

Best Practice Report

How to hold an ESG investor day

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Introduction

Prepare for an ESG investor day to become a popular fixture in your IR calendar



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There's no getting away from the fact that ESG sits at the heart of many company decisions and actions, and increasingly guides the investment decisions of new and existing shareholders alike. So in a world where importance and awareness of ESG issues is increasing, should firms look at adding dedicated ESG investor days to their suite of communication tools? And how can they do so effectively?

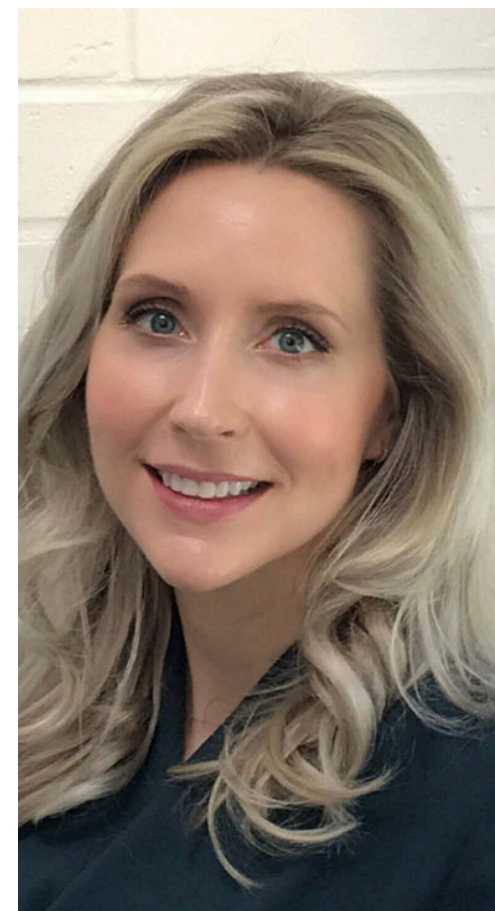
In this report, we explore the issue and hear the experiences and advice of IR and ESG professionals across Europe and North America.

Why an ESG investor day?

ESG investor days offer companies the opportunity to hold a dedicated event where they can report on their ESG

progress, explain how ESG drives – and is integrated into – company strategy and priorities, and open a two-way channel to engage with investors. For Schneider Electric, an ESG investor day was the ideal platform to communicate its ESG activity and link this to its broader company picture.

'ESG investor days may have been a minority pursuit until now, but they will become a standard part of the corporate calendar as investors become more demanding of issuers,' says Amit Bhalla, senior vice president and head of IR at Schneider. 'As the topic of ESG increasingly became more important to investors globally, we were keen to share our experience and showcase our efforts for all our stakeholders.'





“ Just organizing a dedicated ESG day sends a signal to the market that can be respected ”

‘Schneider felt strongly that as a leader in digitization for efficiency *and* sustainability – and an early mover in this aspect – we had a compelling story to tell and to showcase how we are contributing to a net-zero world.’

Promoting its recent report was one of the main reasons for AstraZeneca’s event, alongside addressing challenges and exploring investor sentiment. ‘We had recently published our annual sustainability report, so our event was an opportunity to speak with shareholders on our progress to date,’ explains Lauren Swales, director of investor relations.

‘We covered all the highlights in 2021 and flagged some of the challenges we

faced in achieving our ambitious goals. Shareholders had the chance to ask questions and drill into details on their specific focus topics.’

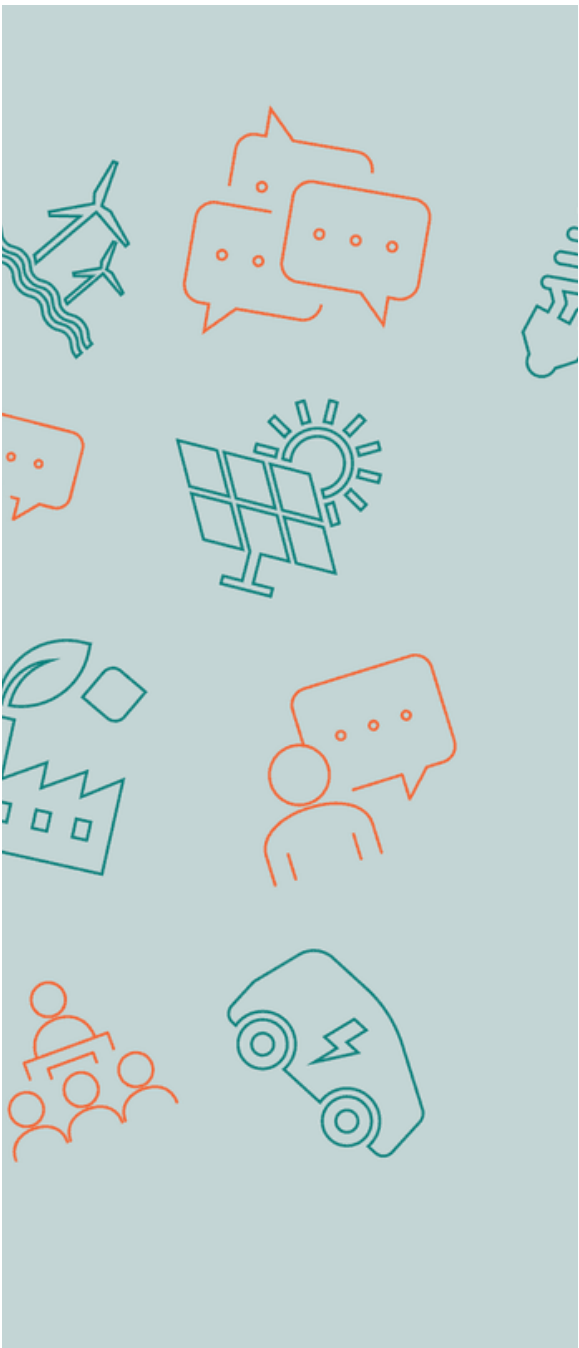
Shell is no stranger to ESG investor days, viewing them as a vital opportunity for the company to dedicate time and resources to discuss ESG matters, as Anna Dumanska, IR officer for ESG, notes.

