The ESG 100
Connect.IQ Special Report

connect.IQ the Connected Content™ benchmark for corporate websites.

How well do IR and corporate sites tell their ESG story? And who does this well? Our new Connect.IQ report provides an answer.

We've used our proprietary Connect.IQ methodology to evaluate hundreds of leading global corporate websites against 50 different ESG-focused criteria – ranking them based on the transparency, leadership and connectivity that they demonstrate with digital content to create the Connect.IQ ESG 100.

investisdigital.

Crafting your data-driven ESG story for every audience

Which companies do the best job building credible reputations online for their commitment to environmental, social, and governance (ESG) issues? This is a critical issue that affects all the ways a business builds trust today through reputation, responsibility, recruitment, and reach.

ESG investing has grown in popularity in recent years as investors look to put their money into more socially conscious companies. At the end of 2021, assets in ESG funds hit $2.74 trillion. And ESG is more than an investor issue: ESG is a hot-button topic for every audience and stakeholder of a business including employees, customers, investors, job seekers, and business partners. But publicly traded companies face an increasingly enormous challenge sharing their ESG narrative.

Crafting your Data-Driven ESG Story for Every Audience

ESG Investing Faces Greater Scrutiny

For one thing, the fundamental notion of "ESG investing" faces increased scrutiny. One reason: a lack of shared understanding of what exactly constitutes a company that practices ESG effectively. Case in point: two Citigroup stock analysts argued that weapons manufacturers and defense contractors should qualify as ESG investments because their products help defend democracy and preserve peace. Their assertion sparked controversy.

Another controversy: how exactly to measure a company's commitment to ESG. Standards proliferate, and their accuracy is also called into question. For example, S&P 500 caused an uproar when it dropped electric vehicle maker Tesla from its ESG Index as part of an annual update to the list. The controversy cast a spotlight on the credibility of ratings.

But the ratings are not going away anytime soon. And publicly traded companies need to meet their requirements.

Different Audiences, Different Expectations

As ESG becomes a motivating factor for multiple audiences, public firms must satisfy stakeholders with different expectations – as evidenced by the rise of stakeholder capitalism.

For instance, ESG issues are increasingly shaping investors' priorities. But investors do not look at ESG from an altruistic perspective. They look at ESG from the perspective of risk. According to PwC, 79 percent of companies believe ESG risk is important, and climate change is one of the largest risks. According to that same PwC study:

- 75 percent of those same investor audiences agreed that companies should address ESG issues even if doing so reduces short term profitability.
- 68 percent think ESG should be factored into executive compensation.

However, these same investor audiences are still focused on producing or procuring returns on their investment – so while the majority say ESG is important, only 49 percent are willing to divest in companies that aren't taking sufficient action on ESG issues.

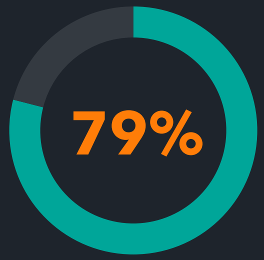
Job seekers, consumers, and employees view ESG as less of a risk factor and more of a matter of aligning a company's beliefs and actions with their values. And they are willing to bypass job opportunities with businesses whose values align with theirs.

But even then, things get tricky. Social values permeate the consumer-brand conversation, but they do not always shape consumer action. According to Forrester, only 18 percent of consumers actually match their words with belief by doing business only with companies whose values align with theirs.

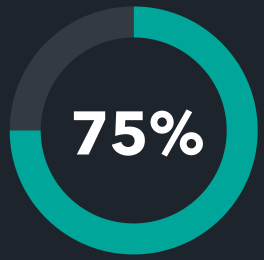
Connect.IQ Special Report: **ESG 100**

Consumers increasingly favor companies with a strong ESG commitment. Employees increasingly want to work for companies with a strong ESG track record.

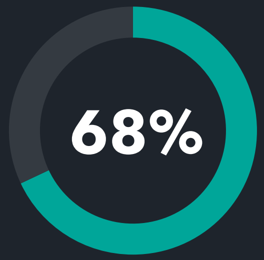
What do investors think?



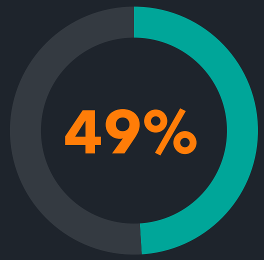
ESG risks are an important factor in decision making[1]



Companies should address ESG issues, even if doing so reduces short term profitability*[1]



ESG performance measures and targets should be included in executive pay[1]



I am willing to divest from companies that aren't taking sufficient action on ESG issues[1]

*Although 81% of investors willing to sacrifice 1% or less in returns for better ESG performance. Source: PwC's 2021 Annual Global Investor Survey, PwC's 2022: The Growth Opportunity of the Century Report.

Data-Driven Storytelling

All this means businesses need to manage many moving parts to manage multiple expectations. They need to adhere to increasingly complicated reporting standards to meet investor needs, and they need to transparently share their ESG narrative through data-driven storytelling to consumers, job seekers, and employees typically from the CEO-level on down.

Why data-driven storytelling, though? Because:

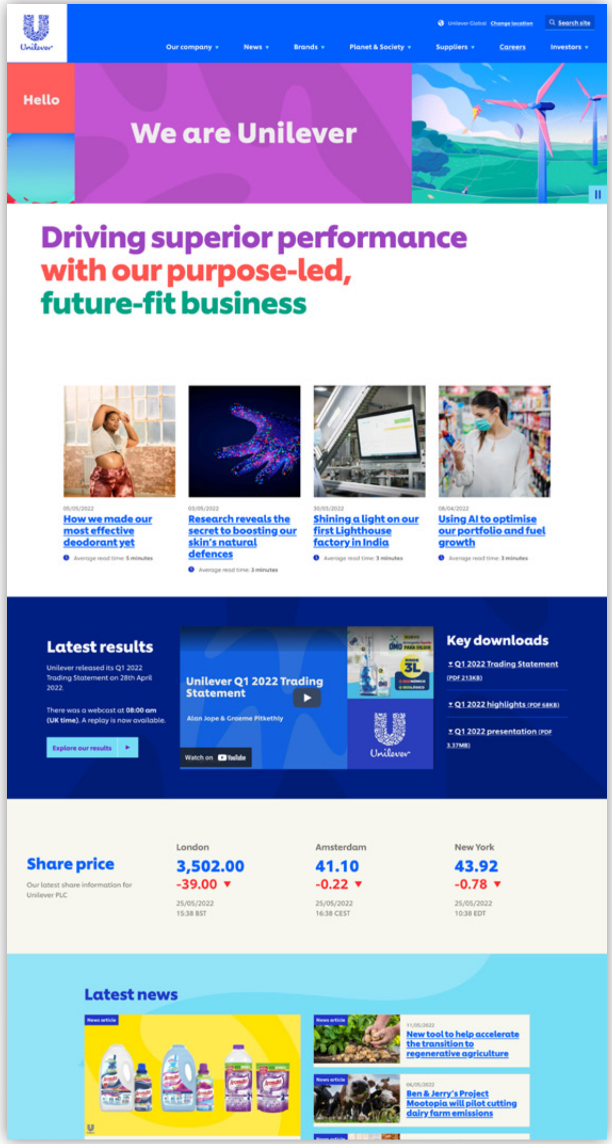
At a time when it's getting harder to measure ESG performance, audiences want, and need, corporations to step in and share metrics for what success means.

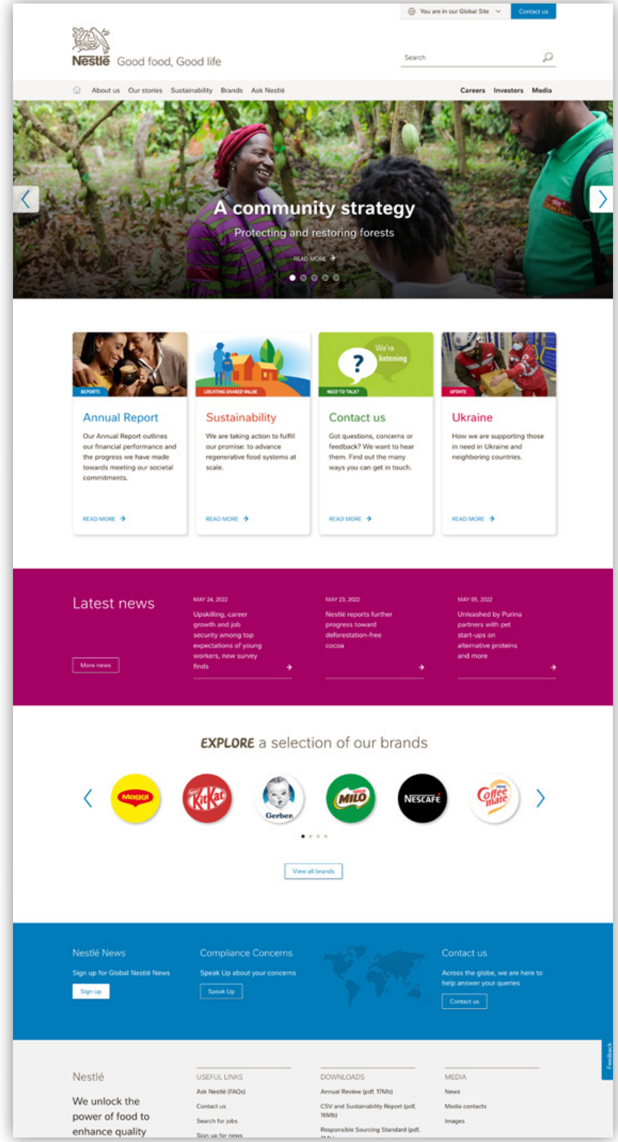
- **But data can be wonky and confusing.** Corporations need to turn that performance data into a great story that resonates emotionally with investors, consumers, employees, and job seekers. Human beings are emotional creatures. Emotion creates a connection with a brand – investors included.
- **Data and storytelling need to go hand in hand.** Storytelling without data puts a company at risk for greenwashing and incurring an unacceptable risk to their reputation. But raw data gets lost amid a sea of metrics dominating the ESG landscape.

And do all of that not just once but on an ongoing basis.

That's why our new ranking of the *Top 100 Leaders in ESG Communications* focuses on businesses that do the best job with data-driven storytelling.

Who is doing all this well?





How we Ranked the Leaders

Investis Digital is in the trenches every day helping businesses connect with corporate and consumer audiences online. We don't judge from the sidelines. We manage and host more than 2,000 corporate and IR websites for micro-cap to mega-cap companies, across all industries.

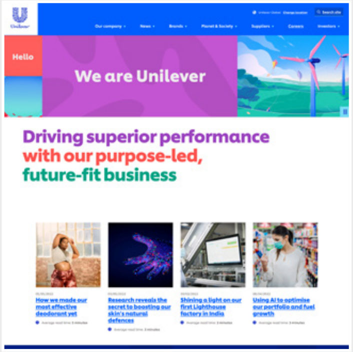
Those websites give us data every day on how clients reach key audiences such as investors, employees, job seekers, and customers.

We also benchmark corporate communications online, including websites, using our proprietary Connect.IQ methodology. Connect.IQ features over 300 overall criteria grouped into five categories that help measure how well you are meeting the needs of key audiences such as investors, influencers, journalists, potential employees, and society at large. For example, one category examines the breadth of ESG and Sustainability narratives on a website, focusing on over 50 different criteria and content types that your audiences (and regulators) are looking for. Those criteria include:

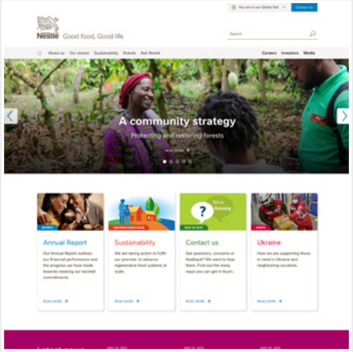
- A dedicated ESG and/or sustainability section.
- ESG strategy and approach, quantified.
- Statement of ESG principles and policies.
- Climate change topics and related risks.
- Greenhouse gas emissions (Scope 1, 2 & 3).
- Materiality assessment, quantified.
- Corporate social responsibility (CSR), community, and human impact topics.
- Diversity and inclusion reporting.
- Framework reporting and alignment (SASB, TCFD, etc.).
- UN sustainable development goals (SDGs), quantified.
- Clear statement of compliance with prevailing governance code.
- Case studies demonstrating the enterprise's commitment to ESG.
- Evidence of stakeholder engagement.
- A message from the CEO.
- And many more.

