



1º LATAM
ESG 2014
Taking ESG into Account

Organização



“Desafios da Análise Integrada na América Latina”

Incorporando os Fatores Ambientais, Sociais e de Governança na Análise de Investimentos.

08:00h - 08:30h - CREDENCIAMENTO E RECEPÇÃO DE BOAS VINDAS.

08:30h - 09:00h - Reginaldo Ferreira (Presidente da APIMEC), Edemir Pinto (Diretor Presidente da BM&FBOVESPA), Jesús Lopez Zaballos (Presidente do EFFAS), Nelson Carvalho (Professor da FEA/USP) e Denise Pavarina (Presidente da ANBIMA).

09:00h - 10:15h - É POSSÍVEL EVOLUIR PARA UMA ANÁLISE INTEGRADA DE INVESTIMENTOS? DESAFIOS E TRANSFORMAÇÕES NECESSÁRIAS.

- Erika Karp – CEO da CORNERSTONE INVESTMENT INC.;
- Joaquim Levy – Diretor da BRADESCO ASSET MANAGEMENT.
- Newton Carneiro Da Cunha – Diretor de Investimentos da Petros.

Moderador: Friedrich Mostboek – Vice-Presidente do EFFAS, Co-Presidente da Comissão ESG/EFFAS e Chefe de Pesquisa da ERSTE GROUP (AUSTRIAN BANK).

10:15h - 10:30h - INTERVALO.

10:30h - 11:50h - OS FATORES ESG/EFFAS E A SUA INSERÇÃO NOS MODELOS DE ANÁLISE DE INVESTIMENTOS.

- Apresentação KPI/EFFAS/DVFA for ESG 3.0 – Friedrich Mostboek – Vice-Presidente do EFFAS, Co-Presidente da Comissão ESG/EFFAS e Chefe de Pesquisa da ERSTE GROUP (AUSTRIAN BANK).
- Governança como uma porta de entrada para implementação dos Fatores ESG. Carlos Eduardo Lessa Brandão – Conselho Deliberativo do INSTITUTO ETHOS;
- KPI/EFFAS 3.0 – Um Estudo de Materialidade dos Indicadores no Brasil. Gustavo Pimentel – SITAWI/PRI.

Moderador: Eduardo Werneck – Diretor de Sustentabilidade da APIMEC.

11:50h - 13:00h - ESG: PRÁTICAS RECOMENDADAS PARA AVALIAÇÃO, MENSURAÇÃO E INTEGRAÇÃO.

- Metodologia de Análise Integrada EFFAS. René Nicolodi – Gerente de Soluções de Sustentabilidade na ASSET MANAGEMENT OF ZURICH CANTONALBANK;
- PRI – ESG Investor Briefing / Value Driver Models. Danielle Chesebrough, Gerente de Investidores e Acoplamentos UN GLOBAL COMPACT e Co-Coordenadora of the Sustainable Stock Exchanges Initiative – Representante da PRI.

Moderador: Ricardo Tadeu Martins – Presidente da APIMEC/SP.

13:00h - 14:30h - ALMOÇO LIVRE.

14:30h - 15:30h - ESTÁGIO ATUAL DE EVOLUÇÃO DO RELATO INTEGRADO.

- A Evolução do Relato Integrado no Brasil. Vania Borgeth – Assessora da Presidência do BNDES;
- Evolução do Relato Integrado na Europa. José Luis Blasco Vázquez – Chefe de Serviços de Sustentabilidade e Mudanças Climáticas da KPMG na Europa, Oriente Médio, África, Oriente Médio e Sul da Ásia.

Moderadora: Sonia Favaretto – Diretora de Imprensa e Sustentabilidade da BM&FBOVESPA.

15:30h - 16:45h - TEMAS RELEVANTES E CASES DE ANÁLISE INTEGRADA.

- Novo método de Avaliação ESG e os seus desafios. Denise Hills – Superintendente de Sustentabilidade do ITAÚ;
- Casos de Análise Integrada. René Nicolodi – Gerente de Soluções de Sustentabilidade da ASSET MANAGEMENT DO ZURICH CANTONALBANK

Moderador: José Luis Blasco Vázquez – Gerente de Serviços de Sustentabilidade e Mudanças Climáticas da KPMG na Europa, Oriente Médio, África e Sul da Ásia.

16:45h - 17:00h - INTERVALO.

17:00h - 18:30h - DEBATE ENTRE OS PROFISSIONAIS DE INVESTIMENTO E ESPECIALISTAS ESG SOBRE O TEMA DA CONFERÊNCIA.

Debatedores: Paulo de Sá (FUNCESP), Francisco Dórto (FIPECABI), Emerson Leite (CREDIT SUISSE), Maria Eugênia Buosi (RESULTANTE CONSULTORIA), Ana Luiza Figueiredo Costa Galizia (BRAM-BRADESCO) e Pedro Galoppi (REPRESENTANTE DA PRI).

18:30h - ENCERRAMENTO: Ricardo Martins – Presidentes da APIMEC/SP, Jesús Lopez Zaballos – Presidente da EFFAS e Reginaldo Ferreira – Presidente da APIMEC-NACIONAL.

Local: BM&FBOVESPA - Praça Antonio Prado, 48- Centro - São Paulo – SP

Data: 29 de Abril de 2014



We see the unlimited opportunity to achieve long-term profitability while addressing societal needs.

As a signatory of the PRI, together with Apimec and BM&FBOVESPA, Cornerstone Capital Group believes that integrating Environmental, Social and Governance (ESG) factors into investment processes throughout the capital markets leads to extraordinary insight. Better perspective allows us to help analyze the right investment opportunities for you, your clients and customers — while benefiting people and planet. Whether you seek global research insight, capital introductions, investment banking, or private client investment consulting, we can help you achieve sustainable returns.

Visit us at cornerstonecapinc.com for more information and to learn more about the Journal of Sustainable Finance & Banking SM.





É Possível Evoluir para uma Análise Integrada de Investimentos?

Desafios e
realizações

Joaquim Levy

29 de abril de 2014



Bradesco
Asset Management



Bradesco
Asset Management

objetivo



Integrar as questões ESG à análise de Riscos e Desempenho e da decisão de investimento em todas as classes de ativos cobertas pelos nossos fundos.



Integração - BRAM

Análise fundamentalista: riscos de mercado, operacionais, estudo de cenário

Balance Sheet		
As of Dec. 31, 2004 (000's)		
Assets	2004	2003
Cash and Equivalents	52,000	57,600
Accounts Receivable	402,000	351,200
Inventory	836,000	715,200
Total Current Assets	1,290,000	1,124,000
Plant & Equipment	527,000	491,000
Accumulated Depreciation	166,200	146,200
Net Fixed Assets	360,800	344,800
Total Assets	1,650,800	1,468,800
Liabilities and Owner's Equity		
Accounts Payable	175,200	145,600
Short-term Notes Payable	225,000	200,000
Other Current Liabilities	140,000	136,000
Total Current Liabilities	540,200	481,600
Long-term Debt	424,612	323,432
Total Liabilities	964,812	805,032
Common Stock	460,000	460,000
Retained Earnings	225,988	203,768
Total Shareholder's Equity	685,988	663,768
Total Liabilities and Owner's Equity	1,650,800	1,468,800



Informações ESG

- Base em informações públicas
- *Engajamento* com as empresas

Estudos setoriais

- Construção de *rating*
- Base de dados proprietária



Avaliação de target price (preço alvo) e métricas afins



Destques

**Foco na análise de conformidade das empresas alvo:
qualidade de processos, relatórios, etc.**

- exemplo em bancos: institucionalização da análise de riscos sócio ambientais no processo de concessão de crédito
- exemplo para infraestrutura: a companhia tem programa para garantir a preservação de áreas de alto valor de biodiversidade

1º uso da informação pública, que também é *proxi* (indicador) da qualidade de processos.

2º na ausência de informação pública, engajamento da companhia, com vistas à aprimoramento da informação disponível para análise e eventual indicação da valorização pelo mercado de atitudes próativas no ESG



Exemplo

Duas companhias com $\beta = 1$ e overlapping de algumas atividades:

Cia U (“UPA3”) $\beta_{\text{ajustado}} = 0,8$, em virtude de:

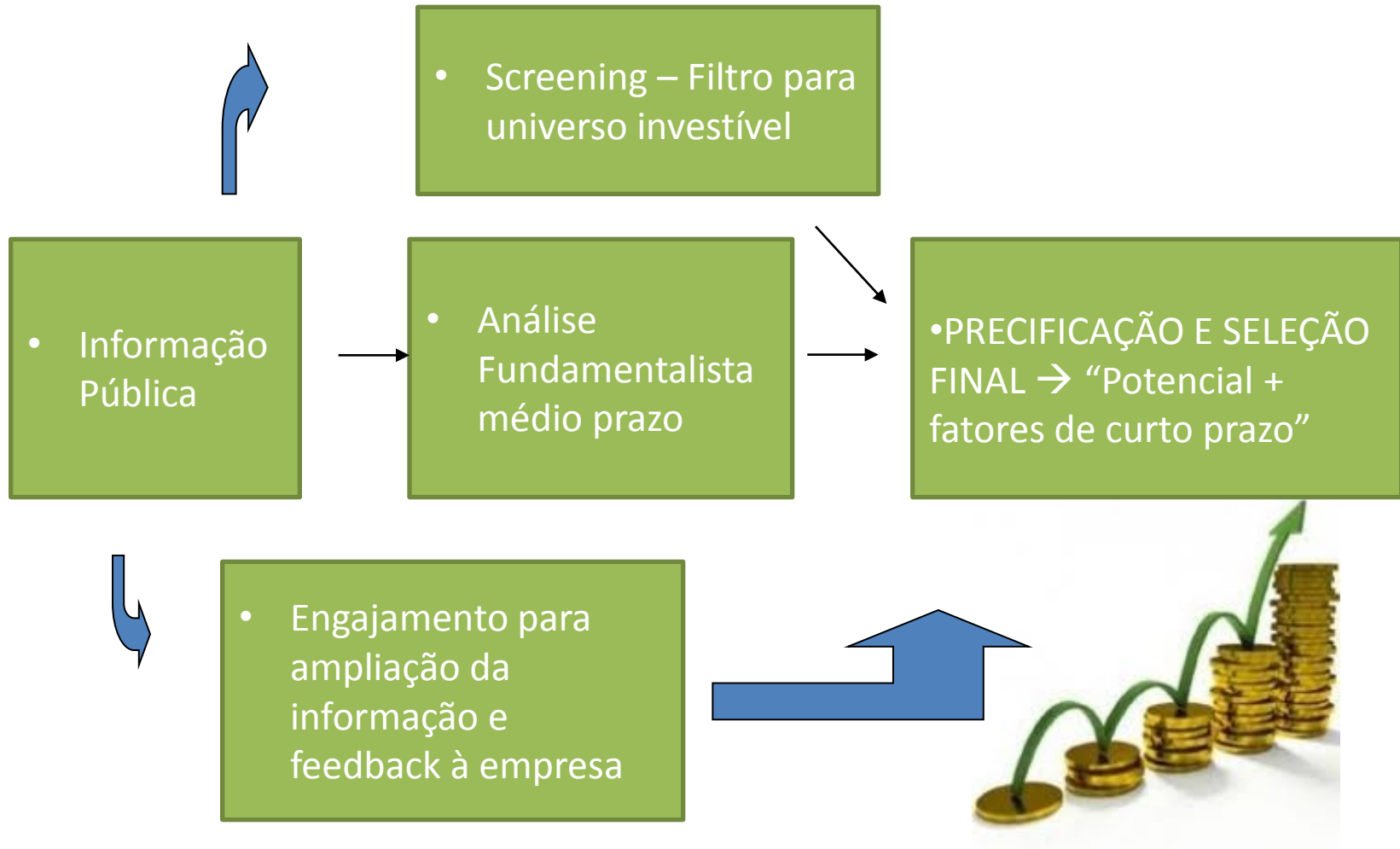
- (-0,1) melhora constante das práticas de governança (G);
- (-0,1) resultados consistentemente crescentes.

Cia Cn (“CAN3”) $\beta_{\text{ajustado}} = 1,0$, em virtude de:

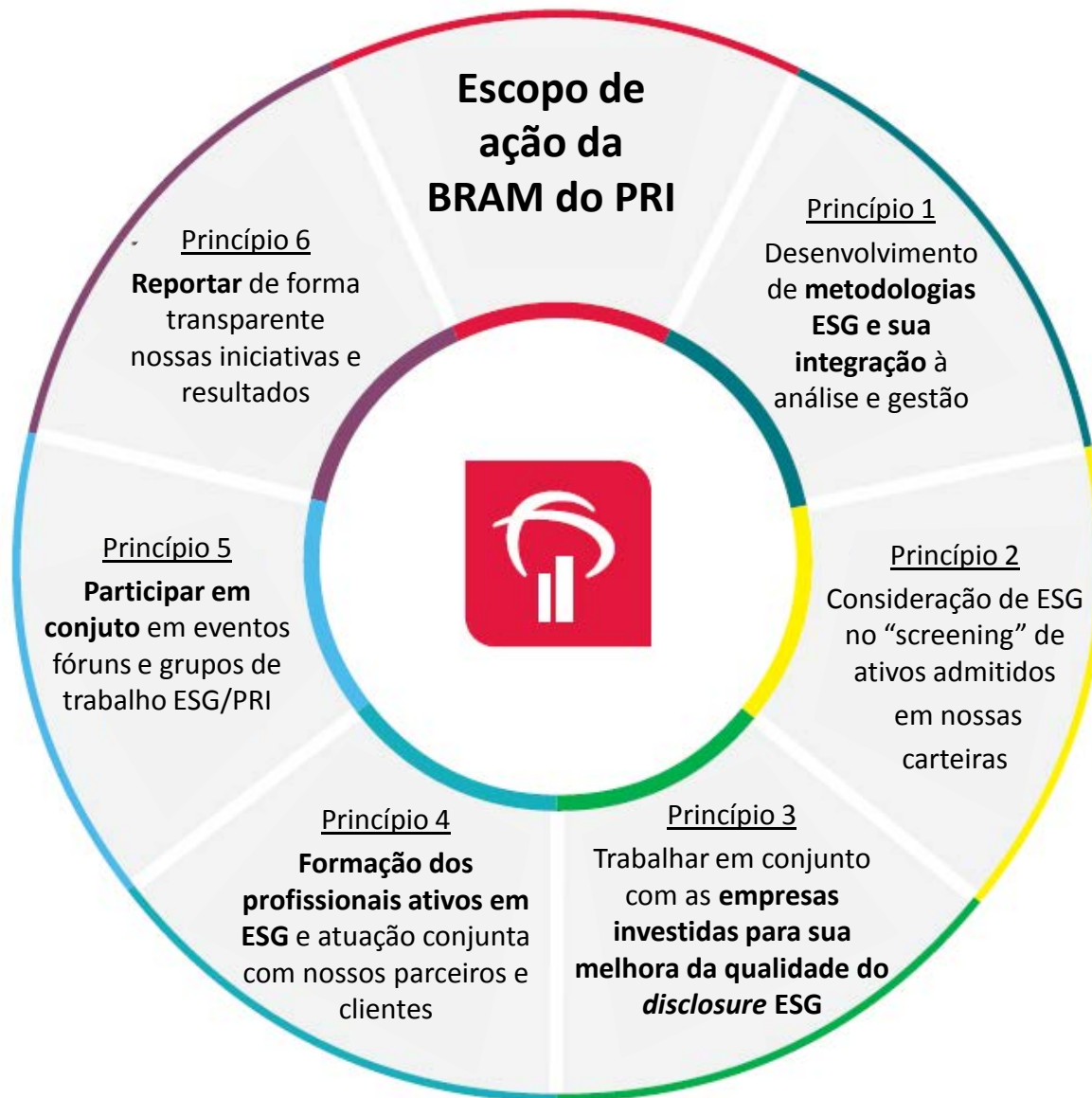
- (+0,1) risco de *holding*, dispersão de resultados (G);
- (+0,1) mudança da estrutura societária depois de listada (G);
- (+0,1) risco de não cumprimento das exigências trabalhistas (S)
- (-0,1) posição de liderança no setor;
- (-0,1) resultado n consistente e crescente (E).



Integração - BRAM



Escopo de ação da BRAM do PRI





Obrigado !



A presente instituição aderiu ao Código ANBIMA de Regulação e Melhores Práticas para os Fundos de Investimento.

FUNDOS DE INVESTIMENTO NÃO CONTAM COM GARANTIA DO ADMINISTRADOR DO FUNDO, DO GESTOR DA CARTEIRA, DE QUALQUER MECANISMO DE SEGURO OU, AINDA, DO FUNDO GARANTIDOR DE CRÉDITOS – FGC.

A RENTABILIDADE OBTIDA NO PASSADO NÃO REPRESENTA GARANTIA DE RENTABILIDADE FUTURA.

É RECOMENDADA A LEITURA CUIDADOSA DO PROSPECTO E DO REGULAMENTO DO FUNDO DE INVESTIMENTO PELO INVESTIDOR ANTES DO INVESTIMENTO DE SEUS RECURSOS NO FUNDO.



Bradesco
Asset Management



Governança como porta de entrada para fatores ESG

Carlos Eduardo Lessa Brandão

celb@iname.com

São Paulo, 29 de abril de 2014

Conteúdo

- Governança, estratégia e sustentabilidade
- ESG e valor
- ESG: desafios e oportunidades

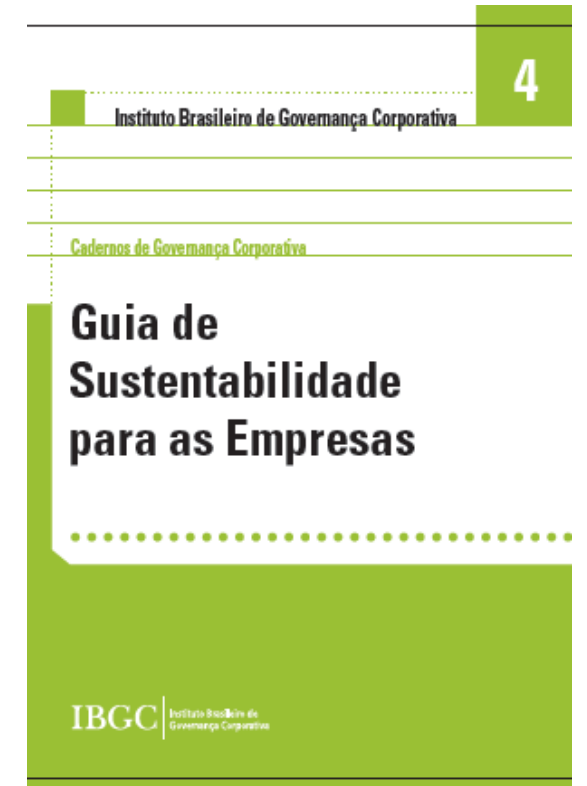
Governança Corporativa

- Sistema para **dirigir, monitorar e incentivar**
- **Relacionamentos** entre sócios, Conselho de Administração, Diretoria e órgãos de controle
- **Boas práticas:**
 - Convertem **princípios em recomendações** objetivas
 - Alinham interesses para **preservar e otimizar o valor da organização**
 - Facilitam **acesso a recursos**
 - Contribuem para **longevidade**
- **Princípios:**
 - **Transparência, equidade, prestação de contas e responsabilidade corporativa**

Governança, estratégia e sustentabilidade

- ... o Conselho de Administração tem o dever de **prover a orientação estratégica**
- No desenvolvimento da estratégia, curto e longo prazos precisam ser considerados - deve-se **levar em conta os temas da sustentabilidade**
- **Governança, estratégia e sustentabilidade se tornaram inseparáveis**
- Não se pode mais planejar estrategicamente sem levar em conta os temas da sustentabilidade

Mervyn E. King, Prefácio



(2007)

Governança e sustentabilidade

- Governança: tomada de decisão
 - Impacto no meio ambiente e na sociedade
- Sustentabilidade: contexto dos negócios
 - Impacto na estratégia e na governança
- Governança da sustentabilidade
 - Conselho de Administração
 - Comitês, Comissões, especialistas externos, educação, remuneração, função da empresa



(2013)

Sustentabilidade e os diversos capitais

- Viver da “renda” e não do “capital”
- Capital natural
 - Serviços ambientais
 - produção de oxigênio, seqüestro de carbono
 - formação dos solos, água, madeira e fibras
 - regulação do clima
 - valores estéticos, espirituais e de lazer
- Capital social
 - Qualidade das relações entre pessoas e grupos (**confiança**)
 - princípios e práticas da **boa governança corporativa**
- Lógica do Lucro Econômico
 - Lucro pelo menos igual ao custo de capital (ex.: EVA)
 - ISE BM&FBOVESPA desde 2005



ESG e valor

- Mais cedo ou mais tarde, ESG impacta o valor
 - Análise do ciclo de vida
 - Cadeia de valor
 - Remuneração baseada em ações: assimetria entre retorno e risco
 - Função das empresas: além da “maximização do valor para o acionista”
- Identificar, relatar e ranquear os temas ESG:



INTEGRATED REPORTING <IR>



ESG: desafios e oportunidades

- Incorporar intangíveis e externalidades no valor (“o que” x “como”)
 - Valoração ambiental e social
 - Análise setorial
 - Regulação e auto-regulação
 - Relação dos fatores ESG com o valor
 - Julgamento
- O custo de não considerar os fatores ESG pode ser muito alto
- Oportunidades para gerar alfa
 - A empresa, seu contexto e tendências
 - Esforço adicional
- Governança
 - Transversal com relação aos setores
 - Papel dos Conselhos de Administração, executivos, investidores e analistas

Obrigado

Carlos Eduardo Lessa Brandão



Membro do Conselho Deliberativo do Instituto Ethos

É vice-presidente do Conselho de Stakeholders da Global Reporting Initiative (GRI) e membro dos Conselhos Deliberativos do Índice de Sustentabilidade Empresarial da BM&FBOVESPA (ISE) e do Fundo Ethical. É membro do Technical Review Committee da Global Initiative for Sustainability Ratings (GISR) e foi conselheiro de administração do Instituto Brasileiro de Governança Corporativa (IBGC)

É consultor em governança e sustentabilidade e professor convidado em vários programas de educação executiva. É administrador de recursos de terceiros autorizado pela CVM e conselheiro de administração certificado pelo IBGC

Foi executivo dos grupos Andrade Gutierrez e Vale com experiência em investimentos em participações (M&A). É engenheiro civil, mestre em Planejamento Energético e doutor em História e Filosofia da Ciência, com um MBA Executivo em Finanças

APIMEC - EFFAS Taking ESG into Account

EFFAS ESG Activities & How to Measure ESG

Fritz Mostboeck, CEFA

Deputy Chairman, EFFAS

Co-Chairman, EFFAS CESG

Head of Research, Erste Group (Austria)

Sao Paulo/ Brazil

29 April, 2014

EFFAS: A standard setter for investment professionals' requirements

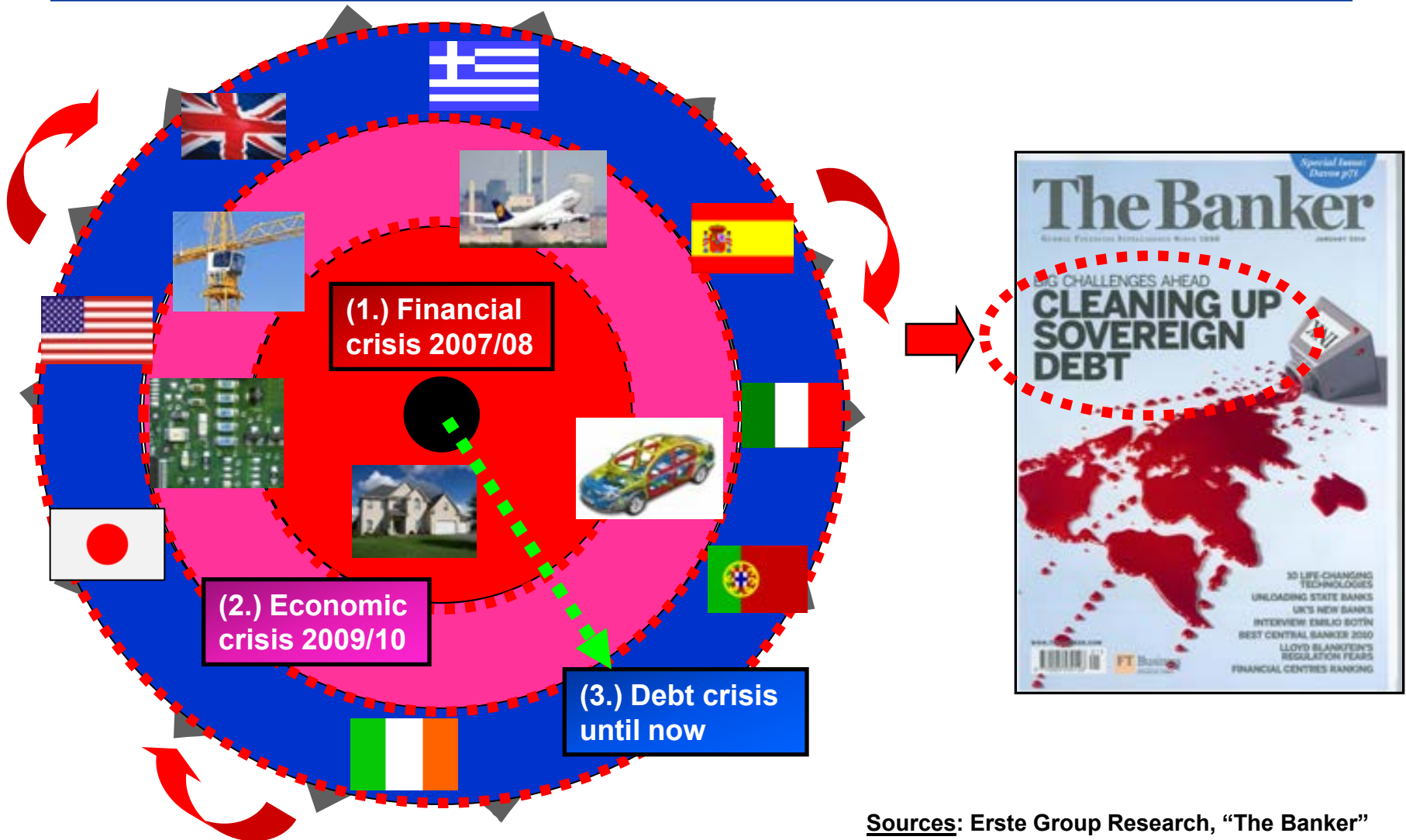
- EFFAS was set up in 1962, the 50th anniversary was recently celebrated in Brussels in 2012
- 26 national member societies, representing more than 16,000 investment professionals in Europe
- Head Office: Frankfurt am Main
- EFFAS executive bodies: AGM and Executive Management Committee

Chairman: Jesús López Zaballos (Spain)
Deputy Chairman: Fritz Mostböck (Austria)
Members: Jean-Baptiste Bellon (France)
Hans Buysse (Belgium)
Frank Klein (Germany)
Chris Golden (Switzerland)

- EFFAS is a non-profit organisation

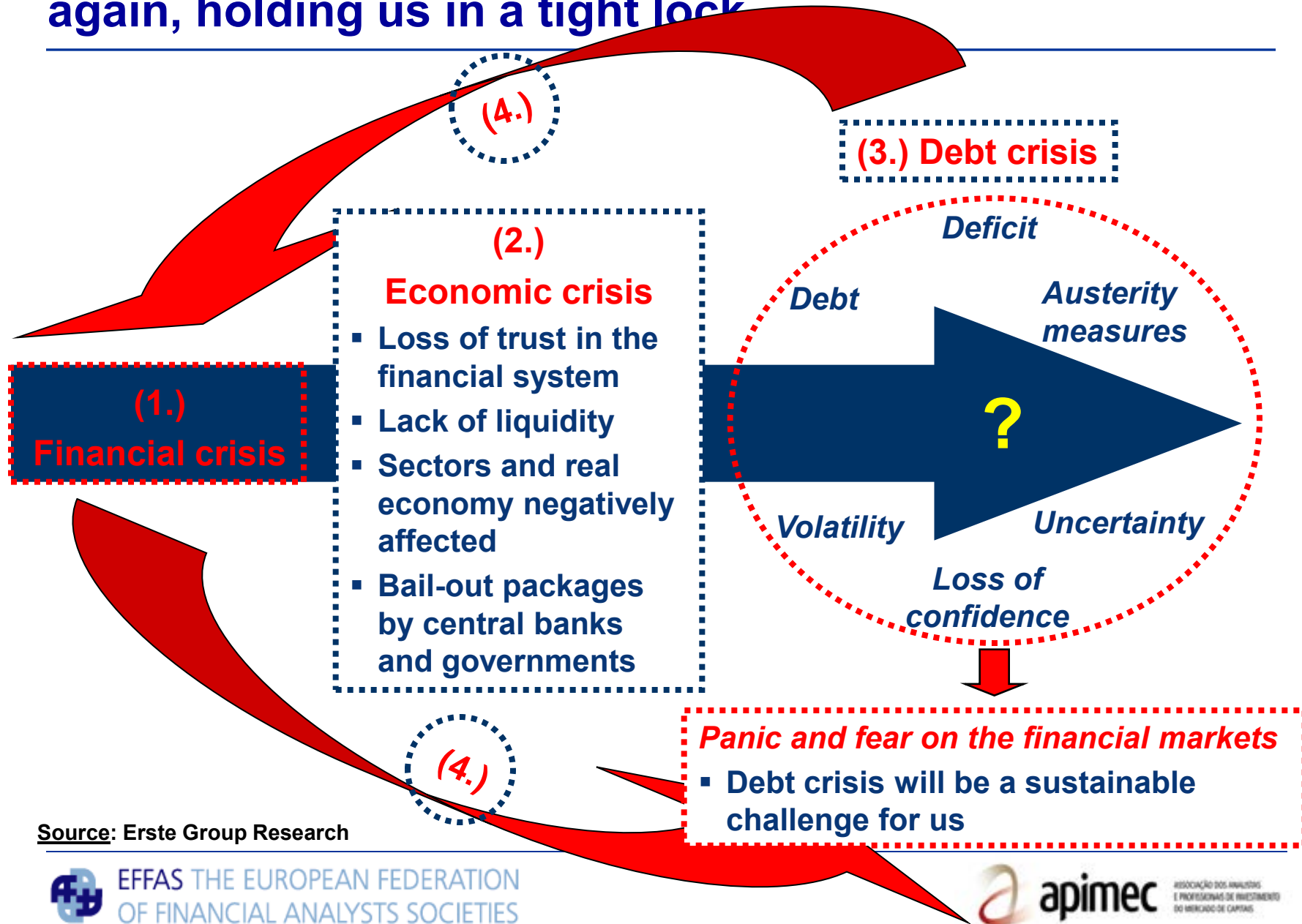


The crisis is parked in government debt, which is a global (not a regional) problem...



Sources: Erste Group Research, "The Banker"

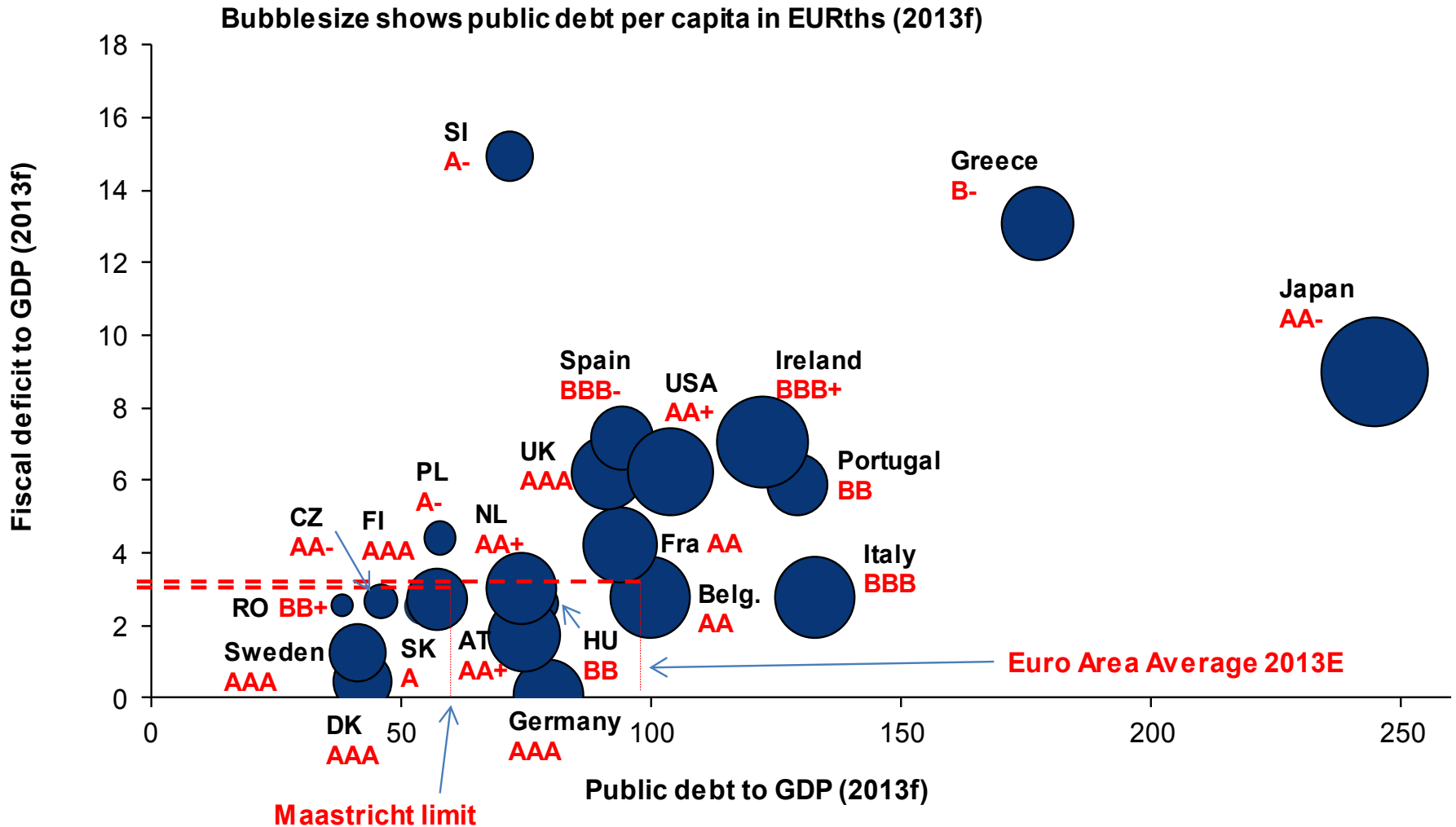
The global crisis has caught up with us again, holding us in a tight lock



Source: Erste Group Research

The global debt crisis is a global crisis

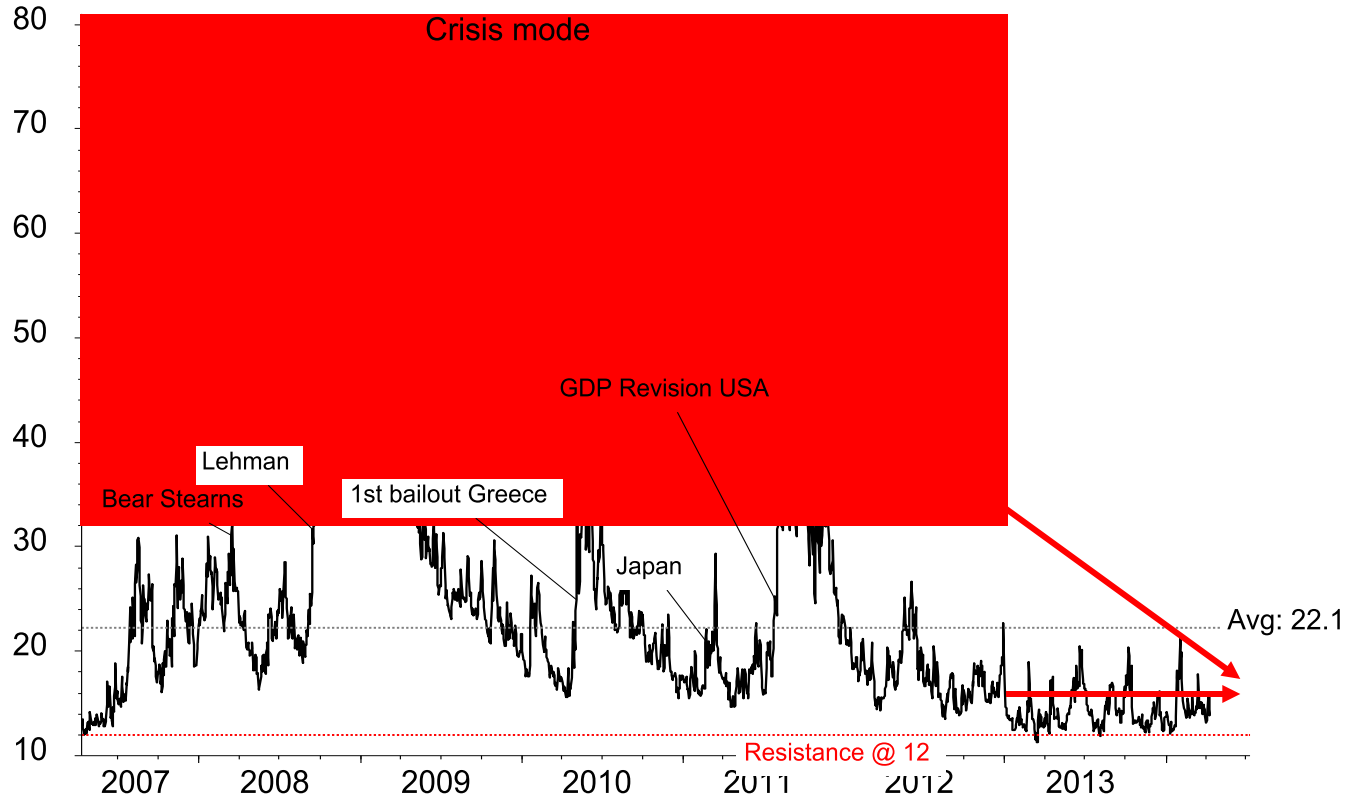
Gross public debt and fiscal deficit to GDP



Source: Erste Group Research, European Commission, ratings by S&P

VIX Index

Wall Street's Indicator of fear



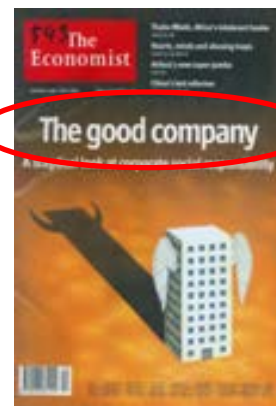
Source:
Datastream

- Implied volatility has fallen since Q4/2011 significantly,
- latest increase were e.g. also caused by Ukraine/Russia conflict,
- current volatility is nevertheless clearly below historical average.

