Stakeholder Consultation and Practice Group Meeting on Codes, Standards, and Transparency and Disclosure

A Governance Framework for Sustainability in Emerging Markets

Agenda

June 20–21, 2017

Sofitel Stephansdom Hotel, Vienna, Austria

With the support of:
**Background**

Disclosure of reliable, timely information that is readily accessible contributes to liquid and efficient markets by enabling investors to make investment decisions based on all the information that would be material to their decisions.

Best-in-class disclosure and transparency can mitigate some inherent risk of investing in emerging and frontier markets, including weaker public institutions and governance, heightened social and environmental risk, and smaller companies with controlling shareholders.

For 60 years IFC has incubated businesses in emerging markets, creating vehicles for private sector economic development as a standard setter and a promoter of good international practice.

The purpose of this high-level meeting—to be held at the Sofitel Stephansdom Hotel in Vienna, Austria, June 20–21, 2017—is to assist IFC in leading the debate on key developments in environment, social, and governance (ESG) integration in emerging markets, governance of environment and social issues, and transparency and disclosure.

The event will take place over two days:

- Day 1 (June 20) will cover the practicality of ESG integration in investment decisions, corporate governance frameworks such as codes, ESG reporting, and measurement of risks and impacts.
- Day 2 (June 21) will focus on company reporting, based on the draft IFC Toolkit on Transparency and Disclosure.

The meeting provides a unique opportunity for participants to meet peers from around the world and learn from them directly. It will also offer an opportunity to provide direct feedback to IFC’s approach to governance of environmental and social issues in emerging markets, to work with codes and standards, and to have input into the forthcoming IFC Toolkit on Transparency and Disclosure.

Participants in the stakeholder consultation will comprise more than 50 representatives of key reporting frameworks, standard setters and development finance institutions (OECD, UN PRI, GRI, IIRC, UNCTAD/UN SSE, CDC, TCFD, and IFC), investors, asset managers, representatives from institutes of directors and corporate governance associations, stock exchanges and regulators, subject-matter experts in the field, and members of the IFC Corporate Governance Private Sector Advisory Group.

This stakeholder consultation and Practice Group meeting builds on the work of the IFC Practice Group on Corporate Governance Codes, Standards, and Transparency and Disclosure, an informal community of worldwide experts on corporate governance codes and scorecards and nonfinancial reporting.
Meeting Strategy

*The first day of the meeting* is designed to elicit a discussion on ESG integration in investment decisions, corporate governance frameworks such as codes, and ESG reporting and measurement of risks and impacts. Each session has up to five speakers, each of whom will have 10 minutes to provide the context, followed by group discussion.

*The role of the speakers* is to trigger discussion on the topics. All participants will have an opportunity to share their views and are encouraged to take an active role in the discussions, even if their names don’t appear formally on the agenda.

*Written contributions should be provided.* All participants should contribute 2–3 pages of written text summarizing the messages and updates on the topics that they would like to deliver. These may draw on current or past work. The use of PowerPoint presentations is not recommended. All material provided by the speakers will be printed and distributed to participants at the meeting. Participants whose names do not appear on the formal agenda are invited to choose a topic that they feel they can best contribute to, and they too should provide materials to be distributed.

*The role of the moderator*, beyond keeping to the schedule, is to help the group discussion stay focused on the issues and questions outlined in the agenda, to drive the meeting toward clear conclusions, and to synthesize the ideas brought out during discussion.

This agenda includes topics to guide the discussion, but participants should not feel constrained by them. In fact, participants are encouraged to raise additional issues that may need to be addressed to support a better understanding of the main topic.

*The second day* will focus on key topics in corporate reporting—Strategy and Sustainability, Corporate Governance, and Performance—based on the IFC Transparency and Disclosure Toolkit. The toolkit aims to guide companies in how to prepare comprehensive annual reports.

All participants will receive a draft of the toolkit in advance and will be invited to join one of the breakout panels on Strategy, Governance, or Performance.