For our inaugural ESG 100 ranking, we analyzed and compiled scores of more than 1,000 IR and corporate websites from the United States, United Kingdom, and the European Union. From there, we pulled the top scoring websites: those that communicate most effectively online through their corporate websites and digital channels. But the Top 100 do not exist in a vacuum. They are shaped by several factors that influence how they share their ESG narrative, from industry trends to local regulations, changing frameworks, market cap and even internal support. No two industries are alike, just as no two companies are alike. However, with this study we were able to set a new global benchmark for the trends that affect them all.

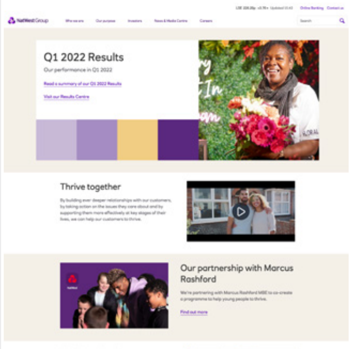
The ESG 100: Top Leaders



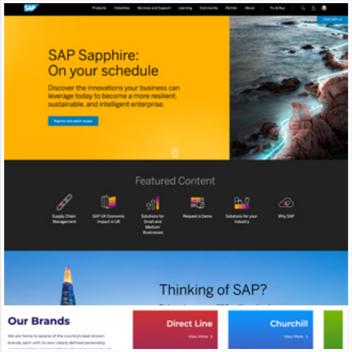
1 Unilever **84%**



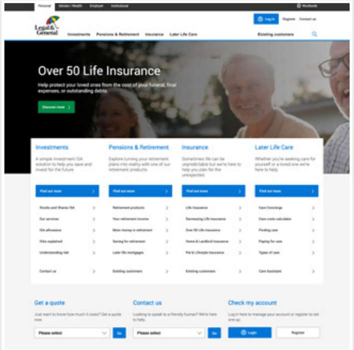
2 Nestle **84%**



3 NatWest Group **78%**



4 SAP **73%**



5 Legal & General **73%**

TREND | 01

Stakeholder Capitalism and ESG.

To understand why the ESG 100 prioritize a clear and compelling ESG narrative, it's important to recognize the rise of stakeholder capitalism.

Stakeholder capitalism matters to the leaders in our report for many reasons. For instance, the concept broadens their agenda far beyond the investing community.

As such, stakeholder capitalism forces IROs to broaden their audience. Does everyone know what it means, though, and why it matters to your reputation?

Let's answer some commonly asked questions.

What exactly is stakeholder capitalism?

Stakeholder capitalism means that companies seek long-term value creation by taking into account the needs of all their stakeholders, and society at large. That's how the World Economic Forum (WEF) defines it. The definition is significant for what it does not say, too. Note that the WEF definition does not call out investors. They're an implied set of stakeholders, but they're not the sole focus of companies that practice stakeholder capitalism.

Stakeholder capitalism requires a company to undertake an important shift in thinking: from putting investors first to putting all stakeholders first, including people, clients, and the community (or communities) in which a business operates.

Stakeholder capitalism matters because employees, customers, and job seekers are holding businesses accountable for how well they balance the profit motive (typically seen as shareholder primacy) with the needs of people and the planet – the so-called triple bottom line. As McKinsey wrote, "Consumers and society at large are expecting more from business. Embracing those responsibilities can help shareholders, too." This broader remit forces businesses to realize that pleasing shareholders alone is not going to be sufficient.

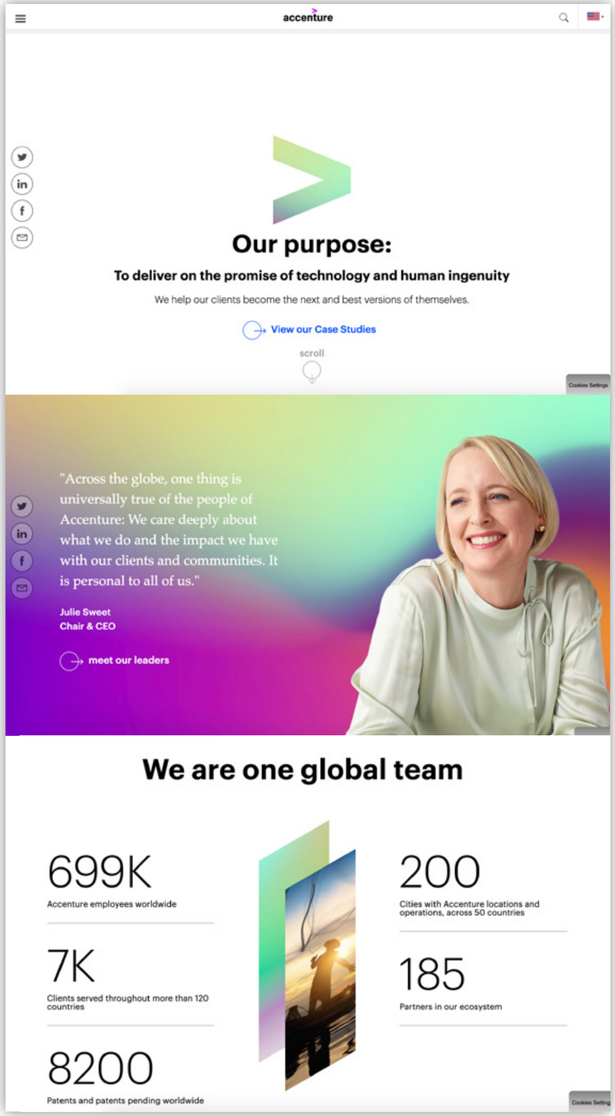
In addition, the rise of sustainability has made it painfully apparent that businesses that fail to look beyond the profit motive may not have a planet earth around much longer to do business in. No earth, no business, no profits. A concern over sustainability is not the sole reason why stakeholder capitalism has taken hold, but it is an important one.

For all these reasons, stakeholders want businesses to be more purpose-driven, meaning that they align their reason for being with the needs of society at large. Stakeholder capitalism makes a company's purpose more purpose driven.

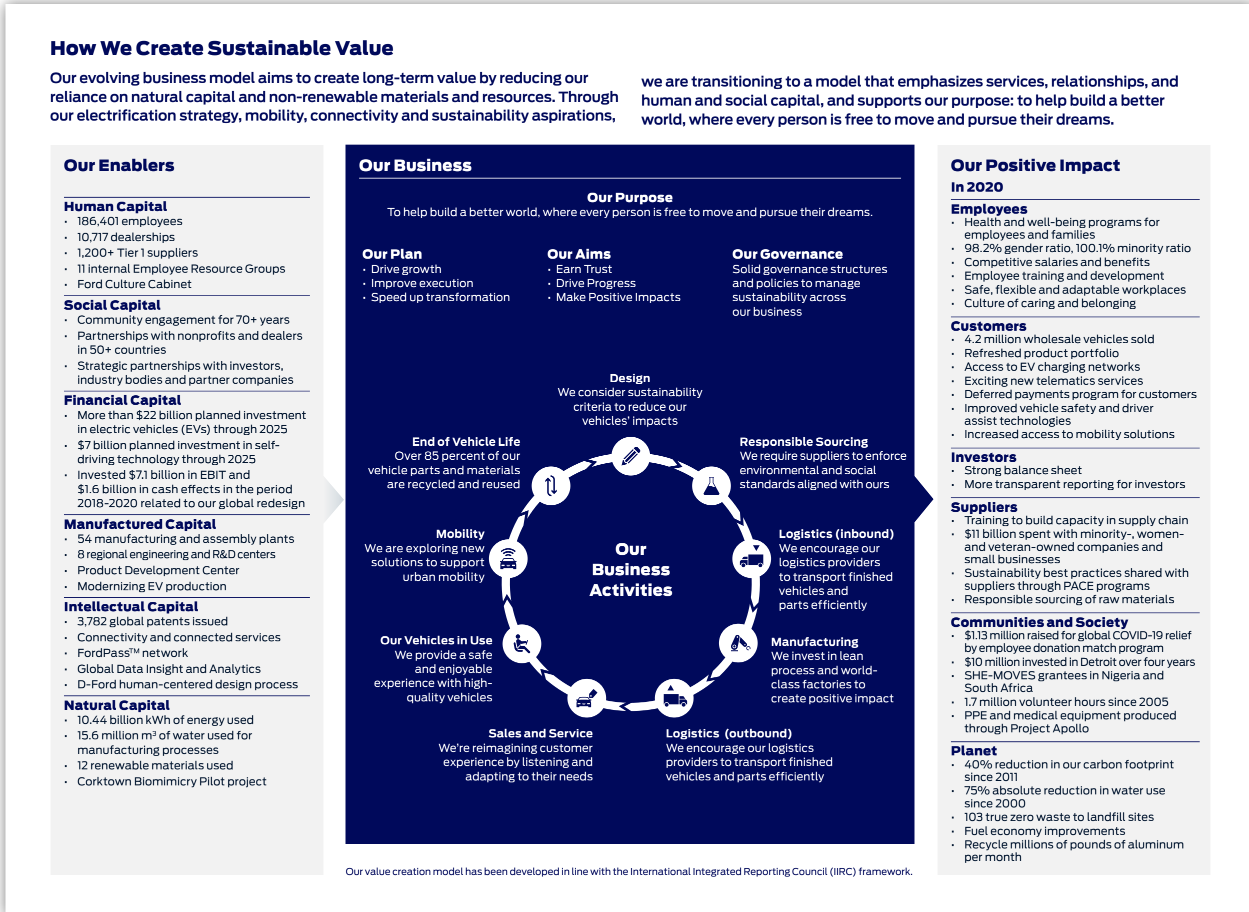
A really good example of how an ethos of stakeholder capitalism can affect a company is the corporate attitude toward paying taxes. Companies that embrace stakeholder capitalism pay their taxes because taxes are about contributing to the communities in which they operate and generate profits. Businesses that seek every loophole to avoid paying taxes are putting profits ahead of people in their communities.

> **"Consumers and society at large are expecting more from business. Embracing those responsibilities can help shareholders, too.**
>
> McKinsey

Stakeholder capitalism is more common in the United Kingdom than in the United States probably because in the UK, businesses need to fulfill regulatory requirements in areas such as sustainability, so it is common for companies to include commentary on stakeholder value in communiques such as their annual reports. But even though U.S. companies do not face the same level of regulatory scrutiny, some have done an exemplary job of embracing stakeholder capitalism.



Ford is one of them. Its Integrated Sustainability and Financial Report 2021 is a textbook case of discussing a company's performance through the lens of stakeholder capitalism. The following excerpt is complicated, but take the time to review it closely:



Notice how Ford describes its positive impact across the dimensions of employees, customers, investors, suppliers, community and society, and planet. Notice also that investors are not listed first. This is a vivid illustration of how a company views its value through its impact on multiple stakeholders. This kind of integrated reporting makes stakeholder capitalism real.

In the UK, the term *stakeholder value* is more commonly used. Value is about outcome. And businesses will always need to deliver value to stay in business no matter what they do.

If stakeholder capitalism makes a company's purpose more purpose-driven, then what's the difference between having a purpose and being purpose-driven?

A company's purpose is why you exist. As Jane Okun Bomba, president of Saddle Ridge Consulting, said at a recently conducted NIRI event, "Purpose answers one question: what would be the consequences if your company disappeared?"

Being purpose-driven is about a business acting in a socially responsible way – to all its stakeholders and society at large. The two are not one and the same. A business can pursue a singular purpose of maximizing profit for its shareholders or creating the most exciting entertainment in the world without being purpose-driven. But the two are beginning to converge for the same reasons stakeholder capitalism is so topical: businesses are being held accountable for doing more than achieving impressive profit margins. Failing to be purpose-driven incurs enormous costs such as turning away purpose-driven consumers, investors, job seekers, and employees. Failing to be purpose-driven can alienate an entire generation too: the almighty Millennials, who will take a pay cut to work at a company whose values align with theirs.

And guess what? Maximizing profit is not one of their strongest values.

