Stakeholder Consultation and Practice Group Meeting on Corporate Governance Codes and Standards

Integrating Sustainability and Governance, the Role of Codes, Standards, and Disclosure

Agenda

April 19–20, 2016

Venue: Hilton Vienna Plaza Hotel
Schottenring 11, 1010
Vienna, Austria
Background

On the eve of the 2008 financial crisis, traditional metrics were inadequate to alert investors to the risks that corporations and banks were facing. Since then, there have been imperative calls for greater transparency and a better standard for financial and nonfinancial reporting—a standard that takes into account all risks, including environmental, social, and governance (ESG) factors. Such a standard has become a priority, because nonfinancial issues such as carbon output, ethical supply chains, and a wide variety of other sustainability concerns can have real financial consequences. There also is need for reporting frameworks and guidelines for these issues.

To help address these important issues, the Corporate Governance Group of IFC, a member of the World Bank Group, is organizing a global stakeholder consultation and practice group meeting to examine corporate governance codes, standards, and disclosure in the context of integrating environmental and social considerations with corporate governance.

The purpose of this high-level meeting—to be held at the Hilton Vienna Plaza Hotel in Vienna, Austria, April 19–20, 2016—is to assist IFC in leading the debate on key developments in corporate governance standards and benchmarks of best practice and sustainability reporting.

The event will take place over two days:

- Day 1 (April 19) will cover how to integrate “environmental and social” considerations with “corporate governance” frameworks, such as through codes, guidelines, and ESG reporting.
- Day 2 (April 20) will focus on company reporting, including integrated reporting and sustainability 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 work with codes and standards as well as corporate reporting, and to have input into the forthcoming IFC Toolkit on Transparency and Disclosure.

Participants in the stakeholder consultation will comprise more than 50 international organizations and development finance institutions (OECD, EU, GRI, IR, and IFC, among others), 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 builds on the work of the IFC Practice Group on Corporate Governance Codes and Standards, an informal community of worldwide experts on corporate governance codes and scorecards and nonfinancial reporting.

The IFC publication, From Companies to Markets—Developments in Corporate Governance, based on discussions from the previous practice group meeting in 2015, will be officially launched on April 19, 2016.
**Note:** Out of the first Practice Group meeting on Codes and Standards, in 2012, came a supplement to the IFC Toolkit on Developing Corporate Governance Codes of Best Practices. This supplement focuses on assessing and promoting the implementation of codes of corporate governance through Corporate Governance Scorecards. In 2014, IFC organized a training on developing Corporate Governance Scorecards, based on the supplement, followed in 2015 by a practice group meeting taking stock of the recent changes in corporate governance.

**Meeting Strategy**

*The first day of the meeting* is designed to elicit a discussion on key developments in corporate governance codes, standards, and disclosure and how these can be integrated with environmental and social considerations. Each session has up to five speakers; each 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.

*Written contributions are encouraged.* All participants with a formal role 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 are encouraged to 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, including reporting on strategy, risk, ownership, related-party transactions, and remuneration and sustainability reporting. Presenters and discussants will receive a draft of a publication that IFC is preparing on corporate reporting. This publication will be shared with all meeting participants after the event.*

*The role of speakers and moderators* will be the same as the first day. Participants will be encouraged to provide feedback on the draft publication.

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# Daily Schedule

**Stakeholder Consultation and Practice Group Meeting on Corporate Governance Codes and Standards**

## Day 1: April 19, 2016

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>08:30 – 09:00</td>
<td><strong>REGISTRATION AND COFFEE</strong></td>
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<tr>
<td>09:00 – 09:20</td>
<td><strong>Welcoming remarks and purpose of the meeting</strong></td>
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<tr>
<td></td>
<td><strong>Reinhard Haslinger</strong>, Senior Operations Officer, Centre for Financial Reporting Reform, Vienna</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><strong>Ralitza Germanova</strong>, Corporate Governance Officer, IFC Corporate Governance Group, United States</td>
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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 – 09:50</td>
<td><strong>Official launch of IFC publication, From Companies to Markets—Developments in Corporate Governance</strong></td>
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<td><strong>Anne Molyneux</strong>, CEO, CSI, Switzerland</td>
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<td>09:50 – 11:10</td>
<td><strong>Key Concepts, Developments, and Trends in ESG Frameworks: Guidelines and Standards and their Impact—The standard setters’ perspective</strong></td>
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<td><strong>Transparent public reporting on material environmental, social, and governance (ESG) 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 concepts and developments in ESG standards and guidelines.</strong></td>
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<td><strong>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.</strong></td>
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<td><strong>Moderator: Peter Montagnon</strong>, Associate Director, Institute of Business Ethics, United Kingdom; IFC Corporate Governance Private Sector Advisory Group, United Kingdom</td>
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Issues for discussion:

