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International Corporate Governance Network

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European Corporate Governance Institute



CORPORATE GOVERNANCE AND STEWARDSHIP ACADEMIC DAY 2019

**HOSTED BY APG GROUP N.V.
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**REPORT BY
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OVERVIEW

On 11 February 2019 the European Corporate Governance Institute (ECGI) and the International Corporate Governance Network (ICGN) joined forces to present the Academic Day on Corporate Governance and Stewardship at the Amsterdam offices of the Dutch institutional investor APG Group N.V. The basic purpose of the event was educational, consistent with the missions of both ECGI and ICGN. It was a stimulating day of cross-fertilising discussion and debate between practitioners (mainly from the investor community) and academics doing research in governance. The format was structured around four papers relating to corporate governance and stewardship. In each case the papers were presented by an academic scholar as author /co-author, then reviewed from an academic perspective by another academic discussant. The discussion then broadened to include practitioners to bring their institutional perspectives to the debate. This compendium report from the day's proceedings provides a chronicle of the key messages and differing arguments, giving the conference a broader reach beyond those attending on the day.

EXECUTIVE SUMMARY

The conference examined four papers on three primary topics: common ownership, annual general meetings (AGMs) and the agenda on environmental, social and governance (ESG) issues and investor engagement (two papers on this latter issue). The first discussion, addressing the antitrust risks stemming from common ownership, started from empirical evidence that may suggest anticompetitive effects and higher fares in the airline industry as a possible result of common ownership. More specifically, anticompetitive effects are alleged to arise in the form of reduced incentives for companies to compete aggressively, in order not to undermine portfolio profits of their "common owners". At least in theory this creates the possibility of a tripartite trade-off between, diversification, governance and competition. A lively debate ensued, during which strong criticism was advanced on the actual existence of anticompetitive outcomes and the scope of institutional investors' intervention in firms' decision-making. The need for further empirical studies on the issue, in order to better understand the mechanisms at play and to better inform potential policy initiatives, was a fundamental conclusion from the discussion.



The second paper focused on corporate voting and more specifically, on the decision of shareholders that are not legally mandated to vote, of whether to vote. Building on the literature on political voting, the paper shows, both theoretically and empirically, a freerider and an underdog effect in corporate voting, with voters opposing a contentious voting resolution being overrepresented because of the relatively high probability of being pivotal in the decision. Conversely, voters supporting the resolution tend to free ride on other shareholders who are legally mandated to vote. This results in an over-representation of the underdogs in the voting outcome, with a probability of swinging the results (3.7% in the sample used by the authors). The ensuing discussion explored its applicability in the European context of concentrated ownership, and also in light of the new Shareholders Rights Directive.

The second half of the academic day focused on two papers relating to investor engagement on ESG. The first paper studied a large proprietary dataset on ESG engagement. The study concludes that ESG engagement positively impacts on the financial performance of the target corporation. It then seeks the determinants of the engagement and its success, finding that activists are more likely to engage with high profile companies with a higher than average market share. The likelihood of a successful engagement correlates with the ESG scores of target corporations, showing a higher probability of success for ex-ante high scores of the target. The study finds little impact on real performances of the targeted corporations, with the notable exceptions of the increase on sales, while target corporations usually increase their ESG scores after the engagement.

The second ESG themed paper focused on the ESG engagement of the signatories to the Principles for Responsible Investment (PRI) supported by the United Nations. It examines the coordination of engagements on ESG projects across international investor networks. Results show that in many cases a two-tier engagement strategy, combining influential local lead investors and supporting international investors, increases project success and improves both the financial and accounting performance of the target firms.

CONFERENCE SESSIONS

Following the welcome address by Claudia Kruse on behalf of APG, which hosted the conference at its Amsterdam premises, George Dallas, ICGN Policy Director, spoke of ICGN's history of hosting practitioner-academic conferences and the core purpose to cross-fertilise between these communities and build mutual understanding through shared discussion of governance related issues and research. He also expressed thanks to ECGI for co-partnering with ICGN, noting the strong convening power that both institutions bring to governance academics and professionals. Prof. Marco Becht (Solvay Brussels School, ECGI and CEPR) then introduced the conference themes: 1) common ownership, specifically in relation to antitrust; 2) annual general meetings (AGMs), and the endogeneity of participation; and 3) investor engagement on ESG issues.

