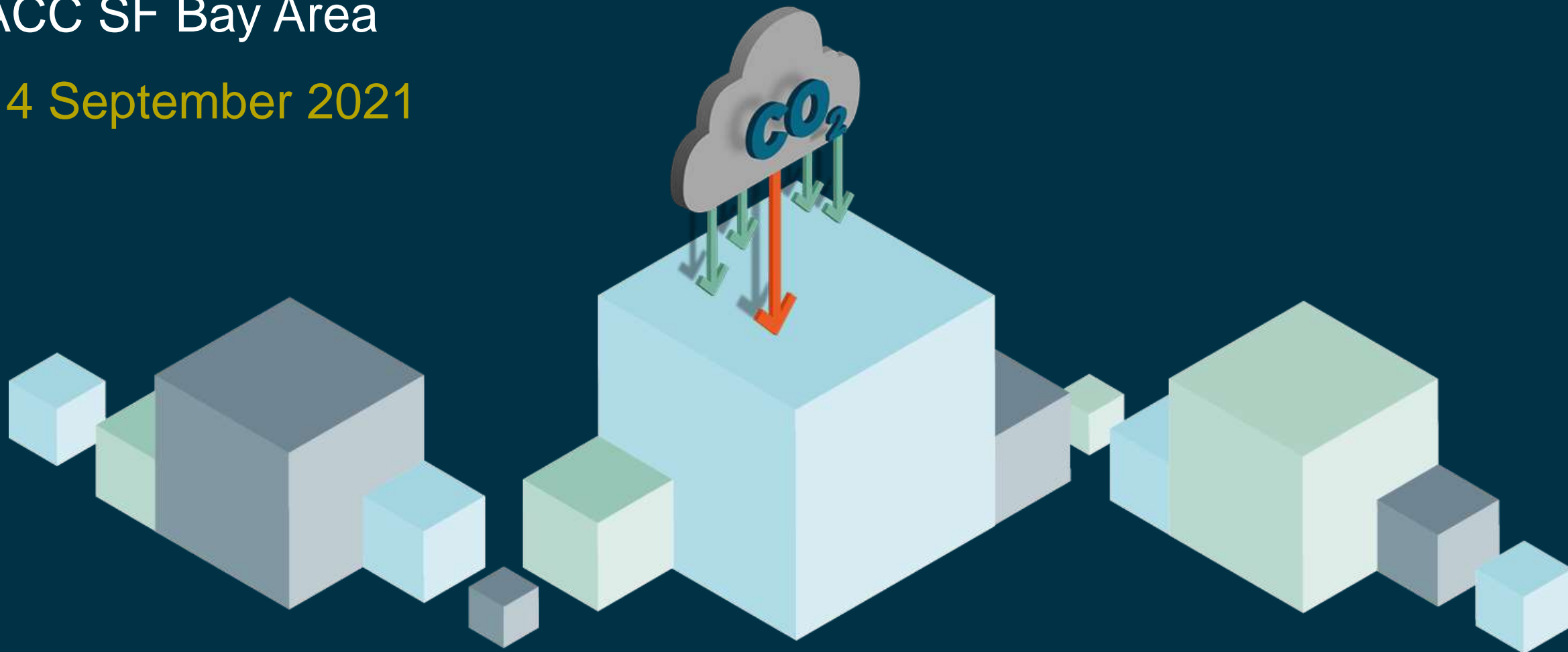


ESG – The Path to Net Zero



ACC SF Bay Area

14 September 2021



About Osborne Clarke

Our global connections and 'best friends'

Through a network of 'best friends' we extend our reach across the globe, particularly in North America, EMEA & Asia Pacific. We have worked closely with like-minded firms in over 100 countries. We'll find the right local partner for you and wherever that may be, we will make sure that you receive the Osborne Clarke level of service.

Europe

Belgium: Brussels

France: Paris

Germany: Berlin, Cologne, Hamburg, Munich

Italy: Busto Arsizio, Milan, Rome

The Netherlands: Amsterdam

Spain: Barcelona, Madrid, Zaragoza

Sweden: Stockholm

UK: Bristol, London, Reading

USA

New York, San Francisco, Silicon Valley

Asia

China: Shanghai

India*: Bangalore, Mumbai, New Delhi

Singapore

Osborne Clarke is the business name for an international legal practice and its associated businesses.

