

An aerial photograph of a lush green landscape with several winding, light-colored roads or paths that create a complex, organic pattern across the terrain. The grass is vibrant green, and the roads are light grey or white. The overall scene is bright and clear, suggesting a sunny day.

Strategic ESG Advisory Service

The Future Is Now:
Making ESG Intelligence
Actionable



Bringing Light Into The Dark

IHS Markit has deep history and expertise in monitoring ESG, sustainability and climate trends, and helps the capital markets understand these shifts, including the risks and opportunities that come with ESG for all market participants. Our holistic data, advisory and workflow offering bring light into the dark of the ESG black box and equip companies with actionable intelligence to position themselves for the future.

ESG Matters!



ESG issues are increasingly central to capital markets and it is widely recognised that they can have a significant impact on a company earnings, risks, returns and market profile.



While the increasing importance of ESG factors is widely acknowledged, the actual impact and specific ways on how market participants use and integrate ESG-related information remains a black box.



Corporate issuers face unprecedented challenges to deal with legislative, commercial and social pressures linked to climate change and environmental concerns which accelerate how capital markets work. Disclosing how organizations identify, assess and manage climate-related TCFD risks will be key.



We offer world-leading research and advisory capabilities that cover all facets of ESG investment decisions. We have deep knowledge of how investors make decisions on environmental criteria as well as how issuers provide information to support decision-making.



"ESG is a big part of my investment decision making. Clients are asking more and more about the social impact of the companies we own. We try to look at companies that are either highly rated or improving on an ESG basis."

Portfolio Manager
EU Pension Fund >\$100bn EUM

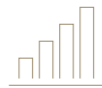
A Strategic ESG Program:

Our experts analyse and assess the ESG market trends, to advise our clients both on the opportunity and risk, with the goal to create value and attract capital. For the first time probably ever it becomes very clear: What was once a niche concern of a small group of SRI, social or ethical investors has become the most disruptive megatrend in financial markets.



ESG Integration

More than 70% of all global investors and their asset owners have already integrated ESG factors into their investment and stewardship policies.



ESG Performance & Risk

Recent research clearly shows a positive correlation between sustainable companies and their market performance, outperforming their peer group. Academic research also shows that these companies are less risky.



ESG as Value-Driver

Extra-financial metrics have a significant influence on a company's valuation. Especially for intangible assets, which make up over 80% of a company's market value, ESG data is needed for further diligence.



Regulatory & Industry Standards

New regulatory requirements and industry standards set the heterogeneous tone for companies to transition into a new world where sustainable companies have less legal, governance and financing risk and better access to capital.

