

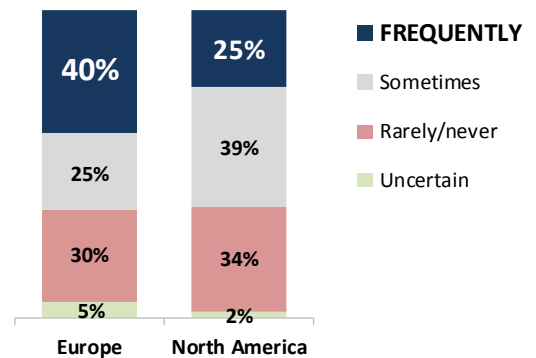
ESG – IS MAKING A DIFFERENCE (ESPECIALLY IN EUROPE)

Environmental | Social | Governance ... is making investors' radar screens seemingly every day with the dissemination (via traditional and social media outlets) of new or potential risks to the investment appeal of an ever-widening range of companies. Our studies confirm that the global investment community has been paying attention and is taking action by broadening the scope of their buy/sell analyses. This is especially true in Europe where ESG is receiving the most scrutiny and, thus, is having the most impact. Fully 40% of the European investment community reports that ESG frequently affects their investment decisions (compared to 25% in North America).

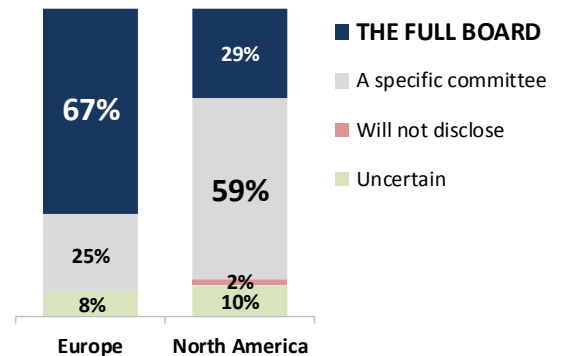
Likewise, upper management among European issuers have been taking steps to ensure they are better prepared should the onslaught of ESG concern come to the fore for them. The board is being readied. At two-thirds of the European companies we recently surveyed, ESG issues have been made a core oversight issue for the entire board, as opposed to the bailiwick of a specific committee (as has been the case in North America). This is a trend which will likely soon skip over the Atlantic as the threat of ESG risk increasingly is recognized and shareholders demand broader board knowledge and oversight of the pertinent issues to their investments. Being caught unawares will not be an option, especially given previous examples of shareholder flight and declining stock prices.

Clearly, it will be incumbent on IROs to ensure that their companies' boards, as well as senior management teams, are aware of investors' ESG sentiment and are well-positioned to address exposure in advance of any possible adversity on this front.

Frequency of ESG Impacting Investment Decisions
(Among the investment community in each region, 2018)



Focus of Board's ESG Oversight Responsibility
(Among public company governance officials in each region, 2018)



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THE INTELLIGENCE COUNCIL

This data has been selected from **Rivel's Intelligence Council**, the only programme of its kind that pairs the perspective of the global buy-side with that of IROs worldwide in the discussion of what is best-in-class IR. Learn more at rivel.com or contact Claire Lavery.