Companies are evolving into three camps:

- **Those whose purpose is completely purpose-driven, too.** These businesses don't just want to align profit, people, and planet – they want to put planet and people first. A good example is Patagonia, which says the company is here to protect the earth. Ben and Jerry's is another for its singular obsession with using its company as a platform to achieve social justice. Patagonia and Ben and Jerry's are outliers, though.
- **Businesses incorporating corporate social responsibility into their purpose, mission, values, and vision.** Even if you don't see "purpose-driven" ideas overtly stated in their purpose, you'll find corporate social responsibility evident in some important element of their identity and reason for being. These are the businesses that balance people, profit, and planet, where companies such as Unilever, Ford, Vodafone, Coca-Cola are headed. Most businesses are on a journey to achieving this delicate balance. They know they are in business to make a profit, but they're not going to make a decision that puts profit ahead of people and planet. Neither are they going to make a decision that puts planet and people ahead of profit.
- **Businesses with no interest in being purpose-driven in any way.** These are a rapidly disappearing lot, though. It's hard to find a publicly traded business that gleefully avoids being purpose-driven especially as Millennials increasingly call the shots.

So, indeed, what would be the consequences if your company disappeared? Increasingly companies are answering that question by examining not only the monetary value they create but whether they are making the world better and improving the lives of people who call earth home.

If a company is living its purpose, how important is it to share it?

Articulating your purpose takes an effort, and then comes the arduous task of rallying your people and your board of directors around purpose. But many struggle to explain their purpose.

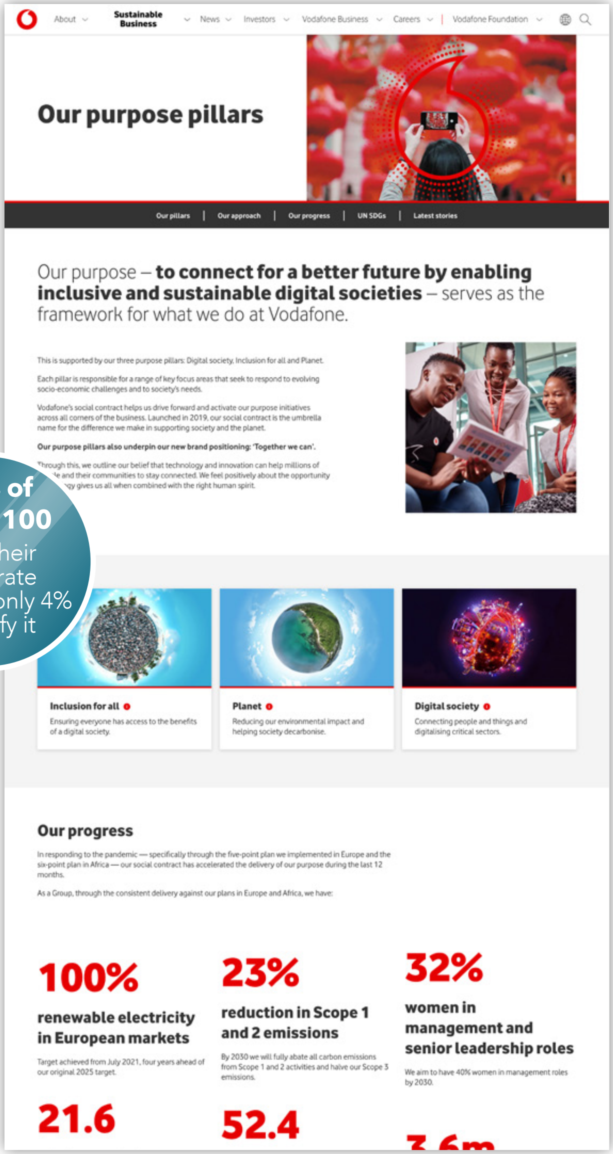
As noted, job seekers, in particular Millennials, are choosing purpose-driven companies. At a time when the war for talent is heating up, articulating a purpose, and demonstrating how you are purpose-driven, can make the difference between your winning or losing.

But even businesses that do not care about stakeholder capitalism and care foremost about investors still need to make sure they're articulating their purpose – maybe even more so. In the marketplace, investors more than ever are focused on purpose-driven investing. And they're looking at purpose as a performance indicator as evidence continues to mount that purpose-driven companies outperform those that are not.

62% of Global100 state their Corporate Purpose, only 4% quantify it

So, how are you going to satisfy those investors as they look for evidence you are purpose-driven? What evidence of being purpose-driven will they find when they visit your website and review your company's Investor Relations section?

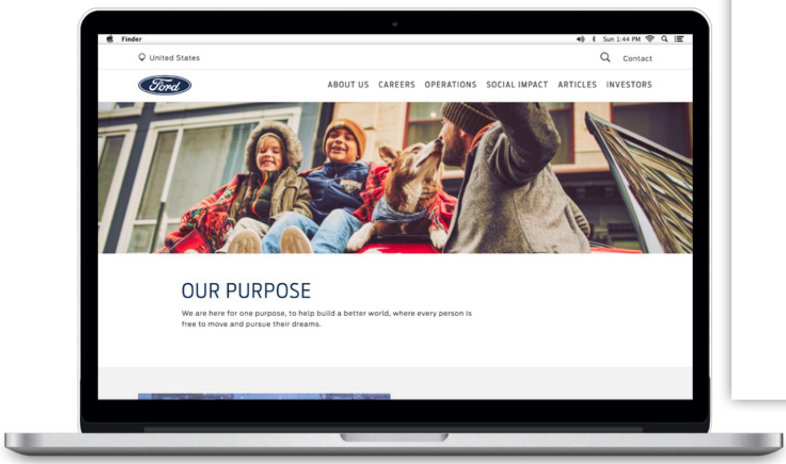
At this point, demonstrating that your business is purpose-driven is table stakes for being a business, period. Our evaluation of corporate website performance shows that most of them share their purpose, mission, and vision, even if few of them quantify them as well as they should. Discussing your purpose is akin to a company reporting its track record for profitability or client retention: why wouldn't you report those important metrics?

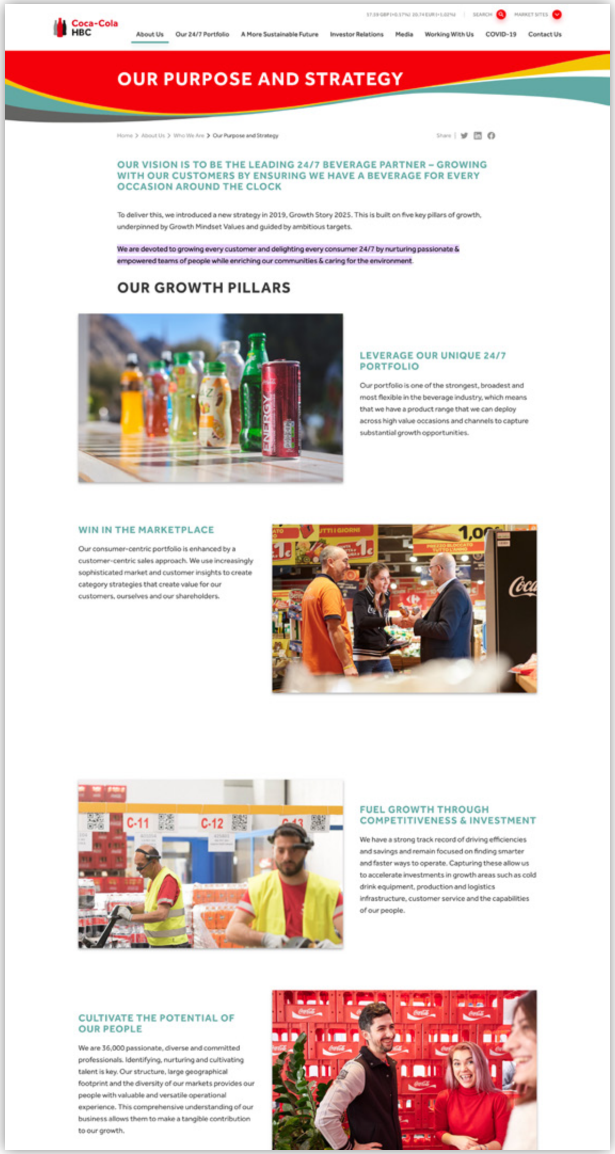


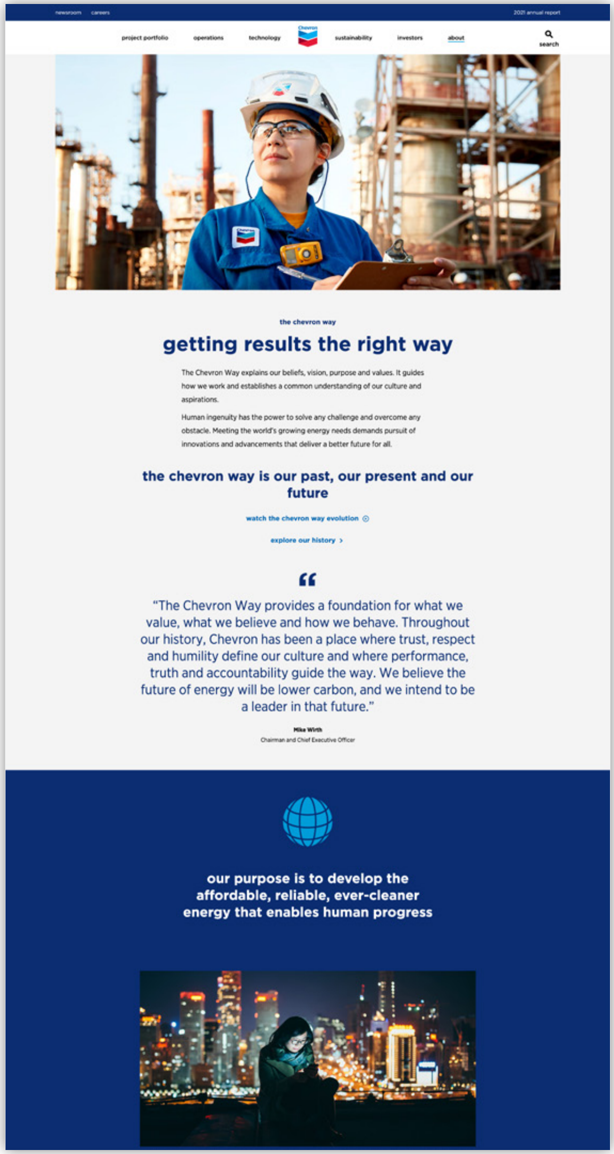
What's next for stakeholder capitalism?

Much of the discussion about purpose in context of stakeholder capitalism has focused on protecting the earth. But some companies are looking at purpose as planet improvement, not just planet protection. Microsoft talks about being net carbon positive. Banks offer green financing to support clean energy projects. This is an encouraging development. In addition, the future of stakeholder capitalism includes measuring the value of purpose, not just articulating it. Businesses have a long journey ahead of them. Very few companies we study actually quantify the value of their purpose. But we're living at a time when distrust of large businesses is high according to Edelman's annual trust barometer. Metrics are not the antidote to mistrust, but they go a long way toward building credibility, and credibility begets trust.

All businesses will continue to be on a journey. None of them will act perfectly. None will have that perfect story of their purpose. But it is better to discuss what you have achieved and are doing rather than wait for the perfect time to tell that narrative. Those that don't act will be left behind. Those that do will build trust.







TREND | 02

The Roadmap and Race to Net Zero.

The race to net zero is a critical issue that companies need to address in their ESG communications. That has intensified. And government bodies are ratcheting up the pressure. But with that pressure comes complications.

Net zero refers to achieving a balance between the carbon emitted into the atmosphere and the carbon removed from it. This balance – or net zero – will happen when the amount of carbon we add to the atmosphere is no more than the amount removed.

Publicly traded firms are under tremendous pressure to achieve net zero, and one of the reasons is the rise of stakeholder capitalism discussed elsewhere in this report. For example, Amazon famously announced its $2 billion Climate Pledge Fund to invest in sustainable technologies and services that will help the company reach its commitment to be net-zero carbon in its operations by 2040. (The investment was the latest in a series of actions that the company undertook amid criticisms that Amazon makes the world less sustainable.)

