs.

But boards must also prepare for those shocks that can be reasonably foreseen: rising energy costs; supply chain disruptions; climate change and the growing sophistication of cyber threats.

Not all shocks come from the outside. Some shocks can be self-inflicted – particularly the mounting pressure from regulatory complexity. Some businesses fear regulation more than they fear traditional geopolitical threats. The answer is not deregulation – citizens rightly expect to be protected, particularly in the digital sphere. The real solution lies in designing smarter, more proportionate regulation.

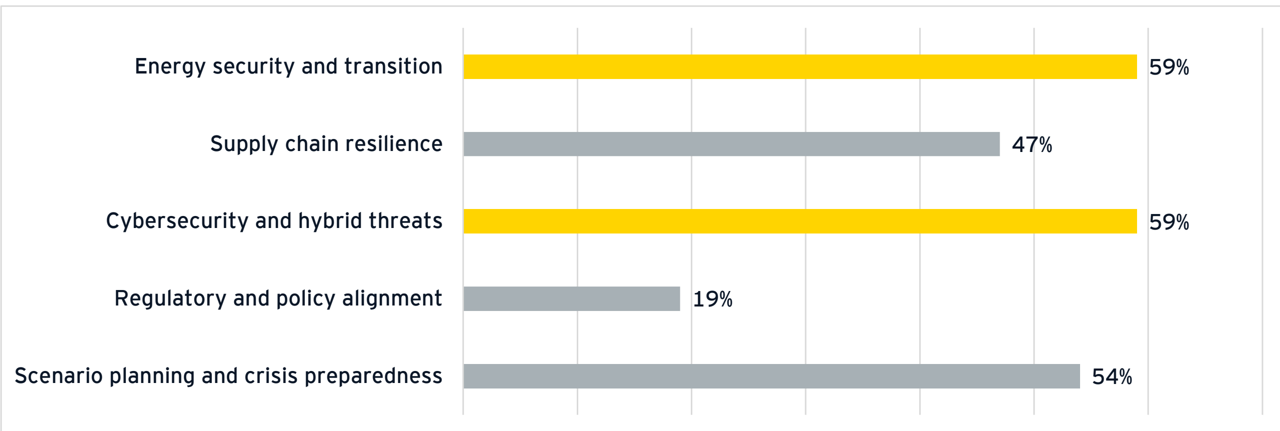
Boards must also recognize that Europe has lost much of its former strategic culture. We can no longer rely on being part of a global supply chain for everything – from security and defense to the economy.

“

Europe is complacent, and we are trying to use yesterday’s solutions for the problems of tomorrow.

Jan Krzysztof Bielecki
Former Prime Minister of Poland

Which areas do you think require the most urgent board-level attention in today’s shifting geopolitical landscape?



Based on responses from 74 conference participants (in-person and online)

4 European competitiveness: simplification as a key enabler

> We don't think sustainability and competitiveness are contradictory to each other. If done properly, sustainability enhances competitiveness. But of course, it's a matter of balance.
>
> **Dan Dionisie**
> Head of Unit, Company Law, DG JUST, European Commission

The conference featured a real-life example of KGHM's journey in complying with the Corporate Sustainability Reporting Directive (CSRD). The journey was arduous, and the burden significant, but the company believed it was worth it in the end. However, KGHM indicated that, any respite, like the Omnibus 'stop the clock' proposal, would be welcomed to ensure that compliance can not only be done, but done better.

The discussion highlighted that the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD) both represent a significant compliance burden. While the CSRD is seen as more mature, with emerging examples of best practice, the CSDDD was described as more difficult to simplify, with proposed changes potentially struggling to gain consensus among EU legislators.

One example that was cited is the 'Tier One' approach, which requires companies to check only their direct suppliers. This creates a contradiction: most issues tend to occur deeper in the supply chain, yet this rule places a heavy reporting burden on companies – so extra burden with no impact. An alternative that emerged in the debate was the introduction of a liability clause which is seen as a more practical solution to ensure companies are not held responsible for harms that they did not cause.

It was also noted that, whether in its original version or through the omnibus revision, a greater degree of harmonization across Member States is still needed – particularly for due diligence rules. Companies are calling for uniformity to avoid a patchwork of 27 national requirements, which risks undermining the objective of a true level playing field.