We do have a lot of **unsolved problems** worldwide



On a global scale, the discussion is still at the beginning!



etc.,...

Source: Fritz Mostboeck for EFFAS

What is ESG ?

- **not** a religion
- It's **not** a communist approach



- **not** a pseudo-moralistic view



- **not** a green policy concept



- **not** a 'bill of goods'



- **not** an "I-know-it-better" approach



Tool that seeks to respond to the failures of the past and prevent those of the future. ESG should be understood as **everyone's responsibility** (extensive stakeholder approach).

Source: Fritz Mostboeck for EFFAS

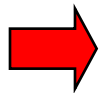
ESG

What are the benefits of ESG?

- ESG is not a marketing gag.

Differentiation effectively creates:

1. **Competitive advantage,**
2. **Higher reputation,**
3. **Confidence.**



These ingredients are the basis for the sustainable success of a company. Therefore, applied ESG increases a **company's value.**

ESG

Long-term consequences

- **ESG is a topic of global significance and will gain greater acceptance.**
- **Investor awareness has to be raised substantially.**
- **Capital market can only cover listed companies.**
- **The capital market is best suited to implement objectives for the common good.**

ESG

Advantages of the capital market

- > Wide transparency is honoured, lacking is sanctioned,
- > Soft facts are measured by the share price as well,
- > ESG and the capital market stands for performance orientation,
- > Generation of a common good,
- > Efficient allocation of financial resources,
- > **Capital markets** are the **best-suited medium** for a comprehensive evaluation (including soft facts) because:
- > **Stocklisted companies** => represent the **bulk of global GDP** (~85%, bonds are ~140%/ government- and corporate bonds).

Major disadvantage for the moment: **Investor awareness**, but:
-> public pressure is - from different sides - increasing.

ESG

What is our goal?

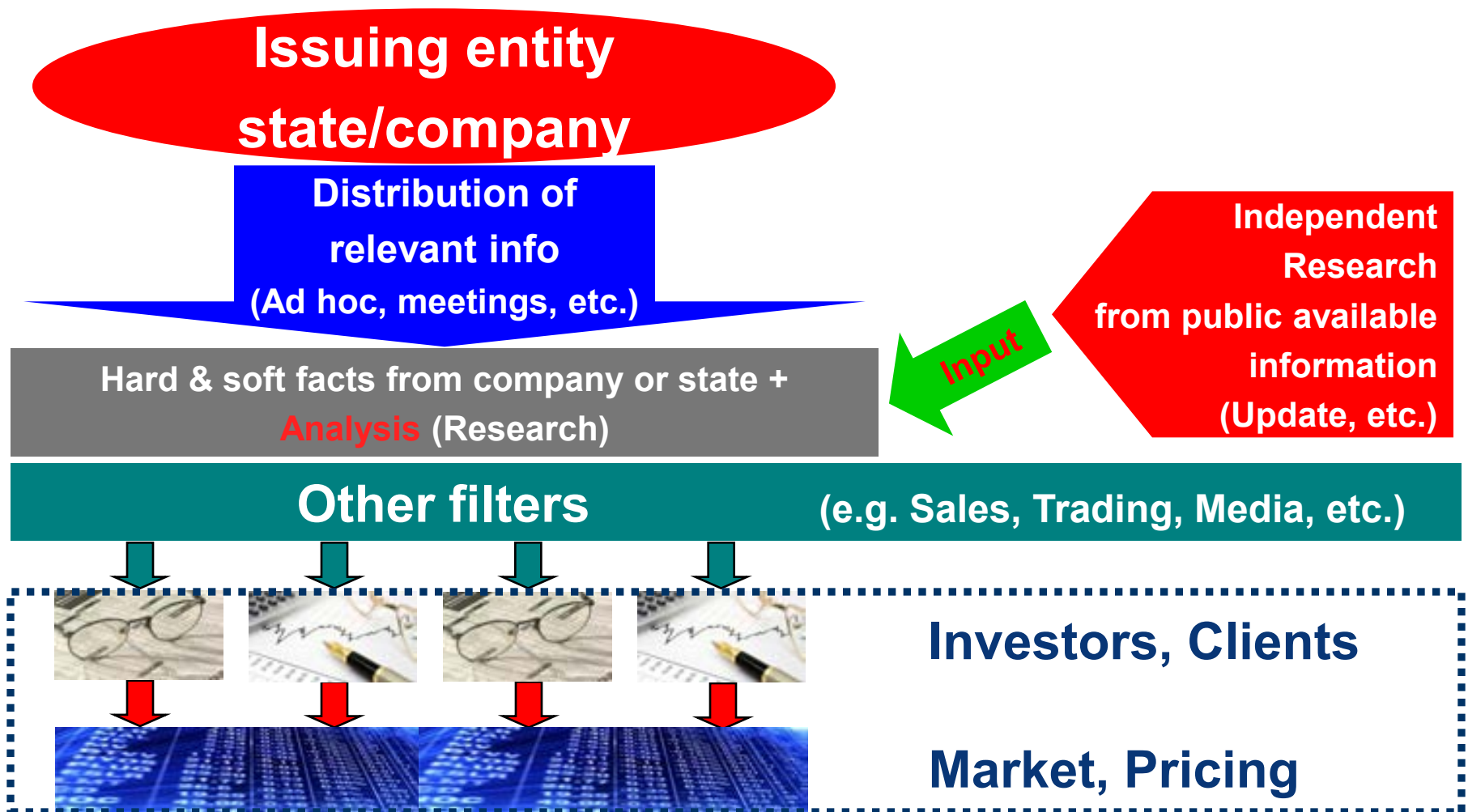
ESG / Corporate Responsibility:

-> **Has to become mainstream!**

Input - Throughput - Output:
ESG should be understood as
everyone's responsibility (in the
sense of a stakeholder approach) !

ESG

What's the communication process?



Source: Fritz Mostboeck for EFFAS

EFFAS Non Financial Reporting KPIs

EFFAS/ DVFA Report on Sector KPIs for ESG

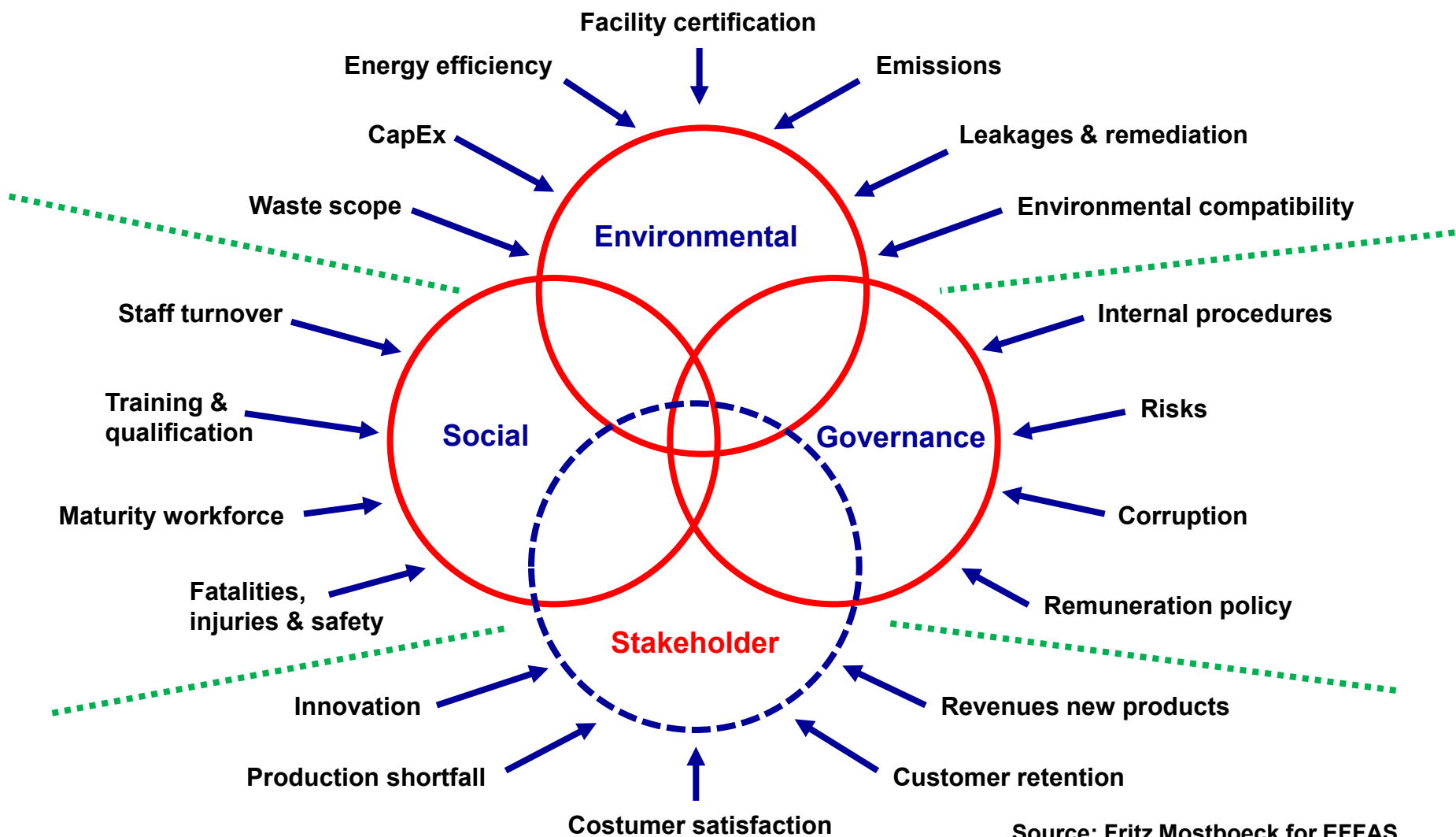


Released in September 2010:
see www.effas-esg.com

- **Sector Benchmark:**
Dow Jones Industry Classification
- **Covering 10 main sectors:**
Oil & Gas,
Basic Materials,
Industrials,
Consumer Goods,
Health Care,
Consumer Services,
Telecom,
Utilities,
Financials,
Technology.
- **divided into 114 subsectors.**

EFFAS KPIs for ESG

How to measure ESG?



Source: Fritz Mostboeck for EFFAS

EFFAS Non Financial Reporting KPIs

EFFAS/ DVFA Report on Sector KPIs for ESG

KPI	Spec ID	Unit	Classification
533 Exploration & Production			
Scope 1 + Scope 2; Scope 3 - Material; Scope 3 - Significant			
Energy Efficiency	533-01	1	Energy consumption, total
GHG Emissions	533-02	1	GHG emissions, total (Scope 1,2)
Staff turnover	533-03	1	Percentage of FTE leaving o.d./total FTE
Training & qualification	533-04	1	Average expenses on training per FTE p.a
Maturity of workforce	533-05	1	Age structure/distribution (number of FTEs per age group, 10-year intervals)
Remuneration	533-06	1	Total amount of bonuses, incentives and stock options paid out in C.A.
	533-07	1	Total number of FTEs who receive 50 % of total amount of bonuses, incentives and stock options
	533-08	1	Key Performance Narrative (Please answer the questions in Max. 500 words) Do you take ESG performance into account in your performance agreements? How do you integrate ESG principles within performance agreements in your company and to what extent do you apply it?
Litigation risk	533-09	1	Expenses and fines on things, law suits related to anti-competitive behavior, anti-trust and monopoly practices
Corruption	533-10	1	Percentage of revenues in regions with Transparency International corruption index below 5.0
Substance from new products	533-11	1	Percentage of new products or modified products introduced less than 12 months ago
Innovation	534-01	1	Total R&D expenses
	534-12	1	Total investments in research on ESG relevant aspects of business as defined by company (referred to Introduction 1.6.1, KPIs & Definitions)
Emissions to Air	533-03	II	Total CO ₂ , CH ₄ , N ₂ O, VOC, ammonia in million tonnes
Remediation	532-01	II	Expenditure for remediation, reclamation and decommissioning total in monetary terms i.e. currency
	532-02	II	Environmental spending for ESD, site rehabilitation and environmental monitoring total in monetary terms i.e. currency
Contributions to political parties	500-01	II	Contributions to political parties as a percentage of total revenues
Dimensions of pending legal proceedings	504-01	II	Amount in monetary terms i.e. currency in controversy, dispute from legal proceedings
Fatalities & Injuries	504-03	II	Total number of fatalities in relation to FTEs
	504-04	II	Total number of injuries in relation to FTEs
Maintenance & safety	500-02	II	Total expenditure in monetary terms i.e. currency on maintenance and safety of production sites, plants etc.
Environmental CapEx	511-01	II	CapEx allocation to investments on ESG relevant aspects of business as defined by the company (referred to Introduction 1.6.1, KPIs & Definitions)
Utilisation	513-01	II	Capacity utilisation as a percentage of total available facilities
Supply Chain	520-01	II	Total number of suppliers
	520-02	II	Percentage of sourcing from 3 biggest external suppliers
	520-03	II	Turnover of suppliers in percent
Emissions to Air	503-04	III	TOP 2 components of emissions to air by environmental importance (according to TRC, PRTR, and EPER) Rank 1
	503-05	III	TOP 2 components of emissions to air by environmental importance (according to TRC, PRTR, and EPER) Rank 2
Emissions to Water	503-06	III	TOP 2 components of emissions to water by environmental importance (according to TRC, PRTR, and EPER) Rank 1
	503-07	III	TOP 2 components of emissions to water by environmental importance (according to TRC, PRTR, and EPER) Rank 2
Remediation	512-05	III	Total amount of reserves for future environmental remediation, emissions, accident costs in monetary terms i.e. currency
Leakages	524-01	III	Volume of leakages in barrels or cubic metres
	524-02	III	Total amount of costs incurred through leakages including remediation and fines
Accidental oil/gas spills	525-01	III	Volume of accidental oil spills in barrels





Setting of ESG standards in the financial industry

- “Translation” of different E, S & G areas into characteristics
- Setting of defined KPIs
- Hard & soft facts can be evaluated by concrete ratios
- Additional qualitative approach through non financial indicators

EFFAS Non Financial Reporting KPIs

What does that mean just with a few points e.g. in detail

533 Exploration & Production

KPI	Spez-ID	Scope	Specification
<i>(Scope I = Entry Level; Scope II = Midlevel; Scope III = Highlevel)</i>			
1 Energy Efficiency	E01-01	I	Energy consumption, total
2 GHG Emissions	E02-01	I	GHG emissions, total (scope I,II)
3 Staff turnover	S01-01	I	Percentage of FTE leaving p.a./total FTE
4 Training & qualification	S02-02	I	Average expenses on training per FTE p.a
5 Maturity of workforce	S03-01	I	Age structure/distribution (number of FTEs per age group, 10-year intervals)
6 Remuneration	S08-01	I	Total amount of bonuses, incentives and stock options paid out in €, \$
	S08-02	I	Total number of FTEs who receive 90 % of total amount of bonuses, incentives and stock options
	S08-03	I	Key Performance Narrative (Please answer the questions in max. 500 words) Do you take ESG performance into account in your performance agreements? How do you integrate ESG principals within performance agreements in your company and to what extent do you apply it?
7 Litigation risks	V01-01	I	Expenses and fines on filings, law suits related to anti-competitive behavior, anti-trust and monopoly practices
8 Corruption	V02-01	I	Percentage of revenues in regions with Transparency International corruption index below 6.0
9 Revenues from new products	V03-02	I	Percentage of new products or modified products introduced less than 12 months ago
10 Innovation	V04-01	I	Total R&D expenses
	V04-12	I	Total investments in research on ESG relevant aspects of business as defined by company (referred to Introduction 1.8.1. KPIs & Definitions)
11 Emissions to Air	E03-01	II	Total CO ₂ , NO _x , SO _x , VOC emissions in million tonnes
12 Remediation	E12-01	II	Expenditure for remediation, reclamation and decommissioning total in monetary terms i.e. currency
	E12-02	II	Expenditure for R&D, site rehabilitation and environmental protection

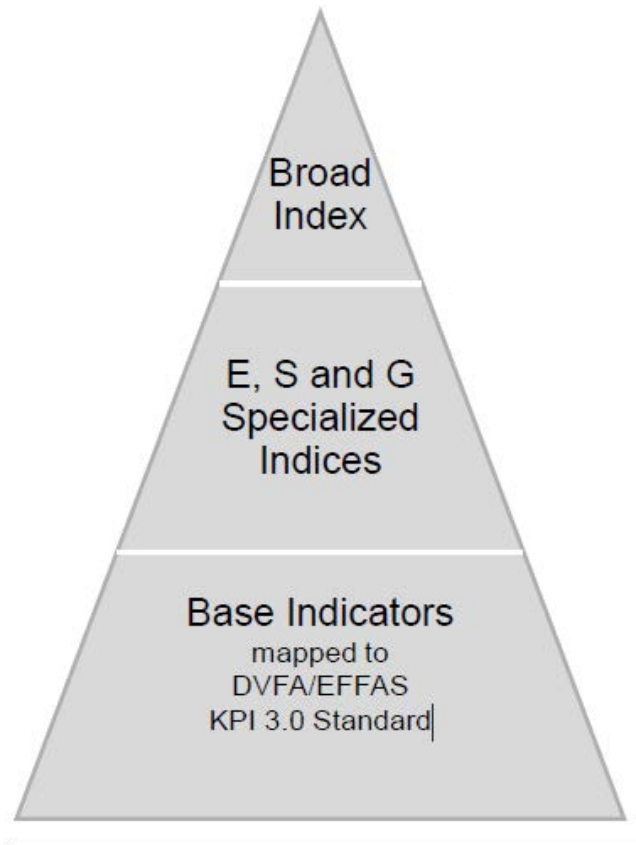
EFFAS Non Financial Reporting KPIs

What does that mean just with a few points e.g. in detail

13	Contributions to political parties	G01-01	II	Contributions to political parties as a percentage of total revenues
14	Dimensions of pending legal proceedings	G02-01	II	Amount in monetary terms i.e. currency in controversy, dispute from legal proceedings
15	Fatalities & Injuries	S04-03	II	Total number of fatalities in relation to FTEs
		S04-04	II	Total number of injuries in relation to FTEs
16	Maintenance & safety	S09-02	II	Total spendings in monetary terms i.e. currency on maintenance and safety of production sites, plants ect.
17	Environmental CapEx	V12-02	II	CapEx allocation to investments on ESG relevant aspects of business as defined by the company (referred to Introduction 1.8.1. KPIs & Definitions)
18	Utilisation	V13-01	II	Capacity utilisation as a percentage of total available facilities
19	Supply Chain	V28-01	II	Total number of suppliers
		V28-02	II	Percentage of sourcing from 3 biggest external suppliers
		V28-03	II	Turnover of suppliers in percent
20	Emissions to Air	E03-04	III	TOP 2 components of emissions to air by environmental importance (according to TRI; PRTR; and EPER) Rank 1
		E03-05	III	TOP 2 components of emissions to air by environmental importance (according to TRI; PRTR; and EPER) Rank 2
21	Emissions to Water	E03-09	III	TOP 2 components of emissions to water by environmental importance (according to TRI; PRTR; and EPER) Rank 1
		E03-10	III	TOP 2 components of emissions to water by environmental importance (according to TRI; PRTR; and EPER) Rank 2
22	Remediation	E12-05	III	Total amount of reserves for future environmental remediation, emissions, accident costs in monetary terms i.e. currency
23	Leakages	E24-02	III	Volume of leakages in barrels or cubic metres
		E24-03	III	Total amount of costs incurred through leakages including remediation and fines
24	Accidental oil/gas spills	E25-01	III	Volume of accidental oil spills in barrels
		E25-02	III	Total amount of costs incurred through accidental oil spills amount including remediation and fines
		E25-04	III	Volume of accidental gas spills in cubic metres
		E25-05	III	Total amount of costs incurred through accidental gas spills amount including remediation and fines
25	Local Staff	S17-01	III	Average percentage of FTE in non-domestic production and exploration sites hired from respective non-domestic labour markets as of total FTE
	Supply Chain	V28-04	III	Key Performance Narrative (Please answer the questions in max. 500 words) How do you ensure that your suppliers adhere to a standard of ESG compliance similar to that of your company?

EFFAS Non Financial Reporting KPIs

EFFAS/DVFA KPIs as backbone of STOXX ESG Global Leader index family



Base for the calculation of international ESG indices

- Done together with - the globally recognized index service provider - STOXX® Index Group Ltd.
- Overall STOXX® Global ESG Leader Index
- Individual E, S & G specialized STOXX® indices
- Benchmark allowing investors to fine tune their sustainable investments

STOXX

Source: STOXX® Ltd.

e.g. Possible Internal Investment process

How to measure ESG?

Conventional financial analysis (research)

Additional
criteria
for exclusion

Alcohol, Tobacco, Gambling, Defense/weapons, Animal testing, Nuclear energy, Gene technology, Environment, Human rights, Labor relations, Employment equality, Governance (varies from approach to approach)

Analysis of
criteria...

Own databases, Annual & sustainable reporting, Websites, Surveys, etc. (hard fact & soft fact analysis)

...under a sustainable long-term stakeholder perspective:

Clients & products, Employees, Society, Suppliers & partners, Investors



ESG Ratings, investment recommendations
or portfolio/ index weightings

Source: Fritz Mostboeck for EFFAS

The Crisis and Economic Responsibility

ÖVFA/ EFFAS Publication Series



ÖVFA Reports “Economic Responsibility”

- (1.) www.ovfa.at,
- (2.) www.dvfa.de,
- (3.) www.effas.net,
- (4.) www.effas-esg.com,
- (5.) www.aciia.org,
- (6.) www.sustainablefinancialmarkets.net,
- (7.) www.hksi.org.

Source: Fritz Mostboeck for EFFAS

Thank you for your attention!



EFFAS

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Thank you for your attention!

...and think on a sustainable base.



Appendix



EFFAS THE EUROPEAN FEDERATION
OF FINANCIAL ANALYSTS SOCIETIES



apimec

ASSOCIAÇÃO DOS ANALISTAS
E PROFISSIONAIS DE INVESTIMENTO
DO MERCADO DE CAPITAIS

EFFAS C ESG as member in global initiatives

- **IIRC “International Integrated Reporting Committee” (Working Group, Technical Task Force, Investor Testing Group)**
- **SASB “Sustainability Accounting Standards Board” (Advisory Board)**
- **Project “Delphi” on Definition of ESG Superfactors (Steering Committee, Technical Group)**
- **ESG Disclosure Workshop of European Commission (2010-2011)**
- **several national initiatives on CSR disclosure (Grenelle II/France, German Sustainability Code, etc.)**

EFFAS ESG Training Programme

- **2-day seminar on ESG Valuation, Measurement & Integration**
- **to be launched and realized during 2014**
- **focus on integration of ESG in conventional corporate valuation methods (DCF, WACC, multiple valuation) and portfolio management (asset allocation, investment styles)**
- **Academic Chair: Professor Alexander Bassen/University of Hamburg**

Os fatores ESG/EFFAS e sua inserção nos modelos de análise de investimentos

Abril 2014

Gustavo Pimentel

gpimentel@sitawi.net



Sobre a SITAWI

Entre as melhores casas de pesquisa ESG
para investidores (Extel IRRRI 2013)



Prêmio BID beyondBanking 2011



Trabalho na interseção de sustentabilidade e finanças

- Assessoria a investidores responsáveis
- Pesquisa ESG de empresas
- Risco socioambiental para bancos e seguradoras

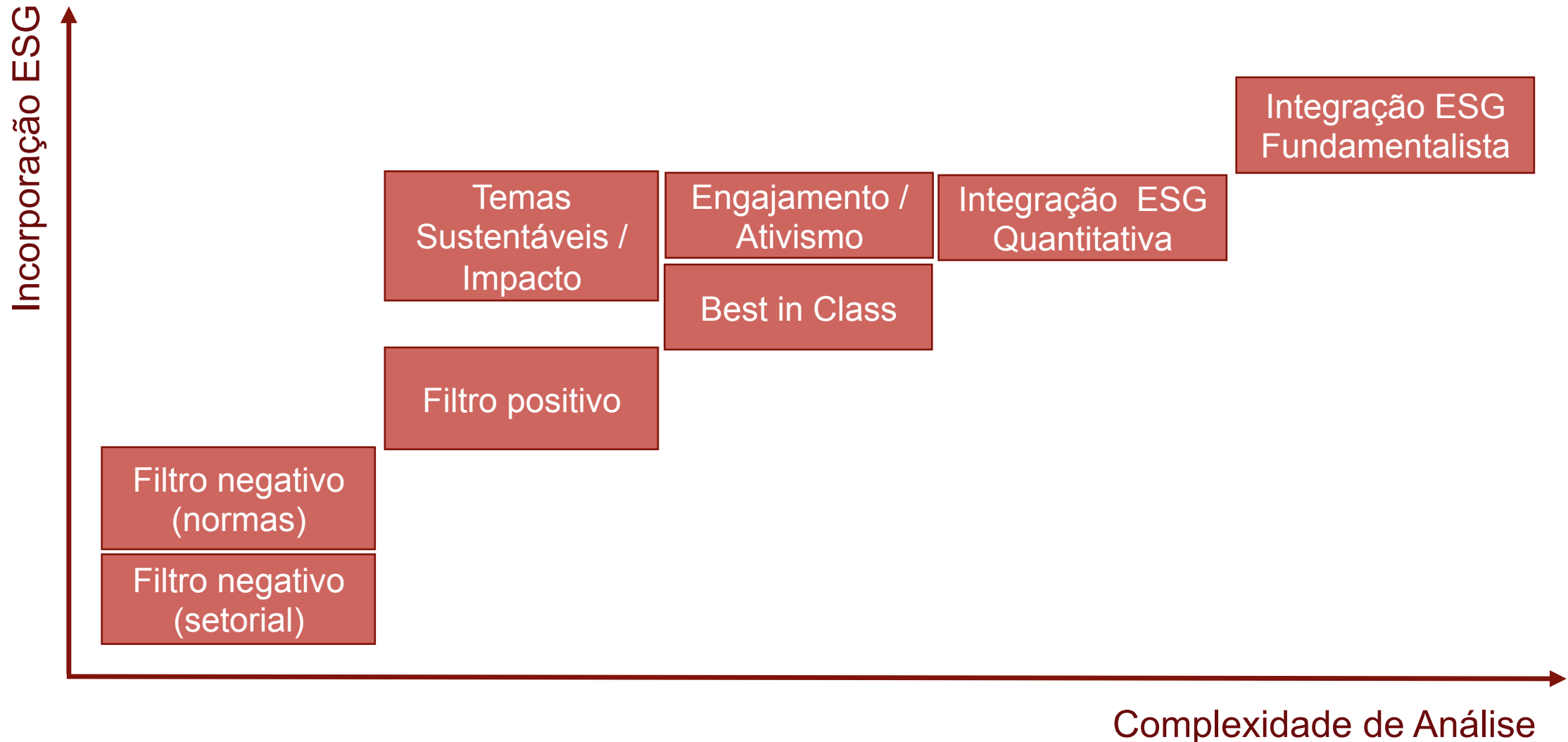
Signatory of:



