

# 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?



<sup>1</sup>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.

## Crafting your Data-Driven ESG Story for Every Audience

### 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?

The screenshot shows the Unilever website with a blue header and a large purple banner that reads "We are Unilever". Below the banner is a section titled "Driving superior performance with our purpose-led, future-fit business". This section contains four articles: "How we made our most effective deodorant yet", "Research reveals the secret to boosting our skin's natural defences", "Shining a light on our first Lighthouse factory in India", and "Using AI to optimise our portfolio and fuel growth". Below this is a "Latest results" section with a video player for "Unilever Q1 2022 Trading Statement". To the right is a "Key downloads" section with links to "Q1 2022 Trading Statement", "Q1 2022 highlights", and "Q1 2022 presentation". At the bottom is a "Share price" table for London, Amsterdam, and New York, and a "Latest news" section with articles about Ben & Jerry's Project Moonshots.

## Connect.IQ Special Report: ESG 100

The screenshot shows the Nestlé website with a green header and a large image of a woman in a red headscarf. Below the image is a section titled "A community strategy Protecting and restoring forests". This section contains four articles: "Annual Report", "Sustainability", "Contact us", and "Ukraine". Below this is a "Latest news" section with articles about "Upbuilding, career growth and job security among top expectations of young workers, new survey finds", "Nestlé reports further progress toward deforestation-free cocoa", and "Unwashed by Puma partners with pet start-ups on alternative proteins and more". At the bottom is a "Share price" table for London, Amsterdam, and New York, and a "Latest news" section with articles about Ben & Jerry's Project Moonshots.

## How we Ranked the Leaders

## Connect.IQ Special Report: ESG 100

**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.**

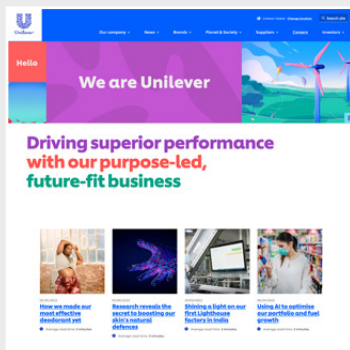
Those websites give us data every day on how clients reach key audiences such as investors, employees, job seekers, and customers.

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:

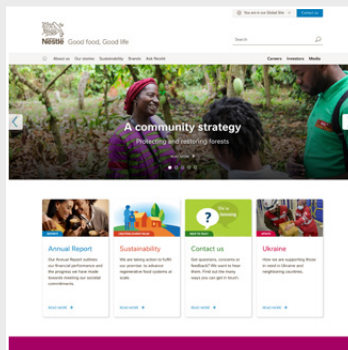
- A dedicated ESG and/or sustainability section.
- ESG strategy and approach, quantified.
- Statement of ESG principles and policies.
- Climate change topics and related risks.
- Greenhouse gas emissions (Scope 1, 2 & 3).
- Materiality assessment, quantified.
- Corporate social responsibility (CSR), 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.

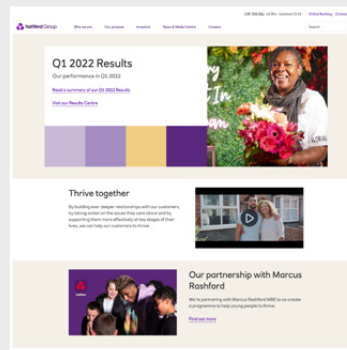
## The ESG 100: Top Leaders



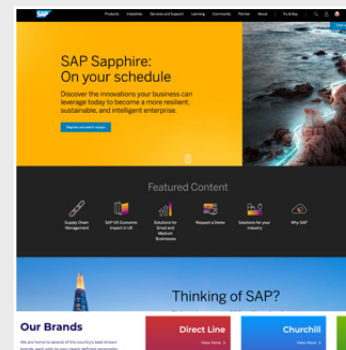
1 Unilever **84%**



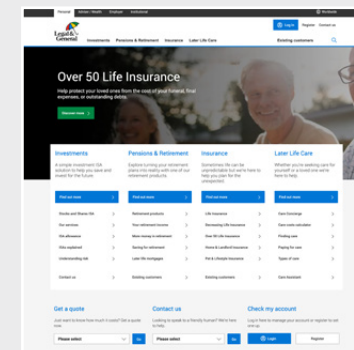
2 Nestle **84%**



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.**

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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.

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.

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

McKinsey

The screenshot shows the Accenture website with a clean, modern design. At the top, the Accenture logo is visible. Below it, a large green chevron graphic points right, followed by the text "Our purpose: To deliver on the promise of technology and human ingenuity". A subtext reads "We help our clients become the next and best versions of themselves." Below this is a "View our Case Studies" link. A quote from Julie Sweet, Chair & CEO, is featured: "Across the globe, one thing is universally true of the people of Accenture: We care deeply about what we do and the impact we have with our clients and communities. It is personal to all of us." To the right of the quote is a photo of Julie Sweet. Below the quote is a "meet our leaders" link. The bottom section, titled "We are one global team", displays four statistics: 699K Accenture employees worldwide, 7K Clients served throughout more than 120 countries, 8200 Patents and patents pending worldwide, and 200 Cities with Accenture locations and operations, across 50 countries. A 185 Partners in our ecosystem statistic is also shown. A vertical graphic of a person's silhouette is placed between the 7K and 200 statistics.