From Non-Financial To Extra-Financial Relevance

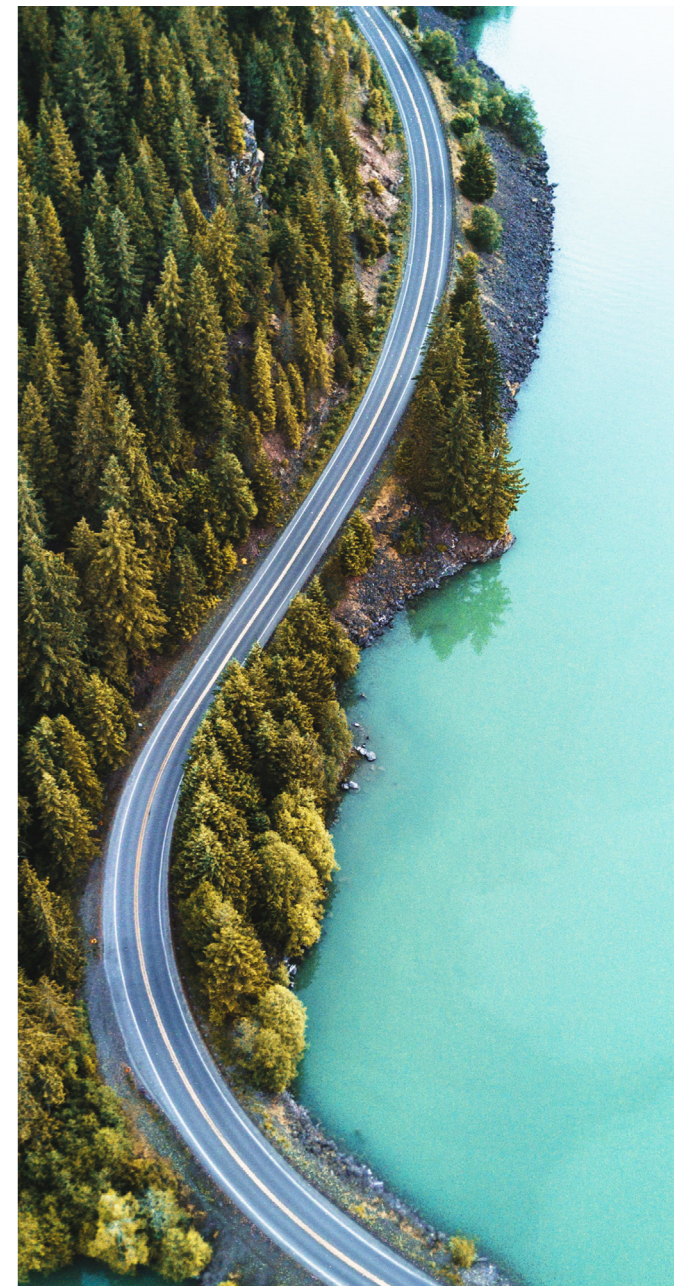
Capital markets now embrace the concept of ESG adding to company performance (extra-financial) compared to the historic concern of ESG being of little financial relevance (non-financial). Forward looking scenarios are increasingly serving as the basis of assessments of resilience in a manner traditionally associated with backward looking financial reporting. Hence, a strategic ESG program and understanding of the market landscape are essential. Here are a few reasons why:

How IHS Markit Strategic ESG Program Adds Value

Our holistic ESG service offering includes unique access to data, workflow and advisory solutions with some of the most respected experts in the field. Our team helps clients with customized solutions in order to: Our holistic ESG service offering includes unique access to data, workflow and advisory solutions with some of the most respected experts in the field. Our team helps clients with customized solutions in order to:

- **Understand** ESG sensitivities of institutional investors in order to assess ESG risks and opportunities
- **Target** existing and potential ESG-focused investors and respective fund managers based on their profile, policies and benchmark vs. peers
- **Advise, plan, facilitate** investor engagement on ESG, sustainability or governance issues specific to the client, e.g including governance, remuneration, or SRI roadshows
- **Assess** specific capital market sentiment from buy and sell side as well as rating agencies or data providers and other stakeholders for a materiality analysis as well as to uncover message gaps and help craft an ESG program
- **Offer guidance** on the actual influence of particular ESG data providers, rating agencies and disclosure frameworks on the investor community. We assess expectations around disclosure, and measure investors sensitivities to third party advisors and industry standards/groups
- **Implement** a Climate and Energy transition program in line with COP21 and Paris agreement towards a carbon neutral scenario

Our flexible advisory program helps clients position themselves to benefit from the growing ESG-linked capital pool and proactively prepare for the regulatory, reporting and industry trends that are relevant to each business. Our teams advise at board and management level as well as with investor relations, communications and sustainability teams.