Coordenação do GT Investimentos
PRI Brasil

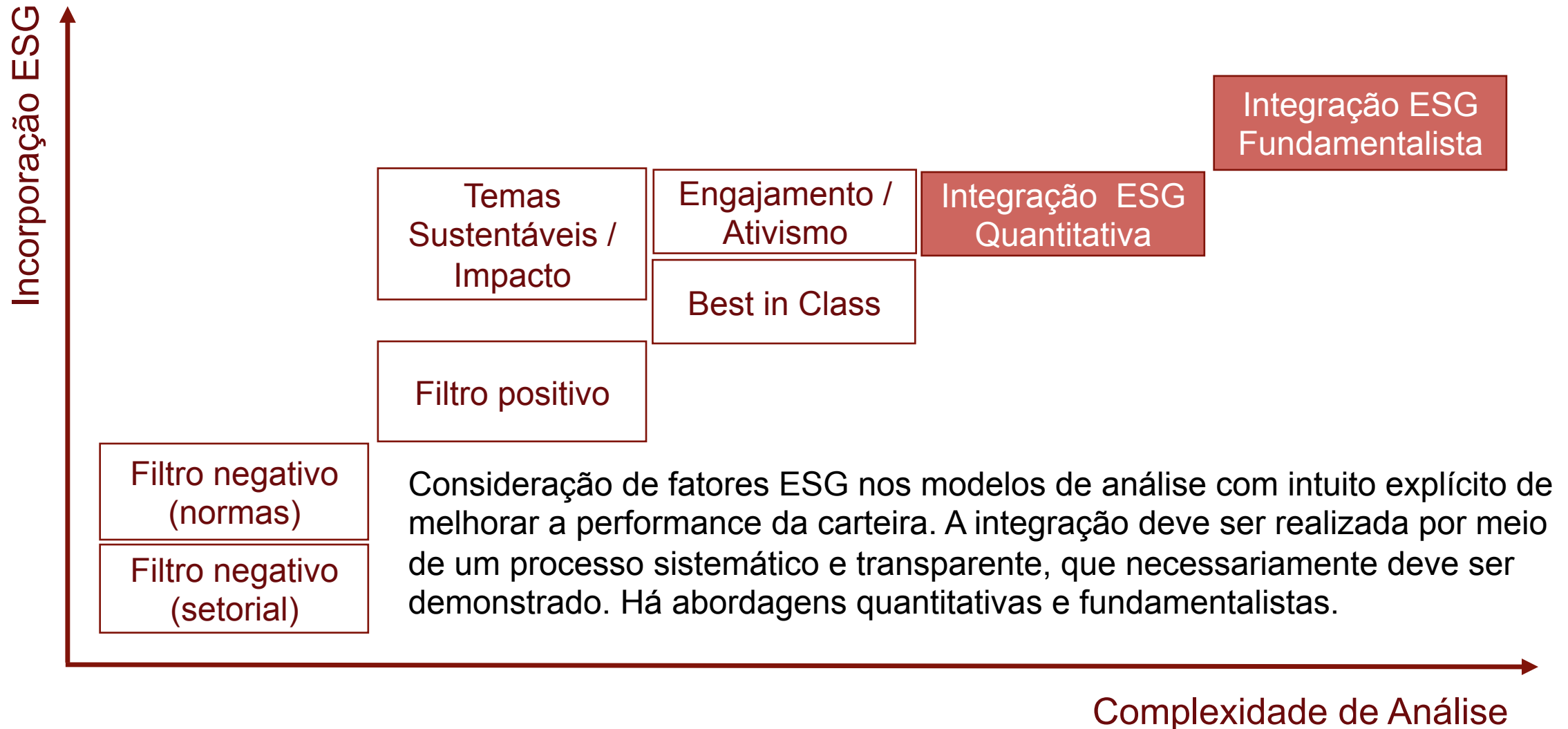
Abordagens de Investimento Responsável

Incorporação ESG x Complexidade de Análise



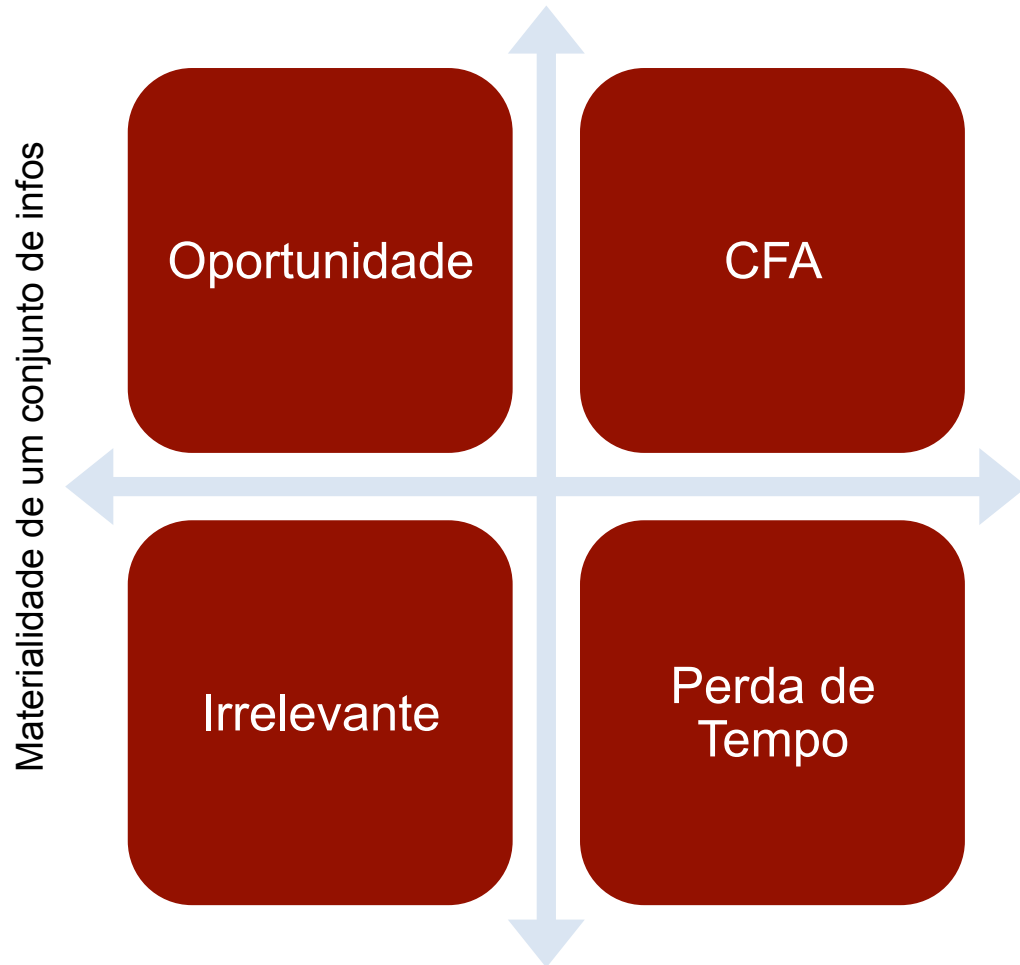
Abordagens de Investimento Responsável

Incorporação ESG x Complexidade de Análise



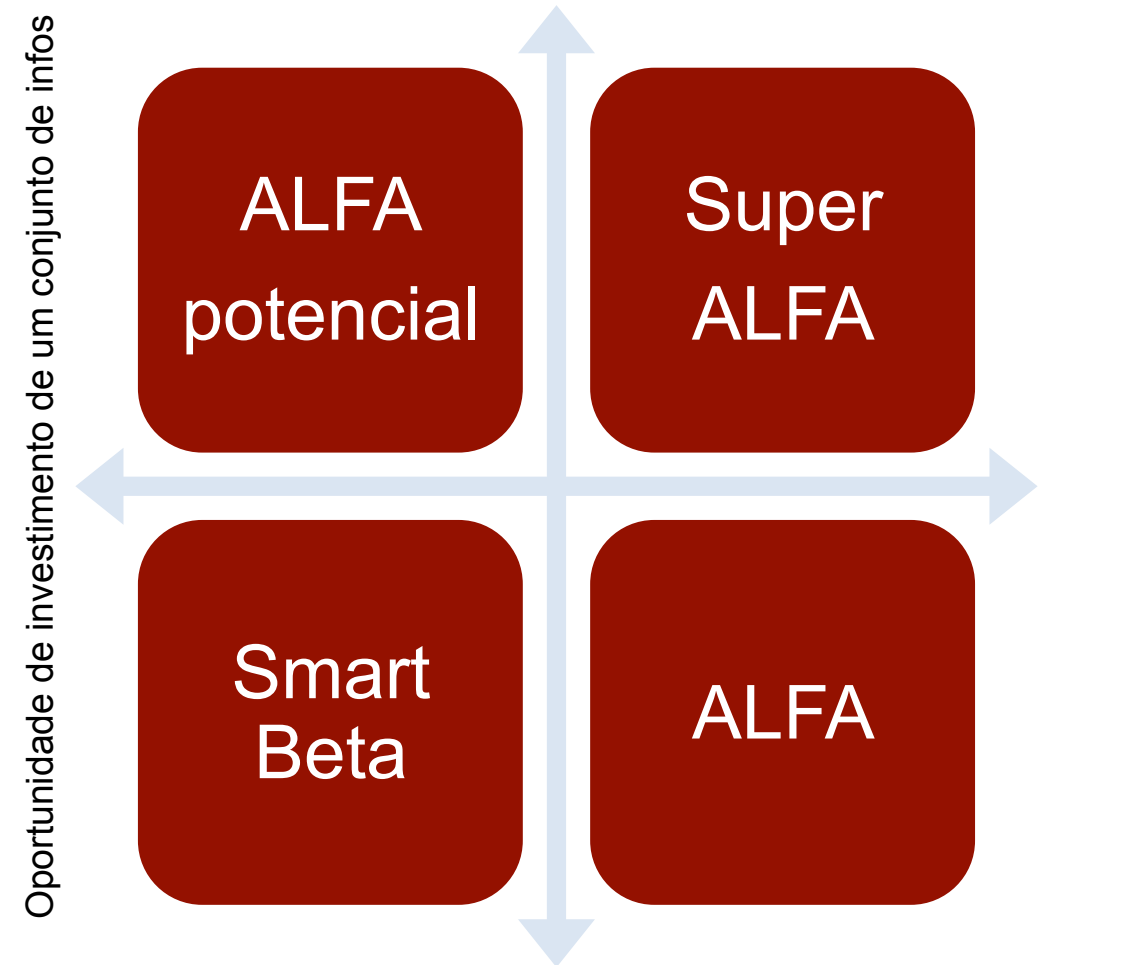
Infos ESG como fonte de ALFA

Zonas de Investimento



Atenção do mercado a um conjunto de infos

Investimentos na Zona de Oportunidade



Complexidade / barreiras a entrada de um conjunto de infos

Forças de Porter corroboram as vantagens de ter competências ESG



Provedores de Métricas

Padrões ESG



KPIs for ESG



“Tradução para Investidores”

PRI Integrated Analysis

ESG Value Driver Framework

Agências Pesquisa ESG

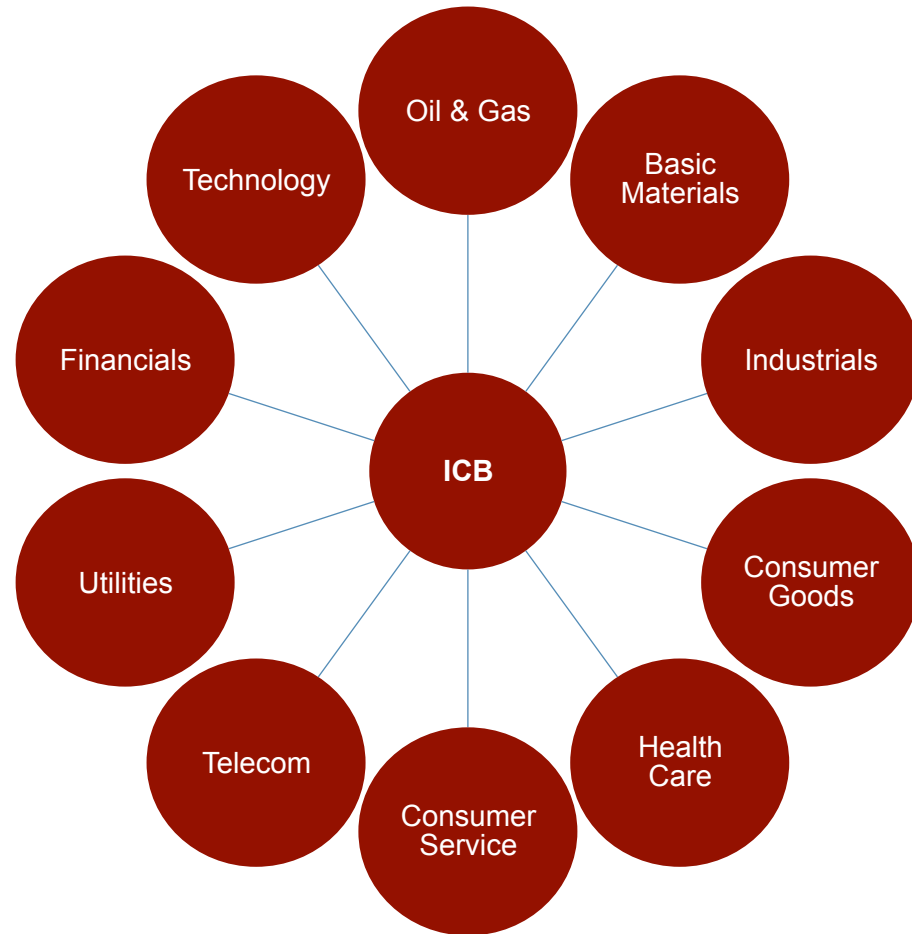


Provedores Info Financeira



Pesquisa PRI

Materialidade de KPIs ESG no Brasil



9 setores pesquisados em 12 meses

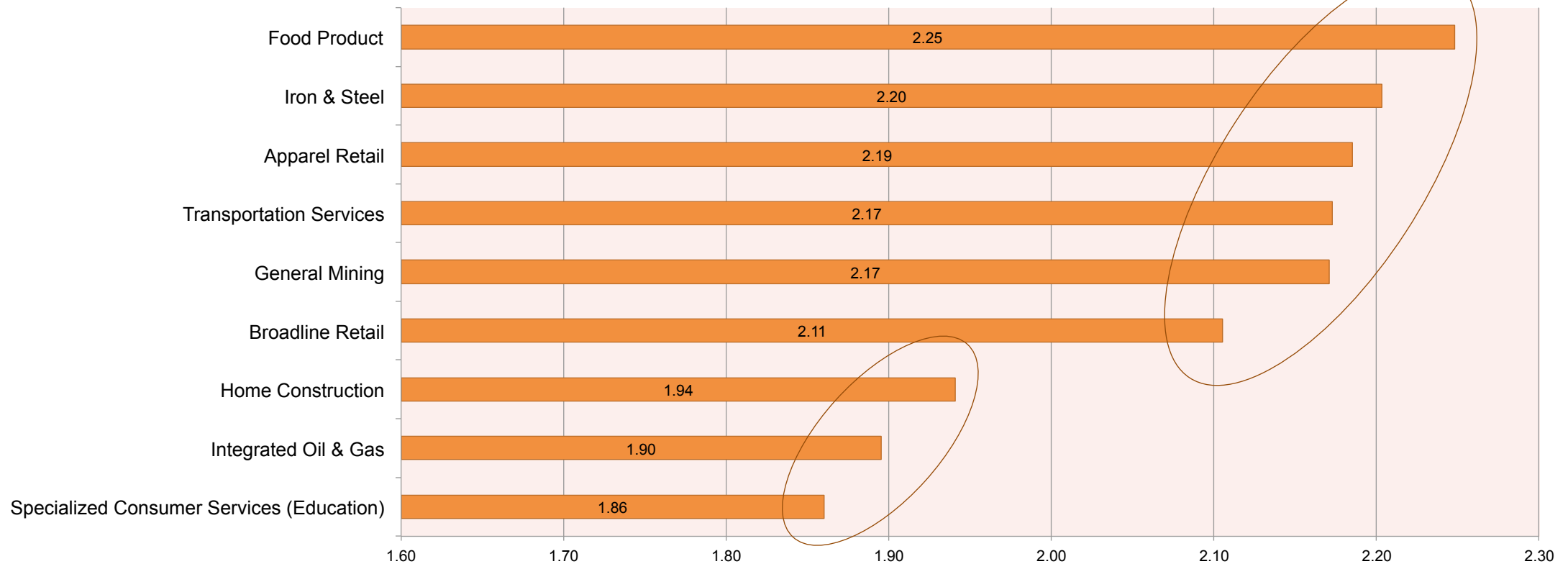
Sector	Date of Inquiry	# Respondents	Examples of Companies
Integrated Oil and Gas	November 2012	11	Petrobras, QGOG, HRT
Iron and Steel	November 2012	14	Gerdau, CSN, Usiminas
General Mining	April 2013	16	Vale, MMX
Home Construction	April 2013	19	Cyrela, MRV, PDG
Food Products	September 2013	21	JBS, BRF, Marfrig
Broadline Retail	September 2013	16	Lojas Americanas, Pão de Açúcar
Apparel Retail	September 2013	15	Hering, Lojas Renner
Specialized Consumer Services (Education)	October 2013	9	Kroton, Estácio, Anhanguera
Transportation Services	October 2013	9	CCR, Ecorodovias

Participação de 34 instituições

	Asset Owners	Asset Managers	Service Providers
1	Banesprev	BB Asset Management	Austin Ratings
2	Centrus	Bradesco Asset Management	Finanças Sustentáveis
3	Fasern	Caixa - Viter	Gestão Origami
4	Funcesp	CRP	Key Associados
5	Infraprev	DLM Invista	Liberum Ratings
6	Mongeral Aegon	Fama Investimentos	Quintessa
7	Petros	FIR Capital	Rodarte Nogueira
8	Previ	HSBC Investments (Brazil)	SITAWI
9	Valia	Itaú Asset Management	Socopa
10		Santander Brazil Asset Management	Trust9
11		Stratus	Via Gutenberg
12		Sulamérica Investimentos	
13		Votorantim Asset Management	
14		Victoire Brasil	

Surpresa em P&G: contexto brasileiro ou indicadores pouco relevantes?

Average Relevance Score per Sector



Estudo confirma diferenças significativas de materialidade por tema vs. setor

KPI Types and Sub-Types	Education	Oil & Gas	Home Construction	Broadline Retail	General Mining	TranspService	Apparel Retail	Iron & Steel	Food Products
Environmental									
Biodiversity and Land Use				1,71					2,22
Waste Management	1,56	2,22	2,01	2,13	2,35	2,18	2,13	2,42	2,30
Climate Change	1,49	2,50	1,60	1,69	2,34	2,04	1,97	2,39	2,29
Natural Resources	1,61	2,20	1,86	2,03	2,48	2,56	2,10	2,57	2,33
Governance									
Transparency	1,83	1,74	2,10	2,31	2,41	2,54	2,23	2,04	2,46
Market Practices	1,96	1,80	1,86	2,23	2,13	1,89	2,24	2,25	2,41
Social									
Communities				1,88					2,21
Customers	2,29		2,17	2,47	1,56	2,33	2,37	2,00	2,43
Human Capital	2,25	1,58	2,05	2,18	1,85	2,21	2,06	1,80	1,99
Suppliers	1,77	1,46	1,81	2,44			2,49		2,36
Grand Total	1,86	1,90	1,94	2,11	2,17	2,17	2,19	2,20	2,25



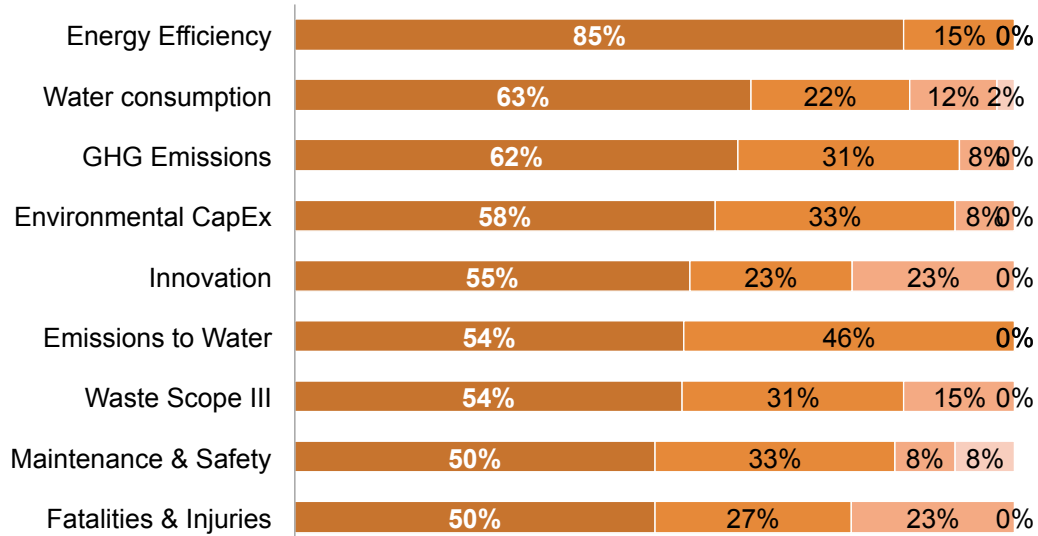
Quanto mais específico o KPI para o setor, mais material

Sectors	Scope I	Scope II	Scope III
Food Product	2,16	2,27	2,34
Iron & Steel	1,97	2,36	2,29
Apparel Retail	2,11	2,21	2,30
Transportation Services	2,14	2,37	2,07
General Mining	2,01	2,15	2,36
Broadline Retail	2,16	2,05	2,13
Home Construction	1,82	2,01	2,07
Integrated Oil & Gas	1,66	1,87	2,13
Specialized Consumer Services (Education)	1,96	1,72	1,92
Grand Total	2,00	2,08	2,20

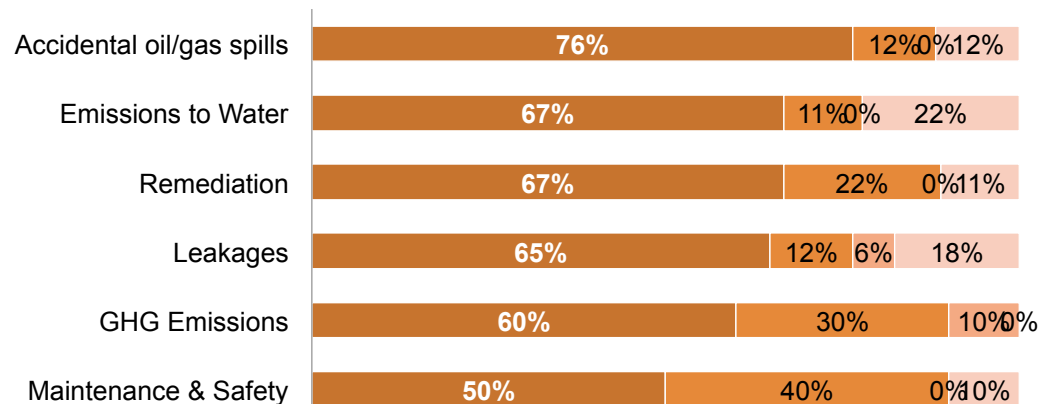


Temas mais relevantes por setor

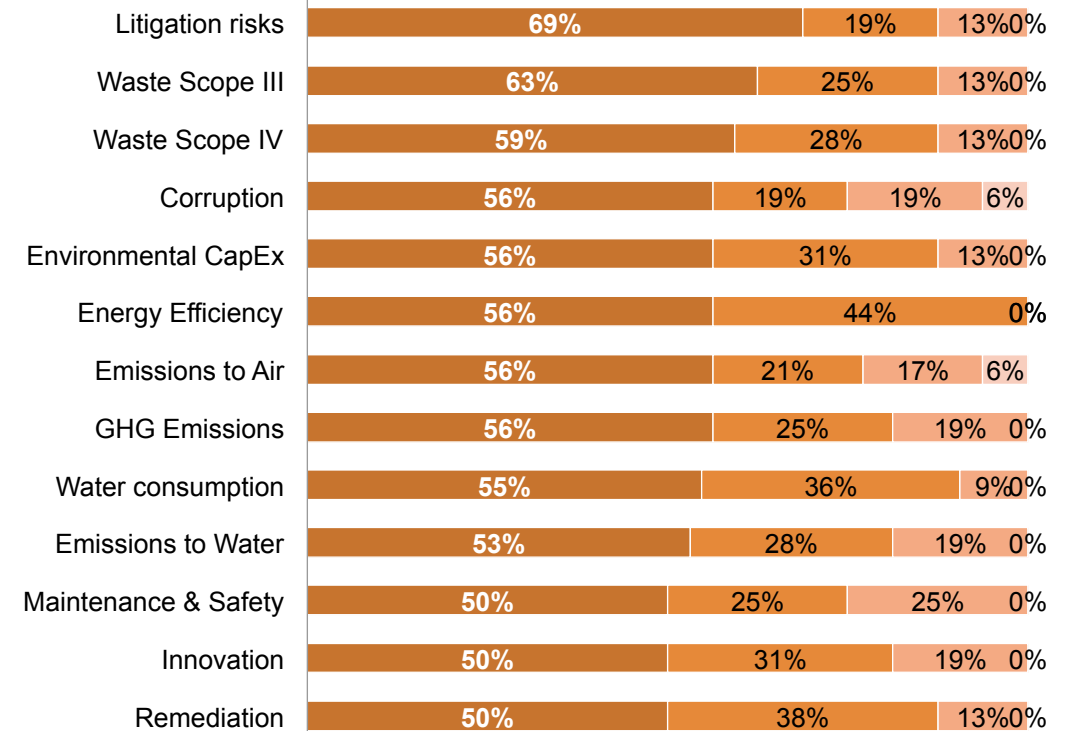
Iron & Steel



Integrated Oil & Gas

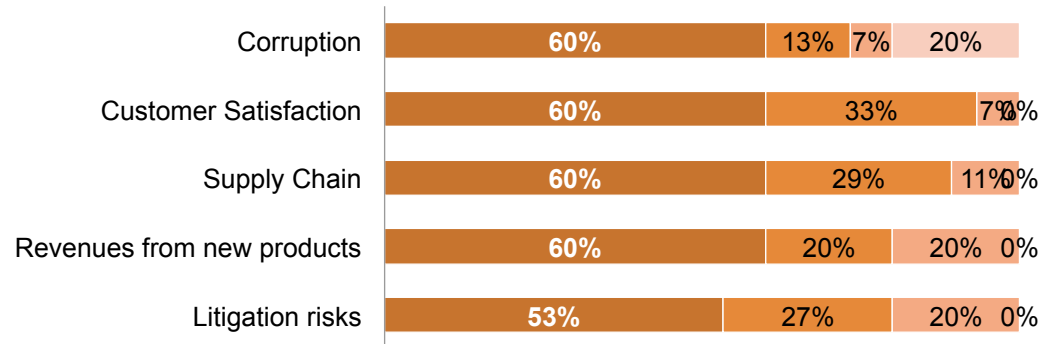


General Mining

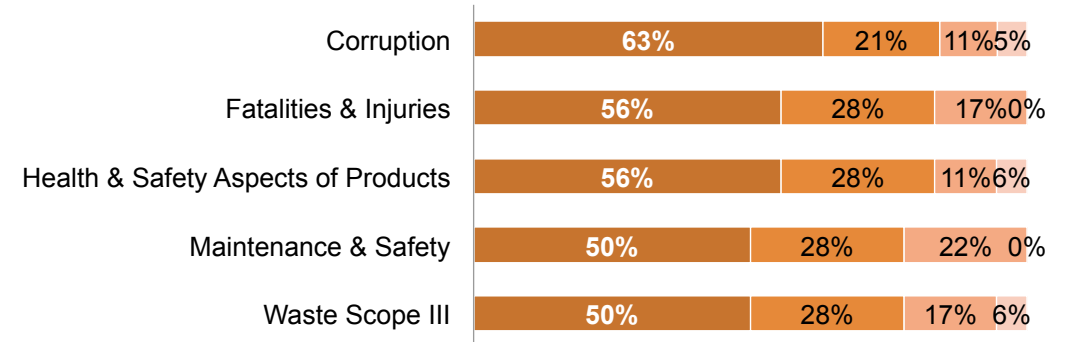


Temas mais relevantes por setor

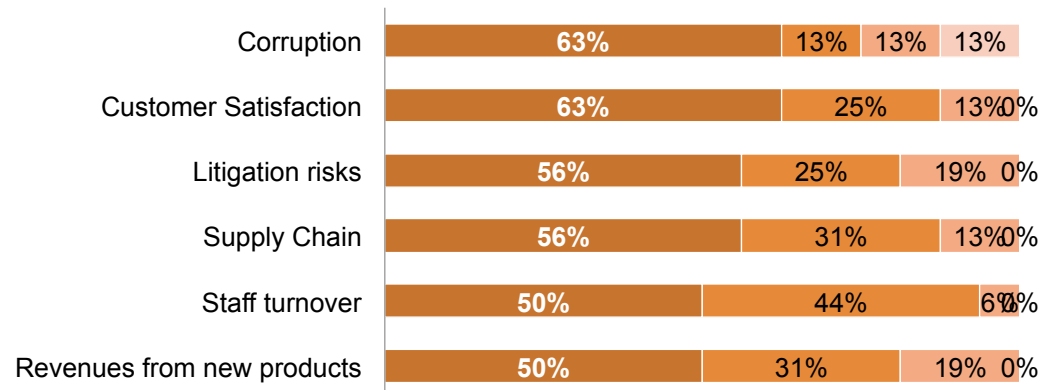
Apparel Retail



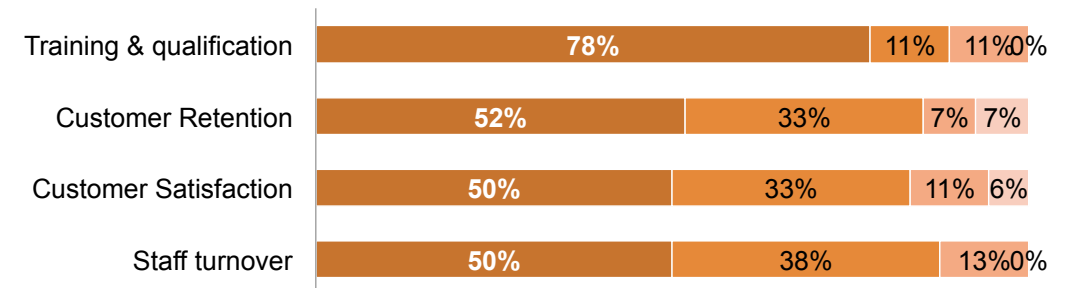
Home Construction



Broadline Retail

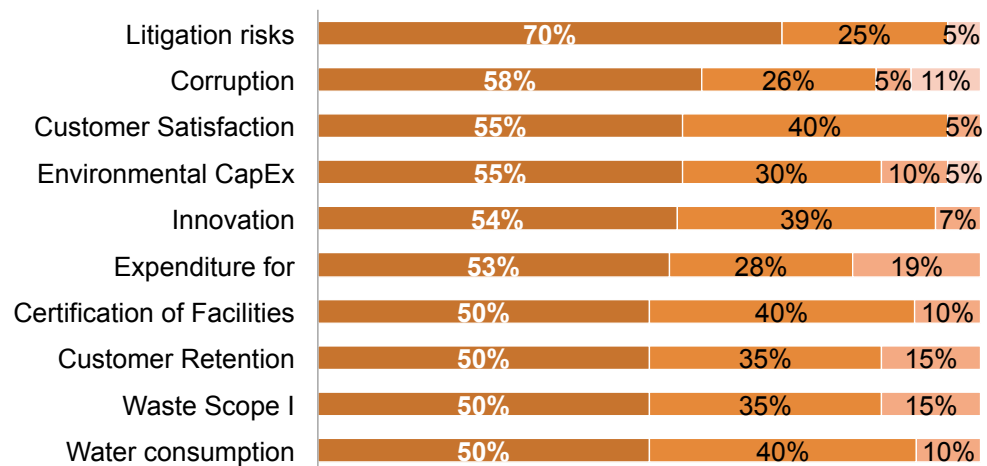


Specialized Consumer Services (Education)

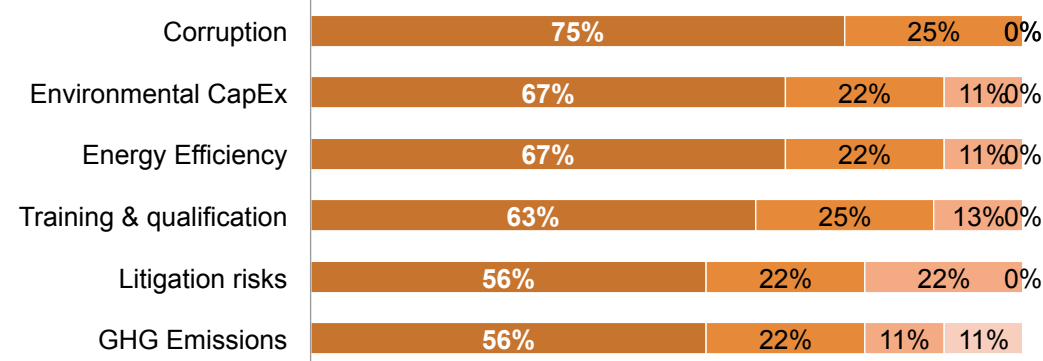


Temas mais relevantes por setor

Food Products



Transportation Services



Conclusões

- Integração ESG pode ser fonte de alfa
- Para capturar este alfa é preciso habilidade e esforço de pesquisa
- Não faltam padrões, métricas ou abordagens
- Disclosure ESG cada vez mais forte no Brasil
- Indicadores EFFAS podem ser utilizados como ponto de partida
- Atenção para materialidade no contexto brasileiro e setorial

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THE VALUE DRIVER MODEL:

A TOOL FOR COMMUNICATING THE BUSINESS VALUE OF SUSTAINABILITY

A PRI-UN Global Compact LEAD collaboration on creating long-term value

Objectives

- Explain the concept behind the ESG Investor Briefings and details of the newly developed Value Driver Model toolkit
- Explore how the Briefing concept and toolkit can be utilized, with input on future activities and additional resources

Agenda

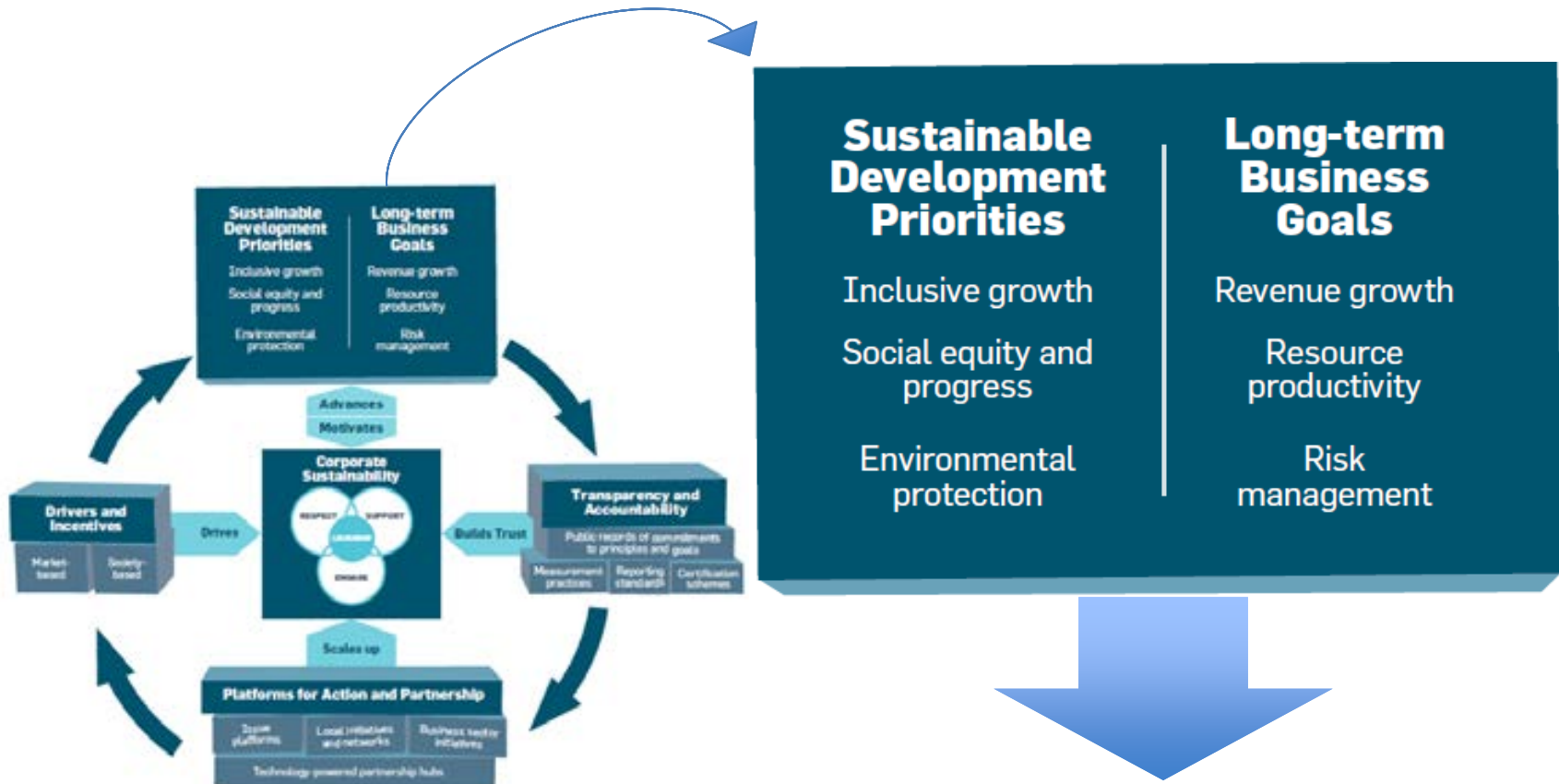
1. The Communication Gap

- Current state
- Closing the gap between companies and investors

2. Enhancing Dialogue with the Value Driver Model

3. Moving Forward

Why are we working on this?