Why Common Ownership Creates Antitrust Risks

The first presentation was delivered by Martin Schmalz (Saïd Business School, Oxford and ECGI) on his paper “Anti-Competitive Effects of Common Ownership”, co-authored with José Azar and Isabel Tecu. The paper contributes to the latest empirical literature focusing on the potential anticompetitive effects of common ownership. The premise for the study is that Adam Smith’s textbook model of self-interested competition assumes that the owner’s wealth is concentrated in one firm. However, market share competition can reduce portfolio profits for a common owner of competitors. Thus, the theoretical prediction is that firms might compete less aggressively when there are common owners, compared to a situation in which separate sets of investors own competitors. This may create antitrust risks in the form of an absence of external shareholder incentives to compete, rather than increased incentives to collude. On this point, Schmalz argues that overwhelming empirical evidence would be needed showing that anticompetitive incentives stemming from common ownership never cause anticompetitive outcomes, in order to reject such a prediction. Such evidence doesn’t exist.

To the contrary, in the paper, the authors study the U.S. airline industry and measure market concentration arising from common ownership using a modified version of the Herfindhal-Hirschman Index (“MHHI”), which depends not only on market shares but also on the extent to which the same investors hold stakes in all firms in the industry. Additionally, they test whether market concentration from common ownership has measurable effects on competition, by correlating route level variation over time in the MHHI-HHI gap with variation in airfares on the same routes. What emerges from the analysis rejects the standard theory of textbook-competition, and thus suggests anti-competitive effects and higher airfares due to common ownership.

Turning to consider what potential remedies could be devised, Schmalz clarified he didn’t advocate for any particular proposal, or for any proposal, but also not for complacency. He noted that it would be undesirable to take away voting rights and control from most large investors. At the same time, even if funds could not diversify across competitors, households could still diversify across funds. Therefore, if regulators were to decide to do something about the problem, removing anticompetitive incentives from investors with voting rights seems a more promising route than removing voting rights of investors with anticompetitive incentives.

He argued that it is time for regulators to develop an unbiased understanding of the problem, noting that common ownership could affect the financial choices of firms. He also noted that, despite the reduced incentives to compete on market share, there could be increased procompetitive incentives to innovate for the benefit of the industry, which might even overpower anticompetitive ones. Therefore, welfare effects are theoretically unclear.

In his discussion of the paper, Vikrant Vig (London Business School and ECGI) observed that the simultaneous ownership of equity of competing firms by the same investor provides the diversification that helps investors achieve their long-term investments goals. This observation shifts the focus to considering whether the shareholder value to maximize is for individual firms or – where common ownership exists– whether the focus is on the investor’s portfolio as a whole. It raises the issue of the magnitude of anticompetitive incentives produced by common ownership. In Vig’s view, the paper might have overstated the causality between the variables, but the association between common ownership and the effects described is undeniable.



Lastly, he argued that more studies are still needed on this issue, since evidence is at best mixed at the current stage. As such, common ownership in itself may not be a problem today, but it might become one in the future. Still, Vig acknowledged that he finds it disturbing to drive the policy discussion towards knee-jerk policy proposals. This view was shared during the ensuing panel discussion, in which consensus was expressed on the fact that more caution should be put on devising regulations, if there is no clear market failure to observe.

The empirical findings of the paper sparked a lively debate during the conference. More specifically, Paul Lee (ICGN) took a very critical stance towards the paper, observing that he perceives it as advancing more of a political argument than an effort to seek the truth. He expressed the concern that a dangerous rush to policy seems to be underway, based on the perception that investors exert too much influence or power. He emphasised what he perceived to be the key issue of economic rationality, noting that over the period of the study virtually the whole of the US airline industry had been through insolvency, so that it was no surprise that there were changes in pricing over the period from what must have been pricing levels that did not cover costs and the cost of capital. If the allegation that the airline industry is making excess profits is true, we should expect to see the entrance of new competitors in the market. Market share is not in practice a zero sum game if incumbent companies exploit consumers. Yet, since this is not the case, Lee drew the conclusion that no anticompetitive effects have materialized in practice.

Marceline Tournier (Nestlé) instead questioned the idea that the motivation of companies to compete depended in any way on the interests of institutional investors, arguing that the desire to win market share is the principal natural motivation of any company. She also stressed that institutional investors are not motivated to discuss pricing strategies with companies, but rather concentrate on high-level corporate governance issues, long-term strategies and financial results. Tournier also emphasized the positive impact of exchanges between institutional investors and companies, in particular positive outcomes for governance, sustainability and contribution to society. For this reason, she expressed the worry that mere theories on the nature of dialogue between institutional shareholders could lead to false assumptions, thereby endangering these positive aspects.

