



ICGN

International Corporate Governance Network
Inspiring good governance & stewardship

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February 10, 2023

Dear Members of the IBGC,

Re: Brazilian Code of Best Practices of Corporate Governance - 6th edition Public Consultation

The International Corporate Governance Network (ICGN) appreciates the request from the Instituto Brasileiro de Governanca Corporativa (IBGC) to comment on the proposed 6th edition of the Code of Best Practices of Corporate Governance. ICGN has high regard for the work of the IBGC on updating earlier editions of the Code and appreciates the level of clarity the Code has provided to the investment community.

Established in 1995, ICGN's purpose is to convene capital market participants to develop, promote and embed high standards of corporate governance and investor stewardship worldwide to preserve and enhance long-term value, contributing to sustainable economies, societies, and the environment. ICGN Members, many of whom are investors responsible for assets of around \$70 trillion, are based in over 40 countries - largely in Europe and North America, with growing representation in Asia. For more information visit www.icgn.org.

ICGN's Global Governance Principles¹ (GGP) and Global Stewardship Principles² (GSP) set out best practices in relation to corporate governance and investor stewardship obligations. These documents represent the foundation of ICGN's policy framework. Many ICGN members refer to the GGP and GSS as bellwethers for their corporate governance assessments, proxy voting policies and company engagements. The GGP also inform governments and regulatory agencies on internationally accepted standards to help inspire the evolution of national corporate governance codes.

As a future consideration in rulemaking and for informational purposes, the ICGN GGP have been recognized as one of the most prominent global standards for corporate governance as acknowledged in Recital 44 of the proposed European Corporate Sustainability Reporting Directive (CSRD) where the ICGN GGP and G20/OECD Principles are both recognised as 'an authoritative global framework of governance information of most relevance to users.'³ Once approved by the European Parliament and Council, the Directive will influence the drafting of corporate sustainability reporting standards developed by the European Financial Reporting

¹ [ICGN Global Governance Principles 2021](#)

² [ICGN Global Stewardship Principles 2020](#)

³ [EUR-Lex 52021PC0189](#)

Advisory Group which will be mandatory for over 50,000 of the largest EU companies and effective from January 2024.

Before we respond in detail, ICGN would like to express our appreciation for the outreach to many representatives within the corporate governance community throughout the process of developing this newest edition of the Code. We have noted that outreach was made to the Global Network of Director Institutes (GNDI), an organization with many ICGN members.

With respect to the changes mentioned within the consultation, ICGN would note our response below the highlighted and proposed changes that are in bold:

1) Make the code more inclusive - even if it still is a code focusing on the best practices.

The ICGN has a similar view of the ICGN GGP. Whilst they are written with public companies in mind, we believe that the principles serve as a model for other organizations in that “the ICGN Global Governance Principles (GGP) serve as ICGN’s primary standard for well-governed companies”.⁴ All ten principles are recommended for companies, whether listed or non-listed, as noteworthy examples of good corporate governance practices and may inspire other organizations to adopt them.

2) Move forward in the process initiated with the 5th Edition to make the code less prescriptive and more focused on the principles - a path to make the code more inclusive is to avoid practices and recommendations too specific for a determined type of organization.

The ICGN GGP are also principles-based, with an eye towards compliance without hard law requirements. As stated in the GGP, “Members of the ICGN support the flexible application of GGP, and therefore the specific circumstances of individual companies, shareholders and the markets where they operate should be recognized”.⁵ Many other codes are similarly principles-based, to reflect local rules and cultural norms.

ICGN believes that principles are generally aspirational in nature and provide ways to be customized to reflect national and regional laws or regulations. Whilst they may be considered “soft law”, any set of principles need to have enough details to explain the type of compliance standard that will be applied, such as “comply or explain”.

In our review of the proposed revisions, ICGN is slightly concerned that by making this version of the Code less prescriptive, some of the details that pertain to the Brazilian markets have been given less emphasis. In our review, the 5th edition provided more direct guidance in these situations. ICGN has suggested additional language for consideration within this letter to the IBGC and appreciates its consideration for the 6th edition.

3) Strike from the Code the excessive details referring to specific types of organizations or those that are already better explained and stated in IBGC specific publications. In this sense, it is relevant to stress that no practices will be lost; either it is already in a publication that will be referred to in the code, or it will

⁴ [ICGN Global Governance Principles 2021](#), Preamble, p. 4.

