

# IR directions: Environmental, Social & Governance (ESG) Practices

**87%** of issuers find ESG factors very or somewhat important to their long-term success

## Top Reasons Issuers are Committed to ESG



1. Enhances corporate reputation



2. Improves risk management



3. Creates long-term shareholder value

## State of ESG Varies Among Issuers

**66%**

of issuers have identified material ESG factors impacting their company

**47%**

of issuers publish annual ESG communications for investors

**45%**

of issuers have ongoing ESG dialogue with investors

## Issuers Have Strong Commitment to ESG

**54%**

of issuers have an ESG/sustainability policy

**81%**

of issuers have the Board or a committee overseeing ESG

**75%**

of issuers have an executive responsible for ESG



Overall responsibility for ESG most often lies with sustainability (44%) or investor relations (24%) departments

## Disclosure Practices are Not Standardized

**76%** of issuers currently disclose ESG data

The most commonly used frameworks for disclosing ESG data are:  
(in descending order)

- 1 Carbon Disclosure Project (CDP)
- 2 Global Reporting Initiative (GRI)
- 3 Task Force on Climate Related Financial Disclosure (TCFD)
- 4 Sustainable Accounting Standards Board (SASB)

**77%**

of issuers are using forward-looking targets as part of their ESG strategy

**86%**

of issuers publish ESG commitments and achievements

**83%**

of issuers publish a standalone ESG/sustainability report

## Issuers are Engaging Stakeholders on ESG

Top five ESG questions issuers get from investors:  
(in descending order)

- 1 Board independence, composition and renewal
- 2 Executive compensation
- 3 Diversity and inclusion
- 4 Carbon emissions/ footprint
- 5 Climate change

**28%**

of issuers spend 1-5 days/year completing surveys

**20%**

of issuers spend over 20 days/year completing surveys

Top ESG surveys completed by issuers:  
(in descending order)

- 1 Sustainalytics
- 2 CDP
- 3 MSCI

With the potential to increase financial performance in both the short and long term, issuers cannot afford to ignore the opportunities ESG presents.