‘ESG is an integral part of Shell’s strategy and an area of increasing investor interest,’ she explains. ‘We’ve been holding an investor day covering these topics for a few years now, and it has evolved into a critical part of our engagement program.’

As keen as companies are to hold ESG investor days, however, does the investor appetite to attend match? Yes, says Louis Coppola, co-founder and executive vice president at Governance & Accountability Institute.

‘Just coming to the table and organizing a dedicated ESG day sends a signal to the market that can be respected,’ he says. ‘I think there is an appetite for them, especially among investors focused on or specializing in ESG – pension funds and sovereign wealth funds, in particular.’

‘For mainstream investors, that appetite is still growing, although you do see more of an appetite in Europe with mainstream investors for these.’



Finding the right strategy

Any investor day is a big commitment in terms of time, cost and resourcing. The first question companies should ask themselves is: do we have enough to say to justify not only our outlay and effort, but also the time and interest of our investor audience?

Getting the strategy right from the start is a vital first step, says Bhalla. 'Conveying your company's ESG narrative during a dedicated investor day is an opportunity to show investors that ESG is high on your radar,' he says. 'By interlacing the story with your company's long-term objectives, you can communicate how your company is proactively improving or striving to be an industry leader in terms of ESG.'

'Ahead of all of that, however, the first step to creating an ESG investor day is to construct and produce a corporate ESG strategy that is 'baked in' to management thinking.'

Adapting the day for different audiences is also important, notes Ryan Weispenning, vice president and head of IR at Medtronic.

'Holding a specific ESG investor day really comes down to understanding the segmentation of your audience,' he says. 'Integrating ESG into investment decisions is a rapidly evolving field and there is a wide spectrum of how it is handled by investment companies.'

'On one end of the spectrum, you have firms where we work with the industry analyst and the ESG analyst separately. On the other, you have firms that integrate the industry and ESG analysis.'

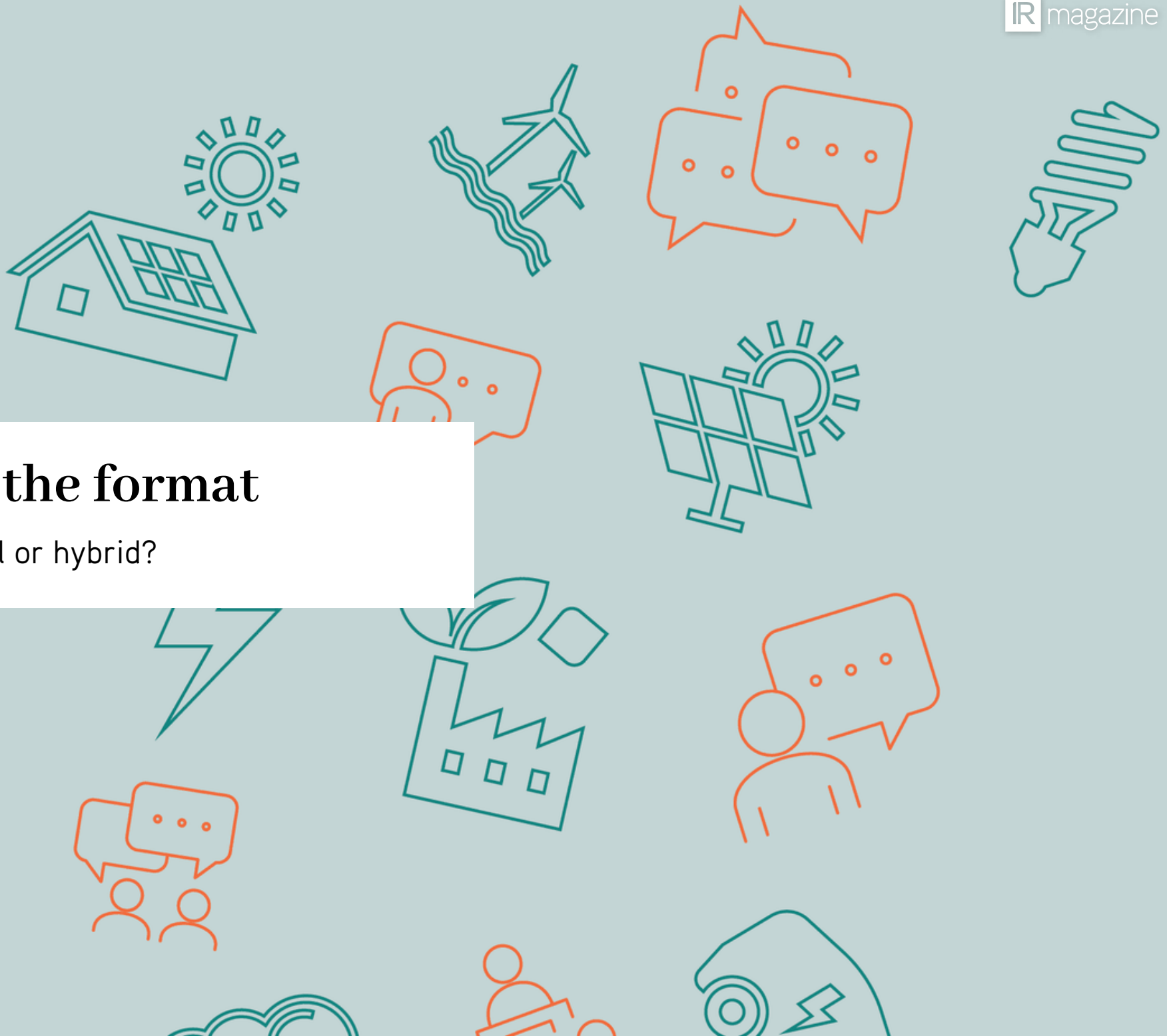
'We may reach a time when ESG is completely integrated into all investment firms. Until then, it's very important for IR teams to adapt their communications for these different audiences. By holding a specific ESG

