

Statistics and analyses

Report on non-financial reporting of Italian listed companies

With the survey

Board leadership and sustainable business

Nedcommunity



CONSOB
COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

2020

Rapporto CONSOB sulla rendicontazione non finanziaria delle società quotate italiane

2020

Il presente Rapporto è stato curato da:

Nadia Linciano (coordinatrice), Angela Ciavarella, Giovanna Di Stefano, Lucia Pierantoni e Livia Piermattei (Senior Advisor Methodos; Board Advisor for a Sustainable Success; Nedcommunity). Si ringraziano Alessandro Bianchi e Simone Carsetti per il supporto nell'analisi dei dati.

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Segreteria di redazione: Eugenia Della Libera, Paola Maione

Per informazioni e chiarimenti scrivere a: studi_analisi@consob.it

This Report was prepared by

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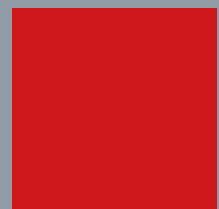
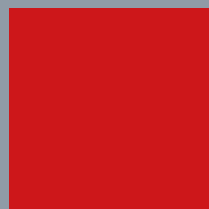
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Il Rapporto presenta un'analisi della rendicontazione non finanziaria delle società quotate italiane, a seguito dell'applicazione del d.lgs. 254/2016 di recepimento della Direttiva 2014/95/EU, anche al fine di cogliere i segnali di una progressiva trasformazione culturale innescata dalla considerazione della sostenibilità nel processo decisionale aziendale.

The Report analyses the evidence on the implementation of the Directive 2014/95/EU, transposed in Italy by the Legislative Decree no. 254/2016, also with the aim of highlighting the progressive cultural change triggered by the integration of sustainability into the corporate decision-making process.



Awareness

Capabilities

Engagement



L'informazione non finanziaria
come leva di trasformazione

Non-financial information
as a driver of transformation

Obiettivi del Rapporto

■ Il presente Rapporto esamina, per il terzo anno consecutivo, le modalità attraverso cui le società italiane con azioni ordinarie quotate sull'MTA hanno dato attuazione alla normativa in materia di rendicontazione non finanziaria, introdotta dalla Direttiva 2014/95/UE e recepita in Italia con il d.lgs. 254/2016. L'analisi riguarda, tra le altre cose, i comportamenti che possono segnalare progressi nel processo di trasformazione culturale legato alla considerazione dei fattori ESG (*Environmental, Social and Governance*) nella definizione dei modelli di business, delle strategie aziendali e dei modelli di *corporate governance*.

■ La prima parte del Rapporto analizza i documenti pubblicati dalle società come dichiarazione non finanziaria (DNF), concentrandosi sulle informazioni concernenti l'analisi di materialità e i Piani strategici presentati agli investitori. La seconda parte analizza, alla luce delle evidenze tratte dalle Linee guida del board uscente e dalle Relazioni sul Governo Societario, il coinvolgimento degli organi di amministrazione nelle tematiche di sostenibilità. La terza parte approfondisce l'integrazione dei fattori non finanziari nelle politiche di remunerazione degli amministratori delegati.

■ Al Rapporto si aggiunge, infine, una Survey rivolta ai membri di Nedcommunity, l'associazione italiana degli amministratori non esecutivi e indipendenti, su board leadership e business sostenibile.

The goals of the Report

□ The third edition of this Report analyses the implementation of the Directive 2014/95/UE, transposed in Italy by the Legislative Decree no. 254/2016 (the Decree), in Italian listed companies. The Report highlights those behaviours of companies and boards, which show a cultural transformation towards an integration of ESG (*Environmental, Social and Governance*) factors into the corporate decision-making.

□ The first section of the Report covers non-financial statements published pursuant to the Decree, focusing on the materiality analysis carried out by companies, and on Strategic plans presented to investors. The second and the third sections explore the relevance of non-financial issues respectively at the board level and within CEOs' remuneration policies. To this aim, on the basis of a desk analysis, evidence was gathered from the guidelines issued by companies prior to the board appointment and from the corporate governance reports.

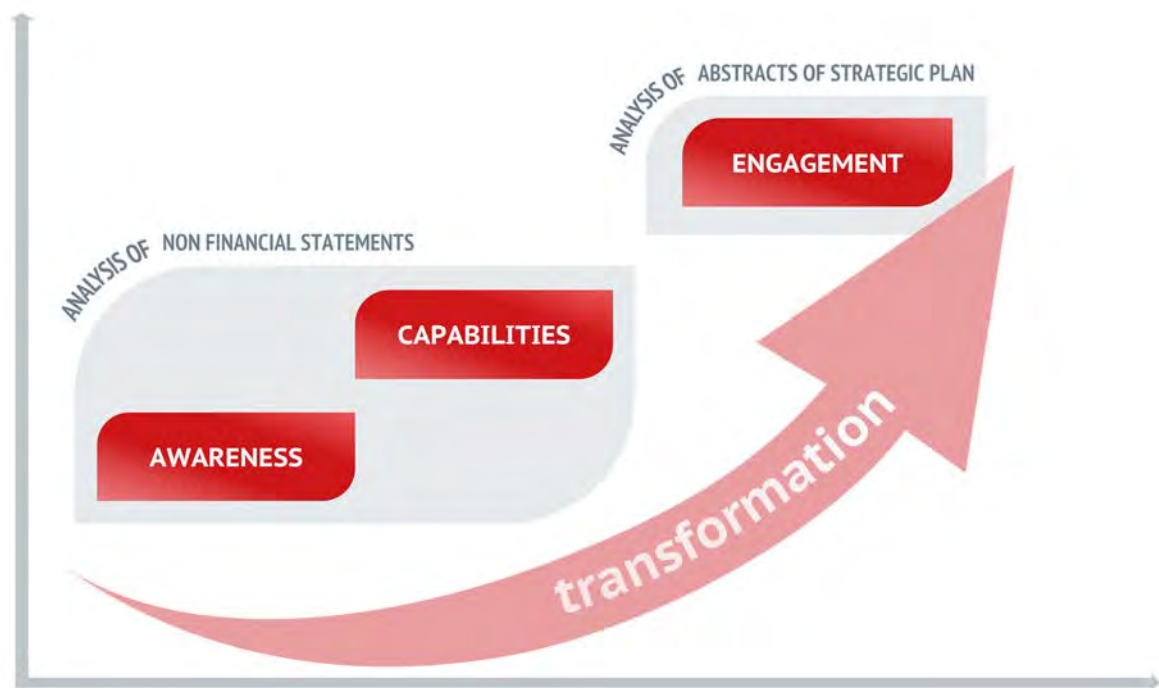
□ Finally, the report includes a Survey on board leadership and sustainable business involving members of Nedcommunity, the Italian Association of non-executive and independent directors.

Le tre fasi dell'integrazione ESG/multicapital nella governance e nella strategia aziendale

■ Il processo di trasformazione culturale innescato dall'adempimento degli obblighi di rendicontazione non finanziaria è riconducibile a tre fasi: *Consapevolezza*, *Capacità* e *Coinvolgimento*. In questo Rapporto, le prime due fasi sono individuate attraverso l'analisi delle DNF, mentre la terza viene valutata attraverso l'esame degli estratti dei Piani strategici.

The three steps of ESG/multicapital integration into corporate governance and strategy

□ The progression of the cultural transformation triggered by the compliance with obligations on non-financial reporting can be thought as a three-stage phased process including Awareness, Capabilities and Engagement. In this Report, the first two stages are identified through the analysis of NFSs while the third stage refers to the information drawn from the abstracts of Strategic plans.



The template is adapted from The ACE Transformation Curve, Methodos - the Change Management Company, 2018.

■ La **Consapevolezza** è la preconditione per il cambiamento, che parte dal rispetto degli obblighi normativi (*compliance*) e si sviluppa nel riconoscimento dell'importanza dei fattori ESG e del ruolo che potrebbero svolgere nell'avviare il processo trasformativo. Con riferimento al primo profilo, sono stati censiti i comportamenti delle infrastrutture organizzative delle imprese rispetto alla rendicontazione non finanziaria, mentre con riguardo al secondo profilo è stato preso in esame il coinvolgimento dell'organo di amministrazione. Nel confronto con il 2019, a fronte di un numero immutato di società che hanno pubblicato una DNF e condotto l'analisi di materialità, alcuni comportamenti hanno registrato una maggiore diffusione. Il coinvolgimento diretto del consiglio di amministrazione nell'analisi di materialità è indicato da 39 società a fronte di 21 nel 2019. Il numero di emittenti che ha erogato *induction* sui temi ESG al board – che nel 2019 era risultato l'unico dato in diminuzione rispetto all'anno precedente – è aumentato da 28 a 32, anche se perdura l'assenza di informazioni relative a profondità, durata e modalità di esecuzione delle *induction*. Tra le imprese che pubblicano la DNF, il comitato di sostenibilità è presente in 73 casi, un incremento significativo rispetto ai 54 nell'anno precedente.

□ **Awareness** is the precondition for change. It originates from compliance with reporting obligations and results into the acknowledgement of the relevance of ESG issues and of their ability to kick-off the transformation process. Compared to 2019, while the number of companies publishing a NFS and performing materiality analysis is unchanged, some behaviours have become more frequent. In 2020, the involvement of the BoD in the materiality analysis has been recorded in 39 companies, up from 21 in the previous year. Board inductions on ESG subjects, whose frequency had declined over 2018-2019, were held in 32 cases compared to 28, even if description of depth, length and implementation of the inductions are still not available. The number of firms establishing a Sustainability committee reported a significant increase, from 54 to 73 out of 151 companies who published a NFS.

CONSAPEVOLEZZA

- *Compliance* con le regole (d.lgs. 254/2016) e le linee guida sulla rendicontazione
- Informazioni e obiettivi della rendicontazione sono condivisi all'interno dell'organizzazione
- Vengono elaborati indicatori di misurazione (KPI) dedicati
- Vengono illustrati aspirazioni e obiettivi in termini di processi decisionali integrati (*integrated thinking*) e governance, senza concrete azioni di integrazione

AWARENESS

- *Compliance with rules* (Decree no. 254/2016) and reporting guidelines
- Information and goals of report spread throughout the organization
- *Dedicated KPI's*
- *Communicating aspirations and goals in terms of integrated thinking and governance, without concrete actions of integration*



DNF pubblicate
(di cui 3 volontaria)

NFS published
(of which 3 voluntary)

151/228



Analisi di materialità

Materiality analysis

151/151



Coinvolgimento dei CdA
nell'analisi di materialità

BoDs involvement
in materiality analysis

39/151



Induction ai CdA su ESG

BoDs inductions on ESG

32/151



Comitati sostenibilità

Sustainability Committee

73/151



The template is adapted from *The ACE Transformation Curve, Methodos - the Change Management Company, 2018.*

Behaviours of the company infrastructure are reported in grey, while behaviours of the BoD's are reported in red.

■ **L'Allenamento delle capacità**, colto con riferimento all'analisi di materialità e all'integrazione dei fattori ESG a livello di funzionamento del board, è l'area che nel 2020 ha registrato i cambiamenti più rilevanti. Nell'ambito dell'analisi di materialità, i comportamenti legati allo *stakeholder engagement* confermano la tendenza già rilevata nel biennio precedente, sebbene la crescita non sia altrettanto significativa. In particolare, nel 2020 sono 83 le imprese che riportano l'*engagement* con gli *stakeholders* esterni, a fronte di 70 nel 2019 e 44 nel 2018, mentre l'*engagement* con il *top management* ricorre in 74 casi nel 2020 da 69 nel 2019 e 47 nell'anno precedente. Nel 2020 in 12 casi gli emittenti hanno utilizzato piattaforme di *stakeholder engagement* o strumenti di *big data analytics* per affinare l'analisi di materialità e in 20 casi hanno dichiarato di avere attivato sistemi per la raccolta di dati non finanziari. Probabilmente anche a seguito delle modifiche al Codice di autodisciplina nel gennaio 2020, la considerazione della sostenibilità a livello di board è diventata più diffusa. L'integrazione dei fattori ESG nelle linee guida sulla composizione del nuovo consiglio di amministrazione predisposte dal board uscente è passata da 12 su 43 casi nel 2019 a 39 su 50 casi nel 2020, mentre le società che vi fanno riferimento nel processo di autovalutazione del board sono passate da 21 a 37. Il riferimento a temi ESG nelle politiche di remunerazione degli amministratori delegati coinvolge nel 2020 quasi il doppio degli emittenti rilevati nel 2019 (rispettivamente, 63 e 33 aziende) e può essere considerato un fattore rilevante di accelerazione della trasformazione.

□ **Capabilities** is the area that registered the most relevant changes in 2020. As for the materiality analysis, stakeholder engagement kept on recording progress although at a slower pace than that documented in 2019. In detail, external stakeholder engagement was reported in 83 cases (70 in 2019 and 44 in 2018) while engagement with the top management hit 74 cases (69 in 2019 and 47 in 2018). In addition, 20 companies put in place ESG data collection systems and 12 issuers used platforms for stakeholder engagement or big data analytics tools to enrich materiality analysis. Behaviours related to governance and the BoD show the most relevant increases perhaps as a consequence of the introduction of the new Corporate Governance Code in January 2020. The integration of ESG factors into board renewal guidelines passed from 12 out of 43 cases in 2019 to 39 over 50 cases in 2020, while the ESG integration into board self-evaluations grew from 21 to 37 companies. The integration of ESG criteria into CEO's remuneration packages almost doubled over the last year (from 33 to 63 companies) and as a such it can be considered as a booster of transformation.

CAPACITÀ

- Viene sviluppata una infrastruttura di raccolta dati per la rendicontazione e vengono attivati programmi di formazione per i dipendenti coinvolti
- Vengono previsti programmi di formazione per sviluppare decisioni che integrano gli ESG nella governance e nei progetti aziendali
- ESG/multicapital sono incorporati negli obiettivi di performance e connessi alla remunerazione

CAPABILITIES

- Developing a data collection infrastructure for report and training for teams involved
- Trainings to develop the necessary skills and approach to thinking to integrate ESG in governance and company projects
- ESG/multicapital are incorporated in job goals and connected to remuneration

	Analisi di materialità con coinvolgimento manager dell'azienda	Materiality analysis involving the managers of the company	74/151	↑
	Analisi di materialità con coinvolgimento stakeholders esterni	Materiality analysis involving external stakeholders	83/151	↑
	Sistemi di raccolta dati ESG	ESG Data collection systems	20/151	↑
	Piattaforme di analisi di (big) data per lo stakeholder engagement	Stakeholder engagement and (big) data analysis platforms	12/151	↑
	Programmi di formazione per integrare ESG nei progetti aziendali	Training programmes to integrate ESG in company projects	107/151	↑
	Integrazione ESG nelle linee guida per i rinnovi CdA	ESG integration into BoDs guidelines	39/50	↑
	Integrazione ESG nella autovalutazione del CdA	ESG into BoDs evaluation	37/151	↑
	Pacchetti di remunerazione del CEO con ESG	Sustainability and remuneration packages of CEOs	63/228	↑

The template is adapted from The ACE Transformation Curve, Methodos - the Change Management Company, 2018.

Behaviours of the company infrastructure are reported in grey, while behaviours of the BoD's are reported in red.

■ Il **Coinvolgimento** è la fase più avanzata della trasformazione, in cui i nuovi comportamenti vengono spontaneamente posti in essere a prescindere dagli obblighi legislativi e dalle sollecitazioni derivanti dal Codice di autodisciplina. Per cogliere questo processo, l'analisi si è concentrata sugli estratti dei Piani strategici presentati nei *Road Show* e pubblicati nella pagina Investor Relations del sito web aziendale, per verificare se e a quale livello descrivono una strategia che integra e collega fattori finanziari e non finanziari. Nel 2020, delle 59 società (erano 47 nel 2019) che hanno pubblicato gli estratti dei Piani strategici presentati agli investitori, 28 (24 nel 2019) hanno menzionato considerazioni di lungo periodo e 15 (12 nel 2019) hanno collegato la strategia aziendale agli obiettivi di sviluppo sostenibile delle Nazioni Unite (SDGs). In questa area è emblematico il comportamento di 7 società (5 nel 2019) – tutte nel settore energetico e petrolifero – che nell'illustrazione della loro strategia hanno integrato pienamente fattori che generano valore nel breve e nel lungo periodo e hanno descritto le connessioni tra fattori finanziari e non finanziari. Tra queste, un'impresa menziona l'analisi di materialità come un pilastro della pianificazione strategica (dato immutato rispetto al 2019).

