

GOVERNANCE AND SUSTAINABILITY ENGAGEMENT

It is generally accepted that the European investment community is streets ahead of their North American colleagues in recognizing the growing importance of governance and sustainability to an issuer's investment appeal. But rarely has this predisposition been so dramatically revealed as in our recent study among portfolio managers in Europe and North America who vote the proxy on their portfolio companies. Europeans demand insight in this domain, and want it proactively shared, to a far greater extent than investors domiciled in North America.

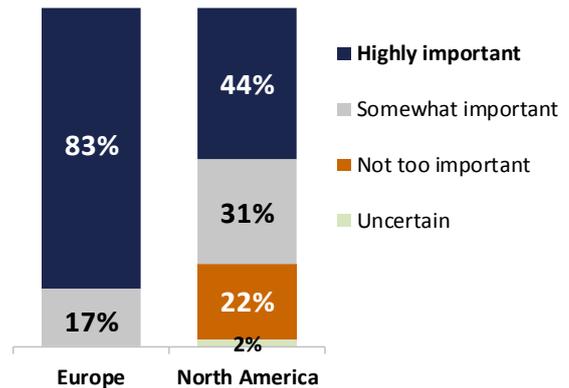
And, while North American companies may be reticent to provide direct contact with senior management and the board on these issues, European investor interest in sustainability and governance has literally compelled European companies to provide substantially more entrée to the top echelon of company representatives. Nearly two-thirds of the proxy voters we interviewed in Europe assert that they engage with portfolio CEOs at least once a year and half do so with the board chair and with a board committee member – well in excess of the interaction reported by our sample of North American proxy voters.

Governance and sustainability-related discourse and disclosure have become integral parts of the new normal governing investor communications in Europe. And the board is clearly expected to be able to help slacken investors' thirst for insight.

Given the rising tide of ESG worry and concern, as well as irrefutable evidence of climate change, can similar commitment and engagement be far behind in North America?

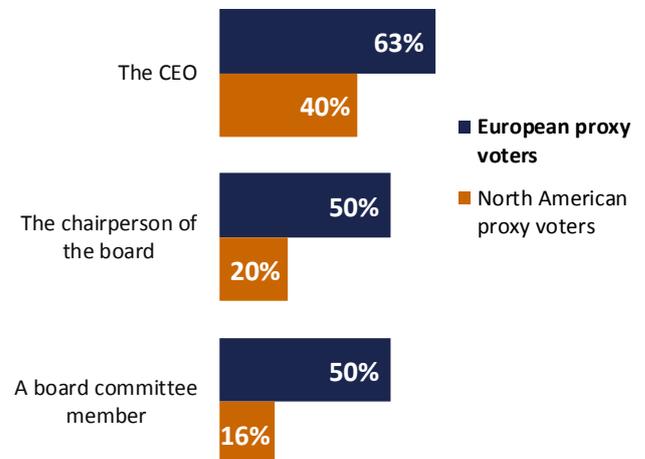
Importance of Companies Engaging Proactively with the Investment Community on Governance and Sustainability

(Among institutional proxy voters in each region, Fall 2019)



Company Officers with Whom Proxy Voters Engage on an Annual Basis on Governance and Sustainability Issues

(Among institutional proxy voters in each region, Fall 2019)



SEASON'S GREETINGS FROM RIVEL ...

As we draw to the end of 2019, may we take this opportunity to wish you all a very happy, festive break and a wonderful new year!



RIVEL INTELLIGENCE

This data has been selected from **Rivel Intelligence**, the only resource of its kind that pairs the perspective of the global buy-side with that of IROs worldwide in the discussion of what is best-in-class IR. Learn more at rivel.com or contact Claire Lavery.