LIGHTHOUSE

APRIL 2020 | EMEA EDITION

MORROW SODALI

ECHOES FROM THE MARKET

THE JOURNEY TOWARDS ESG
An evolving paradigm

COVID-19
A game changer for companies?

03

CONTENTS

22

THE JOURNEY TOWARDS ESG
AN EVOLVING PARADIGM

This year entered with what Global Proxy Watch headlined an "Epic Escalation"[1] in institutional investors' focus on climate change, ESG and sustainability. This escalation, conspicuously highlighted by BlackRock's annual letter to CEOs and by statements from prominent business organisations and institutional investors around the world, did not come as a surprise.

Companies are now more aware than ever of the growing concerns around ESG factors that need to be taken into consideration. The rate of ESG-oriented investing has risen significantly, with sustainable investments now topping over $30.7 trillion as of 2018[2]. The evidence is rising and demonstrates that companies who are addressing ESG issues are performing better and reducing downside risk.

Progressively, investors are using ESG rating agencies to peer benchmark companies and understand, at a high level, the ESG exposure of their portfolios. However, with the proliferation of an increasing number of ESG rating agencies and their unique surveys, companies are struggling to keep up with the growing number of survey requests. With ESG providers reaching out directly to companies to complete their questionnaires, it is challenging to determine which ones should take priority.

Investors' efforts to integrate ESG considerations in their investment decision-making process are often highlighted. For example, announcements by the three largest index investors on this during 2019 were covered extensively. Our aim in this article was therefore to reflect the perspective of companies on the subject. How do companies go about evolving ESG initiatives that are integrated operationally, in line with their strategy and at the same time endeavouring to meet the often diverse expectations of their shareholders?

We interviewed representatives from companies and industry associations in key European markets[3] in order to shed light on some of the common issues emerging from shareholder meetings across the many markets in Europe. We focused on exploring how companies go about ESG integration in terms of internal governance and processes but also in their communication with their shareholders.

1. Global Proxy Watch, January 10, 2020
2. Global Sustainable Investment Alliance, 2018 Review
3. France, Germany, Italy, Spain, United Kingdom

THE SHIFT IN FOCUS TOWARDS ESG POSES CHALLENGES TO COMPANIES

There is a growing political push in Europe to include ESG issues in the regulatory agenda. Companies are already taking note of the EU non-financial reporting directive (2014/95), and in several markets investors' oversight of portfolio companies is governed by stewardship codes and formal stewardship duties.

At shareholder meetings, sustainability issues play an increasing role. For example, a legislation was recently passed in France[4] to introduce corporate purpose as an agenda item when it is enshrined in a company's articles of incorporation. In Spain, non-financial information is now subject to a mandatory vote.

Another trend has seen an increasing willingness by investors to vote against directors' discharge resolutions. In Germany, the Netherlands and Switzerland, there have been high-profile cases of votes against director discharge and more such initiatives are expected.

When addressing sustainability issues, engagement continues to be the preferred tool for European institutional investors. They have taken a leadership role in several major collaborative engagement initiatives such as Climate Action 100+ as well as standards set by CERES, FASB, and investor groups such as the IIGCC and initiatives launched by the United Nations' Principles for Responsible Investing in the broader context of the Sustainable Development Goals (SDGs).

INTERVIEWING CORPORATE DECISION MAKERS

We wanted to measure how companies from different sectors and markets are dealing with the higher bars set by investors each year and in the years to come. An increasing amount of academic research is signalling that attention to ESG factors can lead to better financial performance for both companies and investors. ESG covers a wide range of factors, ranging from board structure and executive remuneration to environmental responsibility, corporate culture and employee well-being and satisfaction. Studies show that companies demonstrating strong management of these factors can reduce cost of capital, improve operational performance, increase shareholder returns and achieve long-term sustainability.

Companies' ESG performance on subjects such as resource use, human rights, health and safety, corruption and transparency is increasingly used to draw conclusions about the quality of their management, identify their exposure to business risks and assess their ability to leverage business opportunities. Therefore it is becoming more and more important for companies to communicate with investors clearly and accurately on these aspects of their performance.

With ESG data now frequently being used by investors alongside other financial and strategic information in investment analysis and decision making, there is a compelling case for companies to strengthen their reporting and communication on these issues.

KEY MESSAGES FROM THE INTERVIEWS

While companies are influenced by market and sector requirements, there are some common steps they can take to meet shareholder expectations. For starters, they should identify what sustainability issues are material to their businesses and to their investors in order to better allocate time and resources to identify and mitigate potential risks. Secondly, companies would benefit from explaining how these issues are being managed and mitigated in addition to effectively addressing them. Finally, the company must articulate how the board is maintaining oversight of these matters in order to ensure long-term sustainable value creation, with one supporting tool being investor engagement.

To better position their ESG approach and disclosure, this means that companies should, at a practical level, consider a number of factors.

4. PACTE Law, Loi n° 2019-486 du 22 mai 2019 relative à la croissance et la transformation des entreprises

1. BUY IN FROM TOP MANAGEMENT

- Getting senior management to buy into the benefits of integrating ESG factors into decision making. Commitment from the top is an essential first step before bringing middle management into the conversation. All levels of management must be deeply involved in implementing material ESG policies.

- Designing and embedding processes to integrate ESG into senior management decision making, through controls, metrics, monitoring and reporting mechanisms. Incorporating ESG into executive remuneration and key performance indicators (KPIs).

- As Rebecca Self, formerly Chief Financial Officer, Sustainable Finance at HSBC explained to us: *"The first thing we had to do before we could report externally was to work out what data was relevant for all stakeholders, both internal and external and what was material and important to us. We then set up a small decision-making working group comprised of half the Executive Board and chaired by the CFO. The idea was to discuss the various topics but through the lens of both the business and different stakeholder groups."*

> The evidence is rising and demonstrates that companies who are addressing ESG issues are performing better and reducing downside risk

2. THE ROLE OF THE BOARD

- Considering the role of the board and whether the governance systems in place are aligned with its oversight responsibilities. For example, some companies may choose to set up a designated board committee to ensure appropriate integration, accountability and responsibility for collective management and reporting. Whilst having an oversight role essentially, this committee should include representatives from the financial, investor relations, legal and compliance, human resources, CSR, culture and operations teams to ensure a balanced, company-wide perspective. For example, Marco Reggiani, General Counsel of Snam, explained the role of the ESG committee on the company's board, with it being a response *"consistent with Snam's objectives of becoming a leading company in both energy transition and innovation."*

- Ensuring that the board does not limit itself to considering only sustainability issues closely linked to the company's sector, but gives the relevant committee oversight of issues of particular attention and importance to itself, such as its policies on human rights, business ethics, integrity, diversity and inclusion, as well as sustainable finance initiatives. In France, the PACTE Law of May 2019, which dictates that companies must be managed while taking into account social and environmental issues, provides boards with a governance framework which should enable employee directors to play a very active role and contribute significantly to board activities.

