



Working Paper:
**Are companies using their IR
webpages to communicate
sustainability effectively to
investors?**

SRI-Connect

February 2021

What we asked

We assessed the investor relations (IR) pages of the websites of 100 large companies from around the world, covering a diverse range of sectors but with an intentional bias towards those with exposure to food, forestry, fish and farming value chains to answer the following question:

Are companies using their websites effectively to engage mainstream investor interest in their sustainability exposures and management practices?

What we found

Companies, across sectors and geographies, are not yet using their investor relations webpages effectively to communicate their sustainability exposures and management practices.

Companies are missing potential benefits because:

- 'Mainstream' investor interest in sustainability is growing rapidly. So, companies that engage investors on these issues are improving their access to capital, whereas companies that don't reduce their opportunities,
- We are all working from home and having to communicate online. Leveraging the corporate website is one the cheapest and easiest ways to support better communications on sustainability issues to investors,

Our analysis shows that companies either:

- are sceptical of the increase in 'mainstream' investor interest in their sustainability activities or
- recognise this interest but have not yet directed the people responsible for the design of their investor relations webpages to incorporate it properly.

1. Easy, quick and cheap to fix

Some aspects of sustainable investor communications are time-consuming and expensive. For example, developing Task Force on Climate-related Financial Disclosures (TCFD) -compliant scenario analysis or completing environmental, social and governance (ESG) ratings questionnaires. However, adding a few details to a website is easy, quick and cheap to do.

Companies should:

- review the criteria that we have used to score companies' websites
- decide whether they agree that the factors considered would improve their transparency on sustainability with investors
- ask their website managers to update their IR webpages to incorporate the best practices that we have identified

This simple exercise could substantially improve the efficiency and quality of their communications on sustainability issues to investors.

2. Clear room for improvement

In general, there is clear room for improvement to better display reasonable competence, efficiency and transparency for sustainable investor communications.

Notably, there is little consistency within and across sectors or geographies.

A few companies have extensive sustainability information on their websites. However, this is often not directly linked to/from the companies' IR pages.

Perhaps this is:

- because these companies feel that their sustainability performance is important but not core to their overall strategy or to the long-term valuation of their shares
- because these companies do not feel that 'mainstream' investors are interested in their sustainability exposures and practices

In both respects, we would argue otherwise. If a company does not consider sustainability issues to be important to its investors or its strategy, we would argue that they do not consider it to be important at all.

3. Good practice examples

Our benchmarking and scoring framework exercise has highlighted a few companies who consider sustainability risks and opportunities and the management of these as sufficiently core to bring them to the attention of shareholders. The 'top ten' such companies from our scoring process are:

1. Royal Dutch Shell
2. Stora Enso
3. BASF
4. Novartis
5. HSBC Holdings
6. Enel
7. Tesco
8. Microsoft
9. DSM
10. Intel

We encourage other companies to look at the websites of these companies and to review how best to adapt their own current offering to ensure they are communicating sustainability exposures and management practices with all investors effectively.

4. Go further, be pro-active

Making your company's website easily accessible to 'mainstream' investors that are interested in sustainability can be considered 'basic reactive communications'.

However, for a subject that is attracting as much investor interest as sustainability, 'basic reactive communications' is an inadequate response.

Companies with a serious commitment to sustainability must go far beyond this and be pro-active in their sustainability communications to investors.

For ideas and case studies on how to do this effectively, companies can visit www.sustainable-ir.com and browse case studies and perspectives on best practice.

5. Top five easiest wins

To quickly and cheaply make information on its sustainability performance more accessible to investors, a company can:

- Publish a specific page or pages on the investor relations part of their website containing the key information for investors interested in sustainability
- Publish the name (and contact details) of the investor relations officer at their firm with responsibility for sustainability queries
- Ensure past presentations on ESG / sustainability-related matters are included within its investor presentation archives
- List the sustainable investment research firms that cover their company and disclose the latest ESG ratings awarded and index inclusions that the firm receives
- Use www.sri-connect.com to distribute CSR/sustainability reports, to identify analysts and investors and to raise their firm's profile within the sustainability investment community.

Good practices identified

Named investor relations officer

BASF has a specific section of its IR page dedicated to sustainability and, on the landing page, it clearly identifies the investor relations manager responsible for sustainability communications to SRI investors.

[Go to relevant page of the BASF website](#)

Presentation archive

Royal Dutch Shell has a specific section within its investor relations page on ESG. This section contains the company's ESG news, presentations and annual briefings which allows investors and analysts to easily identify the material that Shell considers most relevant to its strategic position on sustainability issues.

[Go to relevant page of the Royal Dutch Shell website](#)

Ratings and index

Stora Enso details the latest ratings and index inclusions it receives and is careful to supply these as information rather than as endorsements.