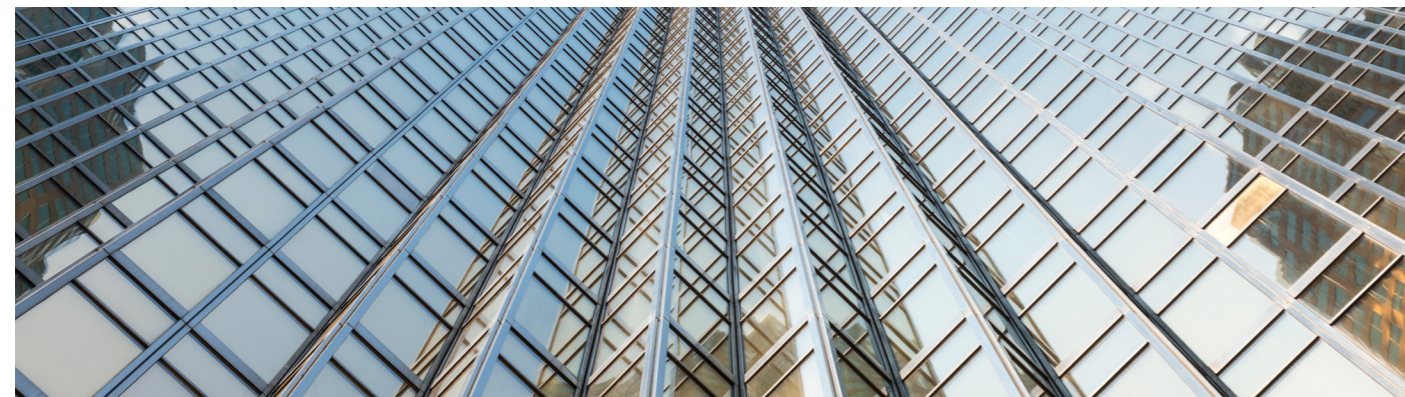
“ESG is now a factor in all of our investments and therefore it is important. A couple of years ago that was not the case. Where there are issues, a business has to demonstrate progress and not repeat those issues for us to hold the stock. ESG is something that clients ask about all the time and is definitely important.”

US Investment Manager, >\$50bn AUM

IHS Markit ESG Advisory Program

Diagnosics	Design	Execution
<p>Regulatory Review</p> <ul style="list-style-type: none"> - Internal Readiness & Materiality Analysis - Outline ESG reporting metrics & Valuation drivers - Climate & Energy Transition Strategy Development - Competitive Analysis and Benchmarking <ul style="list-style-type: none"> - Disclosures - Peer Activities - Ratings - Investors, Including Index Inclusion <p>Industry Standard</p> <ul style="list-style-type: none"> - Senior Management Workshop, Presentation & Preparation - Benchmarking, Risk & Gap Analysis (ESG Public Disclosures and Corporate Governance) - Market Expectation & Sentiment - Support Survey Participation 	<p>Build Capabilities</p> <ul style="list-style-type: none"> - Internal <ul style="list-style-type: none"> - Investment thesis - Strategic messaging - ESG talking points - ESG Q&A - Scenario-based stress testing - External <ul style="list-style-type: none"> - Dedicated ESG presentation - CSR / sustainability report - ESG data pack - Management/board statement - Investor day - Benchmark disclosure metrics - Other ESG presentation materials 	<p>Operate ESG Program</p> <ul style="list-style-type: none"> - Capital Markets Engagement <ul style="list-style-type: none"> - Domestic - International - Buy/sell side - Reporting Cycle & Engagement management - Management & Board Workshop & Training <p>Measure & Prepare:</p> <ul style="list-style-type: none"> - ESG Investor Sensitivity Assessment - ESG Targeting & Benchmarking - ESG Sentiment & Vulnerability Analysis - Strategic Governance Advisory <ul style="list-style-type: none"> - Governance Risk Analysis - Agenda Review & Remuneration Advisory - Proxy Advisor Liaison & Influence - Governance Roadshows - Proxy Solicitation

Companies with strong ESG programs attract more stable and long-term capital pools
 Source: IHS Markit – a move from the 10th to the 90th percentile in ownership by ESG funds represents an increase of 5.4% of shares outstanding in incremental investment.
 Global Large / Mega Cap Companies, as of Feb 2020.