Statistic	Value
Accenture employees worldwide	699K
Cities with Accenture locations and operations, across 50 countries	200
Partners in our ecosystem	185
Patents and patents pending worldwide	8200
Clients served throughout more than 120 countries	7K

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:

### How We Create Sustainable Value

Our evolving business model aims to create long-term value by reducing our reliance on natural capital and non-renewable materials and resources. Through our electrification strategy, mobility, connectivity and sustainability aspirations,

we are transitioning to a model that emphasizes services, relationships, and human and social capital, and supports our purpose: to help build a better world, where every person is free to move and pursue their dreams.

#### Our Enablers

##### Human Capital

- 186,401 employees
- 10,717 dealerships
- 1,200+ Tier 1 suppliers
- 11 Internal Employee Resource Groups
- Ford Culture Cabinet

##### Social Capital

- Community engagement for 70+ years
- Partnerships with nonprofits and dealers in 50+ countries
- Strategic partnerships with investors, industry bodies and partner companies

##### Financial Capital

- More than \$22 billion planned investment in electric vehicles (EVs) through 2025
- \$7 billion planned investment in self-driving technology through 2025
- Invested \$7.1 billion in EBIT and \$1.6 billion in cash effects in the period 2018-2020 related to our global redesign

##### Manufactured Capital

- 54 manufacturing and assembly plants
- 8 regional engineering and R&D centers
- Product Development Center
- Modernizing EV production

##### Intellectual Capital

- 3,782 global patents issued
- Connectivity and connected services
- FordPass™ network
- Global Data Insight and Analytics
- D-Ford human-centered design process

##### Natural Capital

- 10.44 billion kWh of energy used
- 15.6 million m³ of water used for manufacturing processes
- 12 renewable materials used
- Corktown Biomimicry Pilot project

#### Our Business

##### Our Purpose

To help build a better world, where every person is free to move and pursue their dreams.

##### Our Plan

- Drive growth
- Improve execution
- Speed up transformation

##### Our Aims

- Earn Trust
- Drive Progress
- Make Positive Impacts

##### Our Governance

Solid governance structures and policies to manage sustainability across our business



Our value creation model has been developed in line with the International Integrated Reporting Council (IIRC) framework.

#### Our Positive Impact In 2020

##### Employees

- Health and well-being programs for employees and families
- 98.2% gender ratio, 100.1% minority ratio
- Competitive salaries and benefits
- Employee training and development
- Safe, flexible and adaptable workplaces
- Culture of caring and belonging

##### Customers

- 4.2 million wholesale vehicles sold
- Refreshed product portfolio
- Access to EV charging networks
- Exciting new telematics services
- Deferred payments program for customers
- Improved vehicle safety and driver assist technologies
- Increased access to mobility solutions

##### Investors

- Strong balance sheet
- More transparent reporting for investors

##### Suppliers

- Training to build capacity in supply chain
- \$11 billion spent with minority-, women- and veteran-owned companies and small businesses
- Sustainability best practices shared with suppliers through PACE programs
- Responsible sourcing of raw materials

##### Communities and Society

- \$1.15 million raised for global COVID-19 relief by employee donation match program
- \$10 million invested in Detroit over four years
- SHE-MOVES grantees in Nigeria and South Africa
- 1.7 million volunteer hours since 2005
- PPE and medical equipment produced through Project Apollo

##### Planet

- 40% reduction in our carbon footprint since 2011
- 75% absolute reduction in water use since 2000
- 103 true zero waste to landfill sites
- Fuel economy improvements
- Recycle millions of pounds of aluminum per month

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?

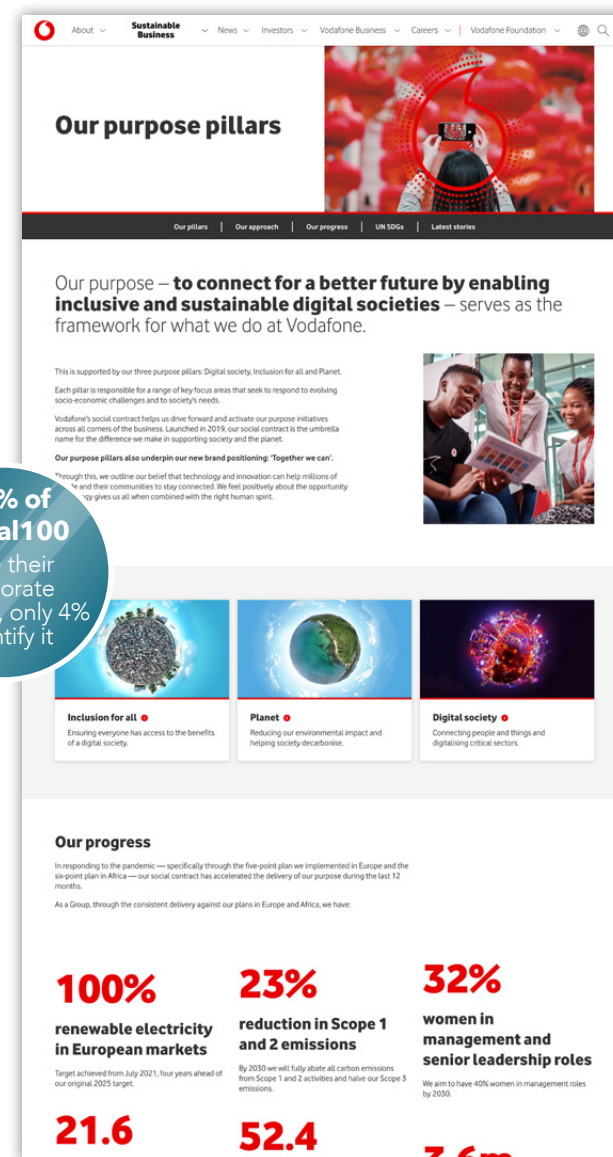
Articulating your purpose takes an effort, and then comes the arduous task of rallying your people and your board of directors around purpose. But many struggle to explain their purpose.