Convergence between priorities of UN and international business community

Key Findings from 2013 UN Global Compact/Accenture CEO Survey

1. 49% of CEOs said potential for revenue/growth and cost-savings were among their top three drivers for taking action on sustainability
2. 80% reported they are pursuing sustainability as a source of revenue growth and innovation from which they expect to derive competitive advantage
3. 47% of CEOs said customer demand drove them (up from 39% in 2010)
4. Only 38% said they could quantify business value
5. 69% thought investor interest would be increasingly important
6. Only 12% reported investor interest today
7. 93% thought sustainability would be important or very important to the future success of their business

Source: The UN Global Compact-Accenture CEO Study on Sustainability © 2013

The Disconnect on Sustainability

- **Problematic** because sometimes lack of *perceived* investor interest limits management's willingness to commit – according the 2013 Accenture-Global Compact survey only 12% of CEOs report pressure from investors as a factor in taking on sustainability issues
- **Understandable** because the current models for sustainability reporting were not intended to highlight financial upside and do not easily align with analysts' financial models
- **Addressable** because what is required from companies is simplicity in communicating the value already being realized

Source: The UN Global Compact-Accenture CEO Study on Sustainability © 2013

Agenda

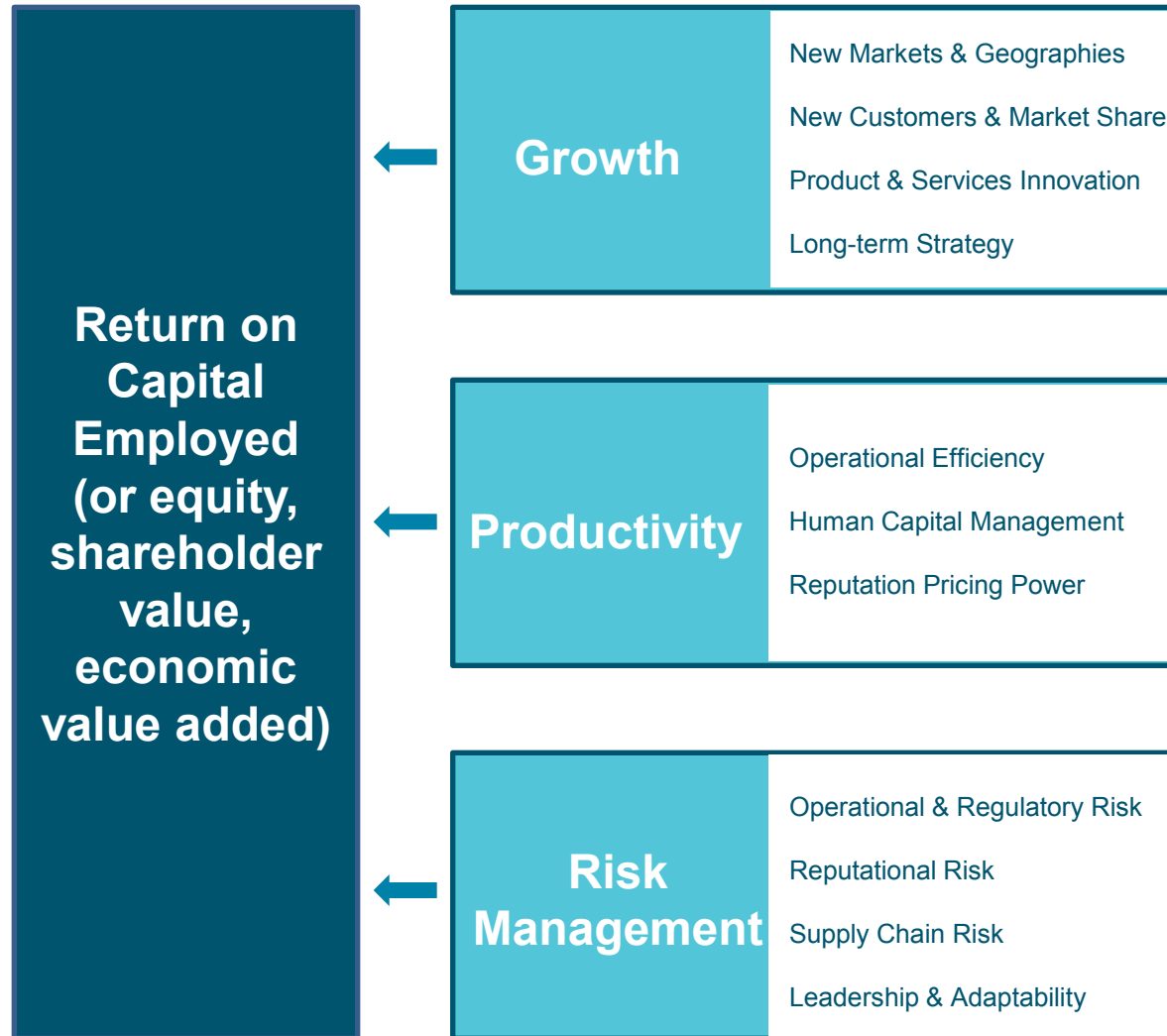
1. The Communication Gap

2. Enhancing Dialogue with the Value Driver Model

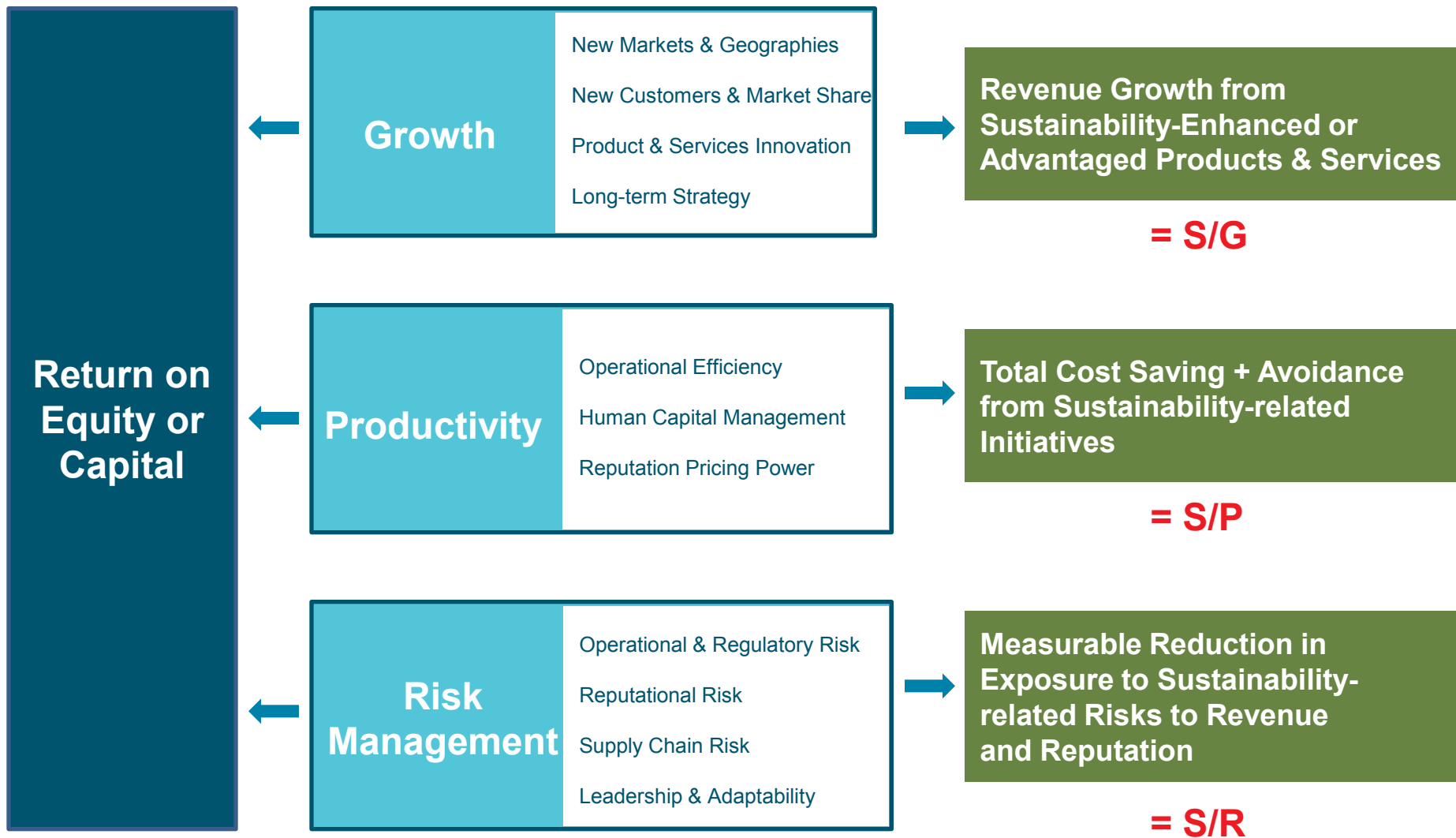
- Introducing the Value Driver Model
- Operationalizing the Value Driver Model
- Sustainability/Growth-Productivity-Risk (S/GPR)
- Case examples

3. Moving Forward

The Value Driver Model: A Tool for Establishing the Relevance of Sustainability to Existing Key Business Metrics



Initial Approach to Operationalizing the Value Driver Model



Initial Approach to Operationalizing the Value Driver Model

Return on Equity or Capital

Growth

- New Markets & Geographies
- New Customers & Market Share
- Product & Services Innovation
- Long-term Strategy

Productivity

- Operational Efficiency
- Human Capital Management
- Reputation Pricing Power

Risk Management

- Operational & Regulatory Risk
- Reputational Risk
- Supply Chain Risk
- Leadership & Adaptability

Other metrics may be appropriate to illustrate how a company's sustainable business strategy contributes to the value equation; they can be developed.

However, a link to growth, productivity and risk assures relevance to investor interests.

S/GPR: How to Operationalise the Value Drivers

S/Growth (S/G)

Key Challenge: Categorization

Is it meaningful to categorize revenues in your company?

Why measure this? Companies are investing significantly in building new sustainability-advantaged products, but it can be difficult for investors to assess how these new products impact revenue growth or what percentage they are of total revenue.

- Sustainability Quality of Revenue = Sustainability-advantaged revenue as a % of total revenue in the period
- *Is it material to the business? That is, are sustainability-advantaged revenues an important component of the business mix?*
- Relative Growth Rate of Sustainability-advantaged revenue to Overall Revenue = Sustainability-advantaged Revenue Growth % / Total Revenue Growth %
- Messaging regarding S/G
 - *Is it currently a material or significant component of the revenue mix?*
 - *Is it strategic to the company's future? That is, are sustainability-advantaged revenues growing significantly faster than the business overall, thereby likely to grow in importance over time?*

S/GPR: How to Operationalise the Value Drivers

S/Productivity (S/P)

Key Challenge: Aggregation

Is it possible to count the total dollars saved or cost avoided?

Why measure this? While some investors appreciate anecdotal evidence of meaningful gains from improved resource productivity, aggregating and communicating the total value of savings in the reporting period can help engage them on sustainability.

- Contribution to operating income from all sustainability-related initiatives in the period = Aggregated resource efficiencies (human and natural) as a percent of operating income (e.g., dollars saved / total operating income)
- Messaging regarding S/P
 - *Is it currently material/significant? That is, given the business segment and earnings history, do sustainability-related initiatives taken as a group produce meaningful cost savings?*
 - *Is it strategic? That is, in the context of business operations, is it anticipated that sustainability-related initiatives will drive cost structure advantages over time?*

S/GPR: How to Operationalise the Value Drivers

S/Risk (S/R)

Key Challenge: Focus

Is it possible to identify a few key risks to revenue and reputation and report on them over time?

Why measure this? It is sometimes difficult for investors to zero in on what the company, often in consultation with external advisors and stakeholders, regards as its key sustainability-related risks. Identifying and reporting on them over time gives investors insight into this potential source of revenue and earning volatility.

- Measureable reduction in potential risk to revenue and reputation from sustainability-related initiatives and procedures
 - *Is it material? That is, are the identified risks a potential source of meaningful revenue and/or earnings volatility?*
 - *Is it strategic? That is, does superior management of these risks position the company to reduce volatility?*

Pirelli's Sustainable Business Strategy

2009 – Chairman Marco Tronchetti Provera Launches “Green Performance Strategy”

- EU mandates tire rating by 2013 (A-G)
 - Fuel Efficiency
 - Stopping Power
 - Environmental Impact
- Pirelli aims to lead the high-tech and superior performance segment
 - Growth opportunity
 - R&D Breakthrough – Efficiency and Safety
 - Rice husk silica replaces “dirty” materials
 - Savings of €1000/ton

Pirelli's Sustainable Business Strategy

2009-12 Results: Sustainable business strategy drives value

1. Sales of “green performance tires” increased

S/G = ~ 3 times at 45% (€2.84B of €6.3B) of total revenue

2. New green manufacturing process proven in Latin America, ready for global expansion

S/P = Estimated >3% contribution to operating income. Significant upside as rice husk silica use expands.

3. Sustainability-related risks declined

S/R = Reduced by > 72%

Agenda

1. The Communication Gap
2. Enhancing Dialogue with the Value Driver Model
3. Determine
 - Strengthen your value proposition
 - Analysis of S/GPR
4. Moving forward

Determine if the Value Driver Model can strengthen your investor value proposition

- Is your company pursuing a value-oriented, sustainable business strategy?
- Does your sustainable business strategy drive revenue growth, productivity gains and risk management?

Determine – S/G

1. Does your company's business strategy link clearly to sustainability-related factors, including products or services that:
 - Deliver the intended value to customer, but at significantly lower environmental or social impacts than other available solutions
 - Fall under the broad definition of sustainability-advantaged
2. Does your company seek enhanced brand value that impacts growth through strategies in sustainability-related areas (e.g. sourcing and human rights)?
3. Does your company measure or have an interest in measuring these factors as a component of overall growth?

If yes, the Value Driver Model may be useful to your company

Determine – S/P

- Does your company have initiatives to improve sustainability-related operating productivity, including:
 - Measureable and meaningful cost reductions from:
 - Human and natural resource efficiency gains
 - Reduced emissions or wastes, including toxics
 - Sustainability-related supply chain improvement
 - Measureable & meaningful improvements in operating margins from:
 - Pricing (or volume) improvements for sustainability-advantaged products


If yes, the Value Driver Model may be useful to your company

Determine – S/R

- Has your company developed a focused list of the key sustainability-related risks to revenue and reputation?
- Have you measured the performance of these key sustainability-related risks on some periodic basis to track progress?

If yes, the Value Driver Model may be useful to your company

Agenda

1. The Communication Gap
2. Enhancing Dialogue with the Value Driver Model
3. 
 - How can you use this, starting today?
 - Feedback
 - e.g. What additional tools need to be developed?

Moving Forward-Using the Value Driver Model

- Adapt the Value Driver Model to your company context.
 - Identify case examples of how your company applies one or more elements of the Value Driver Model to their business
- Integrate the metrics from your company's Model into mainstream investor communications
 - e.g., host an ESG Investor Briefing
- Track your efforts and investor reactions
- Share your progress and feedback with the Global Compact PRI team.

ESG Investor Briefings

- The ESG Investor Briefing Project, organized by the UN Global Compact and Principles for Responsible Investment (PRI), is designed to improve company-investor communications on material environmental, social and corporate governance information. Using the model of quarterly financial calls, it provides a baseline framework for companies to enhance their communication on how ESG strategies and performance can translate into financial value.

ESG Investor Briefings

Format:

- Duration- 60 minutes
- CEO or CFO (or other High-level member) participate to emphasize strategic nature of sustainability strategy
- Head of Sustainability/CSR and Investor Relations actively participate in preparation & present on call

Goals:

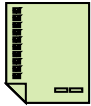
- Overcome silos regarding sustainability within companies, financial institutions, & other actors along investment value chain
- Provide protected space for transparent feedback between companies and investors

Past participating companies: *SAP, Enel, Pirelli, Eni, Norsk Hydro*

Leadership Practices Case Templates Outline

1. Introduction: Sets up topic
2. Company at a glance
3. Challenge: risk, opportunity, strategic imperative
4. Company response: what they did, action taken
5. Impact: overall (internal/external)
6. Closing observations
 - Lessons learned
 - Discussion Qs

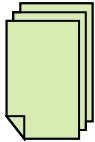
Download & Utilize the full resource Toolkit



Report presenting the Value Driver Model in detail [here](#)



Slide deck [here](#)



Snapshots & detailed case examples [here](#)

[ESG Investor Briefings](#)

To get involved or for more info:

danielle.chesebrough@unpri.org



Integrated Analysis: Methodology & Best Practices

1st LATAM ESG 2014 – Taking ESG into Account

René Nicolodi

Head of Satellite Solutions, Asset Management Zurich Cantonal Bank; EFFAS ESG Commission

Sao Paulo, April 2014

EFFAS ESG Training Program – Motivation & Modules

Motivation

- The World Economic Forum considered insufficient education and lack of valuation models as the most important barriers of integrating ESG in mainstream investment decision
- The EFFAS ESG training programme aims at overcoming this challenge. It delivers exactly the fundamentals of ESG investment analysis
- The programme's objective is to support mainstream and sustainability investment professionals in measuring and integrating ESG in investment processes and providing them with a better understanding of the value drivers of different assets
- Therefore, the programme combines fundamental company analysis/valuation and ESG know-how.

1. Wake me Up. “Is the overall applicability of ESG factors feasible at all?” The first module will show participants why the answer to that question is a clear “yes”. Different studies that link ESG performance with financial performance will be presented and discussed, providing participants with an understanding of how capital markets perceive ESG factors.

2. Fundamentals. The second module describes the motivation, drivers and the regulatory frameworks of ESG. Investment professionals have different motives taking ESG into account. The range is from the objective to enhance sustainability or to have an impact on society to purely financial performance. The drivers of the financial market to integrate ESG information are e.g. regulation, investor demand, data availability.

3. Approaches and strategies. The objective of this module is to define ESG terms and concepts in to have a common terminology and to understand the different ESG strategies that are used to classify ESG investors. As it is essential for further discussions to have a common understanding of the different sustainability terms, their relevance, but also their inflationary use an overview of the history of sustainability and ESG is provided.

4. Investment process chain. This module focuses on how to integrate ESG into investment processes. It delivers the fundamental framework for integrating and valuation ESG data. Different socially responsible investment (SRI) strategies are described. The different steps in the investment process chain like investment policy making, asset allocation, selection, control, and reporting will be analyzed from an SRI perspective

5. ESG integration and valuation. Showcase the integration of ESG in the investment valuation process. At first analyze different valuation models and identify the possibilities to integrate ESG information in equity and bond valuation. Then analyse disclosure and data source which are essential as they determine the scope and quality of input for the valuation model.

6. Portfolio management. In this module a description of approaches of ESG from the perspective of portfolio management follows. Different approaches, such as active or passive portfolio management, indices, ETFs and sustainable benchmark will be discussed. Best in class approach of leading ESG fund managers will be presented. The module closes with a comprehensive overview of using the ESG approach in different asset classes

7. Summary & conclusion: optional multi-asset framework and behavioral aspects

EFFAS ESG Training Program - Contributors

- **Prof. Dr. Alexander Bassen** is Academic Director of the programme. He owns the Chair of Capital Markets and Management at the University of Hamburg (Germany), Faculty of Business, Economics and Social Science.
- **Gunnar Friede**, Senior Fund Manager and Director, DWS Investments (now Deutsche Bank Asset and Wealth Management).
- **Felix Schnell** is Senior Portfolio Manager at Ökoworld Lux S.A.
- **Dr. Hendrik Garz** is working as Managing Director (Germany) and Research Director for Sustainalytics, Germany.
- **Dr. René Nicolodi** is Head of Satellite Solutions in the Asset Management Department of Zurich Cantonalbank (ZKB), Switzerland.

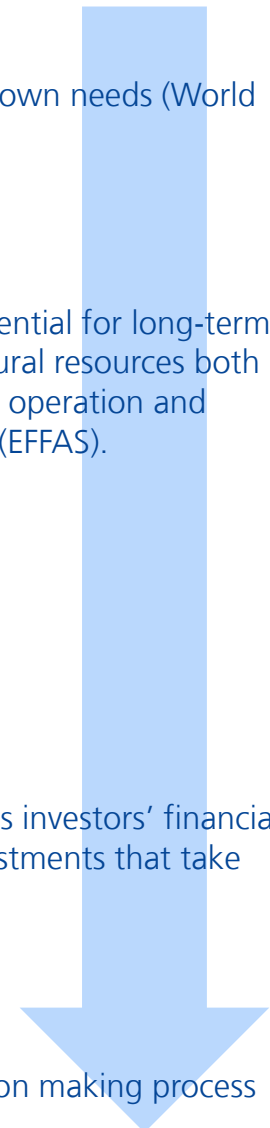
Agenda

- Part A: Integrated Analysis: a Methodological Overview
- Part B: Integrated Analysis: Practical Insights along the Investment Value Chain

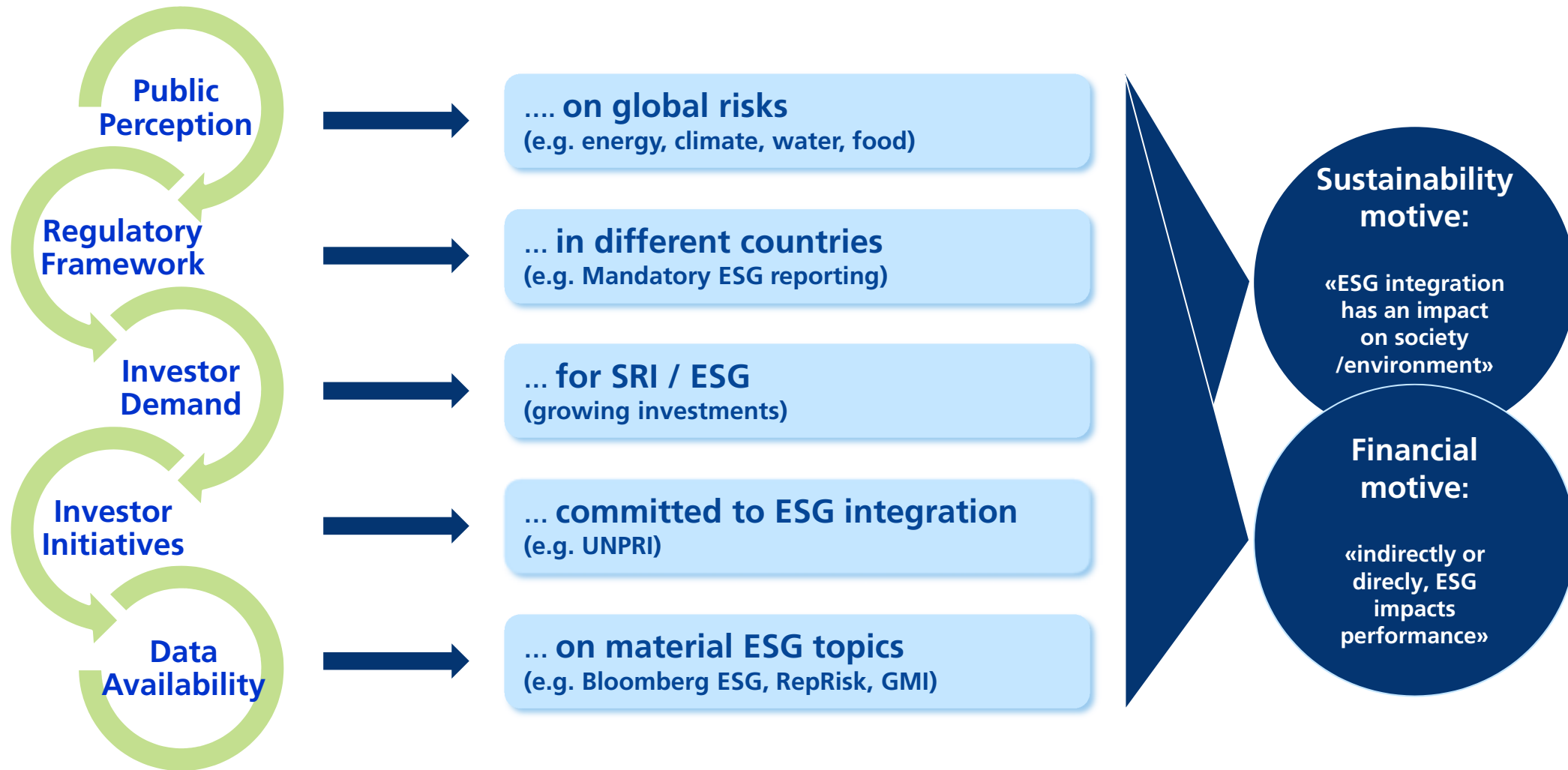
Integrated Analysis: a Methodological Overview

Some Definition(s)

- **Megatrend: Sustainable Development ...**
is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development 1987).
- **Companies: Corporate Social Responsibility ...**
can be defined as the capacity of companies and organisations to remain productive over time and to safeguard their potential for long-term maintenance of profitability. Being sustainable means that companies actively pursue goals such as responsible use of natural resources both in their own operations and the operations of their respective clients, as well as respecting social rights in their markets of operation and those markets where their products and services are in use and being accountable to providers of equity and debt capital (EFFAS).
- **Information: ESG**
environment, social and governance factors as extra-financial information.
- **Investment Products: SRI (Sustainable and Responsible Investments) ...**
are ethical investments, responsible investments, sustainable investments, and any other investment process that combines investors' financial objectives with their concerns about environmental, social and governance (ESG) issues" (Eurosif 2008, 6) or simply „investments that take into account environmental, social and governance (ESG) factors" (Scholten/Dam 2012).
- **Investment Process: Integrated Analysis ...**
is the process by which ESG information is systematically integrated in the analysis of firms or along the investment decision making process in the construction of investment portfolios.



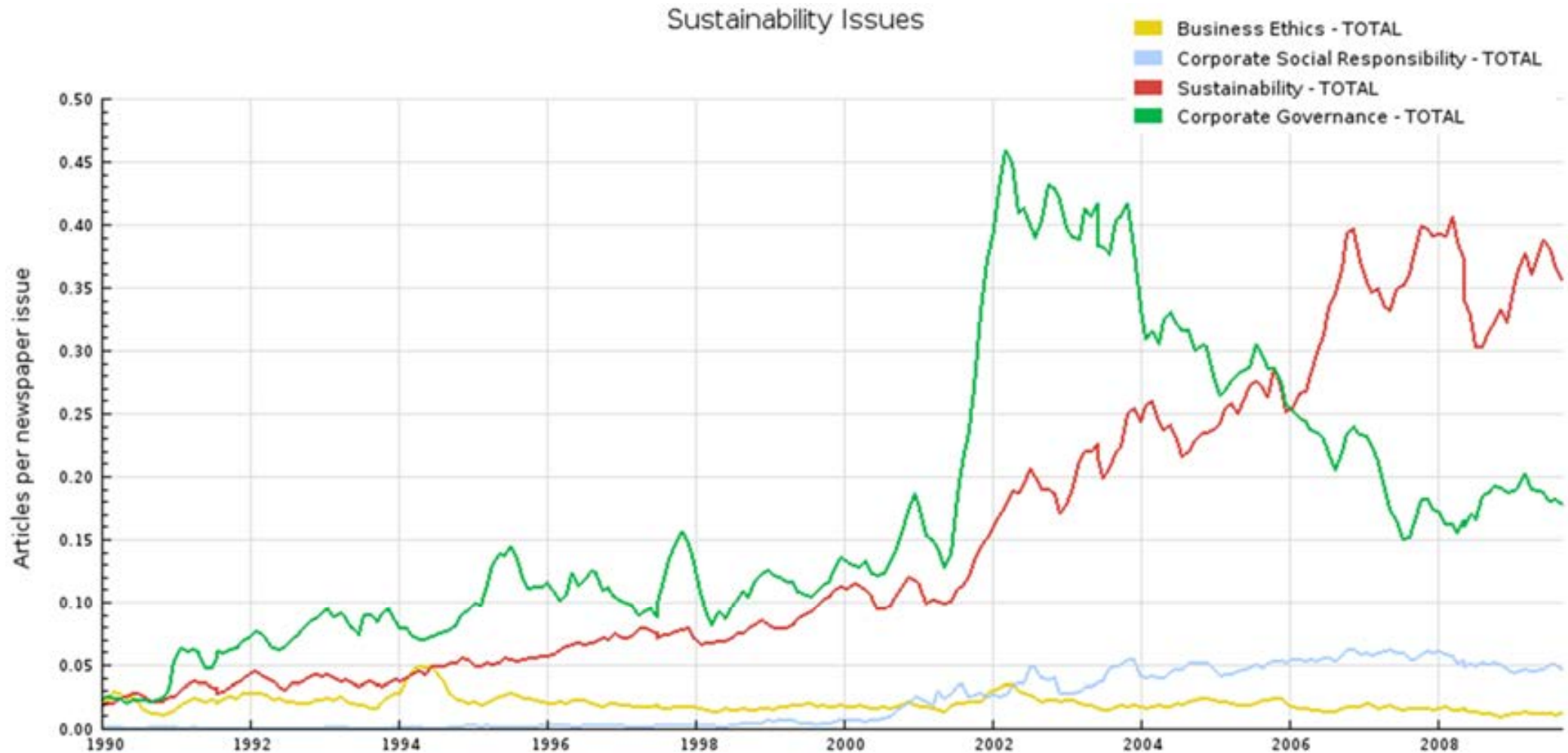
Drivers & motives of SRI and integrated analysis



Source: ZKB (2014)

The Case

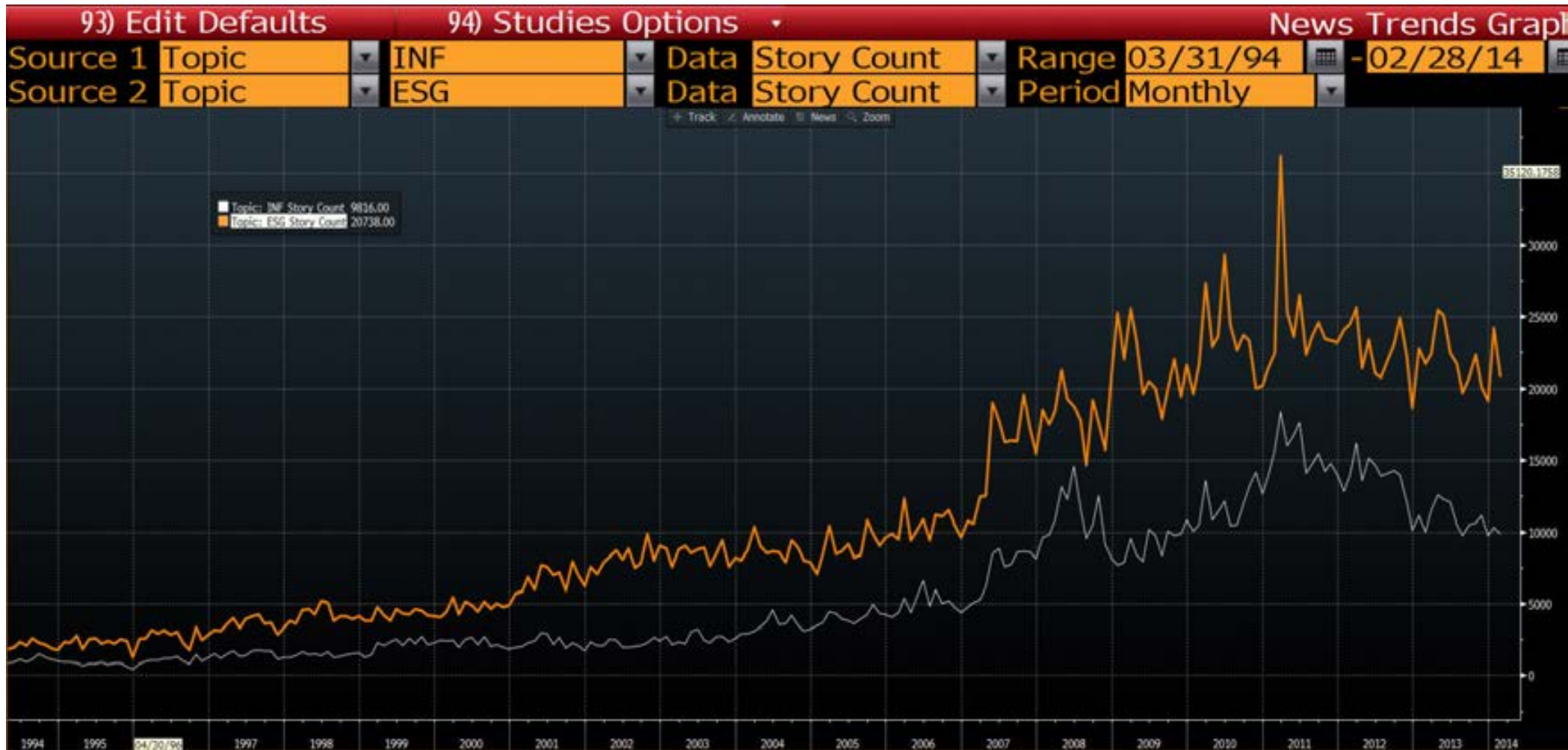
Why are we talking about integrated analysis? It's in the news



Source: www.trendsinsustainability.com

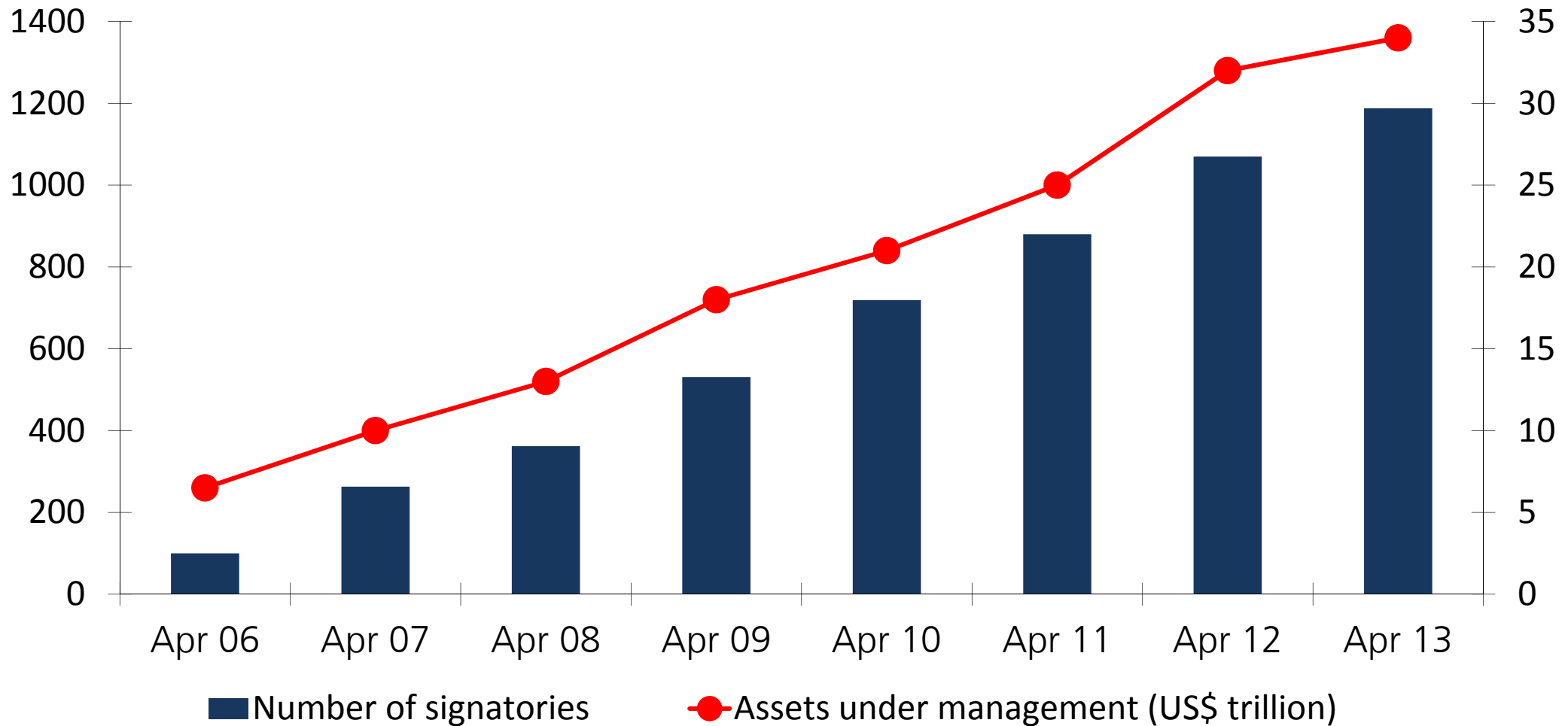
The Case

Do financial markets care? Yes, they do!



