About ICGN

Established in 1995 and led by investors responsible for assets of around $70 trillion, the ICGN develops global standards of corporate governance and investor stewardship to support long-term value creation, contributing to sustainable economies, societies, and the environment. These standards are used by many Members in their voting policies and company engagements. Governments and standard-setters also use the standards in the development of national codes and relevant regulation.

ICGN’s work programme is delivered around three core activities:

**INFLUENCE**
Establishing ICGN Principles as investor-led global standards for governance and stewardship to influence public policy and professional practice.

**CONNECT**
Delivering impactful global events and webinars with unrivalled opportunities for networking, knowledge sharing, and collaboration.

**INFORM**
Enhancing professionalism in governance and stewardship practice through personal development opportunities.

For more information visit [www.icgn.org](http://www.icgn.org)

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The ICGN Annual Review received by Members at the Annual General Meeting. It provides ICGN’s work programme outputs and membership status at over the year until July 2022. A summary of ICGN’s financial position to 31st December 2021 is also provided.
ICGN has overcome the difficulties presented by the COVID pandemic over the past few years and has emerged better equipped and positioned to embrace future challenges and opportunities. Following the comprehensive reform of ICGN’s membership fee model, our strengthened financial position has facilitated enhanced value for ICGN Members and stakeholders, whilst ensuring ICGN’s long-term sustainability.

Today, we recognise the significant economic, social, and geopolitical challenges faced by many countries and how this can impact multiple stakeholders including investors and companies. We understand that effective corporate governance and investor stewardship practices are more relevant today than ever before and will grow in importance as regulatory regimes respond to a myriad of systemic risks with new voluntary and mandatory instruments to ensure capital markets can continue to thrive and societies prosper within a sustainable global ecosystem.

In this context, the ICGN Global Governance Principles continue to serve as one of our most influential documents; providing Members with guidance on priority issues to be considered in voting policies, company engagements, and wider stewardship responsibilities. This is an important document given that, today, ICGN investor members represent approximately $70 trillion of the world’s invested assets.

In recognition, the proposed European Corporate Reporting Sustainability Directive now cites the ICGN Global Governance Principles - alongside the OECD - as an authoritative global framework of governance information that is of most relevance to users. Once approved by the European Parliament and Council, the reporting directive will influence the drafting of corporate sustainability reporting standards, which will be mandatory for over 50,000 of the largest EU companies and will be effective from January 2024.

Another milestone this year for the ICGN was the launch of our updated Model Mandate in partnership with the United Nations (UN) supported Global Investors for Sustainable Development Alliance. This document, first published by the ICGN in 2012, equips asset owners with example clauses for use in investment management agreements in relation to governance and stewardship, and is linked to the UN Sustainable Development Goals.

Our enhanced Policy Team and Policy Committees have been busier than ever. To illustrate the breadth of responses, for the first half of 2022, we issued letters to the US Securities & Exchange Commission (US SEC) on matters such as executive pay, private equity disclosure, share buy-backs, insider trading, special purpose acquisition companies, and climate related reporting. Across the Atlantic, we responded to the European Commission on the specific areas of corporate reporting, capital market accessibility, and corporate sustainability due diligence. We also provided commentary on Corporate Governance Code reviews to regulators in Germany, Japan, the Netherlands, and replied to proposed amendments to New Zealand’s modern slavery act.

We have finalised responses to the International Sustainability Standards Board (ISSB) and the European Financial Reporting Advisory Group (EFRAG) on sustainability reporting, which follows letters we sent to the Canadian Securities Regulators in March this year and our Statement on Climate Change ahead of COP 26 last year. We welcome efforts to harmonise sustainability reporting standards, globally, which will reduce the reporting burden on companies and equip investors with rigorous, comparable, and verifiable sustainability information, backed (we hope) by regulation and enforcement.

Our policy efforts are complemented by ICGN events to debate our positions with key stakeholders around the world. Over 1,000 people registered for our Annual Japan Forum in July and our Global Sustainability Standards Webinar held in March was equally well received.

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The investment in the ICGN’s human resources last year, particularly in our education and policy teams is reaping rewards as evidenced in our extensive outputs. We will continue to build our bench to have an even greater impact on the development of high standards of corporate governance and investor stewardship policies and practices world-wide. ICGN Members leverage this leadership to demonstrate commitment as effective stewards in the preservation and enhancement of long-term value creation, ultimately contributing to sustainable economies, societies, and the environment.

All of this work would not be possible without the active participation of ICGN Members in our Policy Committees, conferences, education programmes. ICGN Members serving on the ICGN Board are particularly instrumental in shaping our future direction. Given our revitalised position and prospects the Board is now focused on how to leverage our strengths and opportunities for even greater impact and utility for ICGN Members. We look forward to engaging you all over the coming months to seek your opinion on how to enhance our value as ICGN continues to evolve.

We would like to highlight that ICGN Members can register an unlimited number of individuals within their organisations, who will then have access to ICGN resources and receive our communications. We would encourage you and your colleagues to visit the ICGN website for valuable resources, to join our virtual and in-person events and keep up-to-date with our activities through the regular emails sent to members.
ICGN Members are dedicated governance professionals from the investment and corporate community who are passionate about preserving and enhancing long-term value, ultimately contributing to sustainable economic growth, social prosperity, and a healthy environment.

Since ICGN’s inception in 1995, ICGN Members have led the development of global standards of corporate governance and investor stewardship thereby influencing regulatory developments and professional market practice. Our unique and investor stewardship thereby influencing regulatory development of global standards of corporate governance.

Since ICGN’s inception in 1995, ICGN Members have led the development of global corporate governance standards, regulatory advocacy, effective stewardship, governance professionalism, international networking and key company engagement. Key ICGN membership benefits are as follows:

1. **Access** global governance and stewardship standards, providing benchmarks for investor voting policies, company engagements, and regulatory innovation.

2. **Influence** public policy from a global investor lens through ICGN responses to regulatory consultations on governance and stewardship around the world.

3. **Enhance** in-house research and professionalise your governance and stewardship capabilities with ICGN webinars, courses, and market-led news updates.

4. **Demonstrate** commitment by acknowledging ICGN membership and endorsing ICGN Global Governance Principles and ICGN Global Stewardship Principles.

5. **Network** with senior stakeholders across the investment chain at International ICGN events events to share knowledge, engage, and collaborate.

6. **Contribute** to ICGN’s work programme with opportunities to vote at the ICGN AGM, join committees, write articles, teach courses, and speak at events.

ICGN’s work programme focuses on governance standards, regulatory advocacy, effective stewardship, governance professionalism, international networking and company engagement. Key ICGN membership benefits are as follows:

**Benefits of ICGN Membership**

**Membership**

ICGN Members are dedicated governance professionals from the investment and corporate community who are passionate about preserving and enhancing long-term value, ultimately contributing to sustainable economic growth, social prosperity, and a healthy environment.