- Denis Terrien, Chairman of IFA, the French Institute of Corporate Directors, eloquently articulated the perspective of the board: *"…the board should prioritize issues to be dealt with by the executive team by taking into consideration stakeholders' expectations, each action's impact on the sustainability of the company and its environment and the extent to which the company is already mastering these actions."*

3. SEEKING UPSIDE OPPORTUNITIES

- Engaging with internal and external stakeholders to assess the materiality of ESG topics for the company and its wider supply chain. This would ensure that the company focuses on those issues which matter the most to its business and investors, or put conversely, that it avoid spending time and resources on those issues that are not.

- As stated by Luis Cabra, Executive Managing Director of Technology Development, Resources and Sustainability at Repsol, *"Over the last couple of years our engagement with our shareholders has (...) helped us to understand what the financial community, and investors in particular, expect from us in the context of ESG issues. We use the feedback gathered to check how investor concerns align with our own understanding of ESG and financial issues. This mutually beneficial dialogue and access to these external viewpoints helps us define policies and objectives internally."* This approach led the company to adopt a 2050 Carbon Neutral Policy.

4. ESG IS A JOURNEY, NOT A DESTINATION

- For James Dymond, Investor Relations Manager at SAP, patience and persistence are key when addressing ESG, *"it's a long-term journey, not one you can make overnight."* Each company embarking on such a journey should start by defining its corporate purpose – why it exists and the role that it plays in the world. Such a definition enables companies to understand and explain the broader stakeholder impacts of their business, an analysis which will in turn underpin and guide the company's future ESG focus and activities.

- Disclosing the company's material ESG topics and related management activities. By doing so, it will become increasingly clear for investors and other stakeholders which companies are integrating ESG into their business and which are not. The gap between those delivering basic disclosure and those who are following a more holistic approach will continue to expand. While investors typically do not have a preference for a specific standard, the most widely-used frameworks for sustainability reporting include the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

- Executing a separate ESG roadshow for current and prospective investors to demonstrate the company's commitment to ESG, and including ESG subject matter in IR communication activities on a regular basis, such as quarterly earnings calls for example. Being mindful that just as it is with financial results, this is an ongoing cycle of communication with the market, with one statement setting expectations for the following one and so on.

A FINAL THOUGHT

The following interviews offer plenty of insights into what is effectively the engine room of sustainability work, where businesses are putting in sustained efforts to improve their operational practices, in line with the expectations of their stakeholders and primarily of those who provide them with capital.

We thank all of our interviewees for their participation in sharing this knowledge and experience. As always, we welcome our readers' comments and would be delighted to discuss any part of this review.

David Shammai

Cross Border Director, Corporate Governance

A PRACTICAL FRAMEWORK FOR SUSTAINABILITY

Q&A WITH MARCO REGGIANI

General Counsel of Snam and Chairman of AISCA*

* Italian Association of Corporate Secretaries

> "It is clear that institutional investors and the financial sector are showing increasing interest in the sustainability performance of companies"

As a General Counsel you support your board, including the work of Snam's Environmental, Social and Governance Committee. What is your engagement with said committee? What type of questions do you encounter?

Snam works to seize new business opportunities arising from the decarbonisation process of the global economy on a daily basis. We aim to be a key player in the energy transition and are constantly committed to maintaining and strengthening corporate governance in line with national and international best practices.

In view of these stretching targets and the growing importance of ESG issues at Snam, we established in May 2019 a special committee to support our board in integrating ESG issues into business strategies and to ensure the reporting of ESG information in line with international best practices.

We started by building on the last three years' experience of the Sustainability Committee and considered current existing best practices. But above all we thought that an ESG committee that supports our board with regard to policies for integrating environmental, social and governance issues into the business model (including through the measurement of KPIs) was consistent with Snam's objectives of becoming a leading company in both energy transition and innovation.

However, we did not limit ourselves to considering only the sustainability issues that are closely linked to the energy sector. We wanted to give the Committee oversight of any issues of particular attention and importance to Snam, such as our policies on human rights, business ethics, integrity, diversity and inclusion, as well as sustainable finance initiatives. In this context and in coordination with the other corporate functions, we support the Committee in the analysis and formulation of proposals to our board.

You are Vice President of the anti-corruption committee of the OECD's Business Industry Advisory Committee. How are you looking to ensure that anti-corruption policies are fully implemented at Snam?

At Snam we are very clear that even the strictest compliance policies as such are not enough to prevent internal and external threats. Additional elements are crucial to ensure policies' implementation.

First, the personal commitment of all senior managers to promote an anti-corruption culture (the so-called 'tone at the top') plays a strategic role in disseminating a culture of legality at all levels. The Board of Directors and the Leadership Team are all clear and unequivocal about rejecting any corrupt practices and their absolute compliance with the principles of ethics and integrity. It means leading by example, which is what really establishes people's commitment and creates trustworthy individuals to whom the company can entrust its business.

Parallel to this, Snam promotes and supervises the training of its people, in order to spread within the company both the content of its regulatory framework (such as Code of Ethics, 231 Model, and the main Guidelines: Anti-Corruption, Whistleblowing, Market Abuse, Antitrust, Privacy Guidelines), and of the relevant legislation. Training is mandatory for all employees. We see it as fundamental to strengthen the legal compliance culture within the company. Snam also provides formal education on this, with the recent roll-out of a "Compliance Track" made up of five courses, one for each Legal Compliance Model.

In addition, in the past two years Snam started a 'simplification program' aimed at reducing the existing procedures and transforming these into rules, rules which are now displayed by flow charts which visually represent the processes. The visualisation of these processes helps individuals to fully assimilate the rules, with a more 'user-friendly' approach.

Technology support is also fundamental. It is an enabler to provide our people with online training, and to easily carry out *Risk Mapping, Risk Assessment and Risk Monitoring*. We implemented what we call *"Risk Assurance & Integrated Compliance"*, a digital platform where we manage compliance and management risks, and the related controls. Using the same platform, we can improve our controls on the basis of the feedback received. We can perform random checks to verify the correct application of these controls and improve them in case they appear to not be adequate. Snam has been the first Italian Company to adopt such an integrated system by which a company's risks and controls can be detected and managed to support the business activities.

We clearly acknowledge that there is a permanent residual risk that something could go wrong, that people might act in a fraudulent way, that even if you do your best as a company and you put in place different safeguards, also going above and beyond the minimum legal requirements, this could not be enough. But we still try to do our best and we are very careful to timely update our Regulatory Framework, not only in order to be compliant with the law (domestic and international), but also with the latest court decisions, International Convention and best practices.

How significant are more topical ESG priorities (e.g. climate change, CO2 emissions) compared to other strategic ESG decisions with less of a public profile (e.g. human capital management for example)?

The scope for sustainable and responsible investment (SRI) has become very broad. It is no longer limited to individual 'green' sectors but includes any investment that combines value for investors and positive effects on the environment and society. Financial analysis is therefore intertwined with environmental and social analysis, demanding good governance that ensures good management practices. Sustainable investments include activities that meet precise international standards, defined for example by major international organisations such as the OECD or the UN.

As far as Snam is concerned, in confirmation of our sustainable development model, we have renewed our adherence to the principles of the UN Global Compact and the SDGs. The performance achieved in terms of ESG has enabled us to be included in the most prestigious sustainability indices, such as the Dow Jones Sustainability World Index, for more than ten years, and the FTSE4Good. This year we have also been included in the Bloomberg Gender Equality Index.