⁵ [ICGN Global Governance Principles 2021](#), p. 5.

substantiate the construction of new publications to be produced by IBGC after publication of the 6th Edition.

ICGN would encourage the IBGC to consider the 6th edition as a stand-alone document, not dependent on other existing or future documents. The Code is the pillar of best practice standards for companies and organizations, and as such, should be able to provide guidance and authority on its own. It will also serve to inform investors, who will be referring to the Code as they engage companies and fulfil their won stewardship responsibilities.

4) Emphasize topics identified from the International Benchmark, especially: Stakeholders' Governance, Integration of social and environmental topics in the governance agenda and Diversity and Inclusion matters. These topics surfaced more often in international codes as compared to the IBGC code.

ICGN believes the aforementioned topics are of great importance and to a large degree, are reflected in revised international codes. The ICGN GGP were updated in 2021 to incorporate adjustments that were necessary in the capital markets due to global disruption and a dynamic set of changes to the relationship of companies to investors and stakeholders. In the GGP, ICGN explained the need to revise its principles:

The role and purpose of the corporation has faced renewed scrutiny, and stakeholder capitalism has emerged as a challenge to the model of shareholder primacy that prevails in many markets. In the context of this debate, ICGN's position has been, and remains, to focus on the sustainable success and value creation of the company itself which involves meeting legitimate shareholder needs for returns on capital while maintaining positive relations with key stakeholders, including the workforce, customers, suppliers, communities, and civil society more broadly. This infers the need for both investors and companies to focus not only preserving and building a company's financial capital, but also its human and natural capital.⁶

One area that has emerged is that of Stewardship. Whilst the IBGC refers to Stakeholders' Governance, a reference to stewardship for investors would be useful from the perspective that companies should be aware of investors' stewardship responsibilities. Boards should be encouraged to speak with investors and relevant stakeholders as part of their own governance standards.

The reference to Diversity and Inclusion is helpful as well. ICGN would request that "Equity" be added, as the movement for more Diversity, Equity and Inclusion (DEI) efforts at the corporate level is becoming an international trend. There is a distinction between equality and equity that should be considered. While DEI may have started from a social perspective, within the ESG factors, it has become a global governance metric for board composition, and employee training, retention and recruitment.

ICGN suggests that the principles set out the way in which an organization should conduct its business, deal with customers, employees and suppliers, and explain the legal responsibilities amongst the parties should be clarified.

⁶ [ICGN Global Governance Principles 2021](#), pp.4-5.

which are:

1) “Ethics” as a foundation of Governance. Ethics as a pillar for Governance, Purposes, Principles and Definition of Corporate Governance.

ICGN agrees that ethics are a necessary part of “increasingly complex societies”, as stated in the consultation.⁷

In the spectrum of strong governance principles, ICGN would add that there are additional elements that work in tandem with a best practice of strong ethics within an organization. Addressing conflicts of interest, standards for independence and disclosure of conflicts are the hallmarks of policies that instill ethical behavior within companies and address conflicts, particularly where relationships are interdependent and not easily discerned unless they are disclosed.

ICGN considers the need for ethics within a company to be closely tied to conflicts of interest, which together, provide the underpinnings for integrity, transparency, equity and responsibility. As such, the IBGC may wish to either combine the two separate best practices or have the Conflicts of Interest section follow the Ethics section directly.

With respect to “sustainability”, given all the discussion of what it means to companies and its application to the governance of sustainability, ICGN recommends that a separate section be added that is focused on sustainability as a best practice.

2) Stress the relevance of “Purpose” to guide the decision-making process.

We find it of interest that the IBGC Code “stresses the relevance of the organizations defining their purposes”, i.e., their reason to exist, including “the opportunities or needs that the organization intends to meet by their products, services, or causes.”

Every organization is unique and therefore, flexibility is needed for organizations to define their own purpose, in line with their values and culture. The ICGN GGP also refer to culture, ethics and integrity as part of the company’s purpose, stating, “The board should instil and demonstrate a culture of high standards of business ethics and integrity aligned with the company’s purpose and values at board level and throughout the workforce”.⁸

3) Update the definition of “Corporate Governance.”

ICGN appreciates the decision by the IBGC to update the definition of “Corporate Governance” and include “processes under which organizations are directed and monitored, with a view to generating sustainable **long-term value** for the organization, its shareholders and society”. In the revised definition, the IBGC has included the need for organizations to consider all stakeholders, more expanded than the ICGN GGP, which denotes “relevant stakeholders”.⁹

However, ICGN prefers some of the elements in the definition of “Corporate Governance” in the 5th edition of the Code. We suggest a blend of both definitions, to

⁷ [IBGC Code](#), p. 10.