Obviously, Amazon is not alone. In fact, most businesses have made major announcements about their commitment to becoming net-zero albeit under different time frames. But it's not enough to announce a commitment – businesses are now being judged for how well they spell out a clear road map to achieve net zero. Many are responding. Marks & Spencer CEO Steve Rowe discusses in a nine-minute video the company's commitment to being fully net zero by 2040.

TREND | 02 - The Roadmap and Race to Net Zero

Regulators around the world are putting more pressure on businesses to be more transparent, too. For example, the Securities and Exchange Commission (SEC) recently announced a proposal that will up the ante for sustainability disclosure – and rock the boat for investor relations. The proposal would require a domestic or foreign registrant to include certain climate-related information in its registration statements and periodic reports, such as on Form 10-K. Although many businesses already disclose sustainability data, the SEC would make sustainability reporting mandatory.

What the SEC Announced

The SEC would require the publication of climate-related financial statement metrics and related disclosures in a note attached to the registered entity's audited financial statements. This data would be based on reporting frameworks such as the Task Force on Climate-Related Financial Disclosures and the Greenhouse Gas Protocol.

Required data would include climate-related risks and their actual or likely material impacts on the registrant's business, strategy and outlook; the governance of climate-related risks and relevant risk management processes; a business's greenhouse gas emissions; and more.

If a registrant has adopted a transition plan as part of its climate-related risk management strategy, the proposal requires disclosures that include a description of the plan, including the relevant metrics and targets used to identify and manage any physical and transition risks.

Read more about the requirements here.

Why the SEC Proposal Matters

The proposal matters to investor relations professionals for a number of reasons:

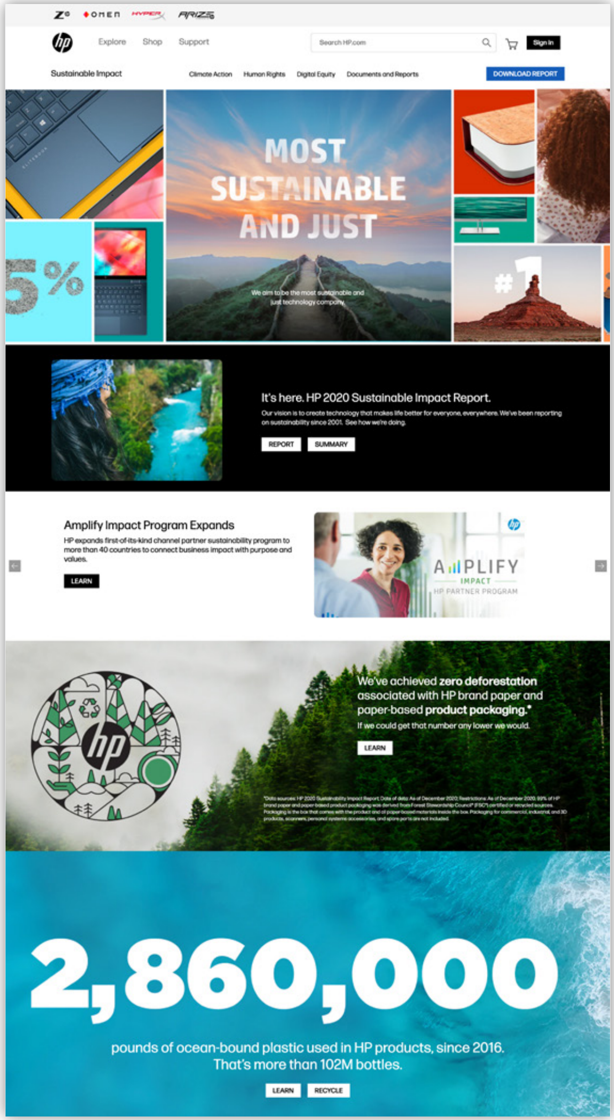
- Sustainability data is no longer a nice to have, but a must-have. That's because investors are increasingly looking at climate change as a risk factor for publicly held companies. For example, JPMorgan reported that the COVID-19 crisis is accelerating the trend for a more sustainable approach to investing.
- The SEC is pushing IROs toward more uniform reporting. The proposal specifies the type of metrics that IROs need to disclose instead of leaving it up to IROs to decide. This is being done to align a company's content with the needs of investors. But for IROs of global businesses, the proposal could make life even more complicated. The SEC proposal would add one more framework on top of many that companies need to navigate.

The proposal is already being heavily debated. Critics assert that this regulation doesn't take into consideration the costs associated with ESG and sustainability audits, content, advisors, nor the specifics needed to disclose. As noted, proponents stress how the SEC is pushing businesses in the direction of uniform and universal reporting.

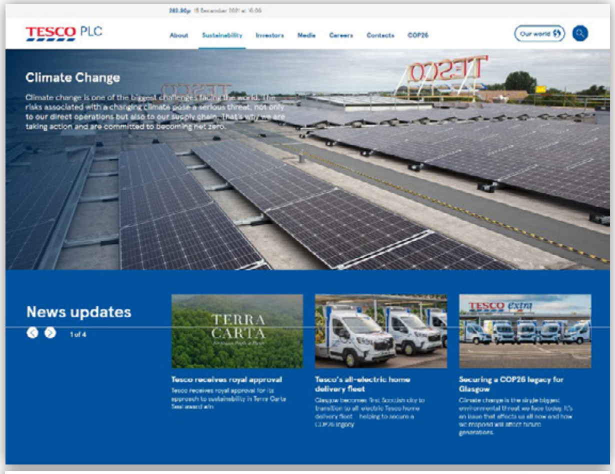
A related perspective, from Doug Peterson of S&P Global, points out that too often the conversation about ESG/sustainability reporting focuses on risk to a business. Instead, metrics should measure the positives that companies deliver as well as the risks posed by ESG issues. It is likely that the SEC proposal will ignite a broader conversation about the sustainability/ESG narrative in context of risk versus value.

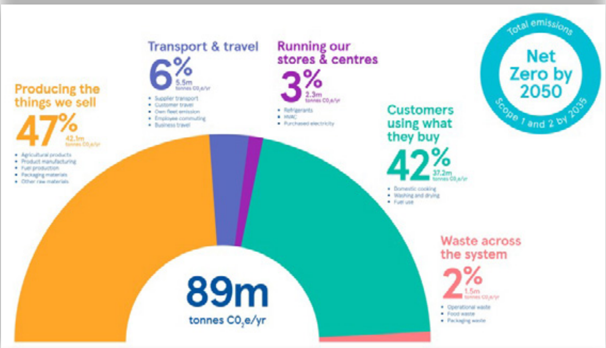
Doug Peterson's post points to an intriguing challenge: how does a business meet increasingly stringent reporting requirements – while also influencing the conversation about the value that a business provides through its embrace of sustainability/ESG? After all, businesses such as Tesla have capitalized on sustainability to innovate.

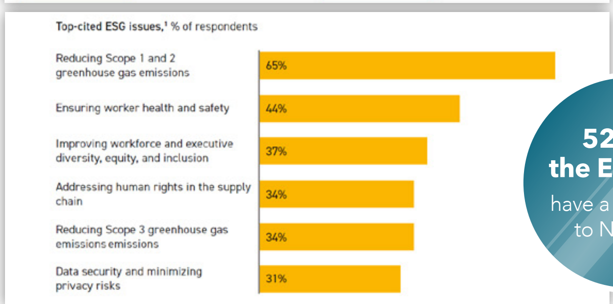
Our report ranking the leaders in ESG communications underscores that leaders can and do manage both the requirements of regulators and expectations of stakeholders by sharing a compelling narrative rooted in data.



52% of the ESG 100 have a Roadmap to Net Zero, 31% provide it in HTML format for easy indexing and search

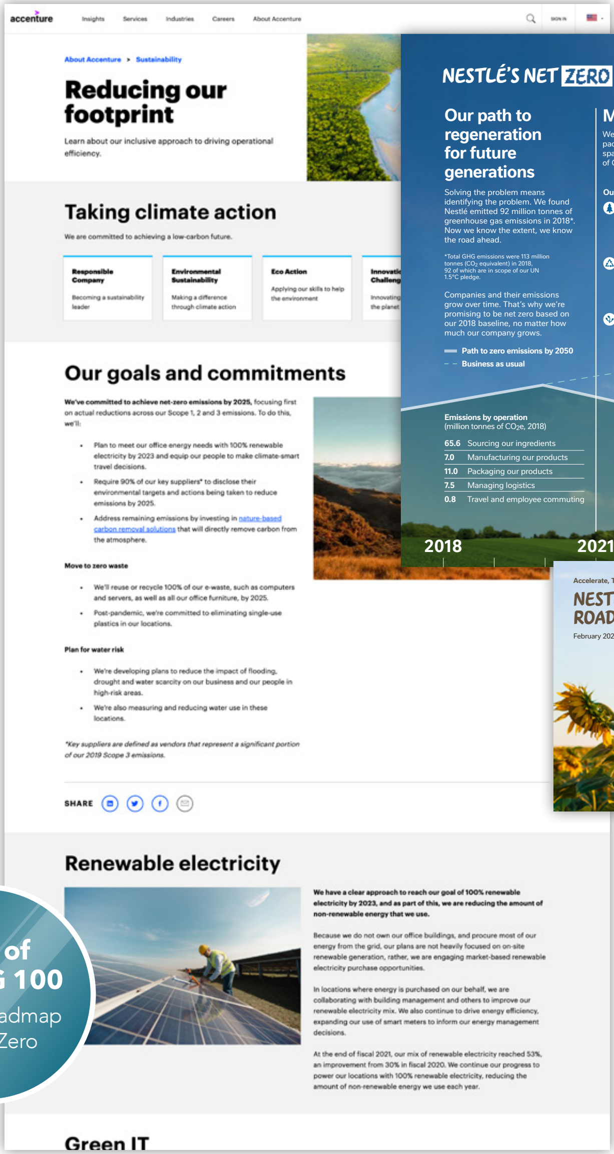


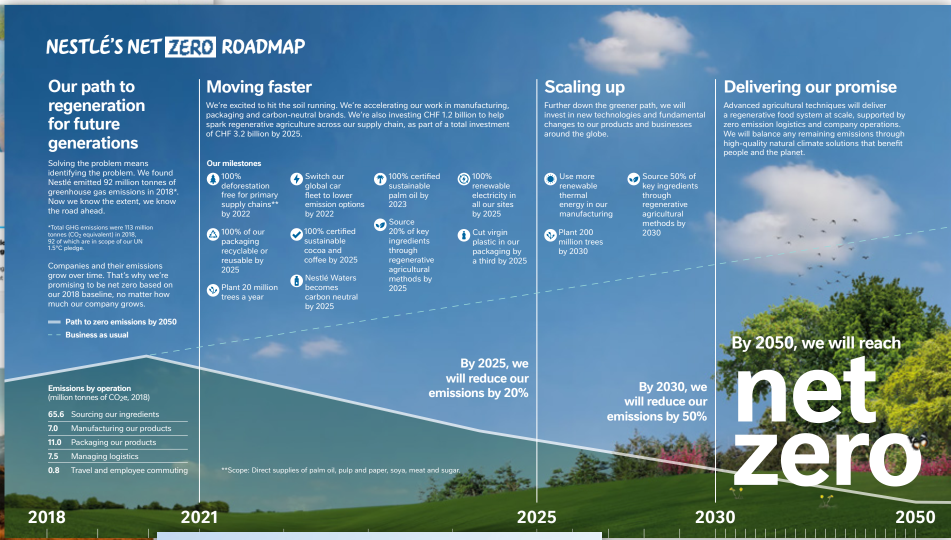




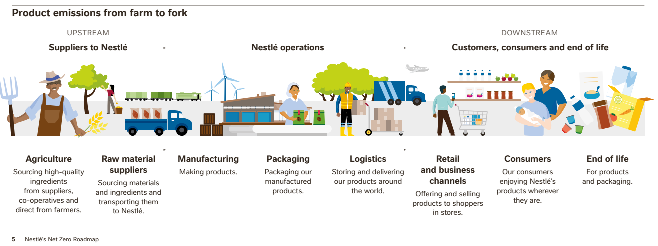
52% of the ESG 100 have a Roadmap to Net Zero

In 2009 Tesco became the first company globally to set the ambition to become net zero by 2050.





Nestle describes their path to net zero though a 49-page PDF featuring detailed plans for reaching their 2030 commitments.