Full details here: osborneclarke.com/verein

*Services in India are provided by a relationship firm

900+

talented lawyers
working with

270+

expert partners
in

25

international locations*
advising across

8

core sectors
with

1

client-centred approach

Osborne Clarke's ESG resources



Please listen to a recording of our ESG webinars:

- [An introduction to Environment, Social and Governance](#)
- [Sustainable finance and corporate reporting](#)
- [Approach to D&I, mental health & wellbeing](#)
- [Environmental impact – what it needs to cover](#)
- [B Corps](#)

Osborne Clarke's has produced an ESG Risk Assessment Roadmap to provide a starting point from which an assessment can be developed of ESG risks and opportunities. Please click [here](#) for more details.

What is ESG?

A set of criteria to measure a company's standards, risk, performance and opportunity in 3 areas

- Environmental
- Social
- Governance

3 common applications:

- A due diligence metric
- A class of investing
- A corporate policy



What is ESG?

E



S



G



ESG in 2021

- Some numbers
- Why the growth?
 - Level of returns
 - Influence of younger generations
 - Stakeholder capitalism and company purpose
 - Climate and sustainability
 - Covid
 - Mobilisation of the crowd
- Bull market phenomenon or fundamental shift?



ESG trends across EMEA

Australia

- Their pension 'super-funds' very influential and sophisticated on ESG
- Local investor community has strong awareness on climate change and MSA
- Today more than 50% of AUM incorporate ESG analysis – second behind Europe
- Very strong ESG trend of millennial investors

Asia-Pac

- Corporates slower to integrate ESG concepts
- Recently assets owners and managers applying pressure to increase ESG allocations, e.g. Japan's Govt Pension Investment Fund \$29b target
- 20% growth in UNPRI signatories in 2019
- Singapore introduced laws on sustainability reporting for listed co's and HK to follow

Europe

- France has regulations requiring investors/ listed co's to report on carbon exposure
- Germany slower to embrace ESG integration and less integration into ESG investment screening
- Spain is similar though plans to introduce climate reporting legislation like France's Article 173
- New Sustainable Finance Disclosure Regulation a key trend