How do you perceive the risk of further regulation on ESG factors?
What can companies do to pre-empt this?
Or can it be helpful to have a level playing field thanks to more specific legal frameworks?

Based on input from our legal team and more specifically the Secretary of the Board of Directors, I can certainly support the need for clear and coordinated rules at an international level in order to have a level playing field. This is especially true in an area such as ESG that is not yet fully structured. This is true in my view regardless of the size of the company. From a legal standpoint, it is a primary duty of a board to define an adequate organisation and processes in consideration of the nature and size of the company, and this activity cannot ignore the assessment of risks and opportunities related, for example, to climate change or other ESG issues.

However, I believe that it is fundamental that companies, starting from their board, focus on their corporate culture and purpose. I firmly believe that only with a corporate culture that embeds transparency, the goal of a sustainable success and the interests of the different stakeholders, can ESG topics develop beyond specific and ever-more pervasive regulation.

How does AISCA support its members in navigating this convoluted ESG universe?
How are you planning to develop this support going forward?
What can corporate secretaries in other countries learn from Italy?

With the introduction of SRDII, considering ESG factors in investment decisions has become a fundamental part of the strategic policies of issuers that want to increase their appeal to the market and guarantee a commitment by investors in the medium-long term. This aim can only be pursued through a structured engagement with shareholders and other stakeholders in which the role of the board secretary is central. The latter, with the proactive support of the board chairman, can lead the board in crafting a well-calibrated plan of all the activities needed for a fruitful dialectic with the various stakeholders.

The hope is that company secretaries, by facilitating the interactions between the board and management, can contribute to increasing the awareness of the board, and more broadly of the company, about the need for effective engagement on issues related to ESG factors and their global impact. AISCA is keen on increasing its presence within its community on such topics, laying out the next steps needed to strengthen the awareness of stakeholders.

Where do you see the most immediate challenges in terms of ESG for boards in Italy and abroad?

It is a well-known fact that corporate securities that perform better in terms of ESG show a higher increase in their stock price. Equities that are considered 'more sustainable' had achieved a price growth of +86% in the 2012-2017 period for example, compared to +70.9% for those defined as 'less sustainable'.

Alongside proper management of these aspects, the board must ensure effective disclosure: the reporting of information relating to sustainability is strategic in the dialogue with investors and financial institutions.

It is therefore clear that institutional investors and the financial sector are showing increasing interest in the sustainability performance of companies. In the coming years, companies that do not manage environmental, social and governance issues properly could be partially excluded from investors' portfolios. Consequently, developing structures and strategies that can recognise, quantify and manage these types of risks will have to be one of the necessary commitments that boards undertake to safeguard the interests of companies in the financial market and beyond.

ESG, A NEW CHALLENGE FOR THE BOARD

Q&A WITH DENIS TERRIEN

Chairman of IFA*

* French Institute of Corporate Directors

Non-executive directors are elemental to developing ESG strategies and overseeing their implementation. How should directors engage with the various stakeholder groups? Or should they leave direct outreach to management?

> "The board should grasp its full responsibility on the issue of sustainable value for the company"

The French Institute of Corporate Directors (IFA) is working on this topic with a specific group of board directors focused on ESG and climate. Last year, IFA published updated recommendations on the board of directors' role concerning climate change and more broadly CSR matters. Below were the main findings.

The board should first grasp its full responsibility on the issue of sustainable value for the company, map out strategic directions and work on a roadmap for the major changes that are needed to reduce negative externalities and develop positive ones.

The board should then develop its view on sustainability challenges with a material impact on the corporate mission on both sides of ESG:

- On the risk side, the board should work on an expanded risk map to include relevant sustainability issues. This risk map and actions to mitigate these risks is to be prepared by management, and then reviewed and challenged by the board.
- On the opportunity side, the board should work on the paradigm changes that ESG implies and develop strategies to take advantage of new opportunities.

In order to do so, the board should prioritise issues to be dealt with by the executive team by taking into consideration stakeholders' expectations, each action's impact on the sustainability of the company and its environment and the extent to which the company is already mastering these actions.

More specifically, the board should:

- factor CSR into its major decisions like capital allocation, business transformations, entering new markets and managerial choices;
- promote environmental footprint control to achieve carbon neutrality in order to contribute to the objective of a global warming inferior to 2°C in 2030;
- validate the CSR/ESG indicators used to calculate variable executive remuneration by ensuring their relevance, fairness, and transparency. IFA released recommendations to include CSR/ESG criteria in addition to financial criteria;
- report to the shareholders' meeting on the company's sustainability and social responsibility strategy and ensure that this transparency of results is an objective in its own right.

Based on these recommendations, the board is responsible for ensuring that the company's senior management is implementing the aforementioned

> "Employee directors offer a different viewpoint during board meetings and thereby enhance the board's decision-making process"

policies and issuing regular and detailed reports on the measures taken and results achieved.

At this stage, it is not recommended that board members and stakeholders be in direct contact as the relationship with stakeholders is mostly dealt with by management.

Some companies may want to set up stakeholders' instances. However, such instances should be well thought of in advance as it should not disrupt the role and responsibility of the board and board members who are fully and legally liable, which is not the case with stakeholders. This topic is currently being looked at by IFA's Legal Affairs Committee.

The number of employee representatives on French company boards has steadily increased over recent years. Why do you think more companies are appointing such nominees to the board?

This topic has also been reviewed by IFA on a regular basis since 2013, canvasing opinion from the marketplace on the extent to which employees should be involved in board matters. IFA believes that:

- employee directors offer a different viewpoint during board meetings and thereby enhance the board's decision-making process;
- employee directors usually have an intimate knowledge of the business and how it develops in real time and can be an additional source of information on the company ecosystem for independent and non-executive directors;
- their field experience allows employee directors to interpret information and recommendations in a different way than other directors and contribute to discussions on the practical issues involved when implementing decisions.

To ensure effective participation, it is critical that all the other directors, especially the board's chairman, are actively requesting employee director participation on board discussions. To ensure constructive participation, it is critical that employee directors are properly trained in the legal and governance rules that dictate how a board of directors or a supervisory board function.

For several years, IFA has offered well-established training courses for employee directors. Moreover, IFA hosts a special commission solely composed of employee directors which focuses on a number of specific topics and their impact.

From what you have seen, do French companies generally take a different view on ESG strategy and priorities given their particular governance features, such as employee representation?

The PACTE Law of May 2019 requires that companies are managed taking into consideration social and environmental issues and that board of directors of large companies include two employee representatives as directors. It is believed that it will give French corporate governance a solid framework to address ESG issues in a way that is noticeably different to other EU countries. The practicality of these new laws is being worked out and full impact should be felt in the medium term (2 to 3 years).

Once the ESG strategy and priorities are clear, how do you assess management performance against this strategy? Do you see a trend emerging as relates to ESG-related KPIs?

This is a complex question. It depends on the company's line of business and the reciprocal effects between this business and its environment. There is a major difference between a worldwide multibillion-euro oil corporation and a small family-owned wood furniture business. Each company needs to establish relevant, concrete, measurable and reliable criteria that will constitute a

specific commitment to shareholders and stakeholders. Evidently, this information should be included as part of non-financial reporting.