⁸ [ICGN Global Governance Principles 2021](#), Principle 4, Corporate Culture, p. 18.

⁹ [ICGN Global Governance Principles 2021](#) p. 6.

include the new provision, “processes under which organizations are directed and monitored, with a view to generating sustainable **long-term value** for the organization, its shareholders and society”, with “optimizing the long-term economic value of the organization, facilitating its access to resources and contributing to the quality of management, its longevity and the common good”.

4) Update the “Corporate Governance Principles” and add one more principle, namely “Integrity.”

We find this section may be confusing to organizations. If these five categories are “principles”, including Integrity, Transparency, Fairness, Accountability and Sustainability that apply to all organizations, they are mixed within the best practices narratives, which the IBGC has recognized may not universally applied. If these principles are indeed of such high importance, it would be helpful to move the principles up to the beginning of the document, to level set the expectations for these principles, followed by the best practices narratives which provide the ways an organization can apply the principles or strive to achieve them.

5) Update the explanation on the “Governance Agents and Structure,” explaining the agents and how the different structures adjust to the different models of organizations.

The IBGC has defined governance agents as the “gatekeepers of the corporate governance principles and the key players in the exercise of the best practices.” Whilst the explanation is realistic, ICGN did not see the explanation how the different structures can adjust within organizations. More detail could be useful for organizations. The chart is helpful and provides a framework for consideration.

6) Create a specific section on “Conflict of Interest” aggregating mentions otherwise sparse in the previous edition or in the Chapter Conduct and Conflict of Interest. Is the proposed explanation sufficient?

The IBGC has repeated the need for organizations to be guided by the principles of integrity, transparency, equity, accountability, and sustainability from the previous section. ICGN agrees that the agents identified in the definition of “Governance Agents” must “ensure the organization has clear and effective policies and processes to identify and address these conflicts”.

Please note our earlier comments on the Conflicts of Interest section.

7) In the Chapters Shareholders, Board of Directors, and Executive Management, exclude practices that are too specific for one type of organization and emphasize broader practices. Also exclude the details that are part of specific publications or will be included in new publications developed by IBGC after publication of the 6th Edition of the Code.

ICGN agrees with the need to consider broader practices for organizations to avoid a “check the box” solution to governance. There is a balance here. One must provide enough details for an organization to determine whether it is fulfilling these principles and best practices, or has discovered that it needs improvement in certain areas.

Effectively carrying out the roles and responsibilities of the Board of Directors and Executive Management are critical to the success of an organization. ICGN has noted specific comments to the revisions in the later sections for Boards of Directors, Shareholders and Executive Management.

8) Adjust certain aspects of the chapter “Supervisory and Control Bodies” that is now called “Advisory, Control and Supervisory Bodies.”

The comments from ICGN related to this chapter are found in the section below.

9) Change the name of the “Conduct and Conflict of Interest” chapter to “Conduct.”

The comments from ICGN related to this chapter are found in the section below.

10) Create a chapter to treat the relationship among the many Governance Agents.

The comments from ICGN related to this chapter are found in the section below.

ICGN offers the following responses to specific sections as noted.

SECTION 2 SHAREHOLDERS

The IBGC said, “In the corporate governance structure, shareholders undertake to protect the interests of the organization and decide on key matters for the good operations and organization development”.¹⁰ ICGN would clarify that shareholders, and other investors that hold debt, for example, have a fiduciary responsibility, as stewards, to their clients or beneficiaries. They owe a duty of prudence, care and loyalty to their benefactors, which is another key element to governance and stewardship obligations. ICGN would ask that the IBGC reflect the “fiduciary duty of shareholders and investors” in this section, and to include *stewardship* activities by shareholders and investors, not just governance practices.

ICGN published the Global Stewardship Principles to facilitate the role of stewardship by investors and bring the full ecosystem of stewardship, including companies, into a set of principles. In Part 3, ICGN stated:

While companies (as issuers of equity and debt to investors) are not themselves signatories to stewardship codes, they do have a role to play in supporting the spirit and ambitions of a stewardship code in order for it to be effective. Companies should recognise the benefits of building investor relationships that can strengthen trust and enhance financial flexibility by enhancing access to cost effective capital. In doing so companies should cooperate in good faith with investors, particularly in facilitating engagement and constructive dialogue, including willingness to meeting with investors acting collectively. Companies should recognise the responsibility of board members (including non-executive directors) to meet with key investors to build understanding and dialogue about governance matters.¹¹

ICGN did not read that the 6th edition addresses the concept of "reference shareholder" ("anchor shareholder" / "shareholder with a material stake"), who has been behaving as a controlling shareholder, exercising strong influence and, in practice, having access to privileges

¹⁰ [IBGC Code](#), p. 15.