UK

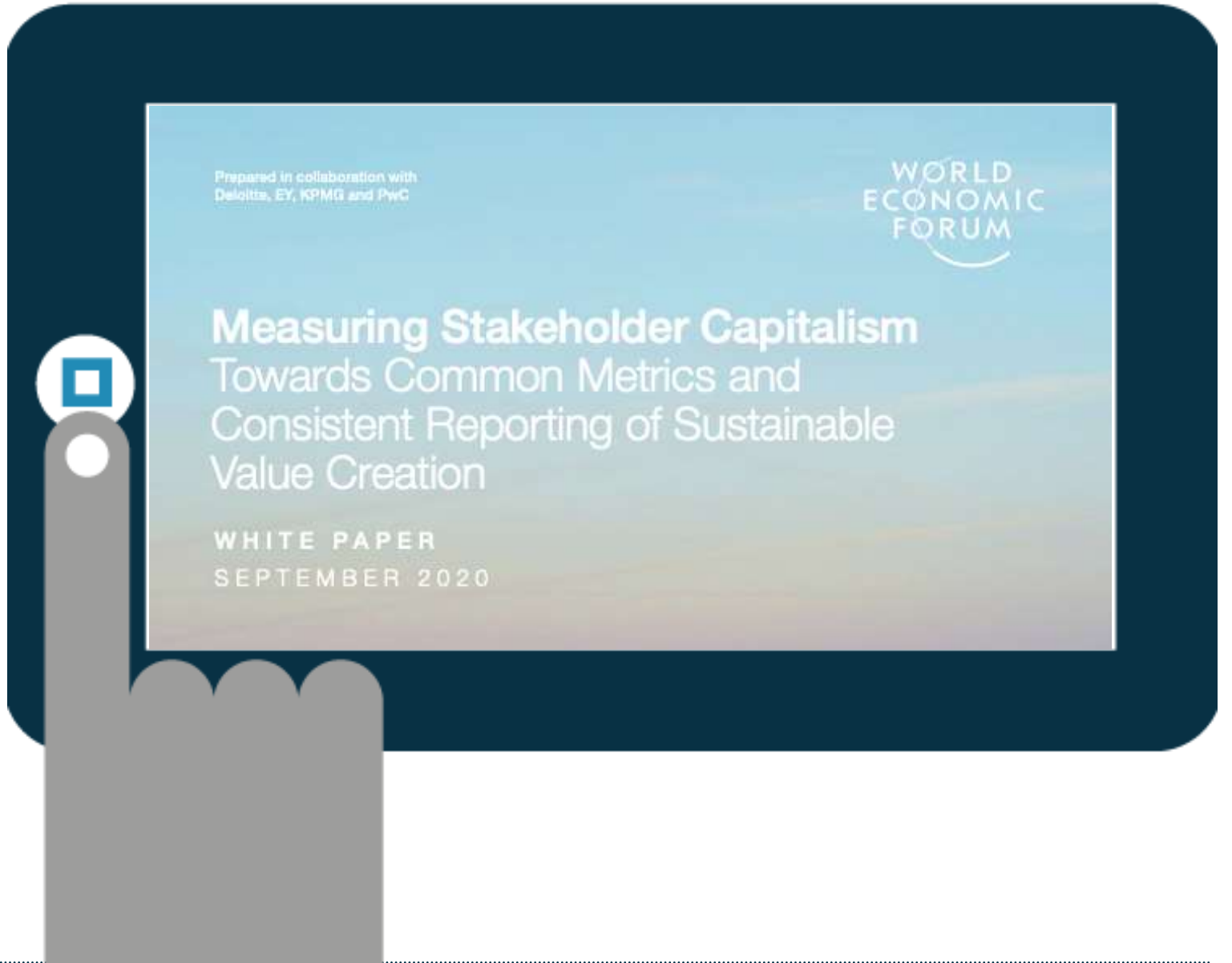
- Global leader with Australia and Canada
- Signals from Government with world's first climate budgets and net zero targets
- Extensive mandatory reporting requirements / law (modern slavery, climate risk, carbon emissions, energy efficiency, petrol/diesel car and van ban 2030)
- TCFD mandatory from 2021



ESG Metrics

Objective:

"...to begin reporting collectively on this basis in an effort to encourage greater cooperation and alignment among existing standards as well as to catalyse progress towards a systemic solution..."