**Influence**

**ICGN Global Governance Principles**

First published in 2001, the ICGN Global Governance Principles provide an international benchmark, from an institutional investor perspective, on the highest standards of corporate governance. Many Members use the ICGN Principles in their voting policies and company engagements. The ICGN Principles also inform regulators on internationally accepted standards to help inspire the evolution of national codes.

On 30 June 2022, the proposed European Corporate Sustainability Reporting Directive was published citing the ICGN Global Governance Principles as an authoritative global framework of governance information of most relevance to users. Once approved by the European Parliament and Council, it will influence the drafting of corporate sustainability reporting standards which will be mandatory for over 50,000 largest EU companies and effective from January 2024.

**Corporate Sustainability Reporting Directive: Recital 44; pages 35-36**

Users need information about governance factors. Governance factors that are most relevant to users are listed by authoritative reporting frameworks such as the Global Reporting Initiative and the Task Force on Climate-related Financial Disclosures, as well as by authoritative global frameworks such as the Global Governance Principles of the International Corporate Governance Network and the G20 OECD principles of Corporate Governance. Sustainability reporting standards should specify the information that undertakings should disclose on governance factors.

Users also need information about undertakings' corporate culture and approach to business ethics, which are recognised elements of authoritative frameworks on corporate governance such as the Global Governance Principles of the International Corporate Governance Network, including information about anti-corruption and anti-bribery, and about the undertaking’s political engagements, including lobbying activities. Information about the management of the undertaking and the quality of relationships with customers, suppliers, communities affected by the activities of the undertaking, helps users to understand an undertaking’s risks as well as its impacts on sustainability matters...

"The reference to the ICGN Principles in the proposed EU CSRD is a well-deserved recognition for ICGN’s leading work in this area over many decades. ICGN’s contribution to the continuous improvement of global governance standards cannot be overstated – it started long before ESG became the focus of regulators and sustainable finance a term of art."

David Frick, Member of the Executive Board, Nestlé, Switzerland

"I congratulate the ICGN with this recognition and hope that the upcoming European governance reporting standards as part of the mandatory European Sustainability Reporting Standards, will be clearly aligned with the ICGN Principles. It will then provide EU companies as well as their investors and analysts with clear guidance on what sound governance practice is."

Rients Abma, Executive Director, Eumedion, The Netherlands

**Members by Geography**

- Europe (inc. UK): 42%
- North America: 30%
- Asia Pacific: 22%
- Latin America: 2%
- Africa: 4%
ICGN Global Stewardship Principles

Based on the 2003 ICGN Statement on Institutional Shareholder Responsibilities, the ICGN Global Stewardship Principles complement the ICGN Global Governance Principles by providing a globally recognised framework for investor stewardship and fiduciary duty.

Most recently updated in 2020, the ICGN Global Stewardship Principles have inspired the development of national codes around the world. They are distinguished by having clear recommendations on the governance of investment institutions and by the emphasis placed on the integration of sustainability factors in investment decision making, engagement, voting. The Global Stewardship Principles are also relevant for application across all asset classes.

The ICGN Global Stewardship Principles are aspirational standards, applied in a flexible manner appropriate to the individual circumstances of each investor. The ICGN Global Stewardship Principles Endorsers

Global Stewardship Principles Endorsers

ICGN-GISD Model Mandate

The seminal Model Mandate was published by ICGN in 2012 and was recognised globally for its innovative approach to hardwire stewardship into investment management agreements. It has had positive traction in many markets globally, notably in the European Union and South Africa.

The Model Mandate serves to reinforce the practical implementation of ICGN Global Stewardship Principles by both asset managers and asset owners. It is targeted in the first instance at asset owners to aid them in the process of asset manager selection and in investment mandate negotiations. The key innovation of the Model Mandate is that it includes model contract language and customisable clauses that asset owners can use as they embed stewardship formally into the investment management process.

This year, the Model Mandate has been updated in partnership with the UN supported Global Investors for Sustainable Development Alliance, a network of leading investment institutions and corporations seeking to deliver concrete solutions to scale up long-term investments in sustainable development.

The updated version incorporates specific clauses and language on the UN Sustainable Development Goals - 17 inter-connected social and environmental goals designed to build a better future for all. In doing so, ICGN and the GISD Alliance hope to advance the role of capital markets in building long term sustainable value for shareholders, stakeholders, and people worldwide.

While the primary audience of the Model Mandate is asset owners, it is also applicable to: asset managers to review their own standard contract terms against the Model Mandate; investment consultants and similar advisers to raise awareness of the Model Mandate; and relevant regulators, standard-setters, and investor bodies to endorse the Model Mandate.

“Achieving long-term sustainable value creation requires concerted effort by institutional investors to make long-termism and the SDGs a cornerstone of their investments. The Model Mandate provides valuable guidance to asset owners and managers that should support efforts to channel finance and investment towards sustainable development.”

Navid Hamif, Assistant Secretary-General, United Nations Department of Economic and Social Affairs

“The PRI welcomes the updated Model Mandate, which will help asset owners integrate ESG factors into the core of the relationship with investment managers. Investment mandates are a bedrock of this relationship and incorporating ESG into this foundation is an important step for ambitious asset owners to develop a rigorous responsible investment policy. We particularly welcome the draft clauses which owners - and their advisers - can use to strengthen mandates to ensure responsible investment ambitions are delivered.”

David Atkin, CEO, PRI
ICGN Policy Committees have long played a key role in supporting ICGN’s policy agenda, providing senior practitioner expertise and input into ICGN’s core policy principles. Viewpoints, its guidance statements and its comment letters to regulators and standard setters. These committees provide the ‘brain trust’ that helps ICGN to maintain state of the art governance and stewardship policies and practices from a global investor’s perspective. We are proud that 67 ICGN Members are also members of our policy committees, and many other ICGN Members have served in our policy committees in the past. ICGN’s policy work has been greatly enhanced during the year by the addition of Carol Nolan Drake, Robert Walker, Francesca Philips to the Secretariat’s policy team.

In 2021, ICGN’s policy committee structure went under review to ensure its effectiveness and alignment with ICGN’s core policy priorities. This review resulted in the creation of a new policy committee framework—organised around five core committees— that both complements ICGN’s existing focus on corporate governance and investor stewardship and reflects the evolving imperative for investors to focus on governance and stewardship through the lenses of financial, human, and natural capital. In this context the formation of our Financial Capital, Human Capital, and Natural Capital Committee is an important innovation in the ICGN policy structure, and we believe these committees will provide a strong technical foundation to ICGN’s policy voice in governance and stewardship.

For the period 2021-22, ICGN wrote 26 comment letters relating to policy consultations globally on a wide range of themes relating to corporate governance or stewardship code reviews, sustainability reporting, shareholder rights, and the governance of sustainability. This has been a particularly active period in the area of sustainability reporting and the consolidation of sustainability reporting standards. The formation of the International Sustainability Standards Board (ISSB) was a particularly important development in 2021—something that ICGN has called for. In 2022, and looking ahead to 2023, sustainability reporting remains a dynamic area, given consultations relating to the ISSB’s general and climate reporting frameworks, the US SEC consultation on climate reporting and the development of the European Union’s sustainability reporting standards.

