



EFFAS THE EUROPEAN FEDERATION
OF FINANCIAL ANALYSTS SOCIETIES



DVFA

3rd Taking ESG into Account 2009_

The Annual EFFAS Conference on Integration of Extra-Financials

» Conference Motto 2009:

*ESG Mainstreaming - Looking for something that has
already found us?*

8 & 9 September 2009
Frankfurt/Main

Sponsored by

PRICEWATERHOUSECOOPERS 

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Agenda_

“ESG Mainstreaming - Looking for something that has already found us?“

This annual forum continues to grow every year along with the financial industry’s mainstreaming of ESG. Once again Taking ESG into Account will bring together a unique mix of investment professionals from sell- and buy-side, corporates and the ESG services industries from all over Europe.

Demanding proof for the effects of good ESG performance on the bottom line of corporates has been a *volkssport* in capital markets for many years. Many of us have been eager to produce this sort of proof.

Taking ESG into Account 2009 goes one step further: we simply assume (or for agnostics: pretend) that a corporate managing, measuring and disclosing ESG is the default. And we likewise simply presuppose that taking risk factors (and thus accordingly ESG factors) into account is the default for recognizing fiduciary duties in making asset management decisions, and consequently the default of an industry delivering service for asset managers.

There are good reasons for us to do so! With 17% share-of-market at total assets-under-management in Europe ESG is neither a bolt-on topic nor a niche product. At Taking ESG into Account we will take a closer look what is new and what has emerged while we have been busy looking for proof. While we have been looking for something it has already found us!

8 September 2009 - Public Symposium*

09:30 Welcome, Coffee

10:00 **Conference Opening**

Giampaolo Trasi, Chairman EFFAS; Fritz Mostböck, EFFAS CESG & Erste Group Austria; Ralf Frank MBA, DVFA

10:30 **Stream 1: Players**

“A participant who has or is perceived to have influence or power.” (Wikipedia)

In the past years the asset management industry has begun to look at the entire supply chain or “Responsible Investments Food Chain“. Such a view suggests to watch out for either new players to emerge alongside asset owners, asset managers and brokers but also to expect that roles and role definition might change.

New players such as consulting firms for the pension’s industry have emerged. Up to 60% of investors make use of consulting service for the selection of asset managers. Some pension funds have also begun to explore engaging in their own rather than procured asset management activities.

Panelists:

- Gianfranco Gianfrate, Hermes
- Carl-Heinrich Kehr, Mercer
- Claudia Kruse, APG Asset Management
- Gianluca Manca, Eurizon Capital - Intesa Sanpaolo group

Moderator: Dr. Hendrik Garz, WestLB

12:00 Coffee Break

12:15 **Stream 2: Product**

“An item that ideally satisfies a market’s want or need.” (Wikipedia)

As in any market the availability of products is the ultimate indication of fungibility of the market place. ESG for years was regarded as solely relating to stocks and stock-based portfolios. Given the asset allocation and current policies which seek diversification as an offset to risk – what is the role of ESG for other asset classes such as Fixed Income or Real Estate in addition to the role it already has in stocks? What about direct investments or even products based on more “exotic“ underlyings?

Presenters include:

- Katrin Lieber-Braun, DB Advisors on “Integration of ESG in Fixed Income Products“
- Georg Schattney, BCC on “Biodiversity as investment topic“
- N.N., on “The E, S and G in and of Real Estates“

Moderator: Stefan Calvi, PricewaterhouseCoopers

13:30 Buffet Lunch Break



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8 September 2009 - Public Symposium*

14:00 German electric utilities– in the CO₂ trap?

A joint study by the Potsdam Institute for Climate Impact Research (PIK) and WestLB. (part of the German Ministry of Finance-funded project “Mainstreaming climate risks and changes in the financial sector”)

Many German power plants are reaching the end of their life cycle within the next few years. The big German electric utilities find themselves in the dilemma to make very long-term investment decisions in an environment that is characterised by a high degree of uncertainty about the prices of fuel and CO₂ emissions and about the regulatory environment.

This study analyses the power plant portfolios of the four largest German electric utilities and the impact that different replacement investment strategies have on the value and profitability of these portfolios and their individual components. To do this we have created a model that replicates the price formation on the German electricity market taking into account all key influence variables.

In order to estimate the impact of different CO₂ and fuel price scenarios on enterprise value, we estimate the DCF-values for the already existing power plant portfolio (114 single power plants) and for the different replacement portfolios we assume (including renewable energy options and CCS).

Our results show that, due to the current structure of the German energy market, there is little incentive under present conditions to make any replacement investments. Against the common wisdom, we come to the conclusion that - from a purely financial perspective - an ambitious climate change policy with rising CO₂ prices seems to be the best scenario for the companies and hence also for investors.

14:30 Stream 3: Public (Disclosure of Risk, Corporate Governance and ESG)

“Public ... relating to, or affecting, a nation, state, or community.” (Wikipedia)

Next to the current debate on how much standardisation for risk and ESG disclosure is necessary and whether mandatory reporting is necessary, a discussion has evolved if and how these aspects (i.e. environmental, social and governance issues) could be better integrated into risk management.

Evidently, Extra-financials play a strong role in identifying new challenges to business models (e.g. exposure to extreme weather conditions due to climate change, resource depletion or social conflicts arising from increased demand for energy resources). So far the real integration of ESG aspects into risk management seems somewhat and interaction between risk management teams and ESG professionals is still comparatively sporadic.