- Update on Global Reporting Initiative; What does ESG mean in today’s world? **Pietro Bertazzi**, Deputy Director, Policy and Global Affairs, Global Reporting initiative (GRI), Netherlands
- Integrated reporting perspective, sustainability reporting trends, and issues of materiality. **Jyoti Banerjee**, International Integrated Reporting Council, United Kingdom
- EU developments in nonfinancial reporting, and what companies need. **Zsofia Kerecsen**, Policy Officer, DG Justice, European Commission, Belgium
- G20/OECD Principles on Corporate Governance and the OECD view: How to integrate ESG considerations and sustainability. **Winfried Blaschke**, Deputy Head of Division, Corporate Affairs Division, OECD, France

11:10 – 11:30 COFFEE BREAK

11:30 – 12:50 Key Concepts, Developments, and Trends in ESG Frameworks and Standards and their Impact—The investors’ perspective

*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 considerations.*

*The session will be a panel discussion. 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.*

**Moderator:** Daniel Summerfield, Head, the Responsible Investment Team of the Universities Superannuation Scheme, United Kingdom; IFC Corporate Governance Private Sector Advisory Group

Issues for discussion:

- ICGN Global Stewardship Code and the concept of stewardship. **Kerrie Waring**, Executive Director, International Corporate Governance Network, United Kingdom
- The investors’ perspective: What investors look for and how to engage them. **Erik Breen**, Socially Responsible Investing, Triodos Investment, Netherlands
- Development finance institution approach: Integrating ESG factors into investment considerations. **Shirley Payet-Jacob**, Business Integrity and Compliance, CDC Group, United Kingdom

12:50 – 13:50 LUNCH
13:50 – 15:20

**Integrating Environmental, Social, and Governance Considerations and Disclosure into Codes, Standards, and Guidelines—The private sector view**

Practical examples of integrating environmental, social, and governance factors into investment considerations, corporate governance frameworks, and codes, and reporting on ESG.

The session will be a panel discussion addressing the questions below. 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 field questions from the participants.

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

**Issues for discussion:**

- The Bank of Montreal’s ESG reporting approach, and how the bank considers ESG in its governance framework and code of conduct. **Bindu Dhaliwal**, Associate General Counsel & Director, Environmental, Social and Governance, Legal, Corporate & Compliance Group, BMO Financial Group

- How to move to better corporate governance frameworks and codes that accommodate sustainable development issues: The supply-chain perspective. **Bistra Boeva**, Bulgarian Corporate Governance Commission; IFC Corporate Governance Private Sector Advisory Group, Bulgaria

- Why is it important for sustainability considerations and disclosure to be included in corporate governance codes? How to bring sustainability into a company's boards and strategy, and the importance of ESG disclosure: The approach of King IV Code. **Ansie Ramalho**, King IV Project Lead, Institute of Directors in Southern Africa, South Africa

- The new Brazilian Corporate Governance Code. **Marta Viegas**, Tozzininfreire Advogados; IBGC, Brazil

- Corporate governance compliance and monitoring systems across the EU. **Per Lekvall**, Swedish Corporate Governance Board, Sweden

15:20 – 15:50

**COFFEE BREAK**

15:50 – 17:20

**Integrating Environmental, Social, and Governance Considerations and Disclosure into Codes, Standards, and Guidelines—The stock exchanges’ and regulators’ perspective**

Practical examples of integrating and disclosing environmental, social, and governance considerations by regulators, stock exchanges, and directors training organizations.

The session will be a panel discussion addressing the questions below. Each discussant will have 10 minutes to respond to the question followed by an open discussion and Q&A. The moderator will set the stage, guide the discussants through the questions and key issues, moderate the discussion between panelists, and field questions from the participants.

