



Waseda-RIETI Symposium

Corporate Control and ESG under “New Capitalism”

Next Phase of Corporate Governance Reforms under New Capitalism

Hosted by Research Institute of Economy, Trade and Industry (RIETI), and
Waseda Institute for Business and Finance (WBF)
In Association with Waseda Institute of Advanced Study (WIAS)

Loyalty Shares with Tenure Voting: The New Dual Class?

Prof. Marco Becht

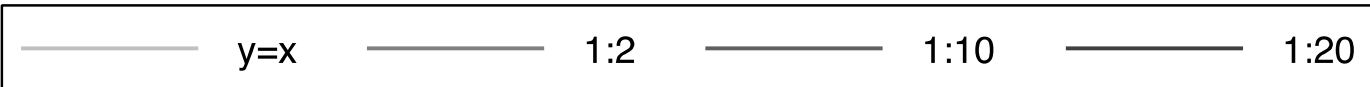
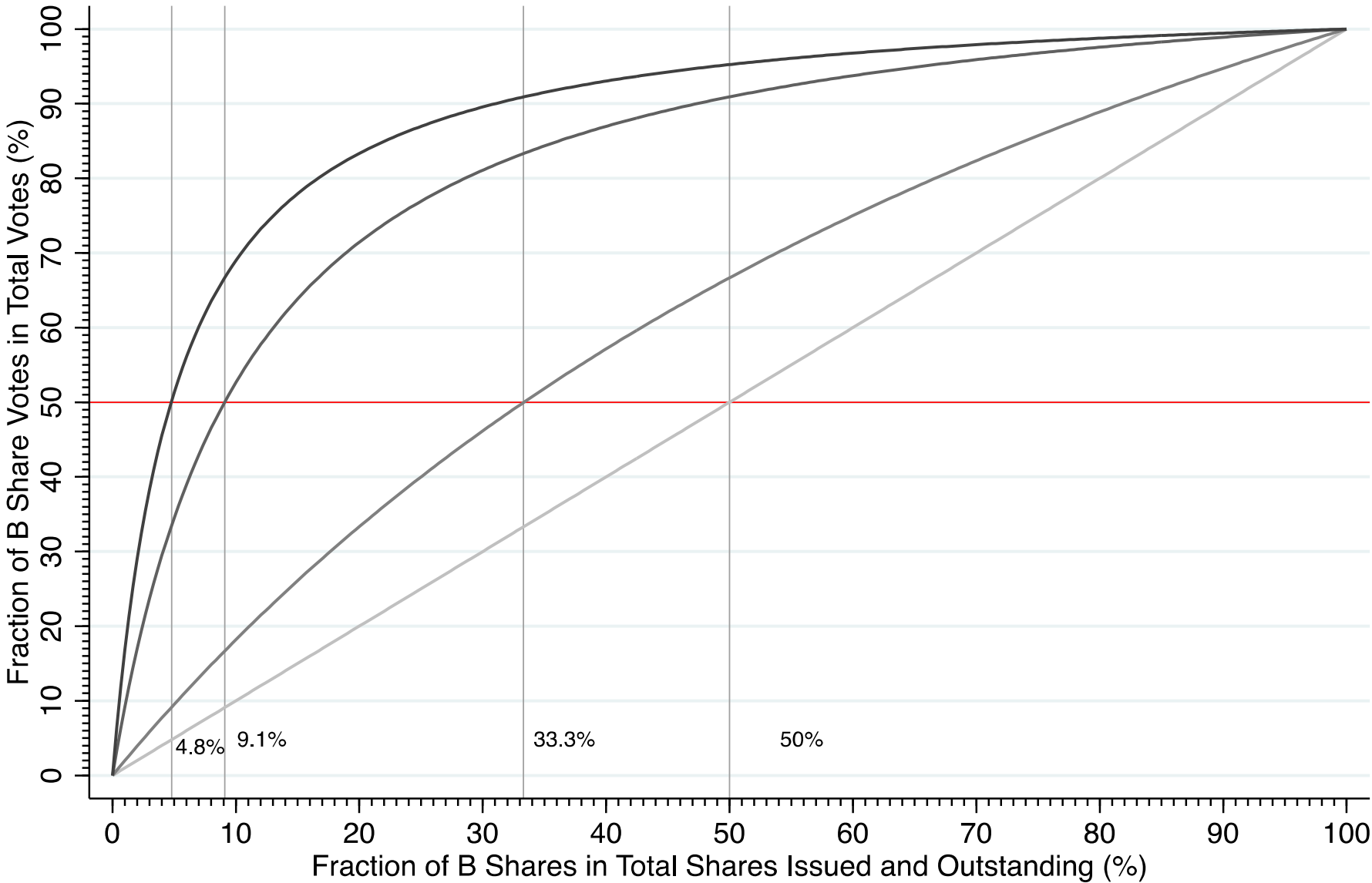
Solvay Brussels School of Economics and Management (ULB) and ECGI

Outline

1. Control Enhancing Mechanisms (CEMs) in Europe
 - i. Dual-Class Structures – new in UK, planned in Germany
 - ii. Tenure Voting – new in Italy, Spain, Belgium
 - iii. All CEMs available in the Netherlands; “the Delaware of Europe”
2. CEMs, ESG and the Market for Corporate Control