Source: Bloomberg

Do investors care? UNPRI growth in signatories & AuM



Source: UNPRI

Does it pay? Prejudices

A. Performance

- Performance limitations on investor level through a suboptimal investment universe (Markowitz / CAPM)
- All material ESG/SRI factors are priced by capital markets and analysts (Efficient Markets Hypothesis)
- Self restriction through high CSR standards leads to foregone profit opportunities for companies

B. Costs

- Investors are not compensated for additional ESG analysis
- Above average CSR comes along with additional costs for corporates

C. Conceptual

- Measurability of ESG, sustainability
- Absence of a standardized ethical framework for definition and implementation purposes

Source: Bloomberg

It pays! Academic evidence

ESG and performance review study;

(Analysis of more than 1500 academic sources)

- Significant body of primary and secondary academic literature on the ESG / Corporate Financial performance link since the 1970s
- Approach:
 - a. analysis of underlying study samples of previous ESG review studies: total number of analyzed studies > 1500
 - b. coding of results into positive, neutral/mixed and negative relation

Main Findings:

- **More than 85% of the studies show a neutral or positive performance effect – relatively stable since roughly 20 years**
- **No evidence of a systematic performance loss**

Source: DeAWM (2014; preliminary)



The Case

It pays! Reality check 'Dow Jones Sustainability World Index'

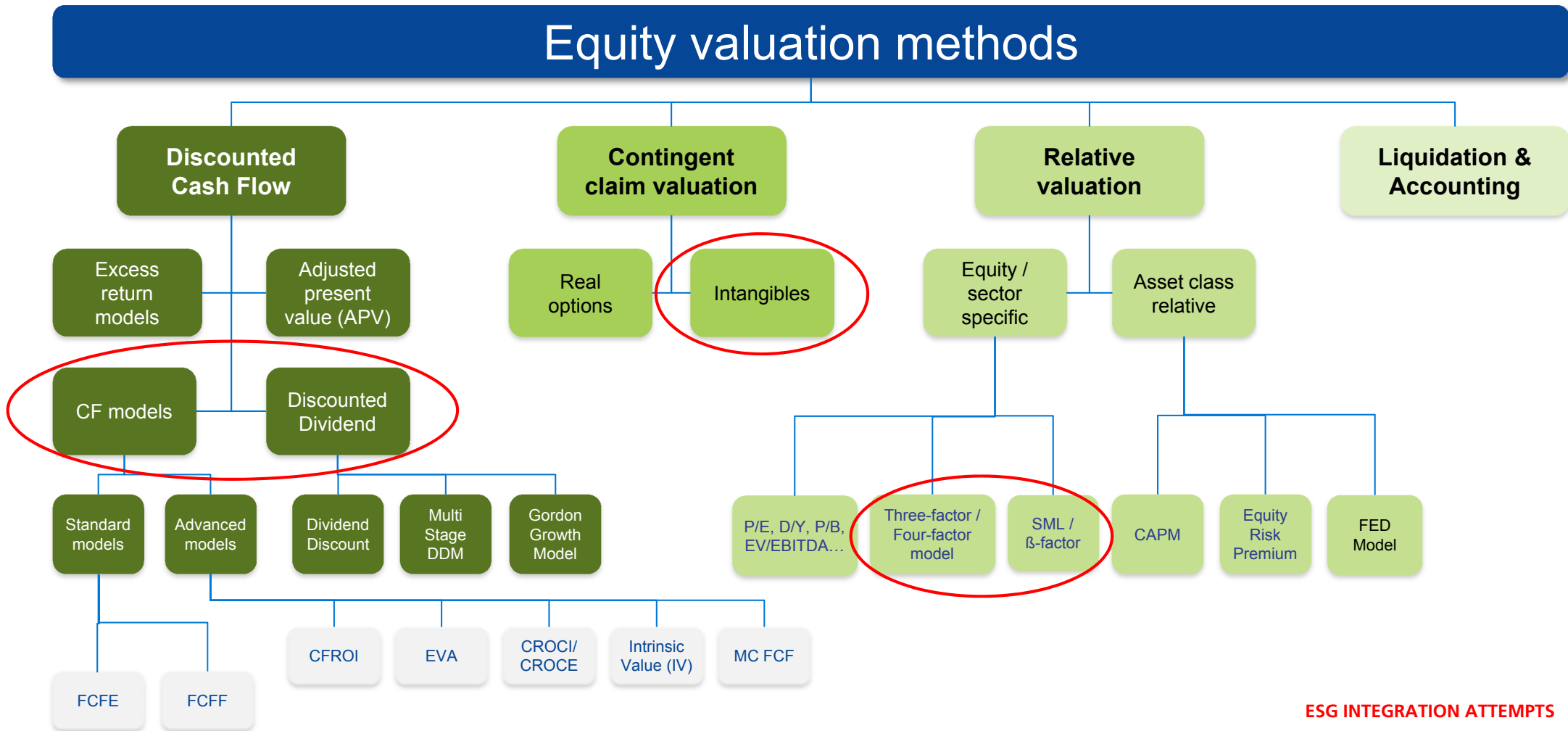


Source: ZKB (2014) / Bloomberg (2014)

Integration approaches from a investment perspective

	Use of information	Examples of ESG integration
<p>INTEGRATED ANALYSIS</p> <p>HOW INVESTORS ARE ADDRESSING ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN FUNDAMENTAL EQUITY VALUATION</p>  <p>FEBRUARY 2013</p> <p>Source: UNPRI (2013)</p>	<p>Quantifying the benefits and costs of specific ESG factors</p>	<p>Investors can integrate their understanding of ESG factors into earnings forecasts or by adjusting the discount rate in DCF valuation.</p>
	<p>Identifying risk and opportunitites that traditional investment research may not</p>	<p>Companies that operate in politically and socially sensitive areas are potentially subject to high operational risk and share price risks in terms of strikes and volatile unstable institutions.</p>
	<p>Identifying the beneficiaries of longer-term structural changes in the economy</p>	<p>Thematic research may be used to identify stocks that are then subject to more detailed analysis or to create a thematic fund. An example of an ESG theme would be demographic change such as ageing populations in many developed countries.</p>

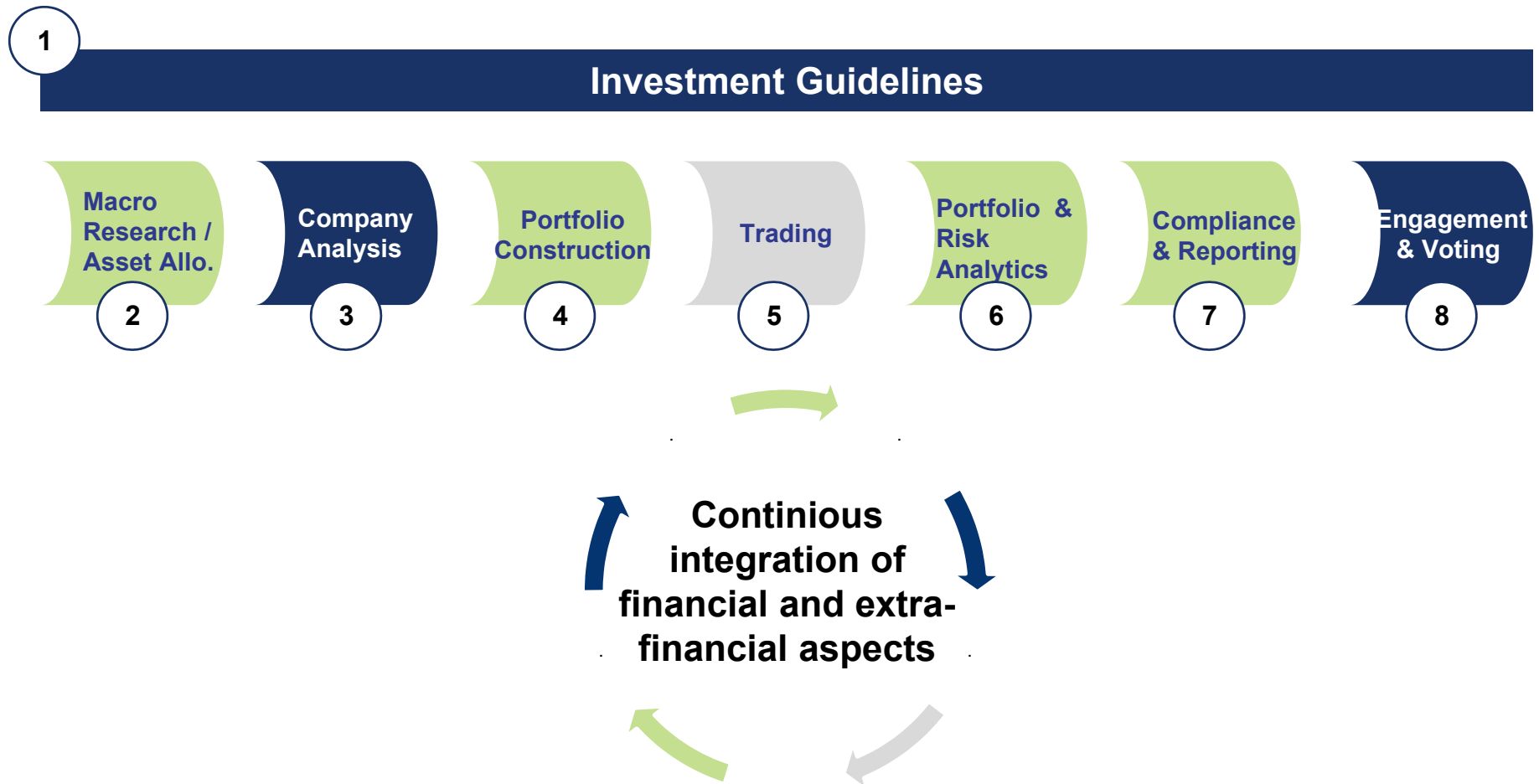
Integration into equity valuation



ESG INTEGRATION ATTEMPTS

Source: DWS / EFFAS

Integration approaches along the whole investment process



Color scale on ESG integration: high medium low

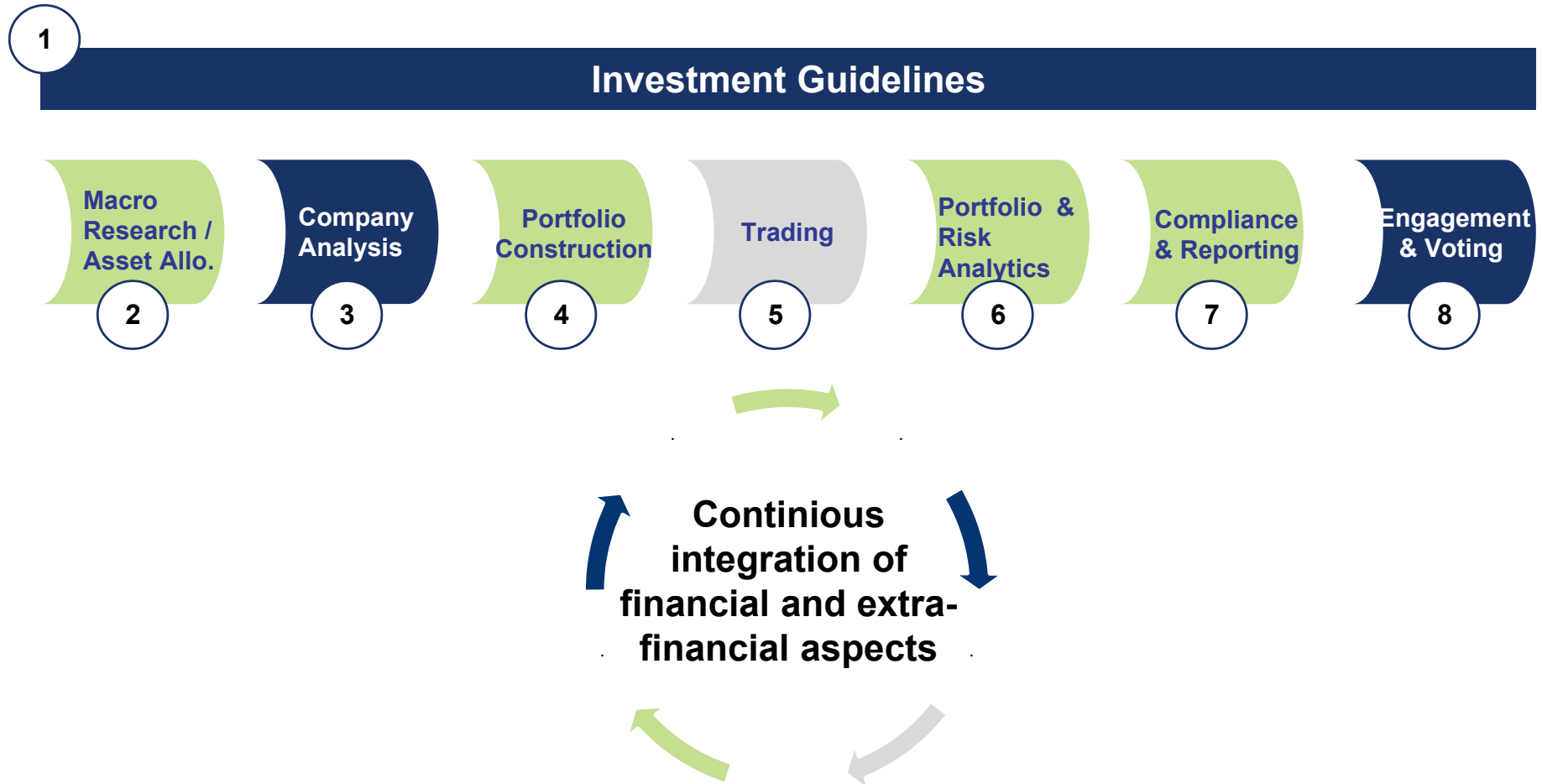
Source: UN PRI / EFFAS

Take Aways

- **Strong drivers and investor motives are pushing ESG integration**
- **It is all about the use & understanding of additional and relevant information in an investment context**
- **ESG Integration in a narrow sense: valuation (firm level)**
- **ESG Integration in a broader sense: along investment process (portfolio level)**

-
- Integrated Analysis: Practical Insights along the Investment Value Chain

Integration approaches along the whole investment process



Color scale on ESG integration: high medium low

Source: UN PRI / EFFAS

Integration approaches along the whole investment process



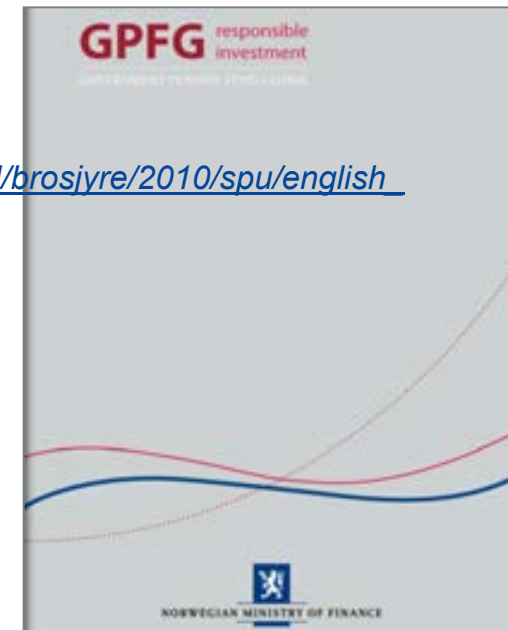
ESG considerations:

- Think on asset manager or portfolio level about (ESG) philosophy, policies, values and norms
- Structure and define important policies (ESG aspects, Engagement principles, Proxy Voting etc.)
- Define the investment objective of the asset owner
- Agree on benchmarks and/ or orientation indices

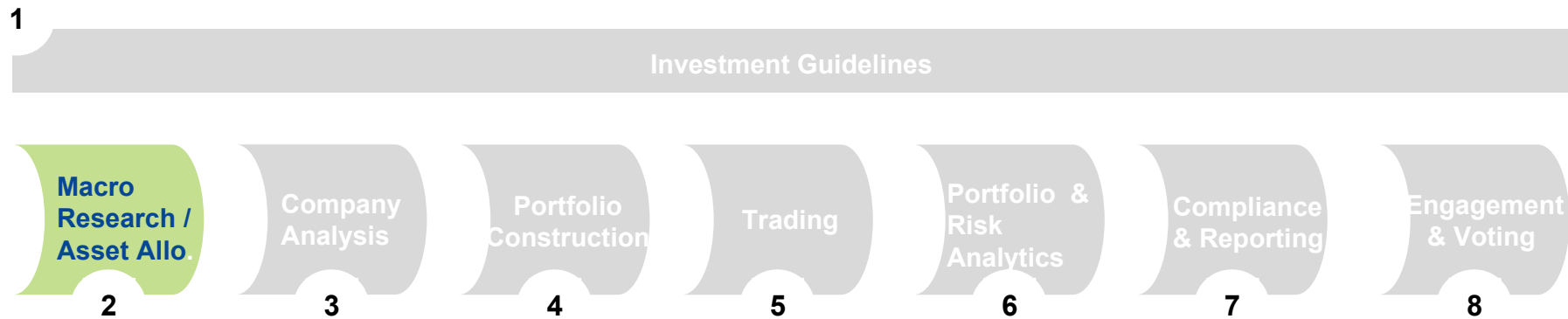
Practical example:

Norwegian Pension Fund

<http://www.regjeringen.no/upload/FIN/brosjyre/2010/spu/english/2010/index.htm>



Integration approaches along the whole investment process

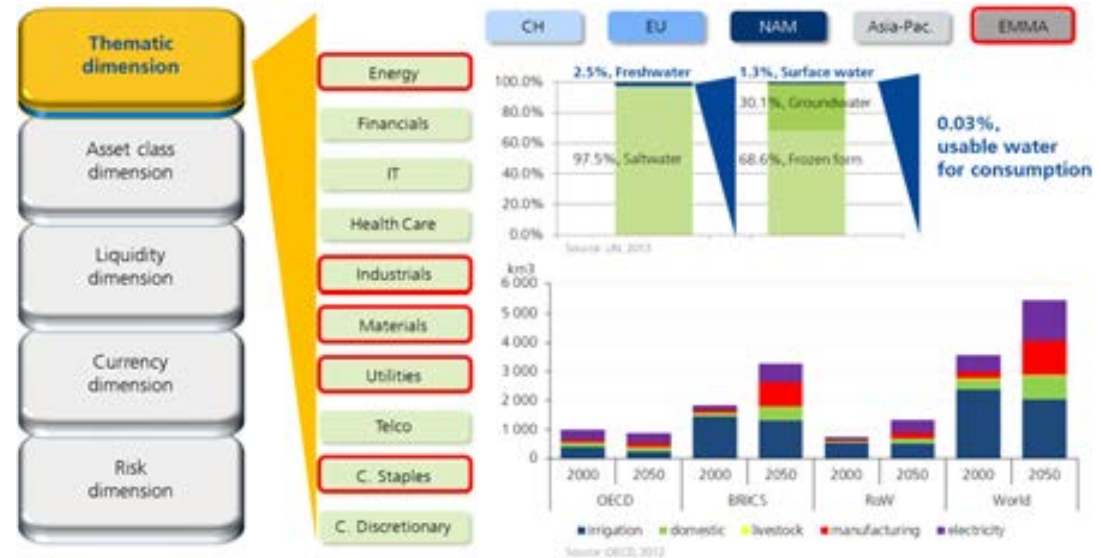


ESG considerations:

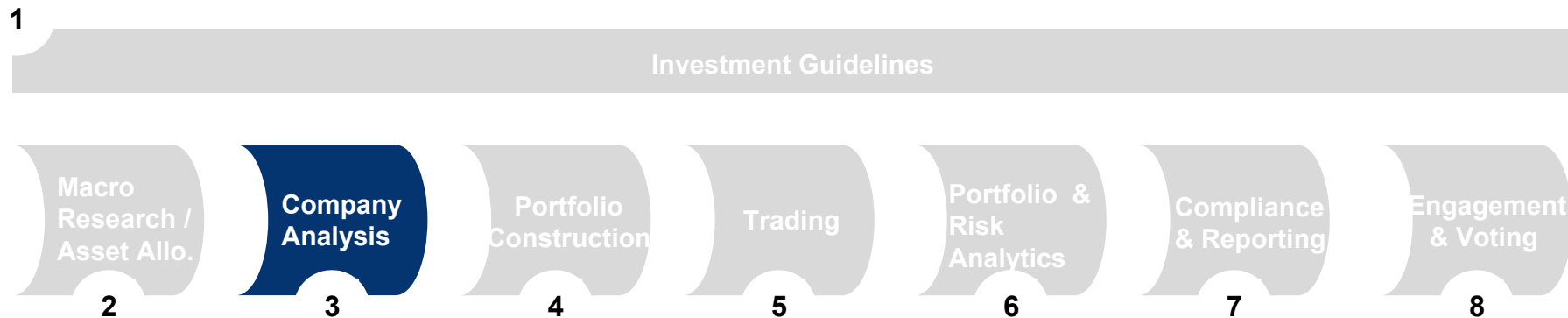
- Understand how ESG factors affect economic growth, macro themes, consumer preference and regulatory change
- Consider environmental and social megatrends on global, regional, country and sector level
- Decide on core / broad ESG strategies and their proportion in the overall portfolio
- Weights and composition of asset classes, size of core / satellites, which parts active and passive, level of insourced vs. outsourced

Source: ZKB (2013)

Practical examples



Integration approaches along the whole investment process



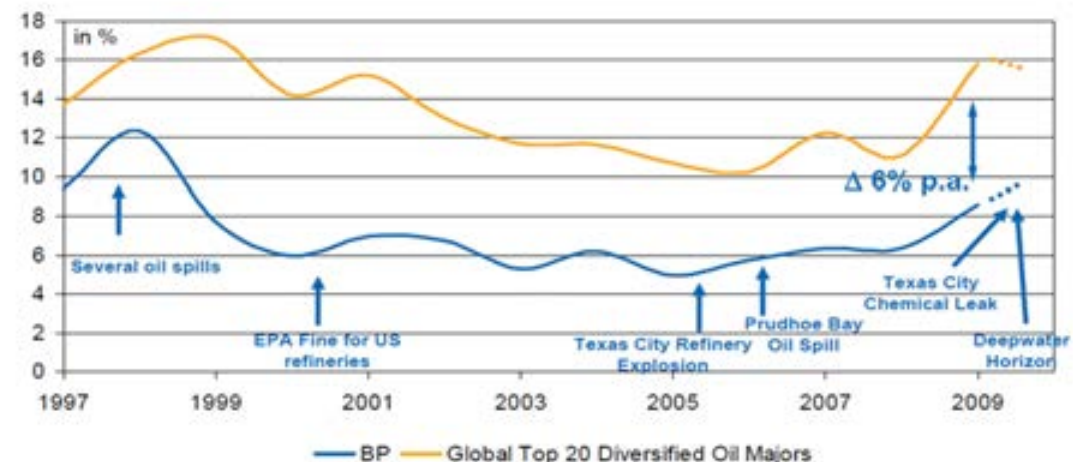
ESG considerations:

- Determine level of in-sourced ESG research, methodologies, indicators and weights
- Calculate and analyse ESG ratings, reputational risks
- Combine traditional financial analysis with non-financial information for a comprehensive picture of a company
- Incorporate ESG factors into traditional company valuation, earnings estimates and/or screening models

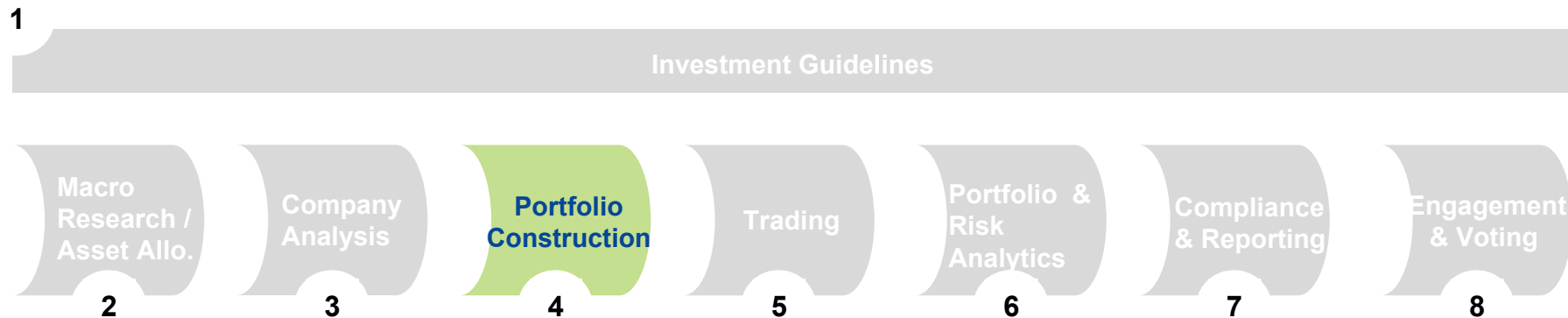
Source: DWS (2010)

Practical examples

BP's capex in comparison to its peers
Annual capex as percentage of sales



Integration approaches along the whole investment process



ESG considerations:

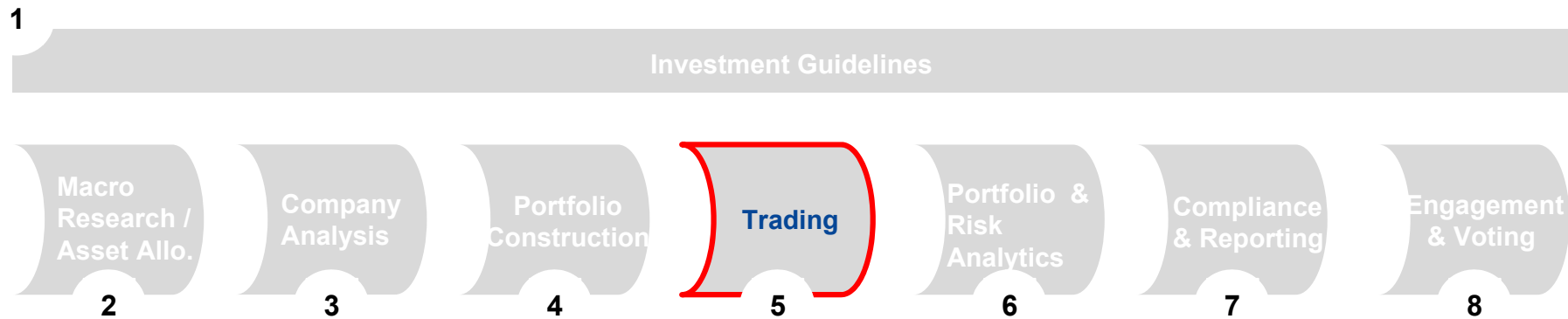
- Separation: specialization and limited collaboration of ESG and financial experts
- Integration: All relevant information about a stock are consolidated in the fund managers decision
- Pure ESG*:
 - Keep other risk factors like country, industry, and style characteristics similar to conventional benchmarks
 - Build portfolios with e.g. highest ESG rating, underweight low ESG ratings, invest in improved ESG ratings (without limitation of level)

Source: ZKB (2014)

Practical examples



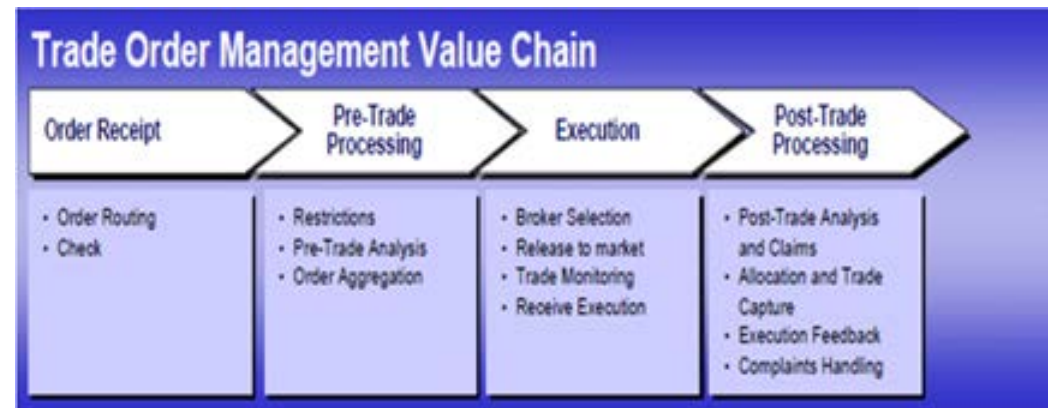
Integration approaches along the whole investment process



ESG considerations:

- ESG integration in trading is still limited due to mainly electronic order execution
- Although ESG aspects could find consideration for:
 - Broker selection process and general trading conduct and especially in
 - pre-trade checks to avoid guideline / ESG policy breaches

Practical examples



Source: DeAWM (2013)

Integration approaches along the whole investment process



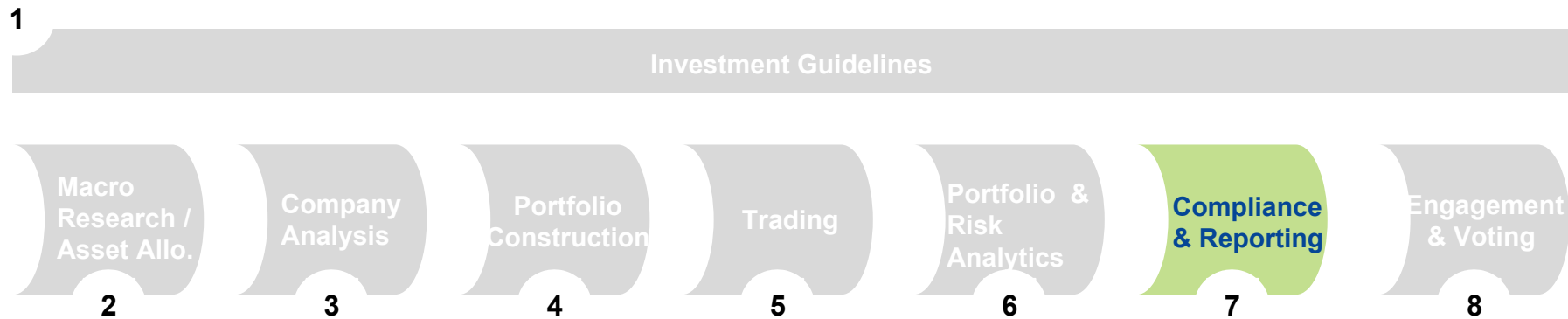
ESG considerations:

- Analysis of ESG risks and opportunities
- Changes in macro environment and its repercussions to portfolio investments
- ESG stock momentum (absolute and vs. sector / region)
- Management reaction to “defining moments”
- Corporate governance changes
- Monitoring and management of absolute and relative risks
- Tracking errors and risk utilization to BMs
- Style and factor risks
- Stock specific risks

Practical examples



Integration approaches along the whole investment process



ESG considerations:

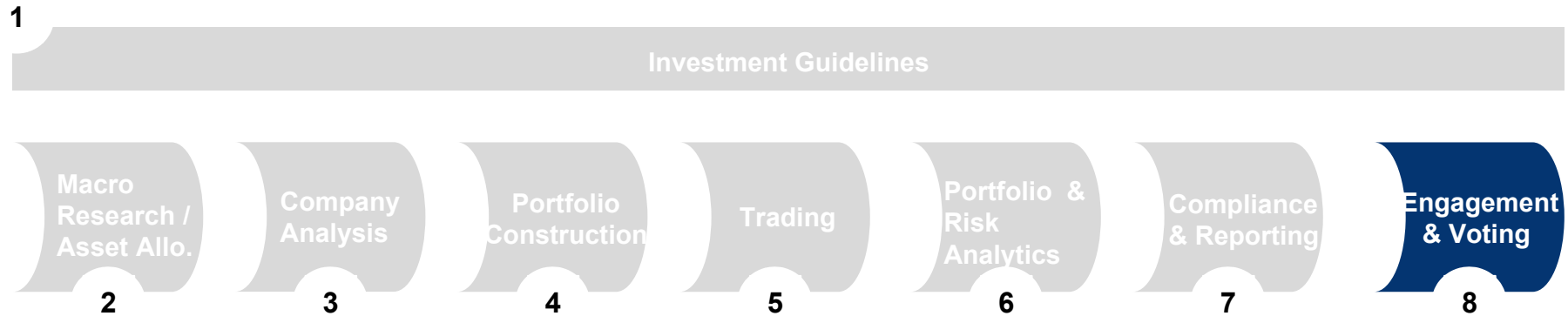
- Guideline checks (outside of Portfolio Management) whether exclusion restrictions, minimum ESG levels, carbon footprint levels, UN Global criteria are met
- Report aggregated portfolio ESG exposure / metrics versus benchmark, i.e. Portfolio ESG distribution and overall score, portfolio carbon & water footprint, engagement & voting activities

Practical examples



Source: ZKB (2014)

Integration approaches along the whole investment process



ESG considerations:

- Shareholder engagement practices
 - Management dialogue
 - Proxy voting
 - Filing of resolutions

Practical examples



Source: Axa IM (2012)

Take Aways

- **Integrated analysis can happen on a firm level (valuation) and**
- **... on a portfolio level (investment process)**
- **It is happening!**

Die nahe Bank



Zürcher
Kantonalbank



cutting through complexity™

Current state and evolution of the integrated reporting

1st Latam - ESG 2014
Taking ESG into Account

Sao Paulo, 29th April 2014

kpmg.eu

AND DIRECTORS

TO THE

STOCKHOLDERS

OF THE

BALTIMORE AND OHIO

RAIL ROAD COMPANY.

BALTIMORE:

PRINTED BY WILLIAM WOODY,

No 6 S. Calvert street.

1834.

PRESIDENT AND DIRECTORS

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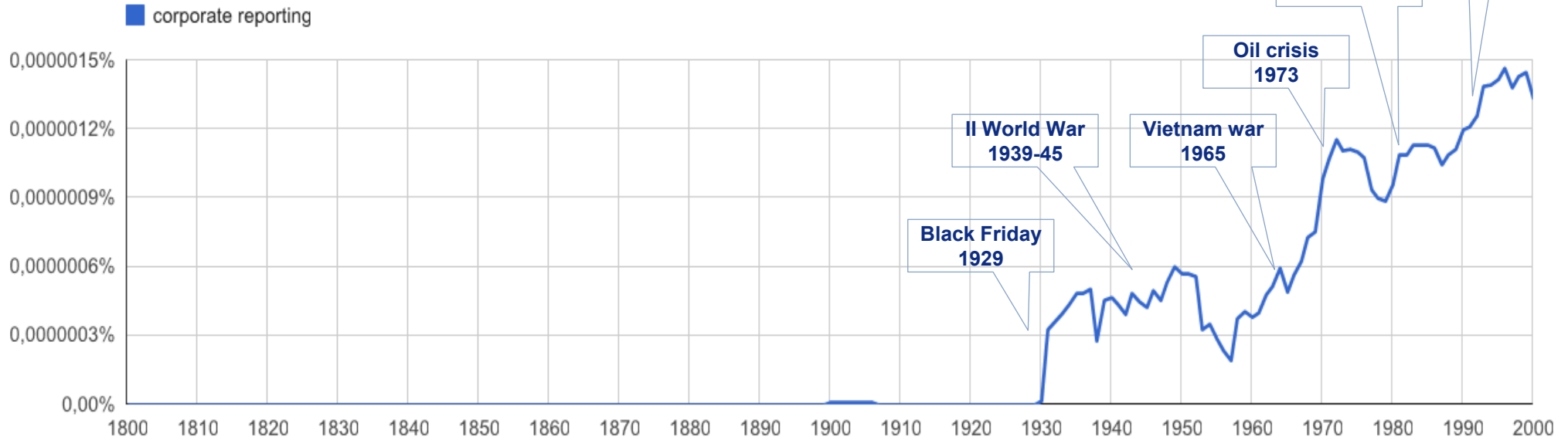
Corporate reporting in the literature

Google books Ngram Viewer

Graph these case-sensitive comma-separated phrases: corporate reporting

between 1800 and 2000 from the corpus English with smoothing of 3

Search lots of books



What is integrated reporting proposing?