¹¹ [ICGN Global Stewardship Principles 2020](#), p. 27.

that only a controlling shareholder could have, without adequately responding to the acts performed. It is a serious concern because the Brazilian market have this type of controlling shareholder ownership and there is a lack of guidance. Our members would benefit from additional language to include guidance from the IBGC to support minority shareholders and address best practices for majority shareholders.

With respect to a controlling shareholder, we did not see a reference to language how a controlling shareholder should use its controlling power in order to make the corporation accomplish its purpose and perform its social role. This would be a useful addition. Controlling shareholders have duties and responsibilities towards the other shareholders of the corporation, those who work for the corporation and the community in which it operates, the rights and interests of which the controlling shareholder must loyally respect and heed, per Article 116.¹²

2.1. Voting Rights

The IBGC has indicated that the “vote is the tool used by shareholders for political participation...” ICGN recognizes this as voting power and shareholder participation and with respect to government run entities or sovereign wealth funds, voting is part of that right of participation. ICGN believes that the votes cast by shareholders and investors are part of their fiduciary duties, which are foremost within these responsibilities. An investor’s ability to vote should be unfettered by a company, no matter the level of ownership by the investor.

IBGC also mentioned the “principle of proportionality between economic and political powers”, which we understand means voting powers. As well, ICGN expresses some concern with the comment, “The greater the capital held by a shareholder, the larger its voting powers”. While this may pertain to Brazil, ICGN has been resolute that investors are an important consideration for every economy and as such, are entitled to meaningful voting rights that provide them with the ability to vote for the directors and other proposals on the ballot. As a secondary consideration, investors may consider “the impacts of their decisions on the stakeholders, the environment and society generally”, however, this is generally part of their voting policy and/or guidelines.

2.1.1. One Share One Vote

In principle, the power of “one-share, one-vote” means that all shareholders have the ability to vote their ownership rights on a level playing field. Certainly some investors will hold more shares of a company, or hold more debt instruments, giving them a greater percentage of ownership. Voting power should be available to minority shareholders as well and it is clear that the IBGC is attempting to address this issue.

We agree that other share structures, such as dual class shares, should be evaluated carefully and a sunset provision should be implemented, as referenced by the IBGC that “bylaws or articles of association outline the rules and conditions to extinguish these asymmetries over a certain time”.

ICGN has reviewed the six practices that are set out in this section that we believe are directed to the majority shareholders in a company or a political entity, which they “must” consider as they are evaluating investments with different share structures. Other shareholders and

¹² [Brazil \(1976\) Brazilian Corporate Law - Law no. 6.404](#) of December 15, 1976

investors have their own fiduciary duties to consider and may or may not decide to invest in these entities. Certainly having safeguards in place for sunset provisions, requirements to identify conflicts of interest among board members and political appointees is positive. More disclosure for investors is important as they evaluate whether the risk of investing in such an enterprise merits the downward exposure.

2.3. Dispute Resolution

The provisions provide for negotiation and arbitration of shareholder claims. ICGN has noted the significant rise in requirements by corporations that investor issues should be resolved through mediation and arbitration channels. We believe that *all* avenues should be open to investors, including the appropriate court system, if there are claims of potential wrongdoing, manipulation of assets or misfeasance, etc. by a company and its officials. ICGN would like to see the Code include a reference to provide “shareholders and investors should be able to seek relief in the appropriate court system”.

2.5. General Meeting and Shareholders’ Meeting

ICGN would advocate for in-person meeting, whenever possible. If an in-person meeting is not possible, a hybrid meeting is the preference of ICGN so that shareholders and investors have the ability to participate in the live format as well as on-line. The most important key is to provide shareholders and investors with the opportunity to participate fully in the meetings, to ask questions of the board and management, present proposals, and receive information in a transparent way.

2.5.2. Calling and conducting

In addition, shareholders and investors should receive materials well in advance of the meetings, giving them the time to review the materials and vote accordingly. It is up to the company and its officials to ensure that voting is conducted in an efficient way and that the final voting tallies are disclosed as soon as possible to all investors.