TREND | 03

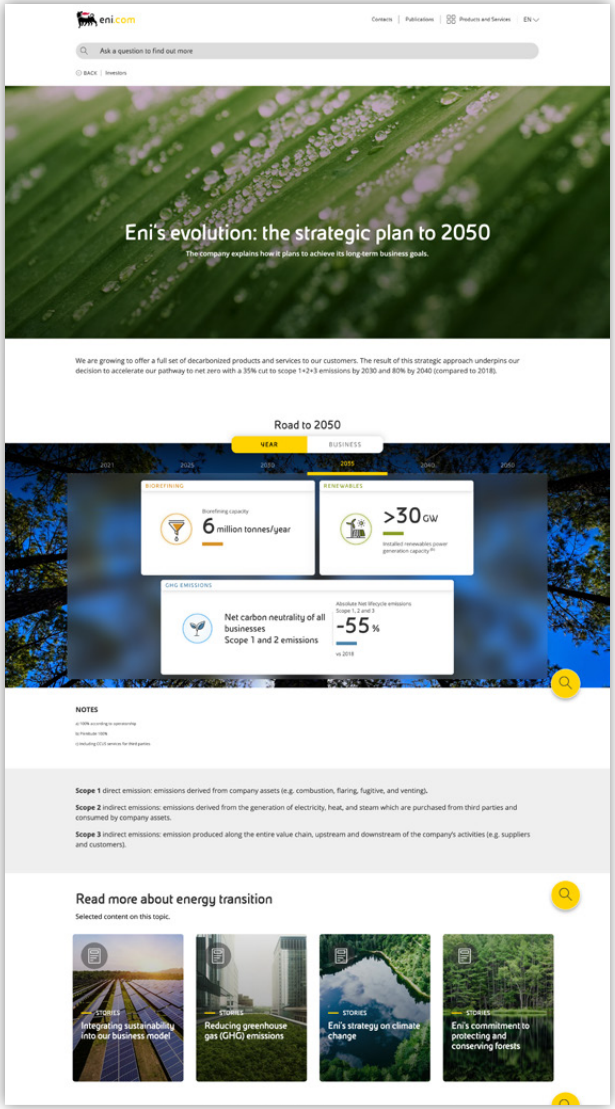
An Approach for Data-Driven Storytelling: TLC.

At a time when distrust of institutions runs rampant, the conversation about ESG increasingly focuses on performance metrics.

Skeptical audiences ranging from investors to employees are challenging businesses to provide credible metrics as proof of their ESG commitments. This is all good. But numbers don't tell the entire story.

As we've asserted in this report, data alone does not tell a compelling story. Data tells you the what – not the why. And as we discussed recently on the Investis Digital blog, even the most well-meaning businesses are struggling to keep up with a patchwork quilt of performance standards they must report against. And that's not so good. So, what is the solution?

Well, how about a little TLC? Not tender loving care – but transparency, leadership, and connectivity.



ENI demonstrate their journey to net zero by focussing on what they will achieve at key moments in their journey.

Transparency, leadership, and connectivity comprise the three pillars of an ESG narrative that draws on metrics to tell a more powerful story rather than share metrics for the sake of sharing metrics. TLC is a way of understanding how to communicate ESG everywhere a business interacts with its stakeholders – foremost on their corporate websites but also through social and paid media. The elements are:

- **Transparency:** communicating transparently about the most material issues you face, your plans to address them, and your performance against the targets you set. Being transparent means doing so continuously via your website, not just in your annual report.
- **Leadership:** a compelling sustainability narrative needs leadership from the top and leadership by example. Your website and wider digital presence provide the platform for amplifying the voices of your leaders and bringing to life the initiatives that are driving sustainable change in your organization.
- **Connectivity:** your sustainability goals can only be achieved when the strategic approach is a fully integrated part of your wider business strategy. And it can only happen by working with others within a company's stakeholder ecosystem, including your suppliers. Demonstrating how you are building those connections and integrating your approach are essential to successful communications.

TLC provides a way of sharing both the *what* and *why*. Let's look a bit more closely at each element.

Transparency

Many businesses and their audiences view transparency as a matter of sharing ESG performance metrics, but it's more than that. Transparency is about clarity of strategy and commitments. Recently Investis Digital benchmarked more than 1,000 corporate websites from the US, UK, Europe and the rest of the world using a proprietary scorecard. We found that 74 percent of the FTSE 100 share an overarching sustainability strategy, but only 36 percent quantify their commitments. Here we see an obvious disconnect, and fixing that disconnect should be a priority as businesses figure out what performance metrics to focus on.

Only 36% of FTSE100 quantify their sustainability commitments

Materiality is also a key component of transparency. Materiality consists of a discussion of the issues such as climate change that might affect your business. Most companies do a materiality analysis every two years, but only 30 percent of the FTSE publish their materiality assessment.

To be truly transparent, businesses need to also:

- Make data accessible and customized to different audiences. Unilever does an exceptional job giving its audience easy access to ESG performance data via downloadable files – a standard for other businesses to follow.
- Publish evidence of their ESG commitments, such as case studies, throughout the year. Consider ESG reporting to be a steady stream of content.
- Customize data for different audiences. For instance, some companies such as Marks & Spencer have incredibly detailed pages describing how they responsibly source raw materials for audiences (such as NGOs) that want to see the details. But the company also publishes smaller, more easily digestible quick summaries for other audiences that simply want an overview.

Leadership

Leadership comes from the top, and that means that company CEOs discussing on their websites and on their socials their commitment to sustainability. But only 44 percent of the FTSE 100 feature a CEO introduction to ESG on their site – a huge opportunity for improvement.

But many businesses have gotten savvy about making their CEO the voice of their ESG efforts, notably Patagonia CEO Ryan Gellert. Marks & Spencer CEO Steve Rowe discusses in a nine-minute video the company's commitment to being fully net zero by 2040 – an extraordinary example of a CEO taking a deep dive into an ESG topic. He shows very credibly how the company works with various suppliers to achieve its goals. In doing so, he humanizes the company's narrative.

There's another element of leadership that is not thought about as much: corporate leadership. Businesses lead when they share their ESG journey so that other businesses can learn from them. Even better, businesses act like leaders when they:

Share tools. For instance, Novartis has developed a tool kit where other companies that want to learn how to do a materiality assessment can learn how. It's akin to open sourcing an approach to a materiality assessment.

Contribute to society in a tangible way. Consider how Microsoft and Google provide large amounts of free online learning to boost social mobility – such as helping people with underprivileged backgrounds learn and adapt to the modern workforce as this example shows. This is about more than contributing financially.

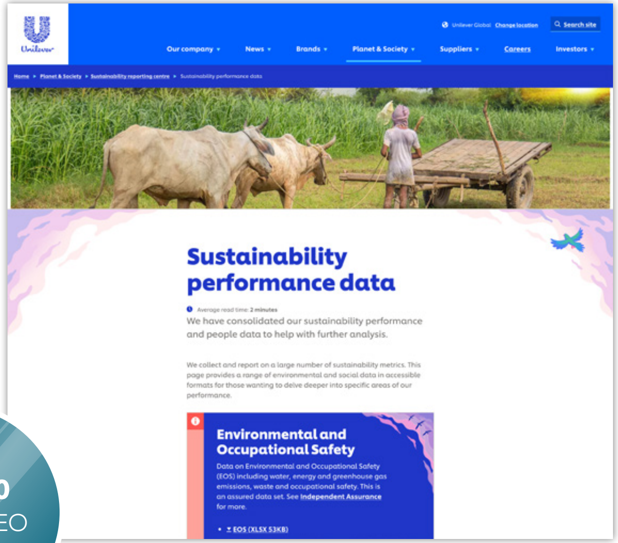
Businesses lead when they share their ESG journey so that other businesses can learn from them.

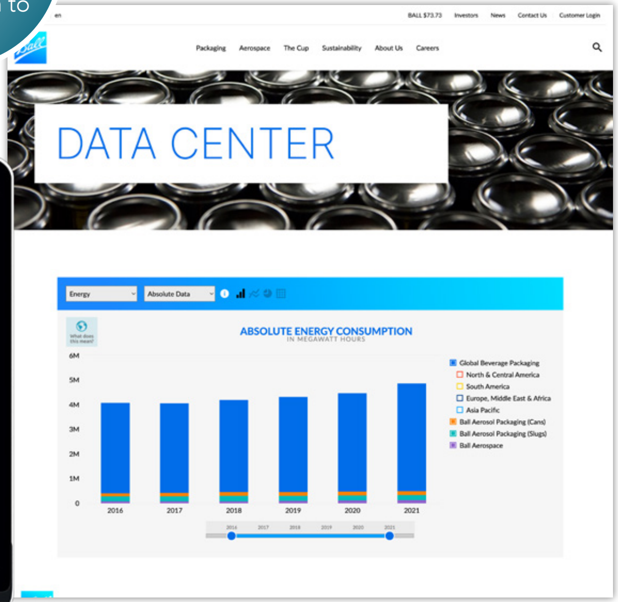
Innovate. Several businesses such as IBM, IKEA, and PayPal conduct hackathons to solve sustainability challenges. They lean into their websites to promote these hackathons and to encourage academics to join in and crowdscource ideas. Then they report the outcomes freely so that their communities can learn. For instance, IKEA publishes add-ons that people with disabilities can attach to their existing Ikea furniture to make the furniture work better for them. The initiative, ThisAbles, is partly the result of a hackathon that IKEA hosted in its Tel Aviv store.

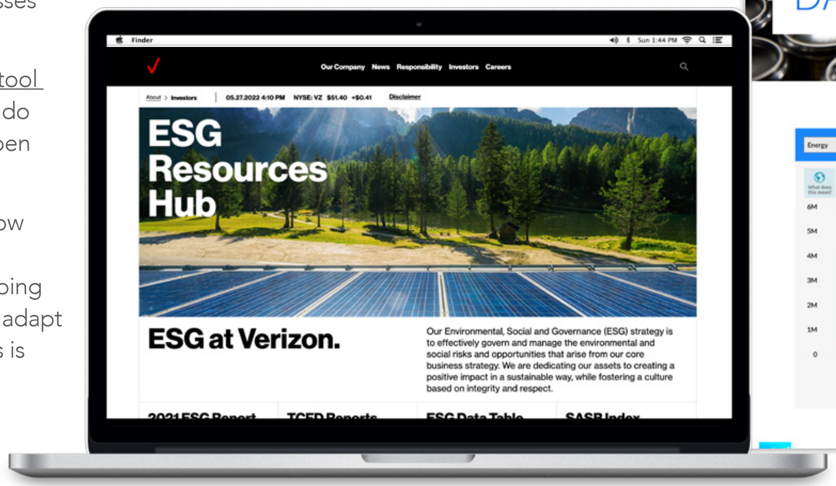
Leadership is about going above and beyond – not just managing.

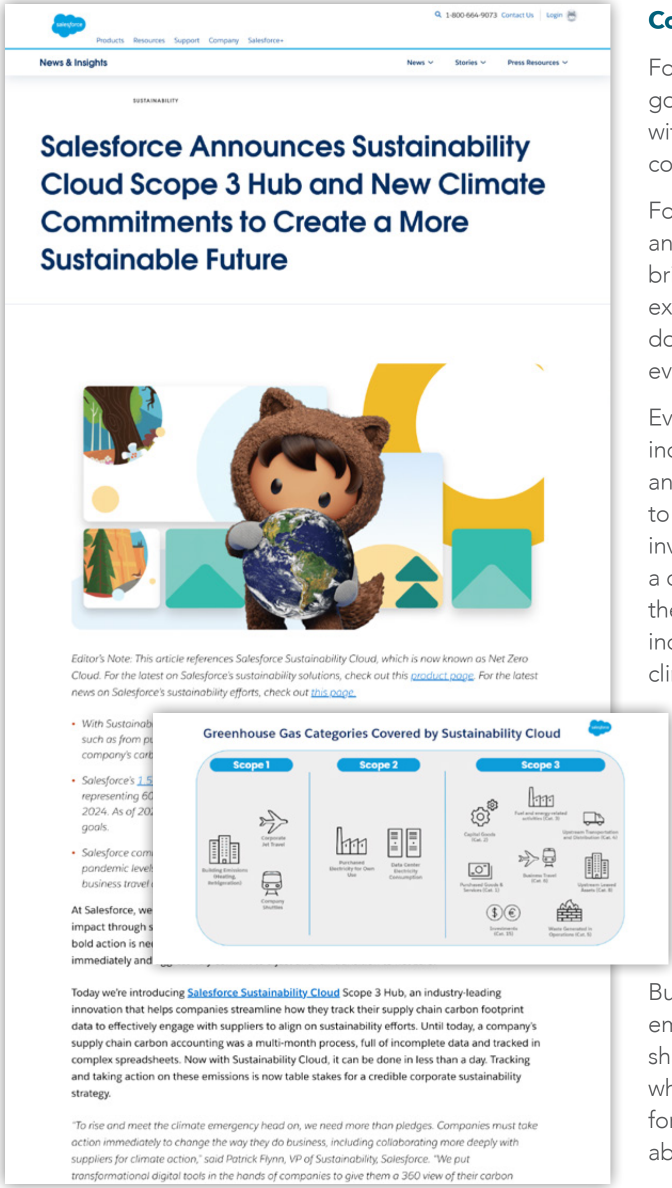
Moving forward, companies will be under more pressure to teach others. Why? Because companies truly committed to net zero realize they are not going to do it alone.