In his reply, Schmalz emphasized the need to more extensively engage on these empirical questions, in order to try and better understand such an effect factually, rather than shutting down the debate. Then, he made the point that causation comes from theory, not from the empirics of the paper, which are meant to test and reject theoretical hypotheses. On this point, attention was drawn to the fact that the data and codes used for the empirical analysis have been made available by the authors. Marco Becht confirmed this as a good practice, as it enables the replicability of the study and makes the thesis properly testable.

Overall, the discussion brought out quite markedly a potential tension between diversification, good governance and competition between firms having the same shareholders. The investor perspective called for a greater 'reality check', particularly given that there is no evidence of mechanisms in professional practice that lead to the types of potential threats to competition posited in Schmalz' paper. There seemed to be a general consensus to further engage in empirical studies on the issue, particularly before contemplating potential punitive measures that, in extremis, could threaten investors' ability to diversify or conduct stewardship through voting and engagement.





The Future of Shareholder Meetings: Participation in Corporate Voting

After the vibrant discussion on common ownership, the Academic Day programme continued with the discussion of a traditional, as well as topical, issue in Corporate Governance-- corporate voting participation-- by putting the spotlight on the future of Annual General Meetings (AGMs) of Shareholders on both sides of the Atlantic.

The session started with the presentation by Moqi Xu (London School of Economics) of a theoretical and empirical paper on voting participation in which Xu and coauthors model corporate voting, while drawing from the political voting literature. The model aims to explain when and why shareholders decide to vote and whether the results mirror the preferences of the shareholder population. As in the political voting literature, the probability of being pivotal in the decision is the primary factor in deciding whether to vote. However, unlike political voting, a central feature of the corporation is the heterogeneity in the composition of the population, so the model distinguishes between regular and discretionary voters. Regular voters always vote because, for instance, they are mandated by law to do so (for example, mutual funds in the US); whereas the voting decision of discretionary voters is based on a cost-benefit analysis that accounts for the cost of voting and the probability of being pivotal.

The model predicts two main effects: (1) high homogeneity of shareholders' preferences yield a low participation rate since discretionary voters free-ride on regular voters; (2) contentious decisions with a high level of disagreement yield a high participation rate of discretionary voters opposing the majority (underdogs) since their probability of being pivotal in the decision is relatively high.

This generates a misalignment between the population's preference and the voting outcome, with the underdogs being overrepresented in contentious decisions, having the possibility to swing the results in their favour. From the design of the model, the magnitude of the underdog effect is a function of the cost of voting and the probability of a swing in the voting results is higher for intermediate levels of cost.

The theoretical predictions are empirically tested using a large dataset for US Corporation AGMs with data spanning from 2003 to 2013 made up of 8,568 meetings with 18,520 non-standard proposals. The analysis shows that there is a 3.7% probability of a swing in voting results, which is consistent with the prediction of the model given that the cost of voting in the US is relatively low.

Given such an interesting result in a US-based sample, Christoph Van Der Elst (University of Ghent and Tilburg, ECGI) wondered whether the model and empirical testing could be adapted to European corporations where ownership is often concentrated and controlling shareholders are to be considered as regular voters. In particular, he pointed to a specific scenario in which an adapted version of the model could shed light on European voting issues, such as votes where the controlling shareholder must abstain because of a conflict of interest or in the cases where a "majority of the minority" vote is required.

In his comments, Christian Strenger (HHL - Center for Corporate Governance) underlined the fact that the sample period considered in the study covers the pre-stewardship codes era, so that the situation could have changed in the meantime. He also stressed that the new regulatory environment leaves increasingly less discretion for institutional asset managers, given the comprehensive legal mandates to vote embedded in the new Shareholder Rights Directive (SRD II). In answering, Xu underlined that somehow, the new regulatory environment could move toward the validation of the model, since one of the findings is that institutional investors, especially US mutual funds, mirrored quite closely the preferences of the shareholder population.

The analysis also highlighted that both the type and the sponsor of the proposal matter for the participation rate and the shareholder's engagement, anticipating one of the crucial features discussed in the afternoon sessions. Stressing the importance of the sponsor of AGM proposals, Niels Lemmers (Dutch Association of Private Investors) discussed how the vote is the final outcome of a long engagement process that might influence both the free-ride and the underdog effect highlighted by Xu. As moderator, George Dallas noted that minority investors, both retail and institutional, use votes to "signal" their concerns to investee companies, even if they know it may not affect the ultimate outcome, and observed that the UK Corporate Governance Code requires companies to take certain actions if the threshold of shareholders voting against companies exceeds 20%. Initiatives of this nature to empower the voice of minority shareholders may also provide new incentives for voting participation.