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.

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?



## TREND | 01 - Stakeholder Capitalism and ESG

### 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.

**Coca-Cola HBC**

OUR PURPOSE AND STRATEGY

OUR VISION IS TO BE THE LEADING 24/7 BEVERAGE PARTNER – GROWING WITH OUR CUSTOMERS BY ENSURING WE HAVE A BEVERAGE FOR EVERY OCCASION AROUND THE CLOCK.

To deliver this, we introduced a new strategy in 2019, Growth Story 2025. This is built on five key pillars of growth, underpinned by Growth Mindset Values and guided by ambitious targets.

We are devoted to growing every customer and delighting every consumer 24/7 by nurturing passionate & empowered teams of people while enriching our communities & caring for the environment.

**OUR GROWTH PILLARS**

**LEVERAGE OUR UNIQUE 24/7 PORTFOLIO**

Our portfolio is one of the strongest, broadest and most flexible in the beverage industry, which means that we have a product range that we can deploy across high value occasions and channels to capture substantial growth opportunities.

**WIN IN THE MARKETPLACE**

Our consumer-centric portfolio is enhanced by a customer-centric sales approach. We use increasingly sophisticated market and customer insights to create category strategies that create value for our customers, ourselves and our shareholders.

**FUEL GROWTH THROUGH COMPETITIVENESS & INVESTMENT**

We have a strong track record of driving efficiencies and savings and remain focused on finding smarter and faster ways to operate. Capturing these allows us to accelerate investments in growth areas such as cold drink equipment, production and logistics infrastructure, customer service and the capabilities of our people.

**CULTIVATE THE POTENTIAL OF OUR PEOPLE**

We are 35,000 passionate, diverse and committed professionals. Identifying, nurturing and cultivating talent is key. Our structure, large geographical footprint and the diversity of our markets provides our people with valuable and versatile operational experience. This comprehensive understanding of our business allows them to make a tangible contribution to our growth.

## Connect.IQ Special Report: ESG 100

**the chevron way**

**getting results the right way**

The Chevron Way explains our beliefs, vision, purpose and values. It guides how we work and establishes a common understanding of our culture and aspirations.

Human ingenuity has the power to solve any challenge and overcome any obstacle. Meeting the world's growing energy needs demands pursuit of innovations and advancements that deliver a better future for all.

**the chevron way is our past, our present and our future**

watch the chevron way evolution

explore our history

“The Chevron Way provides a foundation for what we value, what we believe and how we behave. Throughout our history, Chevron has been a place where trust, respect and humility define our culture and where performance, truth and accountability guide the way. We believe the future of energy will be lower carbon, and we intend to be a leader in that future.”

Mike Wirth  
Chairman and Chief Executive Officer

**our purpose is to develop the affordable, reliable, ever-cleaner energy that enables human progress**

**Ford**

United States

ABOUT US CAREERS OPERATIONS SOCIAL IMPACT ARTICLES INVESTORS

**OUR PURPOSE**

We are here for one purpose, to help build a better world, where every person is free to move and pursue their dreams.

# 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.**

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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.

## Connect.IQ Special Report: ESG 100

2,860,000  
pounds of ocean-bound plastic used in HP products, since 2016.  
That's more than 102M bottles.

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

## TREND | 02 - The Roadmap and Race to Net Zero

Connect.IQ Special Report: ESG 100

**TESCO PLC** 18 May 19 December 1997 at 4:05

About Sustainability Investors Media Careers Contacts COP26 Our world

### Climate Change

Climate change is one of the biggest challenges facing the world. At Tesco, we are committed to addressing the risks associated with climate change, both to our direct operations but also to our supply chain. That's why we have set a target to become net zero by 2050 and are committed to becoming net zero by 2050.

### News updates

1 of 6

**TERRA CARTA**

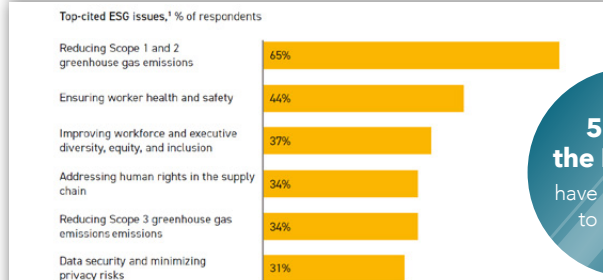
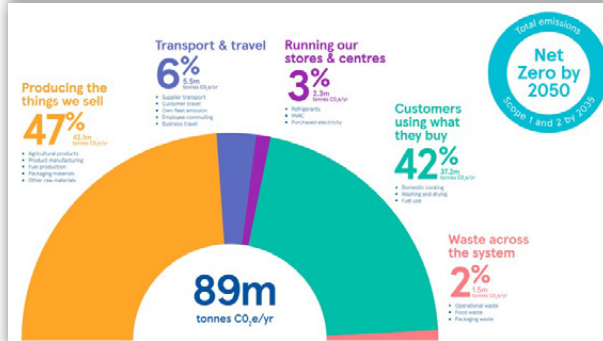
Tesco receives royal approval for its approach to sustainability in Terra Carta Sea Award

**Tesco's all-electric home delivery fleet**

Delivering Tesco's commitment to sustainability in the delivery of all Tesco's home delivery fleet. Holding to secure a greener future.