investor day, you can go deep on topics that are of high importance to those who incorporate ESG into their analysis and investment decisions.'



Agreeing the format

In person, virtual or hybrid?



Agreeing the format

In person, virtual or hybrid?

In a post-pandemic world, there's no getting away from the fact that the growing appetite for, and availability of, digital options, has opened the door to a host of opportunities for online engagement with investors. At the same time, as the world begins to tentatively move forward, there are certainly investors that will embrace the opportunity for face-to-face interaction. There are undoubtedly arguments for both formats, with most companies seeming to favor either virtual events, or a hybrid mix of the two.

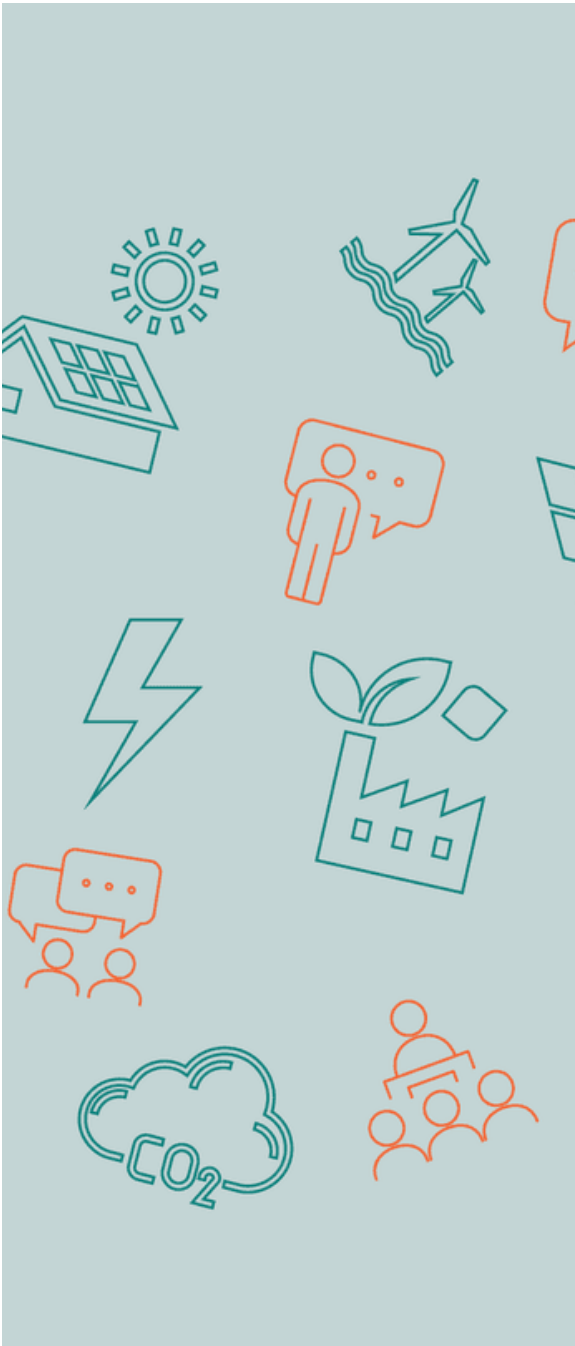
As an example, Schneider Electric hosted a fully virtual ESG investor day focused on investors and analysts. With more than 14 presenters, the agenda of

the day included two specific presentations by executive management on sustainability strategy, followed by two panel discussions featuring operational, business and functional leaders. The event had more than 500 attendees live and on-demand, with participants having the opportunity to raise questions throughout the event via a chat function. These were then addressed in the Q&A session with all speakers.