Only 44% of FTSE100 feature a CEO introduction to ESG








News & Insights

SUSTAINABILITY

Salesforce Announces Sustainability Cloud Scope 3 Hub and New Climate Commitments to Create a More Sustainable Future

Editor's Note: This article references Salesforce Sustainability Cloud, which is now known as Net Zero Cloud. For the latest on Salesforce's sustainability solutions, check out this product page. For the latest news on Salesforce's sustainability efforts, check out this page.

- *With Sustainab… such as from p… company's carb…*
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At Salesforce, we… impact through s… bold action is ne… immediately and…

Today we're introducing Salesforce Sustainability Cloud Scope 3 Hub, an industry-leading innovation that helps companies streamline how they track their supply chain carbon footprint data to effectively engage with suppliers to align on sustainability efforts. Until today, a company's supply chain carbon accounting was a multi-month process, full of incomplete data and tracked in complex spreadsheets. Now with Sustainability Cloud, it can be done in less than a day. Tracking and taking action on these emissions is now table stakes for a credible corporate sustainability strategy.

"To rise and meet the climate emergency head on, we need more than pledges. Companies must take action immediately to change the way they do business, including collaborating more deeply with suppliers for climate action," said Patrick Flynn, VP of Sustainability, Salesforce. "We put transformational digital tools in the hands of companies to give them a 360 view of their carbon

Connectivity

For companies and society to achieve its sustainability goals we must work together – connecting the activities within companies, between companies, and across companies, governments, and populations.

For companies, that starts with aligning corporate strategy and ESG strategy using their purpose as the North Star to bring the two together. Vodafone and Pearson are great examples of companies that have done just that and do a good job of explaining how their purpose guides everything they do on their websites.

Every IRO out there will know that their investors are increasingly interested in climate change and the risks and opportunities it creates for their business. According to PWC, reducing scope 1 & 2 emissions ranks as investors' highest ESG priority. Most of the FTSE 100 have a dedicated climate or carbon page – but only half of the FTSE 250 do. This situation will change as investors increase the pressure to manage the impact and risks of climate change.

Increasingly they are also interested in a company's scope 3 emissions, the emissions from a company's supply chain, which for many dominate their carbon footprint. Of course, for companies to reduce their scope 3 emissions, they must work with, set standards for, and collate metrics from across their value chain. An obvious need for connectivity between companies to work together.

But connectivity means more than prioritizing scope 3 emissions – it's also about how a business transparently shares its sourcing journey. Consider VF Corporation, which publishes an interactive map that makes it possible for analysts and consumers alike to obtain information about every business involved in the production of a pair of trainers or insulated jacket from raw material to manufacture and distribution. For every business they provide not just a name and address but information on workforce composition, working conditions and worker welfare programs.

But interest in supply chains, particularly amongst investors, doesn't end there. The global pandemic, the grounding of the Ever Given, a global chip shortage halting car manufacture, and the fallout from the horrific war in Ukraine have all highlighted the fragility and global extent of the supply chains businesses rely on. Furthermore, as supply chains come under increasing pressure from climate change we can expect investors to increasingly focus on supply chain risks.

It's clear that supply chains are going to come under increasing scrutiny as companies look to reduce their environmental impact, increase their social impact and reduce their risk exposure.

As such, connectivity will become an even more important pillar of the ESG narrative.

It's tempting to think of ESG solely in terms of risks and threats to businesses, the environment, and society. But in future, we're going to see more of the conversation increasingly focus on the growing opportunities the 'green economy' offers.

You need look no further than the remarkable growth of Tesla, the most valuable car manufacturer in the world whose success, despite low volumes, is the envy of its sector. Or consider the growth of the plant-based meat industry, which seemingly sprouted up from out of nowhere as a result of our collective concern about the environmental threats posed by the meat industry.

There's a mentality shift going on from risk and resiliency to reward. It's going to take some time for that shift to take effect, but it's happening now.

TREND | 04

ESG Content that Resonates with Investors.

Before we dive into our ranking of the ESG 100, let's take a closer look at the data-driven ESG content that investors prize the most on corporate and IR sites.

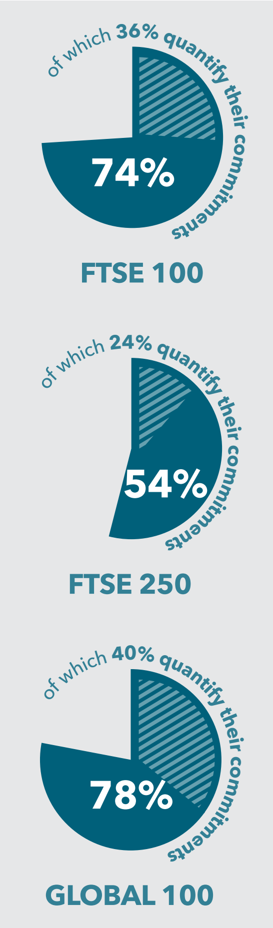
To assess how well businesses manage the risk of ESG, investors are demanding consistent ESG data and narrative to support their investment decision making. Note that they need both data and a narrative: or data-driven storytelling. Neither works well without the other. Businesses that share a narrative unsupported by data run the risk of greenwashing.

We applied the same Connect.IQ methodology that we use to rank the leaders in ESG storytelling to assess which ESG website content resonates with investors. We dug deep into the data (such as website traffic data) to understand what investors look for in ESG content and who does the best job meeting their needs.

Here's what we found.

Sustainability Strategy

Investors want more than just ESG performance data. They want to understand your sustainability strategy and how it aligns with the material risks and opportunities your business faces in the short and longer term.

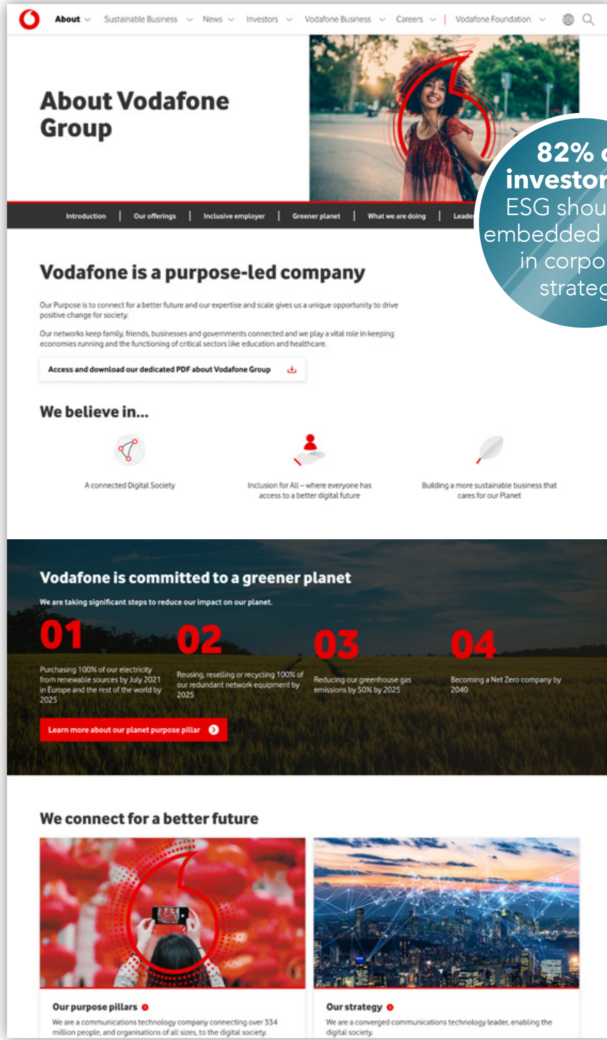


The Financial Times Stock Exchange (FTSE) 100 do a good job sharing their strategy, but our research shows that only 36 percent quantify their commitments. The disparity between sharing a strategy and quantifying commitments exists across the board. In a world of increasing uncertainty, numbers provide clarity. Going forward, businesses need to provide that clarity.

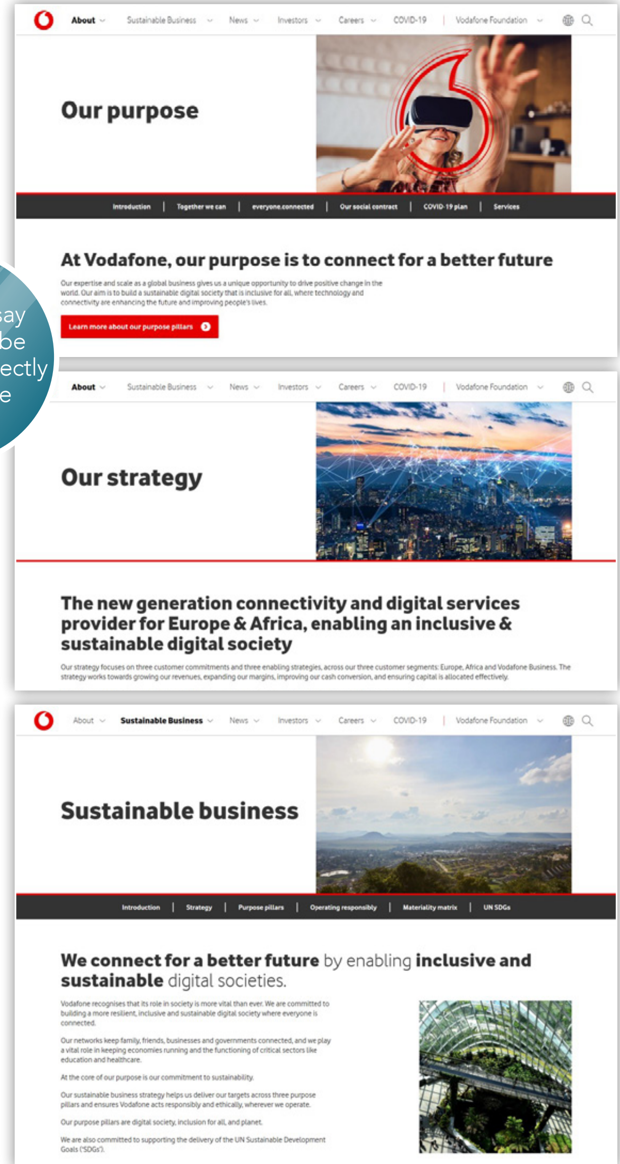
Connecting Purpose and ESG Strategy

Being purpose-driven has been a big area of focus in recent years, and it's a topic I talked about recently here. Are you connecting the dots between purpose, corporate and ESG strategy?

If not, your stakeholders may question if you're purpose-led or simply "purpose washing." I think Vodafone does an outstanding job linking business strategy, purpose, and sustainability strategy. I would recommend reviewing how Vodafone connects the dots between these core topics.