Control Enhancing Mechanisms in Europe

Voting Power Leverage from Dual Class Share Structures

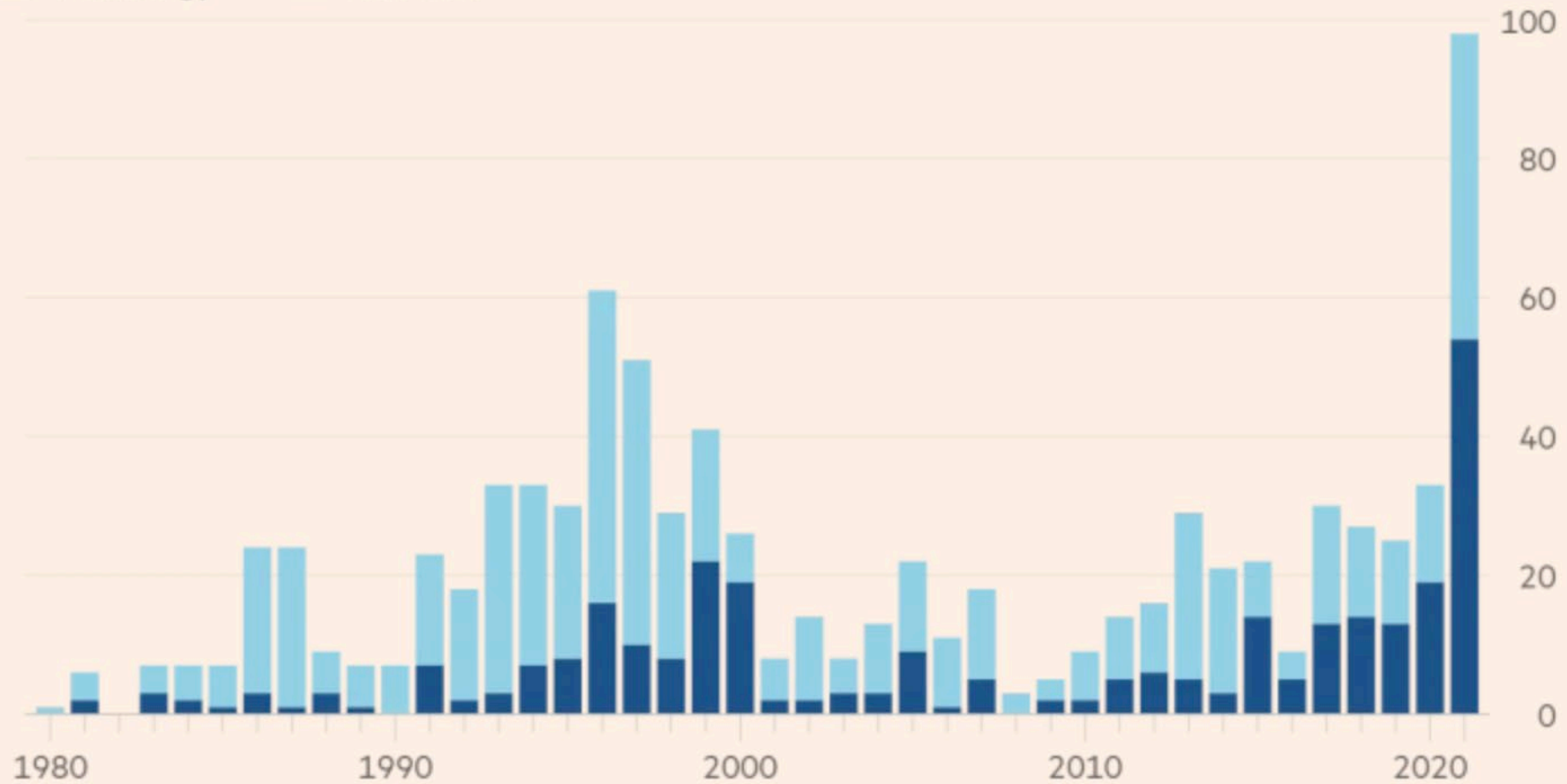


Record 2021 for dual-class shares

Dual-class IPOs, number of issues

Technology

Non-tech

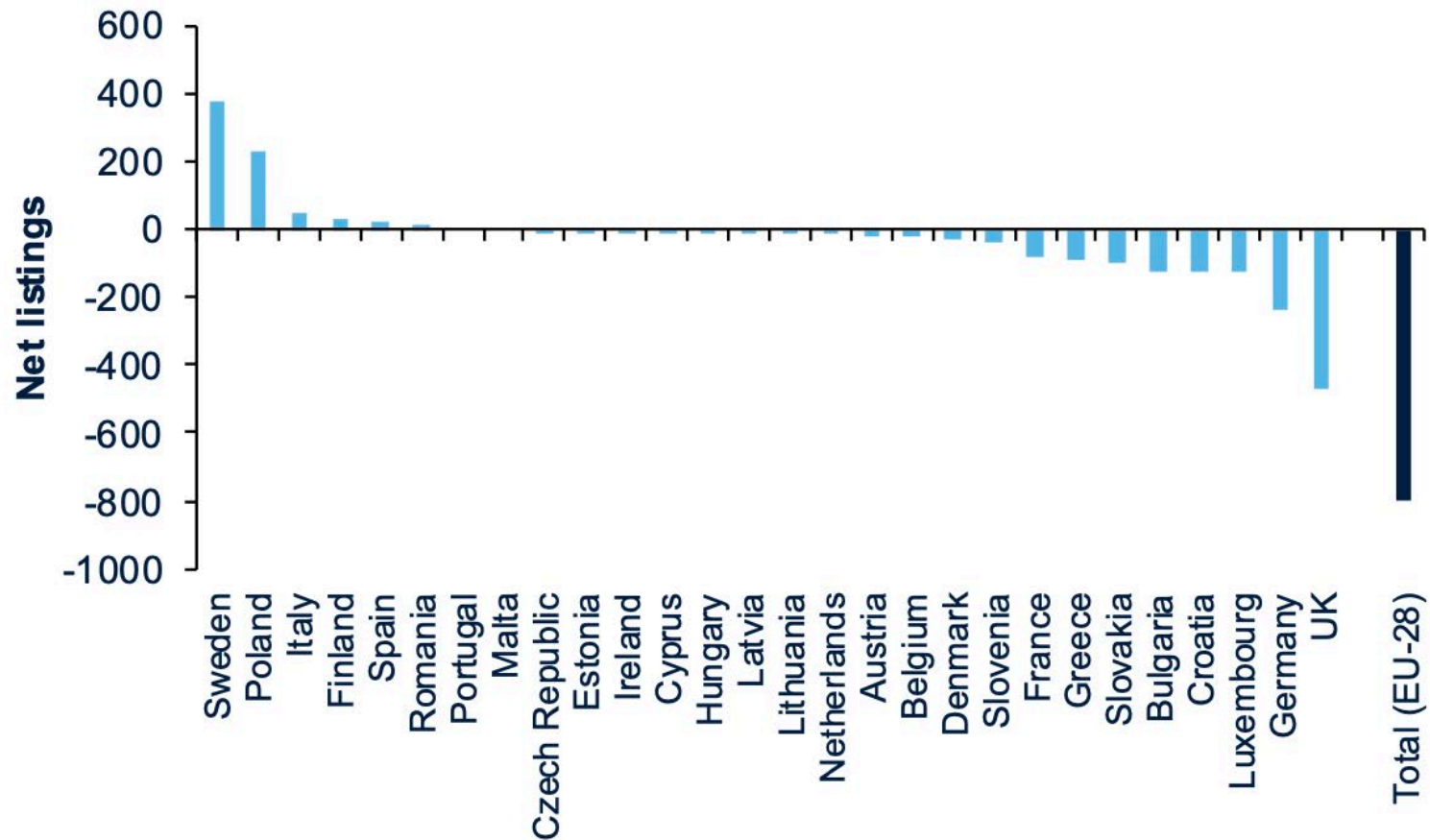


Source: Jay Ritter, University of Florida

© FT

JANUARY 7 2022

Figure 2.9 New listings net of delistings in the EU-28, 2010–18



Note: Calculated as the number of listings in 2018 minus the number of listings in 2010. See note to Figure 2.8.

Source: Oxera analysis of stock exchange data; WFE.