Shell's latest event was a combination of in-person and online, with 50 in-person and 70 online attendees. Anna Dumanska, IR officer for ESG at the oil giant, explains the outline of the day: 'We held a plenary

session hosted by our CEO, CFO and strategy, sustainability & corporate relations director. This segment of the event was both in person and virtual. There were also two parallel fireside chats on different topics. Two sell-side analysts hosted the separate chats with our CEO and CFO. These would then rotate, with this segment taking part only face to face. We closed our event with networking and drinks.'

Medtronic's recent event was virtual, and was attended or replayed by more than 400 analysts and investors, of which more than 250 tuned in live, with several of its largest shareholders also in attendance. The 2.5-hour event featured a wide range of the firm's





leaders, including its CEO and CFO. The event included prepared remarks from four executives, one moderated panel and three separate audience Q&A sessions. A variety of topics were covered, including environmental sustainability, people and communities and governance and accountability.

Who should take the lead?

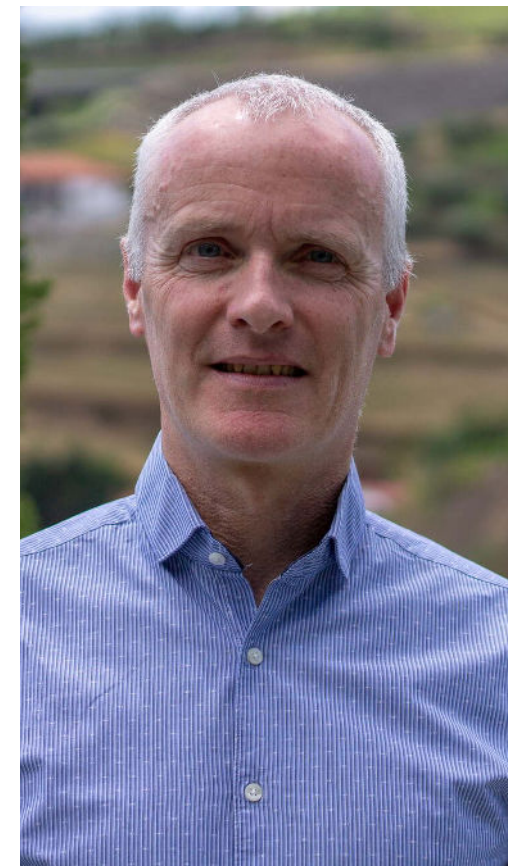
Investors are used to the C-suite being rolled out to present strategy and results and engage with investor audiences. But the continuing growth and importance of ESG means many companies have invested in ESG-specific roles to drive their progress.

So does an ESG investor day offer the opportunity to change the status quo

and swap out the C-suite for a more ‘boots on the ground’ option, or should the C-suite maintain the lead?

‘The answer is probably both,’ advises Rory Sullivan, CEO at Chronos Sustainability. ‘This reflects the reality that audiences are a mix of financial analysts – who will be interested in overall governance and strategy – and ESG analysts, who will often want a deeper dive into specific issues.’

‘As issues such as climate change are now clearly recognized as strategic value drivers, this need for both a governance/strategy perspective and a detailed, technical knowledge is even more apparent.’





Deciding the content

What to put in and what to leave out – and why

Deciding the content

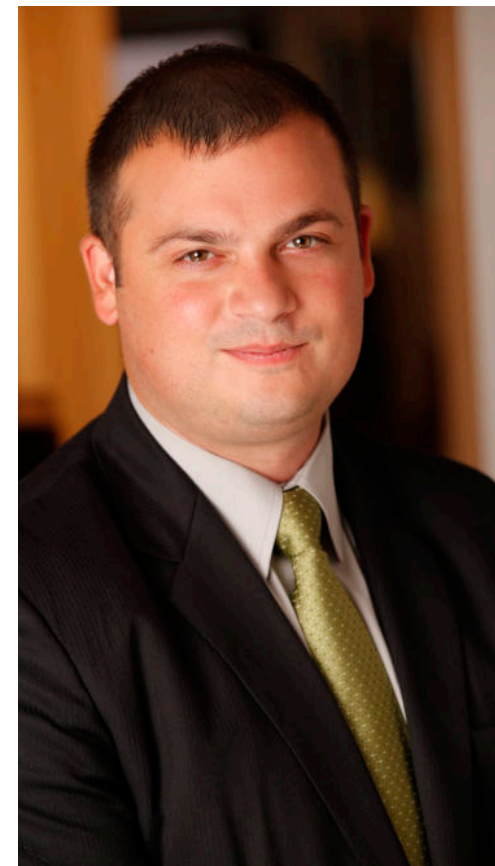
What to put in and what to leave out – and why