□ The area **Engagement** represents the last step in the transformation of strategies and business models towards the integration of ESG factors. In this phase new behaviours are spontaneously carried out. To capture this process, the analysis moved from NFSs to the abstracts of the Strategic plans presented to investors in the road shows and published in the Investor Relation section of the companies' websites, in order to verify how and to what extent they describe a strategy integrating and connecting financial and non-financial issues. In 2020 59 companies vs 47 in 2019 published the abstracts of the Strategic plans. Of these, 28 (vs 24 in 2019) mentioned some long-term business consideration and 15 (vs 12 in 2019) connected the strategy to the UN Sustainable Development Goals. Seven companies (five in 2019), still all in the Energy/Oil and Gas industry, fully integrated in their strategy storytelling issues that generate value in the short and in the long term and described the connections between financial and non-financial matters. Among these companies, one mentioned the materiality analysis as a pillar of its Strategic plan.

COINVOLGIMENTO

- Approcci, capacità e abilità connesse all'integrazione di ESG/*multicapital* nella governance diventano naturali e si riflettono in decisioni, comportamenti, processi, modello di business e strategie
- Alto livello di coinvolgimento sui temi ESG

ENGAGEMENT

- Mindset, capabilities and skills connected to the integration of ESG/*multicapital* into governance become natural and are reflected in thinking, behaviour, processes, business model and strategy
- High level of engagement



Pubblicazione di sintesi dei Piani strategici (PS) sul sito web dell'azienda

Abstracts of Strategic plan (SP) published on corporate web site

59/151



Menzione di temi rilevanti per il lungo periodo nelle sintesi dei PS

Long-term business considerations mentioned in the abstract of the SP

28/151



Menzione degli SDG nelle sintesi del PS

SDGs mentioned in the abstract of the SP

15/151



Strategia pienamente integrata descritta negli abstract dei PS

Integrated Strategy fully described in the abstract of the SP

7/151



Analisi di materialità menzionata come uno degli elementi fondativi del PS

Materiality analysis mentioned as a pillar of the SP

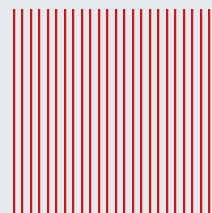
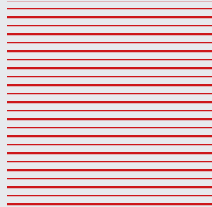
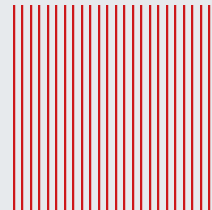
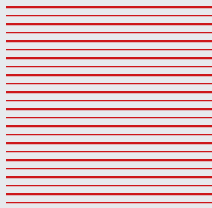
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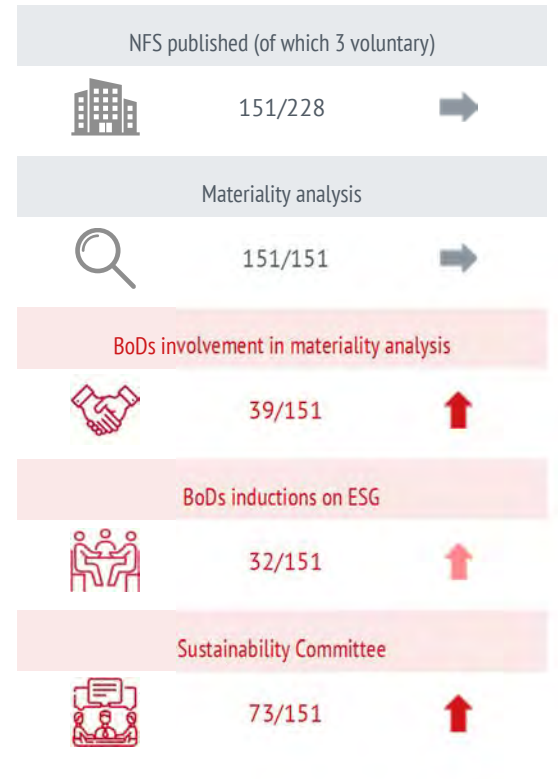
Behaviours of the company infrastructure are reported in grey, while behaviours of the BoD's are reported in red.

THE THREE STEPS OF ESG/MULTICAPITAL INTEGRATION INTO



levels of cultural change

AWARENESS



The template is adapted from The ACE Transformation Curve, Methodos - the Change Management Company, 2018. Grey stands for behaviours of the company infrastructure; red stands for behaviours of the BoD's.

GOVERNANCE AND STRATEGY

CAPABILITIES

Materiality analysis involving the managers of the company



74/151



Materiality analysis involving external stakeholders



83/151



ESG Data collection systems



20/151



Stakeholder engagement and (big) data analysis platforms



12/151



Training programmes to integrate ESG in company projects



107/151



ESG integration into BoDs guidelines



39/50



ESG into BoDs evaluation



37/151



Sustainability and remuneration packages of CEOs



63/228



ENGAGEMENT

Abstracts of SP published on corporate web site



59/151



Long-term business considerations in the abstract of the SP



28/151



SDGs mentioned in the abstract of the SP



15/151



Integrated Strategy fully described in the abstract of the SP



7/151



Materiality analysis mentioned as a pillar of the SP

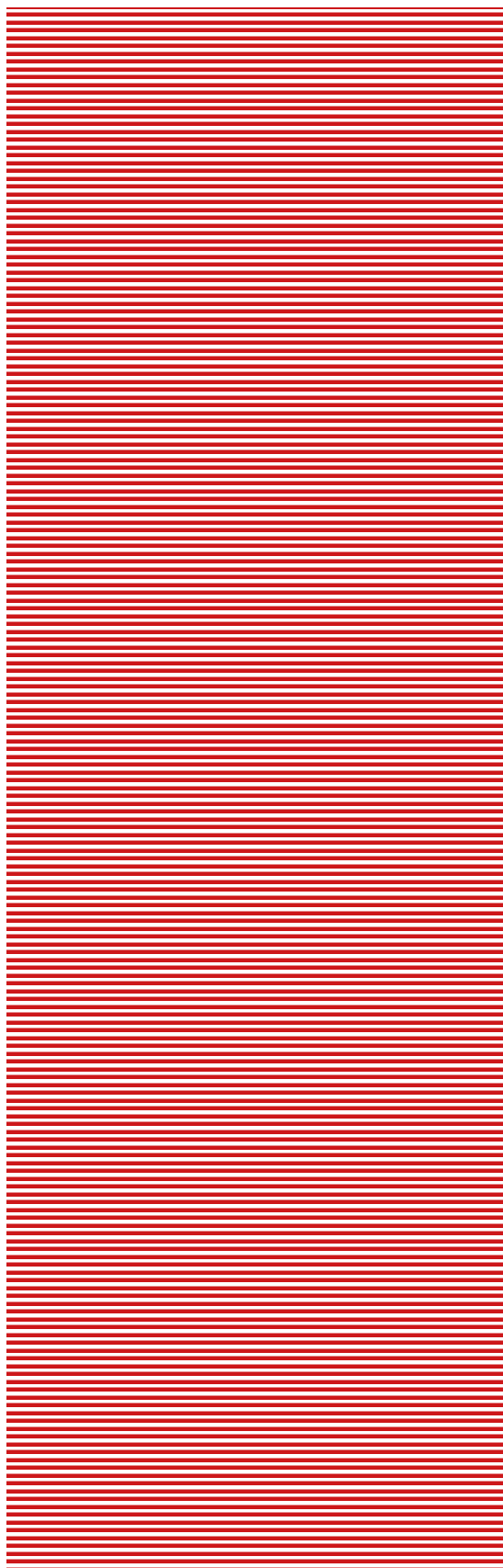


1/151



transformation

SOMMARIO



1. Rendicontazione non finanziaria 18

2. Coinvolgimento del board: analisi documentale 32

3. Politiche retributive e sostenibilità 42

1. Non-financial reporting 18

2. Non-financial at the board: desk analysis 32

3. Remuneration policy and sustainability 42

4. Survey

Nedcommunity

Board leadership and sustainable business 54

Rendicontazione non finanziaria



**Non-financial
reporting**

Pubblicazione delle informazioni non finanziarie

Analisi di materialità

Coinvolgimento degli stakeholders

Temi ESG nei Piani strategici

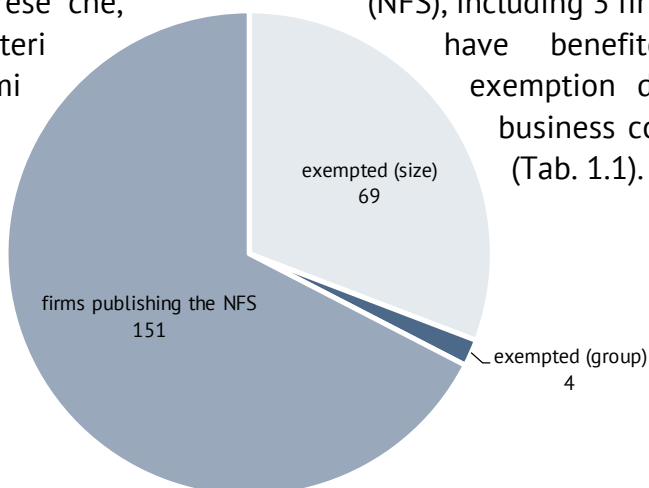
Reports on non-financial information

Materiality analysis

Stakeholders involvement

ESG factors into Strategic plans

■ Nel 2020, le società con azioni ordinarie quotate sull'MTA che hanno pubblicato una Dichiarazione non finanziaria (DNF) sono 151, incluse 3 imprese che, sulla base di criteri dimensionali o per problemi di continuità societaria, avrebbero potuto astenersi (Tab. 1.1).



■ In 2020, 151 Italian companies with ordinary shares listed on the MTA published a non-financial statement (NFS), including 3 firms which could have benefited from an exemption due to size or business continuity issues (Tab. 1.1).

■ In continuità con gli anni precedenti, la maggior parte delle imprese ha pubblicato la sola DNF (137 casi), anche attraverso un Bilancio di Sostenibilità. Undici società (9 nel 2018) hanno integrato l'informazione finanziaria con le informazioni non finanziarie richieste dalla disciplina, mediante rispettivamente un Rapporto Integrato (8 casi), un Rapporto Integrato insieme a un Rapporto di sostenibilità (2 casi) e la diffusione di un Rapporto Integrato in aggiunta alla DNF (in un caso). Inoltre tre società hanno pubblicato, oltre alla DNF, un Rapporto di sostenibilità. Nel complesso, il 22% delle DNF sono state incluse nella relazione sulla gestione delle imprese (Tab. 1.2).

■ In line with previous years, the vast majority of the firms published only the report required by the Decree, also in the form of a Sustainability Report (137 cases). Eleven firms (9 in 2018) integrated financial and non-financial information either in an Integrated Report or by releasing an Integrated Report together with a Non Financial Statement (NFS) or by publishing an Integrated Report alongside a Sustainability Report (2 firms). In addition, 3 issuers circulated both a NFS and a Sustainability Report. Overall, 22% of the NFS were included in the management report of the companies (Tab. 1.2).

137 Non-financial statement

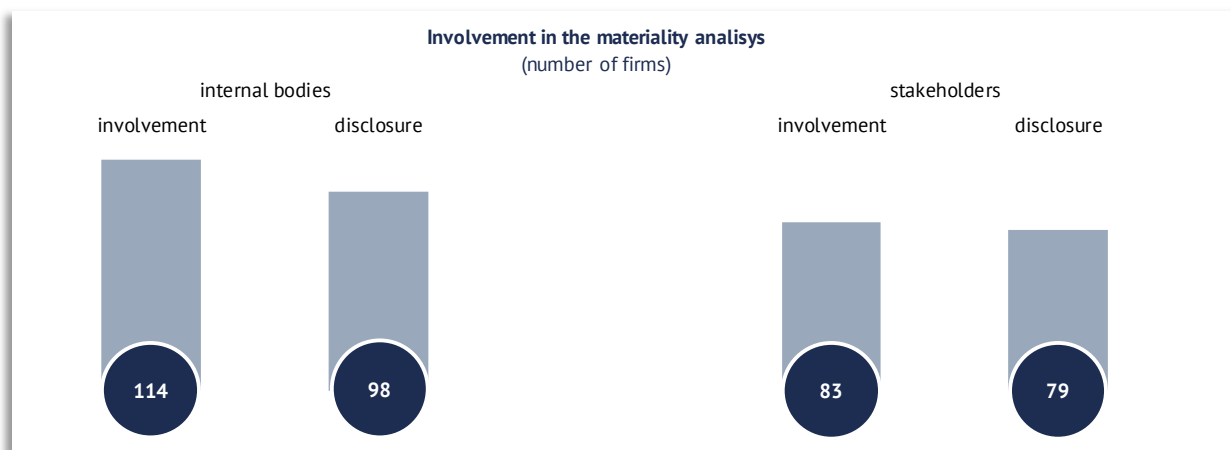
- 8** Integrated Report
- 2** Integrated Report (NFS into the management report) + Sustainability Report
- 1** Non-financial statement + Integrated Report
- 3** Non-financial statement + Sustainability Report

■ L'analisi di materialità è stata effettuata da tutte le società, che ne hanno rappresentato i risultati attraverso una matrice di materialità in 121 casi ovvero mediante un elenco o una tabella dei temi materiali nei restanti 30 casi (Tab. 1.3).

■ Il processo di identificazione dei temi rilevanti ha visto il coinvolgimento delle strutture o degli organi interni in 114 casi; in particolare, in 74 casi è stato coinvolto il *top management*. Come nelle rilevazioni precedenti, il coinvolgimento degli *stakeholders* esterni continua a registrare una frequenza inferiore anche se in crescita (83 casi a fronte dei 44 del 2018). Sono, rispettivamente, 98 e 79 le società che segnalano le modalità con cui hanno coinvolto nell'analisi di materialità strutture o vertici interni (soprattutto attraverso interviste, questionari e workshop) e *stakeholders* esterni (principalmente tramite indagini, questionari e forum *multi-stakeholder*; Tab. 1.4 e Tab. 1.5).

□ All 151 reports include a materiality analysis. Material topics were represented through a materiality matrix in 121 cases, while in the remaining 30 reports firms provided either a list or a table (Tab. 1.3).

□ In 2020, the internal bodies were involved in the identification of material issues in 114 cases, of which top managers in 74 cases. In line with previous years, external stakeholders were involved less frequently compared to internal bodies, although increasingly (83 cases vs 44 in 2018). Among the engagement tools used in the materiality analysis (disclosed by 98 and 79 firms respectively for internal bodies and external stakeholders) the most mentioned are interviews, questionnaires and workshops for internal bodies, and surveys, questionnaires and multi-stakeholder forums for external stakeholders (Tab. 1.4 and Tab. 1.5).



■ Nell'ambito dell'analisi di materialità e al fine di identificare i temi rilevanti, 12 emittenti hanno fatto ricorso a specifiche

□ In order to carry out the materiality analysis and identify relevant issues, 12 companies used either dedicated

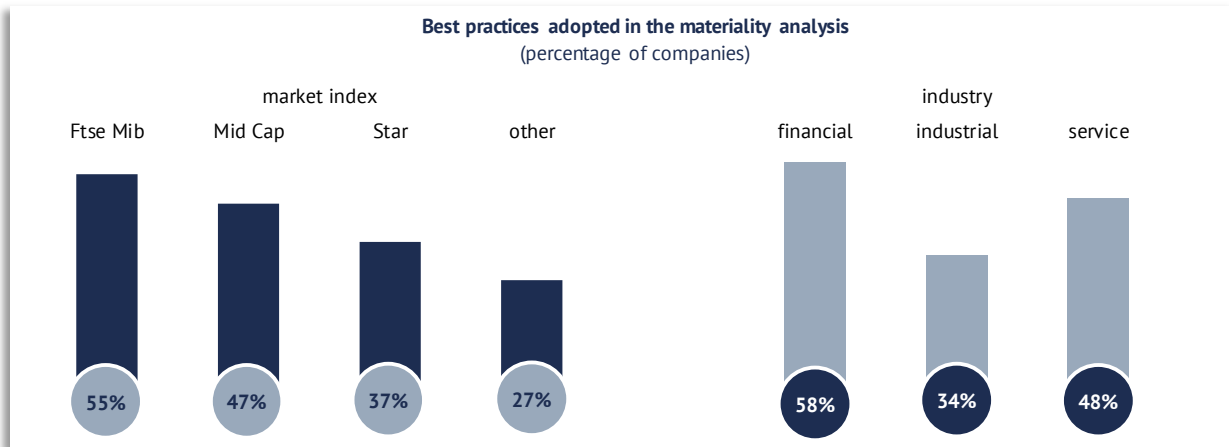
piattaforme per automatizzare l'analisi di dati e informazioni pubblicamente disponibili oppure a sistemi finalizzati all'ascolto degli *stakeholders* esterni. Inoltre, 20 emittenti hanno predisposto un apposito sistema informativo di raccolta dei dati utili per la redazione delle informazioni non finanziarie (Tab. 1.6).

platforms to automate the analysis of publicly available data and information or systems aimed at communicating with external stakeholders and listening to their requests. In addition, 20 firms have set up ad hoc information systems for collecting data and preparing non-financial information (Tab. 1.6).