Loyalty Shares with Tenure Voting



Pernod Ricard

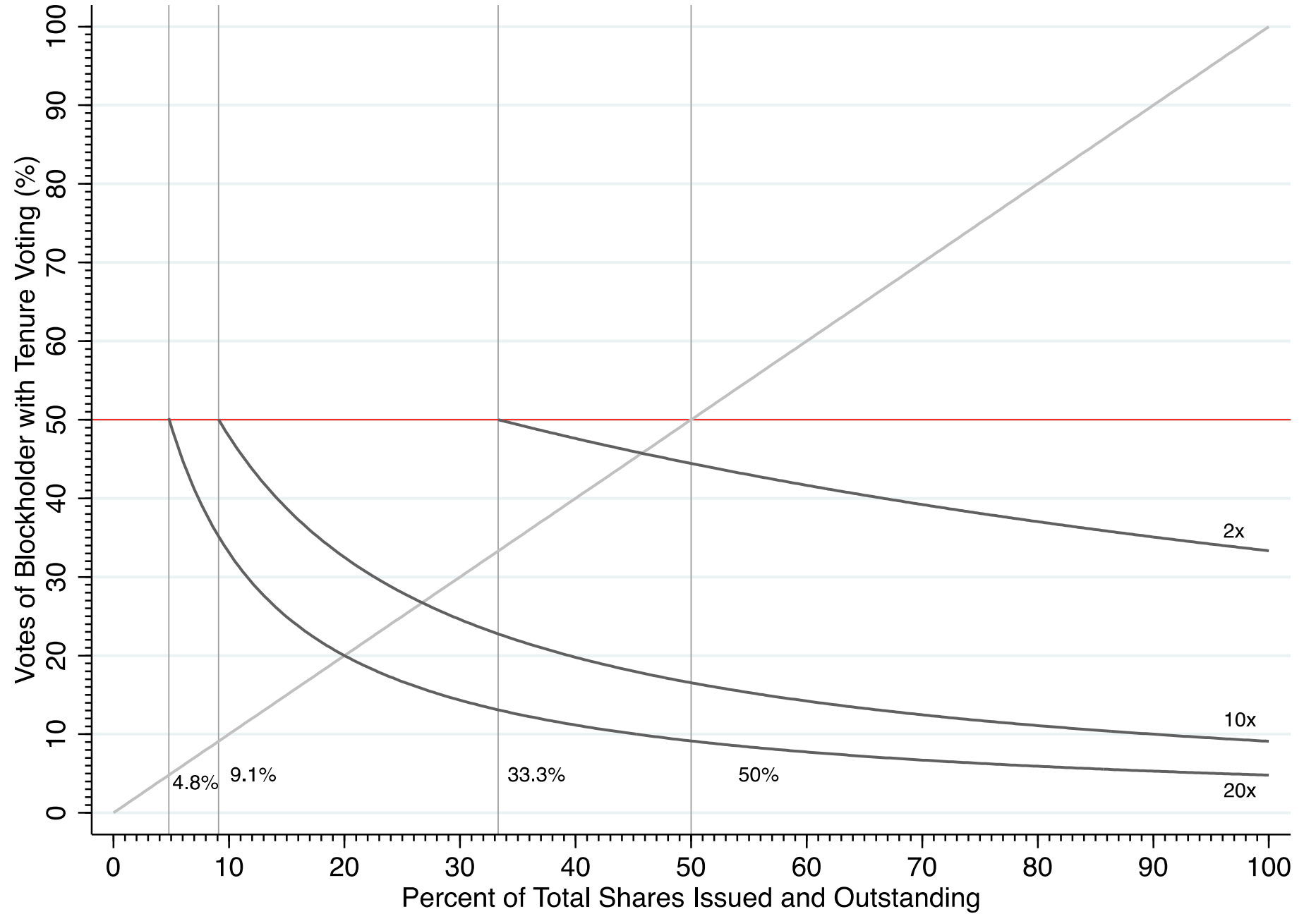
Double voting rights

A double voting right is granted to other shares (in light of the fraction of the authorised share capital they represent) to all fully paid-up shares that can be shown to have been registered for at least ten years in the name of the same shareholder, from 12 May 1986 inclusive (article L. 225-123 of the French Commercial Code).

Pernod Ricard Universal Registration Document 2022

Adoption outside France (e.g. in Spain) motivated by the transposition of Directive (EU) 2017/828) **as regards the encouragement of long-term shareholder engagement.**

Tenure Voting



9.2.6 Allocation of share capital and voting rights on 30 June 2020

Shareholders	Position on 30.06.2020			Position on 30.06.2019			Position on 30.06.2018		
	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*
Société Paul Ricard ⁽¹⁾	41,303,024	15.56	21.30	41,158,221	15.51	21.35	37,686,104	14.2	20.11
Mr Rafaël Gonzalez-Gallarza ⁽²⁾	1,477,603	0.56	0.93	1,477,603	0.56	0.94	1,477,603	0.56	0.92
Directors and Management of Pernod Ricard	323,330	0.12	0.15	712,183	0.27	0.31	679,446	0.26	0.3
Shares held by Pernod Ricard employees	3,132,107	1.18	1.57	2,629,860	0.99	1.41	2,673,627	1.01	1.39
MFS Investment Management (USA) ⁽³⁾	24,035,625	9.06	7.57	24,035,625	9.06	6.71	24,035,625	9.06	6.79
Groupe Bruxelles Lambert (Belgium) ⁽⁴⁾	19,891,870	7.49	12.45	19,891,870	7.49	11.79	19,891,870	7.49	11.28
Capital Group Companies (USA) ⁽⁵⁾	15,736,495	5.93	4.96	26,432,808	9.96	8.4	26,432,808	9.96	8.5
BlackRock Investment Management Limited (UK) ⁽⁶⁾	11,849,009	4.46	3.73	12,129,522	4.57	3.86	-	-	-
La Caisse des Dépôts et Consignations ⁽⁷⁾	6,543,422	2.47	2.06	3,958,979	1.49	1.26	3,958,979	1.49	1.29
Amundi Asset Management ⁽⁸⁾	2,644,214	1.00	0.83	3,952,932	1.49	1.26	3,116,657	1.17	1
Elliott Capital Advisors, LP (USA) ⁽¹⁹⁾	-	-	-	1,668,270	0.63	0.53	-	-	-

Pernod CEO pursues change and engages activist shareholder

By Martinne Geller

3 MIN READ



LONDON (Reuters) - Pernod Ricard will embrace change and continue “constructive” talks with activist investor Elliott Management, CEO Alexandre Ricard said on Tuesday while dismissing speculation that the company could become a takeover target.



FILE PHOTO: Alexandre Ricard, Chairman and Chief Executive Officer of French drinks maker Pernod Ricard, poses at the company headquarters in Paris, February 12, 2015. REUTERS/Christian Hartmann/File Photo

CAMPARI GROUP

Daive Campari-Milano S.p.A.

**Transfer of the registered office to the Netherlands
and enhancement of the current increased**

Investor presentation

18 February 2020

TOASTING LIFE TOGETHER

Loyalty voting mechanism rewarding long-term shareholders

Ordinary Shares

Special Voting Shares (SVS)

Aggregated Voting Rights

1 ordinary share (1 vote)

-

1

1 ordinary share (1 vote) +

1 Special Voting Share A (1 vote) ⁽¹⁾

2

1 ordinary share (1 vote) +

1 Special Voting Share B (4 votes) ⁽²⁾

5

1 ordinary share (1 vote) +

1 Special Voting Share C (9 votes) ⁽²⁾

10

- **Tradeable** (Listed on the Italian Stock Exchange)
- **Transferrable** (ordinary shares associated with SVS transferrable subject to removal from the Special Register)
- **Dividend paid on ordinary shares only**⁽³⁾