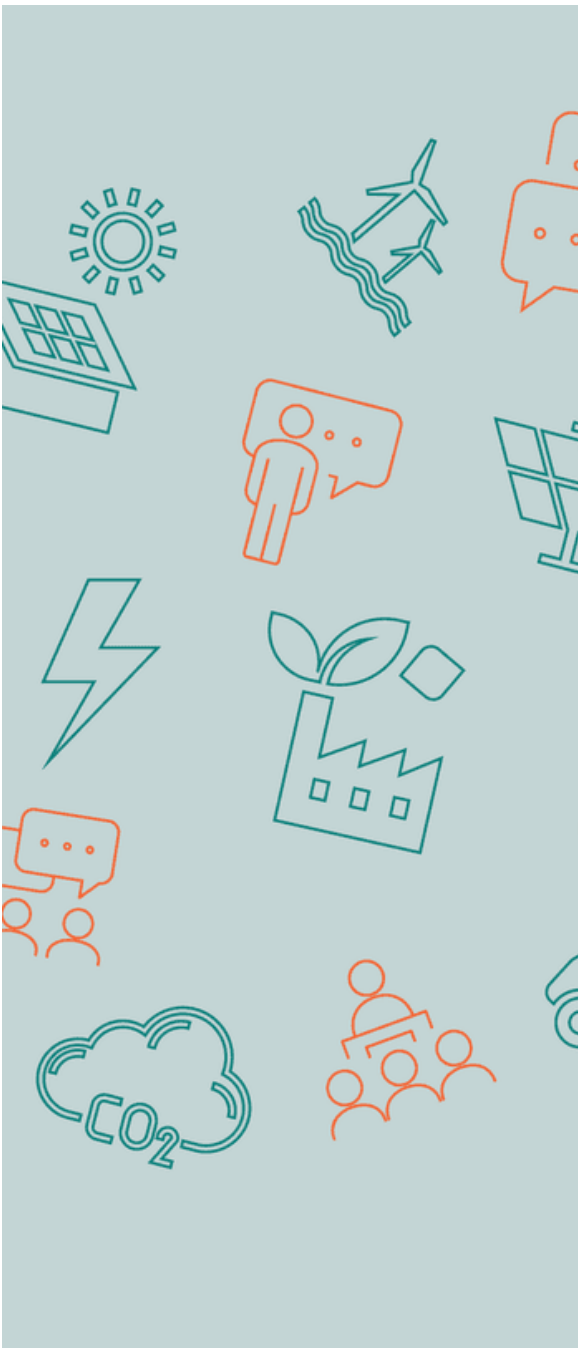
Once the logistics are in place, it's time to plan the content for your event and work out what you want to include on the day. Shell's event gave the company the opportunity to update attendees on the company's progress against its Powering Progress strategy, focusing on achieving net-zero. It also gave Shell the ideal platform to address investor questions ahead of an advisory vote on energy transition, as well as the opportunity for informal investor engagement with management.

Schneider's ESG investor day offered the company an ideal opportunity to highlight its commitment to ESG, and also announce new sustainability targets, as the firm's senior vice president and head of investor

relations Amit Bhalla explains. 'Among many conferences throughout the year, the IR team organized our ESG investor day, showcasing how ESG has been embedded in the group's purpose, strategy, culture and business model for the past 15 years,' he says. 'We also took the opportunity to announce our new ambitious sustainability targets.'

When determining the event's content, Ryan Weispfenning, vice president and head of IR at Medtronic, recommends focusing on the areas where tangible comment can be made. 'It is important that your ESG story is authentic,' he says. 'If you have the good fortune of working for a company that has a long history of conducting activities that today would be





“ Getting that external check on where the firm is and where there is room for improvement is so valuable ”

considered ESG-related, tie your ESG story to that history.

‘For us at Medtronic, it has been really powerful to link our ESG initiatives and material issues back to the six tenets of our company mission, which was written in 1960.’

Another vital component to include is a Q&A session, says Louis Coppola, co-founder and executive vice president at Governance & Accountability Institute. ‘The most important part with the most value for a company is the Q&A because it can get great feedback from investors on where they think the company hit the mark, what they feel is most

important, where they think the company has gaps, and so on,’ he says.