In the year ahead ICGN also will be working on its first global perception index, which we believe will offer important and distinctive information on key themes of governance and stewardship. In addition to ongoing regulatory consultation and comment letters ICGN committees are focusing on project in the coming year relating to the governance of supply chains, ‘beta’ stewardship, climate investor perspectives on key themes of governance and stewardship. This review resulted in the creation of a new policy committee framework—organised around five core committees— that both complements ICGN’s existing focus on corporate governance and investor stewardship and reflects the evolving imperative for investors to focus on governance and stewardship through the lenses of financial, human, and natural capital. In this context the formation of our Financial Capital, Human Capital, and Natural Capital Committee is an important innovation in the ICGN policy structure, and we believe these committees will provide a strong technical foundation to ICGN’s policy voice in governance and stewardship.

In the year ahead ICGN also will be working on its first global perception index, which we believe will offer important and distinctive information on key themes of governance and stewardship. The Committee focuses on issues relating to the ICGN Global Governance Principles including its periodic review and associated guidance. This includes (and not limited to) board leadership, independence, culture, board and committee effectiveness, strategy, risk oversight, remuneration, diversity-equity-inclusion.

The general consultation questions advance the premise that companies incur a significant amount of costs by being listed in the EU public markets. This may be true. A company that seeks capital, and sells shares to investors for that capital investment, has entered a transaction that should be considered by both sides with due care and diligence. To suggest that costs related to compliance and regulation are problematic for companies, and may cause them to delist, would be a concern for investors. Any discussion on reducing costs and listing requirements must equally consider the needs of investors. ICGN appreciates that companies should have unimpeded access to the most suitable form of financing and access to public markets, particularly small and medium-sized enterprises (SMEs). Shareholder rights and protections must be protected, particularly around Special Purpose Acquisition Companies (SPACs) where many investors have concerns about a lack of disclosure and oversight.

Policy & Advocacy

European Union’s Listing Act: Making Public Capital Markets More Attractive for EU Companies and Facilitating Access to Capital for SMEs, Feb 2022

Letters

- EU Commission, Corporate Sustainability Due Diligence, May 2022
- Dutch Monitoring Commission, Dutch Corporate Governance Code Update, Apr 2022
- US SEC, Pay vs. Performance, Mar 2022
- German Regierungskommission, Revisions to the German Corporate Governance Code Kodex, Mar 2022
- EU Listing Act: Making Public Capital Markets More Attractive for EU Companies and Facilitating Access to Capital for SMEs, Feb 2022
- EU Commission, Strengthening of The Quality of Corporate Reporting and Its Enforcement, Feb 2022
- UN SSE, Initiative on Gender Equality, Dec 2021

Committee members

- Melanie Adams (RBC Global Asset Management)
- Carlos Eduardo Lessa Brandão (IBGC Brazil)
- Heloise Courault (AXA)
- Nicolas Huber (DWS Group)
- Tomohiro Iiwaka (Fidelity International)
- Daniel Jarman (BMO Global Asset Management)
- Diana Lee (AllianceBernstein)
- Onagh McDonald (Senior Adviser Crito Capitol)
- Ali Saribas (SquareWell Partners)
- Peter Swabey (Eliot Advisors)
- Megumi Terayama (Nikko Research Center)
- Susanne Stormer (Pricewaterhouse Coopers) (Board liaison)
Global harmonisation of sustainability reporting

ICGN encourages its members to make effective use of all available shareholder rights to hold corporations and their boards to account. The filing of a shareholder proposal or resolution should not be regarded as an antagonistic move against a company; rather, it should be viewed as (but not limited to) investor fiduciary duties, shareholder rights, shareholder meetings, company monitoring, voting and engagement, the ICGN Model Mandate.

Catherine McCall
Canadian Coalition for Good Governance
Chair

Committee members
• Peter Dervan (Manulife)
• Stephen Erlichman (Canadian Asset Management)
• Caroline Escott (RP/MI Railpen)
• Andrew Gray (AustralianSuper)
• Bram Hendriks (Kessels toparz melter & check)
• Danielle Melis (Nyenrode Business University)
• Sheila Stefani (TPT Retirement Solutions)
• Noah Wortman (NRW Consulting)
• Rob Lewenson (Old Mutual Investments) (Board liaison)

Viewpoint on Shareholder Proposals – Essential Instrument for Ensuring Corporate Accountability, Dec 2021

Over the past three decades, shareholder proposals have transformed the global corporate governance landscape. Annual director elections, majority vote rules for director elections, shareholder approval for poison pills, and proxy access bylaws are some of the critical reforms that have become common practice thanks to investor support for shareholder proposal campaigns. Despite the advisory (non-binding) nature of most shareholder proposals, successive waves of campaigns have eroded boardroom entitlement by convincing directors to respond to shareholders’ calls for accountability, transparency, and stewardship.

ICGN encourages its members to use all available shareholder rights to hold corporations and their boards to account. The filing of a shareholder proposal or resolution should not be regarded as an antagonistic move against a company; rather, it should be viewed as an extension of ongoing engagement. An investor’s decision to file a proposal typically comes into scope after a substantial period of dialogue and engagement with a company that did not lead to an agreement. While many companies may not be receptive to the filing of a proposal in the moment, some companies will agree to add the shareholder proposal to the ballot to allow shareholders to vote “for” or “against” it or file their own management proposal.

ICGN Financial Capital Committee

The Committee focuses on issues relating (but not limited to) corporate reporting (financial & sustainability), materiality, capital allocation, accounting and auditing standards, risk, internal controls, internal audit, board audit committees and external audit.

Nga Pham
Monash Centre for Financial Studies
Co-Chair

Committee members
• Roberto Daniel (Control de Gestion de Negocios, S.C.)
• Andrew Hobbs (Ernst & Young LLP)
• Natasha Landell-Mills (Sarasini)
• Cedric Laverie (Institutional Shareholder Services)
• Nana Li (Invesco Asset Management Group)
• Ronnie Lim (Reboeco)
• David Madon (International Federation of Accountants)

Letters
• US SEC, Special Purpose Acquisition Companies, Jun 2022
• US SEC, Amendments to Form PF, Mar 2022
• South Africa Companies Amendment Bill, Oct 2021
• JFSA, Corporate control and minority shareholder rights, Oct 2021
• US SEC, Recovery of erroneously awarded compensation, Nov 2021
• US SEC, Proxy advisory firms, Dec 2021

Global harmonisation of sustainability reporting

ICGN welcomes assertive action by regulators and standard-setters on climate-related reporting and have actively responded to consultations around the world including the US SEC, ISSB, EFRAG and the Canadian Securities Regulators.