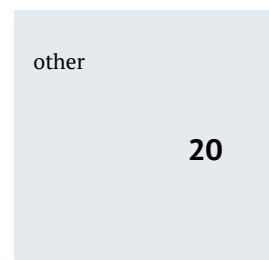
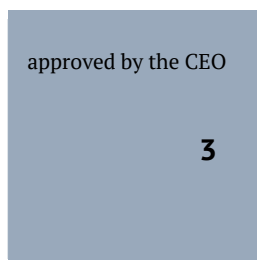
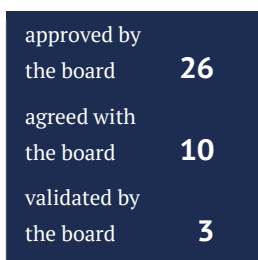
■ In linea con le indicazioni contenute nelle GRI Sustainability Reporting Guidelines e nel IIRC Integrated Reporting Framework, l'analisi di materialità dovrebbe essere svolta tenendo in considerazione il punto di vista dell'azienda e quello degli *stakeholders* esterni. Pertanto, le imprese sono state classificate tenendo conto del coinvolgimento delle strutture o dei vertici interni e della descrizione delle modalità utilizzate a tal fine e, nello stesso tempo, del coinvolgimento degli *stakeholders* esterni e della *disclosure* degli strumenti finalizzati a tale coinvolgimento. Nel 2020, le società che hanno esplicitato di aver coinvolto i soggetti citati e che hanno dettagliato le modalità sono 62, corrispondenti al 41% degli emittenti che hanno pubblicato una DNF. L'incremento registrato rispetto agli anni precedenti (erano 29 nel 2018, pari a circa il 20% del totale) è più significativo per le imprese medio-piccole e per i settori finanziario e industriale (Tab. 1.7).

□ In line with existing best practices (as defined by the GRI Sustainability Reporting Guidelines and IIRC Integrated Reporting Framework), the materiality analysis should be based on both an internal (i.e. from the firms perspective) and an external (i.e. from the stakeholders perspective) evaluation. Therefore, companies were classified on the basis of the involvement of both internal departments or top managers and external stakeholders and the disclosure of the instruments used for their engagement. In 2020, 62 firms, accounting for 41% of the total, disclosed both the involvement of the mentioned bodies/stakeholders and the tools used. The data records a significant increase over 2018 (when these pieces of information were disclosed by 29 companies, accounting for only 20% of the total), especially among medium and small firms and in the financial and industrial sectors (Tab. 1.7).



■ Con riguardo alla partecipazione del consiglio di amministrazione nell'approvazione dell'analisi di materialità, importante indicatore dell'integrazione dei fattori non finanziari nel processo decisionale aziendale, dall'analisi documentale si evince che il board è stato coinvolto direttamente in 39 casi (in deciso aumento rispetto ai 21 nel 2019), avendo approvato, condiviso o validato l'analisi, rispettivamente, in 26, 10 e 3 casi. In 3 società, inoltre, è stato coinvolto indirettamente tramite l'approvazione dell'analisi di materialità da parte di uno o più comitati endoconsiliari (principalmente comitati per il controllo rischi e per la sostenibilità). In altri 3 emittenti l'analisi è stata approvata dal CEO (Tab. 1.8). In 20 casi, infine, è stato rilevato un coinvolgimento di uno o più comitati o del CEO sotto forma di validazione o condivisione dell'analisi.

□ The involvement of the board of directors (BoDs) in the materiality analysis can be regarded as an important precondition for the integration of non-financial issues in the company's decision processes. The BoDs was directly involved in the materiality analysis in 39 firms, as it either approved, agreed or validated the analysis (in 27, 10 and 2 cases respectively). Another form of involvement was through board committees (mainly the control and risk committee and the sustainability committee), which approved the analysis in 3 firms. In 5 cases the materiality analysis was approved by the CEO (Tab. 1.8). Companies report other types of involvement (agreement or validation) of the board committees or the CEOs in 20 cases.

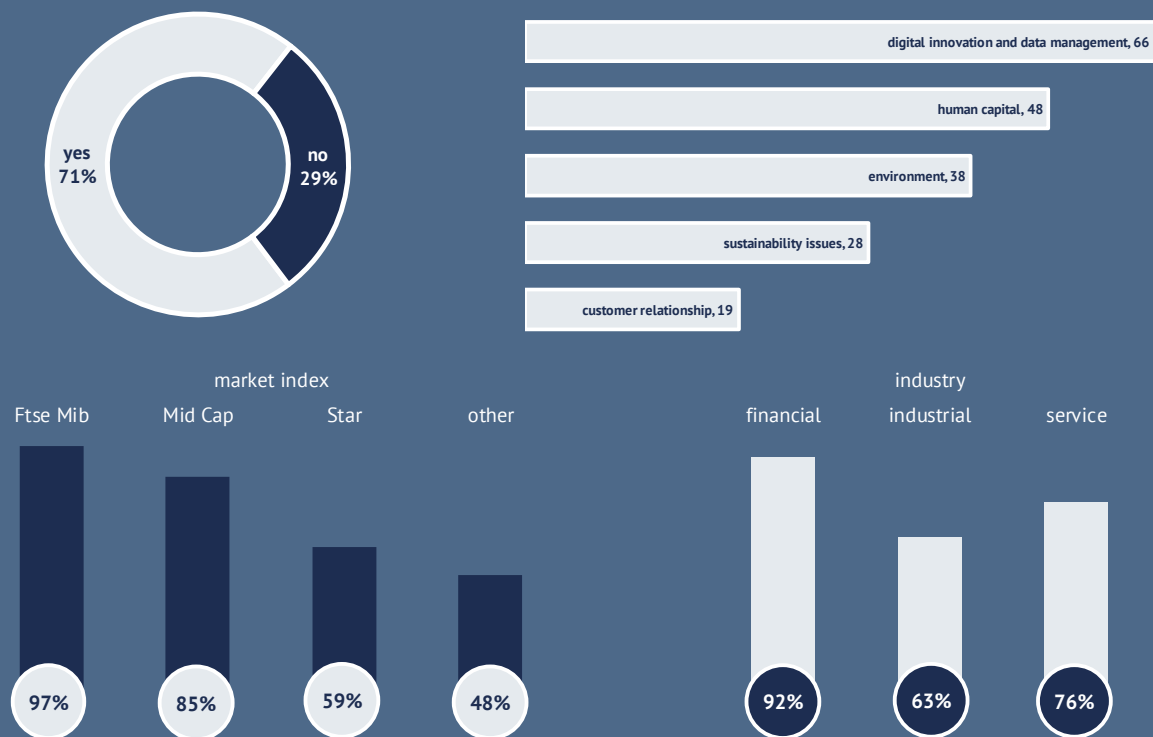


■ L'attenzione dedicata ai fattori ESG ha registrato un importante sviluppo anche nella formazione offerta a dipendenti e dirigenti. Nel 2020, infatti, si è portato a 107 (54 nel 2019) il numero di società che hanno organizzato programmi di formazione per il personale aventi ad oggetto tematiche in prevalenza legate all'innovazione (in particolare, alla trasformazione digitale e alla sicurezza informatica) e alla gestione del capitale umano (Tab. 1.9). La diffusione di questi corsi si riscontra maggiormente tra le società medio-grandi e quelle appartenenti al settore finanziario.

□ The integration of ESG factors into training programmes for employees and managers has recorded a significant development over time. In 2020, the number of firms delivering training programmes to their staff on these issues (mainly digital innovation, cyber security and human capital matters) rose to 107 up from 54 in 2019 (Tab. 1.9). These training programmes are most frequent among medium-large firms and in the financial sector.

TemI ESG nella formazione ESG in training programmes

(151 companies)



■ Un altro segnale dell'integrazione della sostenibilità nella visione aziendale è stato colto, infine, analizzando gli estratti dei Piani strategici che nel 2020 sono stati pubblicati sui propri siti web da 59 società quotate. Di queste, 28 hanno menzionato nella propria strategia alcuni elementi di valore a lungo termine, 15 hanno citato i *Sustainable Development Goals* (SDGs) dell'ONU, 7 hanno integrato completamente le considerazioni finanziarie e non finanziarie, mentre una ha indicato la materialità come elemento fondamentale della pianificazione strategica (Tab. 1.10).

□ Another indicator of the integration of sustainability issues in the company's strategy can be detected through the analysis of the Strategic plans. In 2020 among the 59 companies that published online an abstract of their Strategic plan, 28 firms mentioned long-term value elements, 15 mentioned the Sustainable Development Goals, 7 fully integrated the related financial and non-financial considerations in their strategy, while one mentioned materiality as a key feature of its Strategic plan (Tab. 1.10).



List of tables

1.1	Italian listed companies publishing non-financial information	27
1.2	Reports on non-financial information published by Italian listed companies	27
1.3	Materiality analysis by Italian listed companies	27
1.4	Involvement of internal bodies and external stakeholders in the materiality analysis	28
1.5	Disclosure of the tools employed to involve internal bodies and external stakeholders in the materiality analysis	28
1.6	Data collection systems and stakeholders engagement platforms set up by Italian listed companies	28
1.7	Best practices adopted in the materiality analysis by market index and industry	29
1.8	Board of directors involvement in the materiality analysis	29
1.9	Training programmes for employees and managers covering ESG	30
1.10	Integration of an ESG/multicapital perspective into the strategy of Italian listed companies	30

Tab. 1.1 – Italian listed companies publishing non-financial information

	firms publishing the NFS			firms exempted for size ¹			firms exempted for group ²			total	
	number	weight ³	% mkt cap ⁴	number	weight ³	% mkt cap ⁴	number	weight ³	% mkt cap ⁴	number	mkt cap ⁵
2018	151	66.2	94.4	70	30.7	2.6%	7	3.1	3.0	228	543
2019	151	67.7	95.0	66	29.6	2.2%	6	2.7	2.7	223	427
2020	151	67.4	96.1	69	30.8	2.5%	4	1.8	1.4	224	537

Source: Consob. Data on non-financial reports of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Year refers to the publication of the report, while the figures refer to the end of the previous year. Figures for 2020 do not include 3 companies with business continuity issues and 1 delisted in 2020. ¹ Firms exempted from the non-financial disclosure obligation because they do not meet the dimensional criteria. ² Firms exempted because their parent company is subject to the non-financial disclosure obligation. ³ Number of companies in each group in percentage of the total number of listed companies. ⁴ Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies. ⁵ Market value of ordinary shares of all companies publishing non-financial information; billions of euro.

Tab. 1.2 – Reports on non-financial information published by Italian listed companies

	2018		2019		2020	
	number	weight ¹	number	weight ¹	number	weight ¹
non-financial statement (NFS)	139	92.1	137	90.7	137	90.7
NFS and Sustainability Report	3	2.0	3	2.0	3	2.0
Integrated Report	6	4.0	8	5.3	8	5.3
NFS and Integrated Report	1	0.7	1	0.7	1	0.7
Integrated Report with NFS into the management report and Sustainability Report	2	1.3	2	1.3	2	1.3
total	151	100.0	151	100.0	151	100.0
of which						
included in management reports	....	....	....	....	33	21.9
separated from management reports	....	....	....	....	118	78.1

Source: Consob elaborations. For the sample definition see Tab. 1.1. ¹ Number of companies in each group in percentage of the total number of listed companies publishing NFS.

Tab. 1.3 – Materiality analysis by Italian listed companies

	2018		2019		2020	
	number	weight ¹	number	weight ¹	number	weight ¹
materiality analysis	149	98.7	151	100.0	151	100.0
materiality matrix	110	72.8	108	71.5	121	80.1

Source: Consob elaborations. For the sample definition see Tab. 1.1. ¹ Number of companies in each group in percentage of the total number of listed companies publishing NFS.

Tab. 1.4 – Involvement of internal bodies and external stakeholders in the materiality analysis

	2018		2019		2020	
	number	weight ¹	number	weight ¹	number	weight ¹
internal bodies involvement	129	86.6	130	86.1	114	75.5
<i>of which top managers involvement</i>	47	31.5	69	45.7	74	49.0
stakeholders engagement	44	29.5	70	46.4	83	55.0
internal and external involvement	36	24.2	60	39.7	73	48.3
companies carrying out the materiality analysis	149	100.0	151	100.0	151	100.0
of which updated ²	....	....	....	....	119	78.8
update stakeholders only ²	....	....	....	....	5	3.3
only check (without update) ²	....	....	....	....	8	5.3
no update ²	....	....	....	....	19	12.6

Source: Consob elaborations. For the sample definition see Tab. 1.1. ¹ Number of companies in each group in percentage of the total number of listed companies publishing NFS. ² Materiality analysis is considered updated if the firm carries out new activities (with respect to the previous year) in order to compute the materiality matrix. In other cases, the firm: i) takes into consideration the materiality analysis implemented in the previous year (mainly through the involvement of the internal bodies or top management) and updates it only through a stakeholders' engagement activity; ii) confirms the material analysis of the previous year after a check (i.e. through a desk analysis). Materiality analysis is not updated with respect to the previous year if the old analysis is confirmed without any check or activity.

Tab. 1.5 – Disclosure of the tools employed to involve internal bodies and external stakeholders in the materiality analysis

	2018		2019		2020	
	number	weight ¹	number	weight ¹	number	weight ¹
internal bodies involvement	113	87.6	114	87.7	98	86.0
stakeholders engagement	39	88.6	65	92.9	79	95.2
internal and external involvement	29	80.6	54	90.0	62	84.9

Source: Consob elaborations. For the sample definition see Tab. 1.1. Figures refer to the number of firms disclosing the tools used to involve internal bodies and stakeholders in the materiality analysis. ¹ Number of companies in each group in percentage of the total number of listed companies involving internal bodies and/or external stakeholders in the materiality analysis.

Tab. 1.6 – Data collection systems and stakeholders engagement platforms set up by Italian listed companies

	2019		2020	
	number	weight ¹	number	weight ¹
data collection system	7	4.9	20	15.3
platform for stakeholder engagement or system for big data analytics	8	5.6	12	8.6

Source: Consob elaborations. For the sample definition see Tab. 1.1. ¹ Number of companies in each group in percentage of the total number of listed companies publishing NFS.

Tab. 1.7 – Best practices adopted in the materiality analysis by market index and industry

		industry			market index				total
		financial	industrial	services	Ftse Mib	Mid Cap ¹	Star ¹	other	
2018	no. of companies	5	14	10	17	6	5	1	29
	weight ²	20.0	15.1	32.3	53.1	19.4	9.8	2.9	19.5
2019	no. of companies	13	27	14	19	12	15	8	54
	weight ²	52.0	29.0	42.4	61.3	35.3	29.4	22.9	35.8
2020	no. of companies	15	31	16	18	16	19	9	62
	weight ²	57.7	33.7	48.5	54.5	47.1	37.3	27.3	41.1

Source: Consob elaborations. For the sample definition see Tab. 1.1. Best practices refer to the case where the materiality analysis has been carried out by both: i) involving internal bodies and/or top managers and describing the instruments used, and ii) involving stakeholders and describing the instruments used. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Number of companies adopting best practices in percentage of the total number of listed companies publishing NFS included in each group.