1st Part: “Elevator Pitches” of initiatives and their respective positions on Extra-Financial, ESG and whether or not to regulate

Speakers include:

- Frank Curtiss, RAILPEN Investments & ICGN International Corporate Governance Network
- Robin Edme, Eurosif & Frenchsif
- Sean Gilbert, GRI Global Reporting Initiative
- Mike Krzus, WICI Worldwide Business Reporting Network
- Paolo Nazzaro, Telecom Italia & CSR Lab on Valuation of Financial and Extra-Financial Information

Moderator: Dieter Horst, PricewaterhouseCoopers

16:00 Coffee Break

16:30 2nd Part: Panel Discussion:

“Can we afford regulation in times of crisis?”

An open animated discussion between sceptics, proponents and agnostics of ESG regulation

Speakers include:

- Kay Bommer, DIRK - Deutscher Investor Relations Verband e.V.
- Thomas Langer, WestLB
- Fritz Mostböck, EFFAS CESG & Erste Group Austria
- Pedro Ortún, European Commission DG Enterprise and Industry

Moderators: Dieter Horst, PricewaterhouseCoopers & Ralf Frank, DVFA

18:00 Wrap-up

19:00 Barbecue Party at DVFA Premises



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9 September 2009 - Public Symposium* & Corporate Presentations**

ESG in Action: corporate presentations

Large caps from European capital markets will present their ESG activities in 30 minute slots incl. 10 min Q&A followed by one-on-ones between corporates and investors.

08:50 Welcome, Coffee

09:00 **Hochtief AG**

09:35 **Deutsche Bank AG**

1st Sector Focus: Chemicals

10:10 **Bayer AG**

10:35 **Syngenta International AG**

11:00 **Q&A**

11:10 Coffee Break

11:20 **eMobility***

In view of the growing CO₂ emissions from individual mobility and the increasing scarcity of fossil energy resources, innovative drive systems are of central importance. Vehicles with electric drives are increasingly likely to play a decisive role for the sustainability of the mobile society. Optimistic scenarios assume an almost complete substitution of the conventional fleet by plug-in electric cars by 2050.

Like in any systemic change process there will be winners and losers. The big car manufacturers probably have to re-invent themselves in order to sustain their position within the mobility sector. Innovative newcomers that strive to implement new business models will have to prove the viability of their visions.

1st Part: The challenges, the opportunities and the risks

Expert Presentation:

- Christoph Zeiss, Wuppertal Institut für Klima, Umwelt, Energie GmbH
- Gerhard Prätorius, VOLKSWAGEN AG

12:05 **2nd Part: Fad or true paradigm shift?**
(Podium Discussion)

Speakers include (tbc):

- Sell side: Adam Hull & Peter Wirtz, WestLB
- Buy side: Florian Sommer, Fortis Investments
- Gerhard Prätorius, VOLKSWAGEN AG

Moderator: Hendrik Garz, WestLB

12:45 Lunch



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9 September 2009 - Public Symposium* & Corporate Presentations**

13:15 **RWE AG**

2nd Sector Focus: Transportation

13:50 **Deutsche Post AG**

14:15 **Österreichische Post AG**

14:40 **Q&A**

14:50 Coffee Break

15:00 **Telecom Italia SpA**

15:35 **Palfinger AG**

16:10 **Henkel AG & Co. KGaA**

16:45 **Nestlé S.A.**

Public symposium and corporate presentations will be chaired by senior analysts of "Taking ESG into Account" 2009's broker sponsor WestLB:

- Ralf Dörper (tbc)
- Dr. Hendrik Garz
- Michael Gorny
- Achim Henke
- Adam Hull
- Thomas Langer
- Henrich Maas
- Neil Smith
- Cornelia Thomas (tbc)
- Peter Wirtz

* Invitees include investment professionals, corporate representatives, specialists on ESG, journalists. By invitation only. Not open to the general public.

** Access to corporate presentations and one-on-one-meetings is exclusively granted to investment professionals. By invitation only. Not open to the general public.

as of 31 August 2009. Subject to modifications



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Registration form_

Taking ESG into Account 2009_

8 & 9 September 2009, Frankfurt/Main

Name _____

Company _____

Position _____

Address _____

Phone _____

Fax _____

eMail _____

Please note: Any data provided in connection with your participation in the conference will be electronically processed by DVFA GmbH, Dreieich. A list of registrations will be forwarded to the presenting companies.

Participation in the conference is free of charge.

Place, Date

Signature

To register, please return this form to DVFA:

Via Fax: +49 6103 58 33 - 34

DVFA GmbH, Einsteinstraße 5, D-63303 Dreieich, karin.wenzel@dvfa.de

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Taking ESG into Account 2009_:

Formal registration is necessary.

I am interested in the Symposium

Tuesday, 8 September 2009:

Stream 1: Players

Stream 2: Product

German electric utilities– in the CO2 trap?

Stream 3: Public (Disclosure of Risk, Corporate Governance and ESG)

- 1st Part: “Elevator Pitches”

- 2nd Part: Panel Discussion:

“Can we afford regulation in times of crisis?”

Wednesday, 9 September 2009:

eMobility

- 1st Part: The challenges, the opportunities and the risks (Expert Presentation)

- 2nd Part: Fad or true paradigm shift? (Podium Discussion)

Please register me for the BBQ Party on 8 September 2009, 19:00

I am interested in Corporate Presentations

Wednesday, 9 September 2009:

Corporate Presentations

1-on-1 Request

09:00 Hochtief AG
 09:35 Deutsche Bank AG

1st Sector Focus: Chemicals

10:10 Bayer AG
 10:35 Syngenta International AG

13:15 RWE AG

2nd Sector Focus: Transportation

13:50 Deutsche Post AG
 14:15 Österreichische Post AG

15:00 Telecom Italia SpA

15:35 Palfinger AG

16:10 Henkel AG & Co. KGaA

16:45 Nestlé S.A.



Further Information_

Venue

- **3rd Taking ESG into Account Symposium & Corporate Presentations:**
DVFA Center
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