We also applaud national efforts to expedite regulatory requirements aligned with the TCFD which is becoming mandatory in many markets. Together these initiatives present a historic opportunity for a globally harmonised baseline on sustainability reporting and will help minimise regulatory fragmentation.

As well as reducing the reporting burden on companies, harmonised standards will equip investors with rigorous, consistent, comparable, and verifiable sustainability information, backed (we hope) by regulation and enforcement. This will enable the proper assessment and pricing of climate-related risk, opportunity, and resilience in investee companies. More broadly it provides a tool for assessing progress towards achieving corporate transition plans and carbon neutral investment portfolios as we collectively advance towards a net-zero global economy by 2050.
The ICGN Human Capital Committee focuses on issues relating (but not limited) to anti-corruption, culture, stakeholder relations, workforce engagement, succession planning, diversity, equity, inclusion, human rights, and workforce safety. 

The ICGN Natural Capital Committee focuses on issues relating (but not limited) the governance of the natural environment, ecology and biodiversity including climate change, the UN Sustainable Development Goals.

Karlin Halliday
Individual
Co-Chair

Massimo Menchini
(Asosigetion)

Hideto Nishitani
(Virtuous Capital LLC)

Mekela Singh
(OTPP)

JN Gupta
(Stakeholders Empowerment Services)

Michael Herskovich
(BNP Paribas Asset management)
(Board Liaison)

Committee members
• Aaron Bernstein (Global Proxy Watch)
• Gigi Dawe (CPA Canada)
• Satoko Hoshino (Japan Shareholder Services)
• Jana Jevcakova (Morrow Sodali)
• Ruth Wilkinson (IOSH)

• New Zealand Ministry of Business Innovation and Employment, Modern Slavery and Worker Exploitation in Operations and Supply Chains, Jun 2022
• Sustainable Stock Exchange, Gender equality, Dec 2021

ICGN Statement on Russia’s invasion of Ukraine, Feb 2022

ICGN condemns the Russian invasion of Ukraine as an egregious violation of international law and as a morally unjustified attack on a democratic sovereign nation and its citizens. It is an affront to European and global security and the safeguarding of a peaceful world order. We look to all Governments to ensure that human rights and freedoms are upheld. This extends to the right to protest aggressive actions, particularly for those in precarious environments including people on the streets of Russia demanding an end to their own President’s actions and calling for peace and democracy.

Investors will be wary about future investment in Russia for the foreseeable future. We also anticipate a reinvigorated regulatory and investor focus on anticooperation and efforts to eliminate the role Western markets have played in money laundering. Geopolitical conflict is not something new. But from an investor perspective it is also a dangerous systemic risk that weakens peace and security, destroys wealth and the fabric of society - locally and globally. Apart from the human tragedy and political upheaval, the Russian invasion underscores the vital importance of responsible governance and rule of law for building long-term sustainable value for all.

Letters
• US SEC regarding climate reporting, Jun 2022, (with Financial Capital Committee)
• ISBII consultation of its climate reporting framework, Jul 2022 (with Financial Capital Committee)
• Canadian Securities Administrators consultation on climate-related disclosures, Jan 2022
• ICGN Statement on Climate Change COP 26, Glasgow, Nov 2021
• US SEC, Climate reporting, Jun 2022, (with Financial Capital Committee)
• CSA, Climate-related disclosures, Jan 2022
• COP26 Glasgow - Climate Change, Nov 2021

ICGN Statement on Shared Climate Change Responsibilities for COP 26, Nov 2021

The UN Climate Change Conference of the Parties (COP 26) convenes governments and stakeholders to accelerate actions to address the world’s climate crisis. The aim is to reduce 2010 global carbon emission levels by 45% by 2030 and achieve net-zero emissions by 2050 to limit global warming to below 1.5°C by the end of the century. ICGN’s Statement clarified priorities for governments and capital market participants.

• Governments: Publish action plans and commit funding for achieving net-zero carbon emission targets, including carbon pricing, eradication of fossil fuel industry subsidies, phasing out coal-based electricity generation and strengthening Nationally Determined Contributions for 2030 in line with the Paris Agreement.

• Investors: Publicly commit to science-based targets on how investment portfolios will achieve net-zero carbon emissions by 2050, improve quality of climate-related disclosure, and integrate financial, natural, and human capital considerations into stewardship activities across asset classes.

• Companies: Publicly commit to science-based targets on how the business will adapt to net-zero carbon emissions by 2050 aligned with company purpose and long-term strategy. Transition plans should include assessments of physical, transition and liability risks and opportunities based on climate change scenario analysis.

• Auditors: Ensure the application of guidance related to climate change risks in planning and performing audits on financial statements as provided by standard-setters. Commit to discharging obligations under professional standards as external auditors with quality, integrity, and independence.
Japan Priorities & Initiatives

ICGN has supported reforms in Japan for over two decades, responding to regulatory consultations and convening international meetings in Tokyo. Since 2017, ICGN’s CEO has served on the Council of Experts convened by the Financial Services Agency (FSA) and Tokyo Stock Exchange to advise on corporate governance and investor stewardship policy reforms.

Key recommendations for ongoing reform in Japan are highlighted in ICGN’s response to FSA’s Interim Review Following the 2021 Revision of the Corporate Governance Code (16 May 2022). We recommend:

- A clear timeframe for all companies listed on the JPX Prime Market to abide by the principle to have at least one third of independent directors. Companies - whether in the standard or growth market - should meet this basic independence requirement and be aiming for a majority in the future.
- Clarification around the rationale for independent director appointments including how the skills, experience and attributes of independent directors align with the company’s purpose, succession planning, and long-term strategy.
- Adoption of a three-committee system with Audit and Remuneration Committees comprised fully of independent directors, and the Nomination Committee having a majority.
- Improved disclosure around capital allocation and rationale for the continual build-up of retained earnings and cash deposits. Linked to this is the rationale for dividend policies and pay-out ratios.
- Clarification around the precise nature of cross-shareholdings, e.g. if they are a parent company, subsidiary, or supplier, and how they intend to be reduced or eliminated over a designated time-period.
- English language disclosure of corporate governance information which should be consolidated in the securities report and published before the AGM.
- Guidance on what constitutes acceptable engagement subjects to ensure investors do not breach rules regarding collective holding thresholds above which would trigger onerous reporting requirements.

"I would like to thank Ms. Waring, CEO of ICGN for her significant contributions since October 2017 as a member of the Financial Services Agency’s Council of Experts, which discusses and reviews corporate governance reforms. At this year’s Council meeting of Experts, we received opinions from her tackling issues related to sustainability, which captured the issues of Japan’s capital markets from international context, and she provided valuable suggestions regarding the future direction of corporate governance reforms."  

Hideki Ito, Director-General, Japan FSA

"We are delighted that EBARA Group is now a proud member of the ICGN. We look forward to enhancing our professionalism and promoting corporate governance in alignment with the latest global trends. We aim to increase our corporate value by helping solve issues (such as the SDGs) throughout our business model; being part of the ICGN initiative will allow us to develop our corporate governance to achieve these goals."