Integrated is not just to include ESG information

From the past to the future

Taking decisions based – only – on the annual report is like driving looking through the rearview mirror

Bottom – up to Top - down

If the Board is defining the strategy why is it missing?

Parallel to Focused

If time is the most scarce resource in the planet, why are the annual reports not only related to how performance is aligned with the strategy?

What is integrated reporting proposing?

Integrated is not just for all the companies

Short and long term vision

Long term vision is not business as usual.

Inclusive view of value

If the Shareholders are not unique “owners” of the company.

Transparency is not a problem

If the company does not have a strategy, it is difficult to communicate it.

What is integrated reporting proposing?

Integrated is not just for reporting

Define the strategy

Different horizons

Organization
Incentives

Management risk

Value oriented organizations

Promises
Due diligence

Innovation

Value oriented organizations

New roles
New scenarios

What integrated reporting is proposing?

Short and long term vision

Define the strategy

From the past to the future

Inclusive view of value

Management risk

Bottom – up to Top - down

Transparency is not a problem

Innovation

Parallel to Focused

The company

The approach

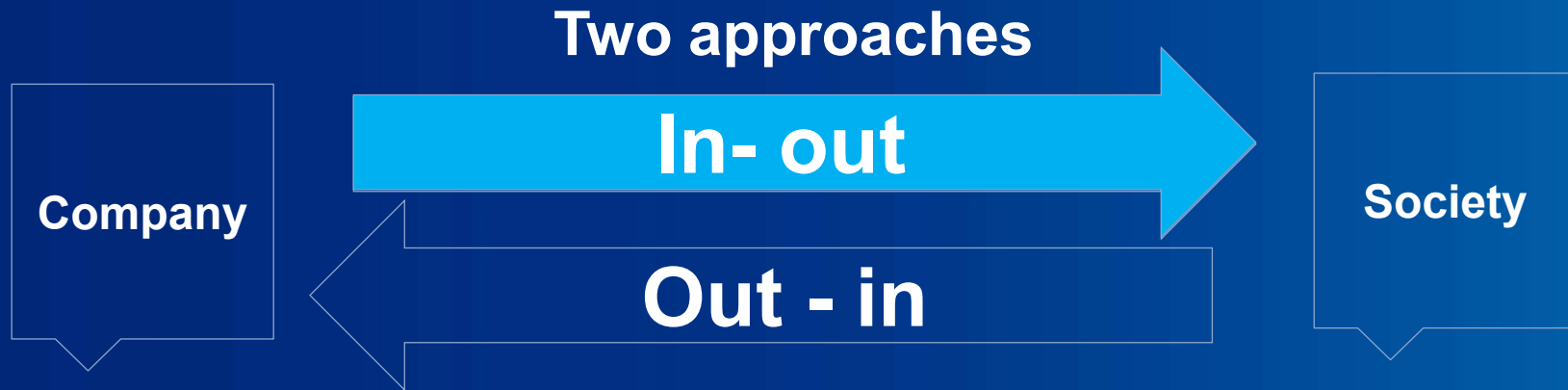
The report

What is integrated reporting proposing?

Integrated is not just to include ESG information

Integrated is not just for all the companies

Integrated is not just for reporting



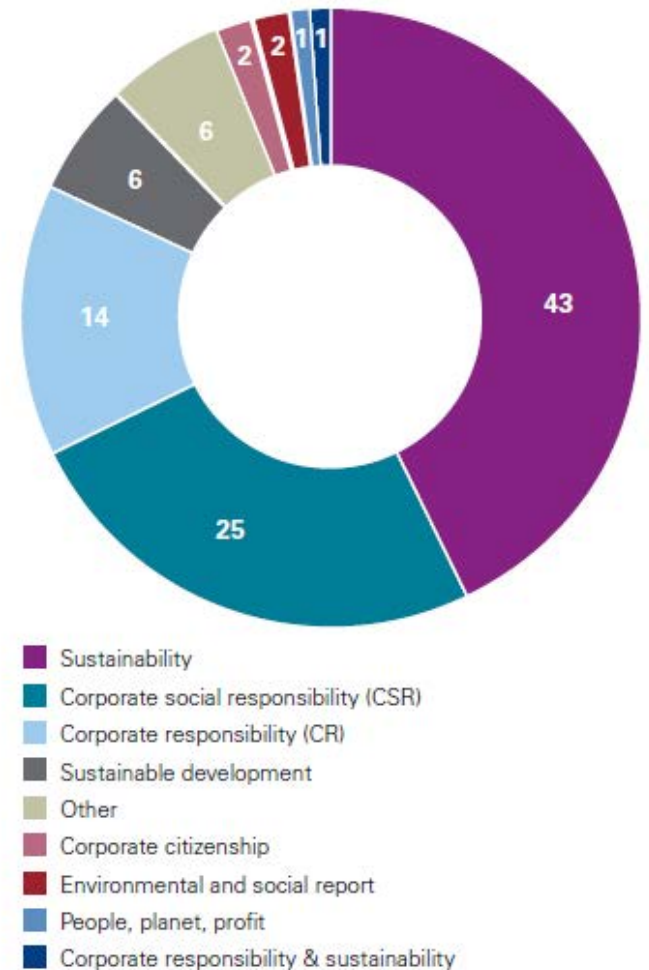
Non financial reporting by country

100 largest local companies – N100

Figure 9:
Reporting rates by country



Figure 1:
Reporting terminology used by N100



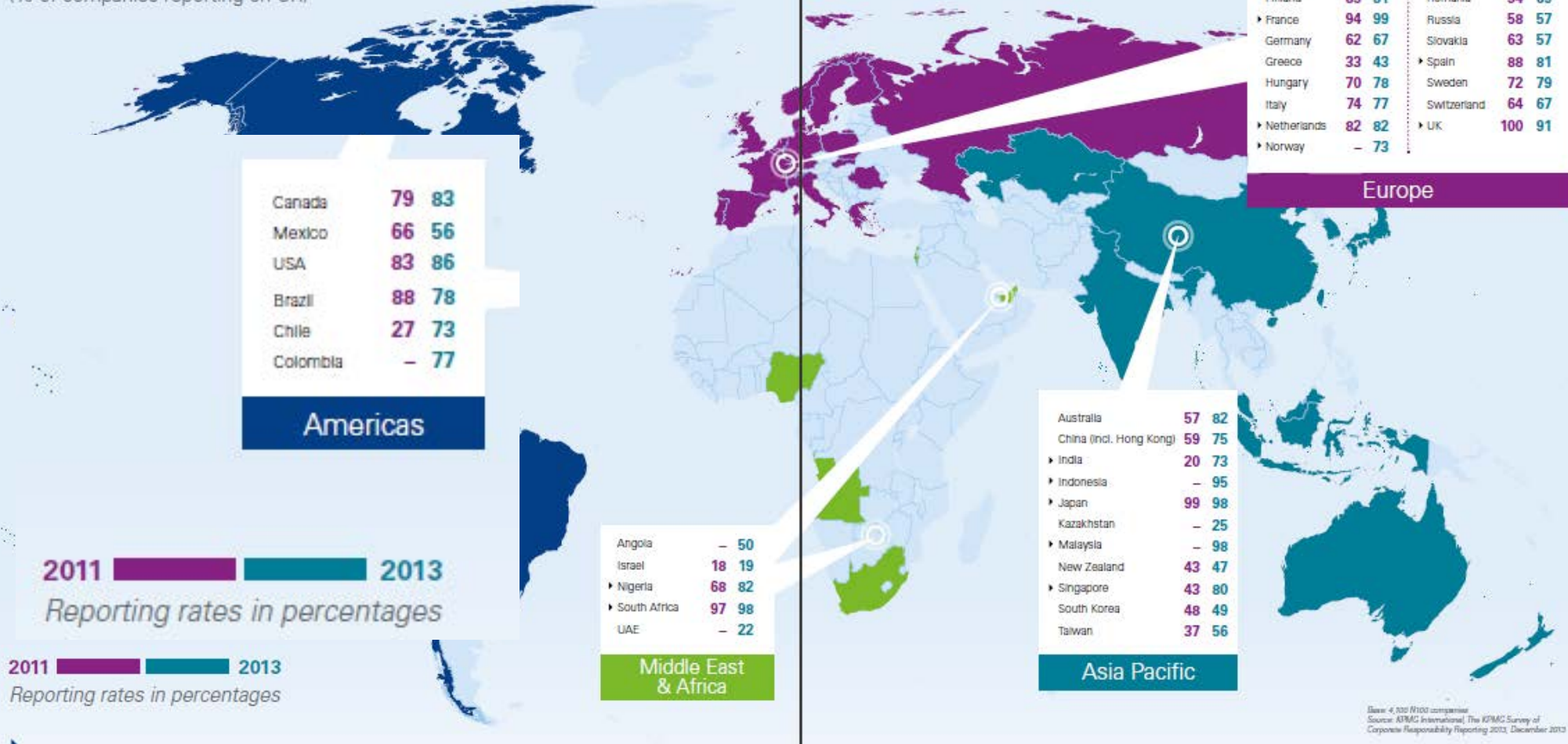
Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Non financial reporting by country

100 largest local companies – N100

Rate of corporate responsibility reporting across 41 countries - 2011 and 2013

(% of companies reporting on CR)



Based on 4,100 N100 companies
Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Non financial reporting by sector

Largest global companies – G250



KPMG VIEW

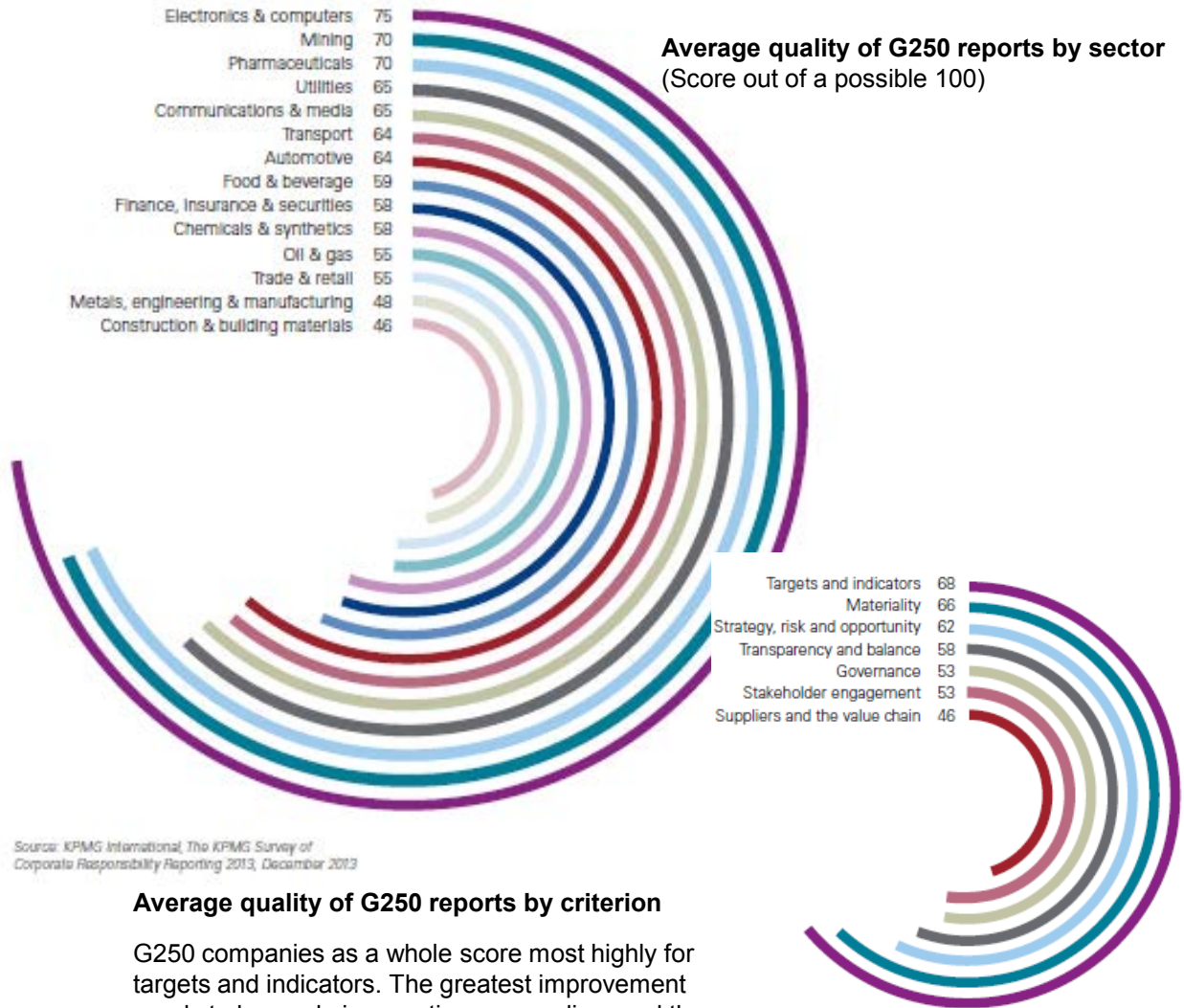
To report or not to report? The debate is over

Companies should no longer ask whether or not they should publish a CR report. We believe that debate is over. The high rates of CR reporting in all regions suggest it is now standard business practice worldwide. The leaders of N100 or G250 companies that still do not publish CR reports should ask themselves whether it benefits them to continue swimming against the tide or whether it puts them at risk.

The important questions now are “what?” and “how?” – or, in other words, it is now about the quality of CR reporting and the best means to reach relevant audiences. This includes assessing what is material for the business, proper engagement with stakeholders, having an honest communication strategy including openness about challenges and putting in place the underlying processes to gather and check data.

Electronics & computers	75
Mining	70
Pharmaceuticals	70
Utilities	65
Communications & media	65
Transport	64
Automotive	64
Food & beverage	59
Finance, insurance & securities	58
Chemicals & synthetics	58
Oil & gas	55
Trade & retail	55
Metals, engineering & manufacturing	48
Construction & building materials	46

Average quality of G250 reports by sector
(Score out of a possible 100)



Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Average quality of G250 reports by criterion

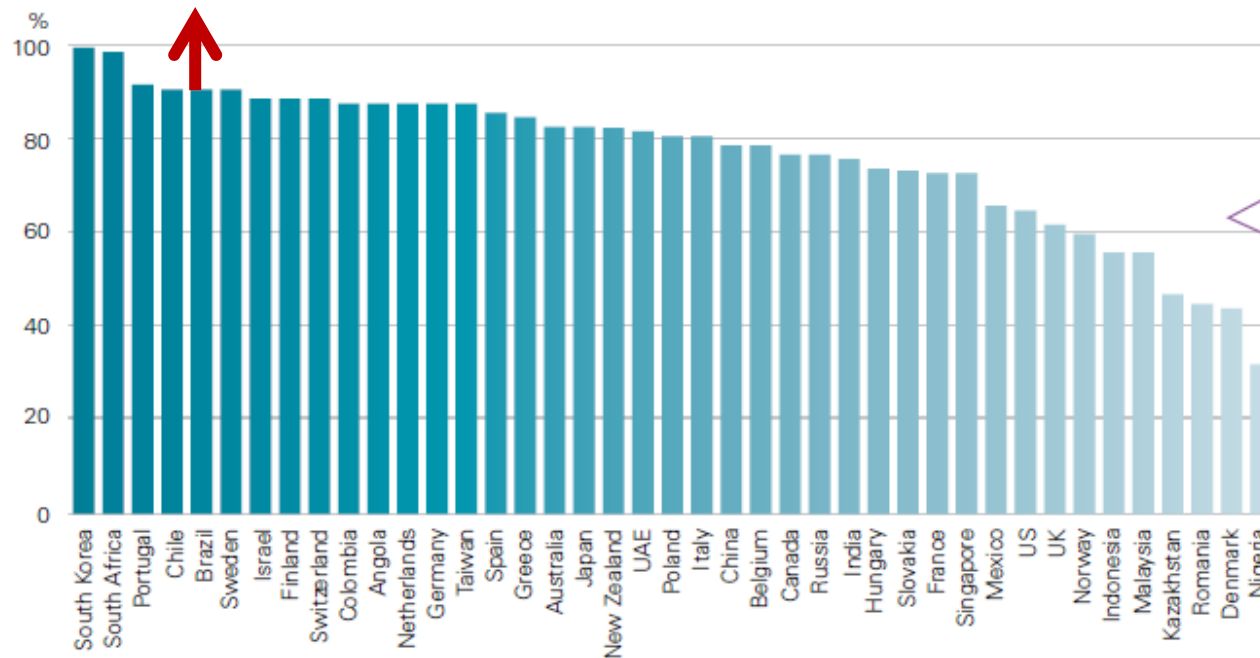
G250 companies as a whole score most highly for targets and indicators. The greatest improvement needs to be made in reporting on suppliers and the value chain.

Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

GRI is the King

100 largest local companies – N100

Figure 16:
Where are the GRI Guidelines used most?



Base: N100 companies with standalone report or GRI-based section in the annual report
Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Key findings

- More companies than ever now refer to the GRI guidelines in their CR reporting.
- In 37 of the 41 countries surveyed, more than half of N100 companies refer to the GRI guidelines in their CR reporting.
- More than 90 percent do so in South Korea, South Africa, Portugal, Chile, Brazil and Sweden.
- Less than 50 percent do so in Kazakhstan, Romania, Denmark and Nigeria.

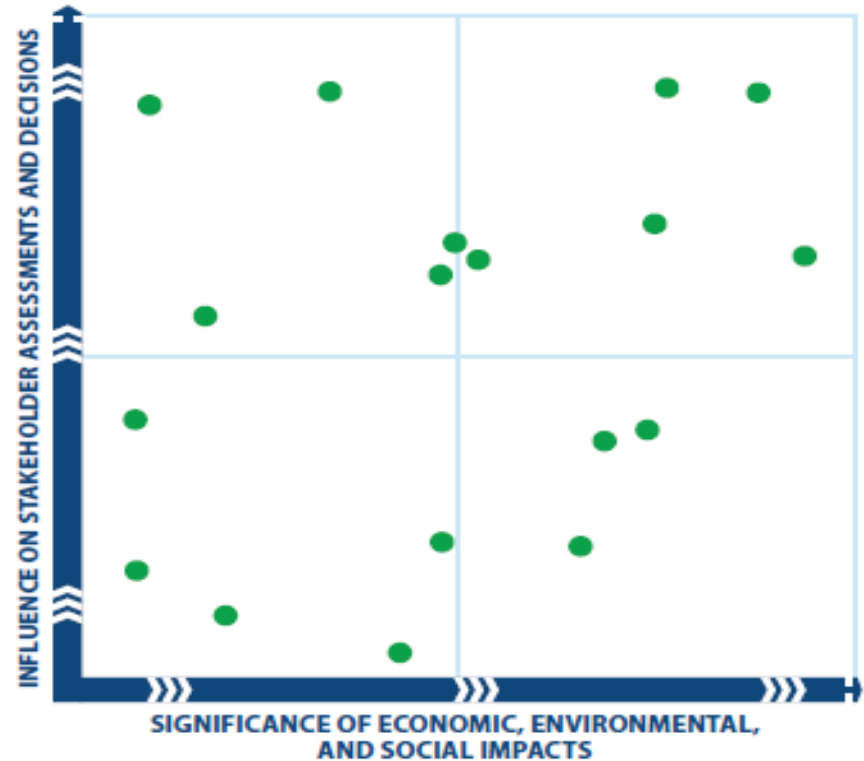
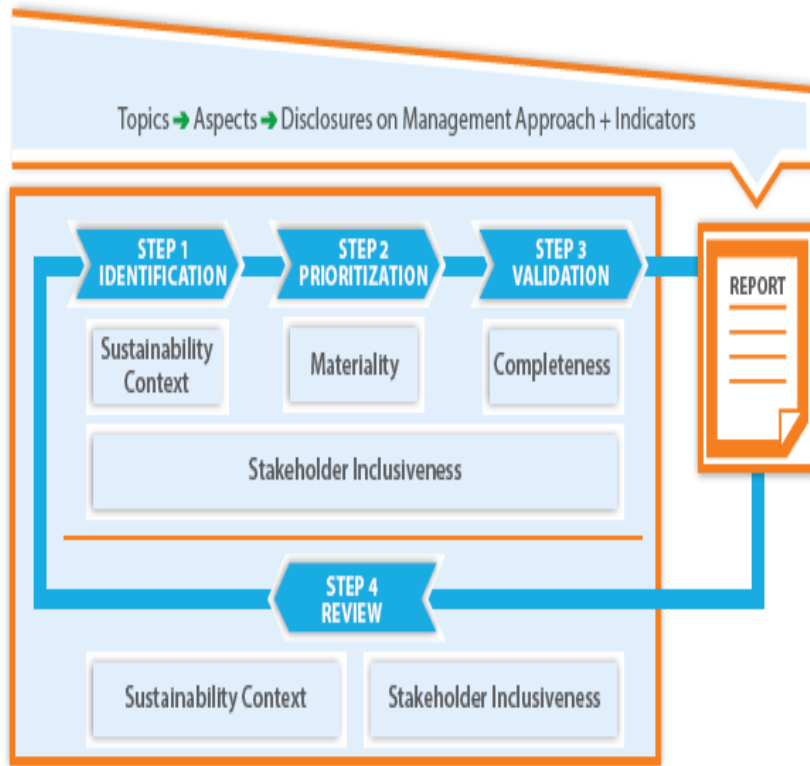
Development of the Guidelines since 2000



Development of the GRI Guidelines since 2000



Approach based on materiality



LA 1º DIRECTIVA de 9 de marzo de 1968, se ocupa de tres materias: publicidad legal, a través del registro y de un boletín oficial de nacionales, de actos jurídicos y de indicaciones. Representación de la sociedad en constitución y ya constituida, como el importante art.9 q establece el principio de limitación de facultades representativas por el objeto social. La nulidad de la sociedad una vez inscrita.

LA 2ª Directiva de 13 de noviembre de 1976, se ocupa de la fundación, la protección y modificación del capital social de la SA, fijando un capital social mínimo para las SA.

LA 3ª DIRECTIVA de 9 de octubre de 1978, regula la fusión interna dando como resultado la SA.

LA 4ª DIRECTIVA de 25 de julio de 1978, regula las cuentas anuales de las sociedades de capital aisladamente consideradas.

LA 5ª DIRECTIVA, regula los principios de contabilidad, para dar una imagen fiel, estructura las cuentas con 2 tipos de balance y 4 tipos alternativos de cuenta de resultados. También regula con amplitud, la memoria, la publicidad de las cuentas anuales, el informe de auditoría y el control de las cuentas por expertos independientes.

LA 6ª DIRECTIVA de 17 de diciembre de 1982, regula la escisión de la sociedad cuando este permitida por el estado miembro.

LA 7ª DIRECTIVA de 13 de junio de 1983, regula las cuentas consolidadas de grupos de sociedades, complementa la 4ª y establece, los supuestos en que es obligatoria la consolidación, los supuestos de exención y las formas de realizar la consolidación.

LA 8ª DIRECTIVA de 10 de abril de 1984, regula la autorización o habilitación de las personas encargadas del control legal de los documentos contables.

LA 11ª DIRECTIVA de 21 de diciembre de 1989, armoniza las normas sobre publicidad registral y documental de las sucursales.

LA 12ª DIRECTIVA de 21 de diciembre de 1989, sobre sociedad de responsabilidad limitada de socio único, obliga a los estados miembros a regular esta forma social y establece una regulación mínima.

The new rules only apply to large public-interest entities with **more than 500 employees**, which will be required to disclose certain non-financial information in their management report. These include listed companies as well as some **unlisted companies, such as banks, insurance companies, and other companies** that are so designated by Member States because of their activities, size or number of employees. The scope includes approx. 6 000 large companies and groups across the EU.

Topics to be disclosed

- Environmental
- Social impacts
- Labor conditions
- Human rights
- Corruption and bribery

What?

- Policies
- **Results**
- **Risk management**

Comply or explain

How?

Global compact, Principles for Human Rights and Companies, OECD Multinational principles, ISO 26000 and GRI

Diversity

All quoted companies should report diversity policies including measures to avoid discrimination by age, gender, geographic, social origin, etc.

From top to bottom

What is integrated reporting proposing?

Long term financing



Long-term financing embodies some key features:

- It finances *productive activities that support growth by reducing costs, diversifying* means of production and creating jobs in a smart, sustainable and inclusive way;
- It is *patient, in that investors take into account the long-term performance and risks* of their investments, rather than short-term price fluctuations. This long-term perspective acts in a counter-cyclical manner and promotes financial stability;
- It is *engaged, in that investors take longer-term aspects such as environmental, social, governance* issues into account in their investment strategies.



EU Seeks Country-by-Country Tax Disclosure for Large Companies

By Jim Brunsten | May 23, 2013 2:15 PM GMT+0200 | [0 Comments](#) [Email](#) [Print](#)

The European Union will seek to make large companies disclose the taxes they pay and profits they make on a country-by-country basis as it seeks to crack down on firms evading their obligations.

Michel Barnier, the EU's financial services chief, will seek to put the transparency rules in place "as quickly as possible," [Chantal Hughes](#), his spokeswoman, said in Brussels today. The measures would also cover subsidies that companies receive, she said.

"It's the equivalent of what we already do for [banks](#)," Hughes said. "The idea is therefore to expand that to all large companies operating in the European Union."

Barnier's push comes amid international controversy on whether companies like [Apple Inc. \(AAPL\)](#) and [Google Inc. \(GOOG\)](#) are taking excessive advantage of cross-border tax loopholes. EU leaders

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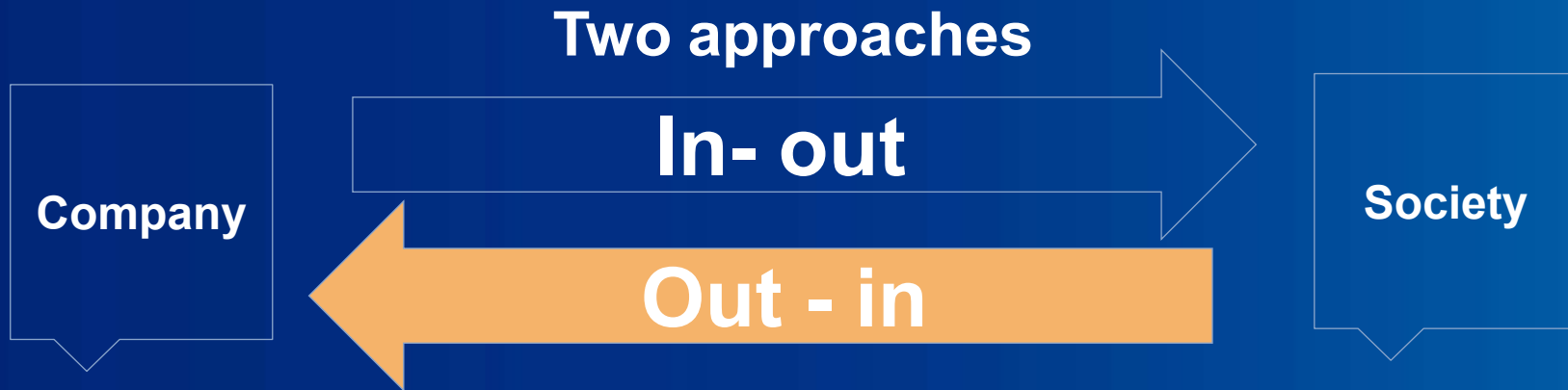


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What is integrated reporting proposing?



The International Integrated Reporting Council - IIRC

3



INTEGRATED REPORTING <IR>

The current focus on the financial statements of an organization is insufficient to answer the question:

How do organizations create value?

The financial information covering both financial performance and risk, however, should serve as enough to support investment decisions reflect the integrated thinking and decision-making process within organizations.

THE IIRC IS A GLOBAL COALITION OF REGULATORS, INVESTORS, COMPANIES, STANDARD SETTERS, THE ACCOUNTING PROFESSION AND NON-GOVERNMENTAL ORGANIZATIONS.

ITS MISSION IS CLEAR: TO ENABLE INTEGRATED REPORTING TO BE EMBEDDED INTO MAINSTREAM BUSINESS PRACTICE IN THE PUBLIC AND PRIVATE SECTORS.

Integrated reporting: content elements

Organizational overview and external environment: What does the organization do and what are the circumstances under which it operates?

Governance: How does the organization's governance structure support its ability to create value in the short, medium and long term?

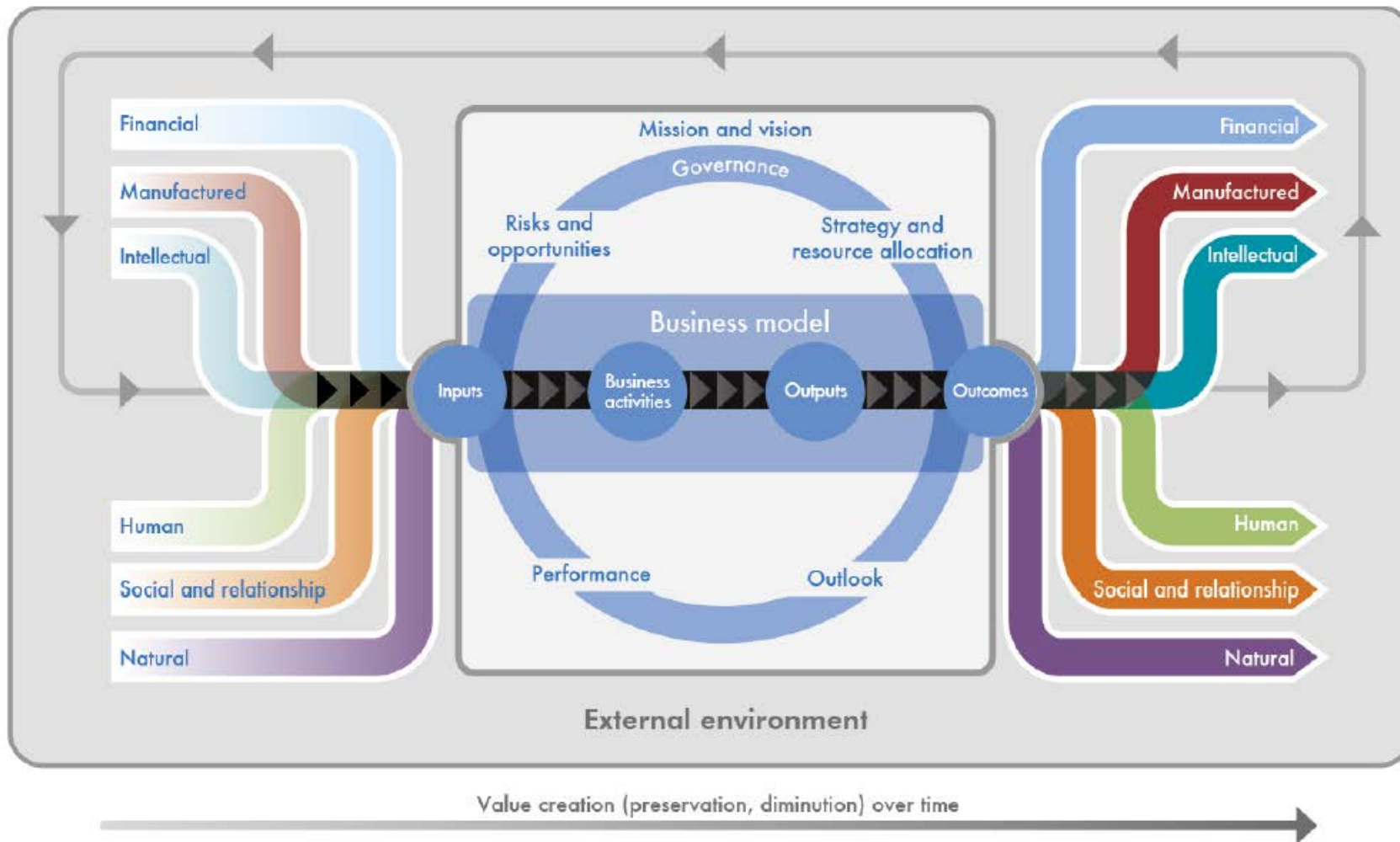
Business model: What is the organization's business model?

Risks and opportunities: What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?

Strategy and resource allocation: Where does the organization want to go and how does it intend to get there?

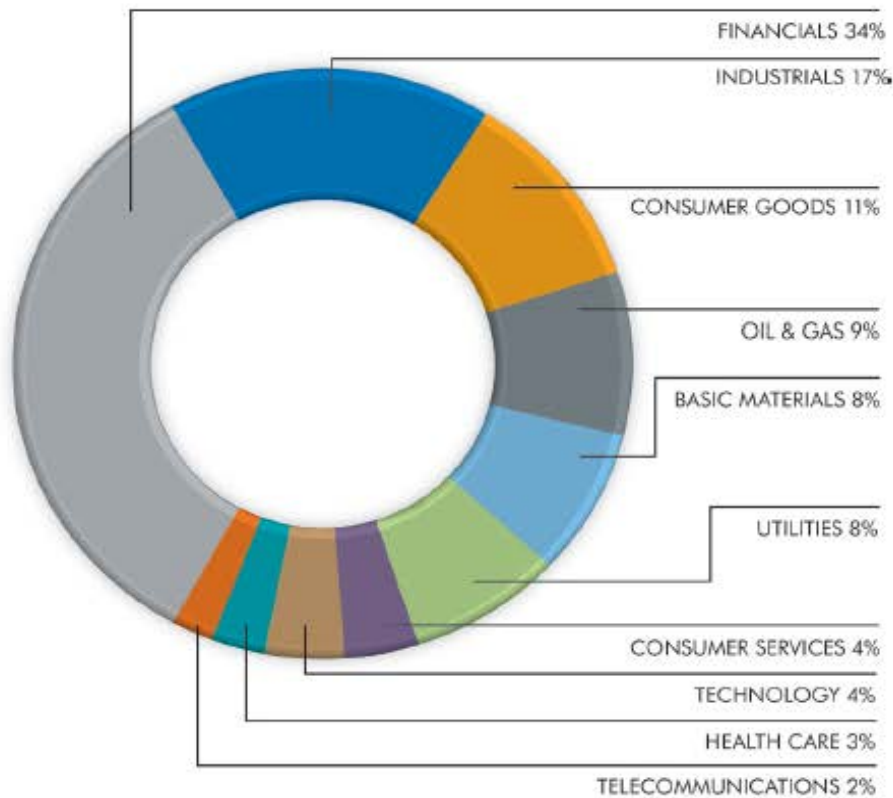
Performance: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?

Outlook: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?