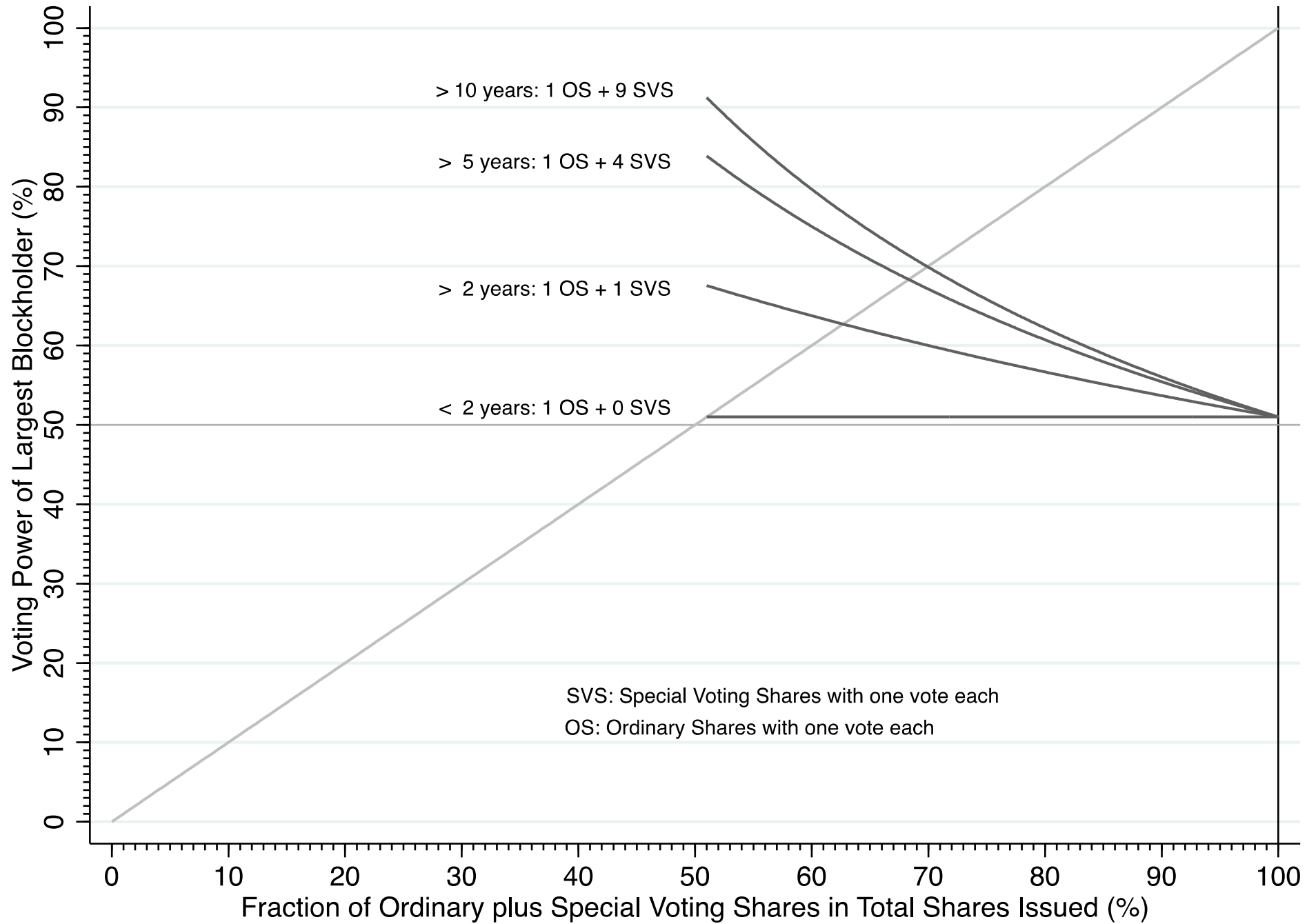
- **Non tradeable**
- **Related voting rights lost upon transfer** of the underlying ordinary share and **upon occurrence of a change of control over such shareholder**

2 years
of uninterrupted
ownership

5 years
of uninterrupted
ownership

10 years
of uninterrupted
ownership

Campari Group



Responsible Capitalism and The Market for Corporate Control

Responsible corporate behaviour that does not immediately translate into financial performance is subject to control challenges.

Irresponsible Capitalism

What is irresponsible capitalist behaviour?

“Pursuit of self-interest with guile” (Oliver Williamson, 1975).

Irresponsible capitalism means economic actors selling goods and services that cause harm for people or the planet, in the pursuit of profit or power.

When does behaviour become irresponsible?