At IFA, we do not believe that it is a one-size-fits-all issue. Although some issues that companies face are similar, such as climate change, other issues are vastly different, such as the impact on a local community for example. Our current thinking goes along with the idea that certain KPIs can be shared and others can be specific to each company or industry. A group of directors is working at IFA on this topic and should come back with some recommendations soon.

How do you ensure all board members maintain a good understanding of recent trends? What advice can IFA provide to its members?

IFA recommends that CSR/ESG matters be taken into account during board discussion and when board decisions are made at both plenary and specific board meetings to ensure that CSR/ESG are viewed across various topics.

Some companies are considering setting up a committee specialised in CSR topics. However, IFA does not recommend having too many committees as it dilutes the role and responsibility of the board. The strategic committee seems to be the appropriate place to discuss CSR policies and ESG issues due to its cross-functionality and long-term vision. It is in this committee that input from stakeholder instances may be welcomed. Other companies may ask the governance committee to look at this topic.

Although certain directors may be experts in CSR, all board members and senior executives need to be competent in the subject. IFA recommends training all directors and executives on CSR/ESG topics and appointing directors with specific knowledge in CSR. This can be done in several ways:

- Putting the topic on the agenda for strategic board sessions, particularly in relation to monitoring relevant CSR indicators such as sustainability KPIs.
- Listening to independent experts, stakeholders' representatives or senior managers mostly impacted by these issues.
- Following specific courses on CSR.
- Studying the remuneration committee's work on factoring CSR/ESG targets into the variable pay of corporate officers.

Looking ahead 5 to 10 years, what do you consider to be the most pressing challenges in terms of ESG for French boards?

One of the most important and urgent challenges is undoubtedly getting the board of directors to take climate change into serious consideration. However, as the Covid-19 pandemic or recent extra territoriality laws have revealed, other urgent topics will seriously impact businesses considerably.

In 2019, IFA updated its recommendations on climate issues following the work of a group of board directors and external advisors. IFA training courses were updated to help directors better understand, and anticipate, the risks associated with current and future climate change issues.

In 2020, IFA will continue its work on ESG and its impact on corporate governance. So stay tuned.

REPORTING ON SUSTAINABILITY

Q&A WITH REBECCA SELF

Formerly* Chief Financial Officer, Sustainable Finance at HSBC

* Ms. Rebecca Self left HSBC prior to the publication of this article

HSBC is synchronising the release of its sustainability and financial reports. How did you manage to do this and what has changed since you joined the bank in 2010?

Firstly the way I would frame this is that there is still plenty to do. We have made progress but also recognise that there are challenges and lots of issues to solve and work through.

Five or six years ago we released a separate dedicated sustainability report that was a silo-type exercise. This was more about CSR, philanthropy, corporate donations and volunteering rather than ESG. That separation ended in 2013, as it was integrated into the annual report.

One of the changes I have seen over the last three or four years is that ESG has become much more integrated into the mainstream business, our products, the customers we talk to and therefore also into our reporting. That change has driven the focus from CSR to ESG. Now it is much more about our investments and the demands our shareholders and other stakeholders have of us, rather than being philanthropy-focused.

From an integration perspective there are a number of metrics we collect including, HR information, Diversity, Information about our customers, conduct-related events, customer complaints and feedback, financial crime compliance, tax and carbon emissions. All of these different types of data probably existed somewhere in the bank previously, but no one had brought them together until the ESG report was formed.

The first thing we had to do before we could report externally was to work out what data was relevant for all stakeholders, both internal and external and what was material and important to us. We then set up a small decision-making working group comprised of half the Executive Board and chaired by the CFO. The idea was to discuss the various topics but through the lens of both the business and different stakeholder groups.

Since the initial working group was formed, has there been much change? Also, could you speak some more about the mechanics of these working groups?

Sitting over the top we have an ESG steering group, it is referenced in the ESG report. It used to be chaired by the CFO but it is now supervised by the bank's Chief of Staff. It is made up of half the Executive Board including the heads of HR, Communications, Global businesses, Legal and Investor Relations.

We also have a working group to implement some of the actions coming from the steering group. It is not part of the formal governance of HSBC but it is more action-oriented as well.

Both groups meet roughly on a quarterly basis but with more frequent meetings during the reporting period.

Also, over the last few years we have integrated ESG into the existing board governance structure which includes the Group Audit Committee, so that ESG reporting goes through this committee in exactly the same way as the annual report and accounts do.

Has all this changed the way the sustainability team works or was this just to make sure the process and mechanism exist to channel the information outwards?

Sustainability is just one of the content providers for ESG and, although it is important, there are other types of information providers, such as HR, Conduct, Legal, Tax etc.

Sustainability has changed the way the team works but I would not want to say this was 'only' because of reporting. The changes have been more driven by customers and their demands for environmentally progressive policies and products, so more from the commercial side than from external reporting alone.

Now that you are reporting both the ESG and annual reports and accounts together, what challenges have you encountered?

For the last three years we have produced a standalone ESG report that had a staggered timeline. The challenge is that there is not one single set of rules or standards for ESG reporting, so one of the very practical considerations is what to actually put in an ESG report, and where it needs to go. We at HSBC use the Hong Kong Exchange and London ESG listing rules as our guides but acknowledge that for other companies other relevant listing rules may apply differently which may result in different synching issues.

Another consideration is that this is not just a box-ticking exercise. In my view, there could be some standardisation of requirements looking at those rules. At the same time, it really differs depending on a company's business model, markets, strategy etc.

We must also think about the timing of the data that needs to be integrated into the report, ensuring it is ready to be published at the same time as the annual report and accounts, as well as the need to work hand in hand with other departments within the bank including the team that works on the report and accounts to ensure it all comes together on time.

> "ESG has become much more integrated into the mainstream business, our products, the customers we talk to and therefore also into our reporting"

The report goes through the same governance and review and when information has been published in the ESG or annual report, including both financial and non-financial data, it is assessed together.

Do you feel that investors appreciate this effort to tie in the timing of the reports or does it just make sense to release these reports together to underline the importance of ESG reporting? Is this the path all companies should follow?

I think that it is a bit of both. For other companies this will potentially also happen, but it depends on what stage of the ESG reporting journey they are at. I would not say this is set in stone and I believe it will continue to evolve.

Looking around at your peers, do you think you are at the forefront of this movement?

I am hesitant about saying that and would not say so, no! I see other companies that do a fantastic job so I would not like to say that we are frontrunners or anything similar. However, I was pleased that last year we won an award for our ESG/CSR report from the CFA Institute and the year before were highly commended at the Finance for the Future awards hosted by Deloitte and the Institute of Chartered Accountants in England and Wales for embedding an integrated approach. The latter indicates there are other companies which are at least as advanced or better than us!

What advice can you give to other companies embarking on this journey?

Learn by doing, that includes internal ESG reporting.

Be clear on the basis that you are completing your reporting and have set out and agreed this internally with governance and stakeholders.

Review your approach and process every year to drive your reporting, as the lack of clarity around multiple ESG reporting requirements presently means that companies need to work out their own approach initially.

