



World Business Council for
Sustainable Development



UNEP Finance Initiative
Innovative financing for sustainability

UNEP FI and WBCSD Address the ESG Inefficiency of Capital Markets South Africa Pilot Workshop

04 November 2008, 13h00 – 17h00, Johannesburg

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 National Business Initiative (NIB) South Africa, the WBCSD and UNEP FI and will join member companies from NIB with asset managers from leading financial institutions based in Southern Africa.

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 soonest possible and no later than Friday, 17 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. South Africa Pilot Workshop: Draft Agenda

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

13:00-13:15: Welcome and Introductions

13:15-14:00: 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)
- Presentation from the Johannesburg Stock Exchange - TBC

14:00-14:30: 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

14:30-15:15 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 prototype answers to investors' questions - - Participants verify the relevance / gaps of investor vs. investee lists of most relevant SD performance information

15:15 – 15:30 *Coffee break*

15:30-16:00: Summary of learnings from this workshop

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

16:00-17:00: Presentation of findings from 2008 workshops & 2009 Action Plan

- Presentation of the analysis of all valuation workshops held globally in 2008 and discussions of recommendations for WBCSD work in this area in 2009.



IV. Workshop Details

The workshop will be held in **Johannesburg, South Africa** on **the 4th November 2008**. It will be a **half day workshop 13h00 – 17h00**.

The workshop will be held at:

Hilton Hotel

Address: 138 Rivonia Road, Sandton Central, (near Johannesburg) South Africa

Tel: +27 (011) 322-18 88 – Fax: +27 (011) 322 18 18

Email: marketing.sandton@hilton.com

Web: www.hilton.com

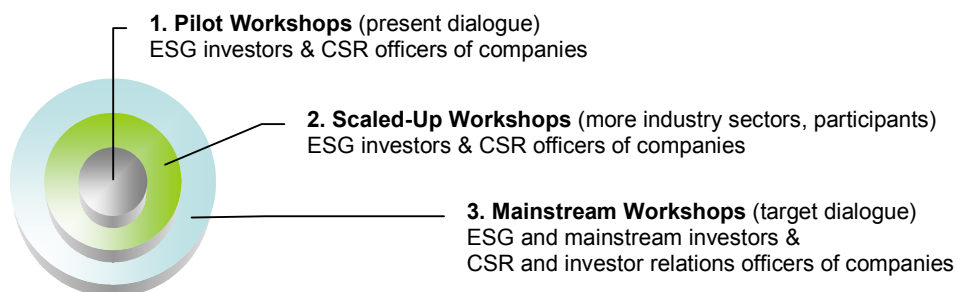
Transport to and from the meeting hotel

- Distance from Johannesburg international airport: 35 km, or 45 minutes by taxi, costing approximately R430.00
- Hilton Sandton to Sandton City: 5 minutes by shuttle or a 15-20 minute walk
- Hilton Sandton to Courtyard Suite hotels: 1 minute's walk
- Distance between Hilton Sandton and Southern Sun Grayston: 5-10 minutes' walk
- Car parking available

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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.





Below is a map of the Sandton Central area. Walking distance between hotels is less than 5-10 minutes. From the Hilton Sandton to the Sandton Shopping Center is about 15 minutes on foot, although a shuttle is also available.

Southern Sun Grayston

Cnr Rivonia Road and Grayston Drive,
Sandton Central
Tel: +27 (011) 783-5282
Website: www.southern.sun.com

Hilton Hotel

138 Rivonia Road, Sandton Central
Tel: +27 (011) 322-1888 –
Web: www.hilton.com

Courtyard Suite Hotels

130 Rivonia Road, Sandton Central
Tel: +27 (011) 884-5600
Web: www.citylodge.co.za



Garden Court

Corner East & Maude Street, Sandton Central
Tel: +27 (011) 269-7000
Website: www.southern.sun.com

Protea Hotel

20 Maude Street, Sandton Central
Tel: +27 (011) 322-6000
Web: www.proteahotels.com/balalaika

Sandton shopping center

Sandton Convention center

Nelson Mandela Square