[Go to relevant page of the Stora Enso website](#)

Targeted data supply

An encouraging number of companies are now producing sustainability data in formats that are helpful to sustainability analysts and investors and in ways that are directly targeted at this audience. (For example, by producing databooks alongside narrative reports)

This - we suspect - may be due to the number of requests they receive from ESG ratings agencies and also in response to some asset managers saying that they will seek data directly from companies rather than via research providers.

(Note: Our survey did not attempt to assess the quality of this data, just that it was readily available and was targeted towards investors.)

[Go to relevant page of the Danone website](#)

Use of SRI-Connect

[SRI-Connect](#) is a platform with over 6,000 investor and analyst users globally. Companies can use the free tools available on the site to target effectively their sustainability communications to the investment community.

The platform is free to join has over 900 users from quoted companies - [listed here](#).

Background

Why we did the research

We wanted:

- To determine the ease with which investors can access sustainability information through the IR pages of companies' websites; and
- To articulate the standards of company communications, that 'mainstream' investment professionals are likely to expect when seeking sustainability information from companies.

There are practical reasons for companies to publish information on sustainability on their 'mainstream' investor relations pages - it helps investors to engage with the sustainability aspects of companies' strategy and performance and to apply these to valuation,

There are also symbolic reasons. We consider the inclusion of sustainability information within the 'mainstream' investor relations section of a company's corporate website to be a lead indicator that the company concerned want their existing and future 'mainstream' investors to understand their sustainability exposures and management practices.

If a company is serious about embedding sustainability into their long-term business strategy, they will want (and need) to engage their investors in the subject. A simple step towards engaging investors is to make this visible through the webpages directly targeted at investors.

How we did the research

We reviewed and rated the IR pages of 100 company websites using ten criteria (see Appendix B) of desirable SR-IR communication practice.

We aimed to assess factors such as:

- how easy it is for analysts to access and contact the investor relations manager with specific responsibility for sustainability communications
- how accessible presentations on ESG / sustainability issues are for investors
- whether companies detail the sustainable investment research firms that cover them and / or the latest ratings and index inclusions the firms receive whether positive or negative. This demonstrates the willingness of a company to engage in the sustainable investment research.

Who conducted the research

This report was written by Sally Springer and Mike Tyrrell of SRI-Connect with primary research undertaken by Ana O'Shea of Discern Sustainability

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The analysis and perspectives in this report are those of SRI-Connect and do not necessarily represent the views of either WBCSD or the Gordon and Betty Moore Foundation. .'



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Appendix A: List of companies assessed

Below, we list the companies whose websites we attached. Our aim is not to 'name and shame'. Rather it is to share the lessons of best practice in investor relations sustainability communications. Accordingly, we have not published scores or named companies beyond those that provide examples of best practices.

However, if you work for one of these companies, please contact mike.tyrrell@sri-connect.com who will be happy to share your score with you and/or to discuss the criteria that we have used.

Aeon	General Mills	Novartis
Alphabet	George Weston Limited	Novo Nordisk
Amazon	GlaxoSmithKline	Olam International
American Electric Power	Glencore	Procter & Gamble
Anglo American	Grupo Santander	Puma
Apple	Hershey Foods	Royal Bank of Canada
ArcelorMittal	Hormel	Royal Bank of Scotland Group
Archer Daniels Midland	HSBC Holdings plc	Royal Dutch Shell
Associated British Foods	Iberdrola	Sainsbury's
BASF	Intel	Saint Gobain
BHP Billiton	Johnson & Johnson	Seven & I
BMW	JP Morgan Chase & Co	Sodexo
BNP Paribas	Kellogg Company	Starbucks
BP	Kencana Agri Ltd	Stora Enso
Bradesco	Kerry Group A	Svenska Cellulosa
BRF - Brasil Foods	Koninklijke Ahold	Sysco
BT Group	Kraft Heinz Co	Target
Campbell Soup Company	Kroger	Tesco
Carrefour	LafargeHolcim	Thai Union
Casino	Leroy Seafood Group ASA	Toronto Dominion Bank
Chipotle Mexican Grill	Lindt & Sprungli	Total
CLP	loblaws	Toyota Motor
Coca-Cola	L'Oreal	Tyson Foods
Commonwealth Bank of Australia	LVMH	Unilever
Compass Group	MARFRIG	VF
ConAgra Foods	Marks and Spencer Group	Wal-Mart Stores
CP ALL PCL	McCormick & Company	Wells Fargo & Company
Daimler	McDonalds	Westpac Banking
Danone	Microsoft	Wilmar International Limited
Deckers Brands	Minerva Foods	Woolworths
Dominos Pizza	Mondelez International Inc.	YUM! Brands
DSM	Mondi	
Electricite de France	Morrison Supermarkets	
Enel	Nestlé	
	Nike	

Appendix B: Criteria used

The factors that we used for the benchmarking exercise are listed below:

1. Dedicated webpage

Question	Rationale	Score = 3 if ...	Score = 2 if...	Score = 1 if ...	Score = 0 if ...
Does the company have a page on its website dedicated to sustainability communications to investors?	Having a page in an IR-related location demonstrates that the company sees sustainability as something that should be of interest to investors.	Yes - there is a page and that page is clearly within the IR section of the site	Yes - there is a page aimed at investors - but that page lies within the CSR section of the website	Sustainability / CSR / sustainability pages are referenced from homepage. However, there is no specific indication that they are for investors	No sustainability page is visible on the homepage

2. Communications outline / policy

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Does the company describe its process for communicating sustainability issues to investors and analysts?	<p>Describing its approach to investor communications makes it easier for investors and analysts to engage with the company on sustainability issues - thereby demonstrating that the company is keen for this to happen.</p> <p>(It also massively improves efficiency as the company can set its own communications timetable rather than depending on timetables set by analysts / investors)</p>	<p><u>Comprehensive</u> information on the company's approach to sustainable investor communications.</p> <p>This may include comments on:</p> <ul style="list-style-type: none"> - Questionnaire response policy - Approach to direct communications activities (e.g. use of presentations and roadshows) - Details on data supply 	<p><u>Some</u> information provided on the company's approach to sustainable investor communications</p>		No published information on how the company communicates with investors on sustainability

3. IR contact named

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Does the company allocate specific sustainability communications responsibilities to a member of its IR team?	<p>Making a named person responsible is a clear sign that the company welcomes contact from investors on this issue.</p> <p>It allows investors & analysts to contact the company easily to explore issues at greater depth may be provided within published reporting.</p>	IR page lists contact people and designates specific responsibility for ESG / SRI investors to a named individual			No named contact for investors

4. Presentation archive

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Does the company allow easy access to previous presentations on sustainability to investors and analysts?	<p>A historical resource of investor presentations will allow investors to review how the company communicates on the relevance of sustainability to its strategy and help investors and analysts understand the business context.</p> <p>It will also limit duplicative communications.</p>	Presentations for investors on sustainability are easily accessible via the company's investor relations pages.	Presentations on sustainability that are clearly directed to investors are available on the company's website - but need to be accessed from the sustainability section of the site		No presentations for investors on sustainability can be found on the website.

5. Upcoming event schedule

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Does the company publish a schedule of upcoming sustainable investor communications events?	A company that provides details on when it expects to be communicating on sustainability with investors clearly welcomes such contact, is confident about it and is also efficient about delivering it.	Sustainability related events are announced as part of the investor communications schedule for the year			No mention of sustainability events on the financial events calendar

6. Ratings, index listings and benchmarks

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Does the company detail the sustainability research firms that cover it and / or the latest ratings / index inclusions that it receives?	<p>The listing of coverage - as well as positive and negative ratings and research demonstrates a willingness to engage with the sustainable investment research process.</p> <p>The mention of indices / positive rankings demonstrates some awareness and recognition of external assessment but a lack of sophistication in the understanding of what these are (analytical research rather than 'prizes').</p>	<p>The company lists:</p> <ul style="list-style-type: none"> * The research firms that cover them * Their recent research findings / rankings * Index inclusions... <p>... from a number of different providers - including those that give both positive and negative scores.</p>		Lists index / benchmark inclusion as endorsements	Do not display this information.

7. Targeted data supply

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Have companies made a specific effort to produce sustainability data in a format that investors / analysts find helpful?	The provision of data in an investor-friendly format demonstrates a willingness to engage with this stakeholder group	Investor-specific datasets are published			No investor-specific datasets are published

8. IR manager using SRI-Connect

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Have the IR managers registered with SRI-Connect - the global platform for connecting companies and investors on sustainability issues?	Registering with SRI-Connect shows, at least, that an IRO plans to monitor developments and research in sustainable investment. It may also indicate an interest in pro-active communications	IRO is registered on SRI-Connect			No IRO from this company is registered on the SRI-CONNECT

9. SD/CSR managers using SRI-Connect

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1 if ...	Score = 0
Have the CSR / Sustainability managers from this company registered with SRI-Connect?	<p>Registering with SRI-CONNECT shows, at least, that the CSR manager plans to monitor developments and research in sustainable investment.</p> <p>It may also indicate an interest in pro-active communications</p>	CSR / Sustainability manager from this company is registered with SRI-CONNECT			No CSR / Sustainability manager from this company is registered with SRI-CONNECT

10. SD/CSR report distributed

Question	Rationale	Score = 3 if ...	Score = 2 if ...	Score = 1	Score = 0
Does the company proactively distribute their sustainability report to investors via SRI-Connect?	By publishing their sustainability report via SRI-Connect, the company is being pro-active in their outreach on sustainability to investors.	Company distributes CSR/SD report <u>themselves</u> on SRI-Connect			Company's sustainability report is not distributed via SRI-Connect