The final part of the session was devoted to discussing possible future developments for AGMs. Several interventions highlighted the importance to develop a "hybrid" model of shareholders meeting, where physical and remote participation are both possible during the AGM but direct engagement is only possible for shareholders that are physically present at the meeting. Some doubts were also expressed towards the application of the blockchain technology in AGMs, a forward-looking issue on which more research is needed.



ESG and Corporate Governance

In the afternoon, the conference focused on investor activism, ESG issues and their impact on corporate governance. The discussion began with the observation of the increasing amount of assets under the management of "sustainable investors" and encompassed the presentation of two papers on ESG activism. The first paper, by Tamas Barko (University of Mannheim) and coauthors, scrutinized the determinants and the effects of ESG engagement using a proprietary dataset. The second paper, by Elroy Dimson (University of Cambridge) discussed the importance of investor coordination for effective ESG engagement. Subsequently, a panel discussion with practitioners and academics discussed the topic of ESG engagement.

Shareholder Engagement on Environmental, Social and Governance Performance

The session began with the presentation of a paper by Tamas Barko (University of Mannheim) and co-authors about the determinants and the results of ESG activism carried out by socially responsible investors. In a broader sense, the research tries to shed light on the functioning of “behind the door” engagement.

The study is based on a proprietary dataset that includes over 800 cases of engagements involving 660 different companies. Crucially, the study embeds the ESG scores of targeted companies provided by an independent rating organization, as opposed to similar previous research, thus providing more solid and unbiased foundations to the empirical findings. The empirical analysis is carried out through matching targeted companies with non-targeted comparable ones.

After discussing the general framework, the data set and the methodology of the study, Barko discussed the key areas of the paper: 1) the impact of engagement on financial performance; 2) the characteristics that make companies more likely to be targeted by the activist; 3) the determinants of a successful engagement and; 4) the impact of the engagement on the performance of the targeted companies.

As for financial performance, the analysis concluded that ESG engagement makes financial sense in the long run. During the period of engagement the return of targeted companies was higher than the control group, but this was not statistically significant. Rather, during a 6-month window after the engagement has successfully been concluded, the successfully engaged companies yield a 5.5% additional return compared to unsuccessful engagements. Moreover, the extra returns are higher for targeted companies that were in the lowest ESG rating quartile before the engagement.

Subsequently, Barko explored the characteristics of the companies that are more likely to be engaged, showing that the activist is more likely to engage in high profile cases. In fact, relative to the matched sample, targeted companies have higher stock market performance, higher market share and are covered by more analysts. Moreover, firms with high ESG performance are more likely to be targeted, which can be explained by their higher level of receptiveness to ESG-related issues.

Next, Barko suggested that the probability of success of the engagement increases for targeted companies that were previously engaged and that have good ESG performance before the engagement, highlighting the importance of the willingness of the target to be engaged, as pointed out by Anjana Rajamani (Erasmus University Rotterdam). On this basis, Rajamani challenged the possibility to interpret the causality of results, arguing that the behaviour of the targets is endogenous once the activist put the targeted company in the spotlight, solving a potential problem of “investor inattention”. Moreover, the analysis shows, unsurprisingly, that if the activist asks for extreme corporate restructuring, the probability of success is lower than lighter engagements asking for transparency.

Finally, Barko discussed the real effect of the engagement on the performance of the targeted companies. The empirical analysis shows no results on accounting performance but for sales, the level is increased by successful engagements as compared to non-successful ones. In this respect, Rajamani compliments the authors for the analysis and pushes them to dig further, looking at the ultimate customer (retail or wholesale) of the targeted company. Costanza Consolandi (University of Siena) encouraged the authors to look for material factors of ESG (i.e.: what drives performance without enhancing operating performance).

After the engagement, the ESG score of targets were in the lowest quartile of ESG performance increases, independently of the success of the engagement. However, targets that had a high ESG score experienced the opposite effect, with a reduction in their ESG score. This might happen because the market and ESG analysts incorporate information about ESG vulnerabilities of the targets that were unknown before the engagement. Rajamani highlighted that categorizing an engagement as successful or unsuccessful might be problematic. In fact, the authors use the classification provided by the activist, whereas even engagements that are “unsuccessful” for the activist might be a success for the market at large. Indeed, for instance, the analysis noted that the market does not punish unsuccessful engagements in corporate restructuring.