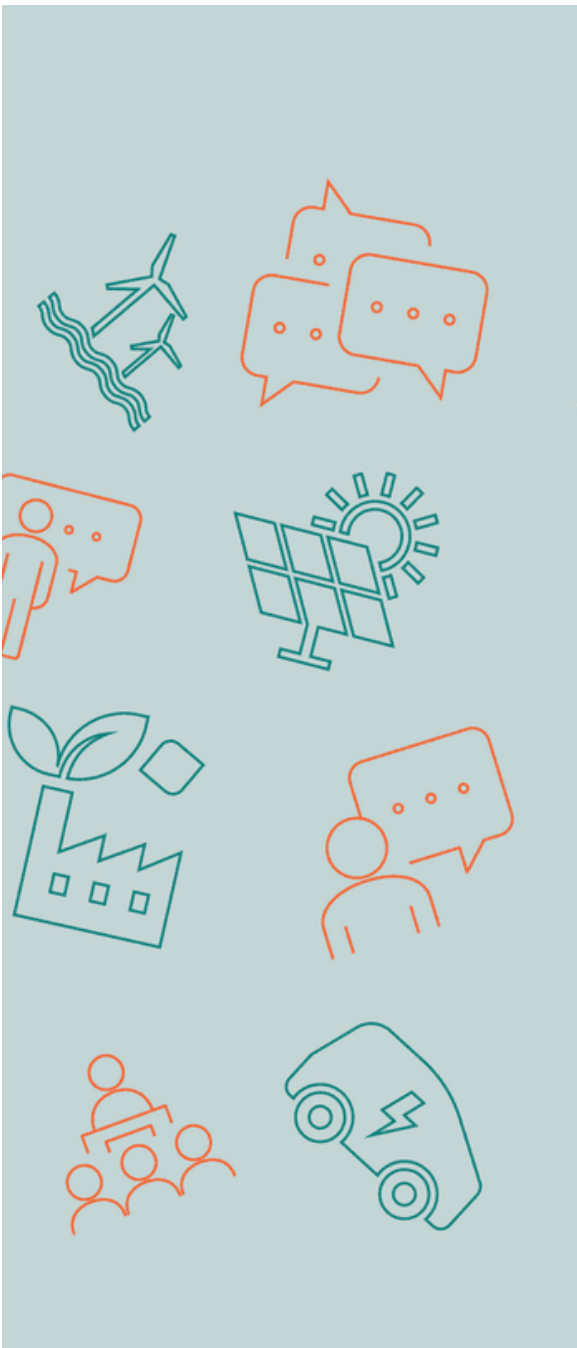
‘Getting that external check, that gut check on where the firm is and where there are gaps and room for improvement, is so valuable. Then at the next event, companies can show how they responded to that feedback, creating an investor engagement process that has a continuous feedback loop.’

Addressing any negatives

Tempting as it may be to solely focus on the positive, companies should be prepared to tackle any issue head-on, recommends Rory Sullivan, CEO at Chronos Sustainability. ‘Companies

should be prepared to answer questions, and should be prepared to answer substantively,’ he says. ‘The big mistake companies make is trying to bluff – either by talking around an issue or by throwing statistics out to confuse the issue – and investors are well used to seeing through that.’

Coppola agrees. ‘Try not to just paint a rosy picture and come off as all positive,’ he says. ‘You must also address the negatives and the challenges in order to come off as authentic and get valuable feedback and guidance on the tough parts. Be ready to address controversies because investors will come with questions



about them. If you leave out the challenges, they will come up anyway.'

Measuring impact and effectiveness

Given the outlay and effort required for any investor engagement event, it's important to outline the metrics by which you will determine your event's success. Setting KPIs is not only effective for measuring the success of a stand-alone event, but also opens the door to comparing these successes against future similar events to help determine the best methods of engagement for the future.

These metrics don't need to be complicated or far-reaching – simply measuring the number of attendees,

the number of document downloads or the number of one-on-ones requested can provide a benchmark for success.

For Medtronic, the success of its ESG investor day was multi-faceted.

'We measured meeting attendance, which exceeded our expectations,' says Weispfenning. 'In addition, we measured our integrated performance report download rates and social engagement of our ESG program, and both were significantly higher than in previous years.'

Effectiveness can also be judged by feedback, says Lauren Swales, director of IR at AstraZeneca. 'We received good

feedback from investors, with a request to focus on access to medicines and diversity and inclusion in future events,' she recalls. 'The C-suite was pleased with the number of attendees and the detailed and thoughtful questions raised by shareholders. Gone are the days where ESG is a tick-box exercise.'

Proactively seeking feedback was also a measurement tactic used by Schneider. 'We ran feedback surveys and found that delegates really appreciated the open and transparent dialogue and the opportunity to interface with many operational leaders and board members,' says Bhalla.

Looking to the future

The positive impacts of an ESG investor day on your IR and company



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The positive impacts of an ESG investor day on your IR and company

If you've held an ESG investor day, the first step is to assess its value to the company against your KPIs, then determine whether it's a tool that's worth adding to the ongoing suite of regular investor relations activity, or whether it's best left as a one-off.

Ongoing transparency is a big consideration for AstraZeneca, which hosts an annual event to communicate its ESG activity. 'It provides transparency, as a platform for the firm to highlight the progress made,' says Lauren Swales, director of IR. 'It also gives shareholders an opportunity to ask questions of those making ESG decisions. ESG is becoming a mainstream topic for all investors.'

Get the event right, and the positive impact on tricky company issues can be

felt. Shell found this at its 2022 event, says the company's IR officer for ESG, Anna Dumanska. 'We managed to deliver a message that our energy transition resolution is different from the shareholder resolution, and believe this has enabled the right voting outcomes at the AGM,' she says.

The success of an event can also be measured by the pressure it takes off other areas in the business, observes Ryan Weispenning, vice president and head of IR at Medtronic. 'Investors have been able to reference our event video, resulting in a significant decrease in one-off ESG meeting requests and inquiries on ESG matters,' he says. 'This has helped alleviate the pressure on the IR team, as well as the burden on the internal subject matter experts. Also,

because the event content addressed many topics that regularly come up with proxy voters, the number of investor meeting requests to discuss our proxy ahead of our AGM also significantly decreased.'

