PRESS RELEASE

Sustainable finance: ESG objectives still poorly integrated into business plans

The Consob study "The integration of ESG factors in corporate strategy: an analysis of corporate disclosure. First insights for reflection" was published

For the first time, Consob has analysed the information on *Environmental*, *Social* and *Governance* ("ESG") objectives in the industrial plans of a sample of Italian companies. In particular, in addition to the business plans and the related press releases, the information provided in the prospectuses, annual financial reports and non-financial statements of 52 companies (including unlisted companies) that between 2020 and 2021 published a prospectus for the purpose of offering/admission to trading in equity or debt securities on the Italian regulated markets were also considered.

The photograph taken by Consob, relating to 2021 and 2022 data, shows a general progressive increase in ESG reporting in the broad sense, including the related risks, as part of planning (from 19% of the issuers analysed in 2021 to 29% in 2022).

However, with specific reference to the information on ESG objectives in the business plans, the number of issuers appears: a*)* still limited, although increasing (from 15% of the sample in 2021 to 27% in 2022); *b)* positively related to corporate size; *c)* mainly attributable to the financial sector.

In addition, the representation of ESG objectives in plans is often not accompanied by quantitative (therefore measurable) metrics, while mixed (qualitative-quantitative) and/or generic objectives are preferred. The quantitative metric most frequently used for ESG objectives in business plans concerns the reduction of emissions harmful to the environment.

In the other documents examined, the information on the ESG objectives of the business plans often appears to be more formal than concrete, focusing more on the description of the risks of non-application of environmental legislation or *governance* principles, rather than on the representation of ESG objectives that can be measured concretely.

The data of the study show, therefore, that in the period analysed, the companies included in the sample have not yet reached a high level of maturity on ESG issues. This conclusion must be framed in the light of the short period of time that has elapsed since the introduction of the ESG legislation and the evolution of the current regulatory framework.

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