Tab. 1.8 – Board of directors involvement in the materiality analysis

	2019		2020	
	number	weight ¹	number	weight ¹
approved by the board of directors	18	11.9	26	17.2
validated by the board	1	0.7	3	2.0
agreed with the board	2	1.3	10	6.6
approved by one or more board committees	7	4.6	3	2.0
approved by the CEO	3	2.0	3	2.0
other²	13	8.6	20	13.2
no involvement	107	70.9	86	57.0
companies carrying out the materiality analysis	151	100.0	151	100.0

Source: Consob elaborations. For the sample definition see Tab. 1.1. ¹ Number of companies in each group in percentage of the total number of listed companies carrying out the materiality analysis. ² 'Other' includes other types (agreement or validation) of involvement of the board committees or the CEOs.

Tab. 1.9 – Training programmes for employees and managers covering ESG

		industry			market index				
		financial	industrial	services	Ftse Mib	Mid Cap ¹	Star ¹	other	<i>total</i>
2019	no. of companies	10	20	14	21	10	10	13	54
	<i>weight</i> ²	40.0	32.3	42.4	67.7	29.4	19.6	37.1	35.8
2020	no. of companies	24	58	25	32	29	30	16	107
	<i>weight</i> ²	92.3	63.0	75.8	97.0	85.3	58.8	48.5	70.9

		training programmes' topics					
		innovation	human capital	environment	sustainability issues	customer relationship	<i>total</i> ³
2020	no. of companies	66	48	38	28	19	107
	<i>weight</i> ⁴	43.7	31.8	25.2	18.5	12.6	70.9

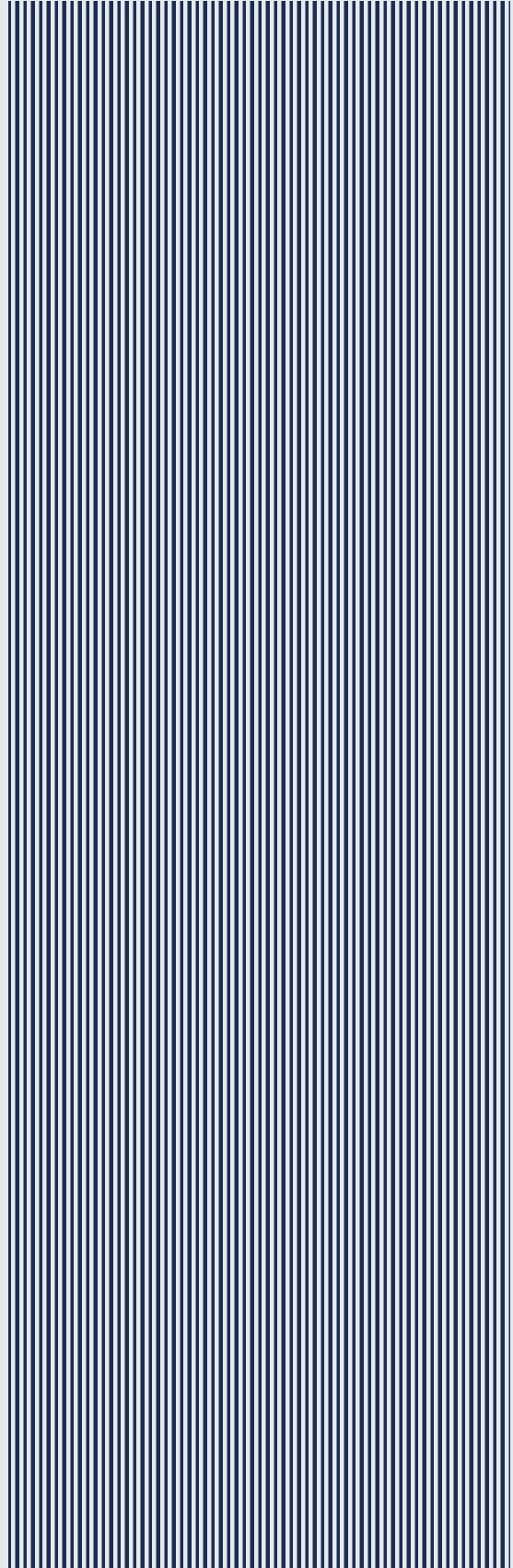
Source: Consob elaborations. For the sample definition see Tab. 1.1. Data include training programmes about ESG topics.

¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Number of companies organising ESG training programmes in percentage of the total number of listed companies publishing NFS included in each group. ³ Total number of companies organising ESG training programmes covering at least one mentioned topic. The figure is not equal to the sum of the companies organising training programmes overing single topics, since a company can organise courses about more than one topic. ⁴ Number of companies organising ESG programmes covering each topic in percentage of the total number of listed companies publishing NFS.

Tab. 1.10 – Integration of an ESG/multicapital perspective into the strategy of Italian listed companies

issues mentioned in the abstract of the Strategic plan	2019		2020	
	number	<i>weight</i> ¹	number	<i>weight</i> ¹
some long-term value elements	24	15.9	28	18.5
SDGs	12	7.9	15	9.9
full integration of strategy and ESG	5	3.3	7	4.6
the materiality analysis as a foundational element of the strategy	1	0.7	1	0.7
no issue mentioned	22	14.6	31	20.5
companies publishing the abstract	47	31.1	59	39.1

Source: Consob elaborations. For the sample definition see Tab. 1.1. Figure refers to the companies that published an abstract of their Strategic plan in the Investor relation area of their website. ¹ Number of companies in each group in percentage of the total number of listed companies publishing NFS.



Coinvolgimento del board: analisi documentale



**Non-financial at the
board: desk analysis**

Temi non finanziari

Keywords

Comitati di sostenibilità

Non-financial topics

Keywords

Sustainability committees

■ L'importanza riconosciuta ai temi non finanziari nell'ambito del consiglio di amministrazione è stata analizzata con riferimento a tre profili. Il primo riguarda la considerazione dei fattori ESG nell'autovalutazione del board e nei programmi di *induction* destinati ai consiglieri nel 2020, sulla base di quanto riportato nella relazione sul governo societario. Il secondo concerne il riferimento alle tematiche non finanziarie nelle linee guida emanate nel 2020 dal board uscente al momento della nomina dei nuovi amministratori. Il terzo profilo si riferisce all'istituzione di un comitato di sostenibilità.

□ The consideration of non-financial issues at the board level was investigated from different perspectives. First, the analysis focused on the importance attached to ESG factors in the board evaluation process and in the board induction programmes carried out during 2019, as disclosed in the 2020 Corporate Governance Reports. Second, information on the consideration of non-financial matters at the board level was inferred from the guidelines issued in 2020 by the BoDs when appointing new directors. Finally, an additional feature taken into account was the establishment of a sustainability committee.

■ Nel corso del 2020, tra le 50 società che hanno redatto la DNF e hanno rinnovato il board, 28 hanno pubblicato linee guida per la nomina del nuovo consiglio di amministrazione, menzionando i temi non finanziari in 19 casi (38% del totale a fronte del 28% nel 2019).

Nell'autovalutazione del board, i fattori ESG sono citati in 37 casi (21 nel 2019), mentre sono 32 gli emittenti che li hanno inclusi nei programmi di *induction* offerti ai membri del consiglio (28 nel 2019; Tab. 2.1).

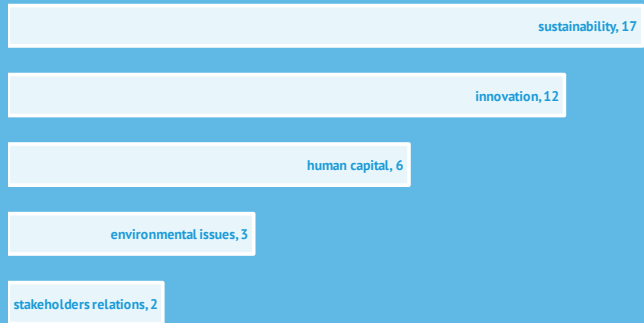
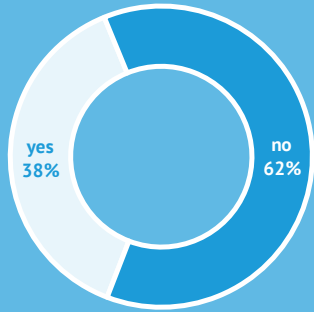
□ In 2020, among the 50 firms publishing the NFR and renewing the BoDs, 28 companies published guidelines for the appointment of new directors, mentioning ESG factors in 19 cases (38% of the total vs 28% in 2019).

In the board evaluation, non-financial features are referred to in 37 cases (21 in 2019), while board induction programmes included non-financial topics in 32 cases (28 in 2019; Tab. 2.1).

Linee guida consiglio uscente

Outgoing board guidelines

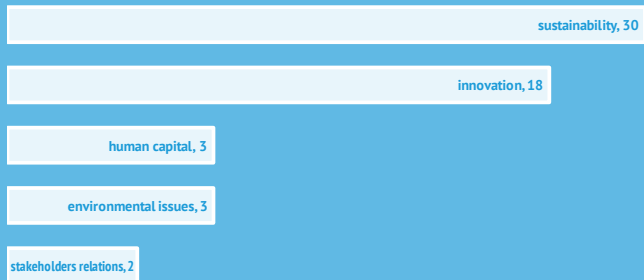
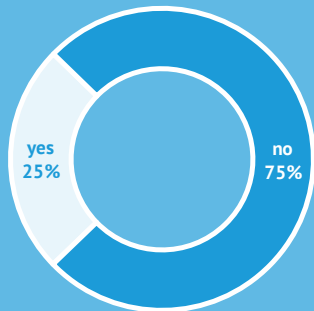
(50 companies)



Autovalutazione del consiglio

Board evaluation

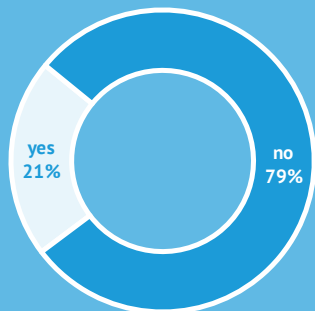
(151 companies)



Programmi di induction

Board induction programmes

(151 companies)

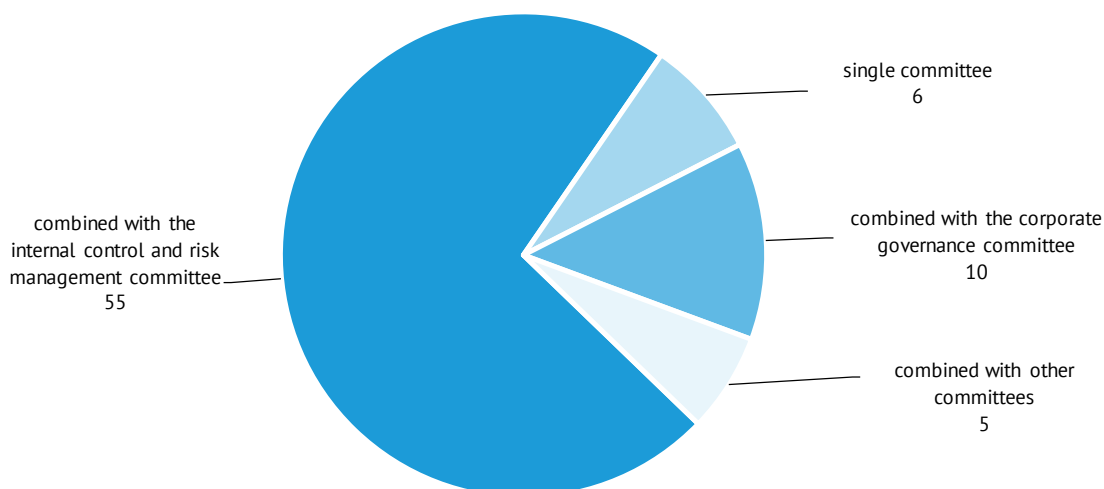


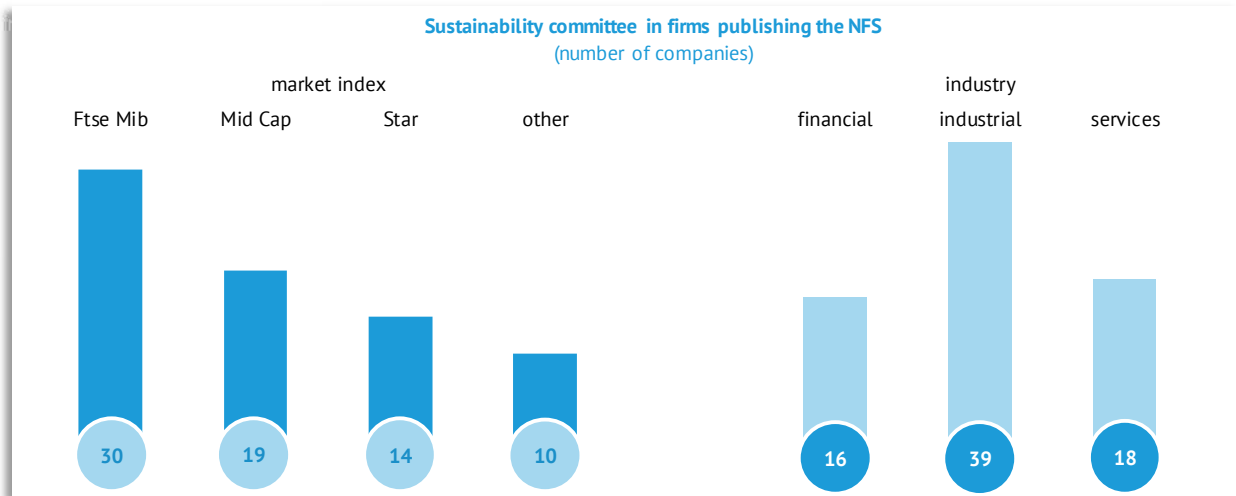
■ Le citazioni più frequenti nelle linee guida, nella board *evaluation* e nei programmi di *induction* sono riferibili genericamente alla sostenibilità (58 citazioni a fronte di 24 nel 2018) e all'innovazione (tra cui, ad esempio, la trasformazione digitale e la sicurezza informatica con 48 citazioni a fronte di 27 nel 2018). Le tematiche ambientali sono citate in 12 casi (Tab. 2.2).

□ Among the matters covered by the guidelines, the board evaluation and the induction programmes, sustainability is the most cited (58 quotes; 24 in 2018), followed by innovation (e.g. digital transformation and cyber security with 48 quotes vs 27 in 2018). Environmental issues are quoted in 12 cases (Tab. 2.2).

■ Le società quotate che hanno pubblicato una DNF e istituito un comitato di sostenibilità sono 73 (come si evince dalle relazioni di *corporate governance* pubblicate nel 2020; il dato sale a 76 se si considerano tutti gli emittenti quotati). In 70 casi, le funzioni di questo comitato sono abbinare con quelle di altri comitati endoconsiliari. Il comitato è più frequente tra le società del Ftse Mib (91% dei casi tra le imprese che hanno pubblicato una DNF), seguite dalle Mid Cap (56% dei casi; Tab. 2.3 e Tab. 2.4).

□ As disclosed in the 2020 Corporate Governance Reports, 73 listed companies publishing the NFS have a sustainability committee (76 if considering all listed firms). Almost always the sustainability committee is combined with other board committees (70 cases accounting for 92% of the total). The sustainability committee is more frequent among Ftse Mib companies (91% of cases among companies that have published a DNF), followed by Mid Cap (56% of cases; Tab. 2.3 and Tab. 2.4).





List of tables

2.1	Non-financial matters at the board	39
2.2	Keywords cited in some corporate documents	39
2.3	Sustainability committee in Italian listed companies	40
2.4	Sustainability committee in Italian listed companies publishing NFS	40

Tab. 2.1 – Non-financial matters at the board

	board renewals			board evaluation			induction programmes		
	number	non-financial topics cited in the guidelines	weight ¹	available	non-financial topics	weight ²	available	non-financial topics	weight ²
2018	52	11	21.2	151	13	8.6	151	32	21.2
2019	43	12	27.9	151	21	13.9	151	28	18.5
2020	50	19	38.0	151	37	24.5	151	32	21.2

Source: Consob elaborations. For the sample definition see Tab. 1.1. Documents analysed include the guidelines issued by the board in charge when appointing new directors and the Corporate Governance Reports, where firms provide a description of the board evaluation performed (if any) and of the induction programmes possibly organised during the year. ¹ Number of guidelines with non-financial topics mentioned in percentage of total number of board renewals. ² Number of documents with non-financial topics mentioned in percentage of total number of documents per each category issued by listed companies publishing NFS.