Coordinated engagements

The session continued with a presentation by Elroy Dimson (Cambridge and ECGI) on his co-authored paper, which explores coordinated investor engagements on increasingly topical ESG issues. The authors examine coordinated engagements by investment organizations on principles of corporate social responsibility (CSR), focusing on engagement strategies, success rates and financial outcomes of institutional investors who have coordinated their engagements. To this end, they analyze observational data from the Collaboration Platform by the Principles for Responsible Investment (PRI) supported by the United Nations, which facilitates shareholder coordination. PRI is a global network for investors committed to responsible investment and long-term, sustainable returns.

The dataset includes 31 PRI coordinated engagement projects, involving numerous targets, commencing between 2007 and 2015. Looking at international networks of long-term shareholders cooperating to influence firms on (environmental and social) E&S issues, they find a 42% project success rate (measured in terms of improvement in ESG scoring) and that the median lead investor ownership in the target firm is 1.5 million dollars (US), while the size of investment by the lead investor is not crucial, since modest group investments can also achieve success. On this point, Torsten Jochem (University of Amsterdam) noted how there appear to be very profitable investments being conducted at low cost.

Results show that target firms tend to be reputation-concerned and customer-focused. Regarding the decisions to engage, they are seemingly characterized by a home bias, which is justified by a lower cost of engagement, especially when the lead’s capability as E&S activist is higher. Crucially, leadership elevates project success rates and improves financial and accounting performance of the target firm. More specifically, the presence of a lead investor, particularly if local, as well as the involvement of foreign supporting investors and the presence of an influential investor coalition emerge as success determinants. In turn, success also has a number of effects, among which are the higher average profitability (Returns on Assets) and sales growth of the target, together with higher levels of pension fund holdings and higher lead-activist shareholding. In many cases, a “two-tier engagement strategy” arises in which lead investors conduct the dialogue and supporting investors collaborate with the former.

Jochem noted that the findings of the paper would suggest that asset managers from non-western countries should benefit from the PRI platform for coordination. The findings suggest that interventions are value-increasing, and more successful if the lead investor is domestic and large supporting investors are involved. Yet, the reality looks different, since a large proportion of participants are western and targets are most commonly based in the United States, United Kingdom, France and Japan. A potential explanation for such an effect is that ESG issues may not be a primary concern elsewhere.

Jochem also expressed his concerns about the potentially limited generalizability of the results since coordination may only occur when private negotiations fail; some large investors are notably absent in the database; and the targets are mostly western, with above average ESG ratings ex-ante.

As for the targets, since data show they are characterized by ex-ante worse performance and more institutional ownership, Jochem warned that there might be a risk that the firms more likely to recover are the ones picked as targets, or that targets are more likely to acquiesce on projects if they are more likely to recover. In this sense, performance improvement could maybe just represent a regression to the mean. Lastly, he suggests that surveys or interviews could be used to gain additional insights on project engagement and thus strengthen the study overall.

Panel Discussion on ESG and Corporate Governance

The last part of the Academic Day was a panel discussion on ESG and Corporate Governance, building on the previous presentations and including both practitioners and academic discussants: Carola van Lamoen (Robeco); Wim Bartels (Corporate Reporting Dialogue); Eszter Vitorino (Global Reporting Initiative); Costanza Consolandi (University of Siena). The discussion was moderated by George Dallas (ICGN) and Marco Becht (ECGI).

Commenting on previous presentations, Van Lamoen underlined the crucial role of academic research, such as the studies by Barko and Dimson, in highlighting the results of ESG engagement. Reflecting on the recent history of active ownership, she highlighted the difference between early comers and those who began to engage much later. In Europe active ownership was adopted earlier by investors than for example in Asia; European asset managers started engaging many years ago and Asian investors have more recently started to look at this. On the coordination side, she agreed that collaboration with a clear and active lead member is often the best way to ensure successful engagements. Nonetheless, some big passive investors are engaging as well, but usually on their own. As for her personal experience in Robeco, she noted that the Active Ownership team works in close cooperation with the portfolio management teams and directly reports to the CIO. Such a position within the organization represents, in her opinion, the best way to effectively impact investment decisions.