2022 Proxy Statement Notice of Annual Meeting of Shareowners

Tuesday, April 26, 2022
8:30 a.m. Eastern Time

**Refresh
the World.
Make a
Difference.**





Nutrition Facts

1 serving per container

Serving size 1 Bottle

Amount per serving

Calories 240

% Daily Value*

Total Fat 0g 0%

Sodium 75mg 3%

Total Carbohydrate 65g 24%

Total Sugars 65g

Includes 65g Added Sugars 130%

Protein 0g

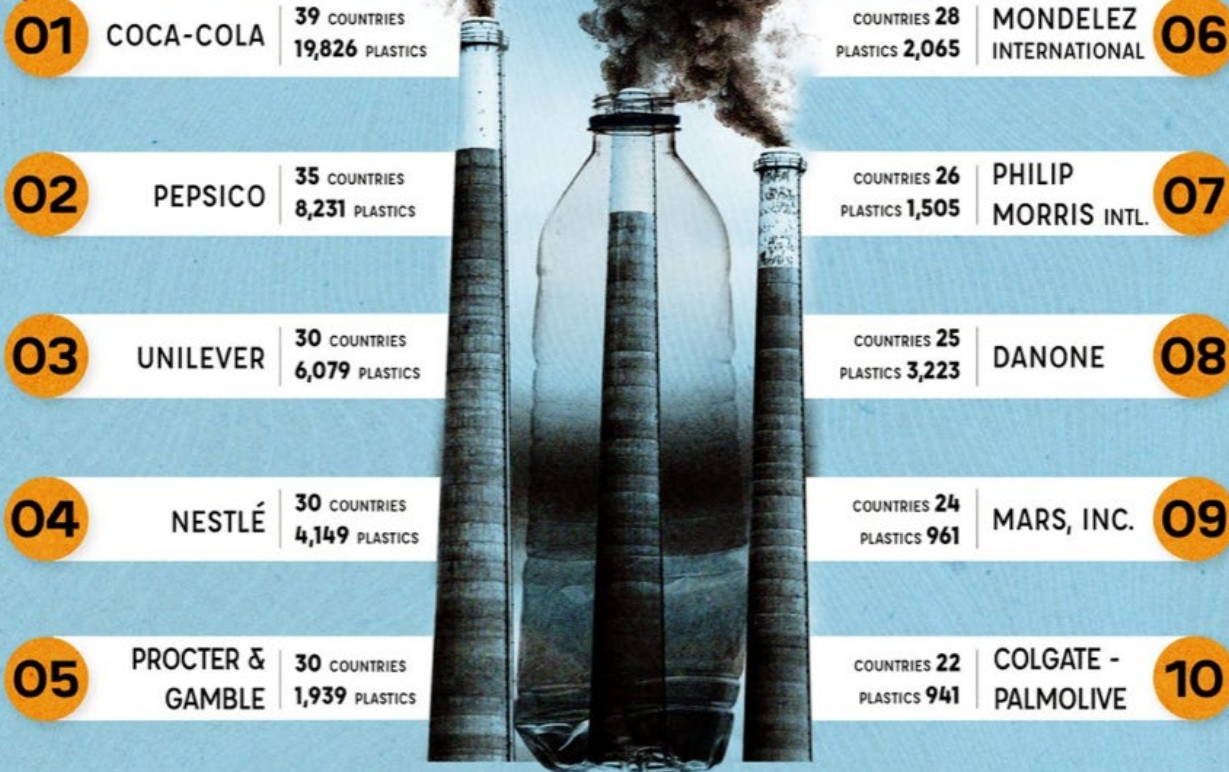
* Not a significant source of saturated fat, trans fat, cholesterol, dietary fiber, vitamin D, calcium, iron and potassium.



Caffeine Content: 57 mg/20 fl oz

TOP 10 CORPORATE PLASTIC POLLUTERS OF 2021

CORPORATE PLASTIC POLLUTERS ARE FUELING THE CLIMATE CRISIS.



SOURCE

Strategies to reduce the global carbon footprint of plastics, Nature Climate Change (2019)
The 5 Countries That Produce the Most Carbon Dioxide (CO2), Investopedia (2021)

#BrandAudit2021

#breakfreefromplastic



Our strategy

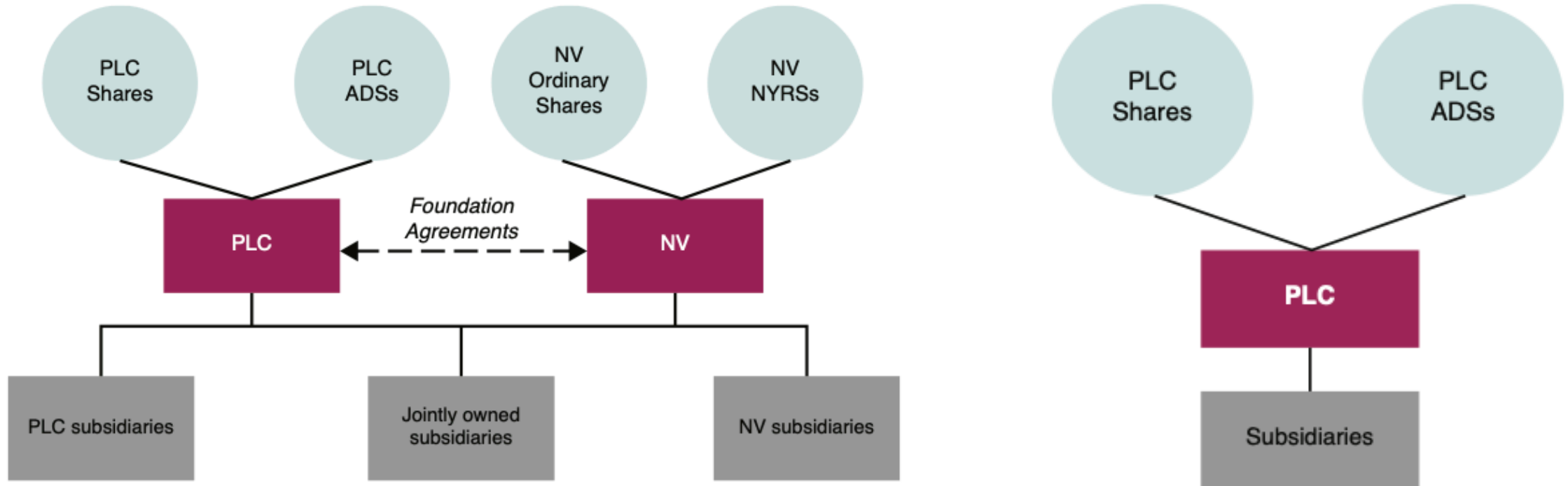
Our purpose is to make sustainable living commonplace.