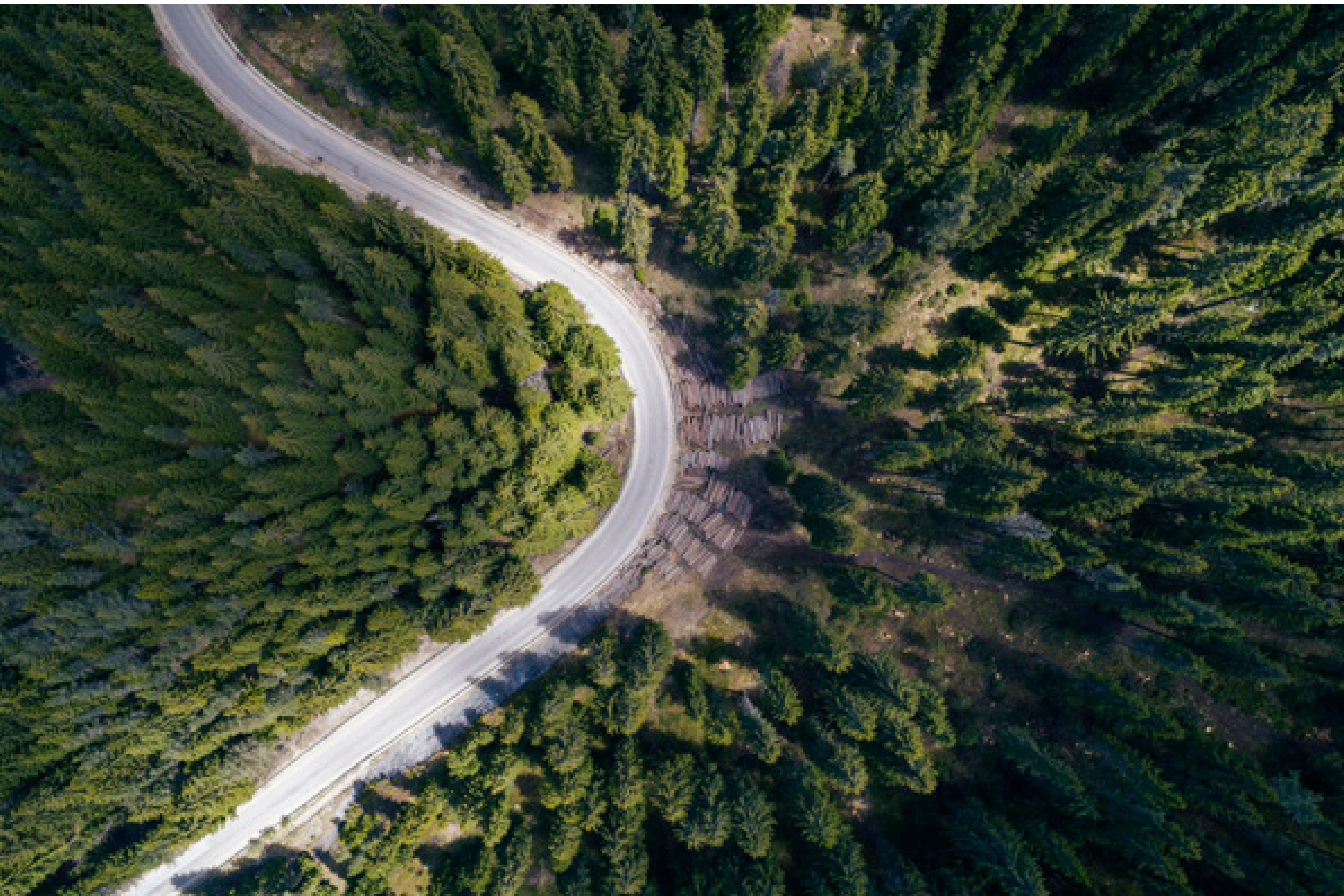
Be clear about why you are doing certain things and ask yourself 'So what?' when you see certain data. It is very easy to collect data but it needs to tell you something and the reason why you need to monitor it.

Collaboration and communication are very important with all teams, including Audit, Legal, Communications etc.

Reporting needs to be very balanced, which means that you must emphasise the good things that you have achieved but also address areas for improvement and that require more work. You must report a true and fair picture of a company's position and notably be very transparent about certain estimates and calculations, e.g. carbon emissions. The reader will appreciate this.

Establish links by keeping trends as it is important to be consistent. Overall it is quite similar to accounting.

Get Started!



INVESTOR ENGAGEMENT IN THE AGE OF ESG

Q&A WITH LUIS CABRA

Executive Managing Director of Technology Development, Resources and Sustainability at Repsol

What influence did your engagement with investors have over your decision to commit to the 2050 Carbon Neutral target?

Over the last couple of years our engagement with our shareholders has been priceless, helping us to understand what the financial community, and investors in particular, expect from us in the context of ESG issues. We use the feedback gathered to check how investor concerns align with our own understanding of ESG and financial issues. This mutually beneficial dialogue and access to these external viewpoints helps us define policies and objectives internally.

Before making the announcement on the 2050 target, we had certain expectations in terms of the public response and questions from shareholders. Based on previous engagements, we expected broadly positive reactions, but we were also expecting questions on business risks and rewards. For example, how revenues of renewable power generation compared with those of traditional Oil & Gas activities. Therefore we knew that investors would be demanding additional details on the impact of the net zero emission goal.

Institutional investors focusing on climate want to understand the risks and opportunities involved, so we understood that we needed to explain the goal in considerable detail, emphasising what our plans were to mitigate risks.

To some extent, the response from investors to the announcement went beyond our expectations. We are a small company, being a mid-cap, and we were surprised and honoured to see that the market praised our leadership role in the Energy Transition within the sector. For example, Climate Action 100+ and IIGCC publicly recognised that Repsol "set a higher benchmark for the industry, by creating a path to firmly transition towards net zero emissions across the value chain by 2050, supported by a decarbonisation process with interim targets."

The 2050 goal demonstrates Repsol's long-term ambition, but have investors also focussed on short-term concerns?

The 2050 goal was in the spotlight, but there have also been many questions from investors regarding short and mid-term objectives.

Internally at Repsol, we are all working together to define the action plan necessary to reach the ambitious 2050 target. In this sense, we thought that the best way to show investors how we are progressing through the final goal is to establish short- and medium-term objectives. Therefore, Repsol set new goals for the reduction of its carbon intensity indicator from a 2016 baseline: 10% by 2025, 20% by 2030, 40% by 2040, and net zero CO_2 emissions by 2050. It is possible to achieve at least 70% of these targets with the technology that can currently be foreseen. The company is committed to applying the best available technologies to increase this figure, including carbon capture, use and storage. In addition, if necessary, Repsol would offset emissions through reforestation and other natural climate sinks to achieve zero net emissions by 2050.

You mentioned the Climate 100+ and IIGCC quote on Repsol's 2050 objective. To what extent do you think this coalition impacts on engagement?