2.5.3. Appointment of members of the board of directors and fiscal council

ICGN believes that all members of the Board of Directors have a fiduciary obligation to the company, and as such, must disclose any conflicts of interest to the Board and shareholders, prior to any voting. When there are majority shareholders that control the selection of the board members, ICGN agrees that an independent committee should be created to present the candidates to the shareholders prior to voting activity.

2.5.4. Voting and shareholders’ registration rules

In the day of electronic voting and shareholding records, ICGN would like to see a diminished requirement for powers of attorney, shareblocking or other requirements that can stand in the way of investors voting in a timely way. On a global scale, many markets are moving away from registration voting requirements as long as the beneficial owner can be identified. We agree that “voting rules must be clear, objective and defined to facilitate the voting” process.

2.6. Transfer of Control

ICGN agrees that the “terms and conditions negotiated for the transaction originating the transfer of control, all shareholders of the relevant organization must be treated in a fair,

equitable and transparent manner, offering the same conditions offered to the majority shareholder, as applicable”.

SECTION 3 BOARD OF DIRECTORS

3.2. Composition of the Board of Directors

ICGN appreciates that the provisions include the “diverse knowledge, experiences, age range, gender, color, race or ethnicity, sexual orientation among other aspects reflecting underrepresented groups”, so that the Board composition will reflect the view and experiences of its Board as it carries out its own fiduciary duties. We would prefer that the language be changed from “contemplate” this diverse knowledge to “adopt” a policy to incorporate this diverse knowledge on the board.

Also, with respect to provision (d), ICGN believes that a Board should do more than create and disclose policies to enable representation and equal opportunities in an organization. The Board should require “regular reporting” by senior management and offer a “plan of action” to the Board how it will fulfil this obligation.

Regarding board members, ICGN would encourage the IBGC to provide guidance on a clearer definition of “Independence” for board members. An independent mix of members of a board of directors is a critical component to an effective board:

The board should comprise a sufficient mix of directors with relevant knowledge, *independence*, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making in alignment with the company’s purpose, long-term strategy and relevant stakeholders. (Italics added)¹³

ICGN also suggests the addition that an officer [both a director and an officer] should use the powers conferred upon him or her under the law and within the bylaws to achieve the corporation’s purpose and support the social role of the corporation. With regard to fiduciary duty, an officer, as elected by a group or class of shareholders, should have the same duties toward the corporation as the other officers, and should take on this duties without influence by those who elected him or her.

We would ask the IBGC to consider these provisions.

3.2.1. Selection and qualification of the board members

The requirement to “create an incumbency chart for the formation of the board”, is a useful tool. ICGN would recommend that a “skills set matrix” be referred to as well, and utilized to provide shareholders and investors will a comprehensive review of the skills, education, background, gender and other voluntarily disclosed characteristics of the board members.

We would recommend that the table on the Origins of board members found on page 28 be moved to the beginning of this section. The table has helpful information on the definitions of internal, external and independent board members, and therefore would be a useful guide at the commencement of the section.

¹³ [ICGN Global Governance Principles 2021](#), Principle 3, Composition and appointment, p. 6.

ICGN did not see a mention in this section of the original State-Owned Companies Law. Article 17 of the State-Owned Companies Law establishes requirements and prohibitions for occupying the positions of members of the board of directors, executive management and fiscal council. These requirements raise the qualification required to occupy these positions and mitigate the risk of conflict of interest between the company and the professionals. The State-Owned Companies Law was recognized internationally, being one of the essential pillars for Brazil's accreditation in the Organization for Economic Cooperation and Development (OECD).

The Law also prohibits the appointment of a person who has served, in the previous 36 months as a participant in the decision-making structure of a political party or has performed tasks linked to the organization, structuring and conducting of an election campaign. If there is an effort to dilute the timeframe for appointment from 36 months to 30 days there is the risk of political interference that has a broader impact on the perception of institutional security for doing business in the country. We note that the Companies Law has been an effective development for Brazil's economic development, as the OECD determined.

3.5. Time Availability

ICGN would encourage the IBGC to be clearer on overboarding standards beyond mentioning the need to devote time to these duties. For example, when a CEO serves on two or more company boards, or board members serve on more than four boards, it creates a concern with investors that the CEO and board members cannot put the necessary attention to the work of each company and board.