**Securing a COP26 legacy for Glasgow**

Carbon change is the challenge, environmental impact is the goal. It's no longer just about the future, it's about the present. We are committed to achieving a low-carbon future.



**accenture** Insights Services Industries Careers About Accenture

### Reducing our footprint

Learn about our inclusive approach to driving operational efficiency.

### Taking climate action

We are committed to achieving a low-carbon future.

**Responsible Company**

Becoming a sustainability leader

**Environmental Sustainability**

Making a difference through climate action

**Eco Action**

Applying our skills to help the environment

**Innovative Challenge**

Innovating the planet

### Our goals and commitments

We've committed to achieve net-zero emissions by 2025, focusing first on actual reductions across our Scope 1 and 2 emissions. To do this, we'll:

- Plan to meet our office energy needs with 100% renewable electricity by 2023 and equip our people to make climate smart travel decisions.
- Require 90% of our key suppliers<sup>1</sup> to disclose their environmental targets and actions being taken to reduce emissions by 2025.
- Address remaining emissions by investing in nature-based carbon removal solutions that will directly remove carbon from the atmosphere.

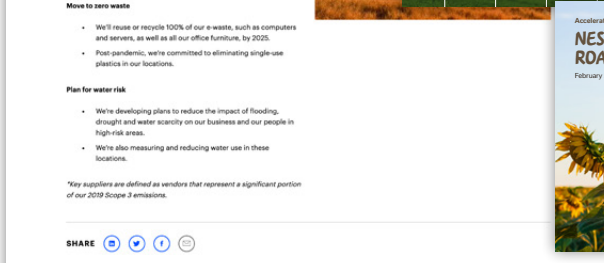
**Move to zero waste**

- We'll reuse or recycle 100% of our e-waste, such as computers and servers, as well as all our office furniture, by 2025.
- Post-pandemic, we're committed to eliminating single-use plastics in our locations.

**Plan for water risk**

- We're developing plans to reduce the impact of flooding, drought and water scarcity on our business and our people in high-risk areas.
- We're also measuring and reducing water use in these locations.

<sup>1</sup>Key suppliers are defined as vendors that represent a significant portion of our 2019 Scope 3 emissions.



### Renewable electricity

We have a clear approach to reach our goal of 100% renewable electricity by 2023, and as part of this, we are reducing the amount of non-renewable energy that we use.

Because we do not own our office buildings, and procure most of our energy from the grid, our plans are not heavily focused on on-site renewable generation, rather, we are engaging market-based renewable electricity purchase opportunities.

In locations where energy is purchased on our behalf, we are collaborating with building management and others to improve our renewable electricity mix. We also continue to drive energy efficiency, expanding our use of smart meters to inform our energy management decisions.

At the end of fiscal 2021, our mix of renewable electricity reached 53%, an improvement from 30% in fiscal 2020. We continue our progress to power our locations with 100% renewable electricity, reducing the amount of non-renewable energy we use each year.

**Green IT**

### NESTLÉ'S NET ZERO ROADMAP

**Our path to regeneration for future generations**

Solving the problem means identifying the problem. We found Nestlé emitted 52 million tonnes of greenhouse gas emissions in 2018\*. Now we know the extent, we know the road ahead.

Companies and their emissions grow over time. That's why we're promising to be net zero based on our 2018 baseline, no matter how much our company grows.

**Moving faster**

We're excited to hit the soil running. We're accelerating our work in manufacturing, packaging and carbon-neutral brands. We're also investing CHF 12 billion to help spark regenerative agriculture across our supply chain, as part of a total investment of CHF 3.2 billion by 2025.

**Scaling up**

Further down the greener path, we will invest in new technologies and fundamental changes to our products and businesses around the globe.

**Delivering our promise**

Advanced agricultural techniques will deliver a regenerative food system at scale, supported by zero emission logistics and company operations. We will balance any remaining emissions through high-quality natural climate solutions that benefit people and the planet.

**Our milestones**

- 100% deforestation free for primary supply chains\*\* by 2022
- 100% of our packaging recyclable or reusable by 2025
- Plant 20 million trees a year
- Switch our global car fleet to lower emission options by 2022
- 100% certified sustainable palm oil by 2023
- 100% certified sustainable cocoa and coffee by 2025
- Nestlé Waters becomes carbon neutral by 2025
- 100% certified sustainable palm oil by 2023
- 100% renewable electricity in all our sites by 2025
- Cut virgin plastic in our packaging by a third by 2025
- Use more renewable thermal energy in our manufacturing
- Source 50% of key ingredients through regenerative agricultural methods by 2030
- Plant 200 million trees by 2030

**By 2025, we will reduce our emissions by 20%**

**By 2030, we will reduce our emissions by 50%**

**By 2050, we will reach net zero**

**Emissions by operation (million tonnes of CO<sub>2</sub>e, 2018)**

Operation	Emissions (million tonnes of CO <sub>2</sub> e, 2018)
65.6 Sourcing our ingredients	65.6
7.0 Manufacturing our products	7.0
11.0 Packaging our products	11.0
7.5 Managing logistics	7.5
0.8 Travel and employee commuting	0.8

<sup>\*\*</sup>Scope: Direct supplies of palm oil, pulp and paper, soy, meat and sugar.