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

- How to encourage implementation of ESG considerations: Sustainability toolkit. **Selvarany Rasiah**, Chief Regulatory Officer, Bursa Malaysia
- Model guidance to companies on reporting ESG information to investors. **Ellie Pang**, Vice President, Policy and Secretariat Services Unit, Listing Department, Hong Kong Exchanges and Clearing Limited, Hong Kong SAR, China
- What are the best platforms for stock exchanges to address sustainability? **Francis Stenning**, CEO, Bolsa de Valores de Lima, Peru
- Egyptian Stock Exchange experience and lessons learned in sustainability disclosure. **Heba El Serafi**, Head of Disclosure Division, Egyptian Stock Exchange, Egypt
- Which sustainability standards are the most effective for companies to use as benchmarks? Is there a need for additional guidance? **Roberta Simonetti**, Head, Sustainability Committee, IBGC, Brazil

**Day 2: April 20, 2016**

**08:30 – 09:00** COFFEE

**09:00 – 09:30** Beyond the Balance Sheet: IFC/WB’s Forthcoming Publication on Strategic, Governance, and Sustainability Reporting

*Why IFC started preparing this “toolkit,” and what we hope to achieve.*

**Presenter:** **David Robinett**, Senior Private Sector Development Specialist, World Bank

**09:30 – 11:00** Strategic Reporting

*Practical examples and lessons for reporting on strategy and risk.*

**Moderator:** **Amira El Saeed Agag**, Operations Officer, Corporate Governance, IFC Middle East and North Africa

**Presenter:** **Maggie Zhaowen Lin**, Consultant, Corporate Governance Group, IFC East Asia and Pacific
## Discussants:

- **Charles T. Canfield**, Principal Corporate Governance Officer, IFC Corporate Governance Group
- **Jyoti Banerjee**, International Integrated Reporting Council, United Kingdom

### 11:00 – 11:30

COFFEE BREAK

### 11:30 – 13:00

**Governance Reporting**

*Practical examples and lessons for reporting on ownership, related-party transactions, and remuneration.*

**Moderator:** Andrei Busuioc, Senior Financial Management Specialist, World Bank Centre for Financial Reporting Reform

**Presenter:** Erik P.M. Vermeulen, Professor of Business Law, Tilburg University Law School; Chief Counsel, Phillips Lighting

**Discussions:**

- **Stefanus Handoyo**, Corporate Governance Officer, IFC Africa
- **Anh Nguyet Thi Nguyen**, Corporate Governance Officer, IFC East Asia and Pacific
- **Daniel Summerfield**, Head, the Responsible Investment Team of the Universities Superannuation Scheme, United Kingdom; IFC Corporate Governance Private Sector Advisory Group

### 13:00 – 14:00

LUNCH

### 14:00 – 15:30

**Sustainability Reporting**

*The role of standards, examples, and lessons for reporting on material environmental, social, and other stakeholder issues.*

**Moderator:** Selvarany Rasiah, Chief Regulatory Officer Bursa Malaysia

**Presenter:** Susan Blesener, Principal, The Art of Value

**Discussions:**

- **Pietro Bertazzi**, Deputy Director, Policy and Global Affairs, Global Reporting initiative (GRI), Netherlands
- **Abigail Herron**, Aviva Investors, United Kingdom

### 15:30 – 16:00

COFFEE BREAK

### 16:00 – 17:00

**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 a member of the Private Sector Advisory Group.
Participants (alphabetically)

