



Fertile Grounds for a Sustainable Approach

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Be sustainable to remain profitable

Capital today takes on many forms: be it natural, social, institutional and not only financial.

Companies' awareness of their tangible and **intangibles** is increasingly reflected in their ability to **mitigate risks, take opportunities, raise capital, be competitive** and **generate long-term value**.

“Awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance”



Larry Fink, Blackrock CEO

Sustainability: shifting the paradigm from “nice to have” to “must have”



Improves competitiveness, stimulating innovation on products and processes, and helps defining priorities and define their sustainability strategy



Necessary to respond to the growing expectations from stakeholders (clients, suppliers, investors, shareholders, regulators, etc.)



Ensures compliance and be ready for the requirements of a changing regulatory landscape



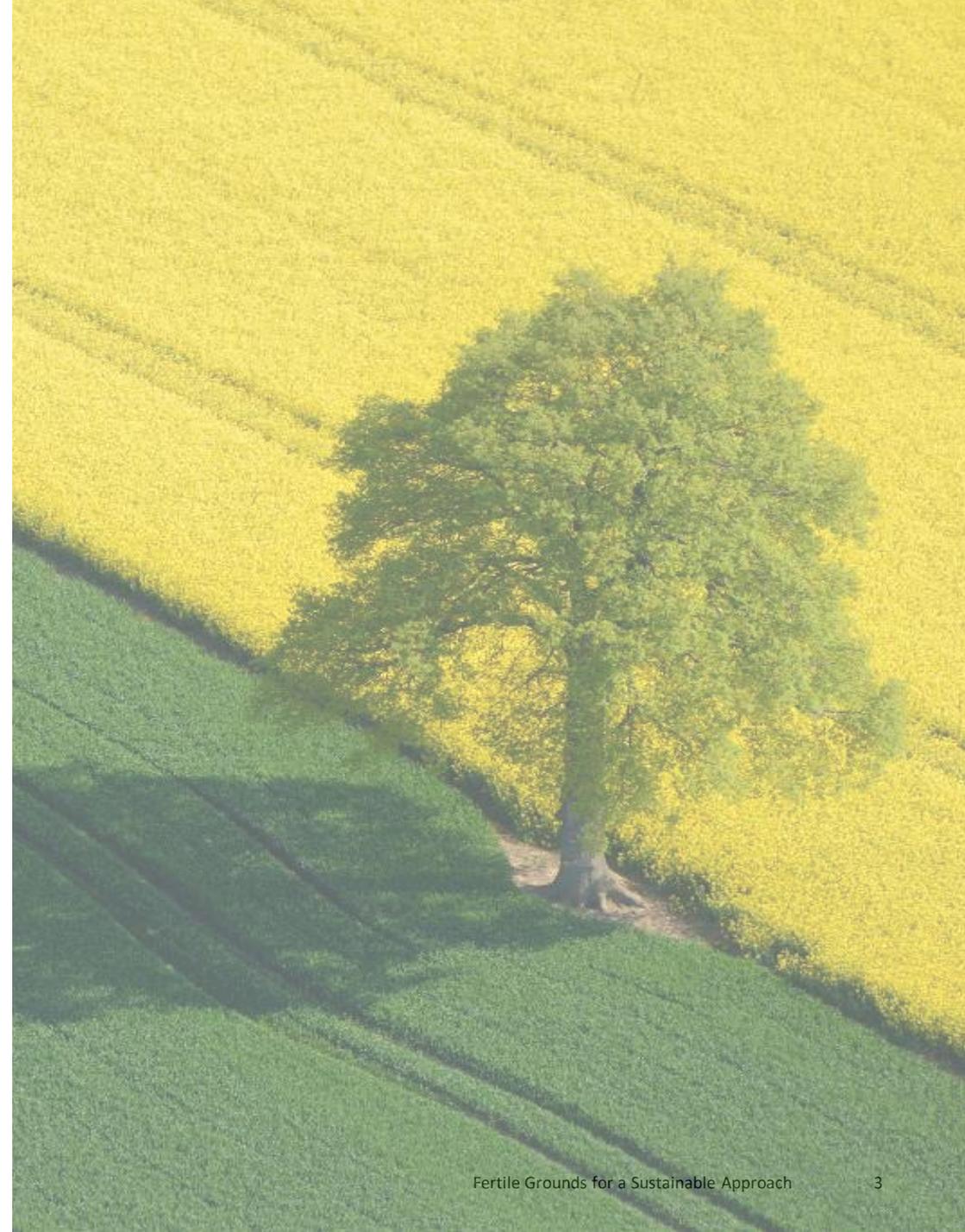
Enables savings through resource efficiency and improved productivity