Tab. 2.2 – Keywords cited in some corporate documents

		guidelines	board evaluation	induction programmes	total quotes
2018	innovation	8	8	11	27
	sustainability	8	4	12	24
	human capital		4	2	6
	non-financial directive			16	16
	stakeholders relations	1	1		2
	non-financial topics documents¹	11	13	32	
2019	innovation	11	16	14	41
	sustainability	5	9	12	26
	human capital	1	2	1	4
	non-financial directive			6	6
	environmental issues	1		4	5
	stakeholders relations	2		2	4
	SDGs goals			1	1
	non-financial topics documents¹	12	21	28	
2020	innovation	12	18	18	48
	sustainability	17	30	11	58
	human capital	6	3	3	12
	non-financial directive			4	4
	environmental issues	3	3	6	12
	stakeholders relations	2	2	2	6
	non-financial topics documents¹	19	37	32	

Source: Consob elaborations. For the sample definition see Tab. 1.1. Documents analysed consist of the guidelines issued by the board in charge when appointing new directors and of the Corporate Governance Reports, where firms provide a description of the board evaluation performed (if any) and of the induction programmes possibly organised during the year. ¹ Total number of documents with non-financial topics is not equal to the sum of the keywords mentioned, since in each document can be mention more than one keyword.

Tab. 2.3 – Sustainability committee in Italian listed companies

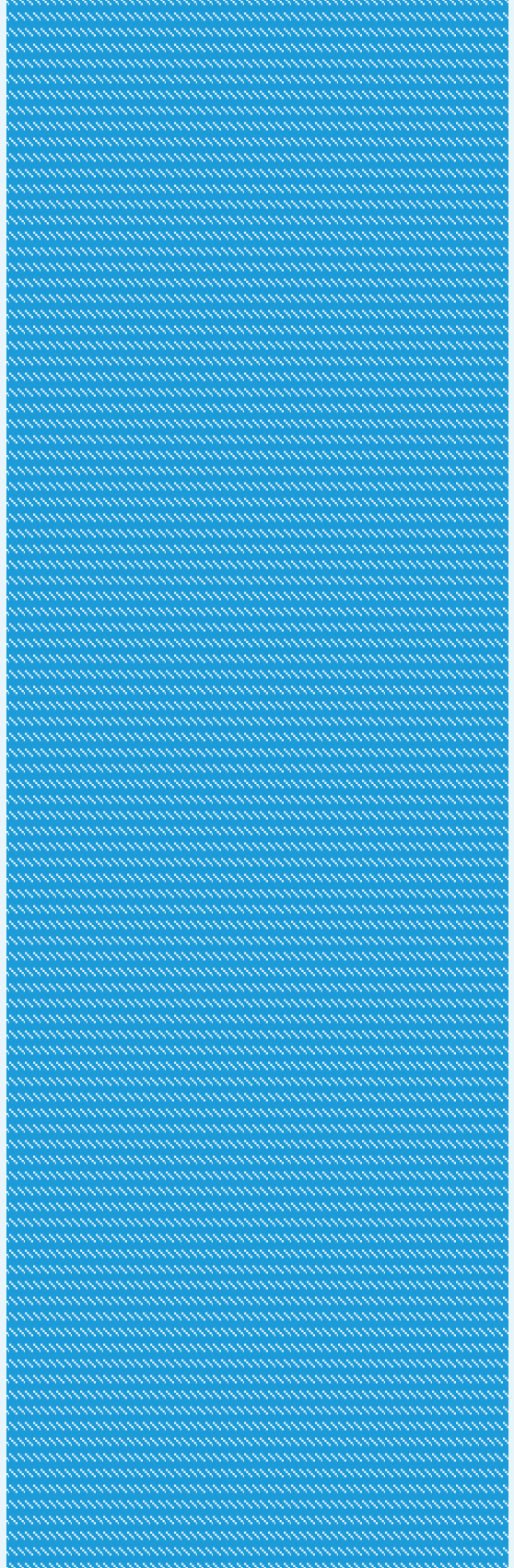
	2018		2019		2020	
	number	weight ¹	number	weight	number	weight
listed companies	225	100.0	222	100.0	219	100.0
sustainability committee	45	20.0	54	24.3	76	34.7
of which						
standing alone committee	7	3.1	6	2.7	6	2.7
combined committee ²	38	16.9	48	21.6	70	32.0

Source: Consob elaborations. For the sample definition see Tab. 1.1. Documents analysed are the Corporate Governance Reports, where available. The figure does not include companies stating that either the committee will be established or it is not within the board. ¹ Number of companies establishing the sustainability committee in percentage of total number of listed companies whose Corporate Governance Report is available. ² Figure includes cases where the sustainability committee is combined with one or more committees and cases where companies have delegated sustainability functions to other committees.

Tab. 2.4 – Sustainability committee in Italian listed companies publishing NFS

		industry			market index				total
		financial	industrial	services	Ftse Mib	Mid Cap ¹	Star ¹	other	
2018	no. of companies	7	23	13	23	11	6	3	43
	weight ²	26.9	24.7	40.6	71.9	34.4	11.8	8.3	28.5
2019	no. of companies	11	28	14	23	16	9	5	53
	weight ²	44.0	30.4	42.4	74.2	47.1	18.0	14.3	35.3
2020	no. of companies	16	39	18	30	19	14	10	73
	weight ²	64.0	42.9	54.5	90.9	57.6	27.5	31.3	49.0

Source: Consob elaborations. For the sample definition see Tab. 1.1. For the definition of sustainability committee see Tab. 2.3. Figures do not include companies for which the Corporate Governance Report is not available. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Number of companies establishing the sustainability committee in percentage of total number of listed companies publishing NFS included in each group.



Politiche retributive e sostenibilità



Remuneration policy
and sustainability

Fattori ESG nelle remunerazioni degli amministratori

Società che prevedono remunerazioni sostenibili

Parametri ESG delle remunerazioni

ESG factors in the remuneration of board directors

Companies envisaging sustainable remunerations

Sustainability parameters for remuneration

■ La previsione di incentivi monetari a favore degli amministratori e dei vertici societari può rappresentare uno strumento di coinvolgimento nel processo di integrazione dei fattori ESG all'interno della società.

■ Dall'analisi delle Relazioni sulla politica in materia di remunerazione e sui compensi corrisposti, pubblicate dalle società italiane con azioni ordinarie quotate sull'MTA nel corso del 2020, si evince che l'integrazione dei fattori non finanziari nei compensi degli amministratori delegati si riferisce a 63 emittenti (56 dei quali soggetti agli obblighi di rendicontazione non finanziaria). Il dato è in netta crescita rispetto al 2018, quando erano 33 le società che collegavano le remunerazioni degli amministratori delegati ai parametri ESG. In particolare, il riferimento a tali parametri riguarda le remunerazioni di breve termine in 53 casi e la componente di lungo termine in 29 casi (Tab. 3.1).

□ In order to delve deeper in the degree of board involvement in the integration of ESG factors, CEOs remuneration packages were examined.

□ As at the end of 2019, 63 Italian listed companies (56 of which published a non-financial statement) linked their CEOs remuneration to sustainability, through either the short-term component (53 cases) or the long-term component (29 cases). Sustainable compensation is more frequent than in the previous year, when only 33 listed companies linked their CEOs remuneration to sustainability (Tab. 3.1).

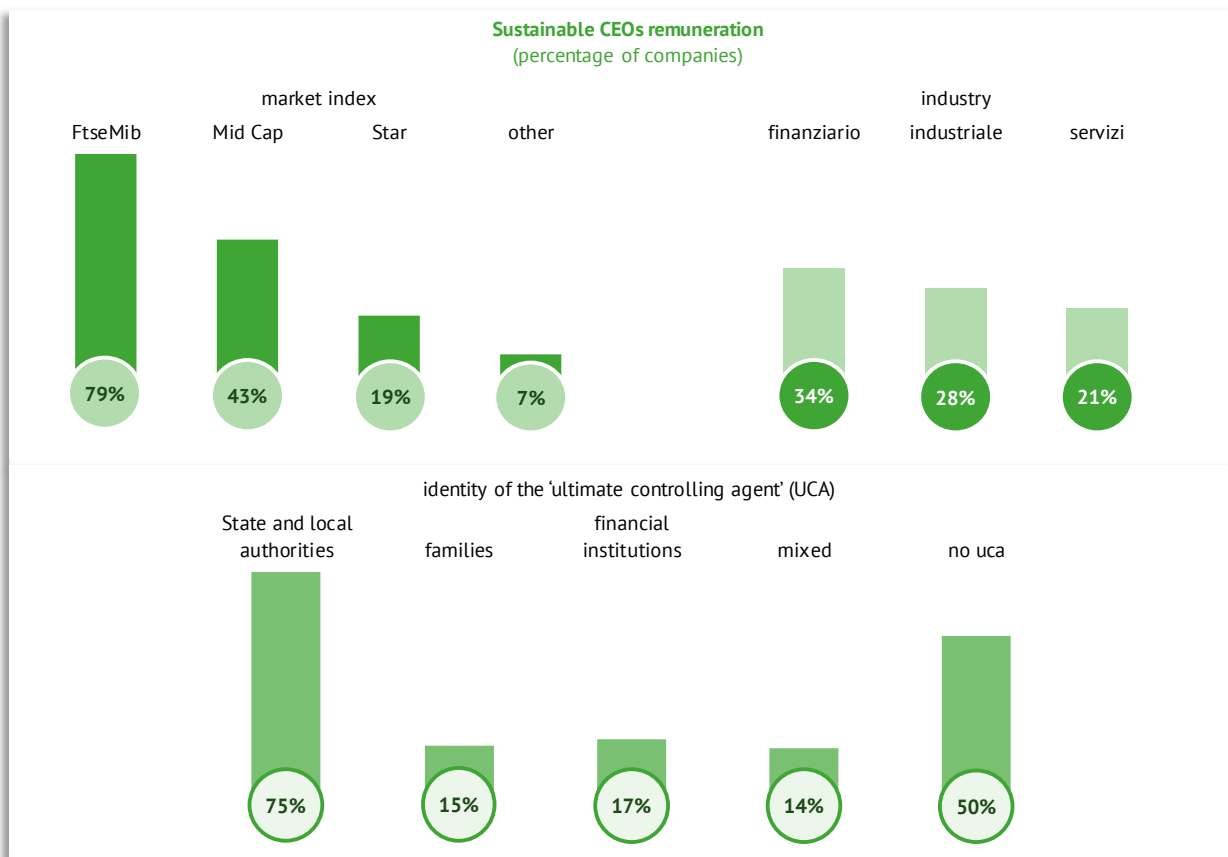


■ Le imprese che prevedono remunerazioni sostenibili sono in prevalenza quelle di maggiori dimensioni, appartenenti all'indice Ftse Mib (27 casi, pari al 79% dell'indice) o al Mid Cap (16 casi, pari al

□ Firms envisaging sustainable remunerations for the CEOs are mainly large companies, belonging to the Ftse Mib index (27 companies, representing 79% of the index) or to the Mid Cap (16 firms,

43% dell'indice). Con riguardo al settore di appartenenza, il collegamento tra compensi e fattori ESG si riscontra in 17 emittenti finanziari (34% del settore), 34 industriali (28% del settore) e 12 imprese di servizi (21%; Tab. 3.2).

representing 43% of the index). As for the industry, sustainable remunerations are envisaged in 17 financial companies (34% of the industry), 34 industrial firms (28% of all industrial companies) and 12 service issuers (21% of the sector; Tab. 3.2).



■ Le imprese controllate dallo Stato o da enti pubblici e le imprese per le quali non è possibile individuare un *ultimate controlling agent* sono quelle in cui la presenza di compensi sostenibili è più frequente (rispettivamente nel 70% e nel 50% dei casi; Tab. 3.3).

□ Sustainable remunerations are more frequent in state owned companies (where they are envisaged in 7 cases out of 10) and in firms for which it is not possible to identify an ultimate controlling agent (in one case out of two; Tab. 3.3).

■ Con riferimento alle remunerazione di breve periodo, la quota media legata a fattori ESG è pari al 17% (Tab. 3.4).

■ In 20 casi la remunerazione dell'amministratore delegato dipende da fattori sociali mentre in 10 casi da fattori sociali e ambientali. Fattori sociali e di governance sono considerati insieme da tre imprese, mentre 14 società descrivono i parametri in modo generico (Tab. 3.5).

■ Tra i fattori sociali, quelli relativi ad aspetti che rimandano ai dipendenti sono i più comuni (diversità e inclusione, *smart working*, formazione; 21 casi), seguiti da fattori relativi alla *customer satisfaction* (13 casi). Tra i fattori ambientali è frequente il riferimento alle emissioni di CO₂ (10 imprese; Tab. 3.6).

■ Con riferimento alla remunerazione variabile di lungo periodo, la porzione legata a fattori ESG è pari in media al 16%, oscillando tra un valore minimo del 5% e un massimo del 35% (Tab. 3.7).

■ Nel lungo periodo la remunerazione dell'amministratore delegato è spesso legata a fattori sia sociali sia ambientali (7 casi) o solo a fattori ambientali (6 casi). Cinque imprese collegano il compenso di lungo periodo all'inclusione dell'impresa in un indice ESG o a un rating ESG (Tab. 3.8)

■ Anche nel lungo periodo, tra i fattori ambientali è frequente il collegamento tra i compensi e le emissioni di CO₂ (11 imprese). Tra i fattori sociali, i più comuni sono quelli legati al benessere dei dipendenti (9 casi; Tab. 3.9).

□ The average percentage of short-term remuneration linked to ESG factor is equal to 17% (Tab. 3.4).

□ In 20 cases CEOs remuneration is linked to social factors while in 10 cases to both social and environmental factors. Social and governance factors are jointly considered in three cases, while 14 companies refer about the parameters in a generic way (Tab. 3.5).

□ Among the social items, the employee treatment (diversity & inclusion, smart working, training) is the most frequently mentioned (21 cases), followed by customer satisfaction (13 cases). As for environmental issues, remuneration is linked to CO₂ emissions in 10 companies (Tab. 3.6).

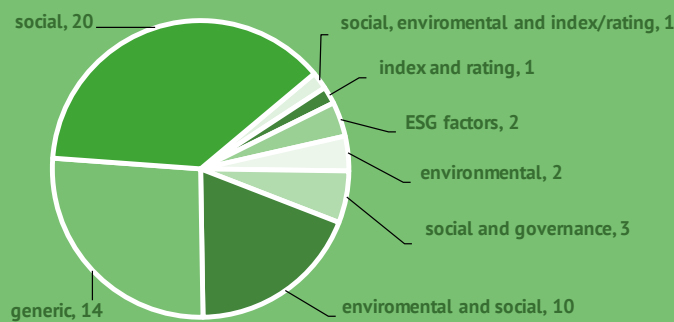
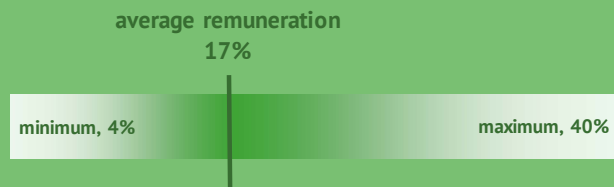
□ As for long-term remuneration, the percentage linked to ESG factors is equal on average to 16% and ranges between 5% and 35% (Tab. 3.7).

□ In the long run, CEOs remuneration is frequently linked to both social and environmental items (7 cases) or only to environmental factors (6 cases). Five companies refer to the inclusion in an ESG index or to the achievement of an ESG rating (Tab. 3.8).

□ Long-term remuneration is frequently linked to CO₂ emissions (11 firms) as for environmental factors, while among social factors parameters are commonly related to the employee welfare (9 firms; Tab. 3.9).