There is a history of investor engagement with Repsol. Our IR ESG team has always been very proactive in the dialogue with ESG investors, although nowadays it is difficult to say what is an 'ESG investor' versus a "mainstream investor", especially in terms of climate change. At the end of the day, most investors will agree with the view that climate change should be at the centre of the strategy of any energy company. The whole financial community has become interested and fully engaged on ESG matters. We have moved from carrying out early engagement to now carrying out ongoing engagement.

Climate 100+ and IIGCC initiatives continue to grow investor support and to become evermore relevant. We like the influence that these coalitions have. We speak with lots of investors individually, and the voice of Climate 100+ is complementary; everytime we engage with them we know that we are engaging with trillions of dollars of investments.

Do you have any insights on engagement with regards to what assumptions to make and not to make?

We always benefit from engagement. In the ESG investor community there are lots of different 'flavours' and approaches; for example, Climate 100+ takes a different approach to the Follow This initiative. We like to engage with all these different groups who have various ways of thinking. There is a positive benefit from engaging with a broad range of opinions.

However, to make the most of the existing engagement opportunities, you also need a solid structure and a clear strategy to communicate with investors. Repsol's IR team provides this structure, aiding the company in providing a clear, concrete, and transparent communication on sustainability issues.

In this regard, the involvement of top management is crucial. The achievements in ESG communication at Repsol in previous years would not have been possible without the leadership of our CEO, Mr Josu-Jon Imaz, the Senior Management team and the coordinated activities of Investor Relations.

> "The achievements in ESG communication at Repsol in previous years would not have been possible without the leadership of our CEO, Mr Josu-Jon Imaz, the Senior Management team and the coordinated activities of Investor Relations"

Can you tell us about your participation in the Fuel Committee of the EPIA and the EBTP in the context of engagement?

We collaborate with very different associations, in terms of geography and activity, some are Europeans, others have a worldwide outreach.

Two organisations are very relevant: 1. Fuels Europe: which is the European association for downstreamers. It has a very technical focus and works to increase the understanding of new fuels moving forward. 2. OGCI (Oil & Gas Climate Initiative): we were a co-founding member and this organisation is growing, bringing together companies that are consistently showing commitment to the Paris Agreement and focussing on being part of the solution for climate change.

It is important that the members of these associations share the same principles and objectives. In this sense, we are carrying out an analysis on the alignment of all the associations in which we participate with the goals of the Paris Agreement and our own strategy on climate action. Repsol will support and lobby for effective measures across all areas of public policy that aim to mitigate climate change risks and share the ambition to limit temperature rise to well below 2 degrees Celsius. Repsol will act in situations where policy engagement is found to be misaligned with Repsol's climate policy, or with the goals of the Paris Agreement.

Forming part of industry associations is important, but companies need to have their own voice too.

Do you have any lessons to share as relates to the practicability of engagement? For example, with regards to timing, format and the level of detail?

First, and concerning timing, I would say that it is necessary to hold a continuous engagement with investors. Our annual Sustainability Day event in the City of London and the Senior Management Roadshow are important milestones for us but engagement is an activity that we do throughout the whole year.

We are very proactive in touching base not only with current investors but also with potential shareholders. Including our Investor Relations activity: during 2019 we met with more than 100 ESG investment specialists in Europe, North America, Asia, and the Pacific, giving us the opportunity to gain first-hand knowledge of the priorities and expectations of these investors. We are strongly committed to excellence in communicating our performance in terms of sustainability and Good Governance.

Moving to the subject of the level of detail, I think it's good to have things written down; for example, our main messages and KPIs. Every year we publish our ESG Engagement Report which has been very well received. This report provides additional proof of our commitment to transparency in communication with our investors. We also think it is a useful tool to analyse the milestones achieved, and the dialogue with investors in which we participate. As far as we are aware, we were pioneers in this respect, publishing the first report of this kind certainly in Spain and possibly being the first publication among peers.

In terms of reporting on climate change, the TCFD reporting guidelines have been very useful, helping us to understand what metrics and KPIs investors need to evaluate risks on climate change. In fact, when interest in climate change reporting started, we expected the reporting guidance to be very cumbersome in general, with very tight reporting requirements.

Having TCFD reporting guidelines as a reference has been very helpful when designing the process by which we gather information on climate change within the company for reporting purposes, and when putting together our Roadmap on Climate, which was structured in line with the TCFD requirements.

Finally, I would emphasise that our ongoing dialogue with investors is another effective tool to help us evolve in our reporting based on the ongoing investor feedback.

All this requires enormous resources and effort. Who do you think benefits from this intensive activity? The Board? External stakeholders? Management?

The simple answer is that it benefits all of us. The point is that in the past, ESG issues were an additional task to be carried out on top of talking to investors about purely financial matters. Things are now in some ways simpler. We are an energy company and we are now transitioning from meeting today's requirements (i.e. significant quantities of oil and gas) to meeting those future needs (i.e. a remaining significant reliance on oil and gas, but with more renewables and other alternatives).

The Board of Directors and other board committees, such as the Audit Committee and the Sustainability Committee benefit of this bidirectional dialogue process and the input we obtain from investors. The Board of Directors is totally committed to evaluate and discuss the company's strategy, maintaining an invaluable dialogue on stakeholders' expectations and company achievements. The Board's commitment is reflected in Repsol's Climate Road Map and the company's Integrated Management Report. In addition, the Sustainability Committee is very proactive in terms of requesting information on ESG engagement and I participate in these meetings regularly.

For Repsol it is a priority to maintain ongoing, two-way dialogue throughout the year with its most important investors and their proxy advisors so as to share information about its proposals and goals, thus facilitating an informed decision-making process at the company. We all aim to both contribute and benefit from our meetings with shareholders. For example, based on the feedback we received during previous engagements we decided to increase our internal price of carbon, a metric the company uses to test investments' alignment with climate change. Investors repeatedly asked us to do this, we did it and it has had positive results.

For us, it is important to show investors how their opinions are integrated in the company's strategy. It is important that we give investors confidence so that they continue investing in the company and, in this regard, we need to be perceived as being responsive by taking action when they make suggestions that help us improve.

THE HOLISTIC APPROACH TO ESG

Q&A WITH JAMES DYMOND

Investor Relations Manager at SAP

Integrating information such as financial and non-financial performance indicators seems to be a logical approach for a business like SAP's. Whose idea was it first to move towards integrated reporting?

SAP has been using non-financial indicators for quite some time. For example we have measured employee engagement since 2002 at least. Engaged employees are innovative employees, something which is very fundamental to our success. The initial step for integrated reporting came from increased interest in key stakeholder groups, and a cross-departmental team was formed in 2012. We published our first sustainability report more than 10 years ago and the first Integrated Report, combining non-financial and financial reporting, in 2012.

How was the Supervisory Board involved in the integrated reporting process?

After the Executive Board supported the idea of integrated reporting, the report was prepared and presented to the Supervisory Board which saw the value in a further integration of sustainability into our operations, strategy, and reporting thereof.

> "We in Investor Relations work very closely with our legal, HR, and sustainability teams, and we look at how we integrate ESG topics into our products as well"

At SAP, board-level responsibility on such issues sits firmly with the CFO, Luka Mucic. How important is it to have clear responsibility assigned at the board level, internally and externally?