### NESTLÉ'S NET ZERO ROADMAP

February 2021

**Accelerate, Transform, Regenerate**

**Product emissions from farm to fork**

**UPSTREAM**

**Suppliers to Nestlé**

**Nestlé operations**

**DOWNSTREAM**

**Customers, consumers and end of life**

**Agriculture**

Sourcing high-quality ingredients from suppliers, co-operatives and direct from farmers.

**Raw material suppliers**

Sourcing materials and ingredients and transporting them to Nestlé.

**Manufacturing**

Making products.

**Packaging**

Packaging our products around the world.

**Logistics**

Storing and delivering our products around the world.

**Retail and business channels**

Offering and selling products to shoppers in stores.

**Consumers**

Our consumers enjoying Nestlé's products wherever they are.

**End of life**

For products and packaging.

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

# 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.**

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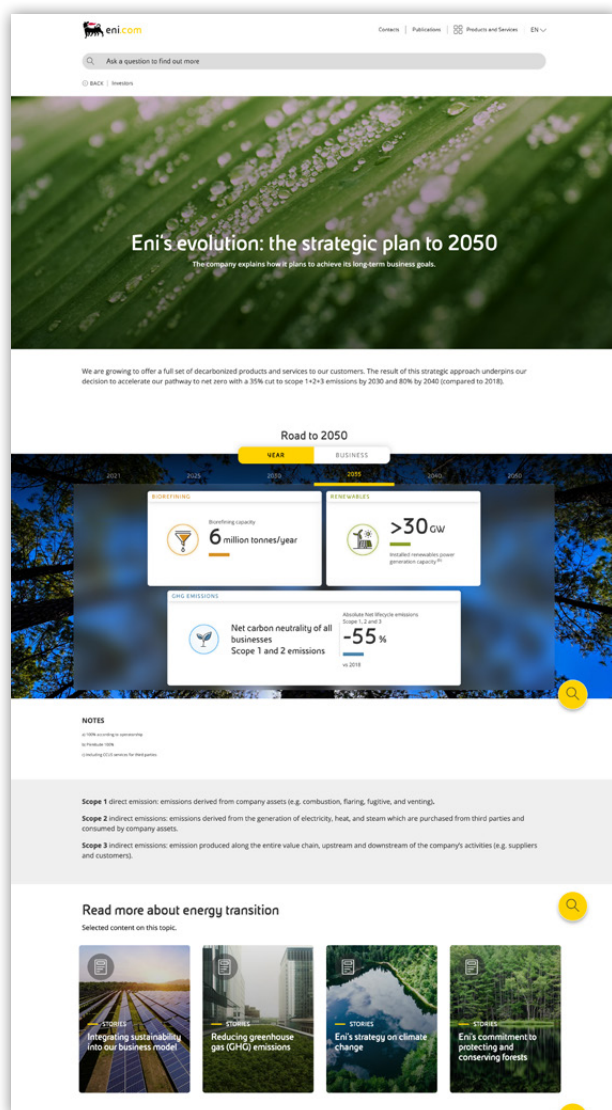
Skeptical audiences ranging from investors to employees are challenging businesses to provide credible metrics as proof of their ESG commitments. This is all good. But numbers don't tell the entire story.

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.

## TREND | 03 - An Approach for Data-Driven Storytelling: TLC

### 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 crowdsource 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.

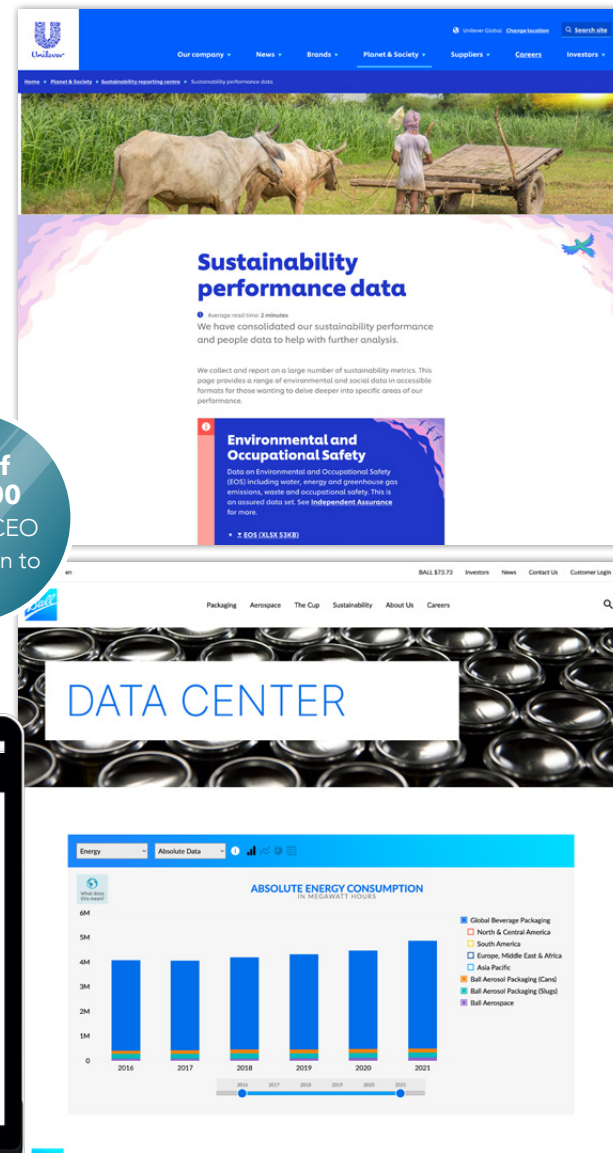
Leadership is about going above and beyond – not just managing.

