

**US Listed Company Compliance with the
ISG’s Corporate Governance Principles and Steps for Disclosing Such Compliance**

Actions	Steps	Notes
1. Understand the Listed Company’s institutional shareowners’ expectations	<ul style="list-style-type: none"> • Listed Companies should identify their institutional shareowners and match them to the ISG signatories and endorsers. • When engaging with institutional shareowners on corporate governance matters, Listed Companies should ask shareowners for guidance and best practices in disclosing their adherence to ISG’s Corporate Governance Principles (the “Principles”), as well as any potential proxy vote implications for non-compliance with the Principles. • A Listed Company that has ISG members as shareowners should evaluate the extent of their compliance with the Principles. 	
2. Perform a gap analysis of the Listed Company’s practices and governance policies	<ul style="list-style-type: none"> • Remembering that the Principles are not intended to be prescriptive or comprehensive in nature, determine where the Listed Company’s practices are (or are not) in sync with each of the Principles by performing a gap analysis. • Collect and review the Listed Company’s governance documents and other public disclosures; • Determine where company practices align or differ as compared to the Principles; and • Review the rationale and expectations that underpin each of the Principles. 	
3. Consider changes to current practices, if applicable	<ul style="list-style-type: none"> • If gaps are identified, determine if changes to practices and/or policies are appropriate for consideration by the Listed Company. <ul style="list-style-type: none"> ○ The rationale underpinning the Principles may help in making these determinations. • Review other Listed Company’s governance documents and/or disclosures for best practices in how to fill any gaps. • During shareowner engagements, ask institutional shareowners for examples of best practices to fill any gaps. • Draft proposed changes to practices and/or policies for consideration to fill any gaps. • If it is determined that not complying with certain of the Principles is in the best interests of the company, be prepared to explain your rationale to shareowners. 	

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4. Discuss with Executive Management	<ul style="list-style-type: none"> • Discuss with executive management the analysis of the Listed Company’s compliance with the Principles. • Discuss with executive management any gaps and recommended changes to current practices and policies. • Discuss with executive management the steps to prepare proposed public disclosure of the Listed Company’s compliance with the Principles. 	
5. Present the Principles to the Board’s Nominating and Governance Committee and the Full Board	<ul style="list-style-type: none"> • Socialize the Principles with the board’s nominating/governance committee. • Present a summary of the Listed Company’s practices that are (and are not) in sync with the Principles for discussion with the nominating/governance committee. • Simultaneously present recommended changes (if any) for discussion with the nominating/governance committee that may bring the Listed Company even closer in compliance with the Principles. • After discussion and evaluation by the nominating/governance committee, the chair of the committee should present the analysis and any recommendations to the full Board for discussion and evaluation. • If the Board is not agreement, the Board should deliberate its position, identify reasons for not adhering to the Principles, and be prepared to explain their rationale to shareowners. 	
6. Socialize Public Disclosure of the Listed Company’s Compliance with the Principles	<ul style="list-style-type: none"> • The Listed Company should decide how, where, and when adherence to the Principles should be disclosed (e.g., proxy statement, company website, ESG report, press release, direct communication with shareowners). • The Listed Company should prepare appropriate disclosure language that could be included in its public disclosure documents and determine the best course of action. <ul style="list-style-type: none"> ○ Additionally, the Listed Company should determine how much disclosure it wishes to provide (e.g., a simple statement of compliance, a Principle-by Principle explanation of how it complies). • Whether or not the Listed Company is in complete or only partial compliance, it should explain its board’s position on the chosen governance structure to its shareowners. • The Listed Company should review examples of best-in-class disclosures by other companies and determine how, where, and when to disclose compliance. • The proposed disclosure could be shared with the board or its nominating/governance committee. 	

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7. Subsequent Shareowner Engagement Discussions	<ul style="list-style-type: none">• During subsequent shareowner engagement sessions, and especially when engaging with ISG signatories or endorsers, the Listed Company should discuss its compliance with the Principles.• The Listed Company should be prepared to discuss the rationale for not adhering to any of the Principles.• During engagement, request any feedback or best practices as to enhancements to the Listed Company's disclosures and practices.• Feedback given during subsequent shareowner engagement sessions should be reported to executive management and the board or its nominating/governance committee.	
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