



Checklist for Sustainability Engagement

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Sustainability and Investor Relations are two integrational parts that go hand in hand. What investors want and what good practice looks like was researched by the Perception Team of S&P Global.

As part of the Investor Relations Solutions at S&P Global Market Intelligence, our Perception Analytics team has conducted 30+ Sustainability Perception studies over the last three years. Through in-depth research, the team identified general best practices for engaging with institutional investors on Sustainability topics. Here is what Investor Relations and their management teams need to know:

• “KYI” – Know Your Investor

Corporate Issuers need to understand the key stakeholders involved in Sustainability integration.

- Is there a dedicated Sustainability research team? Who is responsible for undertaking ESG research?
- How do PMs and Sustainability analysts work together?

Most buy-side firms have an integrated, collaborative process, so it is important to include both investment and Sustainability, corporate governance, or stewardship contacts in the meeting. Dedicated SRI funds will have specific client or regulatory mandates (e.g., Article 8, 9) and demand more in-depth engagement and disclosures.

• Practice the “3 Ts”

Topical – Consider the material Sustainability topics for investment decisions. For most standard investor meetings, incorporating 1-2 slides on material ESG issues and targets is important.

Beyond this, deep-dive engagements are extremely valuable wherein internal subject-matter-experts are made available to discuss thematic topics like energy transition, biodiversity, supply chain, human capital management, etc.

Timely – The effectiveness of engagements can also be based on timing – host meetings ahead of (not during) proxy season, offer meeting opportunities post-major Sustainability developments, gather feedback in advance of Sustainability target-setting, and leverage quarterly earnings calls to share new ESG updates.

Tailored – Ensure messaging and format are tailored to what you’re looking to accomplish. One-on-one meetings, roundtables, webcasts, and Investor Days are all formats that serve different purposes in Sustainability communications. Understanding which cohorts of investors are interested in certain forums will be critical to ensuring that your Sustainability messaging resonates.

• Awareness is Key

- Investors are inundated with information in today’s markets, and many use a variety of internal and external sources to conduct Sustainability screening and research.
- Proactive engagement to bring awareness to your company’s Sustainability profile can make a difference in how you are perceived.
- Many investors appreciate IR teams that send email notifications and alerts for major Sustainability news developments and when their annual Sustainability reports are published.

Our Perception Analytics team partners with corporate issuers to provide unbiased market sentiment on their company's corporate strategy, executive team, capital allocation, relative valuation, communications efforts, and Sustainability practices. Direct market feedback can help companies steer C-suite discussions, shape investor perceptions, and differentiate their investment stories to attract capital.