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



## Connect.IQ Special Report: ESG 100



**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 Sustainability Cloud, companies can now track their carbon footprint across their entire value chain, from raw materials to end customers.
- Salesforce's 1.5°C goal represents 60% of its 2024. As of 2023, it is on track to meet its goal.
- Salesforce committed to reducing its own carbon footprint by 50% by 2025, and to reducing its suppliers' carbon footprint by 25% by 2025.

At Salesforce, we believe that bold action is needed to address the climate emergency. We are committed to leading by example and helping our customers do the same.

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 footprint."

**Greenhouse Gas Categories Covered by Sustainability Cloud**

Scope 1	Scope 2	Scope 3
<ul style="list-style-type: none"> <li>Manufacturing and production</li> <li>Company fleet</li> <li>Business travel</li> <li>Energy use in owned facilities</li> </ul>	<ul style="list-style-type: none"> <li>Electricity, heating, and cooling</li> <li>Steam and district heating/cooling</li> <li>Business travel</li> <li>Company fleet</li> </ul>	<ul style="list-style-type: none"> <li>Capital goods</li> <li>Transportation</li> <li>Waste</li> <li>Business travel</li> <li>Company fleet</li> <li>Energy use in leased facilities</li> <li>Energy use in leased land</li> <li>Energy use in leased buildings</li> <li>Energy use in leased equipment</li> <li>Energy use in leased infrastructure</li> <li>Energy use in leased land</li> <li>Energy use in leased buildings</li> <li>Energy use in leased equipment</li> <li>Energy use in leased infrastructure</li> </ul>

## 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.



# 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.**

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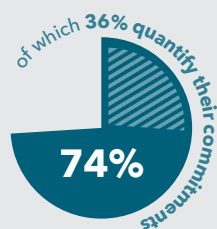
To assess how well businesses manage the risk of ESG, investors are demanding consistent ESG data and narrative to support their investment decision making. Note that they need both data and a narrative: or data-driven storytelling. Neither works well without the other. Businesses that share a narrative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

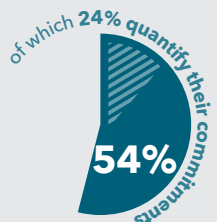
Here's what we found.

## 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.



FTSE 100



FTSE 250



GLOBAL 100

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.

**About Vodafone Group**

**Vodafone is a purpose-led company**

Our Purpose is to connect for a better future and our expertise and scale gives us a unique opportunity to drive positive change for society.

Our networks keep family, friends, businesses and governments connected and we play a vital role in keeping economies running and the functioning of critical sectors like education and healthcare.

[Access and download our dedicated PDF about Vodafone Group](#)

**We believe in...**

- A connected Digital Society
- Inclusion for All – where everyone has access to a better digital future
- Building a more sustainable business that cares for our Planet

**Vodafone is committed to a greener planet**

We are taking significant steps to reduce our impact on our planet.

- 01 Purchasing 100% of our electricity from renewable sources by July 2021 in Europe and the rest of the world by 2025
- 02 Reusing, recycling or recycling 100% of our redundant network equipment by 2025
- 03 Reducing our greenhouse gas emissions by 50% by 2025
- 04 Becoming a Net Zero company by 2040

[Learn more about our planet purpose pillar](#)

**We connect for a better future**

**Our purpose pillars**

We are a communications technology company connecting over 354 million people, and organisations of all sizes, to the digital society.

**Our strategy**

We are a converged communications technology leader, enabling the digital society.

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

**Our purpose**

**At Vodafone, our purpose is to connect for a better future**

Our expertise and scale as a global business gives us a unique opportunity to drive positive change in the world. Our aim is to build a sustainable digital society that is inclusive for all, where technology and connectivity are enhancing the future and improving people's lives.

[Learn more about our purpose pillars](#)

**Our strategy**

**The new generation connectivity and digital services provider for Europe & Africa, enabling an inclusive & sustainable digital society**

Our strategy focuses on three customer commitments and three enabling strategies, across our three customer segments: Europe, Africa and Vodafone Business. The strategy works towards growing our revenues, expanding our margins, improving our cash conversion, and ensuring capital is allocated effectively.

**Sustainable business**

**We connect for a better future by enabling inclusive and sustainable digital societies.**

Vodafone recognises that its role in society is more vital than ever. We are committed to building a more resilient, inclusive and sustainable digital society where everyone is connected.

Our networks keep family, friends, businesses and governments connected, and we play a vital role in keeping economies running and the functioning of critical sectors like education and healthcare.

At the core of our purpose is our commitment to sustainability.

Our sustainable business strategy helps us deliver our targets across three purpose pillars and ensures Vodafone acts responsibly and ethically, wherever we operate.

Our purpose pillars are digital society, inclusion for all, and planet.

We are also committed to supporting the delivery of the UN Sustainable Development Goals (SDGs).