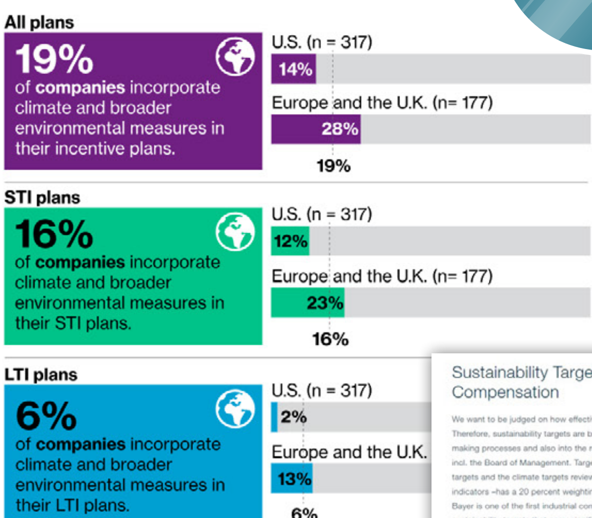
82% of investors say ESG should be embedded directly in corporate strategy

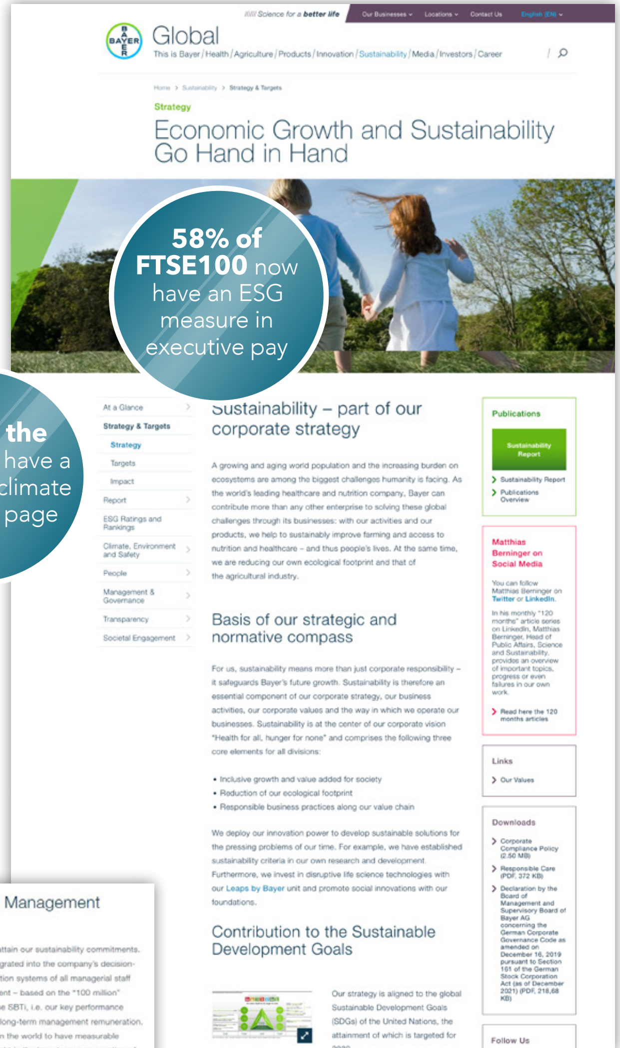


Board Compensation

Companies are increasingly under pressure to link board renumeration to ESG performance. Indeed, about 58% of FTSE 100 companies now have an ESG measure in executive pay. But although investors demand it, most companies only disclose the fact that they include ESG measures in their executive pay in their remuneration report.

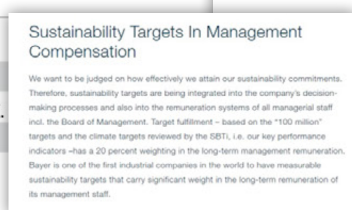
The standout, though, is Bayer. Bayer is one of the few companies to highlight the link between ESG and executive pay outside of their remuneration report. Its ESG strategy landing page connects economic growth, sustainability targets, and compensation. Hats off to Bayer!





58% of FTSE100 now have an ESG measure in executive pay

76% of the FTSE100 have a dedicated climate or carbon page

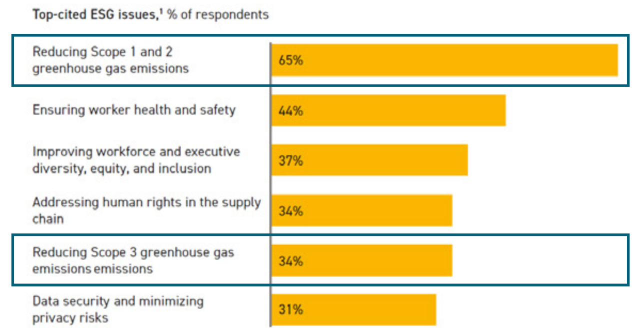


Sustainability Targets In Management Compensation

We want to be judged on how effectively we attain our sustainability commitments. Therefore, sustainability targets are being integrated into the company's decision-making processes and also into the remuneration systems of all managerial staff incl. the Board of Management. Target fulfillment – based on the "100 million" targets and the climate targets reviewed by the SBTi, i.e. our key performance indicators –has a 20 percent weighting in the long-term management remuneration. Bayer is one of the first industrial companies in the world to have measurable sustainability targets that carry significant weight in the long-term remuneration of its management staff.

Climate Change

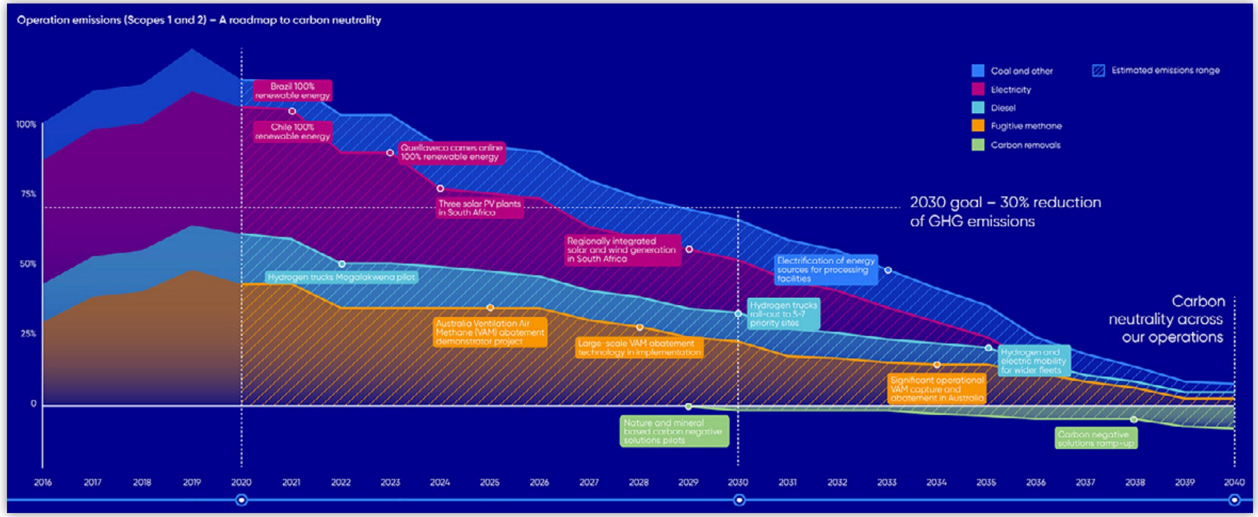
Investors are increasingly interested in climate change and the risks and opportunities it creates for business. According to PWC reducing scope 1 & 2 emissions ranks as investors' highest ESG priority, and they are also prioritizing scope 3, supply chain emissions. Most of the FTSE 100 have a dedicated climate or carbon page – but only half of the FTSE 250 do. This situation will change as investors increase the pressure to manage the risk of climate change.

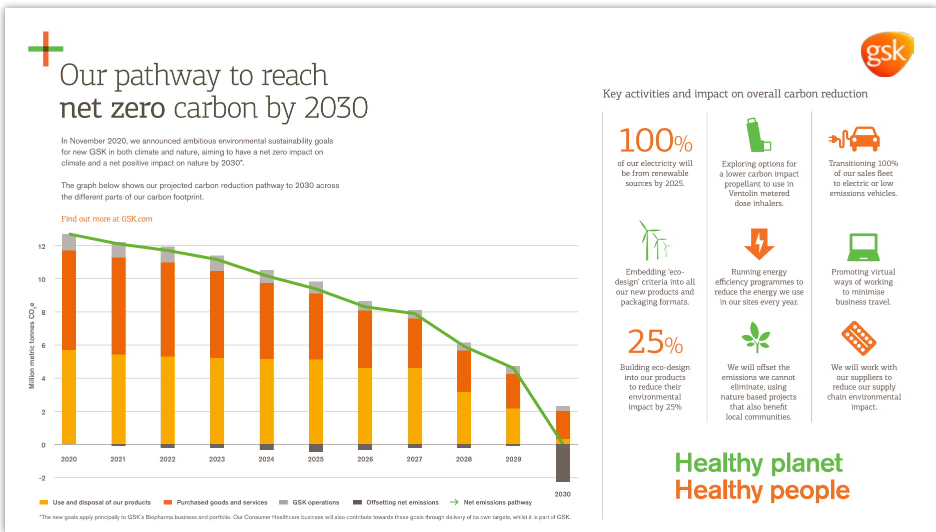


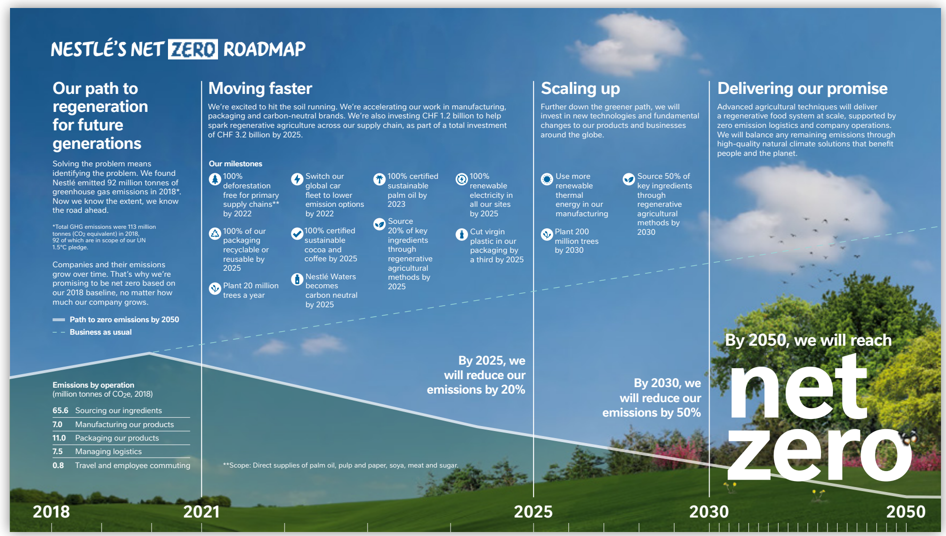
Scope on online climate change narrative

The Race to Net Zero

We've all heard about the race to net zero. Most businesses have made major announcements about their commitment to become net zero albeit under different time frames. But how many companies are publishing a road map to becoming net zero? Currently, 44 percent of the FTSE are making it clear how they will reach their net zero commitment. Most are focused on both their own initiatives and those of their value chains (scope 1, 2, and 3 emission road maps). The majority make this content on HTML and PDF formats, making them attractive to a variety of devices. Here is what a road map might look like:







Please visit the websites for Anglo American, Barrat Developments, GSK, and Nestle, all of which provide a mixture of scope 1 and 2 or scope 1, 2, and 3 emission roadmaps.