Remunerazione di breve termine Short-term remuneration

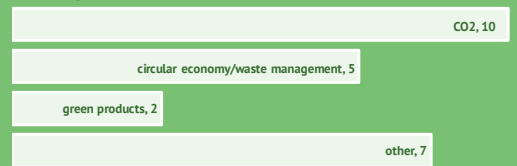
(53 companies)



SOCIAL



ENVIRONMENTAL

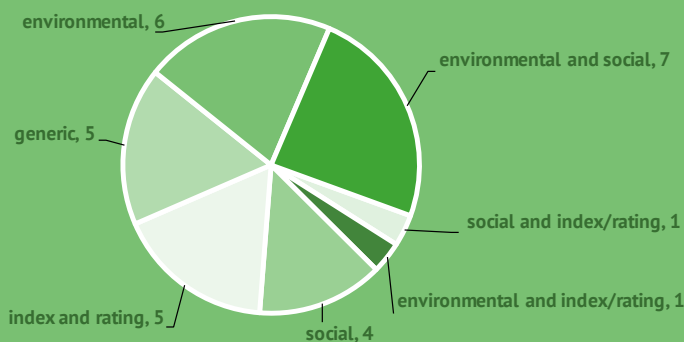
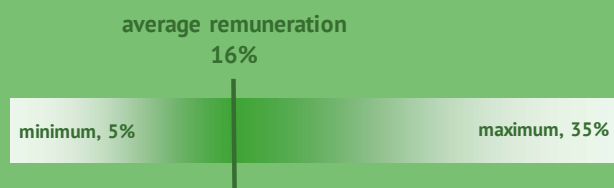


GOVERNANCE



Remunerazione di lungo termine Long-term remuneration

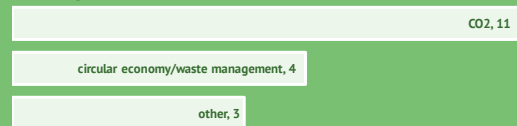
(29 companies)



SOCIAL



ENVIRONMENTAL



List of tables

3.1	ESG factors in the remuneration of CEOs of Italian listed companies	49
3.2	ESG factors in the remuneration of CEOs of Italian listed companies by market index and industry	49
3.3	ESG factors in the remuneration of CEOs of Italian listed companies by identity of the 'ultimate controlling agent' (UCA)	49
3.4	ESG factors in the short-term remuneration of CEOs of Italian listed companies	50
3.5	Breakdown of ESG factors in the short-term remuneration of CEOs of Italian listed companies by sustainability parameters	50
3.6	Parameters in the short-term remuneration of CEOs of Italian listed companies	51
3.7	ESG factors in the long-term remuneration of CEOs of Italian listed companies	51
3.8	Breakdown of ESG factors in the long-term remuneration of CEOs of Italian listed companies by sustainability parameters	52
3.9	Parameters in the long-term remuneration of CEOs of Italian listed companies	52

Tab. 3.1 – ESG factors in the remuneration of CEOs of Italian listed companies

(end of the year)

	sustainable remuneration						total companies	
	long-term remuneration		short-term remuneration		number	weight ¹	number	weight ¹
	number	weight ¹	number	weight ¹				
2018	33	14.4	9	3.9	32	14.0	229	100.0
2019	63	27.6	29	12.7	53	23.2	228	100.0

Source: Consob elaborations on Report on remuneration policy and remuneration paid of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange, where available.

Tab. 3.2 – ESG factors in the remuneration of CEOs of Italian listed companies by market index and industry

(end of the year)

		industry			market index				total
		financial	industrial	services	Ftse Mib	Mid Cap ¹	Star ¹	other	
2018	no. of companies	10	15	8	22	9	2	0	33
	weight ²	20.4	12.0	14.5	64.7	25.0	2.9	0.0	14.4
2019	no. of companies	17	34	12	27	16	14	6	63
	weight ²	34.0	27.9	21.4	79.4	43.2	19.2	7.0	27.6

Source: Consob elaborations. For the sample definition see Tab. 3.1. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Number of companies with ESG factors in the CEOs' remuneration in percentage of total number of listed companies included in each group.

Tab. 3.3 – ESG factors in the remuneration of CEOs of Italian listed companies by identity of the 'ultimate controlling agent' (UCA)

(end of the year)

		families	State and local authorities	financial institutions	mixed ¹	no UCA ²	total
		2018	no. of companies	9	14	0		1	9	33
	weight ³	6.0	60.9	0.0	14.3	24.3	14.4
2019	no. of companies	22	18	2	1	20	63
	weight ³	15.0	75.0	17.0	14.3	50.0	27.6

Source: Consob elaborations. For the sample definition see Tab. 3.1. ¹ 'Mixed' controlled companies defines companies not included in any of the following categories: 'families', 'State and local authorities', 'financial institutions' (e.g. companies controlled by both financial institutions and families). ² 'No UCA' includes companies for which it is not possible to identify an ultimate controlling agent. ³ Number of companies with ESG factors in the CEOs' remuneration in percentage of total number of listed companies included in each group.

Tab. 3.4 – ESG factors in the short-term remuneration of CEOs of Italian listed companies

(end of the year; percentage values)

	<i>no. of companies</i>	<i>average</i>	<i>minimum</i>	<i>maximum</i>
2018¹	24	14.2	5.0	35.0
2019²	37	17.0	4.0	40.0

Source: Consob elaborations. For the sample definition see Tab. 3.1. ¹ Data refer to 24 out of 32 firms, as for 8 firms the information is not available or cannot be used for computational purposes. Figures do not include two firms using ESG parameters as ex-post corrective factors. ² Data refer to 37 out of 53 firms, as for 11 firms the information is not available or cannot be used for computational purposes. Figures do not include five firms using ESG parameters as ex-post corrective factors.

Tab. 3.5 – Breakdown of ESG factors in the short-term remuneration of CEOs of Italian listed companies by sustainability parameters

(end of the year)

	2018	2019
social	11	20
generic	5	14
environmental and social	8	10
social and governance	1	3
environmental	2	2
ESG factors	1	2
index and rating	2	1
social, environmental and index/rating		1
governance	1	
social and index	1	

Source: Consob elaborations. For the sample definition see Tab. 3.1.

Tab. 3.6 – Parameters in the short-term remuneration of CEOs of Italian listed companies
(end of the year)

	2018	2019
social	29	53
human capital (employees)	6	21
customer satisfaction	4	13
job safety	9	9
innovation		4
stakeholders engagement/reputation		4
financial education/social development		2
product/service quality	3	
gender diversity	3	
other	4	
environmental	11	24
CO2	3	10
circular economy/waste management		5
green products		2
generic	4	
other	4	7
governance	3	5
compliance/anticorruption		3
improvement in the governance process	1	1
risk management	1	1
business development	1	

Source: Consob elaborations. For the sample definition see Tab. 3.1.

Tab. 3.7 – ESG factors in the long-term remuneration of CEOs of Italian listed companies
(end of the year; percentage values)

	<i>no of companies</i>	<i>average</i>	<i>minimum</i>	<i>maximum</i>
2018¹	5	18.0	10.0	40.0
2019²	14	16.0	5.0	35.0

Source: Consob elaborations. For the sample definition see Tab. 3.1. ¹ Data refer to 5 out of 9 firms, as for 4 firms the information is not available or cannot be used for computational purposes. Figures do not include two firms using ESG parameters as ex-post corrective factors. ² Data refer to 14 out of 29 firms, as for nine firms the information is not available or cannot be used for computational purposes. Figures do not include six firms using ESG parameters as ex-post corrective factors.

Tab. 3.8 – Breakdown of ESG factors in the long-term remuneration of CEOs of Italian listed companies by sustainability parameters

(end of the year)

	2018	2019
environmental and social	1	7
environmental	2	6
index and rating	2	5
generic	1	5
social	2	4
social and index/rating	1	1
environmental and index/rating		1

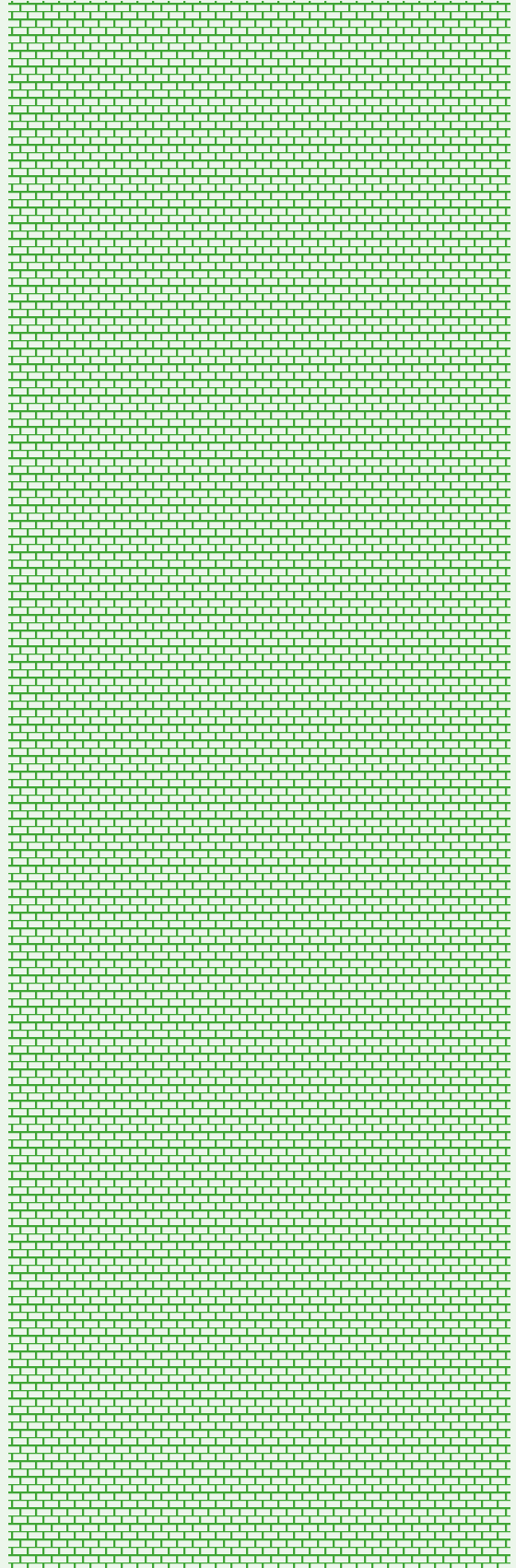
Source: Consob elaborations. For the sample definition see Tab. 3.1.

Tab. 3.9 – Parameters in the long-term remuneration of CEOs of Italian listed companies

(end of the year)

	2019
social	17
human capital (employees)	9
customer satisfaction	3
financial education/social development	2
stakeholders engagement/reputation	2
job safety	1
environmental	18
CO2	11
circular economy/waste management	4
other	3

Source: Consob elaborations. For the sample definition see Tab. 3.1.



Nedcommunity Survey

Board leadership and sustainable business

2020

La presente Indagine è stata coordinata da
Simona Cosma, Paola Schwizer, Livia Piermattei

Gli autori ringraziano Lorenzo Nobile per il valido aiuto nell'analisi dei dati.

This Survey was coordinated by
Simona Cosma, Paola Schwizer, Livia Piermattei,

The authors thank Lorenzo Nobile for his valuable help in the analysis of the data.



L'indagine ha lo scopo di accertare la consapevolezza, le percezioni di coinvolgimento e le aspettative degli organi di governo societario in relazione all'integrazione dei temi non finanziari nella strategia, modello di business, governance e cultura aziendali.

The survey was aimed to ascertain awareness, engagement perceptions and expectations of governance bodies relating to the integration of non-financial topics in strategy, business models, governance and culture of companies.



Board leadership e business sostenibile



Board leadership and sustainable business

Consapevolezza degli amministratori verso i temi ESG

Coinvolgimento degli amministratori verso i temi ESG

Integrazione dei fattori ESG nella governance

Board members awareness towards ESG issues

Board members engagement in ESG issues

Integration of ESG factors into governance

■ La presente sezione del Rapporto illustra i risultati di un'indagine, giunta alla quinta edizione, volta a rilevare consapevolezza, coinvolgimento, percezioni e aspettative dei membri degli organi di amministrazione e controllo in merito ai profili non finanziari. I dati sono stati raccolti mediante una Survey, rivolta a 540 fra amministratori indipendenti e membri di organi di controllo soci di Nedcommunity, l'associazione italiana degli amministratori non esecutivi e indipendenti.

Il ruolo di tali amministratori è ben rappresentato dall'High-Level Expert Group (2018)¹ laddove afferma 'il successo del business dipende dalla presenza di amministratori esecutivi e non esecutivi in grado di comprendere le determinanti della sostenibilità e di tradurre i relativi rischi e opportunità nei modelli di business' (p. 38).

■ L'indagine 2020 si basa su un questionario composto da 22 domande, raggruppate nelle seguenti aree: consapevolezza dei cambiamenti che l'introduzione della DNF richiede nel ruolo e nelle responsabilità dei CdA e degli amministratori non esecutivi (NED), nonché nel coinvolgimento dei CdA nell'attuazione degli obblighi di rendicontazione non finanziaria; percezione e aspettative dei consiglieri sulle tematiche ESG e composizione e organizzazione dei CdA sulle tematiche ESG, con un focus

□ This section reports the results of a study on the awareness, engagement, perceptions and expectations related to non-financial factors at the board level. Data and information were collected through a Survey involving directors and statutory auditors that are members of Nedcommunity (540 in total), the Italian association of non-executive and independent directors.

The role of non-executive directors is well highlighted by the High-Level Expert Group (2018)¹, stating that: 'business success hinges on executive and non-executive supervisory directors understanding sustainability drivers and being able to translate the risks and opportunities into their business models' (p. 38).

□ The 2020 Survey is based on a questionnaire made of 22 questions, grouped into the following areas: awareness of the changes that the introduction of the NFS requires in the role and responsibilities of the BoDs and of non-executive directors (NEDs) as well as in the engagement of the BoDs in the implementation of the Italian Legislative Decree no. 254 of December 30, 2016; board members' perceptions and expectations on ESG issues, and composition and organization of the BoDs

¹ Final Report 2018 by the High-Level Expert Group on Sustainable Finance, Secretariat provided by the European Commission, https://ec.europa.eu/info/sites/default/files/180131-sustainable-finance-final-report_en.pdf.

specifico sul ruolo dei NED; dati socio-demografici degli intervistati.

Il tasso di risposta è pari al 18% (cioè 98 membri della Nedcommunity hanno compilato il questionario completo), in lieve aumento rispetto al 2019 (quando il tasso di risposta era il 17%, equivalente a 91 rispondenti). Gli intervistati sono membri del consiglio di amministrazione nell'86% dei casi e sindaci nel rimanente 14%; tra i membri del consiglio, il 77% sono amministratori indipendenti e l'8% presidenti (per ulteriori dettagli si rimanda alla Tab. 4.1).

■ L'indagine evidenzia che, a fronte di segnali di una maggiore consapevolezza da parte dei consigli di amministrazione del loro ruolo e del loro coinvolgimento, permangono talune aree di miglioramento tra cui: la conoscenza dei rischi emergenti; la valutazione delle opportunità e dei benefici dell'integrazione dei temi ESG nella più ampia strategia aziendale; il coinvolgimento degli *stakeholders*; lo sviluppo dei processi di business e di governance che sono fattori chiave del business sostenibile.

regarding ESG issues, including a specific focus on the role of NEDs; interviewees' socio-demographic data.

The response rate is equal to 18% (i.e. 98 Nedcommunity members filled out the complete Survey), one percentage point higher than in 2019. As for respondents' characteristics, 86% are board members and 14% statutory auditors; among the board members, 77% are independent directors and 8% are Chairpersons (see Tab. 4.1 for further details).

□ According to the survey, the level of awareness of role and engagement of the board seems to increase over time. However, a gap is still to be filled in the following areas: knowledge of emerging risks, assessment of opportunities and benefits of integrating ESG into business strategy, stakeholder engagement, and development of those business and governance processes which are key sustainable business drivers.

Consapevolezza dei cambiamenti che l'introduzione della DNF richiede nel ruolo e nelle responsabilità dei CdA e degli amministratori non esecutivi (NED) nonché nel coinvolgimento dei CdA nell'attuazione del decreto legislativo n. 254/2016

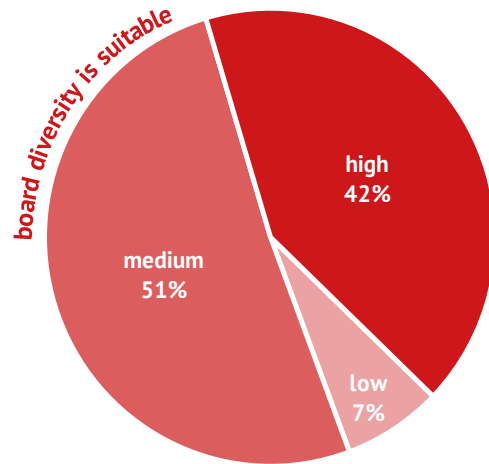
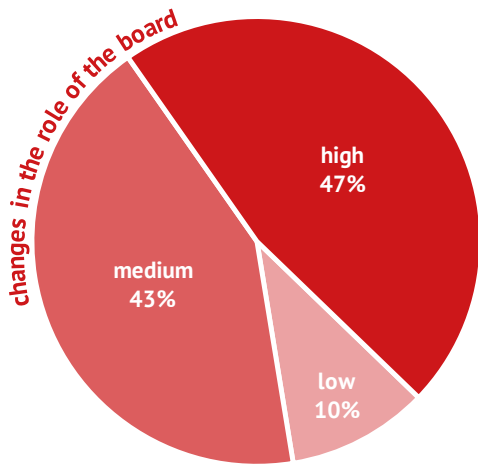
■ Nel 2020 la percentuale degli intervistati che condividono pienamente la necessità di ripensare il proprio ruolo rispetto allo sviluppo di strategie di crescita a lungo termine è pari al 47%, in aumento rispetto al 35% nel 2019. Nel periodo considerato aumenta, inoltre, la percezione del cambiamento di ruolo del CdA indotto dal reporting non finanziario: la percentuale di intervistati che esprime un forte accordo in proposito aumenta rispetto al 2019 dal 24% al 33% (Tab. 4.2).