It's why we come to work. It's why we're in business. It's how we inspire exceptional performance.



Unilever Plc / NV

Opening up for hostile bids: Unification of the Dutch and UK parts completed in November 2020



Source: Prospectus

https://www.unilever.com/Images/unilever-plc-and-unilever-nv-shareholder-circular_tcm244-553855_en.pdf

Unilever PLC

+ Add to myFT

The shackles are off: Unilever goes for growth after UK move

Politically sensitive unification will create a nimbler player in mergers and acquisitions



Chief executive Alan Jope: His goal to "to prove that sustainable business does drive superior financial performance". © FT montage

But he told the Financial Times he also had a bigger goal, "to prove incontrovertibly that sustainable business does drive superior financial performance".

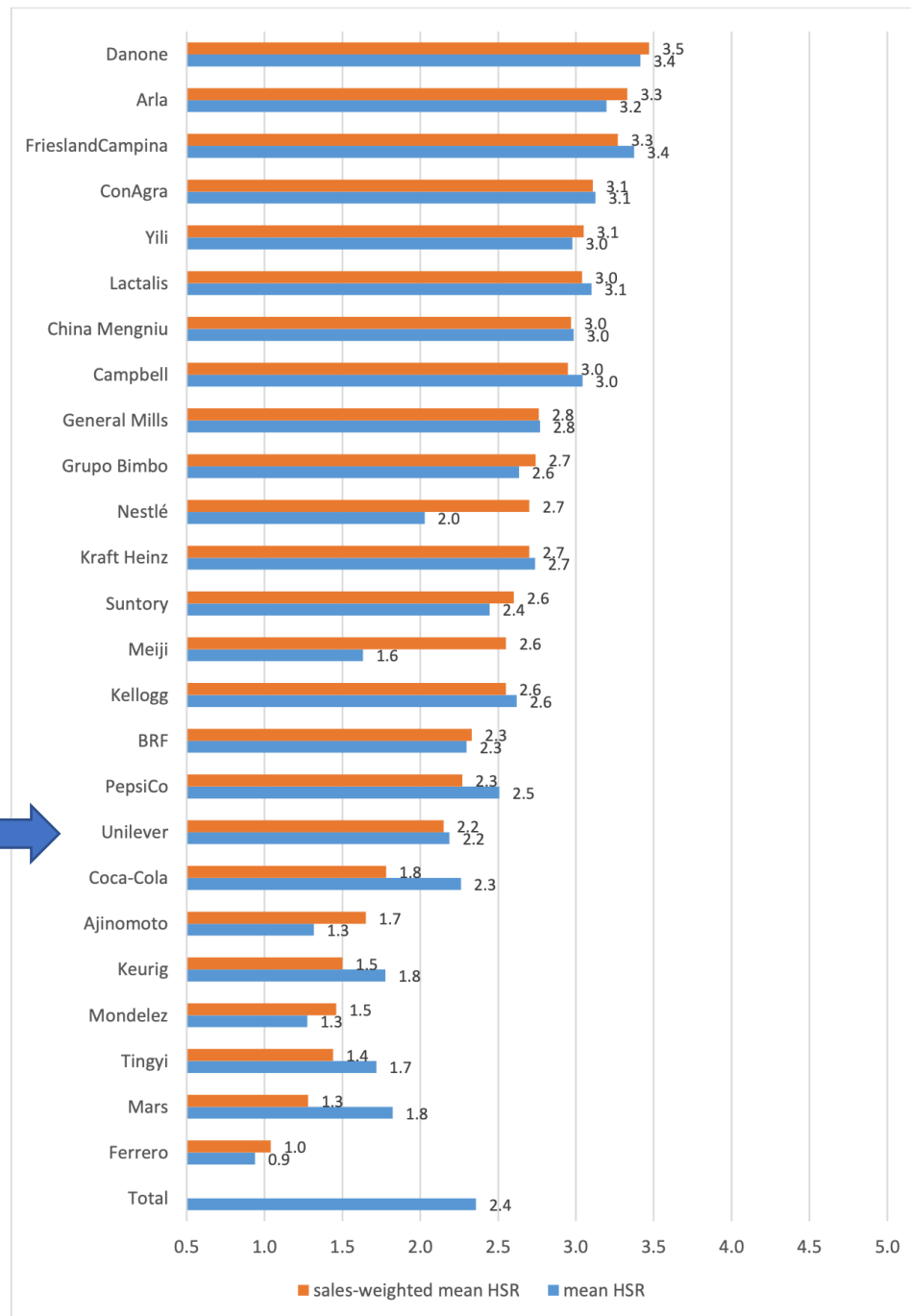
Unilever faces shareholder heat on health impacts

Poster child of sustainability said to have a ‘crucial blind spot’, with consumer health becoming an increasingly material financial risk for food companies.

(Thursday 20th January, London) An international coalition of institutional investors and individuals have filed a shareholder resolution at Unilever, urging the company to adopt ambitious targets to increase the share of healthy foods in its sales.

The resolution is being co-filed by eleven institutional investors representing \$215 billion in assets. They include pan-European asset manager Candriam, Dutch asset manager ACTIAM, US healthcare provider Trinity Health, and the UK’s Guy’s & St Thomas’ Foundation, CCLA, and Greater Manchester Pension Fund. The co-filing group also includes over 100 individuals co-ordinated by ShareAction, including Unilever customers, parents, medical professionals and health campaigners.