Ultimately, these questions will be negotiated and decided by the EU's co-legislators (European Parliament and 27 Member States) in the coming months.

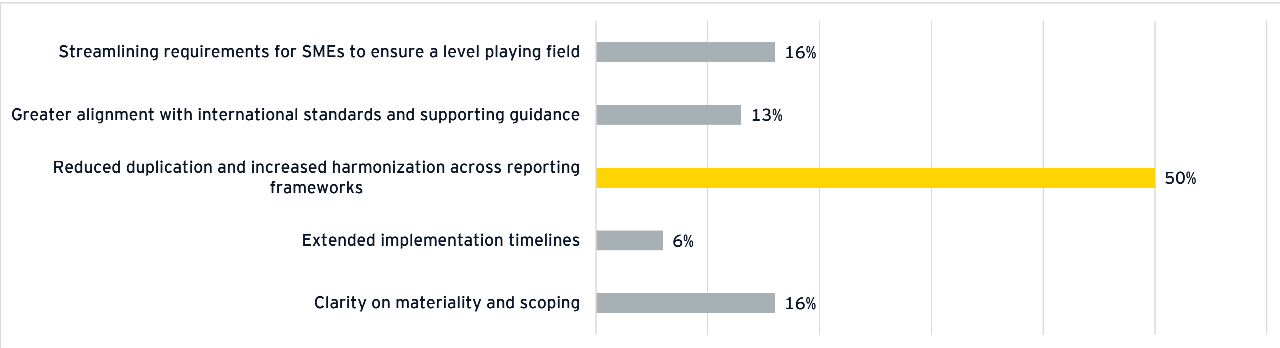
It was generally agreed that sustainability is not a 'nice to have' but a 'need to have'. A strong emphasis was placed on the importance of motivation and proportionality. Not all companies can move at the same pace – and the burden on SMEs is significantly greater than on large corporations.

During the discussion, it was argued that the reporting requirements, in terms of size and data points, risk creating an imbalance between impact and administrative burden. Boards should be trusted to assess material risks and decide what to report, with the discretion to focus on legitimate priorities without being second-guessed by regulators or third parties. In this context, auditors were identified as having a vital function in auditing a narrow scope of reporting to ensure that the risks are properly identified.

Overall, there is general agreement with the objectives of the legislation and its direction and pace of travel. Yet, it was highlighted that there are teething problems, particularly with the CSDDD, and there needs to be more time to develop practical solutions. It was also stressed that if companies are trusted to do the right thing within the framework, the outcomes could ultimately be more effective.

> CSDDD has always been the drama queen of sustainability.
>
> **Greta Koch**
> Policy Advisor and Press Officer, European Parliament

If you had to pick one, which aspect of the first EU sustainability ‘Omnibus’ package is most crucial for boosting competitiveness?



Based on responses from 70 conference participants (in-person and online)

5 Corporate governance in the Polish capital market: survey insights

CFA Society Poland presented the results of a survey conducted among different types of investors on their opinion of *which factors most influence a company's value to shareholders*.

Most important	Least important
1. Transparency of company structure 2. Effective communication with market participants 3. Education and professional experience of company board members 4. Linking compensation with long-term company performance 5. Dividend policy and payment allocation	1. Implementation of diversity policy for company leadership 2. Non-discrimination of equal pay for men and women 3. The identity and reputation of the auditor 4. Participation in general meetings via remote communication

The survey was relatively small, just 150 respondents, but the results give enough pause for thought to prompt further examination and research into the topic. A poll of the live and online audience yielded similar results.

> We must seize the opportunity to build a more resilient, innovative, and competitive Europe where good corporate governance is not just an aspiration but a competitive advantage.

Jacek Kędzior
EY Central, Eastern and Southeastern Europe & Central Asia (CESA) Managing Partner, EY Poland Managing Partner

6 Cyber and AI: A board-level imperative for competing responsibility

"With AI, anyone can be a hacker now. AI fuels cyber criminals' operations and the market for cyber criminals has expanded. If we take into account the damages caused by cyber criminals, it is expected that they will reach $10.5 trillion this year.