Toichi Maeda, Director, EBARA Corporation

Connect

Global Networks

One of ICGN’s core objectives is to connect like-minded people from around the world who share a common interest in promoting high standards of corporate governance and responsible investment practices. To support this, ICGN convenes two influential global networks.

Global Network of Investor Associations (GNIA)

In 2013, the ICGN established the GNIA as an international collaboration of investor-led organisations with a common interest in promoting shareholder rights and responsibilities and effective standards of corporate governance. Topics discussed this year have included:

- Board diversity among the top 100 companies in Hong Kong
- US SEC Climate Disclosure rules
- Ontario Capital Markets Act – A proposed overhaul of its capital markets regulation
ICGN established the GSCN in 2016 to provide a forum for organisations responsible for developing and implementing stewardship codes to exchange information and ideas. Topics discussed this year include:

- Dutch Corporate Governance code updates and implications for investor stewardship.
- UK Financial Reporting Council actions to improve the quality of reporting by investors on the revised UK stewardship code.
- ICGN-GISD Model Mandate providing asset owners with example contractual terms around stewardship and sustainability for inclusion in investment management agreements.

Global Stewardship Codes Network (GSCN)

Brazil, Canada, Denmark, Europe (EFAMA, Operates in many countries across Europe), Hong Kong, Italy, Japan, Kenya, Malaysia, Netherlands, Singapore, South Africa, South Korea, Taiwan, Thailand, United Kingdom, United States.

International Events

ICGN events have continued to be delivered despite not convening in person due to the ongoing COVID pandemic. Over the course of the year, over 5,000 people registered to join us to discuss a range of typical governance priorities.

Annual Japan Forum,
hosted by Tokyo Stock Exchange & Japan Exchange Group, 14 Jul 2022

Over 1,000 people registered for this event to discuss the extent to which sustainability related principles in Japan’s Corporate Governance Code are being implemented in practice. Keynote remarks were provided by Hideki Ito, Director-General of the Policy and Markets Bureau of Japan FSA among many other prominent investment and business leaders. We welcome support from multiple partners and sponsors and endorsement as follows:

ICGN-GISD Model Mandate Launch,
hosted by the UK Financial Reporting Council, 22 Jun 2022

ICGN and the GISD Alliance were pleased to convene key stakeholders to launch the Model Mandate kindly hosted by the UK Financial Reporting Council. Prominent Asset Owners and Asset Managers discussed how to implement the Model Mandate in practice and consider how to work collaboratively to ensure global adoption.

Speakers included:

- David Atkin, Principles for Responsible Investment
- Travis Antoniono, CalPERS
- Mark Babington, Financial Reporting Council
- Caroline Escott, Railpen
- Navid Hanif, UN DESA
- Chris Hodge, Governance Perspectives
- Claudia Kruse, APG Asset Management
- Krishnan Sharma, UN DESA
- Kerrie Waring, ICGN
- Andreas Barckow, IASB
- Salla Ahonen, NESTE

Global Sustainability Standards: Convergence & the Future
15 – 16 March 2022

Attracting over 1,200 registrants from around 60 countries, this event addressed progress towards developing sustainability reporting standards and the extent to which global harmonization is achievable. Speakers also considered differences in approach to materiality and how climate related impacts are reflected in audited financial statements.

Speakers included:

- Janine Guillot, VRF & ISSB
- Teresa Ko, Freshfields Bruckhaus Deringer & IFRS Foundation
- Patrick de Cambourg, ANC & EFRAG Project Task Force
- Bastian Buck, GRI
- Jeff Hales, SASB Standards Board
- Robert G Eccles, Said Business School, University of Oxford
- Andreas Barckow, IASB
- Salla Ahonen, NESTE
ICGN Global Virtual Summit
3 November 2021

Timed to take place following COP 26, this event convened ICGN Members to discuss specific challenges and solutions in addressing the world’s climate and biodiversity crises and consider the critically important role of corporate governance and investor stewardship.

Speakers included: Serdar Çelik, OECD; Debby Blakey, HESTA; Michele Crisostomo, Enel; Dr Urishanie Govender, The De Beers Group of Companies; Caroline Escott, RPMI Railpen; Kathleen Hamm, PCAOB; Jon Duncan, Old Mutual Investment Group; Tom Seidenstein, IAAASB.

In addition to ICGN’s key events, a number of ICGN Members have participated in the development and delivery of their own meetings in partnership with ICGN. This has included the following:

• Decoding Governance Considerations for Private Companies (Jun, 2022)
• Shareholder Proposals: A Shareholder Tool to Promote Company Accountability (Dec, 2021)
• The Continuing Dialogue: Governance of Climate Change (Nov 2021)

Thank You ICGN Sponsors:
We are very grateful to the following sponsors for supporting ICGN conferences and webinars.

In a Virtual Format

In 2021, the Covid pandemic necessitated a change to the course’s format and delivery approach from in-person to a virtual model, which we have continued to offer. Delivered by two trainers over three virtual zoom sessions, each module is 2.5 hours duration. Earlier variations were delivered ‘in person’ either as stand-alone courses or as ‘shoulder days’ to ICGN’s conferences.

This delivery model has enabled us to maximize access to the course geographically, with schedules to support all time zones with different course editions. The mixture of learners from around the world enhances greatly the learning experience for all and illustrates ICGN’s world-wide appeal.

The ICGN Governance Stewardship and Sustainability (GSS) programme was developed following a mandate awarded to ICGN from the European Commission in 2011 to create a course for investors to incorporate environmental, social, governance factors in their decision-making. Since then, the course has been delivered 20 times in 13 different locations ‘in person’ and on six occasions online attracting over 170 participants.

Aligned with the ICGN Global Stewardship Principles, the GSS programme has become a significant and valued component of our membership benefits, contributing to ICGN’s vision to be a globally recognised professional body for governance and stewardship standards and practices.

Inform

ICGN Governance, Stewardship and Sustainability Programme

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Emi Onozuka, Chief Executive Officer, Eminent Group Ltd.
In-company training

In 2021 we delivered in-house training to three organisations tailored to their requirements and based around the GSS course. Our return to ‘in person’ training commenced with in early 2022, with a bespoke one-day course onsite for an in-company client. More recently though clients have requested entirely new courses and content. This is an exciting development for us, and testament to our gathering reputation.

Launched in 2021, this course builds an awareness of how investors with globally diversified portfolios analyse corporate governance practices and a company’s approach to generating long-term value. The curriculum focuses on recent changes to the ICGN Global Governance Principles and the Japan Corporate Governance Code. It highlights standards expected of JPX listed companies, particularly the new Prime Market segment and features case studies from international investors and pre-recorded keynote speeches.

