



Awards to provide framework for improved transparency

24 September 2009: With policymakers gathering at G20, critics remain sceptical as to whether more regulation is the right way to restore long-term stability to global economies. Sir David Walker, in his recently published review, pointed out that 'principal deficiencies in the financial services sector are related much more to patterns of behaviour than to organisation'. Ahead of the publication of the Walker report, a timely event this autumn looks set to provide a national framework for improved corporate transparency and accountability as part of the solution of returning stability to the markets. The FTSE 100 and FTSE 250 companies in the shortlist for the 2009 ICSA Hermes Transparency in Governance Awards have demonstrated their recognition that institutional and private investors, regulators and politicians are looking for clear evidence of good corporate governance reporting and robust governance performance. The insurance, retail and energy sectors are amongst those represented in the shortlist.

The inaugural awards ceremony, with Lord Myners, City Minister, as special guest, is taking place at the Brewery on 18 November 2009. The initiative has received strong support from the Government, the FRC, the ABI, the CBI and Sir David Walker. The ICSA's Company Secretary awards will be presented on the same evening and the event will be hosted by journalist and broadcaster Sarah Montague.

There will be 16 awards in total, with separate awards made for FTSE 100 and FTSE 250 companies. The shortlisted companies for each best practice category are as follows:

Innovation in governance disclosure (Sponsored by Black Sun)

FTSE 100: BAE Systems, Land Securities, Aviva, National Grid

FTSE 250: Amlin, Meggitt, International Personal Finance, Tate & Lyle

Best practice disclosure on strategy formulation and execution (Sponsored by Simmons and Simmons)

FTSE 100: BAE Systems, BG, Capita, Cobham

FTSE 250: Meggitt, Amlin, Party Gaming, Venture Production

Best practice disclosure on risk management and internal control (Sponsored by Addleshaw Goddard)

FTSE 100: 3i, BAE Systems, Land Securities, Aviva

FTSE 250: Tate & Lyle, Amlin, Meggitt, Davis Service Group

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

(Sponsored by Independent Audit Limited)

FTSE 100: BAE Systems, Centrica, National Grid, BHP Billiton

FTSE 250: SOCO International, Davis Service Group, DSG International, Colt

Best practice disclosure on audit policy and practice

FTSE 100: Aviva, RBS, BHP Billiton, BAE Systems

FTSE 250: Rentokil, Hargreaves Lansdown, Venture Production

Best practice disclosure on remuneration policy and practice (Sponsored by Hewitt)

FTSE 100: HSBC, British Land, Reed Elsevier, Aviva

FTSE 250: DSG International, Amlin, Venture Production, Dana Petroleum

Best practice disclosure on sustainability (Sponsored by Grant Thornton)

FTSE 100: BHP Billiton, Johnson Matthey, Scottish & Southern, Land Securities

FTSE 250: EAGA, Easyjet, Tate & Lyle, Rathbones

Best practice disclosure on stakeholder engagement (Sponsored by Tricor Aldbridge)

FTSE 100: Johnson Matthey, Anglo American, National Grid, Rexam

FTSE 250: DSG International, EAGA, Party Gaming, WS Atkins

Sir John Parker, Chairman of National Grid, and of Anglo American, and Chair of Judges said:

‘Maintaining, and in some cases, restoring 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. In this shortlist we have evidence of excellent standards of disclosure and we know that, in picking winners, we will encourage further improvements both in the disclosure process and in governance performance itself.’

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David Wilson, ICSA's Chief Executive added:

'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 has become a priority. The shortlist illustrates that there is an encouraging number of companies more than able to meet this challenge.'

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Editors' notes

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.

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.