In deciding the way forward, it's always worth considering the positive impact on other areas of the company, outside of the investor remit. 'The C-suite really appreciated the event, but what was even more impactful, and somewhat unexpected going into the event, was the feedback we received from employees,' Weispenning adds. 'We received comments from several employees who were inspired and energized by the event. I didn't realize the impact an event like this can have on employee engagement and retention.'



Top tips: Advice from those who have been there, seen it and done it

Amit Bhalla, Schneider Electric

- Analyze the ESG expectations of your investors and assess how your company meets them.
- Identify the level of influence ESG investors have over your share register.
- Evaluate your organization against your competitors.
- Run pre-meeting surveys of investors and targets to identify which topics investors would like the event to cover.
- Run feedback surveys of investor views on the event with recommendations for future events.

Louis Coppola, Governance & Accountability Institute

- Be balanced with the bad and the good – the challenges and the accomplishments – and most investors will be respectful and engagement will go well.
- Come prepared: you will have very smart, well-read and informed people in the room asking you some tough questions, so prepare and be ready.
- Do the prep work to be aware of which issues investors are concerned about, both in your industry and at your company.

Anna Dumanska, Shell

- Decide why you're going to do an ESG investor day and clearly define your objectives.

- Define your ideal attendee and promote the event early to get the right people to attend.
- Make sure you have senior sponsorship for the event and, ideally, attendance of both management and the board.

Lauren Swales, AstraZeneca

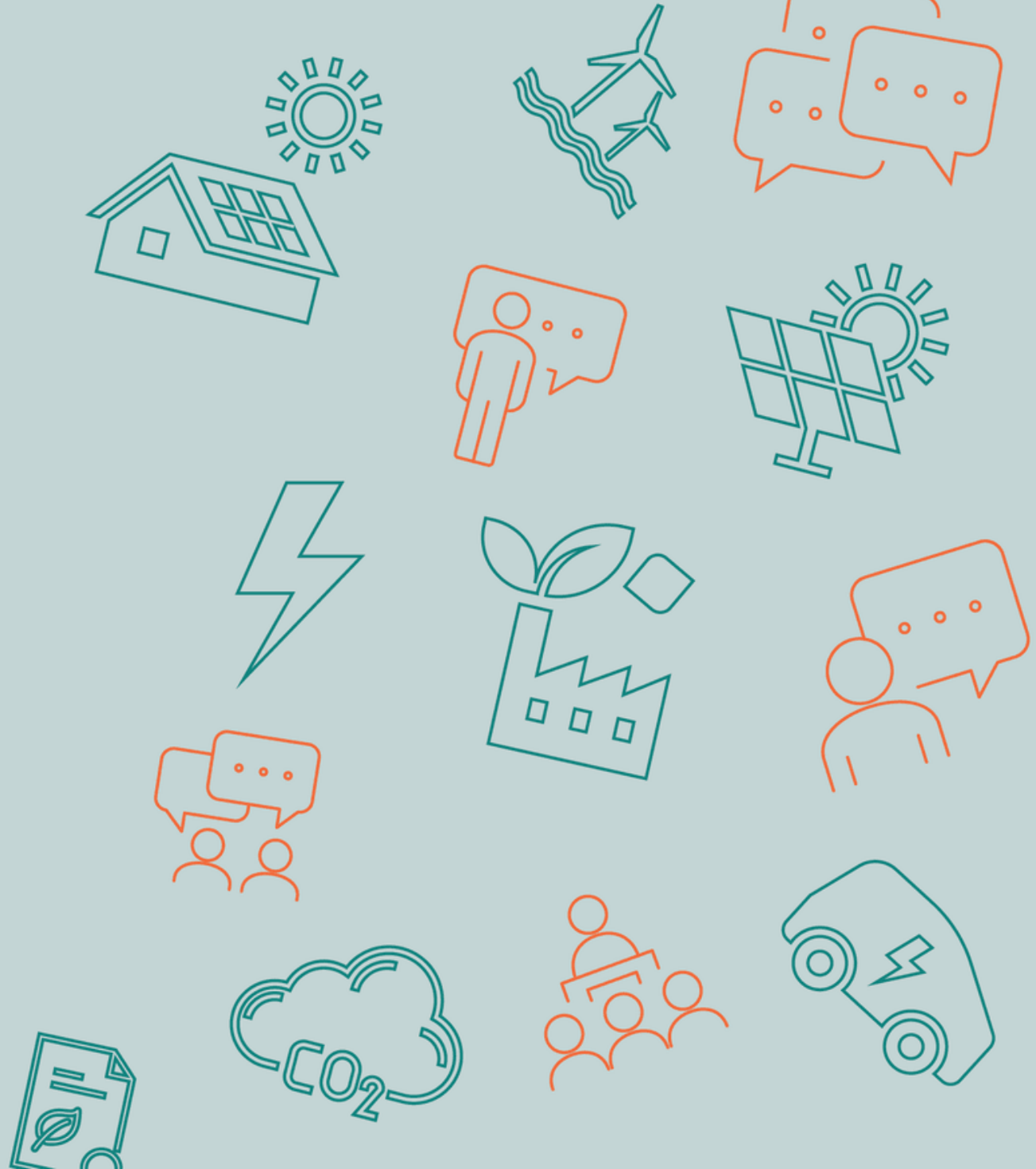
- Have a detailed Q&A document showing shareholder sustainability questions over the last six to nine months – this helps with consistency of messaging and highlights current topic trends.
- Plan for every eventuality – sustainability questions are broad-based so ensure you have the right people in the room to answer the questions.
- Have senior leaders join to show their engagement – but ensure they are fully briefed!

