ANNEX 1

BOARD COMPETENCIES: HARD AND SOFT

The hard competencies below should be covered by the Board as a whole; no individual member is expected to hold all of them. The soft competencies are expected of every Board member.

Hard competencies

COMPETENCY AREA	*KEY COMPETENCIES*
Corporate governance	Understanding of the role of the Board, fiduciary duties, Board-management relationship, committee work, conflicts of interest, independence, accountability and shareholder rights.
Industry and market knowledge	Understanding of the company's sector, customers, competitors, suppliers, market trends, regulation and key value drivers.
Strategy and business model	Ability to assess the company's strategy, business model, competitive position, growth opportunities, capital allocation and long-term value creation.
Leadership and executive experience	Practical experience of leading an organisation or a significant business unit, enabling a realistic assessment of management's plans, capabilities and execution.
Finance and accounting	Ability to read and challenge financial statements, budgets, forecasts, cash flow, capital structure, investment proposals, dividend policy and financial performance indicators.
Risk management and internal control	Understanding of risk appetite, risk registers, internal controls, assurance, compliance systems and the Board's oversight role.
Audit and assurance	Knowledge of external audit, internal audit, audit committee work, financial reporting quality, auditor independence and follow-up of audit findings.
Legal and regulatory environment	Understanding of relevant EU and national company law, securities regulation, competition law, data protection, sector-specific regulation and directors' duties.
Sustainability and ESG	Ability to oversee sustainability strategy, climate and environmental risks, social issues, stakeholder expectations, CSRD/ESRS reporting, and the integration of sustainability into business decisions.
Digital transformation and technology	Understanding of digital business models, automation, data governance, artificial intelligence, technology investments and related risks.
Cybersecurity and data protection	Ability to oversee cyber resilience, incident response, data privacy, business continuity and management's preparedness for major digital risks.
People, culture and remuneration	Ability to oversee CEO succession, senior leadership development, organisational culture, workforce issues, incentives, remuneration policy and talent risks.

COMPETENCY AREA	KEY COMPETENCIES
Stakeholder and reputation management	Understanding of how the company's decisions affect shareholders, employees, customers, regulators, communities, creditors and other stakeholders.
International and EU perspective	Awareness of cross-border governance expectations, EU regulatory developments, geopolitical risks, supply-chain issues and international market dynamics.
Crisis management and resilience	Ability to oversee management's preparation for crises, including financial stress, operational disruption, cyber incidents, reputational issues, geopolitical shocks and leadership emergencies.
Mergers, acquisitions and major transactions	Ability to assess acquisitions, disposals, partnerships, financing transactions, restructuring and integration risks.
Innovation and future trends	Ability to challenge whether the company is adapting to new technologies, changing customer expectations, sustainability transition and long-term market disruption.

Soft competencies

SOFT COMPETENCY	WHY IT MATTERS
Independent and sound judgement	Be able to think objectively and make decisions in the best interests of the company. Weigh incomplete information, assess trade-offs and make balanced decisions.
Constructive challenge	Be able to question management respectfully, without becoming operational or adversarial.
Strategic thinking	Focus on long-term direction, not only short-term results or operational details.
Integrity and ethical judgement	Act with honesty, accountability and respect for legal and ethical standards.
Courage and backbone	Be willing to raise difficult issues, challenge dominant views and speak up when needed.
Collaboration and team orientation	Be able to contribute to the Board's work without undermining collective responsibility.
Listening and openness	Listen carefully, consider different views and remain open to evidence and argument.
Communication skills	Be able to express views clearly, ask concise questions and contribute to effective discussions.
Curiosity and continuous learning	Be willing to learn about new risks, technologies, markets, regulation and stakeholder expectations.
Emotional intelligence	Understand group dynamics, manage disagreement constructively and build trust.

SOFT COMPETENCY	*WHY IT MATTERS*
Time commitment and diligence	Prepare properly, attend meetings, read materials, follow up on issues and stay informed.
Discretion and confidentiality	Handle sensitive company information responsibly.
Independence from undue influence	Avoid being captured by management, controlling shareholders, political interests or personal relationships.
Respect for the Board's role	Understand the difference between governance and management, and avoid unnecessary interference in day-to-day operations.