■ Il background e le competenze dei membri del CdA nella gestione dei diversi tipi di capitale (umano, intellettuale, sociale, finanziario, manifatturiero, naturale) rilevano nella supervisione delle strategie e nella rendicontazione dei capitali non finanziari ed è dunque importante che siano adeguatamente diversificati. Il 42% dei rispondenti si dichiara pienamente d'accordo sul fatto che il grado di diversità del CdA è adeguato al governo delle diverse forme di capitale e delle varie determinanti (finanziarie e non) della creazione di valore; il dato è in leggero calo rispetto al 2019 (Tab. 4.3).

Awareness of the changes that the introduction of the NFS requires in the role and responsibilities of the BoDs and of non-executive directors (NEDs) as well as in the engagement of the BoDs in the implementation of the Legislative Decree no. 254/2016

□ In 2020 the percentage of respondents who fully share the need to rethink their role rises in the context of the development of long-term growth strategies is 47% up from 35% in 2019. In addition, the proportion of respondents that strongly agree on non-financial disclosure as a factor that will trigger a change of board's role rises from 24% to 33% (Tab. 4.2) compared to 2019.

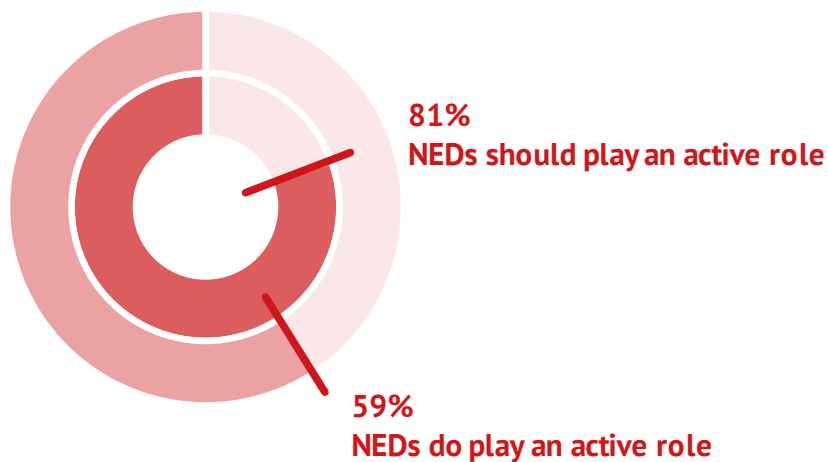
□ The background and competences of the members of the BoDs in managing different types of capital enable them to oversee strategies and reporting of non-financials even if they could improve further. 42% of respondents consider their company's board diversity (in terms of professional background and competencies) fit to manage all forms of corporate capitals and drivers of value creation, both financial and non-financial, but this percentage has slightly decreased with respect to the previous year. (Tab. 4.3).



■ Le aspettative per un ruolo più attivo e specifico degli amministratori indipendenti nel processo di integrazione dei fattori ESG nelle strategie di crescita a lungo termine sono molto alte: l'81% degli intervistati è pienamente convinto di questa necessità, soprattutto nelle società quotate (49%) e non finanziarie (50%). Tuttavia, secondo il 41% degli intervistati, gli amministratori indipendenti non svolgono effettivamente un ruolo attivo in tale ambito (Tab. 4.4).

□ Expectations for a more active and specific role of independent directors in the process of integrating ESG factors into long-term growth strategies are very high: 81% of respondents are fully convinced of this need, especially in listed (49%) and non-financial (50%) companies. However, according to 41% of the respondents, independent directors do not actually play an active role in the integration of ESG factors into long-term growth strategies (Tab. 4.4).

independent directors' role on ESG integration



■ Con riferimento al ruolo dei consigli di amministrazione nelle attività chiave derivanti dal reporting non finanziario, la maggior parte dei rispondenti dichiara di non essere pienamente coinvolta nel *benchmarking* e nelle analisi di scenario. Il livello di coinvolgimento dei CdA è infatti giudicato elevato solo dal 23% circa degli intervistati per quanto riguarda il *benchmarking* e dal 20% per quanto riguarda l'analisi di scenario (Tab. 4.5).

□ Most respondents declare they are not fully involved in the key activities originating from non-financial reporting such as benchmarking and scenario analysis. In fact, the level of engagement of BoDs in preliminary benchmarking with comparable companies is stated to be high only by about 23% of the respondents. With regard to scenario and mega trend analysis, the board engagement is declared high by 20% of the interviewees (Tab. 4.5).





■ Nell'ambito dei processi relativi alla rendicontazione non finanziaria e alle strategie ESG a lungo termine il grado di coinvolgimento dei membri del consiglio di amministrazione è inferiore alla consapevolezza del ruolo percepita. Lo stesso vale per i sindaci, che tuttavia mostrano livelli più bassi di consapevolezza e livelli più alti di coinvolgimento (Tab. 4.6).

□ The degree of engagement of board members with regard to NFS and ESG long-term strategies is lower than the awareness of the role they felt to play in the process. The same holds for statutory auditors, who however show lower levels of awareness and higher levels of engagement (Tab. 4.6).

Opinioni e coinvolgimento verso le questioni ESG dei membri del consiglio

■ Un impegno concreto del CdA verso strategie di crescita a lungo termine è fortemente legato alla convinzione che l'integrazione ESG crei valore: su questo punto concorda pienamente il 76% degli intervistati (Tab. 4.7).

■ Solo il 38% degli intervistati dichiara che la remunerazione degli amministratori delegati e dei top manager è legata agli obiettivi ESG (Tab. 4.8).

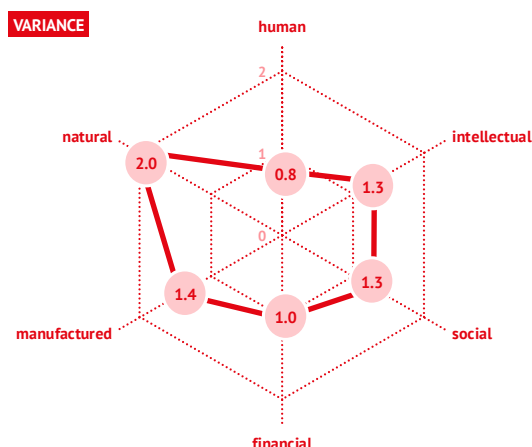
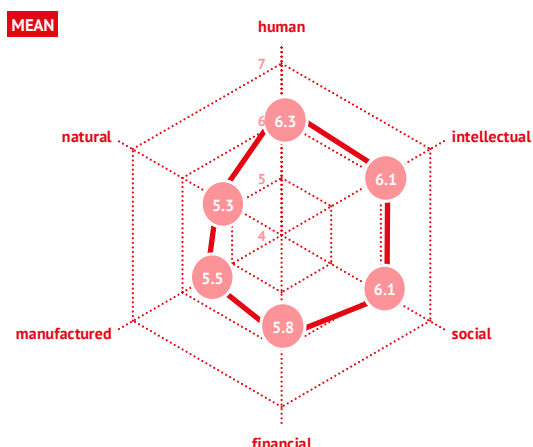
Board members' opinions and engagement in ESG issues

□ A concrete commitment of the BoDs towards long-term growth strategies is strongly linked to the belief that ESG integration creates value. Most respondents (76%) fully agree that ESG-oriented strategies have a positive impact on financial performance (Tab. 4.7).

□ Only 38% of respondents declare that the remuneration of CEOs and top managers is linked to ESG goals (Tab. 4.8).

■ È cresciuta nel tempo la consapevolezza degli intervistati in merito al contributo significativo che tutti i capitali (umano, intellettuale, sociale, finanziario, manifatturiero, naturale) forniscono alla creazione di valore aziendale, confermando la trasformazione culturale in corso. Al contempo, in linea con gli anni precedenti, il fattore umano e quello intellettuale continuano a essere classificati come i più rilevanti, mentre i capitali manifatturiero e naturale sono considerati come i meno impattanti e registrano il più alto livello di disaccordo tra gli intervistati, come misurato dalla varianza nelle risposte (che è tuttavia minore rispetto al 2019; Tab. 4.9).

□ Respondents are well aware that all 6 capitals (human, intellectual, social, financial, manufactured, natural) contribute significantly to business value creation, confirming the cultural transformation underway. In particular, human and intellectual factors are ranked as the most significant, while manufactured and natural capital are ranked as the least impactful and record the highest level of disagreement among interviewees as measured by the variance in the answers (Tab. 4.9).

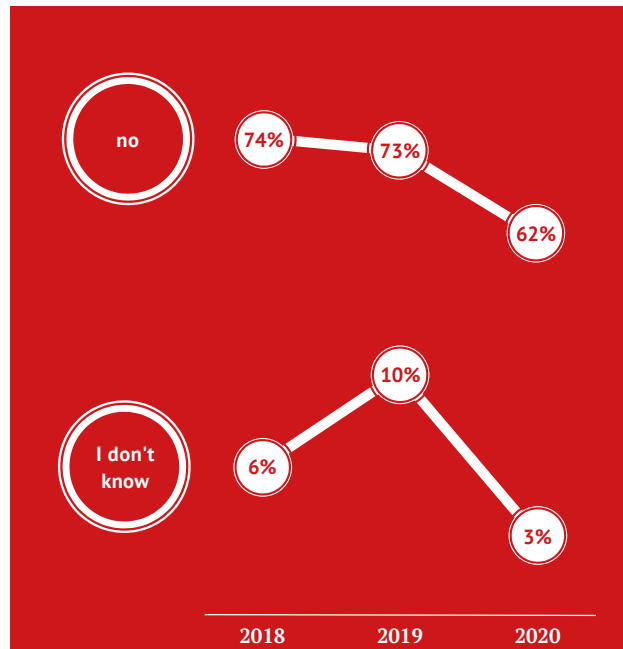
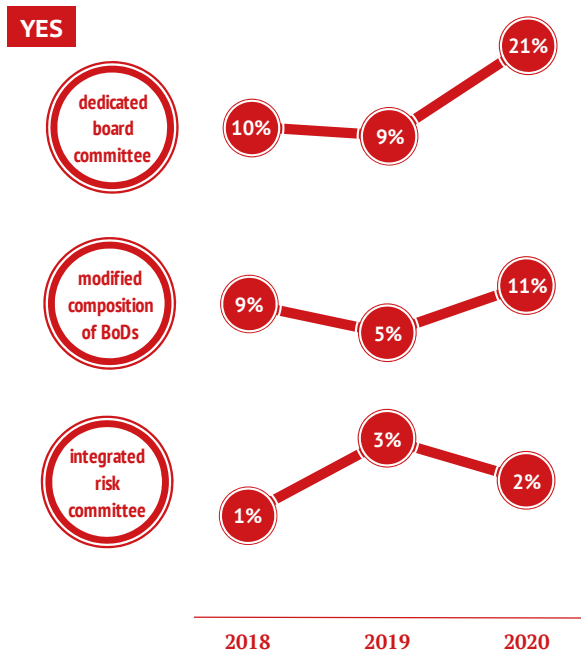


■ Il contesto in cui si è svolta l'indagine, ossia durante la pandemia, ha verosimilmente influito sull'identificazione dei rischi prioritari per l'azienda, che vedono al primo posto salute/sicurezza sul posto di lavoro, seguite dal rischio climatico e ambientale (Tab. 4.10).

□ The pandemic has likely affected the Survey evidence with respect to the identification of the priority risk for the business, which is the risk related to health/workplace safety, followed by climate and environmental risk (Tab. 4.10).

■ Secondo il 62% degli intervistati, la composizione e l'organizzazione del consiglio non hanno registrato alcun cambiamento in seguito all'attuazione del d.lgs. 254/2016. Tuttavia dal 2019 cresce la percentuale di coloro che percepiscono un cambiamento, individuando il segnale più forte nell'introduzione di un comitato consiliare dedicato (Tab. 4.11).

□ According to 62% of the interviewees, board composition and organization have not recorded any change following the implementation of the Decree 254/2016. Instead, since 2019, the proportion of respondents reporting some kind of change increased and the strongest change is the introduction of a dedicated board committee (Tab. 4.11).



■ I programmi di *induction* su temi legati alla sostenibilità si svolgono nel 29% dei casi durante le riunioni convocate per l'approvazione del Piano strategico da parte del consiglio, in sessioni dedicate in sede nel 20% dei casi e solo raramente in sessioni speciali fuori sede (7%; Tab. 4.12).

□ Induction programmes about sustainability-related topics are held during the meetings called for the board approval of the Strategic plan in 29% of the cases, in dedicated on-site sessions in 20% of the cases and only rarely in special off-site sessions (7%; Tab. 4.12).

Orientamento alla leadership dei CdA per quanto riguarda le questioni ESG, incluso un focus specifico sui NED

■ Sebbene molti consigli continuino a mostrare un orientamento strategico *'lagging'* (reattivo) rispetto alla definizione e supervisione delle strategie di lungo periodo, limitando il proprio ruolo all'approvazione del Piano strategico presentato dal senior management (31%), la percentuale di consigli che mostra un approccio *'leading'* (proattivo) è aumentata rispetto al 2016 (52% vs 43%). In particolare, nel 2020 la quota dei CdA che definisce e approva la visione aziendale e le linee strategiche a lungo termine tenendo conto di tutte le forme di valore per i successivi 3-5 anni è il 20% (era il 12% nel 2016).

Quindi, sebbene la funzione dei manager rimanga ancora centrale, i CdA sembrano recuperare il loro giusto ruolo nello sviluppo di strategie sostenibili di lungo periodo.

■ In particolare, negli ultimi tre anni, gli amministratori indipendenti sembrano avere un ruolo più attivo nel consiglio di amministrazione nel guidare le strategie di lungo termine orientate all'ESG (Tab. 4.14).

