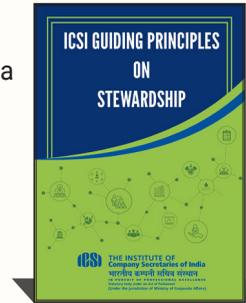




ICSI Guiding Principles on Stewardship

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INTRODUCTION

The concept of 'Stewardship' was first introduced by the UK's Institutional Shareholders' Committee Code in 2009, although its roots can be traced back to the stewardship theory of management that predates it. The UK Stewardship Code was established by the Financial Reporting Council (FRC) in 2010. Following the introduction of the UK Code, analogous frameworks began to surface around the world, and currently, there are numerous stewardship codes available globally.

The ICSI Guiding Principles on Stewardship represents a synthesis of various stewardship practices observed across different jurisdictions. Its aim is to delineate particular best practices pertaining to the stewardship obligations of Institutional Investors and Service Providers, including their policies and procedures. The 'ICSI Guiding Principles on Stewardship' offers a framework for putting into action stewardship practices that uphold the fiduciary responsibilities of Institutional Investors and Service Providers towards their clients and/or beneficiaries. The development of the 'ICSI Guiding Principles on Stewardship' takes into account both existing and emerging market practices, regulations, and globally acknowledged best practices.

DETAILED REVIEW

Chapters 1 to 4 of the book outline the genesis, scope & need of IGPS, and definitions of the key terms giving readers a comprehensive knowledge of the concept of Stewardship.

Chapters 5 and Chapter 6 elaborate on the 'ICSI Guiding Principles on Stewardship'. These principles are prepared to ensure transparent processes. The 6 principles are common for both **Institutional Investors and Service Providers** which help them define their goals, strategies, and investment philosophies, internal governance structures and responsibilities, market-wide and systemic risk identification and response, identifying & managing conflicts of interest, aligning ESG factors in decision-making, and reporting stewardship activities.

In addition to the above, there are 4 'ICSI Guiding Principles on Stewardship' for Institutional Investors, that provide frameworks for Institutional Investors to monitor the investee entities, continuous engagement with the Investee entities, taking collaborative approach in exercising stewardship responsibilities and exercising & protecting voting rights.

CONCLUSION

The 'ICSI Guiding Principles on Stewardship' described in the book are prepared after a detailed secondary data research on the existing global stewardship practices. The book is written in a simple and lucid manner and is application oriented. The 'ICSI Guiding Principles on Stewardship' shall serve as a useful resource book for institutional investors and service providers in building an ecosystem of transparency and credibility to support responsible investing.

The book covers references for further reading and annexures on **Reporting Formats** for Institutional Investors and Service Providers to effectively implement the 'ICSI Guiding Principles on Stewardship'. The book provides first-hand information for readers who want to learn more about the topic and comprehend how these principles are put into practice.

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