**Participants are requested to read in advance the corresponding chapter of the toolkit (Strategy, Governance, or Performance),** which will be used as a basis of the discussions. Each working group will have a moderator and two discussants to set the tone of the discussions. The working groups will report back in the plenary, and the outcomes will be used to develop governance framework for sustainability in emerging markets.

Based on the feedback provided during the meeting, the toolkit will be finalized and disseminated to participants by September 2017.
## Daily Schedule

### June 19 (Monday): 18:30 – 20:30 Welcome Cocktail
Das Loft Bar & Lounge  
Sofitel Stephansdom Hotel, Vienna, Austria

### Day 1: June 20 (Tuesday)

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<tr>
<th>Time</th>
<th>Session</th>
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<tr>
<td>08:30 – 09:00</td>
<td>REGISTRATION AND COFFEE</td>
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<tr>
<td>09:00 – 09:20</td>
<td>Welcoming Remarks and Purpose of the Meeting</td>
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<tr>
<td></td>
<td><strong>Miguel Marques</strong>, Senior Advisor, Ministry of Finance, Luxembourg</td>
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<td><strong>Andrei Busuioc</strong>, Senior Financial Management Specialist, World Bank Centre for Financial Reporting Reform, Austria</td>
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<td><strong>Ralitza Germanova</strong>, Corporate Governance Officer, IFC Corporate Governance Group, United States</td>
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<tr>
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<td>• What is the purpose of the meeting?</td>
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<td>• What are the expected outcomes?</td>
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<td>• How is the meeting organized?</td>
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<tr>
<td>09:20 – 09:40</td>
<td>The Governance of E&amp;S: Presentation of the IFC Environmental, Social, and Governance Matrix</td>
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<td><strong>Charles T. Canfield</strong>, Principal Corporate Governance Officer, IFC Corporate Governance Group, United States</td>
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<td>09:40 – 11:00</td>
<td>The Investors’ Perspective</td>
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<td><strong>Meeting the Needs of Today’s Investors: The next wave of ESG Integration and Governance Oversight</strong></td>
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<td>Within the investment community there has been a shift toward screening for ESG risks and performance. ESG is perceived as a framework for managing risks and achieving long-term returns. This session will discuss recent trends in encouraging investors to integrate ESG factors into investment decisions and measuring impact.</td>
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<td>The session will be a panel discussion. Each discussant will have 10 minutes to set the stage, followed by an open discussion and Q&amp;A. The moderator will guide the discussants through the questions and key issues and will field questions from the participants.</td>
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<tr>
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<td><strong>Speakers:</strong></td>
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<tr>
<td></td>
<td>• <strong>David Shammai</strong>, Senior Corporate Governance Specialist, APG, Netherlands</td>
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<td></td>
<td>• <strong>Jean-Baptiste Morel</strong>, Senior Analyst for Financial Institutions, Amundi, France</td>
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<td>• <strong>Jaime Gornsztajn</strong>, Responsible for corporate engagements in Latin America and Russia, Hermes Investment Management, United Kingdom</td>
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Stakeholder Consultation and Practice Group Meeting on Codes, Standards, and Transparency and Disclosure:
A Governance Framework for Sustainability in Emerging Markets

- **Mark Eckstein**, Director Environmental and Social Responsibility, CDC, United Kingdom
- **George Dallas**, Policy Director, International Corporate Governance Network, United Kingdom

**Moderator:**

**James Christopher Razook**, Corporate Governance Lead, IFC-World Bank Group, Hong Kong SAR, China

**Issues for discussion:**

- Integrating long-term, business risks and opportunities and environmental and social factors into investment analysis—lessons learned and recommendations. How is it done in practice?
- Do current valuation models allow environmental, social, and governance factors to fit in, and if not, how can they change? Investments across different asset classes.
- What does an attractive long-term company look like from an investor’s perspective? Selection criteria: recommendations and challenges.
- Measuring impact: What kinds of metrics and tools can be used for measurement and reporting of impact across asset classes? How to measure the portfolio performance? Passive versus active portfolio management: challenges and recommendations.
- How are investors engaging with companies for value creation? The role of disclosure?
- How are investors using stewardship, alliances, and relevant shareholder mechanisms to protect their rights?
- What are the hot corporate governance issues for 2017/18?
- Are investors interested in long-term sustainable investments in emerging markets? What is need to bring them to emerging markets?

