



# UNEP FI and WBCSD Address the ESG Inefficiency of Capital Markets Central and Eastern European Pilot Workshop

30 October 2008, 9h00 – 17h00, Vienna

## I. Background

Despite the surge in corporate social responsibility (CSR) reporting; environmental, social and governance (ESG) analysis; and responsible investment activities in recent years, the corporate valuation mechanisms of capital markets still do not appear to have fully captured the sustainability value of traded companies. Do capital markets remain unconvinced of the financial materiality of ESG factors or do they simply lack the information and instruments needed to truly integrate ESG factors into company valuation?

United Nations Environment Programme Finance Initiative (UNEP FI) and the World Business Council for Sustainable Development (WBCSD) are organizing workshops in investment hubs in developed and emerging markets, bringing together investee companies via WBCSD and investors via UNEP FI.

This workshop will be hosted by the BCSD Austria, the WBCSD and UNEP FI and will join member companies from BCSDs based in Central & Eastern European (CEE) markets with asset managers from leading financial institutions also based in the CEE.

The WBCSD and UNEP FI have run similar workshops already this year in London (UK), Montreux (Switzerland), New York City (US) and most recently in Kuala Lumpur (Malaysia). Feedback has been extremely positive so far, due to the unique format that we employ in these workshops; the process is now referred to as, *Sustainability Speed-Dating: Selling sustainability to the capital markets*. (see some outcomes at <http://www.unepfi.org/events/2008/kualalumpur/index.html>.)

**Please confirm your interest in this workshop by sending an e-mail to [valuation@unepfi.org](mailto:valuation@unepfi.org) soonest possible and no later than Monday, 6 October. We will gladly respond to any questions you may have.**

## II. Workshop Aims

- to develop a common view on sustainability value
- to understand current gaps in communicating ESG information
- to improve the integration of ESG factors into company valuation
- to accelerate progress on sustainable development



### III. CEE Pilot Workshop: Draft Agenda

Who should participate? **CSR & Investor Relations managers** from companies, **Portfolio managers & Socially Responsible Investors** from financial institutions

**9:00-10:45: Overview of the issue**

- Bringing participants to a common understanding of existing initiatives, proposals and expertise focused on advancing the inclusion of SD performance into business valuations (WBCSD-UNEP FI research)
- Introducing Principles for Responsible Investment, a set of guidelines to help integrate consideration of environmental, social and governance (ESG) issues by investors into investment decision-making
- Remarks from the Austrian Stock Exchange (To be confirmed)

**10:45-11:00 Coffee Break**

**11:00-11:45: What is sustainability (ESG) value?**

- Perspectives of companies (investees) vs. money managers (investors)  
A: Investors (Financial institutions)  
Investors formulate their perspective on sustainability value and its relevance for business valuations  
B: Investees (Companies)  
Companies formulate their perspective on sustainability value and its relevance for business valuations

**11:45-12:45: Facilitated report back & dialogue** – What is sustainability (ESG) value?

**12:45-14:00: Lunch**

**14:00-15:00: Immediate feedback dialogue between companies and asset managers ("speed-dating" format)**

- "Speed dating" immediate feedback loop – Identifying relevance & gaps  
One to one conversations (investor & investee) where companies give proto-type answers to investors' questions - - Participants verify the relevance / gaps of investor vs. investee lists of most relevant SD performance information

**15:00-16:00: Facilitated report back & dialogue** – What do we need to value sustainability (ESG) value in the capital markets?

**16:00-17:00: Summary of learnings**

- What are the key messages for the capital markets and key messages for companies that have emerged from this session?



## IV. Workshop Details

The workshop will be held in **Vienna, Austria** on **the 30<sup>th</sup> October 2008**. It will be a **full day workshop 9h00 – 17h00 with an optional dinner for participants on the 30<sup>th</sup> October 2008**.

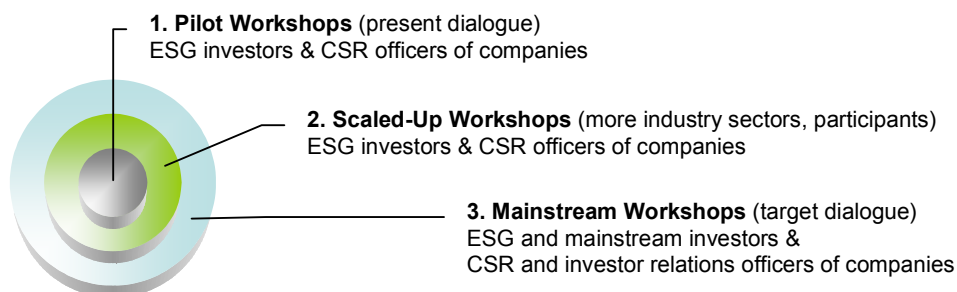
### The workshop will be held at:

Austrian Stock Exchange  
Wallnerstrasse 8  
A-1014 Vienna, Austria  
<http://en.wienerbourse.at/about/findus/>

Please confirm your participation by sending an e-mail to [valuation@unepfi.org](mailto:valuation@unepfi.org) soonest possible and no later than Monday, 6 October.

## V. Further Information

Pilot workshops start dialogues in a particular market, generally with ESG investors (ESG/SRI/RI) on the one hand, and CSR officers of investee companies (CSR/sustainability/sustainable development) on the other. Pilots are then scaled-up to include more industry sectors and participants from the same audience, before eventually moving to the target dialogue engaging mainstream investors and investor relations officers of investee companies, with influence from ESG investors and CSR officers.



Workshops in Geneva (Western Europe mainstream), Johannesburg (South Africa pilot) and Tokyo (Japan pilot) are scheduled for the rest of 2008.