

Meetings with Investors on ESG Topics: from Preparation to Discussion

Italian Sustainability Day - Milan, 2nd July 2018

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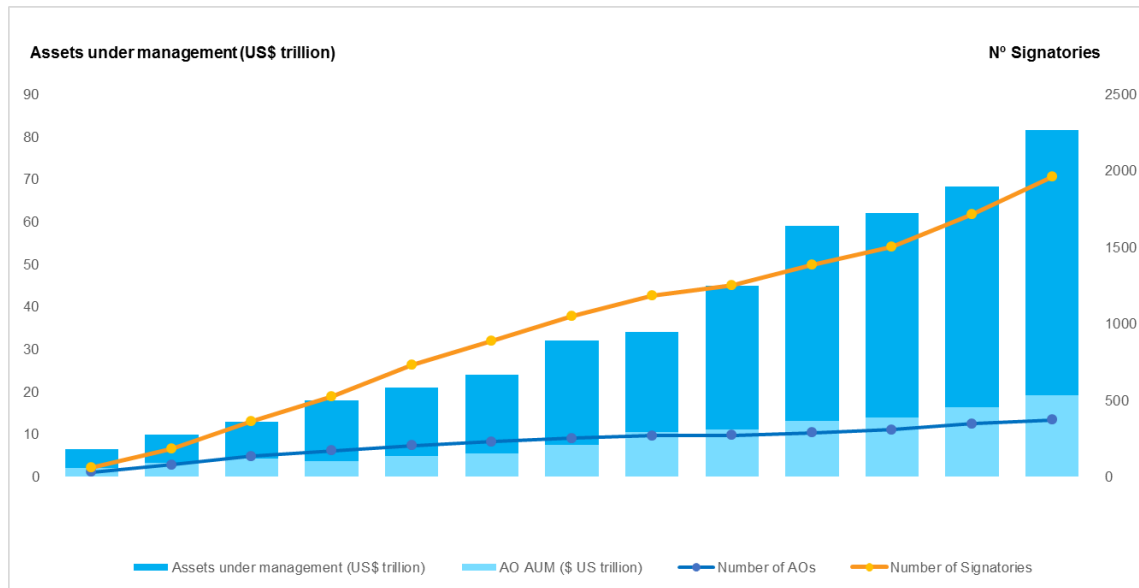
Global raise of ESG Investing

+ 1,950

Signatories of the United Nations-backed Principles for Responsible Investment (PRI)

+ US\$ 81 Trillion

Total AUM
+19% vs Apr. 2017,
more than doubled since 2011



Source: PRI website, Apr 2018

ESG investors on the Italian market

70%

of the Market Value owned by top 15 investors in FTSE MIB shares is attributable to signatories of the United Nations-backed Principles for Responsible Investment (PRI)

Investment Firm	Market Value	Country
Norges Bank Investment Management	8.676.878.120	Norway
The Vanguard Group, Inc.	8.419.203.463	United States
BlackRock Fund Advisors	6.272.133.812	United States
Harris Associates LP	4.979.661.829	United States
Capital Research & Management Co. (World Investors)	3.034.915.156	United States
BlackRock Investment Management (UK) Ltd.	2.877.596.119	United Kingdom
Baillie Gifford & Co.	2.661.021.809	United Kingdom
Capital Research & Management Co. (Global Investors)	2.356.035.194	United States
BlackRock Advisors (UK) Ltd.	2.350.839.716	United Kingdom
Schroder Investment Management Ltd.	1.913.783.775	United Kingdom
GIC Special Investments Pte Ltd.	1.778.694.786	Singapore
Aabar Investments PJSC (Private Equity)	1.757.404.562	United Arab Emirates
BlackRock Asset Management Deutschland AG	1.645.346.385	Germany
Dimensional Fund Advisors LP	1.557.014.691	United States
Lazard Asset Management Pacific Co.	1.553.458.517	Australia

Source: Elaboration on Factset Data. January 2018



Strategic relevance

What is the relevance of ESG issues to business strategy and business models?



Investor materiality

What do investors mean by materiality?



Investment grade data

What are the essential characteristics of ESG data?



Global frameworks

What are the most important ESG reporting standards?



Reporting formats

How should ESG data be reported?



Regulation and investor communication

How can companies navigate regulations and communicate effectively?



Green Revenue reporting

How can issuers get recognition for green products and services?



Debt finance

What should debt issuers report and what are the emerging standards here?

ESG factors have to be integrated into core business strategies

Investors' want to know how ESG factors impact core business models and strategies and how companies seek to manage and mitigate risks associated with them. As a step forward, companies should look beyond risks to new opportunities by green and socially beneficially products and services.

Board and Senior Management have to play a central role

Integrating both financial and non-financial performance requires leadership and support from the Board and senior management. They play a central role in integrating sustainability into the business strategy, overseeing implementation across the business and communicating to investors.

Meetings with investors on ESG topics: from preparation to discussion

Sudip Hazra Kepler Cheuvreux

- Topics
- People involved
- How to be prepared

Cristina Ungureanu Eurizon Capital

- Eurizon's view and experience on engagement
- Preparation of ESG meeting: topics & questions

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