**11:00 – 11:20**

**COFFEE BREAK**

**11:20 – 13:00**

**Perspectives of the Stock Exchanges and Regulators**

**ESG Integration into Regulatory Frameworks**

Panel discussion of practical examples of sustainable regulatory frameworks (codes, listing rules, sustainability guidelines) by regulators, stock exchanges, and directors-training organizations: recent trends, challenges, and recommendations.

Each discussant will have 10 minutes to set the stage, followed by an open discussion and Q&A. The moderator will guide the discussants through the questions and key issues and will field questions from the participants.

**Speakers:**

- **Paul Muthaura**, CEO, Capital Market Authority, Kenya
- **Marco Antonio Zaldivar**, Chairman, Lima Stock Exchange, Peru
- **Michael Tang**, Vice President, Head, Listing Policy & Product Admission, Regulation, Singapore Stock Exchange, Singapore
Stakeholder Consultation and Practice Group Meeting on Codes, Standards, and Transparency and Disclosure:
A Governance Framework for Sustainability in Emerging Markets

Rosario Carmela Austria, Assistant Director, Corporate Governance Division, Securities and Exchange Commission, Philippines
Hebatallah El Serafi, Head of Disclosure, The Egyptian Exchange, Egypt
Swapan Kumar Bala, FCMA, Commissioner, Bangladesh Securities and Exchange Commission, Bangladesh

Moderator:
Ansie Ramalho, Senior Consultant IFC, King IV Project Lead at Institute of Directors in Southern Africa

Issues for discussion:
• Moving markets: The role of regulators and stock exchanges—lessons learned, barriers, and recommendations.
• Global trends in sustainability-reporting regulation and policy. What are the best platforms for stock exchanges and regulators to address sustainability?
• How have corporate governance codes evolved over recent years? How are environmental and social considerations integrated into codes and reporting guidelines?
• Model ESG Code: Good or bad idea?
• How to efficiently enforce and monitor the implementation of corporate governance code? Are corporate governance codes effective?
• Other tools: sustainability indexes, corporate governance scorecards.
• Measuring impact.

13:00 – 14:00 LUNCH

14:00 – 15:30 Perspective of Reporting Frameworks Providers and Standard Setters
Beyond the Balance Sheet: Key Developments and Trends in ESG Reporting Frameworks, Guidelines, and Standards

Transparent public reporting on material environmental, social, and governance risks, opportunities, and performance is now a common practice within, and often an expectation of, companies across all sectors. ESG reporting involves multiple players with different roles. ESG standard setters and framework providers create structure and guidelines for reporting on ESG. This session will explore the key developments and trends in reporting standards and guidelines.

Speakers:
• Valeria Piani, Associate Director, ESG Engagements, UN PRI, United Kingdom
• Pietro Bertazzi, Director, Policy and Global Affairs, Global Reporting initiative (GRI), Netherlands
• Tiffany Grabski, Senior Project Manager for the Sustainable Stock Exchanges (SSE) initiative, UNCTAD, Switzerland
• Cristina Tébar Less, Head, Responsible Business Conduct (RBC) Unit, Investment Division, Directorate for Financial and Enterprise Affairs, OECD, France
Stakeholder Consultation and Practice Group Meeting on Codes, Standards, and Transparency and Disclosure:
A Governance Framework for Sustainability in Emerging Markets

- **Willem Bartels**, Partner & Global Head of Sustainability Reporting and Assurance, KPMG, Netherlands, TCFD member