Figure A: Mean Health Star Rating by company – overall product portfolio



REPORT ON THE COMPARATIVE NUTRITIONAL PROFILE OF FOOD AND BEVERAGE PRODUCTS MARKETED BY THE 25 LARGEST GLOBAL COMPANIES IN 25 COUNTRIES

Prepared by The George Institute for the Access to Nutrition Index

Contact
 Dr Elizabeth Dunford
 The George Institute for Global Health
edunford@georgeinstitute.org.au



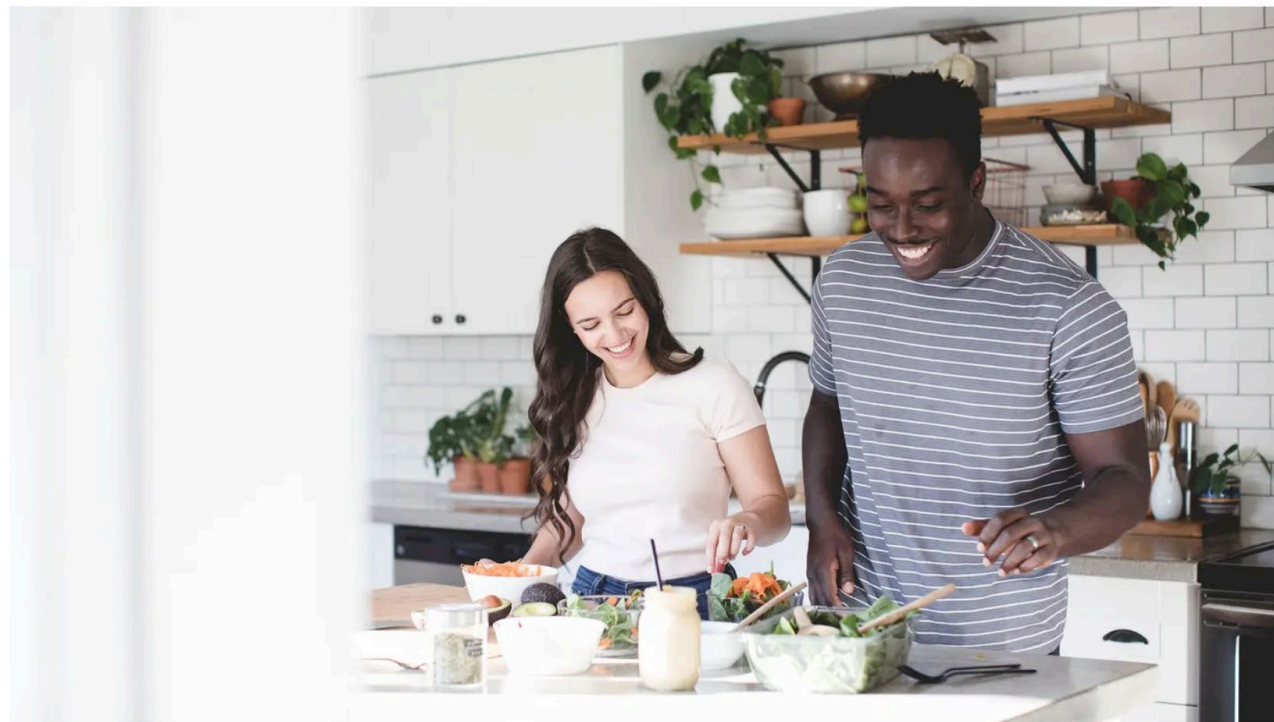


[Home](#) ▶ [All news stories](#) ▶ [Press releases](#)

Unilever to set new benchmark for Healthy Nutrition

Published: 07/03/2022  Average read time: 3 minutes

Unilever today announced that it will be the first global Foods company to publicly report the performance of its product portfolio against at least six different government-endorsed Nutrient Profile Models (NPM) as well as its own Highest Nutritional Standards (HNS).



Unilever shares rise as billionaire investor Nelson Peltz joins board

Hedge fund boss - whose daughter married Brooklyn Beckham - holds 1.5% stake in Unilever



Unilever's brands include Marmite spread and Dove soap. Photograph: Matthew Horwood/Alamy

“Trian has made a considerable investment in Unilever. We look forward to working collaboratively with management and the board to help drive Unilever’s strategy, operations, sustainability, and shareholder value for the benefit of all stakeholders.”

Jasper Jolly

[@jjpjolly](#)

Tue 31 May 2022 09:35 BST

search - **The Guardian** International edition -

Unilever chief Alan Jope to retire next year

Departure plan follows shareholder discontent and arrival of activist investor Nelson Peltz

Judith Evans, Arash Massoudi and Adrienne Klasa in London SEPTEMBER 26 2022



Jope's planned departure follows the arrival of activist investor Nelson Peltz, whose Trian Fund Management has a history of shaking up consumer goods makers. Peltz joined Unilever's board in May after Trian built up a stake in [Unilever](#).

Inconvenient Conclusions

1. ESG often does not come for free; there are trade-offs;
2. ESG provides a new argument in favour of CEMs;
3. .. but CEMs can entrench irresponsible behaviour, poor management or strategy;
4. Responsible capitalism provides new business opportunities;
5. Stopping our addiction to cheap fossil fuels, plastics, sugar etc. will be painful.