Strengthens the **reputation** towards **stakeholders** (such as clients, consumers and local communities) and acts as a motivating factor for employees



Fosters **partnerships and transparency** along the supply chain thereby mitigating socio-environmental risks linked to procurement



Global Momentum

Megatrends

- Climate change
- Demographic trends
- Digital transformation
- Smart cities

In 2015, the United Nations Member States adopted an integrated set of **17 global goals** and 168 targets aimed at encouraging sustainable development, as a call to action in tackling poverty, protecting the planet and attaining global peace and prosperity by 2030.



SUSTAINABLE
DEVELOPMENT
GOALS



In 2015, the COP21 negotiated the **Paris Agreement**, a global treaty to address climate change and limit global warming to well below 2°C compared to pre-industrial levels.



In December 2019, the European Commission adopted the **European Green Deal** outlining the normative steps to be taken to reduce the environmental impacts of industry and consumers. **The European Green Deal Investment Plan (EGDIP)** was established to pursue these objectives and **reach carbon neutrality by 2050**. The plan seeks to mobilize at least EUR 1 tn in sustainable investments over the next decade.



In November 2020, the UK announced a 10-points plan to promote private investment and mobilise GBP 12 bn of public funds into sectors such as cleantech, hydrogen and finance.



In March 2021, the US administration unveiled a USD 2 tn infrastructure package with an emphasis on sustainable development, research and low-carbon technologies.

Europe is leading the change: Sustainability is a requirement

Objectives:

- Increase transparency and comparability in relation to sustainability issues
- Improve the quality of non-financial information
- Strengthen market competitiveness and investor confidence



EU Action Plan on sustainable finance

- Published in 2018, it is aimed at supporting the financing of sustainable growth
- Seeks to align financial objectives with climate mitigation goals
- It includes: the Green Bond Standard, the Guidelines on Reporting Climate-related Information and the EU Climate Benchmarks

EU Taxonomy

- Defines technical screening criteria for green economic activities
- Targets financial markets, large corporations and member states
- Green activities provide minimum social guarantees and contribute to at least 1 of 6 environmental goals without being detrimental to others