**Moderator:**
Anne Molyneux, CEO, CSI, Switzerland

**Issues for discussion:**
- Responsible investments: Challenges, opportunities, and current priorities
- ESG integration: Recent developments in reporting frameworks
- Sustainability reporting: Harmonizing sustainability frameworks and standards
- Measuring impact
- Will simpler also be better?
- UN Sustainable Development Goals
- Climate change and investments: Climate-related financial disclosure
- Assurance of sustainability reports
- ESG reporting for emerging markets: Connecting the dots

15:30 – 15:50 COFFEE BREAK

15:50 – 17:30 **Dialogue for Reporting: Companies, Regulators, and Investors**

The market calls for greater coherence, consistency, and comparability between corporate reporting frameworks, standards, and related requirements. This session discusses how to better engage companies, regulators, and investors to enhance disclosure, especially in emerging markets.

**Speakers:**
- **Neil Puddicombe**, Associate General Counsel and Director of Subsidiary Governance (Canada and International), BMO, Canada
- **Ann Marie Jourdan**, Chief Legal Officer and Public Relations, Head of Corporate Governance, Fonds de réserve pour les retraites, France
- **Joseph Kania**, Group Company Secretary, KCB Group, Kenya
- **Patricio Rojas Sharovsky**, Chief Financial Officer, Bolsa de Santiago, Chile
- **Peter Montagnon**, Associate Director, Institute of Business Ethics, United Kingdom; IFC Corporate Governance Private Sector Advisory Group

**Moderator:**
Ian Mackintosh, Chair, Financial Reporting Advisory Board, U.K. Treasury and Chair, Corporate Reporting Dialogue, IIRC, United Kingdom

**Issues for discussion:**
- Disclosure and transparency: Looking forward—the role of investors, regulators, stock exchanges, and companies and banks—lessons learned, barriers, and recommendations
Stakeholder Consultation and Practice Group Meeting on Codes, Standards, and Transparency and Disclosure: A Governance Framework for Sustainability in Emerging Markets

• The corporate perspective: Sustainability reporting, board leadership, sustainability, and risk management
• Dialogue for materiality information and assurance of sustainability data
• Harmonizing sustainability frameworks and standards
• The future of corporate reporting

17:30 – 17:40 Wrap-Up of Day 1
Charles T. Canfield, Principal Corporate Governance Officer, IFC Corporate Governance Group, United States
Ralitza Germanova, Corporate Governance Officer, IFC Corporate Governance Group, United States

19:15 – 22:00 Cocktails/Dinner
Venue: Palmenhaus Restaurant
Burggarten 1, Vienna 1010, Austria

Day 2: June 21 (Wednesday)

08:30 – 09:00 COFFEE

09:00 – 09:20 Beyond the Balance Sheet: IFC Toolkit on Transparency and Disclosure
Why IFC started preparing this “toolkit,” and what we hope to achieve.
Ralitza Germanova, Corporate Governance Officer, IFC Corporate Governance Group, United States

09:20 – 11:20 Breakout Panels
Participants are asked to choose one of the breakout panels on Strategic, Governance, or Performance reporting. Participants will need to read in advance the corresponding chapter of the IFC Transparency and Disclosure Toolkit (Strategy, Governance, or Performance), which will be used as a basis of the discussions. Each working group will have a moderator and two or three discussants to set the tone of the discussions. The working groups will report back in the plenary, and the outcomes will be used to develop a governance framework for sustainability in emerging markets.