BoD leadership orientation regarding ESG issues, including a specific focus on NEDs

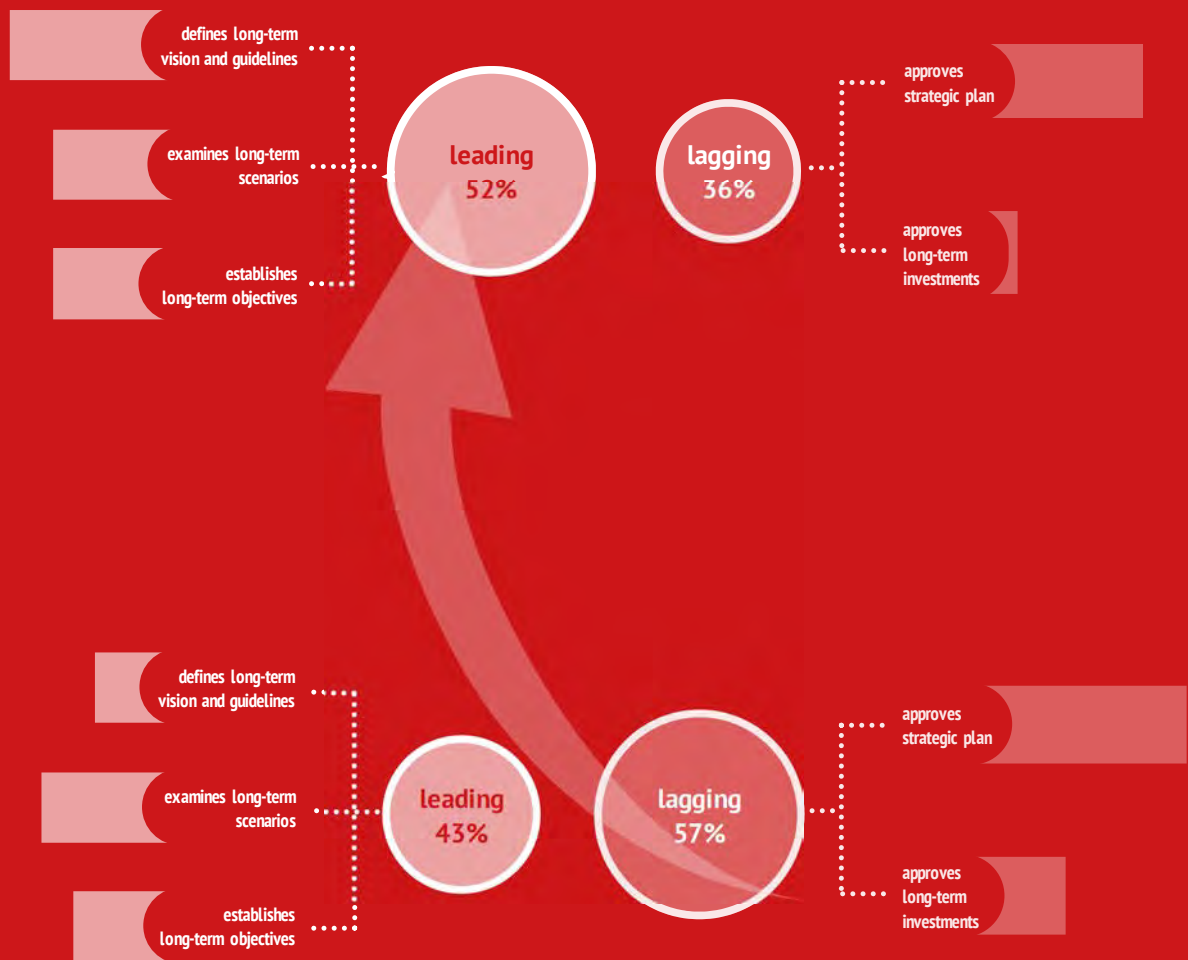
□ Although many boards continue to have a *'lagging'* (reactive) strategic orientation related to the definition and supervision of long-term strategies, limiting their role to the approval of the ESG Strategic plan presented by the senior management (31%), the relative percentage of boards showing a *'leading'* (proactive) approach has increased compared to 2016 (52% vs 43%). Specifically, 20% of the boards define and approve the company vision and the long-term strategic guidelines, taking into account all forms of value for the next 3 to 5 years (it was 12% in 2016). Consequently, although the role of executives remains central, the BoDs seem to be regaining their proper role in the development of long-term sustainable strategies (Tab. 4.13).

□ In particular, in the last three years, independent directors seem to play an increasingly active role in the boardroom in steering ESG-oriented long-term strategies (Tab. 4.14).

'LEADING' BOARDS
proactive

'LAGGING' BOARDS
reactive

2020



2016

List of tables

4.1	Survey 2020 respondents characteristics	69
4.2	Changes in the role of the board of directors triggered by the Decree	70
4.3	Professional background and competences of board members	70
4.4	Independent directors role in the integration of ESG/multicapital strategies and risk assessment into governance	70
4.5	Engagement of board of directors in benchmarking and scenario analysis	71
4.6	Awareness and engagement with respect to NFS and ESG long-term strategies	72
4.7	ESG positively impacts on financial performance	72
4.8	ESG objectives in the remuneration of CEOs and top managers	73
4.9	Different capitals contribution to business value creation	73
4.10	Company key risks	74
4.11	Changes in the board composition and organization following the Decree	74
4.12	Induction sessions about long-term business sustainability and board supervision of the Decree	75
4.13	Board of directors supervision of long-term strategies	75
4.14	Perception and expectations on the independent directors role in ESG integration into long-term strategies	76

Tab. 4.1 – Survey 2020 respondents characteristics

variable	category	frequency	%
gender	female	57	58.2
	male	41	41.8
age	39-55	57	58.2
	>55	41	41.8
education	university degree	56	57.1
	post-university master degree	27	27.6
	PhD	15	15.3
multiple directorship	0-2	56	57.1
	>2	42	42.9
tenure (in years)	0-3	16	16.3
	4-9	35	35.7
	10-18	29	29.6
	>18	18	18.4
role	board member	84	85.7
	statutory auditor	14	14.3
board committee membership	risk committee	20	20.4
board committee membership	control committee	2	2.0
	control and risk committee (joint)	19	19.4
	nomination committee	2	2.0
	remuneration committee	3	3.1
	nomination and remuneration committee (joint)	8	8.2
	sustainability committee	14	14.3
	related party committee	2	2.0
	nobody	24	24.5
	other	6	6.1
industry	financial	36	36.7
	non-financial	62	63.3
listing	listed company	60	61.2
	non-listed company	38	38.8
firm size	>500 employees	40	40.8
	<500 employees	58	59.2

Tab. 4.2 – Changes in the role of the board of directors triggered by the Decree
(percentage values)

	the role of the BoDs will change with respect to...					
	the developments of the company's long term growth strategies			the reporting on non-financials		
	low	medium	high	low	medium	high
2019	13.0	52.0	35.0	18.0	58.0	24.0
2020	10.2	42.9	46.9	12.2	55.1	32.7

Figures refer to respondents' opinion on the statements reported (7-point Likert scale ranging from 1 – 'strongly disagree' to 7 – 'strongly agree'; where 'low' ranges from 1 to 2, 'medium' ranges from 3 to 5, 'high' ranges from 6 to 7).

Tab. 4.3 – Professional background and competences of board members
(percentage values)

	low	medium	high
2019	6.0	49.0	45.0
2020	7.1	51.0	41.8

Figures refer to respondents' opinion on the following question 'Are the professional background and competences of the members of the board fit to manage the different types of capital?' (7-point Likert scale ranging from 1 – 'strongly disagree' to 7 – 'strongly agree'; where 'low' ranges from 1 to 2, 'medium' ranges from 3 to 5, 'high' ranges from 6 to 7).

Tab. 4.4 – Independent directors role in the integration of ESG/multicapital strategies and risk assessment into governance
(percentage values)

	2019			2020		
	high	medium	low	high	medium	low
listed	41	15	0	49	10	2
unlisted	30	14	0	32	7	0
financial	30	20	0	31	6	0
non-financial	40	10	0	50	11	2
all companies	70	30	0	81	17	2
of which: actual role ¹						
yes				59		
no	56			41		

Figures refer to respondents' opinion to the following question 'Independent directors should play a more active and specific role in strategies and risk assessment in a long-term perspective that also considers ESG elements?' (on a 7-point Likert scale ranging from 1 – 'strongly disagree' to 7 – 'strongly agree'; where 'low' ranges from 1 to 2, 'medium' ranges from 3 to 5, 'high' ranges from 6 to 7). ¹ Figures refer to respondents' opinion on the following question 'In your opinion, do independent directors sitting in your board play an active and specific role?'

Tab. 4.5 – Engagement of board of directors in benchmarking and scenario analysis
(percentage values)

preliminary benchmarking relative to the relevant issues (material) on comparable companies and other market players

	2019			2020		
	high	medium	low	high	medium	low
listed	12.0	26.0	18.0	13.3	35.7	12.2
unlisted	2.0	28.0	14.0	9.2	13.3	16.3
financial	4.0	34.0	12.0	12.2	8.2	16.3
non-financial	10.0	20.0	20.0	10.2	40.8	12.2
<i>all companies</i>	14.0	54.0	32.0	22.5	49.0	28.6

analysis of scenario and mega trends over 10/15 years

	2019			2020		
	high	medium	low	high	medium	low
listed	12.0	21.0	23.0	12.2	36.7	12.2
unlisted	7.0	23.0	14.0	8.2	18.4	12.2
financial	6.0	26.0	18.0	6.1	17.3	13.3
non-financial	12.0	18.0	20.0	14.3	37.8	11.2
<i>all companies</i>	19.0	44.0	37.0	20.4	55.1	24.5

Figures refer to the level of engagement of respondents in the activities reported in the sub-titles (on a 7-point Likert scale ranging from 1 – ‘not engaged’ to 7 – ‘fully engaged’; where ‘low’ ranges from 1 to 2, ‘medium’ ranges from 3 to 5, ‘high’ ranges from 6 to 7).

Tab. 4.6 – Awareness and engagement with respect to NFS and ESG long-term strategies

	board members		statutory auditors	
	awareness	engagement	awareness	engagement
2019	5.3	3.6	5.6	4.1
2020	4.9	4.1	4.7	4.3

Figures refer to awareness and engagement of different clusters of respondents with the issues reported in the title (scale type: 7-point Likert, from 1 – ‘strongly disagree’ to 7 – ‘strongly agree’ for awareness and from 1 – ‘not engaged’ to 7 – ‘fully engaged’ for engagement).

Tab. 4.7 – ESG positively impacts on financial performance

(percentage values)

	2019			2020		
	high	medium	low	high	medium	low
listed	22.0	32.0	2.0	46.9	14.3	0.0
unlisted	19.0	23.0	2.0	28.6	9.2	1.0
financial	15.0	34.0	2.0	28.6	7.1	1.0
non-financial	26.0	21.0	2.0	46.9	16.3	0.0
all companies	41.0	55.0	4.0	75.5	23.5	1.0

Figures refer to respondents’ opinion on the statement reported in the title (scale type: 7-point Likert, from 1 – ‘strongly disagree’ to 7 – ‘strongly agree’; where ‘low’ ranges from 1 to 2, ‘medium’ ranges from 3 to 5, ‘high’ ranges from 6 to 7).

Tab. 4.8 – ESG objectives in the remuneration of CEOs and top managers
(percentage values)

		listed	unlisted	financial	non-financial	all companies
2019	yes, it has been for several years	7	1	3	4	8
	yes, starting from 2017	9	2	6	5	11
	no	35	29	31	33	64
	I don't know	5	12	11	7	17
2020	yes, it has been for several years	7	5	4	8	12
	yes, starting from 2017	21	4	5	20	26
	no	31	29	26	34	59

Figures refer to respondents' opinion on the statement reported in the title.

Tab. 4.9 – Different capitals contribution to business value creation

		human	intellectual	social	financial	manufactured	natural
2019	mean	6.2	5.9	5.8	5.4	5.2	4.5
	variance	1.3	1.8	2.0	1.8	2.4	3.1
2020	mean	6.3	6.1	6.1	5.8	5.5	5.3
	variance	0.8	1.3	1.3	1.0	1.4	2.0

Figures refer to respondents' opinion on the contribution of each reported capital to the business value creation (scale type: 7-point Likert, from 1 – 'strongly disagree' to 7 – 'strongly agree').

Tab. 4.10 – Company key risks

(percentage values)

	2019	2020
healthy/workplace safety	27	22
environmental	27	17
relevant stakeholders	23	15
product quality	27	13
privacy violation	42	8
passive corruption	19	7
other	3	4
quality of the procurement	10	3
active corruption	18	3
violations of quality legislation	4	2
human right violation	7	2
cyber		2
I don't know	5	1
food security	5	1

Figures refer to respondents' ranking of the reported risks (three answers allowed).

Tab. 4.11 – Changes in the board composition and organization following the Decree
(percentage values)

	yes			no	I don't know
	a dedicated board committee was introduced	the composition of BoDs has been modified, acquiring new competencies	the risk committee was integrated with other topics		
2019	9	5	3	73	10
2020	21	11	2	62	3

Figures refer to respondents' opinion on the statement reported in the title.

Tab. 4.12 – Induction sessions about long-term business sustainability and board supervision of the Decree
(percentage values)

	2016	2020
special off-site sessions	5.0	7.1
more than one on-site session	15.0	20.4
within some board committees	11.0	0.0
upon the approval of the Strategic plan	40.0	28.6
other	0.0	0.0
no	29.0	43.9

Figures refer to respondents' answer to the following questions: 'Does the board spend specific sessions to the process of developing the corporate vision to ensure long-term business sustainability?', asked in 2016 and 'In the last year, has the board of directors dedicated one or more sessions specifically to the process of elaboration of the company vision to ensure the board supervision of all the areas of Decree 254 within the business model and strategies?', asked in 2020.

Tab. 4.13 – Board of directors supervision of long-term strategies

(percentage values)

	2016	2020 ¹
leading long-term strategic orientation	43	52
... defines and approves the ESG integrated company vision and long-term strategic guidelines (3/5 years)	12	20
... shares long-term considerations and scenarios with top management (3/5 years)	17	16
... establishes long-term objectives, also considering ESG issues (3/5 years)	14	16
lagging strategic orientation	57	36
... approves the ESG integrated Strategic plan presented by management	40	31
... approves the ESG integrated long-term investments and investment areas	17	5

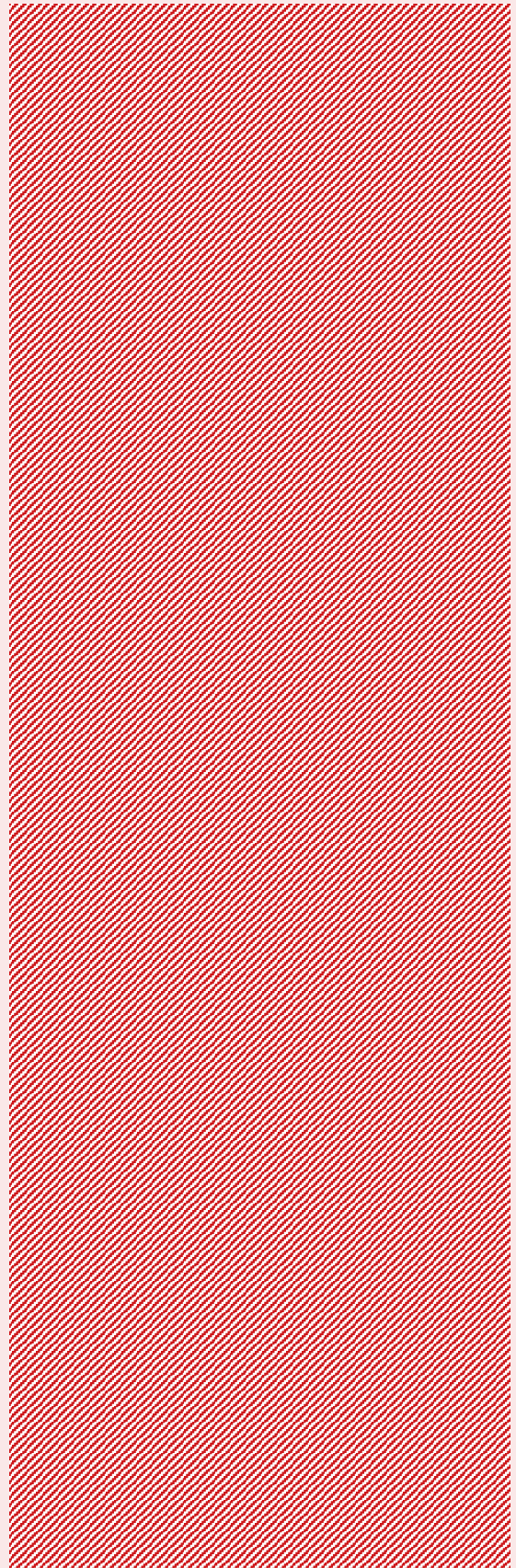
Figures refer to respondents' agreement with the reported statements. ¹ In 2020, 12% of respondents chose 'none of the proposed options'.

Tab. 4.14 – Perception and expectations on the independent directors role in ESG integration into long-term strategies

(percentage values)

	do independent directors have to play an active role in long-term strategies?		should independent directors play an active role in ESG-oriented long-term strategies? ¹		
	yes	no	low	medium	high
2019	56.0	44.0	0.0	29.7	70.3
2020	59.2	40.8	2.0	17.4	80.6

Figures refer to respondents' opinion on the questions reported in the sub-titles. ¹ Figure refers to a 7-point Likert scale ranging from 1 – 'strongly disagree' to 7 – 'strongly agree', where 'low' ranges from 1 to 2, 'medium' ranges from 3 to 5, 'high' ranges from 6 to 7.



Instructions

The conventional signs are used in the tables:

- quantity identified as zero;
- the phenomenon does not exist;
- the phenomenon exists but the figures are unknown;
- .. the figures are below the significance threshold.

Rounding may cause deviation from total figure.