Ryan Weispenning, Medtronic

- Time the event to coincide with the launch of your sustainability/integrated report, to make your reports 'come to life' through a live event while simultaneously driving more interest in your publications.
- Focus on the topics most important to your company and industry. If you haven't already done so, conduct a materiality assessment and plan your ESG communication and event around these topics.
- Take an inventory of the ESG questions you regularly receive from investors and make sure you are addressing them in your content.

Advertisement feature

How to hold an effective ESG investor day



How to hold an effective ESG investor day

When it comes to discussing your organization's ESG initiatives, transparency is critical. At Cision, we design solutions that enable our clients to communicate ESG news in ways that are meaningful to their investors, customers and employees. One of the most effective platforms our clients have found for doing so is by hosting an ESG investor day.

While investor days have been around for decades, the concept of an investor day focused specifically on ESG is relatively new.

As public and stakeholder interest in ESG-related issues has increased exponentially in recent years, so has the demand for companies to not only establish concrete ESG initiatives and goals, but also to vocalize them. While any investor day your

organization holds is an opportunity to provide visibility into your company's most critical work, ESG deserves special attention.

Remember: matters of ESG are more than a trend, and companies and brands need to be more than mindful of keywords and well-designed infographics; they must be authentic when broadcasting their strategies. No one wants to be called out for greenwashing or providing lip service.

Whether you're planning your first ESG-centric investor day or you've hosted many before, consider the great opportunity to strengthen your narrative and invite engagement. After years of working with clients in this space, there are five investor-day planning tactics that stand out and consistently generate higher engagement with stakeholders and more impactful messaging.

Consider the following best practices when planning your next session. The benefits of setting, measuring against and delivering on ESG goals are significant. Be prepared to walk the walk.

1. Simplify your messaging

Companies often make the mistake of using overly technical language when communicating their ESG initiatives. It's important to remember that ESG is relevant to all your stakeholders, from those who intimately understand your business, like your employees, to customers or investors who may only have a rudimentary understanding of its operation.

Using clear, direct messaging to discuss your ESG tactics demonstrates to your stakeholders that you want to engage them with easy-to-understand language. It also reduces the risk of readers interpreting technical jargon as a tactic to mask lackluster ESG commitments.

2. Share a sustainability or DE&I report

An ESG investor day is the perfect time to debut your organization's latest diversity, equity & inclusion (DE&I) or sustainability report to a captive audience. Just as a 10K serves as a roadmap for an investor day, a DE&I or sustainability report sets the tone for your event and related messaging.

Your audience is expecting to hear how your company is measuring its ESG goals, so your team

should come armed with data on how your company is performing. Even if your organization is a long way from its ultimate ESG goals, reporting on your progress underscores a strong commitment to achieving them.

3. Engage management across the organization

The best ESG strategies enlist employees throughout an organization to do their part in reducing waste, identifying opportunities to shrink their carbon footprint and creating a more inclusive environment for their colleagues. Because ESG is a company-wide effort, invite representatives from all levels of management and disparate departments to speak about the various ESG initiatives they're involved in or responsible for executing. Doing so shows your stakeholders that your organization has not confined ESG to a single silo in the company but instead has woven it into the fabric of its culture.

4. Incorporate investor or customer feedback

ESG is a topic many are passionate about, and there's no shortage of people willing to give their opinions on how companies need to improve their

ESG plans. Your investors and customers are no different. Some of our clients have found that conducting a pre or post-ESG investor day survey helps guide the topics they address for future events.

Our clients have also benefited from using social listening to better understand how their ESG narratives and initiatives are resonating with audiences online – and using that information to inform their communications strategies. Taking the time during your ESG investor day to address specific concerns your stakeholders have about your approach to ESG is an effective way to engage with audiences that matter and to prove your commitment to transparency.

5. Leverage a dedicated ESG digital space

Some of your stakeholders may never feel comfortable returning to a room packed with people. Others may be unable to physically attend for any number of reasons. To make your event more accessible to the widest audience possible, consider having a virtual component for your investor events, even if you are hosting them in person. At Cision, we help our clients host IR webcasts that are seamlessly embedded into their IR websites.

After each event, we counsel our clients to collect the resources they have and publish them in a centralized digital repository with their other ESG materials, so visitors can watch a replay, listen to an audio recording or read a recap or transcript of the presentations. It's a best practice to have a dedicated space online that houses all of your ESG content so stakeholders can easily locate all of your organization's messaging.

Due to the sensitivity of the subject, ESG messaging should be thoughtful, thorough and transparent. You want your audience to leave an ESG investor day feeling like it received the complete picture of your organization's ESG initiatives. People should gain a solid understanding of your strategy.

ESG investor days will continue to grow in popularity and, if executed successfully, they can serve as an essential tool in communicating your ESG initiatives and narrative in ways that serve your brand.

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