ESG Benchmarks and Ratings

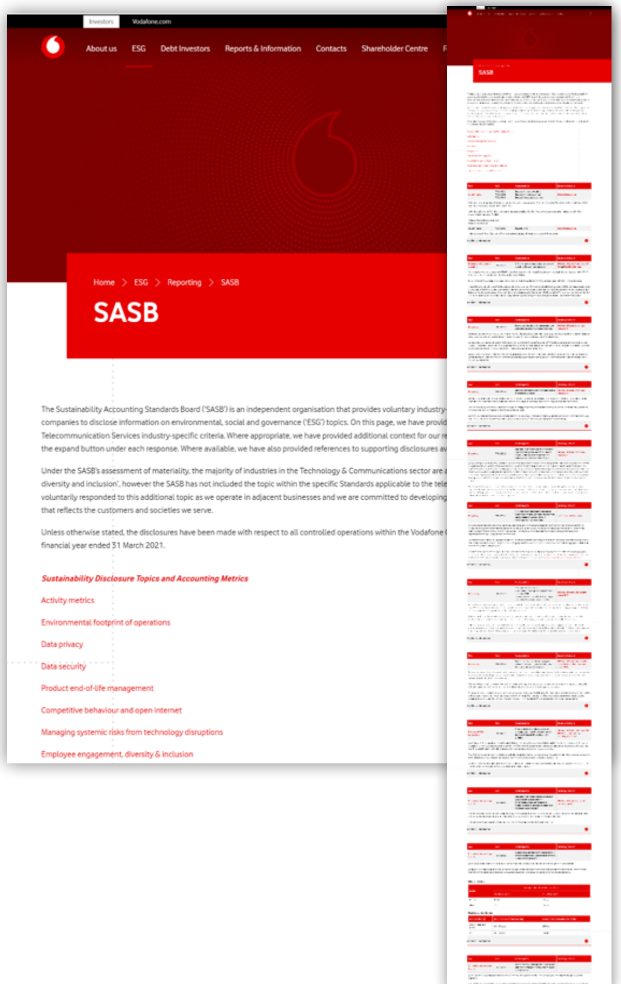
Let's face it: ESG benchmarks and ratings require a lot of effort to provide data to rating agencies. But they are very important. Almost 70 percent of investors use ESG ratings to make their investing decisions – but less than 50 percent of FTSE 100 provide any narrative or list of benchmarks and ratings they have. This is another area where businesses will need to get better at aligning their content with investor expectations. Being transparent on how your business ranks will resonate at a time when investors need to see more transparency.

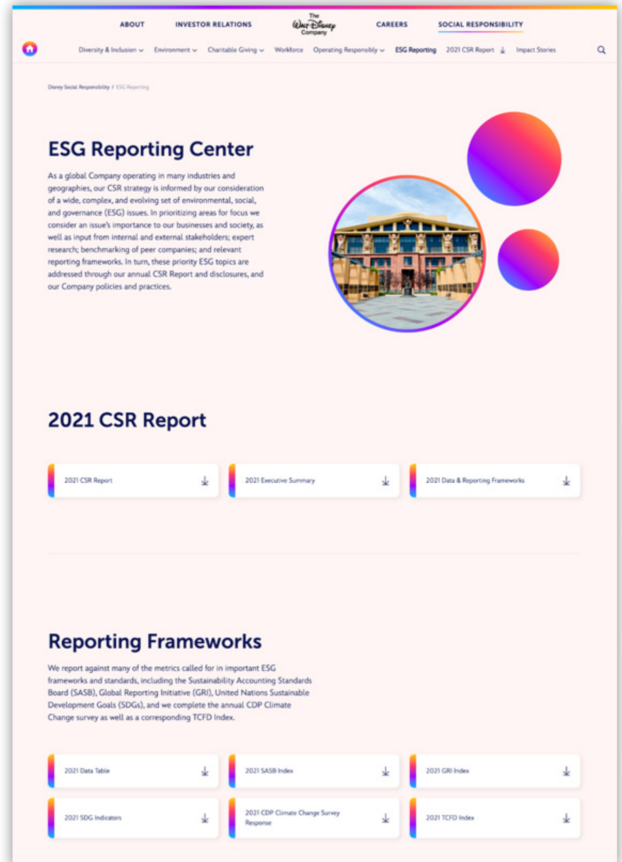
ESG 100 Reporting Frameworks

Reporting frameworks are proliferating. UN SDGs, SASB, GRI, TCFD, CPPD, WEF – the list goes on. Across the FTSE 100 UN SDG's are the most popular framework – but we've seen more companies adopting SASB over the last year. As the introduction of mandatory TCFD reporting in the UK nears (April 2022) we expect to see more early adopters this year. We're already talking to European listed clients about early adoption of the EU Corporate Sustainability Reporting Directive (CSRD 2024) with its double materiality assessment requirements – which make reporting more complicated.

Reporting Frameworks

It's all very good for companies to be reporting, but they need to make this information easy to find. Vodafone's online SASB report and Lilly provide various strands of data on one page.





We're also seeing an increasing number of companies adopting an ESG for investors page in their IR section to direct investors to key ESG content regardless of where that information resides on the website.

Ranking Report: The ESG 100.

Your corporate website plays a vital role in communicating with all stakeholders - is yours delivering the content they need and the experience they expect?

When it comes to ESG & Sustainability, this couldn't be more true. Investors, consumers, employees and influencers alike increasingly use the company or corporate website as the main source for information regarding corporate practices, policies, history and highlights. The digital content you publish sets the tone for the corporate narrative you are looking to build, and that's why we study it.

With this Connect.IQ ESG 100 Special Ranking Report, we used our proprietary Connect.IQ methodology to evaluate hundreds of leading global corporate websites against 50 different ESG-focused criteria. We then ranked them based on quality and quantity of those criteria, both from a global and industry-specific perspective. This leaves us with a list of the top 100 companies in ESG & Sustainability overall, highlighting the leaders by industry and topic.

Investis Digital and Connect.IQ

For over a decade we have scored and ranked Corporate and IR Websites from the perspective of their key audiences—investors, influencers, employees and more—with Connect.IQ, our Connected Content™ benchmark report.

With Connect.IQ, we analyze over 300 criteria that measure how well audience needs and expectations are met with a company's digital presence, from the narrative to content and channel mix, optimization and amplification efforts. This Special Report includes both the challenges and research insights specific to select industries across major markets in the US, UK and Europe.

The Connect.IQ ESG 100 - Overall Leaders

1. Unilever 84%
2. Nestle 84%
3. NatWest Group 78%
4. SAP 73%
5. Legal & General 73%
6. BHP 70%
7. Kingfisher Plc 70%
8. AstraZeneca 70%
9. Coca-Cola HBC 69%
10. Informa 69%
11. Campbell Soup 69%
12. Royal Dutch Shell 67%
13. Severn Trent 67%
14. Burberry Group 67%
15. Procter & Gamble 67%
16. Microsoft 66%
17. Henkel 64%
18. Land Securities 64%
19. Vodafone 64%
20. STMicroelectronics 64%
21. Kellogg Company 64%
22. Oracle 63%
23. ENI 63%
24. Equinix 63%
25. SSE 63%
26. Glencore 62%
27. Rio Tinto 62%
28. Aviva 62%
29. Accenture 62%
30. IBM 62%
31. HSBC 62%
32. Cisco Systems 62%
33. Tesco 62%
34. Croda International 62%
35. Mondi plc 62%
36. Waste Management 60%
37. Advanced Micro Devices 60%
38. The Walt Disney Company 60%
39. PepsiCo 60%
40. Rentokil Initial 60%
41. Colgate Palmolive 60%
42. Hewlett-Packard 60%
43. VF Corporation 59%
44. BT Group 59%
45. Mondelez 58%
46. ConocoPhillips 58%
47. Barclays 58%
48. GlaxoSmithKline 58%
49. HSBC Holdings 58%
50. H&M Group 58%
51. Rolls-Royce 56%
52. Walgreens Boots Alliance 56%
53. Walmart 56%
54. BP 56%
55. Ball Corp. 56%
56. Barratt Developments 56%
57. Intel Corporation 56%
58. Reckitt Benckiser 56%
59. Lowe's 56%
60. Target 56%
61. PayPal 56%
62. Sony Corporation 56%
63. Heineken 55%
64. Johnson & Johnson 53%
65. Pearson 53%
66. Standard Chartered 53%
67. British Land 52%
68. Electrocomponents 52%
69. Imperial Brands 52%
70. Sherwin-Williams 52%
71. Phoenix Group 52%
72. Diageo 52%
73. Lockheed Martin 52%
74. Keysight Technologies 52%
75. WPP Group 52%
76. Prudential plc 52%
77. Dover 52%
78. Polymetal International 51%
79. Verizon 51%
80. Salesforce 51%
81. General Motors 49%
82. Bristol-Myers Squibb 49%
83. Goldman Sachs 49%
84. Segro 49%
85. RELX Group 49%
86. Intertek Group 49%
87. Schroders 49%
88. AB InBev 49%
89. Kerry Group 49%
90. Experian 48%
91. Comcast 48%
92. Next Plc 48%
93. 3M 48%
94. Xylem 48%
95. Halma 47%
96. Anglo American 47%
97. Costco 47%
98. Lloyds Banking Group 47%
99. Berkeley Group 47%
100. Linde 47%

Industry Leaders

Automotive, Aerospace & Defense

Rolls-Royce, 56% | Lockheed Martin, 52% | General Motors, 49%

Consumer Packaged Goods

Unilever, 84% | Procter & Gamble, 67% | Henkel, 66%

Financial Services & Insurance

NatWest Group, 78% | Legal & General, 75% | HSBC, 62%

Food & Beverage

Nestle, 84% | Coca-Cola HBC, 71% | Campbell Soup Co., 70%

Manufacturing & Industrials

Mondi plc, 62% | Dover, 52% | 3M, 48%

Oil & Gas, Chemicals, Metals & Mining

BHP, 73% | Royal Dutch Shell, 68% | ENI, 63%

Pharmaceuticals, BioTech & Health Care

AstraZeneca, 71% | GlaxoSmithKline, 58% | Johnson & Johnson, 53%

Real Estate, REITs

Land Securities, 66% | Barratt Developments, 56% | British Land, 52%

Retail & Restaurants

Kingfisher Plc, 73% | Tesco, 62% | H&M Group, 50%

Technology, Hardware, Software, Electronics

SAP, 75% | Microsoft, 68% | STMicroelectronics, 64%

Telecom & Utilities

Severn Trent, 68% | Vodafone, 64% | SSE, 63%

Textiles & Apparel

Burberry Group, 68% | VF Corp, 59% | Lululemon, 44%

The Connect.IQ ESG 100 - Topic Leaders

Environmental				Social				Governance	
Climate Change	**Natural Capital**	**Pollution & Waste**	**Environmental Opportunities**	**Human Capital**	**Product Liability**	**Stakeholder Opposition**	**Social Opportunities**	**Corporate Governance***	**Corporate Behavior***
Carbon Emissions Mondi plc Croda International American Express **Product Carbon Footprint** Coca-Cola HBC Kellogg Company Diageo **Financing Environmental Impact** Standard Chartered NatWest Group Barclays **Climate Change Vulnerability** Aviva Legal & General Admiral Group	**Water Stress** Nestle BHP Mondelez **Biodiversity & Land Use** CRH Mondi plc National Grid **Raw Material Sourcing** Kellogg Company Kerry Group Mondi Plc	**Toxic Emissions & Waste** Rio Tinto CRH National Grid **Packaging Material & Waste** Kellogg Company PepsiCo Unilever **Electronic Waste** Sony Corporation Hewlett-Packard NetApp	**Clean Tech** Croda International Intel Corporation SAP **Green Building** Berkeley Group Barratt Developments Land Securities **Renewable Energy** National Grid Duke Energy SSE	**Labor Management** Legal & General Aviva NatWest Group **Health & Safety** Coca-Cola HBC CRH Diageo **Human Capital Development** National Grid SAP Adobe **Supply Chain Labor Standards** Burberry Group Campbell Soup Starbucks	**Product Safety & Quality** Berkeley Group Diageo Kerry Group **Chemical Safety** Burberry Group Sony Corporation Kingfisher Plc **Consumer Financial Protection** HSBC Standard Chartered Metropolitan Bank **Privacy & Data Security** Kingfisher Plc SAP Adobe **Responsible Investment** Schroders Legal & General Goldman Sachs **Insuring Health & Demographic Risk** Legal & General Aviva Prudential plc	**Controversial Sourcing** NVIDIA Sony Corporation Intel Corporation **Community Relations** CRH Antofagasta Anglo American **Diversity, Equity & Inclusion** Unilever Verizon Google	**Access to Communication** BT Group Vodafone American Tower **Access to Finance** Mastercard Paypal Visa **Access to Healthcare** AstraZeneca GlaxoSmithKline Eli Lily **Opportunities in Nutrition & Health** Coca-Cola HBC Kellogg Company Kerry Group	Coca-Cola HBC CRH Kellogg Company *Includes Board Composition, Board Compensation, Ownership & Oversight, Regional Voting Policies	Coca-Cola HBC Mondi plc Kerry Group *Includes Business Ethics, Tax Transparency, Board Commitment, Corporate Purpose