Piotr Ratajczak
Chief Information Security Officer, Reckitt (Home Essentials)

Cybersecurity and AI – topics that are on every board's agenda or should be. AI-fueled cyberattacks represent a new and serious threat to companies. Evidence from the US suggests that 40% of SMEs affected by a successful cyberattack were unable to recover and had to file for bankruptcy.

While many companies now have well-evolved units to deal with cybersecurity and trained cybersecurity experts, their boards often lack even the basic vocabulary to engage with the topic. Most board members often don't have any experience in this area, as it wasn't part of their education or career paths. If we want boards to engage meaningfully with cybersecurity, we need to start by asking them simple questions to start the conversation.

The AI race adds a further layer of complexity to cybersecurity. When boards seek to gain a competitive advantage by using AI, they will often make all their company's information available to train their internal AI systems. In doing so, they risk exposing sensitive financial and confidential information – creating a potential goldmine for hackers.

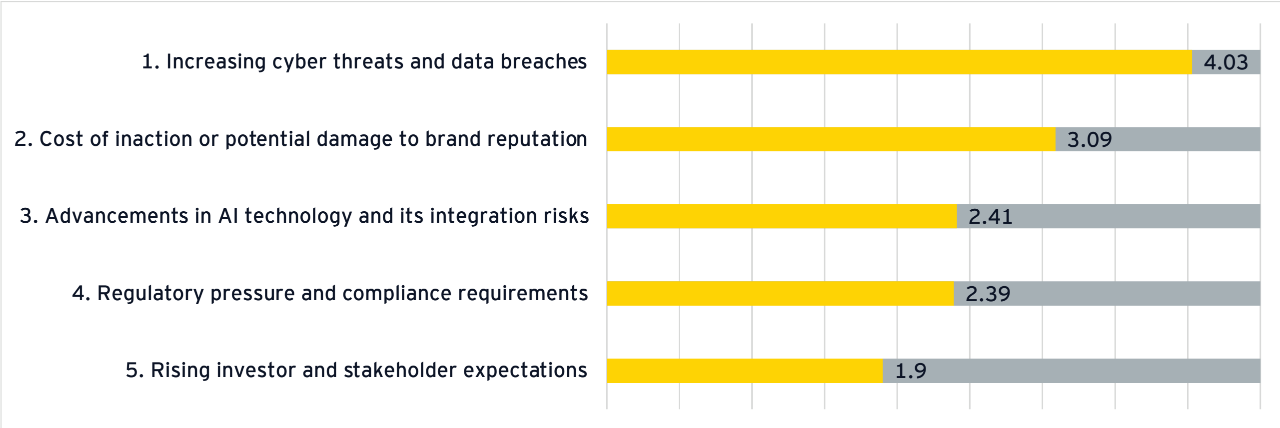
One of the challenges is that boards often treat cybersecurity and AI as separate domains. AI is seen as a growth driver, while cybersecurity is about protection and risk mitigation. But these two fields increasingly overlap – and boards need to understand how their interaction can either benefit or harm the business.

When preparing boards to navigate the risks and opportunities of technological advancements, we are faced with a key question: Should we make the board more tech-savvy, or should we make the Chief Information Security Officer more business-savvy? It was largely agreed that boards should plump for the latter.

> The question for boards is ‘do you want to invest huge sums now to reduce exposure to cybercrime or even more later after criminals have attacked your business?

Magdalena Krupa-Hernandez
EEMA Director, ACCA

Rank the factors that you think will most drive boards to strengthen their approach to AI and cybersecurity over the next 5 years.



Based on responses from 70 conference participants (in-person and online)

7 Conclusion

Boards are no longer just compliance monitors - they are agents of change. Their role is evolving to actively shape strategy, drive transformation, and guide companies through disruption.

From sustainability to capital and cybersecurity, the boardroom is the control room of the organization and the command center during crises. Governance, in this context, is not a box-ticking exercise. It is a strategic tool - essential for building trust, navigating risk, and unlocking Europe's competitive future.

> Improving and strengthening corporate governance is a long, difficult, and often invisible process – but it is absolutely fundamental to building long-term value.

Jakub Jaworowski
Minister of State Assets, Poland

[Relive the highlights of the 2025 European Corporate Governance Conference in this short video reel]

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