## Board Compensation

Companies are increasingly under pressure to link board remuneration 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 – part of our corporate strategy**

A growing and aging world population and the increasing burden on ecosystems are among the biggest challenges humanity is facing. As the world's leading healthcare and nutrition company, Bayer can contribute more than any other enterprise to solving these global challenges through its businesses; with our activities and our products, we help to sustainably improve farming and access to nutrition and healthcare – and thus people's lives. At the same time, we are reducing our own ecological footprint and that of the agricultural industry.

**Basis of our strategic and normative compass**

For us, sustainability means more than just corporate responsibility – it safeguards Bayer's future growth. Sustainability is therefore an essential component of our corporate strategy, our business activities, our corporate values and the way in which we operate our businesses. Sustainability is at the center of our corporate vision "Health for all, hunger for none" and comprises the following three core elements for all divisions:

- Inclusive growth and value added for society
- Reduction of our ecological footprint
- Responsible business practices along our value chain

We deploy our innovation power to develop sustainable solutions for the pressing problems of our time. For example, we have established sustainability criteria in our own research and development. Furthermore, we invest in disruptive life science technologies with our Lesaps by Bayer unit and promote social innovations with our foundations.

**Contribution to the Sustainable Development Goals**

Our strategy is aligned to the global Sustainable Development Goals (SDGs) of the United Nations, the attainment of which is targeted for 2030.

### All plans

**19%** of companies incorporate climate and broader environmental measures in their incentive plans.

U.S. (n = 317)

14%

Europe and the U.K. (n = 177)

28%

19%

### STI plans

**16%** of companies incorporate climate and broader environmental measures in their STI plans.

U.S. (n = 317)

12%

Europe and the U.K. (n = 177)

23%

16%

### LTI plans

**6%** of companies incorporate climate and broader environmental measures in their LTI plans.

U.S. (n = 317)

2%

Europe and the U.K.

13%

6%

### 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.

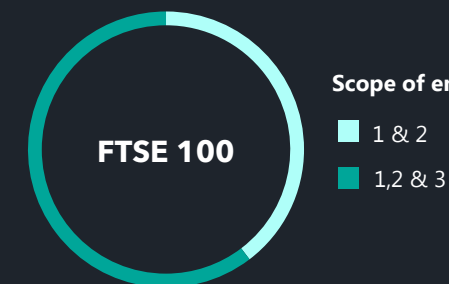
## Climate Change

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.

### Top-cited ESG issues,<sup>1</sup> % of respondents

Reducing Scope 1 and 2 greenhouse gas emissions	65%
Ensuring worker health and safety	44%
Improving workforce and executive diversity, equity, and inclusion	37%
Addressing human rights in the supply chain	34%
Reducing Scope 3 greenhouse gas emissions	34%
Data security and minimizing privacy risks	31%