Group 1: Strategy and Sustainability Reporting
Facilitators: Vladislava Ryabota, Regional Corporate Governance Lead, IFC - South Asia, India
Atiyah Curmally, Principal Environmental Specialist, IFC, United States

Discussants:
• Susan Blesener, Principal, The Art of Value
## Group 2: Governance Reporting

**Facilitator:** Anne Molyneux, CEO, CSI, Switzerland

**Discussants:**
- **Bashar Abu Zarour**, General Director, Research and Development Directorate, Palestine Capital Market Authority
- **Maggie Zhaowen Lin**, Consultant, Corporate Governance Group, IFC East Asia and Pacific, China

## Group 3: Performance

**Facilitator:** Jerome Lavigne Delville, Senior Consultant, IFC, United States

**Discussants:**
- **Monika Kumar**, Environmental Specialist, World Bank, United States
- **Francisco Marcos Avendano**, Operations Officer, Climate Policy Team, IFC, United States
- **Piotr A. Mazurkiewicz**, Principal Environmental Specialist, IFC, Thailand

### 11:20 – 11:40

**COFFEE BREAK**

### 11:40 – 13:00

**Plenary**

**Governance Framework for Sustainability for Emerging Markets**

Reporting back from the breakout panels and discussion.

**Charles T. Canfield**, Principal Corporate Governance Officer, IFC Corporate Governance Group, United States

**Atiyah Curmally**, Principal Environmental Specialist, IFC, United States

**Ralitza Germanova**, Corporate Governance Officer, IFC Corporate Governance Group, United States

**Speaker:**

**Christian Strenger**, Academic Director, Centre for Corporate Governance, HHL Leipzig; Deputy Chairman, IFC Corporate Governance Private Sector Advisory Group, Germany

### 13:00 – 13:30

**Looking Ahead: Key Takeaways and Next Steps**

An overview of what was discussed during the two days, key takeaways, and proposed next steps, including following up on suggested initiatives and tool development.

The session will be led by IFC and members of the IFC Private Sector Advisory Group.
Participants (alphabetically)