You need a strong advocate on the Board, which we had at the time with former CFO Werner Brandt and now with CFO Luka Mucic. It is very important to have somebody there to advocate for the holistic view at first, so there needs to be clear responsibility. At the same time, you cannot build silos.

Internally, there are many different aspects to ESG communication. We in Investor Relations work very closely with our legal, HR, and sustainability teams, and we look at how we integrate ESG topics into our products as well.

Externally, it is extremely important to ensure you connect to your audience, answering the "What's in it for me?". Are we talking to potential employees in recruitment situations? 93% of employees want SAP to be a sustainable company. Or are we talking to investors who see potential of risk reduction by looking at ESG factors? The overall message must be fine-tuned for the different stakeholders to highlight the relevant topics.

Why must one single individual be responsible, shouldn't all members of the Management Board be equally involved?

It is always good to be able to put a face to a message and our CFO, Luka Mucic, is an excellent proponent of our Integrated Report. At the same time, we all need to be aligned and communicating in one voice about this message.

How is this allocation of responsibility mirrored within the Supervisory Board?

There are different aspects. The Integrated Report is reviewed by the Supervisory Board. But sustainability plays a role in many different topics, from product strategy to executive compensation.

Overall, based on your experience, what is important when looking to successfully develop and implement an ESG strategy?

First, it is a long-term journey, not one you can make overnight.

Second, start with your strengths and work on improvement areas once you receive feedback.

Third, in-depth dialogue with stakeholders and asking for feedback is important. You want to ensure the information you report is useful for the stakeholders.

COVID-19
A GAME CHANGER FOR COMPANIES?

As the Annual General Meeting ("AGM") season this year was about to commence, issues surrounding the Covid-19 pandemic became the dominant backdrop for the meetings. With travel and gathering restrictions imposed across Europe, companies had to tackle practical issues of holding shareholder meetings and facilitating the voting.

In the lead up to the meetings, a period traditionally involving intensive shareholder engagements, companies and their shareholders were endeavouring to maintain a 'business as usual' stream of activity. The current circumstances have impacted the content of those engagements beyond the more immanent questions on the facilitation of virtual meetings and associated implications for shareholder rights. Executive pay for example, always high on the investor engagement agenda, has taken a unique twist this year. Equally it seems safe to say that investors have applied deeper level of scrutiny to issues around distribution of capital, with an almost regulatory intensity and concern.

In this piece we outline the key issues shareholders have been focusing on in their engagements with companies in Europe, noting key points and potential developments that are likely to occupy us beyond the outturn of the season.

KEY TAKEWAYS

- The balance of interests between the different stakeholders of the company is the framework of many discussions. The decisions and judgements made by the board of directors regarding capital allocation, compensation, treatment of the workforce and suppliers will be analysed from this angle.

- There is a reinforcement of the concern and attention institutional investors pay to the effective functioning of the board of directors, succession planning and the availability of directors for engagements.

- This crisis, which affects pretty much all companies, albeit in different ways, highlights the materiality of several ESG risks. At this point it seems that many such as human capital, attention to communities, corporate culture as well as data security and privacy fall under the 'social' heading, which so far has perhaps been somewhat overlooked. Overall, investors will pay great attention to how dynamic companies' materiality assessments are and to their respective ability to depict implications from the pandemic.

- The risk posed by short term and opportunistic activists should not be overlooked. In that respect, engagement with long term investors continues to place an important role for companies in assessing their vulnerabilities.

> Investors will pay great attention to how dynamic companies' materiality assessments are and to their respective ability to depict implications from the pandemic

DIVIDENDS

Decisions on capital distribution including dividends as well as share buybacks by companies that may face liquidity difficulties are under great scrutiny. Different stakeholders such as trade unions, states, investors, central banks have taken up the issue, sometimes demanding the withdrawal of resolutions, a change in schedule, a new dividend. Some investors on their part have been urging companies to prioritise the long term and the health of their balance sheets over short term distributions, even implying that today's readiness to distribute dividends will be (negatively) considered in the event of future proposals to increase share capital.[1]

The European Central Bank has asked eurozone banks to freeze dividend payments "until at least October 2020" to preserve liquidity that can be used to help households and companies through the coronavirus crisis. Some member state regulators have issued similar guidance.[2]

Similarly for any sector, long term shareholders have voiced their expectations that companies exercise caution when deciding on distribution policies, considering the current level of uncertainty and the need to uphold resilience throughout this crisis. As a consequence, even companies in a solid financial position who feel equipped to maintain dividends or share buyback programs should consider communicating their strategy to mitigate these risks going forward.

REMUNERATION

Most companies had already approved – or were about to do so – their 2020 Remuneration Reports within an approved policy or had finalised a new remuneration policy looking forward to approval at the AGM. Similarly, although perhaps less rigidly, decisions on the application of incentive programs in 2020 had already been made before the drastic deterioration in the health and economic environment.

However, as things progressed, and this is still the case, some companies decided to proactively make decisions involving downward discretion and cuts in pay. In the vast majority of cases in which it was decided to make cuts in remuneration, these were personal choices or donations that did not involve substantial changes to the overall remuneration structure.

First indications from investor voting behaviour and voting recommendations of proxy advisors also do not seem to show significantly different trends in the 2020 season. Nonetheless, we believe investors and proxy advisors expect the board to address the effects of the Covid-19 pandemic and this will come to light to a much larger extent at next year's AGMs (i.e. in 2021), including decisions demonstrating the appropriateness of executive pay in relation to the overall economic and social situation.

1. Financial Times "Investors step up pressure on companies to slash dividends", March 25, 2020.
2. https://www.bankofengland.co.uk/prudential-regulation/publication/2020/pra-statement-on-deposit-takers-approach-to-dividend-payments-share-buybacks-and-cash-bonuses

Any discretionary decisions by remuneration committees in respect of the 2020 financial year – or lack thereof – will be analysed very carefully by investors when they become public, taking into account rationale and circumstances when the changes were made and the overall performance of the issuer with respect to the economic environment and sector.

Clearly, if a company or part of its workforce are known to experience overall difficulties, generous bonuses will be strongly criticised against reductions in the salaries of employees or the workforce employment levels. In this respect, the use of discretionary powers by remuneration committees will have to take into account not only traditional financial factors such as revenue growth, profitability or total shareholder returns, but also non-financial factors tied to business health and sustainability.

Whilst most companies have already finalised the remuneration policies for 2020 and even set the objectives applicable to executive directors, institutional investors are announcing that they will be particularly vigilant in the analysis of the 2020 remuneration reports. Investors, who expect remuneration structures based on quantitative and financial criteria with pre-set targets, are favourable to the introduction of discretionary powers that can be used in exceptional circumstances. However, the use of discretion by the board (such as a posteriori change in performance conditions, change of peers for relative criteria, etc.) and the transparency that will be provided by the company will be subject to a rigorous analysis. Companies will be required to provide a justification before the general meeting, especially when discretion has been applied upwards.

ESG FACTORS

As we have observed already in our Institutional Investor Survey published earlier this year[3], ESG is now ordinarily integrated in investment decision making by mainstream investors. Those issues are now also a growing part of voting policies. Initial indications show that if anything, this is now more notable[4].