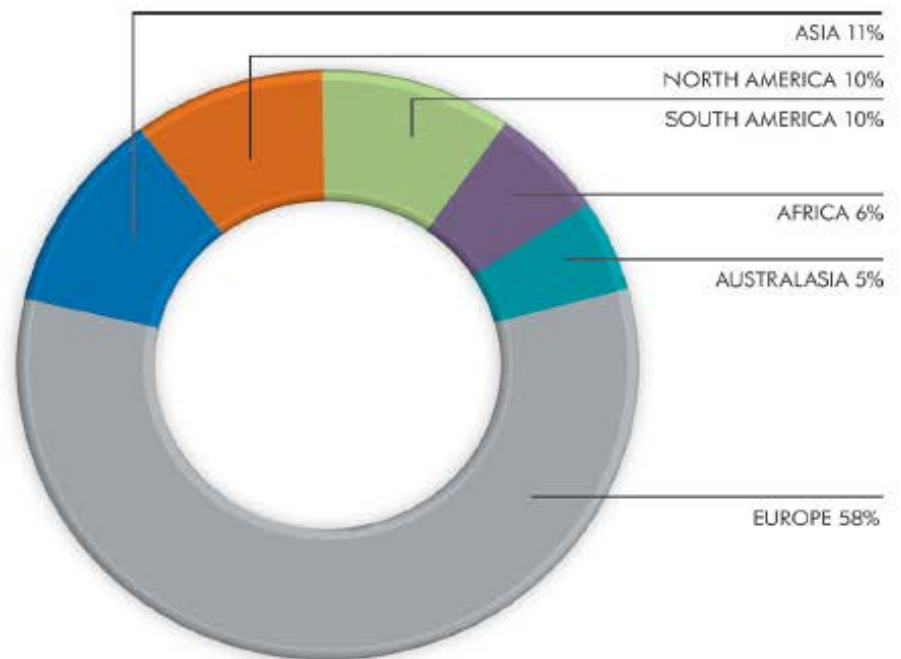


The International Integrated Reporting Council - IIRC

THE PILOT PROGRAMME SPANS ALL INDUSTRY SECTORS

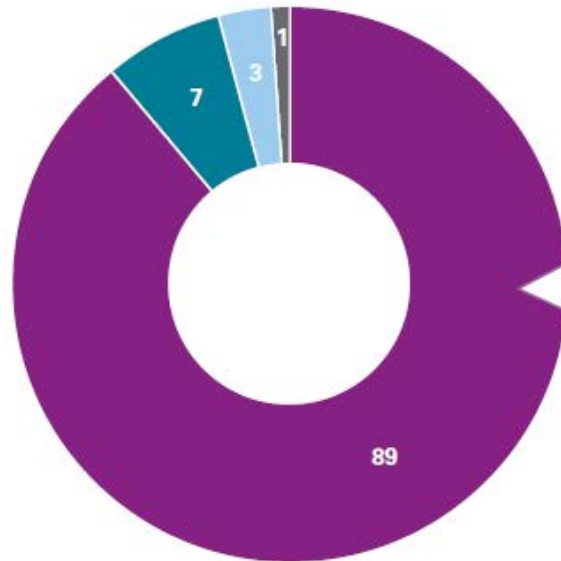


PARTICIPANTS SPAN THE GLOBE



Corporate reporting; international evolution

Figure 14:
Does the report state it is an integrated report?



- No
- Yes, the report states it is integrated, but does not refer to the IIRC
- Yes, the report states it is integrated and it refers to the IIRC
- The report does not state it is integrated, but there is reference to the IR trend/IIRC

Base: 2,897 N100 companies that report on CR
Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Key findings:

- 10 percent of companies claim to have integrated their annual reporting, and of these, most do not yet refer to the IIRC concept or definition.
- The number of reports that state they are integrated are by far the highest in South Africa at 93 percent due to the requirements of King III and the Johannesburg Stock Exchange.

Evolution of corporate reporting

Universe of Sustainability Issues

- Environmental Capital
- Social Capital
- Human Capital
- Business Model & Innovation
- Leadership & Governance

Evidence of Interest

Issue frequency in 5 data-driven tests:

- Financial risks
- Legal drivers
- Industry norms
- Stakeholder concerns
- Innovation opportunity

Evidence of Financial Impact

Issue impact on 4 business value drivers:

- Revenue impact
- Return on capital
- Risk management
- Management quality

Forward-looking Adjustment

Issue relation to 3 sustainability principles:

- Magnitude
- Probability
- Externalities

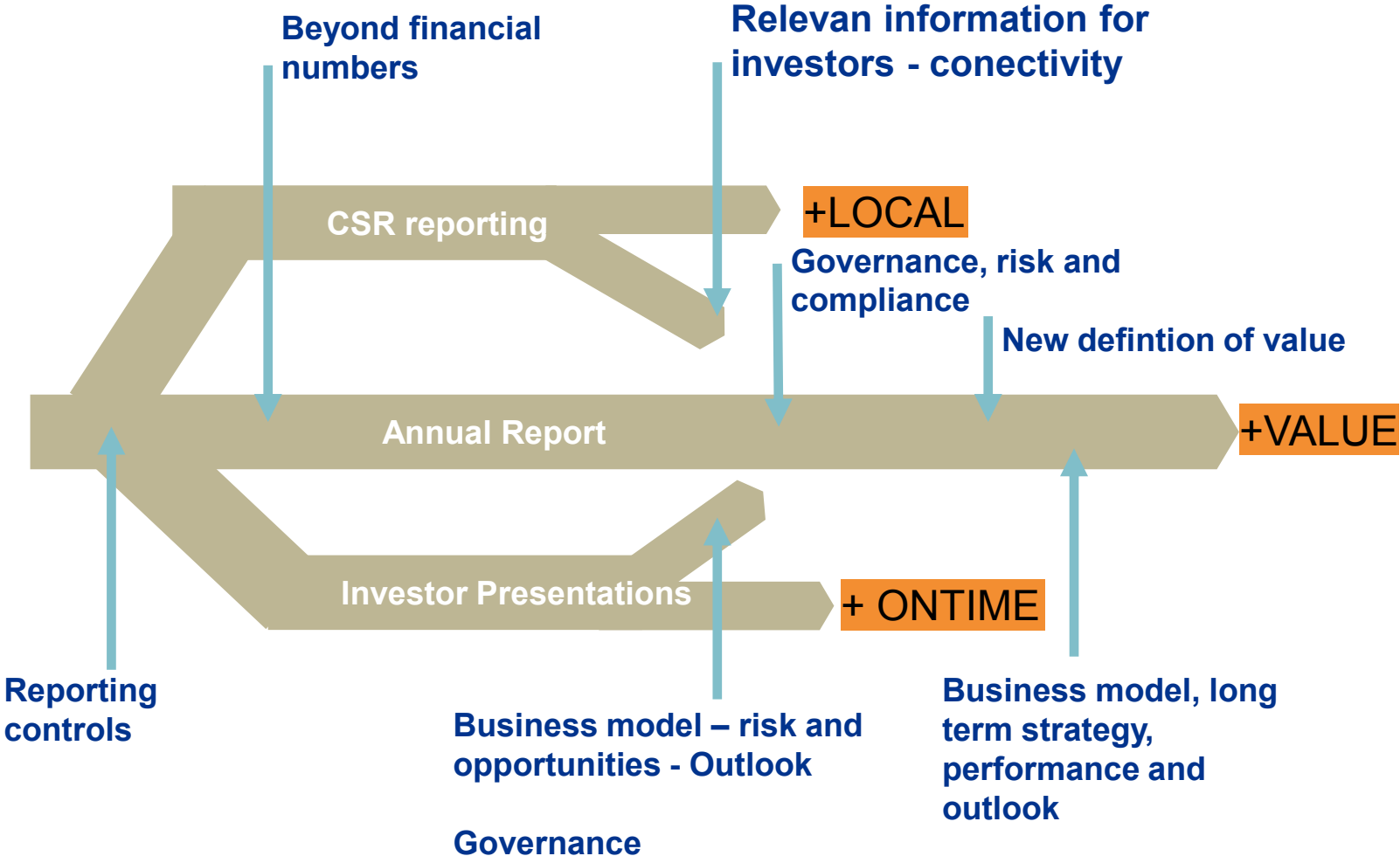
Prioritized Sustainability Issues

Materiality Assessment for Forward looking Issues

Reasonable likelihood of occurrence currently known trends, events, and uncertainties	No Disclosure	Voluntary Disclosure	Required Disclosure
	Anticipated future trend or event	No Disclosure	Voluntary Disclosure
	Remote	No Disclosure	No Disclosure
	Immaterial impact	Less predictable impact; future economic performance	Reasonable expectation of material effect on financial condition or results of operations

Source: Sustainability Accounting Standards Board (2012): SASB Conceptual Framework – Exposure Draft

Evolution of corporate reporting



What is integrated reporting proposing?

Four challenges for companies – short term

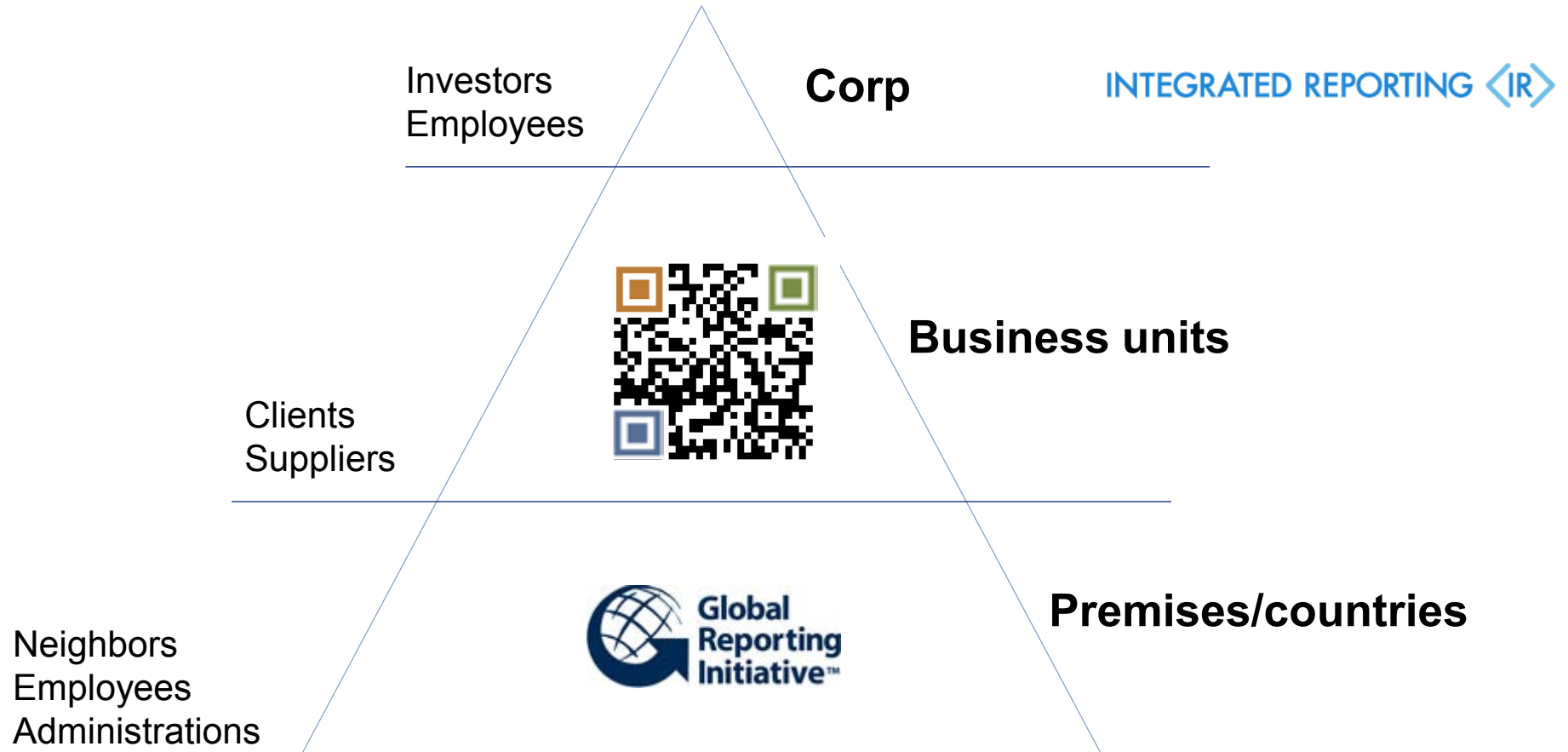
Different stakeholders need different information.


Technology will solve the granularity issue.

Comparability is a work in progress.

Who manage the (r)evolution?

The future of reporting?





**“ if you don't know
where you go, then
the compass is
useless”**

José Luis Blasco

Partner

Head of Governance, Risk and Compliance

jblasco@kpmg.es

Tweeter: @JLBlasco_KPMG

Blog: www.kpmgresponsabilidadempresarial.es



cutting through complexity™

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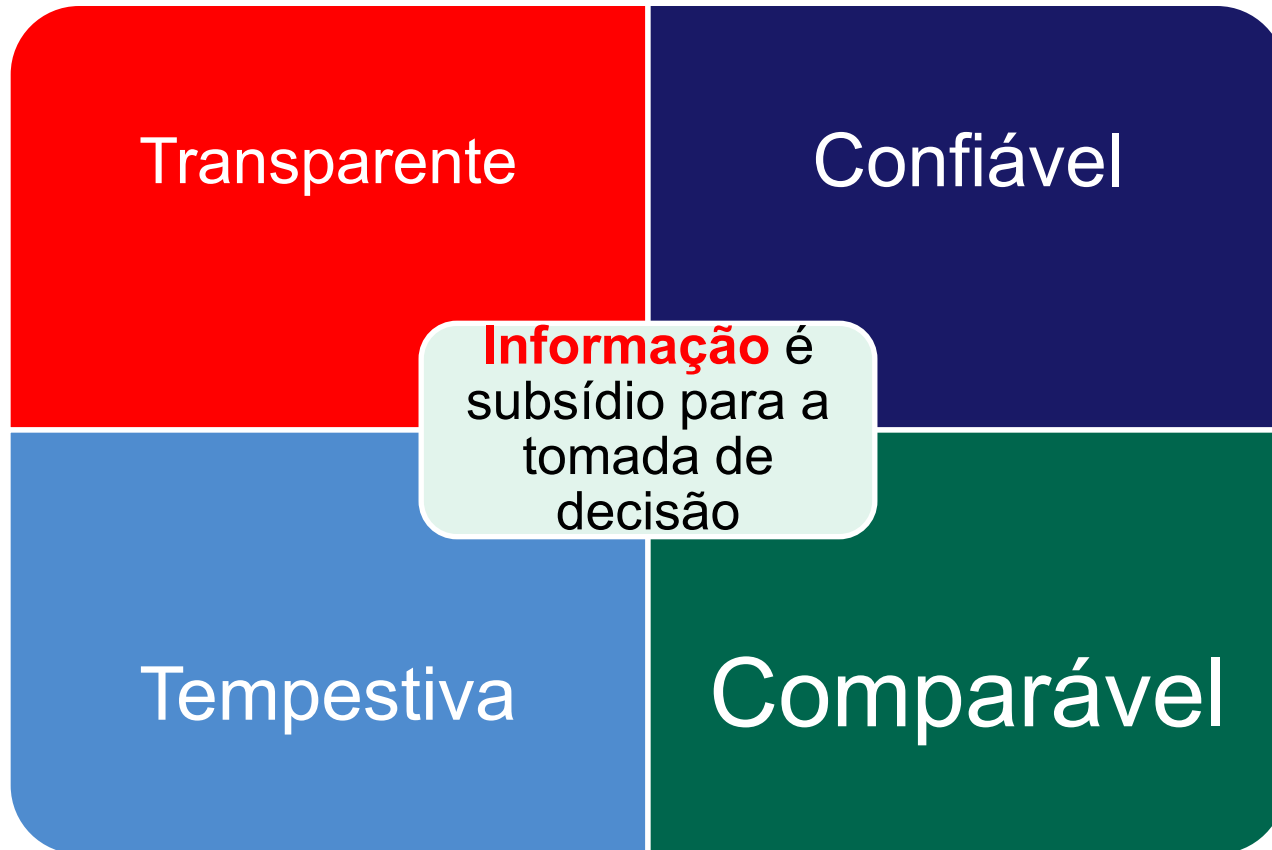
1º LATAM ESG 2014

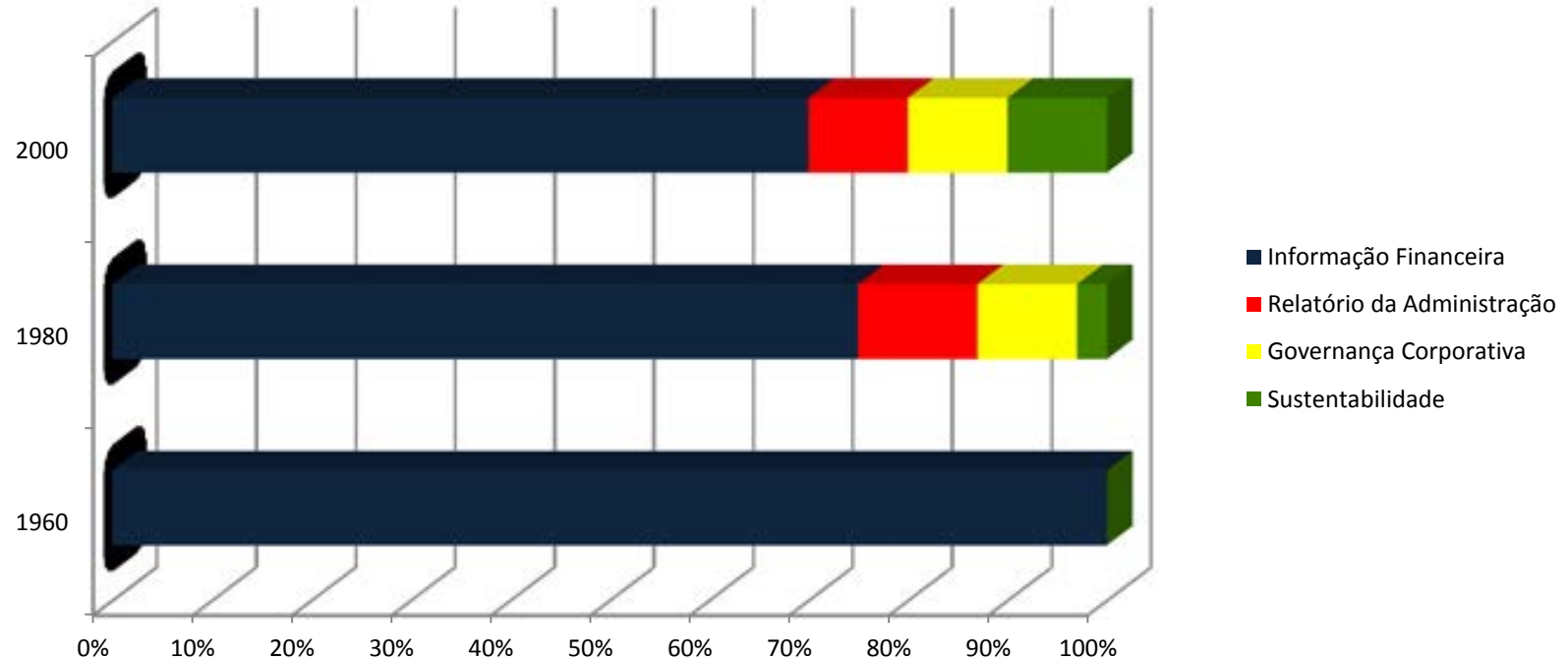
ESTÁGIO ATUAL DE EVOLUÇÃO DO RELATO INTEGRADO

São Paulo, 29 de abril de 2014



Papel da Informação





• **Informação Contábil já não é suficiente para atender o mercado**

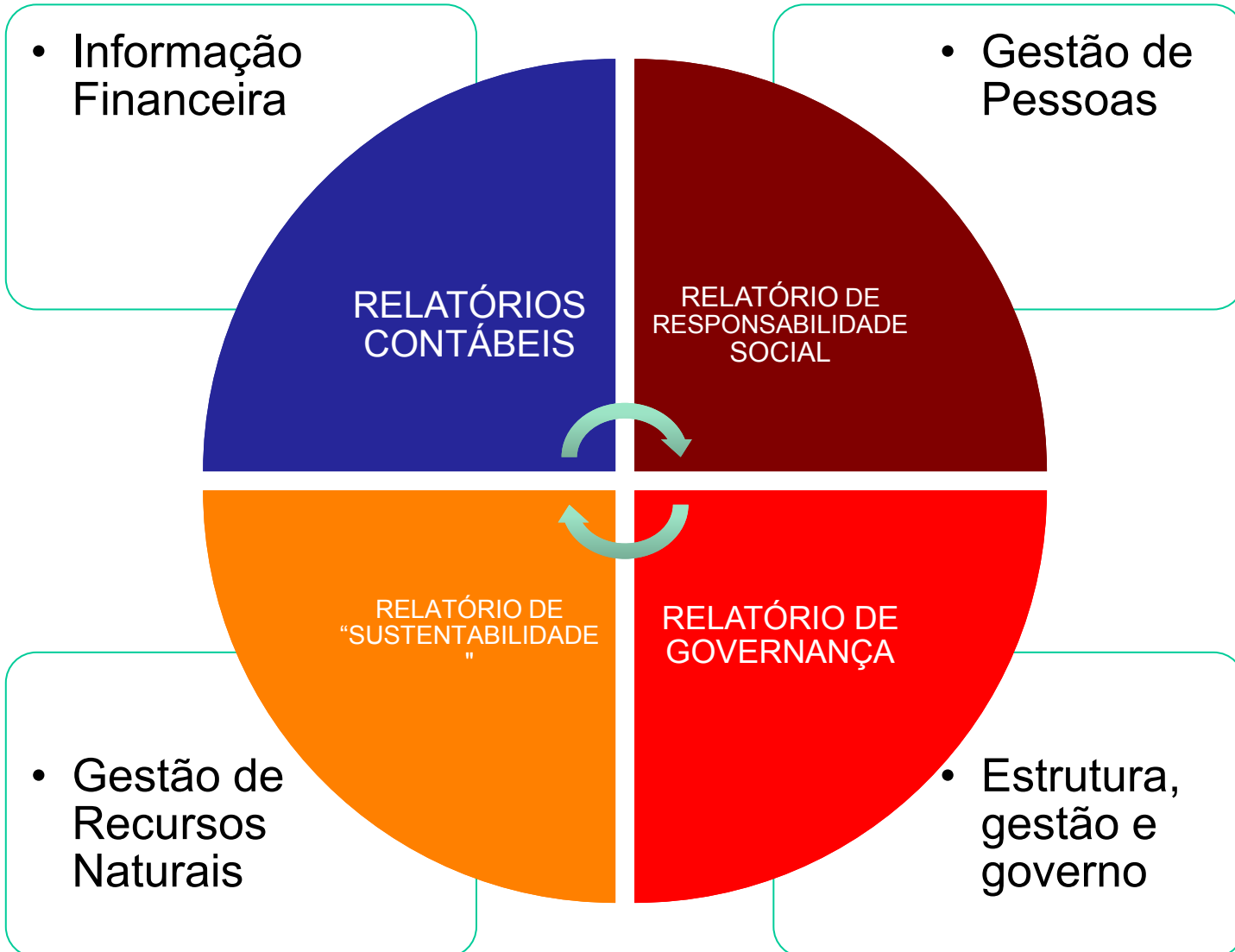
BMF & Bovespa

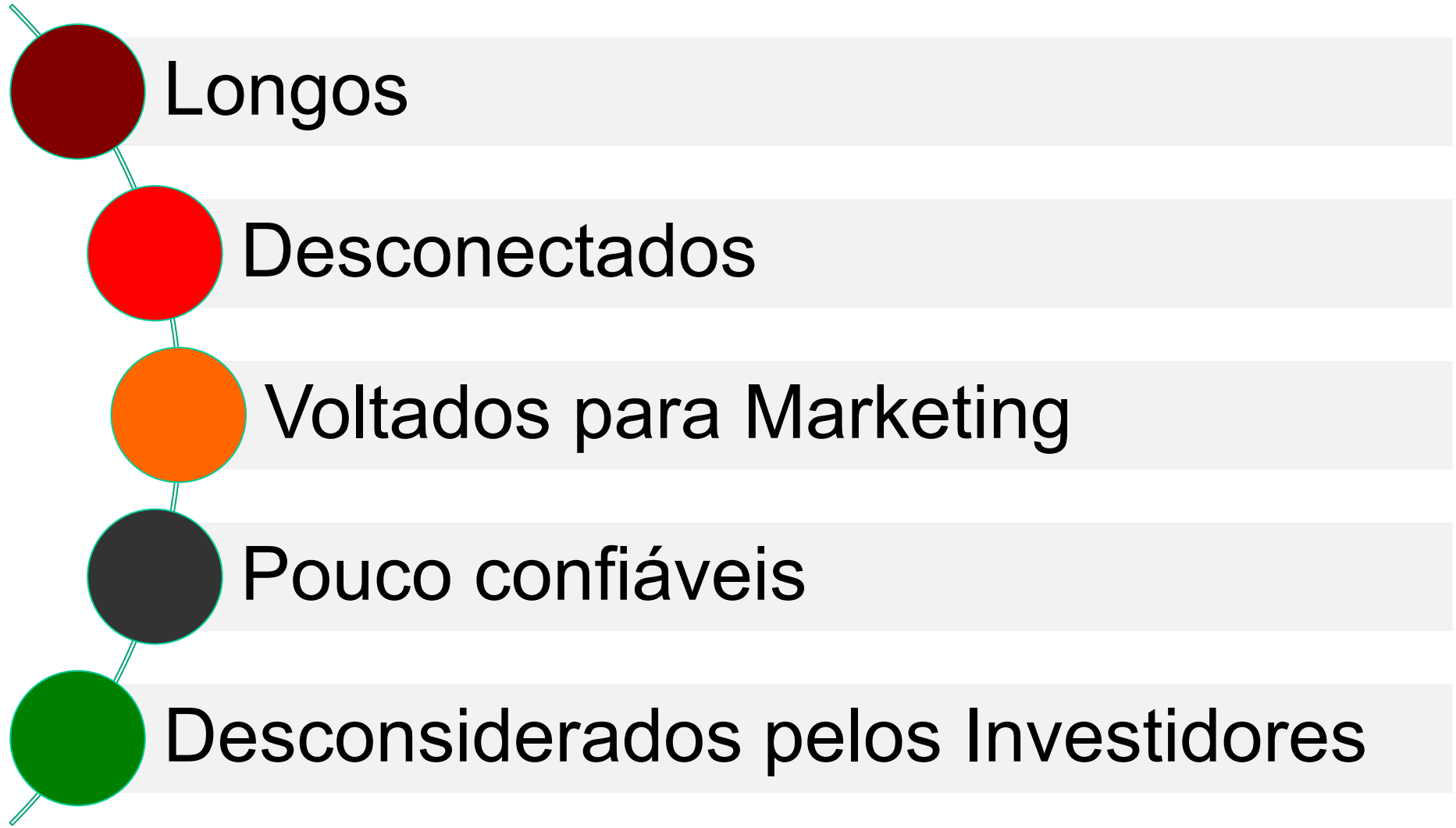
- Relate ou Explique
- (Relato Integrado)

Bacen

- Audiência 041/12 de 13/06/2012
- Política Sócio-Ambiental

RELATÓRIOS CORPORATIVOS





TOWARDS INTEGRATED REPORTING
Communicating Value in the 21st Century



**NÃO É MAIS
UM
REGULADOR**

Participantes do IIRC



EMPRESAS

- Microsoft
- Natura
- Novo Nordisk
- Nestlé
- HSBC
- GE
- China Light & Power
- EDF

REGULADORES

- IOSCO
- Tokyo Stock Exchange
- London Stock Exchange
- Financial Stability Board
- CVM

INVESTIDORES

- UN PRI
- ICGN
- Hermes EOS
- Aviva Investors
- APG
- French Government Fund
- INCR
- UNEP FI

NORMATIZADORES

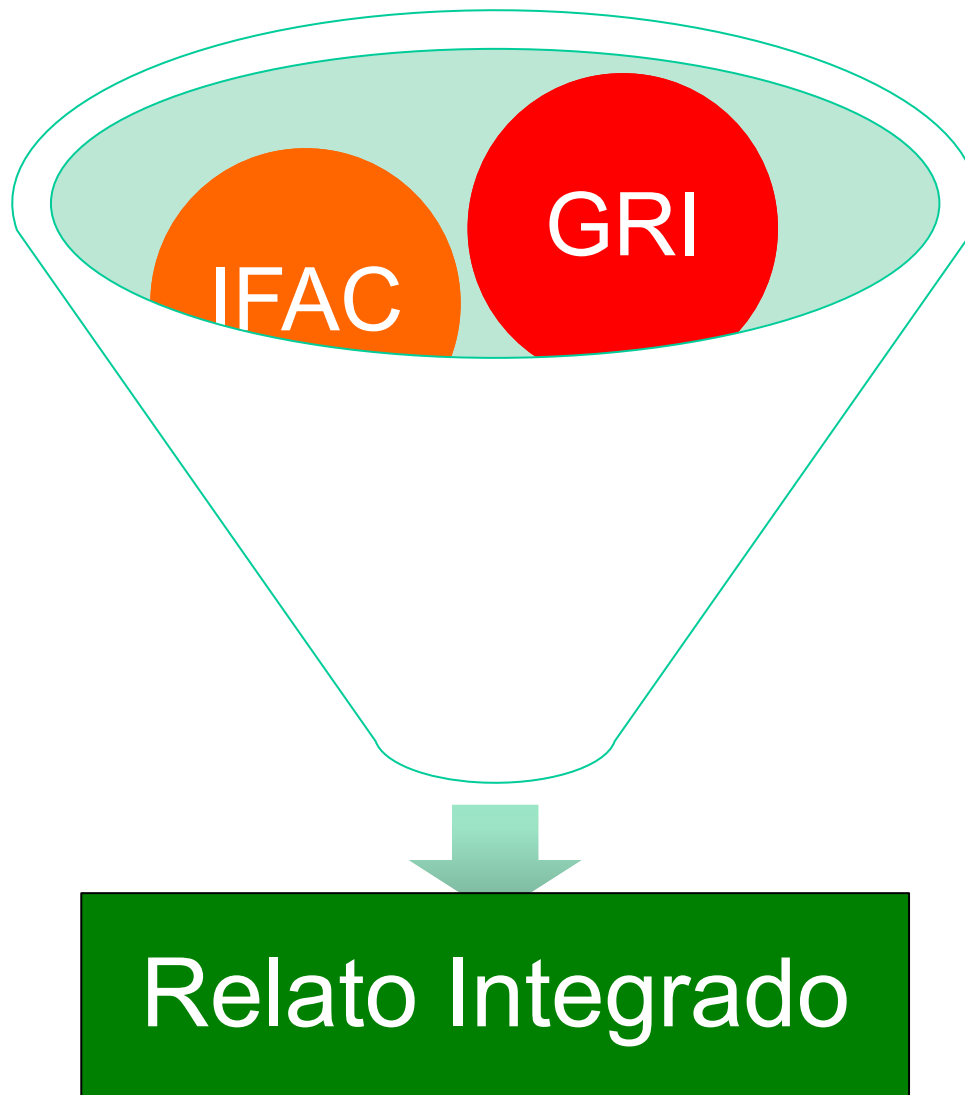
- IASB
- FASB
- IFAC
- GRI
- CDSB

ONGS e Entidades Contábeis

- UNCTAD
- Banco Mundial
- IFAC
- JICPA
- Big 4s

ACADEMIA

- WWF
- WRI
- A4S
- Harvard University
- USP
- Univ. New South Wales



INDÚSTRIAS

- AB VOLVO
- Danone
- Novo Novodisk
- Puma
- Solvay
- Tata Steel
- Coca-cola
- Natura

Bancos

- HSBC
- Vancity (Canadá)
- Rabobank
- Mecu Ltda (Austrália)
- LeasePlan
- BBVA
- BNDES

Contabilidade

- ACCA
- CIMA
- CNDCEC (Italia)
- Deloitte
- Ernst & Young Terco
- PWC
- Grand Thornton
- KPMG

Serviços

- Aegon (Holanda)
- ARM (UK)
- Edelman (EUA)
- Indra (Espanha)
- Microsoft
- NHS London

Energia

- Estado Atomic (Russia)
- Terna (Italia)
- Vesta Wind (Dinamarca)
- CLP (China)
- EnBW (Alemanha)

Outros

- Cliff Natural (EUA)
- Motor Diesel (Sri Lanka)
- Eureka (Holanda)
- Gold Fields (Africa Sul)
- Prudential (EUA)

Empresas



País	Nº de Empresas Participantes
Reino Unido	13
Holanda	12
Brasil	12
Itália	8
EUA	7
Espanha	7
África do Sul	6
Alemanha	6
Japão	4
Austrália	4
Rússia	4
Canadá	3
Coréia do Sul	2
India	2
Dinamarca	2
Nova Zelândia	1
Bélgica	1
Cingapura	1
China	1
Sri Lanka	1
Chile	1
Suíça	1
Suécia	1
França	1
TOTAL	103

Empresa	Setor
AES Brasil	Energia
BNDES	Bancos
BRF S.A	Alimentos
CCR S.A.	Transporte
CPFL	Energia
Fibria	Celulose
Grupo Mapre	Seguros
Itaú-Unibanco	Bancos
Natura	Varejo
Petrobrás	Óleo & Gás
Votorantim	Industria
Via Gutemberg	Serviços