1. **Amira El Saeed Agag**, Corporate Governance Officer, IFC Corporate Governance Group, Egypt
2. **Winfrid Blaschke**, Deputy Head of Division, Corporate Affairs Division, OECD, France
3. **Bistra Boeva**, Bulgarian Corporate Governance Commission; IFC Corporate Governance Private Sector Advisory Group, Bulgaria
4. **Alexander Berg**, Senior Financial Sector Specialist, World Bank, United States
5. **Pietro Bertazzi**, Deputy Director, Policy and Global Affairs, Global Reporting initiative (GRI), Netherlands
6. **Andrei Busuioc**, Senior Financial Management Specialist, World Bank Centre for Financial Reporting Reform, Austria
7. **Susan Blesener**, Principal, The Art of Value
8. **Jyoti Banerjee**, International Integrated Reporting Council, United Kingdom
9. **Erik Breen**, Socially Responsible Investing, Triodos Investment, Netherlands
10. **Khushro Bulsara**, Senior General Manager, Listing Compliance & Legal Regulatory, Bombay Stock Exchange
11. **Charles T. Canfield**, Principal Corporate Governance Officer, IFC Corporate Governance Group, United States
12. **Alejandro Vera Casso**, Investment and Finance Expert, Partnerships and Results Monitoring Branch, UNIDO, Vienna
13. **Atiyah Curmally**, Principal Environmental Specialist, IFC, United States
14. **Tran Anh Dao**, Deputy CEO, Ho Chi Minh Stock Exchange, Vietnam
15. **Bindu Dhaliwal**, Associate General Counsel & Director, Environmental, Social and Governance, Legal, Corporate & Compliance Group, BMO Financial Group
17. **Richard Frederick**, Senior Consultant, IFC and World Bank
18. **Zogaj Gashi**, Deputy Minister, Ministry of Economic Development, Kosovo
19. **Ralitza Germanova**, Corporate Governance Officer, IFC Corporate Governance Group, United States
20. **Reinhard Haslinger**, Senior Operations Officer, Centre for Financial Reporting Reform, Vienna
21. **Yehia El Husseiny**, Corporate Governance Officer, IFC Corporate Governance Group, Egypt
22. **Stefanus Handoyo**, Corporate Governance Officer, IFC Africa
23. **Abigail Herron**, Head of Engagement, Aviva Investors, United Kingdom
24. **Alban Kaciu**, Ministry of Economic Development, Kosovo
25. **Zsofia Kerecsen**, Policy Officer, DG Justice, European Commission, Belgium
26. **Morgan Landy**, Director, Environment, Social and Governance Department, IFC, United States
27. **Per Lekvall**, Swedish Corporate Governance Board, Sweden
28. **Maggie Zhaowen Lin**, Consultant, Corporate Governance Group, IFC East Asia and Pacific
29. **Peter Montagnon**, Associate Director, Institute of Business Ethics, United Kingdom; IFC Corporate Governance Private Sector Advisory Group
30. **Anne Molyneux**, CEO, CSI, Switzerland
31. **Kiril Nejkov**, Corporate Governance Officer, IFC Corporate Governance Group, Macedonia
32. **Anh Nguyet Thi Nguyen**, Corporate Governance Officer, IFC East Asia and Pacific
33. **Edward Okolo**, Head, Financial Standards & Corporate Governance Department, Securities and Exchange Commission, Nigeria
34. **Shirley Payet-Jacob**, Business Integrity and Compliance, CDC Group, United Kingdom
35. **Ellie Pang**, Vice President, Policy and Secretariat Services Unit, Listing Department, Hong Kong Exchanges and Clearing Limited, Hong Kong SAR, China
36. **Abhijit Pai**, Assistant General Manager, Listing Compliance, Bombay Stock Exchange
37. **Klime Poposki**, President of the Council of experts, Insurance Supervision Agency, FYI, Macedonia
38. **Lopa Rahman**, Corporate Governance Officer, IFC Corporate Governance Group, Bangladesh
39. **Ansie Ramalho**, King IV Project Lead at Institute of Directors in Southern Africa
40. **Selvarany Rasiah**, Chief Regulatory Officer, Bursa Malaysia
41. **Chris Razook**, Corporate Governance Lead, IFC-World Bank Group, Hong Kong SAR, China
42. **David Robinett**, Senior Private Sector Development Specialist, Corporate Governance, World Bank
43. **Loty Salazar**, Knowledge Management and Communications Officer, IFC Corporate Governance Group, United States
44. **Robin Sandenburgh**, Senior Manager, Environment, Social and Governance Department, IFC, United States
45. **Christian Strenger**, Academic Director, Centre for Corporate Governance, HHL Leipzig; Deputy Chairman, IFC Corporate Governance Private Sector Advisory Group, Germany
46. **Roberta Simonetti**, Head, Sustainability Committee, IBGC, Brazil
47. **Heba El Serafi**, Head of Disclosure, The Egyptian Exchange, Egypt
48. **Daniel Summerfield**, Head, the Responsible Investment Team of the Universities Superannuation Scheme, United Kingdom; IFC Corporate Governance Private Sector Advisory Group
49. **Francis Stenning**, CEO, Bolsa de Valores de Lima, Peru
50. **Marta Viegas**, Tozzininfreire Advogados; IBGC, Brazil
51. **Erik P.M. Vermeulen**, Professor of Business Law, Tilburg University Law School and Chief Counsel, Phillips Lighting
52. **Kerrie Waring**, Executive Director, International Corporate Governance Network, United Kingdom
53. **Erik Wessels**, DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, Germany
54. **Wu Xuefei**, China Securities Regulatory Commission CSRC, China