Delivered in October 2021 and February 2022, over 50 participants have enjoyed the course and dates are already scheduled for November 2022. Our Faculty includes prestigious governance commentators and practitioners:

We are grateful to the many prestigious partners of the programme:

**OECD Testimonial**

“ICGN already had a course largely fit for our needs, but the ‘in-company’ version allowed for considerably more time for discussions, which was important for our needs.

As a result of the in-house training, we advanced in our understanding of how asset managers integrate corporate sustainability information into their investment-making process.”

**Governance Awards**

The ICGN Governance Awards have been given annually to individuals who have demonstrated exceptional achievements in corporate governance. These awards consist of the ICGN Lifetime Achievement Award, the ICGN Excellence in Corporate Governance Award, the ICGN Excellence in Stewardship Award and the newly introduced ICGN Rising Star Award and the winners were announced at the ICGN Global Virtual Summit, November 2021.

**Lifetime Achievement Award**

Former Head of Division, Corporate Governance and Corporate Finance Division in the Directorate for Financial and Enterprise Affairs at the OECD, Mats Isaksson was awarded the prestigious ‘ICGN Lifetime Achievement Award’. Mats has been described as a visionary, and without his leadership the corporate governance landscape would not be what it is today. Under his watch, the G20/OECD Principles have come to embody the consensus among policy makers that the quality of corporate governance remains critical to economic development and social welfare.

Upon accepting the award, Mats said:

“It is a great honour to follow in the footsteps of my mentors Sir Adrian Cadbury and Ira Millstein in receiving this award. While this is a lifetime achievement award I still look ahead to a corporate governance environment where business can continue to help lifting all boats.”

**Excellence in Corporate Governance**

Santiago Chaher, Managing Director, Cefeidas Group was awarded the ICGN Excellence in Corporate Governance Award. Santiago receives the award for his dedication to corporate governance in Latin America, particularly his contributions to the New Argentine Corporate Governance Code (2019), the ongoing success of the Bolsas y Mercados Argentino’s corporate governance-focused listing segment and improving board diversity in Argentina and Latin America.

Upon accepting the award, Santiago said:

“I am grateful for this extraordinary recognition I have received for my work. I am lucky to have not one, but a group of mentors who are all part of the ICGN family. I have been fortunate to have continually met inspired, talented, and skilled people who I have been able to learn from. I think this characteristic is the mark of successful performance today and in this, the ICGN has been, and will remain of vital importance to positively influence good governance and lay the ground for better dialogue between companies and investors.”

**Partners**

Dr. George Olcott

Paul Lee

Kerrie Waring

Isahari Oguchi

Ronnie Lim

Kunio Ito

Yoshiko Takayama

Chris Hodge

Sandra Boss

George Iguchi

Claudia Kruse

Henry Jones

**Sponsors**

JIAA

jicpa

Sponsors

October 2021 Course
The FAIRR Initiative was awarded the ICGN Excellence in Stewardship Award, FAIRR has boosted investor awareness and corporate knowledge around dietary choices as key determinants of environmental sustainability and human health while encouraging protein diversification for business growth and positive climate impacts.

Jeremy Coller, Chair of the FAIRR Initiative said: “FAIRR is delighted to be recognised by ICGN for our Sustainable Proteins engagement. The investors in FAIRR’s engagement have dramatically changed the conversation on protein and we’re now seeing visible leadership from many large food retailers and manufacturers to put more sustainable alternatives to meat protein on the supermarket shelf.”

Helen Price, Head of Stewardship, Brunel Pension Partnership is the first recipient of the ICGN Rising Star Award. This award is brand new for 2021 and ICGN’s first award to recognise individuals in the early stages of their career in corporate governance or stewardship who have already made a valuable contribution, and who have demonstrated the potential to be future leaders. Helen leads Brunel’s stewardship work and was commended for her efforts on diversity and inclusion as well as cybersecurity. Her work on identifying best practice has led to Brunel’s Stewardship Policy and Voting Guidelines being proclaimed as one of the most progressive globally.

Upon receiving the ICGN Rising Star Award, Helen Price said: “It is an honour to receive this award and to know the work I am passionate about resonates with others. I feel truly privileged to work in this industry and work with likeminded individuals who seek to make an impact and positive change. I strive to live up to the high standards the network has set before me. Thank you.”

We were pleased to present AP2, Andra AP-fonden and MainePERS with ICGN Global Stewardship Disclosure Award for asset owners with less than £60 billions assets under management. AP2, Andra AP-fonden and MainePERS were jointly awarded the global stewardship disclosure award for asset owners with less than £60 billion AuM.

Ulrika Danielsson, Head of Communications & Corporate Governance, collected the award on behalf of AP2, Andra AP-fonden and said: “We are very honoured and proud to receive the ICGN Global Stewardship Disclosure Award. The ICGN policies and principles have been a great inspiration to form the basis for AP2’s work with sustainability. This award inspires both us, and hopefully other investors, to continue the work of good stewardship and to further develop our way of disclosing what we do. Especially in times when new reporting standards are on its way that can be quite challenging.”

Whilst Jim Bennett, CIO collected the award on behalf of MainePERS: “MainePERS views a commitment to high standards in transparency and disclosure as the foundation on which effective stewardship of assets is built. We are delighted to receive this recognition as an endorsement of our ongoing efforts in this area.”

On receiving the award for asset managers with less than £60 billion AuM, Natasha Landell-Mills, Head of Stewardship and Partner at Sarasin & Partners, said: “We are delighted to have been awarded the ICGN Stewardship Disclosure Award. Disclosure is crucial – not just to give clients visibility of our work – but also because it holds us accountable. Asset managers should disclose how they hold companies to account – and what they are doing where companies fall short.”
ICGN Global Stewardship Disclosure Award (Asset Owners> $60bn AuM)

Richard Manley, Managing Director, Head of Sustainable Investing at CPP Investments, said:

“We are honoured to be acknowledged for a second time for the highest standards of corporate governance and investor stewardship. Transparent and reliable disclosure is critical to maintaining and growing the trust of the 20 million Canadians we serve, as well as the trust of our global partners and peers. We share ICGN’s conviction in promoting the highest standards of corporate governance and investor stewardship in pursuit of long-term value creation, contributing to sustainable economies, social prosperity and a healthy environment.”

Videos of the acceptance speeches are available via the ICGN website.

ICGN Global Stewardship Disclosure Award (Asset Managers> $60bn AuM)

Michael Marks, Head of Responsible Investment Integration at Legal & General Investment Management (LGIM) collected the award for asset managers with over £60 billion AuM and said:

“We are truly honoured to be chosen as the best in class at the 2021 ICGN Global Stewardship Awards for LGIM’s stewardship policies, practices and reporting. As one of the world’s largest asset managers we continue to build on our credentials as a responsible investor and remain committed to leading the asset management industry in addressing the environmental and social challenges arising from a rapidly changing world.”

ICGN Awards

ICGN has a global media reach and featured across many markets around the world in the last 12 months.