Whilst climate has topped the attention of most stakeholders, there are clear signs that social themes will take on a whole new dimension in the engagement between issuers and investors, and likely also in terms of AGM agendas. Our discussions with investors as well as recent research using dynamic flows of data both support this notion of evolving materiality[5].

In fact, the crisis has brought to the fore simultaneously pretty much all operational and reputational risks linked to social and societal challenges. Health and safety issues, relations with unions, sharing of value with employees, and commitment will be at the top of the board agenda for 2020.

In addition, companies' relations with key external stakeholders, whether suppliers (sustainability, relocation, due diligence exercise to ensure compliance with safety requirement, payment terms, etc.) or customers (business continuity, inclusiveness, etc.) will be central. More broadly, there is the potential for severe reputational image damage, with scrutiny of the usefulness and the role of each company within society set to increase - very much along the emerging discussion point last year around corporate purpose[6]. The forced digital transformation that most companies underwent in recent weeks poses new questions on data security and privacy as well as measures to uphold or instil a positive corporate culture in the circumstances.

THE ROLE OF THE BOARD

The functioning of the board of directors is a central theme for institutional investors. From practical questions such as the availability in times of crisis to having the right skill set to deal with material risks and a robust approach to succession to safeguard continuity.

Key indicators such as the number of directors, length of mandates and meeting attendance are addressed by investors' voting policies. In consequence, voting opposition against directors' (re-)election may rise. In recent years, these policies have become stringent and

3. https://morrowsodali.com/insights/institutional-investor-survey-2020
4. Research by Morningstar: Sustainable Funds Weather the First Quarter Better Than Conventional Funds (https://www.morningstar.com/articles/976361/sustainable-funds-endure-the-first-quarter-better-than-conventional-funds)
5. True Valuelabs: Dynamic MaterialityTM: Measuring what Matters Electronic copy, January 17, 2020 (see also truvaluelabs.com)
6. https://morrowsodali.com/insights/a-common-sense-approach-to-corporate-purpose-esg-and-sustainability

more complex, especially in the case of executives, lead directors and chairs of audit and remuneration committees.

To deal with the current restrictions, many boards convene regular meetings by phone or videoconference, and in the course of the current emergency situation we have seen an increase in opportunities for formal/informal meetings between board members that could lead to more open investor scrutiny on attendance and the number of external mandates.

We can expect that with this global crisis engulfing all companies, directors holding several mandates or executive mandates are being forced to handle a growing number of scheduling conflicts. The resulting 2020 attendance could encourage additional investors to strengthen their voting policies.

The new ways in which board meetings are held require additional work for the chair of the board, liaising between executive and non-executive directors to ensure the effective functioning and continuity of the board. Certainly, in the transition but possibly going forward.

Some investors could question the continuity planning and resilience of boards during this period given that age and gender seem to be contributing health risk factors, seeing as many boards feature a male and an older age (versus the population average) bias. Likewise, the existence of a continuity and succession plan for executives will remain part of the investor priority engagement issue.

Finally, investors will continue to strengthen their engagement program and the solicitation of directors should intensify. Investors will strengthen their interest for broader themes such as risk management, internal control, or transparency in financial communication.

ENGAGEMENT

Our experience over the season confirms that despite the substantial practical difficulties and constraints being placed on normal channels of engagement, the volume and essence of engagements carried out by our clients is largely unchanged from last year.

Investors expect boards to address the short-term disruption caused by Covid-19 whilst adapting an appropriate strategic response.

During our engagements over the past few weeks, we have encountered a significant demand from institutional investors for more information on the following aspects:

- Covid-19's short- and medium-term potential impact into company business – regardless of the short term financial impact on the company.
- Impact of the crisis on employees, customers, supply chains and local communities.
- Plans for business continuity.
- Measures adopted to ensure health and safety.
- IT continuity in a context that extends to revised communication mechanisms and smart working as well as data security.
- Evolving ESG materiality.

One final comment. Whilst this piece is focused on the highly exceptional circumstances and their consequences in terms of shareholder engagements going forward, we note that most of the 'bread and butter' themes are on track. We notably see investors continuing to engage around long-term climate change issues and we fully expect this to subsist and perhaps intensify once the road to normality becomes clearer[7].

7. ICGN Governance "Governance Priorities During the Covid 19 Pandemic", letter to companies, April 23, 2020

CONTRIBUTORS

DAVID SHAMMAI
Cross Border Director,
Corporate Governance
d.shammai@morrowsodali.com

FRANCESCO SURACE
Manager,
Corporate Governance
f.surace@morrowsodali.com

MARCAN DELATTRE
Manager,
Corporate Governance
m.delattre@morrowsodali.com

EDUARDO SANCHO GARCIA
Associate, Corporate Governance
e.sancho@morrowsodali.com

MARINE ESPERANDIEU
Account Manager
m.esperandieu@morrowsodali.com

CONTACTS

LONDON
CHARLES NELSON
Director, Head of UK
c.nelson@morrowsodali.com

FRANKFURT
ANDREA BISCHOFF
Managing Director
a.bischoff@morrowsodali.com

MADRID
BORJA MIRANDA
Managing Director
b.miranda@morrowsodali.com

PARIS
MARINE ESPERANDIEU
Account Manager
m.esperandieu@morrowsodali.com

ROME
ANDREA DI SEGNI
Managing Director
a.disegni@morrowsodali.com

OFFICES

NEW YORK

509 Madison Avenue, Suite 1206
New York, NY 10022
USA
P. +1 212 825 1600

LONDON

103 Wigmore St, Marylebone, W1U 1QS
London
United Kingdom
P. +44 207 355 0921

SYDNEY

135 King Street, Suite 25.02, Level 25
Sydney NSW 2000
Australia
P. + 61 2 8022 7940

BUENOS AIRES

Cap. Gral. Ramon Freire 1865, CABA - 1428
Buenos Aires
Argentina
P. +54 11 4555 7767

FRANKFURT

Mainzer Landstrasse 50
60325 - Frankfurt am Main
Germany
M. +49 176 6366 7485

HONG KONG

Unit 1106, Two ChinaChem Central
26 Des Voeux Road Central, Central,
Hong Kong
P. +852 2158 8404

MADRID

Calle de Almagro 3
28010 Madrid
Spain
P. +34 9142 91 412

MELBOURNE

101 Collins Street, Level 27
Melbourne VIC 3000
Australia
P. +61 403 747 362

PARIS

29-31 Rue de Courcelles
75008 Paris
France
P. +33 1 79 97 13 66

ROME

Via XXIV Maggio, 43
00184 Rome
Italy
P. +39 06 45212800

SAO PAULO

Rua Prof. Atílio Innocenti 165, 2º Andar
Vila Nova Conceição
São Paulo - SP, 04538-000, Brazil
M. +55 11 972 783 858

SEOUL

Suite 1637, Level 16, Tower 8,
7 Jongro 5gil, Jongro-gu,
Seoul, 03157, Republic of Korea
P. +82 2 6226 7267

STAMFORD

470 West Avenue, Suite 3000
Stamford, CT 06902
USA
P. +1 203 658 9400

Local Partnerships

BEIJING
MEXICO CITY
SAO PAULO
ZURICH

morrowsodali.com