IHS Markit ESG Solutions

Make better informed environmental, social and governance investment decisions

Whether you are an investor looking for ESG data to help support your investment decisions or a corporate seeking consultancy on ESG, IHS Markit provides an end-to-end ESG offering that can help you devise, implement and evaluate your ESG strategies. Our services and offerings include:



Energy

- Energy Transition Advisory
- Energy and Climate Scenarios Analysis
- CleanTech
- OPIS
- Climate Resilience Benchmarking
- Climate Transition Advisory



Transportation

- Maritime Carbon Intensity
- Supply Chain Analysis
- Mobility Energy Future.



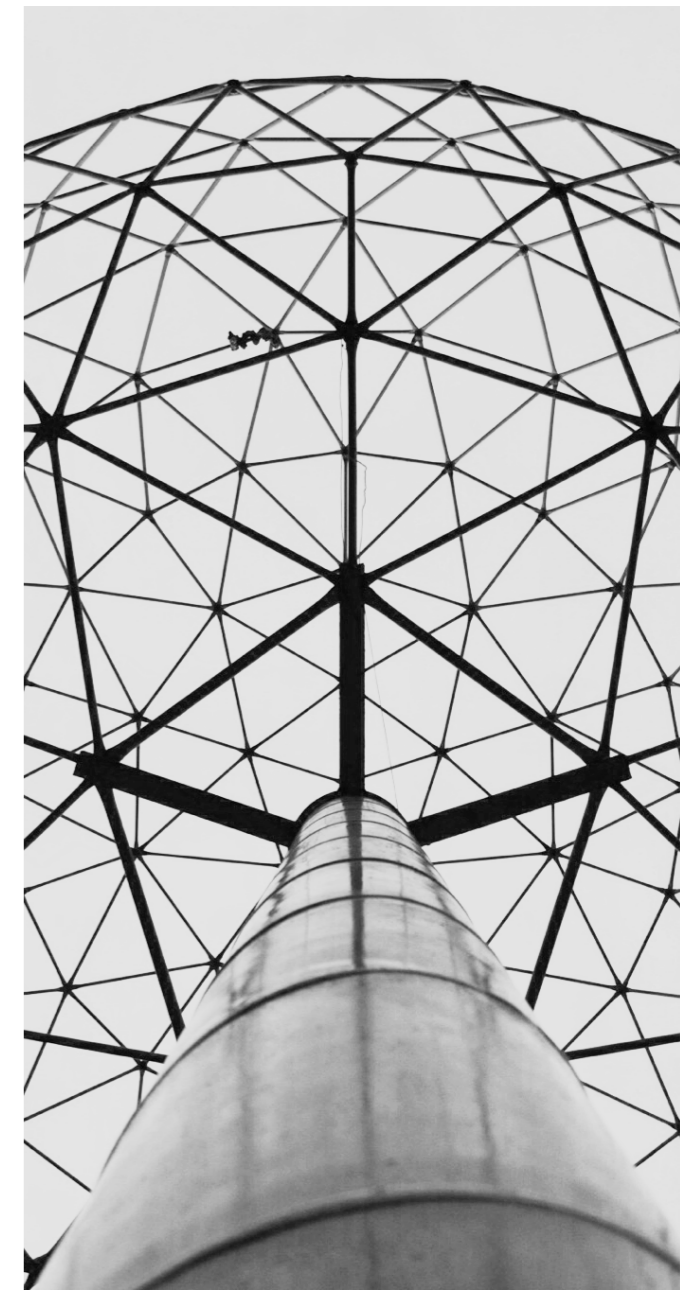
CMS

- Economics & Country Risk
- Physical Risk



Financial Services

- ESG Reporting Repository
- Environmental Registries
- Environmental Auctions
- KYC/KY3P
- PE/ VC ESG Portfolio Toolkit
- Green Finance Syndication
- Indices
- Research Signals
- ESG Investor Sensitivity Assessment
- ESG Analytics & Benchmarking
- ESG Sentiment Perception Analysis
- ESG Investor ID & Targeting
- Strategic Governance Advisory
- ESG & SRI Roadshows
- Proxy Voting Solutions
- Remuneration, Board & General Meeting Advisory





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