3. 6. Chair of the board

ICGN agrees that the Chair of the Board should not be the CEO or a member of senior management. If the Chair and CEO roles rest with one person, a lead independent director should be appointed to lead the meetings, the creation of the agenda and insulate the CEO from any discussions on remuneration or potential conflicts in the direction of policy, as set by the Board.

3.10. Interconnected boards

ICGN would ask the IBGC to provide more guidance on “interlocking”, in which board members serve on boards where a member of one company's board of directors also serves on another company's board or within another company's management. In these cases, disclosure of the conflict may not be enough. ICGN would ask the IBGC to provide additional guidance that *encourages more independence by board members* to reinforce independence and limit the use of interlocked board members.

3.15. Meetings of the board of directors

ICGN would suggest that the section refer to the “role of the Chair or Lead Independent Director to set the agenda for the meetings and preside over the meetings” to ensure that all board members are involved in the discussion and decision making.

SECTION 4 EXECUTIVE MANAGEMENT

As ICGN reviewed this section, we noted that there is a significant amount of detail offered on the duties of executive management, the appointment of executives, the evaluation of executive management and compensation.

4.1. Compensation

ICGN agrees that compensation of executive management should be tied to long-term goals that clearly and objectively relate to the generation of long-term value for the organization. Shareholders and investors seek disclosure on the metrics that have been utilized to set compensation, including incentives, additional perquisites, such as pension plans, the awarding of shares and other executive-level rewards that factor into overall quantum.

Regarding executive compensation, the 5th edition recommends that "the annual compensation of officers should be disclosed individually",¹⁴ while the 6th edition says it must be disclosed to the stakeholders according to the law, which we see as a much lower bar. Compensation levels for officers may differ widely and an individual disclosure gives investors a much better view how compensation is awarded and tied to long-term value creation.

ICGN has called for boards of directors to have a formal process, including the review by a board's Remuneration Committee prior to the approval by the full board. The financial and non-financial aspects of compensation should be subject to shareholder review and scrutiny.

We agree that any set compensation policy should not encourage executives to "adopt unsustainable short-term measures or that may harm the organization in the long term". It is also inherent on the board to include a review of long-term incentives to ensure that they remain viable measures and ensure that a claw-back policy is in place to require the return of compensation that was paid out from ill-gotten gains or misfeasance on the part of any executive.

SECTION 5 ADVISORY, CONTROL AND SUPERVISORY BODIES

5.1. Governance Criteria

This section describes the important role of a governance professional to assist the board with duties related to the governance of the organization, including distribution of the agenda and minutes, the registration of votes, and other related responsibilities. In other markets, these duties may be performed by an individual called a Corporate Secretary. We agree that whatever the legal requirements may be, the individual should have direct access to the board of directors. They do not run the company, either as business executives, nor as board members. It is a supporting function.

5.2. Board of directors' advisory bodies

The section provides a significant amount of detail on the role of advisory bodies and committees. While the IBGC said that "committees have no decision powers and their recommendations do not bind the decisions of directors", ICGN believes that independent committees play a vital role in assisting a board discharge its duties.

¹⁴ [IBGC Code](#), Section 3.7(g), p. 76.

As ICGN stated in the GGP, Committees, Section 1.7, the board should:

The board should establish independent committees to deliberate on issues such as audit, executive and non-executive director remuneration and director nomination. Where the board chooses not to establish such committees, the board should disclose this and the procedures it employs to discharge its responsibilities effectively in an independent manner. For many companies, committees may also be relevant for risk oversight, sustainability, and technology. The duties and membership of such committees should be fully disclosed.¹⁵

SECTION 6 CONDUCT

6.1. to 6.5. Code of conduct, Whistleblower, Organizational policies, Related parties' transactions and Use of confidential information.

ICGN appreciates the inclusion of best practices related to a code of conduct, whistleblower provisions, the disclosure of related party transactions and the requirement to refrain from disclosing confidential information.

In conclusion, ICGN thanks the IBGC for the opportunity to comment on this consultation. If you would like to follow up with questions or comments, please contact me, Robert Walker, rwalker@icgn.org or Carol Nolan Drake, carol.nolandrake@icgn.org.

Yours faithfully,



Kerrie Waring

Chief Executive Officer, ICGN

CC: Cristina Ungureanu, Co-Chair, ICGN Global Governance Committee
Eszter Vittorino, Co-Chair, ICGN Global Governance Committee

¹⁵ [ICGN Global Governance Principles 2021](#), Committees, Section 1.7, p. 11.