

### **National awards provide framework for improved transparency**

London, 19 November 2009: Organisations which have demonstrated best practice in terms of the disclosure in their annual reports had their efforts rewarded at last night's inaugural ICSA Hermes Transparency in Governance Awards held at the Brewery in the City. Separate awards were made for FTSE 100 and FTSE 250 companies following a rigorous judging process which involved an analysis of the most up to date annual reports and accounts of the companies in the FTSE 350. The Awards identify and acknowledge companies providing excellent disclosure, with the aim of encouraging improvements in the disclosure process for listed companies.

Speakers at the Awards ceremony included Lord Myners, City Minister and Sir John Parker, Chairman of National Grid and Anglo American, and Chair of Judges. The ICSA 's Company Secretary awards were presented at the same event which was hosted by journalist and broadcaster Sarah Montague.

Disclosure practice in UK companies is undergoing transformational change following a series of policy, legal and regulatory developments. The popularity of the Awards demonstrates that good governance is becoming a strategic priority. Companies are increasingly showing evidence of the integration of governance into their business operations and demonstrating greater levels of accountability and transparency. In choosing winners, the judging panel has singled out companies which have best provided evidence, through their disclosure, that they are embedding governance within their company and are engaging their stakeholders. Governance within these companies is not a tick box exercise carried out once a year.

The award winners are as follows:

#### **Innovation in governance disclosure**

FTSE 100: BAE Systems

FTSE 250: Amlin

#### **Best practice disclosure on strategy formulation and execution**

FTSE 100: BAE Systems

FTSE 250: Party Gaming

**Best practice disclosure on risk management and internal control**

FTSE 100: 3i

FTSE 250: Davis Service Group

**Best practice disclosure on director development, board evaluation and succession planning**

FTSE 100: BHP Billiton

FTSE 250: SOCO International

**Best practice disclosure on audit policy and practice**

FTSE 100: BHP Billiton

FTSE 250: Rentokil

**Best practice disclosure on remuneration policy and practice**

FTSE 100: Aviva

FTSE 250: Dana Petroleum

**Best practice disclosure on sustainability**

FTSE 100: Johnson Matthey

FTSE 250: Tate & Lyle

**Best practice disclosure on stakeholder engagement**

FTSE 100: Johnson Matthey

FTSE 250: Party Gaming

Sir John Parker, Chairman of the Judging panel, said: "Maintaining and, in some cases, building trust in companies and their governance, is a priority as we begin the task of climbing out of recession. Strong disclosure helps companies communicate to shareholders and stakeholders alike that their trust and support is well placed. No company operates free of significant challenges – our interest is in seeing how each company manages these challenges in order to deliver its strategy"

David Wilson, Chief Executive of the ICSA, said: "Our purpose in initiating these Awards in partnership with Hermes was to shine the spotlight on governance and governance disclosure. In the light of the corporate collapses in this country, and the significant value destruction which ensued, the necessity for companies to operate and report transparently is essential for generating confidence as we start to rebuild the economy. It is clear that there is an encouraging number of companies more than able to meet this challenge."

Colin Melvin, chief executive officer of Hermes EOS, said: “The gathering of support for this agenda among business leaders and influential policymakers will help strengthen the framework for more accountability, and a richer dialogue between companies and their owners”.

“The awards will encourage discussion on the measures needed to create an environment focused on long-term sustainable growth rather than short-term priorities.”

ICSA and Hermes would like to thank the award sponsors: Addleshaw Goddard, Black Sun, Grant Thornton, Hewitt New Bridge Street, ICSA Software, Independent Audit Ltd, Simmons and Simmons and Tricor Aldbridge.

For further information on the awards, along with commentary and analysis contact:

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## **Editors' notes**

### **About ICSA**

The Institute of Chartered Secretaries and Administrators (ICSA) is the professional organisation that trains and supports company secretaries and is a leading authority on corporate governance. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 36,000 members worldwide and is represented in over 70 countries.

### **About Hermes Equity Ownership Services (HEOS)**

HEOS provides its clients with a comprehensive and unified responsible investment and corporate governance advisory service on their equity investments wherever they are managed. The services provided by HEOS include voting, engagement and public policy work for long term institutional shareholders. As the executive arm of the BT Pension Scheme, the UK's largest pension fund, Hermes has over the past decade developed an expertise in responsible investment and corporate governance. This stems from the belief that for a long-term equity investor, it is particularly important to be an active and engaged owner of companies. Hermes' unique ownership means that it has a commonality of interests with other pension funds and thus a focus on achieving superior

absolute returns. The premise underlying Hermes EOS is that companies with informed and involved shareholders are more likely to achieve superior long-term performance than those without. Hermes EOS aims always to represent to directors a shareholder's perspective on the company's environmental, social and governance performance and to frame its discussions with companies in terms of long-term value creation. Hermes firmly believes that the stronger and more representative that shareholder voice, the more effective it is likely to be.