WEF Metrics

21 Core
Metrics

34
Expanded
Metrics

People

Prosperity

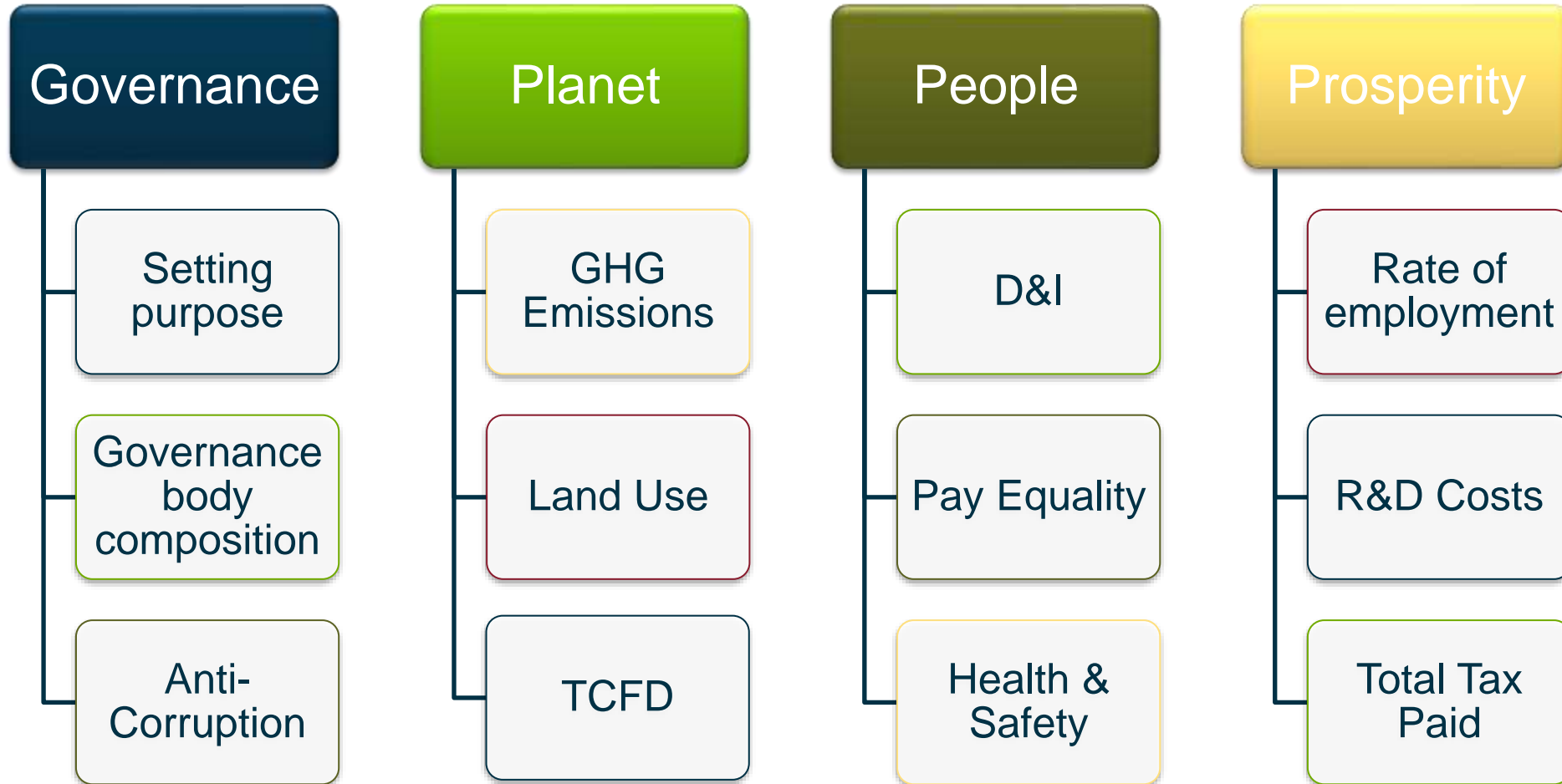
Governance

Planet

As the UK works in partnership with Italy towards hosting the COP26 climate change conference in Glasgow in November 2021, I welcome the work of the World Economic Forum's International Business Council in creating a set of common metrics for reporting sustainable value creation. I encourage governments, regulators, the official accounting community and voluntary standard setters to work with the IBC towards creating a globally accepted system of sustainability reporting based on this project's ground breaking work.

Mark Carney, Finance Advisor to the UK Prime Minister for COP26 and United Nations (UN) Special Envoy for Climate Action and Finance

Core Metrics



ESG – where do I start?

1. Appoint an ESG person or team

2. Speak to the business

3. Data – what do you measure?
What could you measure? What
would you like to measure?

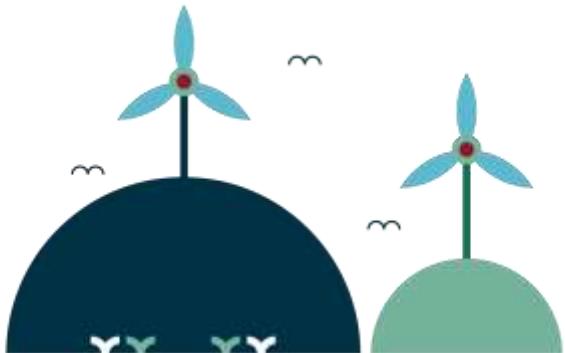


ESG – where do I start?

4. Think about your external communications

5. Devise an ESG strategy

6. Address the issues underlying ESG



The role of legal

To deliver our ESG policy involves:

- enabling new ideas and mitigating risks
- developing new systems and procedures
- keeping abreast of future regulation and market practice

This is how the legal team can help...



Enabling new ideas and mitigating risks



Developing new systems and procedures



Future regulation and market practice

Future ESG
Regulation

Stakeholder
Liaison



Benchmarking
Competitors

Influencing
Change

COP26 – What is it and what are the opportunities?

2021 United Nations climate change conference

Goals:

1. Secure global net zero by mid-century and keep 1.5 degrees within reach
2. Adapt to protect communities and natural habitats
3. Mobilise finance
4. Work together to deliver



Thank you



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