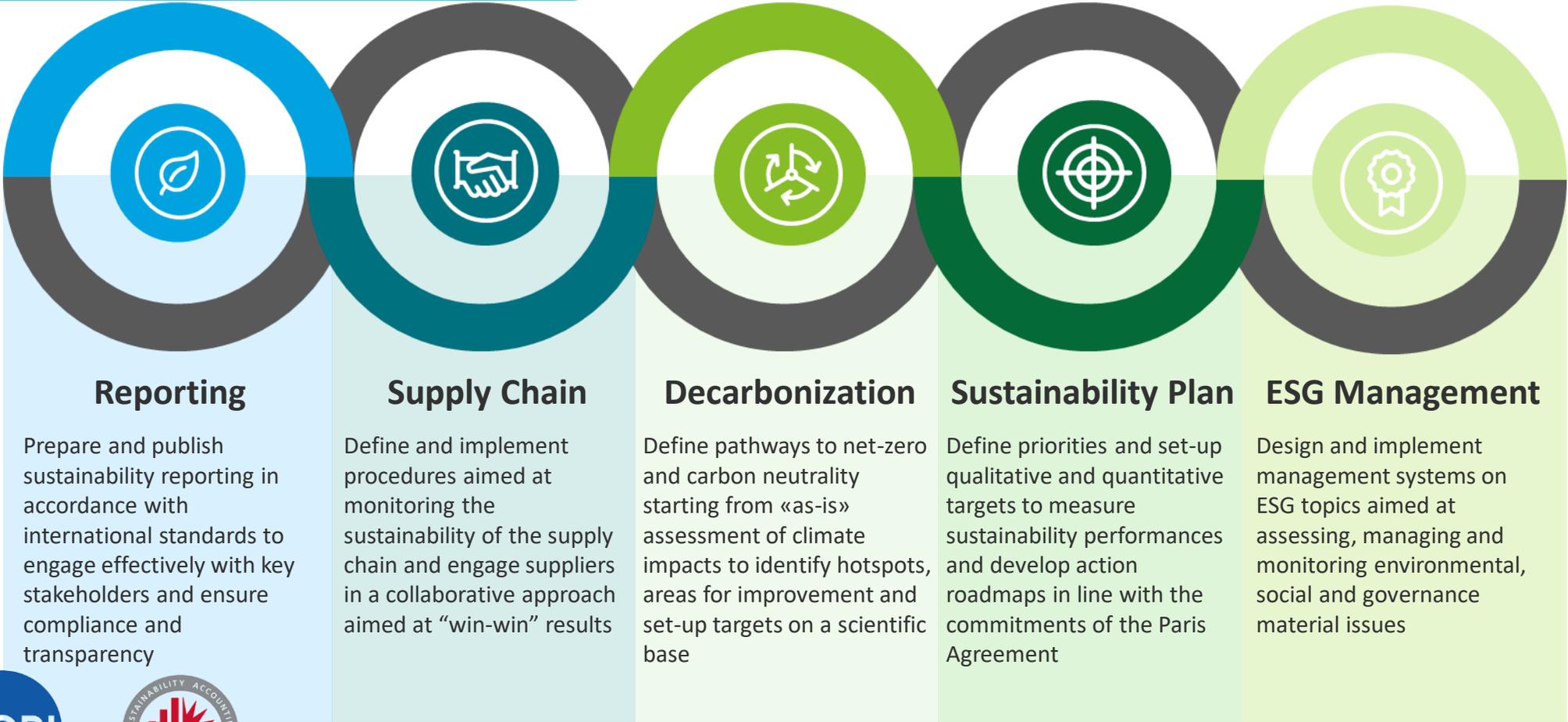
Revised Non-Financial Reporting EU Directive

- Strengthening the legal basis for sustainable economic activities
- Mandatory reporting obligations and clarification of the legal framework
- Expansion of the scope

Engaging in Sustainability: what to do

Low impacts products and systems

Sustainability is a journey, it is not a one-time initiative



The Irrigation Industry: Key topics



FAO Megatrends

- Climate Impacts and resource scarcity
- Sustainability of agricultural systems
- Food security and population dynamics

Key topics to be addressed

Environmental

- Energy Management and GHG Emissions
- Materials Sourcing and Efficiency (e.g. plastics)
- Product Design and Lifecycle Management
- Supply Chain Resilience



Social

- Employee Health and Safety
- Employee and Community Engagement
- Diversity & Inclusion



Governance

- Management responsibility and accountability
- Business Ethics
- Sustainable Procurement



Sources: Deloitte (2021), RobecoSAM (2021), SASB (2021), FAO (2017)

Final remarks



Beyond compliance

- Ensure compliance with increasing regulations
- Anticipate regulatory change with proactive socio-environmental disclosures
- Strengthen governance mechanisms and internal process and procedures



Transparency and Trust

- Establish dialogue with and actively engage stakeholders
- Improve management systems for material ESG topics
- Build trust and reputation



Long-term Value

- Address environmental and climate risks through mitigation and adaptation
- Improve decision-making by leveraging socio-environmental awareness
- Foster innovation and increase competitiveness

Work together across your company, your industry, your markets and the whole society as a global community

Thank you!

For further questions please contact:

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