Bartels's reflections returned to what is often the starting point of ESG engagement: corporate reporting. He stressed the importance of providing investors with comparable information so that it can be used fruitfully. He noted that there still is considerable room for improvement on the comparability and consistency of corporate disclosure. Moreover, he stressed the crucial importance of enhancing the accuracy and comparability of non-financial information in many cases representing pre-financial information. From this perspective, there is a necessity to improve the comparability of non-financial disclosure and, especially, to link such information to the long-term impact of investments.

The importance of consistency of corporate reporting was also highlighted by Vitorino, who clearly stated that investors and investees need to speak the same language, and nowadays that is not always the case. Indeed, the link between corporate reporting and ESG engagement is

clear and the more accurate and comparable disclosure will be, the easier it will be for investors to seek opportunities of long-term value creation through ESG engagement. On the other side, Vitorino brought attention to the problem of “greenwashing”, i.e.: the tendency of investors that are not really focused on ESG engagement to jump on the wagon of sustainable and active investment, signing up to the PRI commitment without acting accordingly. In this respect, she welcomed the new tendency of PRI to screen its signatories and exclude the ones that do not act in accordance with the its Principles, as this increases the credibility of the responsible investment movement.

Finally, Consolandi broadened the scope of the discussion linking ESG activism with the Sustainable Development Goals (SDGs) developed by the United Nations to increase our understanding of the “materiality” of ESG engagement. According to her recent research, SDGs provide a useful, though imperfect, framework to assess the real impact of ESG engagement and activities beyond financial performance. In this perspective, SDGs and ESG engagement are closely linked and can help investors understand the systemic risks associated with their activities and embed those risks in their risk assessments in a more precise and consistent manner.



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Agenda and speakers

09:45 – 10:00 Welcome Remarks

Claudia Kruse, Managing Director Global Responsible Investment & Governance, APG Asset Management
George Dallas, Policy Director, ICGN
Marco Becht, Executive Director, European Corporate Governance Institute (ECGI)

10:00 – 11:15 **Common Ownership**

Why Common Ownership Creates Antitrust Risks
Presenter: Martin Schmalz, Said Business School, Oxford and ECGI

Academic discussant: Vikrant Vig, London Business School and ECGI
Practitioner discussant: Marceline Tournier, Nestlé
Investor discussant: Paul Lee, ICGN

11:30 – 12:45 **The Future of Shareholder Meetings: Participation in Corporate Voting**

Free-Riders and Underdogs: Participation in Corporate Voting
Presenter: Moqi Xu, London School of Economics

Academic discussant: Christoph Van der Elst, University of Tilburg, Ghent University and ECGI
Practitioner discussant: Christian Strenger, HHL - Center for Corporate Governance
Investor discussant: Niels Lemmers, Dutch Association of Private Investors

14:00 – 17:00 **ESG and Corporate Governance**

Shareholder Engagement on Environmental, Social, and Governance Performance
Presenter: Tamas Barko, Mannheim University
Academic discussant: Anjana Rajamani, Rotterdam School of Management, Erasmus University Rotterdam

Coordinated Engagements
Presenter: Elroy Dimson, University of Cambridge and ECGI

Academic discussant: Torsten Jochem, University of Amsterdam

Panel Discussion
Wim Bartels, Corporate Reporting Dialogue
Carola van Lamoën, Robeco
Costanza Consolandi, University of Siena
Eszter Vitorino, The Global Reporting Initiative

Concluding remarks

About the European Corporate Governance Institute (ECGI)

www.ecgi.global

The ECGI is an international scientific non-profit association which provides a forum for debate and dialogue focusing on major corporate governance issues and thereby promoting best practice. It is the home for all those with an interest in corporate governance offering membership categories for academics, practitioners, patrons and institutions.

Its primary role is to undertake, commission and disseminate research on corporate governance. Based upon impartial and objective research and the collective knowledge and wisdom of its members, it can advise on the formulation of corporate governance policy and development of best practice. In seeking to achieve the aim of improving corporate governance, ECGI acts as a focal point for academics working on corporate governance in Europe and elsewhere, encouraging the interaction between the different disciplines, such as economics, law, finance and management.

About ICGN

www.icgn.org

Established in 1995 as an investor-led organisation, ICGN's mission is to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies world-wide. Our policy positions are guided by the ICGN Global Governance Principles and Global Stewardship Principles, which are implemented by: Influencing policy by providing a reliable source of investor opinion on governance and stewardship; Connecting peers at global events to enhance dialogue between companies and investors around long term value creation; and Informing dialogue through education to enhance the professionalism of governance and stewardship practices.

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