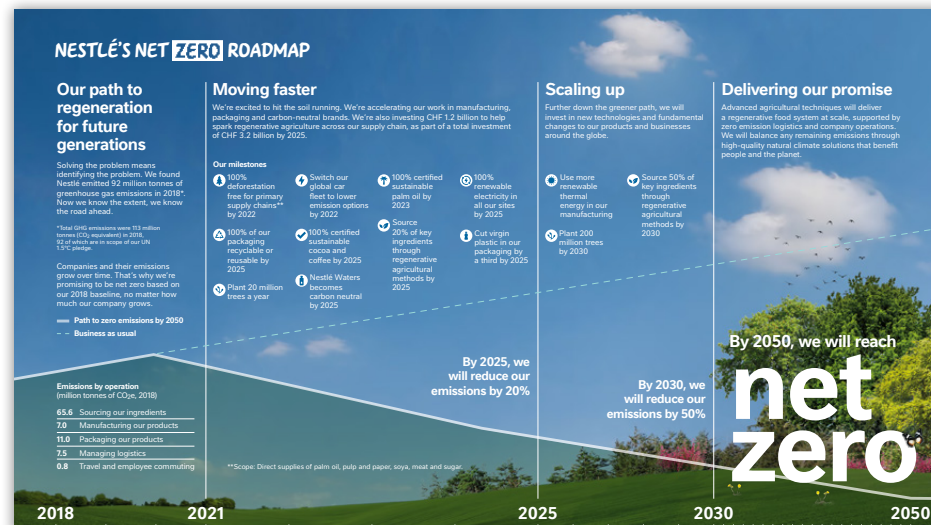
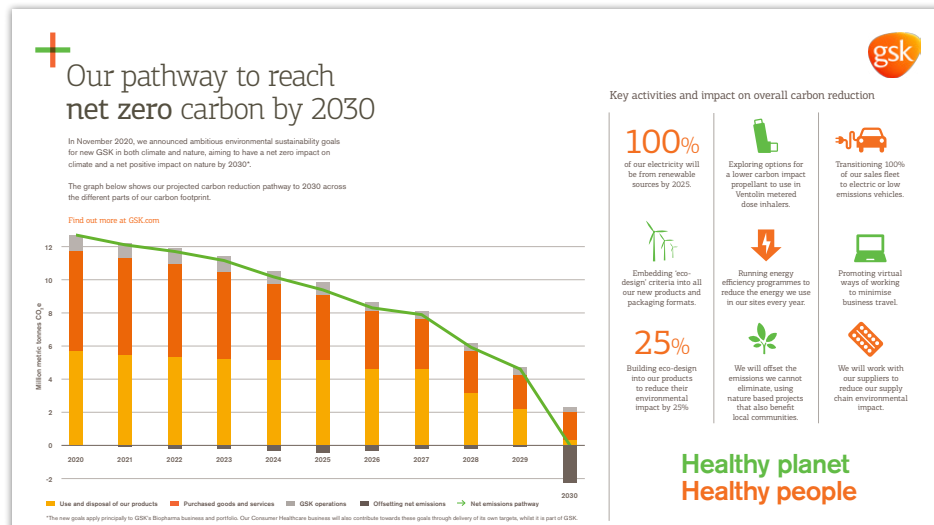
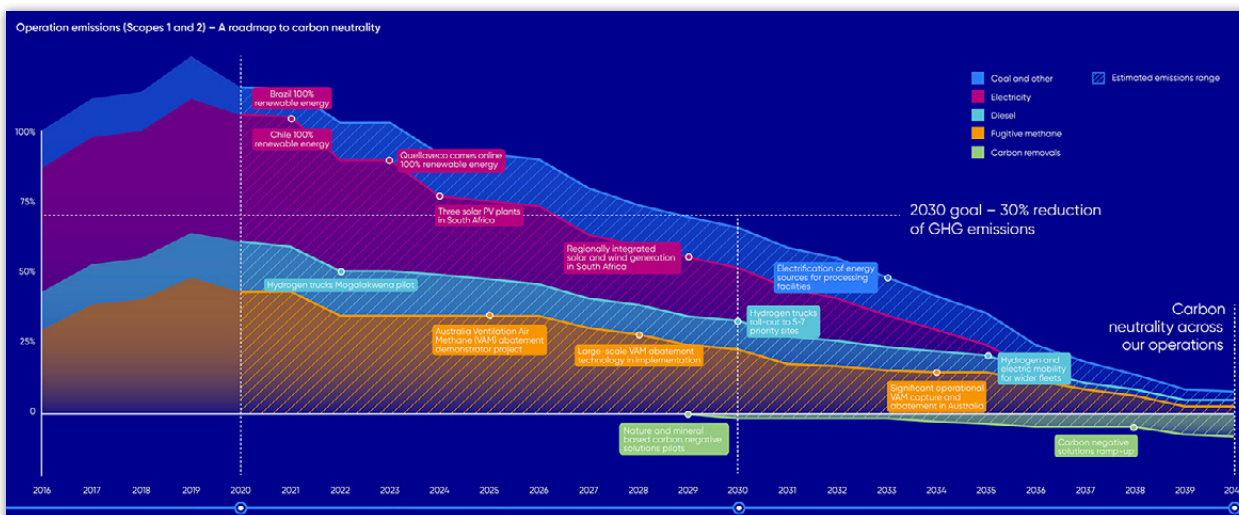
### Scope on online climate change narrative





## 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

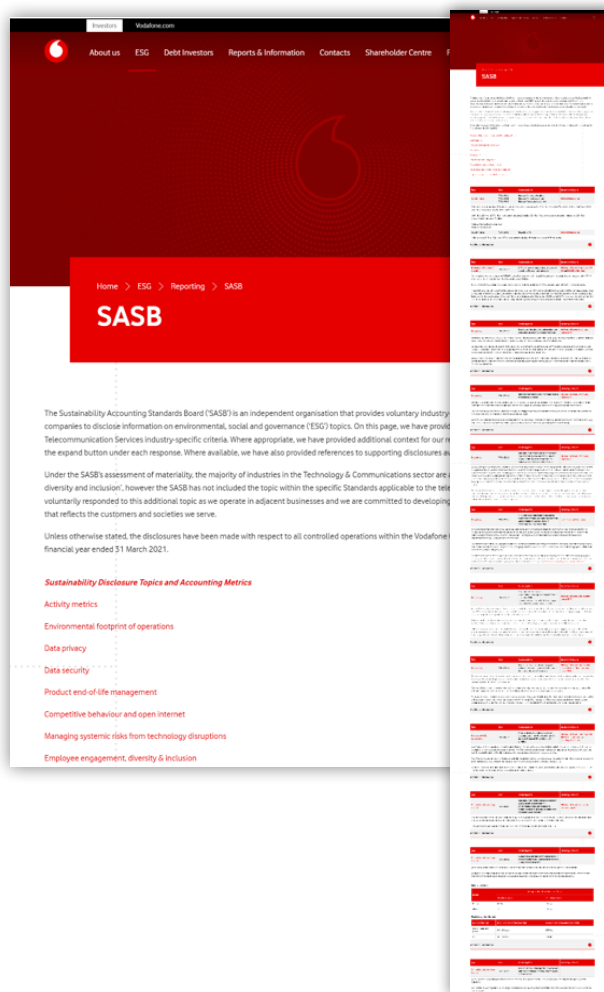
Let's face it: ESG benchmarks and ratings require a lot of effort to provide data to rating agencies. But they are very important. Almost 70 percent of investors use ESG ratings to make their investing decisions – but less than 50 percent of FTSE 100 provide any narrative or list of benchmarks and ratings 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.

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

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

## 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%

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

### Measure the effectiveness of your own digital presence

At Investis Digital, we unite compelling communications, intelligent digital experiences and performance marketing to help companies redefine how they communicate online. If you want to build stronger connections with your audiences and drive business performance—request your custom Connect.IQ Assessment today.