

**Presentation of the second Report on the non-financial reporting
of Italian listed companies**

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Opening of the proceedings: Commissioner Professor Anna Genovese

Sustainable finance issues are guiding the trend in financial regulation significantly. There are many reasons for this, amongst which, the two most important.

Sustainable finance oversees how financial resources are used. Therefore, its development makes it possible to strengthen the connection between financial activities and the real economy, weakened by the so-called financialisation of the economy.

Sustainable finance enhances the resilience of the EU development model based on a social market economy. Sustainable finance underpins the overall result of market investments. Sustainable finance meets a need that is felt all the more, the greater the investment necessary and expected. Therefore, it meets a need that has never been greater, given the amount of investment (public and private) necessary and expected in the EU for the goals of the UN's climate Agenda and to

restart the economy, after Covid 19. The goal is to marginalise those investments that remunerate the "capital" factor of production, without proportionate returns for the factors of production and the other stakeholders on whose choices the success, resilience and longevity of the company depend.

For these and other reasons, reflection on sustainable finance issues continues to grow in importance. Even in the field of scientific research, there are now countless contributions on this topic. Analyses and proposals fit into interdisciplinary macro areas which are therefore fluid and highly fertile. Describing these macro areas allows us to put the Report into the right perspective.

In one macro area there are analyses and proposals to highlight financial risks of issuers or financial instruments exposed to the effects of climate change. In another macro area there are contributions dealing with how to channel funding to companies that are able to contribute towards achieving the goals of the UN's agenda for 2030. In a further macro area there are contributions on regulating the supply of financial services and financial transactions that also enhance the instrument's ESG profile. Finally, another macro area includes contributions on corporate governance and proposals to make corporate organisation and corporate law receptive to ESG issues. In this area, the most appropriate mechanisms to counteract pressure for short-term performance of listed issuers are discussed.

Many proposals are being put forward: from reconsidering the content of the social interest and purpose of companies, to the introduction of organisational or procedural oversight focused on a company's stakeholders. The Report made public today joins this macro area of multidisciplinary studies.

The aim of the Report, which is by Methodos and Nedcommunity as well as Consob, is to capture - and monitor over time - the contribution that the preparation of the NFS (Non-financial statement) gives Italian listed companies in terms of effective and appropriate stakeholder empowerment. The Report envisages the NFS as a driver of change and aims to verify the intensity and speed of this change, in the knowledge that no disclosure obligation can make a production model prevail, and even less if the obligation lies with a few listed companies, that are targetable and exposed to competition. A change in corporate organisation requires the coordinated action of multiple factors in the system. Therefore, the Report also makes a contribution to the development of sustainable financial regulation. Ambitious goals require laborious adjustments. However, one thing is certain: sustainable finance cannot operate as a driver of transformation without the empowerment of the stakeholders on whose choices the ESG profile of a productive business depends. Therefore, it is necessary to identify these stakeholders and establish which set of tools (cognitive, cultural and legal/economic ones) should be delivered to them.

Thus, the Report addresses strategic sustainable finance profiles that are still poorly regulated by EU legislation. Its publication will be useful if it succeeds in indicating the issues to the public debate, policy makers and policy takers, on which there are "key" decisions to be made if the sustainable model of economic development is to be given real impetus. "