1. Chinyere Peace Almona, Senior Corporate Governance Officer, Regional Program Manager, Africa Corporate Governance Program, Nigeria
2. Fiorella Amorrortu, Corporate Governance Officer, IFC Latin America and the Caribbean, Peru
3. Rosario Carmela Austria, Assistant Director, Corporate Governance Division, Securities and Exchange Commission, Philippines
4. Francisco Marcos Avendano, Operations Officer, Climate Policy Team, IFC, United States
5. Swapan Kumar Bala, FCMA, Commissioner, Bangladesh Securities and Exchange Commission, Bangladesh
6. Willem Bartels, Partner & Global Head of Sustainability Reporting and Assurance, KPMG, Netherlands, TCFD member
7. Pietro Bertazzi, Director, Policy and Global Affairs, Global Reporting initiative (GRI), Netherlands
8. Susan Blesener, Principal, The Art of Value
9. Bistra Boeva, Bulgarian Corporate Governance Commission; IFC Corporate Governance Private Sector Advisory Group, Bulgaria
10. Andrei Busuioc, Senior Financial Management Specialist, World Bank Centre for Financial Reporting Reform, Austria
11. Charles T. Canfield, Principal Corporate Governance Officer, IFC Corporate Governance Group, United States
12. Atiyah Curmally, Principal Environmental Specialist, IFC, United States
13. George Dallas, Policy Director, International Corporate Governance Network, United Kingdom
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<td>14</td>
<td>Mark Eckstein, Director Environmental and Social Responsibility, CDC, United Kingdom</td>
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<td>15</td>
<td>Hebatallah El Serafi, Head of Disclosure, The Egyptian Exchange, Egypt</td>
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<td>Ralitza Germanova, Corporate Governance Officer, IFC Corporate Governance Group, United States</td>
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<td>Jaime Gornsztejn, Responsible for corporate engagements in Latin America and Russia, Hermes Investment Management, United Kingdom</td>
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<td>Tiffany Grabski, Senior Project Manager for the Sustainable Stock Exchanges (SSE) initiative, UNCTAD, Switzerland</td>
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<td>19</td>
<td>Stefanus Handoyo, Lead, Corporate Governance Officer, IFC East Africa Corporate Governance Program, Kenya</td>
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<td>20</td>
<td>Vladimir Hrle, Corporate Governance Consultant, IFC, Serbia</td>
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<td>21</td>
<td>Rudina Nallbani Hoxha, Ministry of Economic Development, Kosovo</td>
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<td>22</td>
<td>Qendresa Isufi, Ministry of Economic Development, Kosovo</td>
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<td>Ann Marie Jourdan, Chief Legal Officer and Public Relations, Head of Corporate governance, Fonds de réserve pour les retraites, France</td>
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<td>Joseph Kania, Group Company Secretary, KCB Group, Kenya</td>
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<td>Monika Kumar, Environmental Specialist, World Bank, United States</td>
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<td>Mary Jo Larson, IFC Senior Consultant, United States</td>
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<td>Jerome Lavigne Delville, Senior Consultant, IFC, United States</td>
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<td>Cristina Tébar Less, Head, Responsible Business Conduct (RBC) Unit, Investment Division, Directorate for Financial and Enterprise Affairs, OECD, France</td>
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<td>Irina Likhachova, Senior Communications Officer, Office of the General Counsel and Vice President for Legal, Compliance Risk and Environmental, Social and Governance Sustainability, IFC, United States</td>
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<td>Maggie Zhaowen Lin, Consultant, Corporate Governance Group, IFC East Asia and Pacific, China</td>
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<td>Ian Mackintosh, Chair, Financial Reporting Advisory Board, U.K. Treasury, and Chair, Corporate Reporting Dialogue, IIRC, United Kingdom</td>
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<td>32</td>
<td>Tarfa M. C. Makyur, Nigerian Securities and Exchange Commission</td>
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33. Miguel Marques, Senior Advisor, Ministry of Finance, Luxembourg
34. Piotr A. Mazurkiewicz, Principal Environmental Specialist, IFC, Thailand
35. Anne Molyneux, CEO, CSI, Switzerland
36. Peter Montagnon, Associate Director, Institute of Business Ethics, United Kingdom; IFC Corporate Governance Private Sector Advisory Group
37. Jean-Baptiste Morel, Senior Analyst for Financial Institutions, Amundi, France
38. Louis Philippe Mousseau, Principal Environmental Specialist, IFC, Thailand
39. Paul Muthaura, CEO, Capital Market Authority, Kenya
40. Anh Nguyet, Corporate Governance Officer, IFC East Asia and Pacific
41. Valeria Piani, Associate Director, ESG Engagements, UN PRI, United Kingdom
42. Gorazd Podbevsek, Chair of ecoDa Policy Committee, Slovenia
43. Margica Porchu, Legal Advisor, Stock Exchange, Macedonia
44. Oleksandr Panchenko, Commissioner of National Securities and Stock Market Commission, Ukraine
45. Neil Puddicombe, Associate General Counsel and Director of Subsidiary Governance (Canada and International), BMO Financial Group, Canada
46. Ansie Ramalho, Consultant, King IV Project Lead at Institute of Directors in Southern Africa
47. James Christopher Razook, Corporate Governance Lead, IFC-World Bank Group, Hong Kong SAR, China
48. Ting Ting Ru, Division Director of Department of Listing Company Supervision, China Securities Regulatory Commission, China
49. Vladislava Ryabota, Regional Corporate Governance Lead, IFC - South Asia, India
50. David Shammai, Senior Corporate Governance Specialist, APG, Netherlands
51. Patricio Rojas Sharovsky, Chief Financial Officer, Bolsa de Santiago, Chile
52. Christian Strenger, Academic Director, Centre for Corporate Governance, HHL Leipzig; Deputy Chairman, IFC Corporate Governance Private Sector Advisory Group, Germany

53. Michael Tang, Vice President, Head, Listing Policy & Product Admission, Regulation, Singapore Stock Exchange, Singapore

54. Jorge Villegas, Senior Social Development Specialist, IFC, Austria

55. Marco Antonio Zaldivar, Chairman, Lima Stock Exchange, Peru

56. Bashar Abu Zarour, General Director, Research and Development directorate, Palestine Capital Market Authority

57. Madina Zhanuzakova, Consultant, IFC Corporate Governance Group, Kazakhstan