Link com a relação da rede de empresas



TOWARDS INTEGRATED REPORTING
Communicating Value in the 21st Century



**ESTRUTURA
DO
FRAMEWORK**

CONCEITOS BÁSICOS



NEGÓCIOS



MODELO DE
NEGÓCIOS
RISCOS E
OPORTUNIDADES
CONTEXTO DA
EMPRESA
STAKEHOLDERS

ESTRATÉGIA



ESTRATÉGIA
GOVERNANÇA
OBJETIVOS
ANÁLISE DA
MATERIALIDADE
PERSPECTIVAS
FUTURAS

OPERAÇÕES



GESTÃO
MUDANÇAS
IMPLEMENTADAS
DESCRIÇÃO DAS
ATIVIDADES

DESEMPENHO



INFORMAÇÕES
FINANCEIRAS
INDICADORES
CRIAÇÃO DE
VALOR

Conceitos Básicos



Capital Financeiro

Recursos monetários



Capital Manufaturado

Edifícios, equipamentos,
infraestrutura



Capital Humano

Governança, direitos humanos,
lealdade, motivação



Capital Intelectual

Intangíveis, patentes,
reputação



Capital Natural

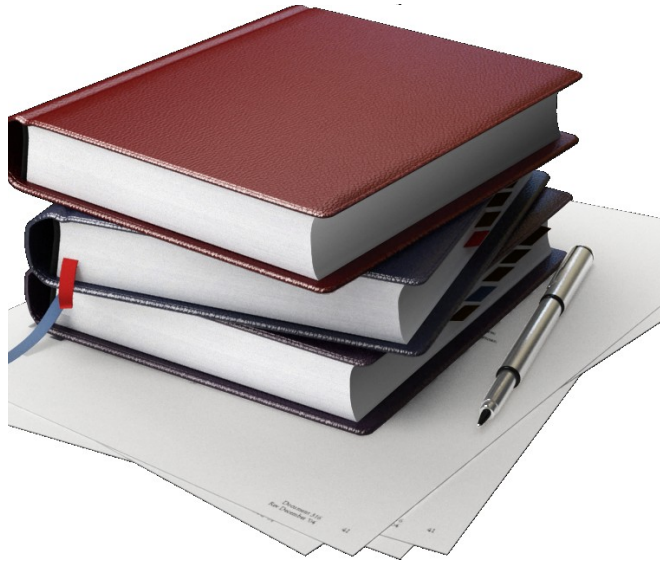
Recursos naturais



Capital Social

Parcerias,
relacionamentos,

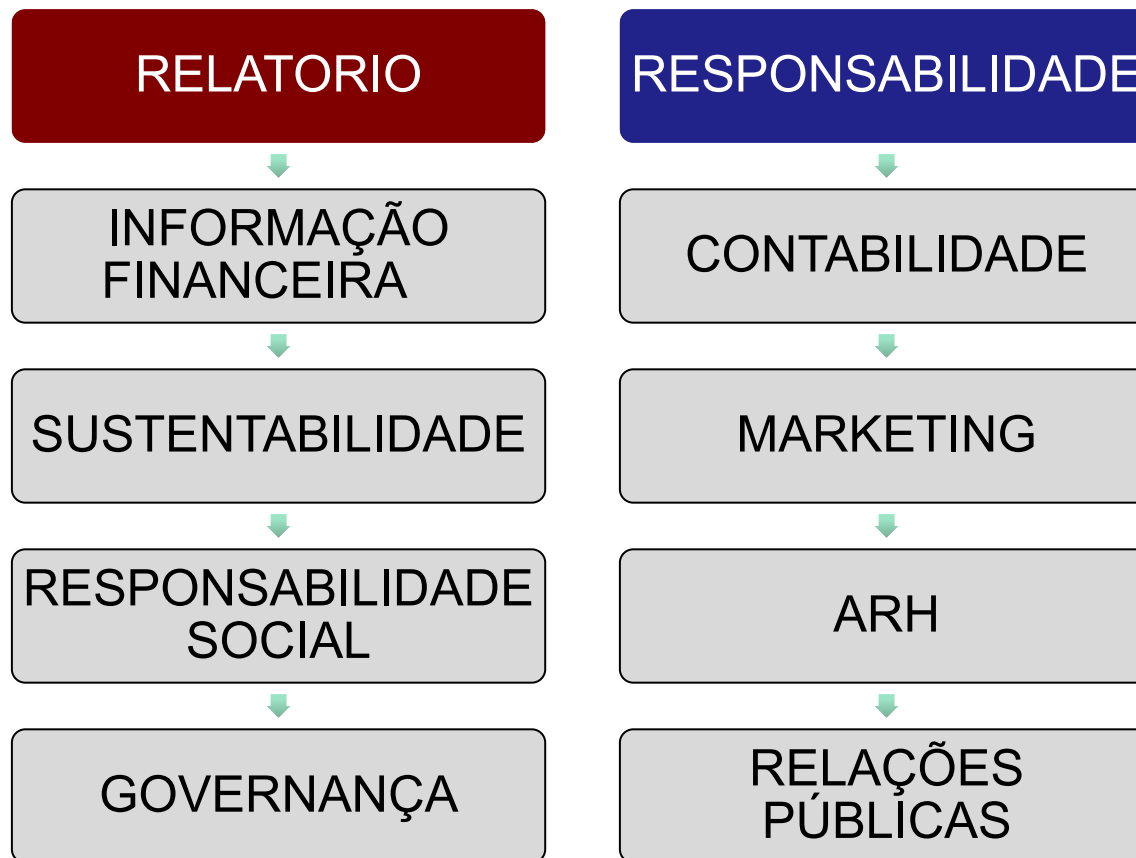
RELATÓRIO X RELATO



RELATÓRIO

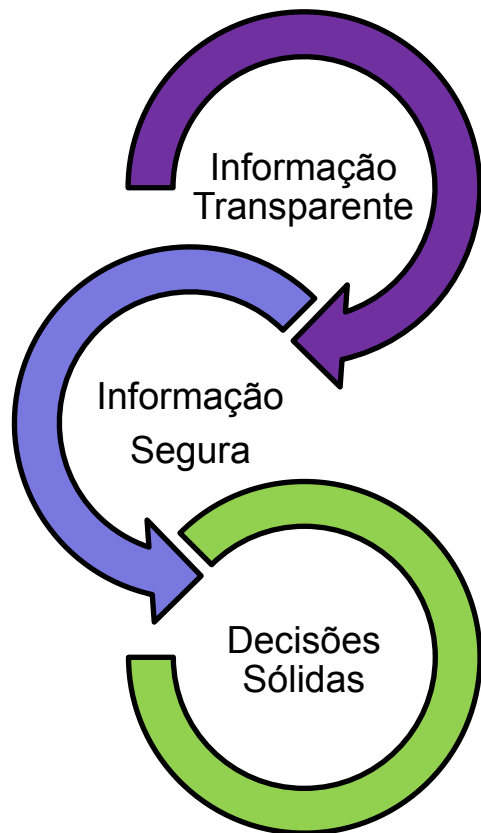


PROCESSO



Principais Marcos da Criação da Estrutura de Trabalho do Relato Integrado





**TRANSPARÊNCIA
É INSTRUMENTO
DE GESTÃO**

BANCO NACIONAL DE DESENVOLVIMENTO ECONÔMICO E SOCIAL

Av. República do Chile, nº 100


CEP: 20031-917

Rio de Janeiro – RJ – Brasil

Vânia Maria da Costa Borgerth

Assessora da Presidência

E-mail  borge@bndes.gov.br

E-mail 



BNDES

*O banco nacional
do desenvolvimento*

60
ANOS





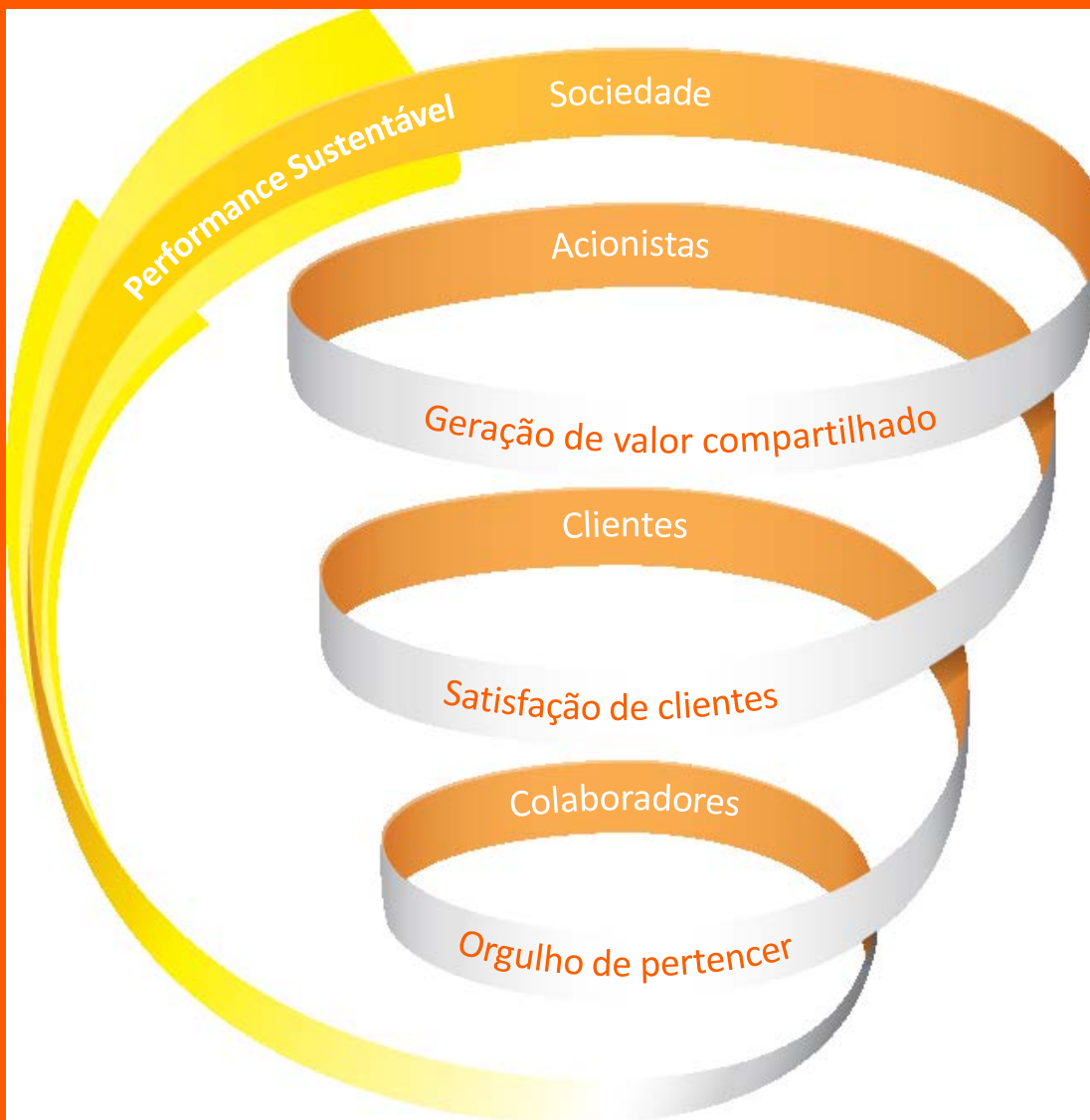
Estratégia de sustentabilidade
Investimento Responsável
Aplicação no Itaú

Visão



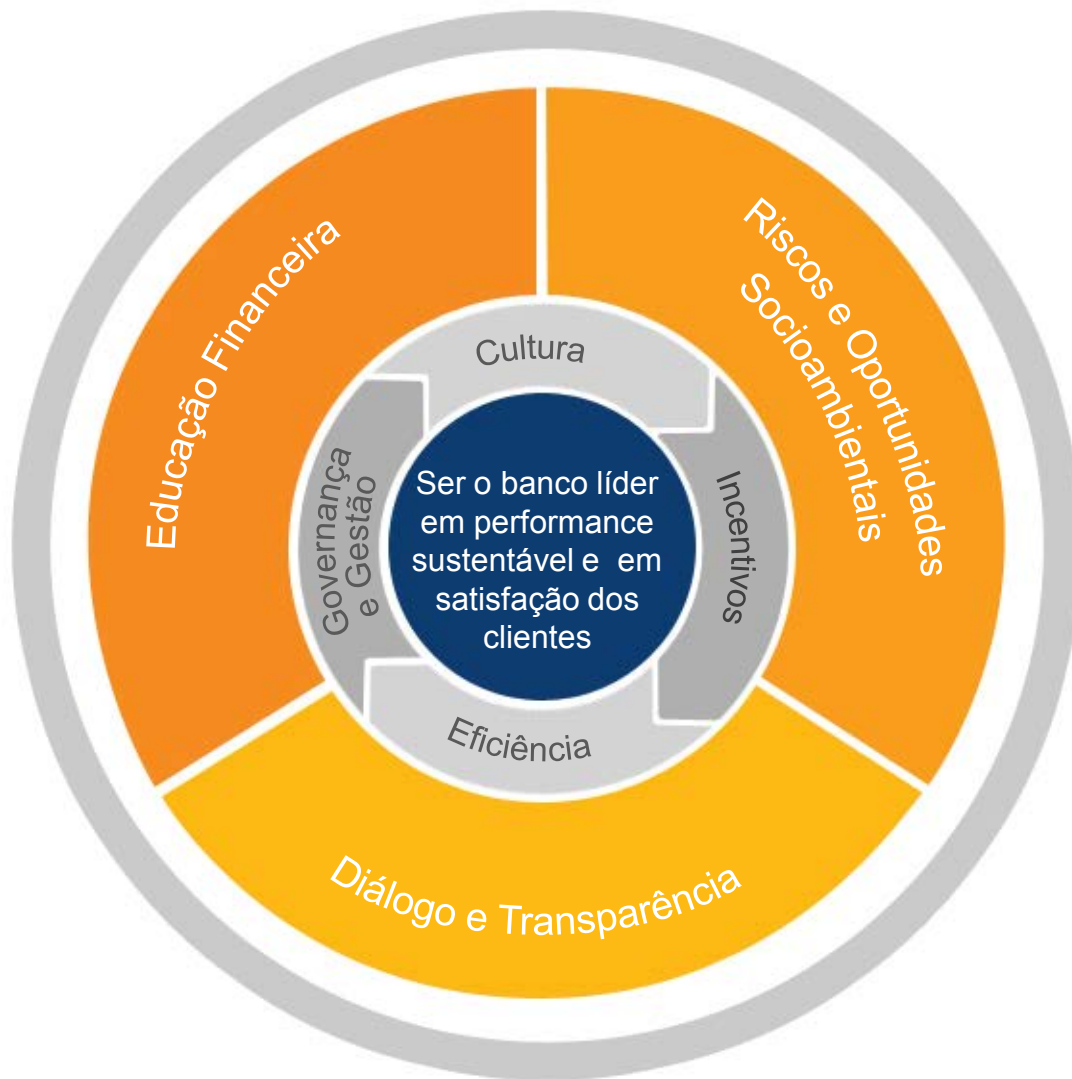
Ser o banco líder
em **performance**
sustentável
e em satisfação
dos clientes.

Performance Sustentável



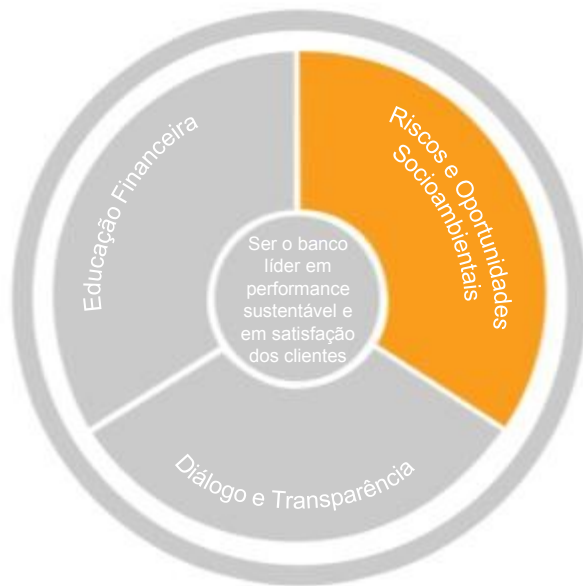
Mapa de Sustentabilidade

3 focos estratégicos de atuação



Mapa de Sustentabilidade

3 focos estratégicos



Riscos e oportunidades socioambientais

Buscar **oportunidades** de negócios e gerir **riscos socioambientais** considerando tendências de mercado, regulamentações, **demanda de clientes e da sociedade**



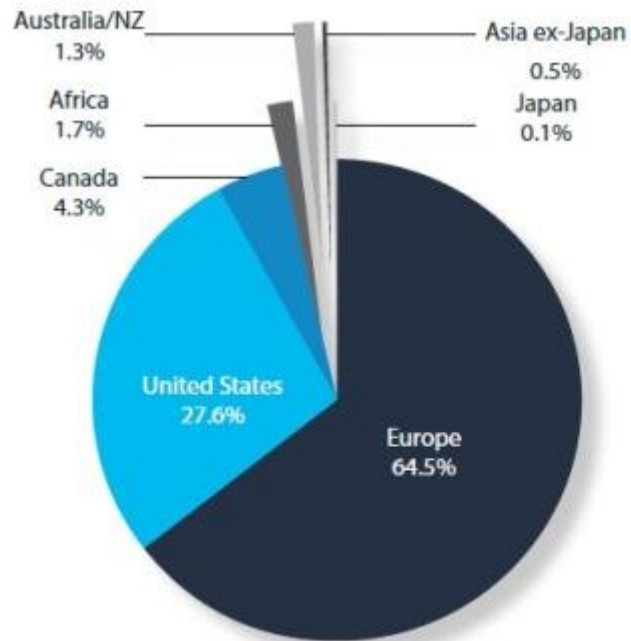
Estratégia de sustentabilidade

Investimento responsável

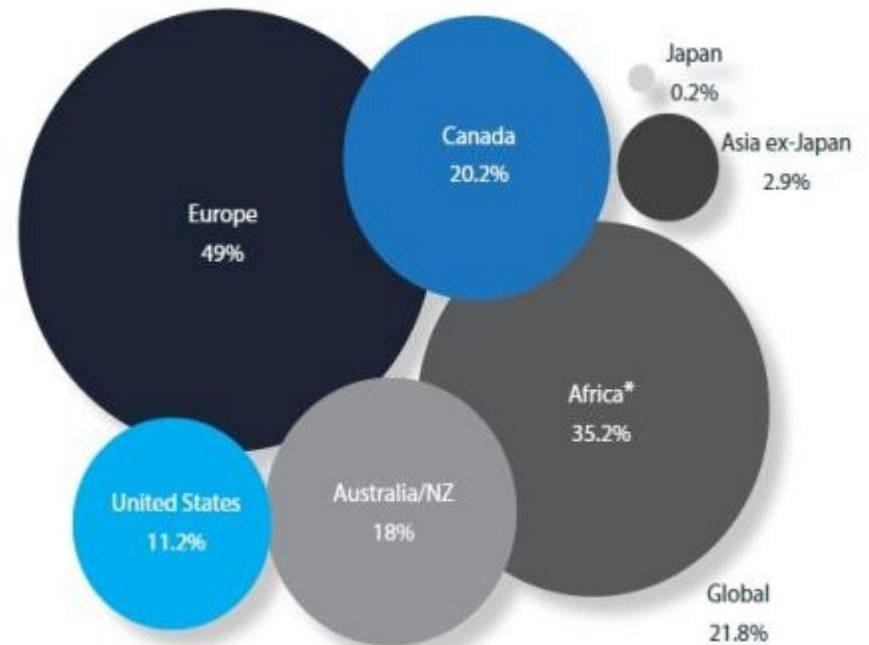
Aplicação no Itaú

Investimento responsável

Investimento Responsável por Região



Investimento Responsável como % do AuM total



Investimento responsável

Rede Brasileira do PRI

- 17 Fundos de Pensão (60% ativos previdência fechada)
- 31 Gestores de Recursos (inclui cinco maiores)
- 17 prestadores de serviço (inclui BM&FBOVESPA, corretoras, agências de *rating* e consultorias)
- Engajamento coletivo com empresas listadas
- Pesquisa sobre materialidade de indicadores ESG no Brasil
- Engajamento do *sell side* para integração ESG nos relatórios de análise



Estratégia de sustentabilidade
Investimento Responsável
Aplicação no Itaú

Abordagem

Integração ESG*

- Adesão ao PRI (2008)
- Metodologia própria (2010)
- Análise de empresas brasileiras listadas
- 100% de cobertura do ISE
- 100% de cobertura do IBOV (dez/14)
- Início de cobertura Renda Fixa

Equipe

- Portfolio Manager (*Equities*)
- Analista SRI (renda variável e fixa)

Voto

- Questões ESG na política de voto
- Influenciar positivamente empresas investidas

Engajamento

- Engajamento com empresas investidas
- Atualização do modelo e *insights*

*Environmental, Social and Governance

Método de integração das questões ESG

Três fases: pesquisa ESG, quantificação e valuation

A Itaú Asset Management criou e documentou sua metodologia inovadora para incorporar as questões ambientais, sociais e de governança diretamente no método de avaliação e definição de preço dos fundos de renda variável com gestão ativa.

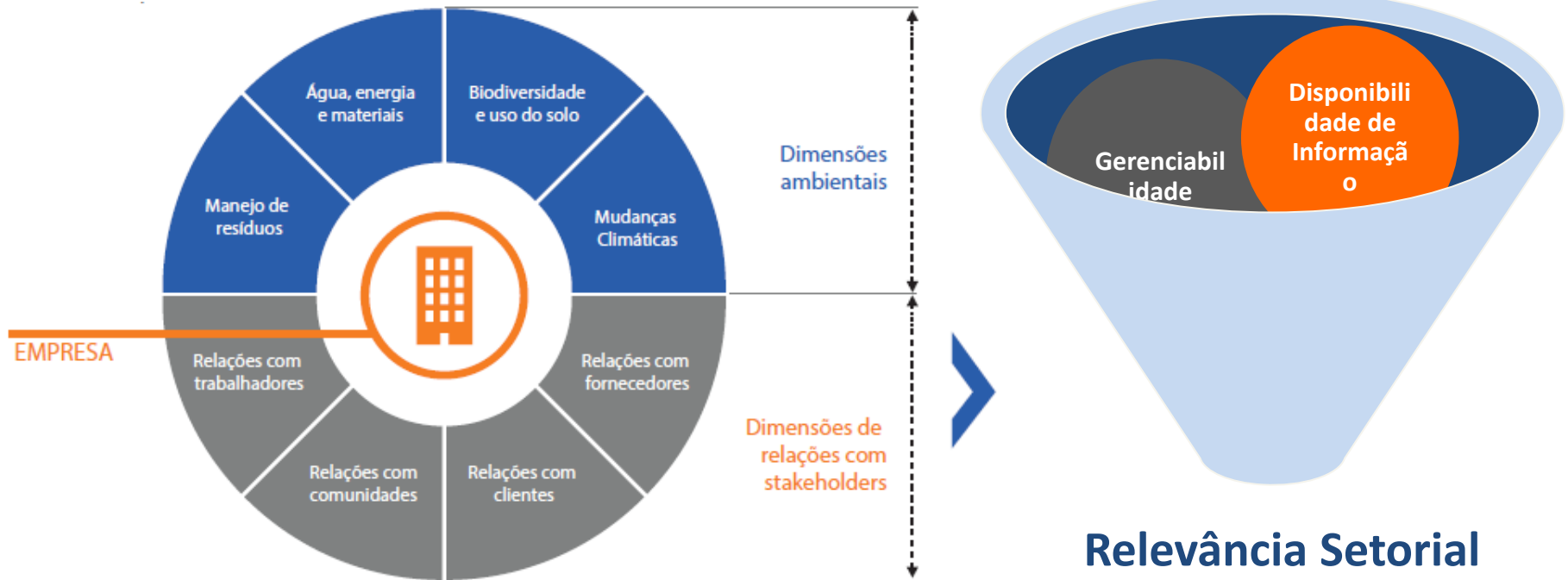


Método de integração das questões ESG

Pesquisa ESG

Busca por informações ESG relevantes considerando:

- materialidade e relevância setorial, temporalidade, qualificação dos riscos e oportunidades, métricas e formas de gestão

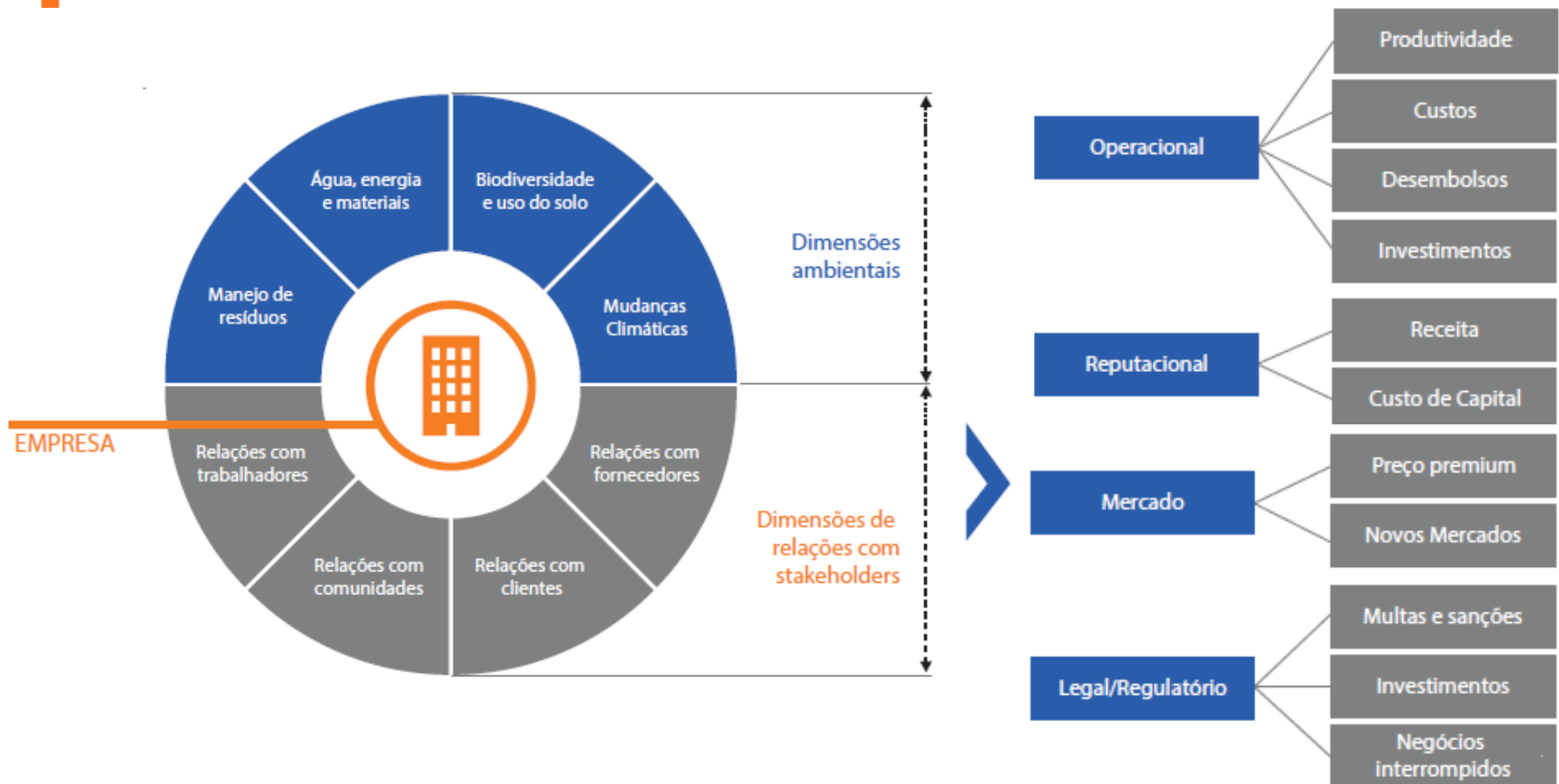


Método de integração das questões ESG

Pesquisa ESG

Busca por informações ESG relevantes considerando:

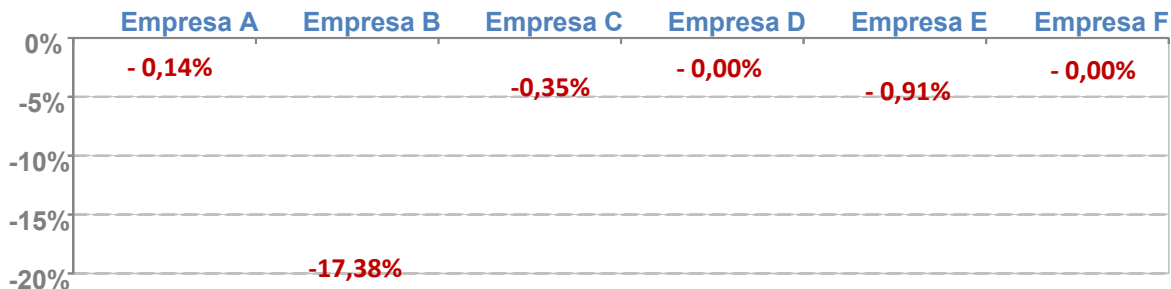
- materialidade e relevância setorial, temporalidade, qualificação dos riscos e oportunidades, métricas e formas de gestão



ção Civil

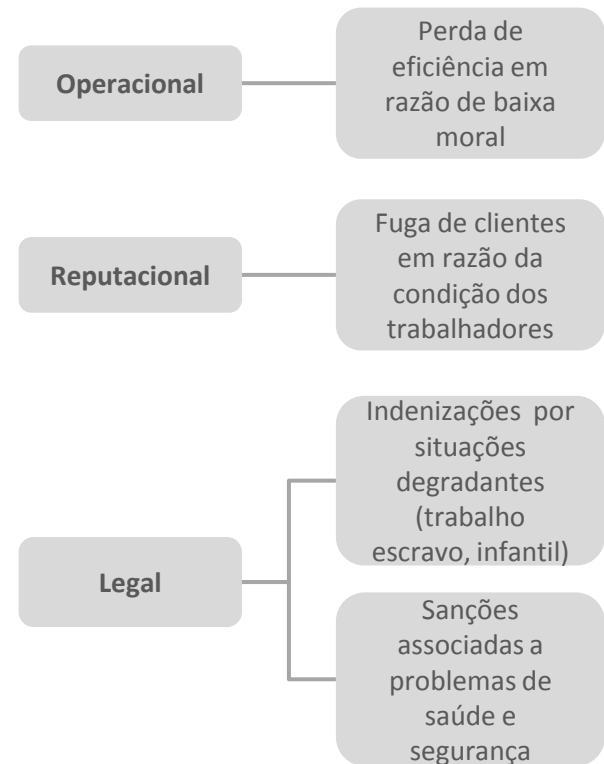
Dimensão: Relações com trabalhadores

Os principais riscos dessa dimensão são de natureza **legal**. Além disso, são analisados riscos **operacionais** oriundos da baixa moral dos funcionários. Riscos **reputacionais**, ligados às reações que outros *stakeholders* podem ter quando se deparam com graves problemas trabalhistas.



Tipos de Risco

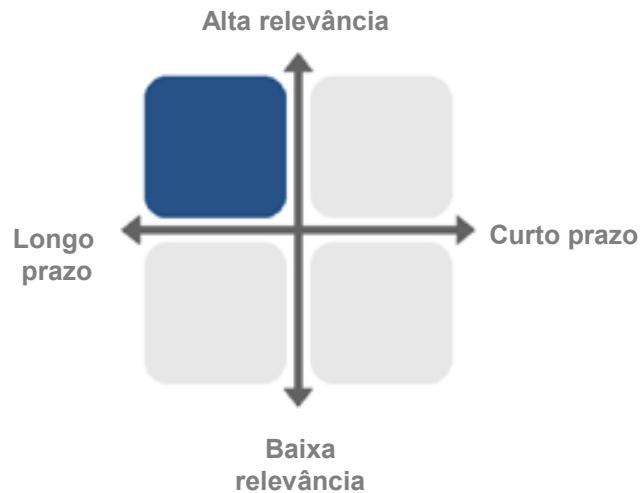
Métricas



G – risco ou oportunidade gerenciável
NG – risco ou oportunidade não-gerenciável

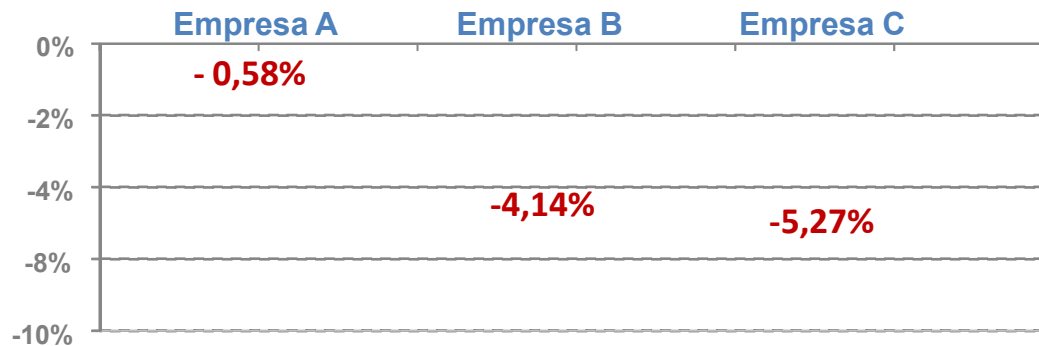
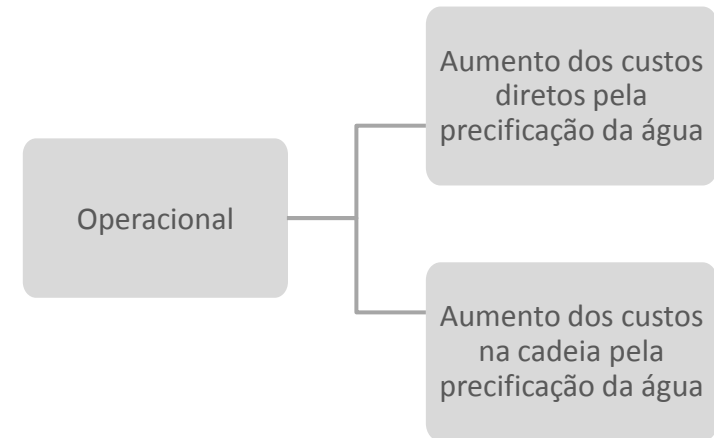
le Alimentos

dricos é uma fronteira iminente na agenda de política
um **risco operacional** relativo ao aumento do custo

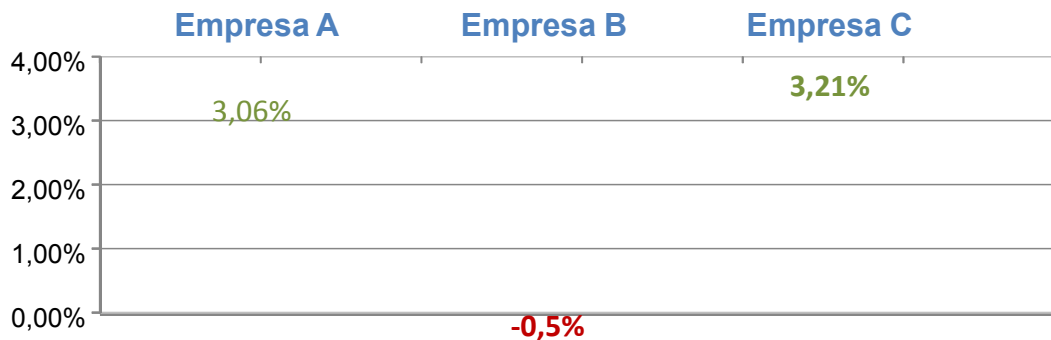


Riscos

Métricas

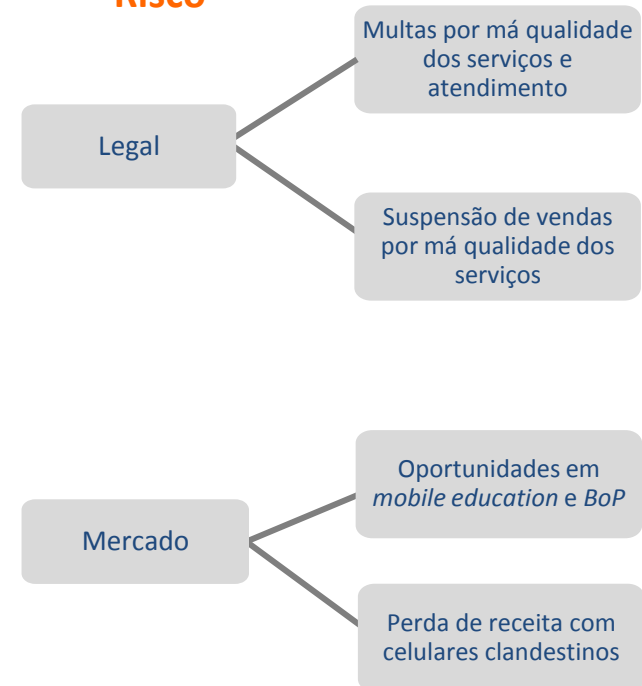


idade dos serviços e atendimento, oportunidades na área de receita com **celulares clandestinos**. Todas as áreas apresentam qualidade de serviço e atendimento. Contudo, as áreas apresentam **valor final positivo**.



Métricas

Risco



G – risco ou oportunidade gerenciável
 NG – risco ou oportunidade não-gerenciável

Desafios da aplicação

- Inserção e análise de questões não financeiras, requer habilidades adicionais e aprendizado constante
- Transformar questões ESG em oportunidade e não apenas como risco
- Mudar o horizonte temporal – visão de curto prazo dos relatórios x longo prazo das questões socioambientais
- Riscos se materializam tanto de forma abrupta quando gradual



Obrigada!

Denise T. Hills

sustentabilidade@itau-unibanco.com.br