“There is an increased public and political expectation that investors should contribute to long-term sustainable value creation,” said ICGN CEO Kerrie Waring. “The Model Mandate is a practical tool to help exercise active stewardship of the assets for which they are responsible. We encourage asset owners and managers as well as standard and regulatory-setting agencies to commit to using and promoting the Model Mandate guidance.”

ICGN Policy Director George Dallas on stakeholder governance, in an article in the Financial Times: “Any significant change of law should be supported with clear evidence,” he says. “And there would be a substantial burden of proof on anyone claiming that government should promote better social outcomes by requiring benefit corporations. That would face a lot of scrutiny.”

ICGN’s social media activities increased in the last 12 months with growth on LinkedIn and Twitter, following several initiatives across both platforms:

- Introduction posts featuring new ICGN members
- Campaign introducing new policy committees
- Special LinkedIn microsites for events and education
- Quotes & key takeaways from speakers at ICGN webinars

#Social Media

ICGN’s #ICGN22 #ICGN21 #Corpgov
#Stewardship
www.linkedin.com/company/icgn

Communicate

Media Visibility

September 2021 4,758
June 2022 5,067
UP 309
September 2021 6,924
June 2022 9,342
UP 2,418

@ICGNCorpGov

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ICGN Awards

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ICGN Global Stewardship Disclosure Award (Asset Owners> $60bn AuM)

On receiving the Global Stewardship Disclosure Award for asset owners with more than £60 billion AuM, Richard Manley, Managing Director, Head of Sustainable Investing at CPP Investments, said:

“We are honoured to be acknowledged for a second time for the highest standards of corporate governance and investor stewardship. Transparent and reliable disclosure is critical to maintaining and growing the trust of the 20 million Canadians we serve, as well as the trust of our global partners and peers. We share ICGN’s conviction in promoting the highest standards of corporate governance and investor stewardship in pursuit of long-term value creation, contributing to sustainable economies, social prosperity and a healthy environment.”

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June 2022 5,067
UP 309
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UP 2,418
ICGN New Website

The new website has been designed to provide better site navigation and is a one-stop resource for ICGN members and other governance professionals, to find guidance, viewpoints, and opportunities to contribute to policy development and participate in events. Updated website features include:

- Members portal
- Events calendar
- Improved search function
- Secure online payments
- Membership directory

First published in 2005, the ICGN Yearbook is an exclusive Member benefit and draws on insights from the world’s leading commentators on corporate governance issues. It provides a memento of governance developments over the years and serves as a point of reference on topical issues of the day. Articles included in the 2021 ICGN Yearbook:

- CEO Incentives: Pay, Performance and Parity from Eszter Vitorino, Kempen Capital Management
- The Importance of G in ESG: A Canadian Perspective from Catherine McCall, Canadian Coalition for Good Governance
- The Untapped Potential of Independent Directors from Roger Barker, Institute of Directors and Professor Iris Chiu, UCL

Following the June 2021 launch of ICGN’s book Governance, Stewardship and Sustainability, by ICGN Policy Director George Dallas and Mike Lubrano, the authors have already written a second edition of the book, to be co-published by ICGN and Routledge later in 2022. In particular, the revised edition updates the dynamic developments that took place in sustainability reporting in 2021 and 2022. The book continues to accompany ICGN’s flagship training course, also named Governance, Stewardship and Sustainability.

Governance

Board of Governors

The ICGN Board directs the affairs of ICGN through the oversight of the CEO who manages the ICGN Secretariat and work programme. Up to twelve Board Members are elected by ICGN Members annually, with the majority being investors. The current Board was elected at the virtual ICGN AGM held 2nd September 2021.

ICGN Book

Goverance, Stewardship and Sustainability

Theory, Practice and Evidence

Governance, Stewardship and Sustainability

ICGN Board 2022

ICGN is grateful for the service of Henry Jones who retired from the Board in January due to ill health. We are also grateful to Claudia Kruse who retires in September in conclusion of her tenure.

We welcome the nomination of Theresa Taylor, President of the Board of CalPERS & Jenn-Hui Tan, Global Head of Stewardship and Sustainable Investment at Fidelity International who will join the Board following member approval at this years AGM.
Committees

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Operations and Finance

ICGN Secretariat

The ICGN is a non-profit body, registered in the UK as a company limited by guarantee. The Secretariat is based in London, led by the CEO who manages a team who develop, coordinate, and deliver the ICGN work programme.

Kerrie Waring  
Chief Executive Officer

George Dallas  
Policy Director

Florence Doel  
Head of Events & Education

Amane Fujimoto  
Japan Advisor

Hannah Gardner  
Education and Events Coordinator

Michael Irving  
Finance Director

Paul Johnson  
Head of Membership

Karel Krticka  
Business Development & Stakeholder Relations Manager

Samantha Martin  
Assistant Accountant

Carol Nolan Drake  
Global Governance and Stewardship Policy Manager

Amiirah Nobeebaccus  
Senior Events Coordinator

Garvin Payne  
Operations Manager

Francesca Philips  
Policy Coordinator

Andrew Spencer  
Education & Training Director

Christopher Smith  
Marketing & Events Producer

Elizabeth Thomas  
Operations & Events Director

Robert Walker  
Sustainability Policy Manager

Florence Doel  
Head of Events & Education

George Dallas  
Policy Director

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Paul Johnson  
Head of Membership

Carol Nolan Drake  
Global Governance and Stewardship Policy Manager

Francesca Philips  
Policy Coordinator

Elizabeth Thomas  
Operations & Events Director

Operations and Finance

Risk Oversight

The ICGN Risk Register is reviewed and approved by both the ICGN Audit & Finance Committee and ICGN Board of Governors on an annual basis. The Register is also subject to external audit review. The purpose of the Risk Register is to identify material risks which may impact the solvency or significantly affect the activities of the ICGN and to clarify any mitigating actions which serve to reduce such risks.

The material changes to the Risk Register from the previous year are: (1) failure of education strategy; and (2) Climate change.

Auditor review

ICGN Audit and Finance Committee recommend the re-appointment of Haysmacintyre who audit ICGN’s financial statements. This recommendation takes into account the quality of audit, independent status and value. The recommendation is approved by the ICGN Board and subject to approval by ICGN Members at the AGM.

Financial Resources

The ICGN Financial Statements to 31st December 2021 confirm a year end profit of £286,522 (2019 loss of £248,207). The overall net effect on reserves is an increase from £357,214 as at 31 December 2020 to £643,736 as at 31 December 2021. This turnaround in performance is primarily as a result of our revised membership fee structure, continued support from sponsors for virtual ICGN events, and an expansion of our education and training offering.

Annual turnover in 2021 was £1,430,606 (2020: £808,612) with a gross surplus of £1,362,963 (2020: £767,193) after cost of sales. Total administrative costs, i.e. secretariat running costs, amounted to £1,083,237 (2020: 1,035,235).

REVENUE (NET COSTS)

EXPENDITURE

- Membership
- Conference
- Education
- Other
- Staff/Consultancy
- Marketing
- Other
- Professional Services
- Board/Other

* Marketing includes website, publications and travel
** Professional services include accounting, audit, legal and banking
2021 Income and Expenditure (£GBP)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TURNOVER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Membership</td>
<td>1,189,917</td>
<td>571,761</td>
<td>509,795</td>
</tr>
<tr>
<td>2. Conferences</td>
<td>150,961</td>
<td>204,439</td>
<td>1,223,382</td>
</tr>
<tr>
<td>3. Courses</td>
<td>86,280</td>
<td>22,212</td>
<td>25,604</td>
</tr>
<tr>
<td>4. Year book</td>
<td>-</td>
<td>9,600</td>
<td>-</td>
</tr>
<tr>
<td>5. Donations</td>
<td>200</td>
<td>800</td>
<td>500</td>
</tr>
<tr>
<td>6. Books</td>
<td>3,248</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td>1,430,606</td>
<td>808,612</td>
<td>1,759,281</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(67,643)</td>
<td>(41,419)</td>
<td>(787,897)</td>
</tr>
<tr>
<td><strong>Total turnover minus cost</strong></td>
<td>1,362,963</td>
<td>767,193</td>
<td>971,384</td>
</tr>
</tbody>
</table>

**ADMINISTRATION**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Staff</td>
<td>(781,291)</td>
<td>(700,581)</td>
<td>(675,069)</td>
</tr>
<tr>
<td>8. Consultancy</td>
<td>(89,424)</td>
<td>(65,189)</td>
<td>(8,414)</td>
</tr>
<tr>
<td>9. Website</td>
<td>(43,713)</td>
<td>(45,984)</td>
<td>(32,900)</td>
</tr>
<tr>
<td>10. New Website</td>
<td>(24,885)</td>
<td>(22,286)</td>
<td>(12,400)</td>
</tr>
<tr>
<td>11. Rent</td>
<td>(28,651)</td>
<td>(55,361)</td>
<td>(55,239)</td>
</tr>
<tr>
<td>12. Office</td>
<td>(48,960)</td>
<td>(29,977)</td>
<td>(41,479)</td>
</tr>
<tr>
<td>13. Accounting</td>
<td>(20,910)</td>
<td>(13,488)</td>
<td>(33,040)</td>
</tr>
<tr>
<td>14. Audit/</td>
<td>(19,353)</td>
<td>(3,982)</td>
<td>(12,400)</td>
</tr>
<tr>
<td>Legal/tax</td>
<td>(7,415)</td>
<td>(7,332)</td>
<td>(22,109)</td>
</tr>
<tr>
<td>15. Banking</td>
<td>-</td>
<td>(1,775)</td>
<td>(26,280)</td>
</tr>
<tr>
<td>16. Travel</td>
<td>(6,215)</td>
<td>(975)</td>
<td>(13,847)</td>
</tr>
<tr>
<td>17. Marketing/publications</td>
<td>(3,046)</td>
<td>(15,874)</td>
<td>(18,136)</td>
</tr>
<tr>
<td>18. Board/committees</td>
<td>(10,506)</td>
<td>(10,506)</td>
<td>(10,506)</td>
</tr>
<tr>
<td><strong>Total administration</strong></td>
<td>(1,683,237)</td>
<td>(1,535,235)</td>
<td>(990,543)</td>
</tr>
<tr>
<td><strong>Operating Profit (loss)</strong></td>
<td>279,726</td>
<td>(268,042)</td>
<td>(19,159)</td>
</tr>
<tr>
<td>21. Other income</td>
<td>6,672</td>
<td>(19,460)</td>
<td>(480)</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>124</td>
<td>375</td>
<td>900</td>
</tr>
<tr>
<td><strong>Profit (Loss) before tax</strong></td>
<td>286,522</td>
<td>(248,207)</td>
<td>(17,779)</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit (Loss) after tax</strong></td>
<td>286,522</td>
<td>(248,207)</td>
<td>(17,779)</td>
</tr>
</tbody>
</table>

**Notes to the results**

1. **MEMBERSHIP**
   - ICGN membership subscriptions accounted for 83% (2020: 71%) of total revenue. Member recruitment was 16% (2020: 8%) and attrition was 19% (2020: 10%). The total number of Individual Members as of 31st December 2021 was 346 (2020: 363) and overall membership income increased by 48% over the previous year.

2. **CONFERENCES**
   - Due to the pandemic in 2020 and its continuance in 2021, no in person events took place in 2021, they were all held virtually, and contributed 10% of overall revenues, or 7% of revenues minus cost of sales (2020: 21%).

3. **EDUCATION & TRAINING**
   - ICGN delivered no in-person events in 2021, three were held virtually in the year along with three in house training events and one Japanese directors programme and contributed 6% of overall revenues (2020: 3%).

4. **YEARBOOK**
   - No Sponsorship re the production for the yearbook was received in the year.

5. **DONATIONS**
   - received to support scholars in the year.

6. **BOOK SALES**
   - During the year ICGN along with the two authors published a book titled Governance, Stewardship and Sustainability: Theory, Practice and Evidence.

7. **STAFF**
   - The average number of employees during the year was 11 (2020: 10).

8. **CONSULTANCY**
   - Relates to outsourcing education and policy and the costs of stewardship award analysis.

9. **WEBSITE**
   - Costs relate to maintenance and minor development.

10. **NEW WEBSITE**
    - The full costs of this development were borne in the 2020 financial year.

11. **RENT**
     - ICGN was a tenant of The Chartered Governance Institute for the first quarter of 2021, it then subsequently moved to smaller premises, and when the landlord wanted to develop the building, other premises where found.

12. **OFFICE**
    - Includes telephone, courier, stationery, postage, printing, software, IT support, equipment, surveys, and subscriptions

13. **ACCOUNTING**
    - Services where outsourced for most of the year before being brought in house with Buzzacott only proving payroll services as a bureau.

14. **AUDIT**
    - Audit services from our auditors Haysmacintyre.

15. **LEGAL SERVICES**
    - Include legal, tax & insurance fees.

16. **BANK CHARGES**
    - Commission charges associated with membership and conference payment administration.

17. **TRAVEL**
    - Expenses as no in person events occurred in the year, no costs where incurred.

18. **MARKETING/PUBLICATIONS**
    - Includes publication of material and guidance.

19. **BOARD/COMMITTEES**
    - Includes costs of company secretarial and viral AGM costs.

20. **OTHER COSTS**
    - Includes depreciation and sundry items.

21. **OTHER INCOME**
    - Relates to income received for speaking fees and small companies' employment HMRC grant.

21. **RETAINED EARNINGS**
    - Total retained earnings at year end

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retained earnings at year end</strong></td>
<td>643,736</td>
<td>357,214</td>
<td>605,421</td>
</tr>
</tbody>
</table>
Contact us
For more information
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By telephone: +44(0)20 4541 7253