

A4S ESSENTIAL GUIDE TO ENHANCING INVESTOR ENGAGEMENT – MATURITY MAP

Do your investor engagement activities position your organization to effectively communicate your approach to environmental and social factors?

The maturity map is designed to enable you to assess what you are currently doing and how you can advance to a leading position. It has been developed as a way of capturing the different dimensions of enhanced investor engagement.

Strategy	Limited inclusion of sustainability into the business, investor communications and engagement	Moderate inclusion of sustainability into the business, investor communications and engagement	Full inclusion of sustainability into the business, investor communications and engagement
Business Fundamentals	<ul style="list-style-type: none"> Limited consideration of how sustainability factors may impact the business model (positively or negatively). Sustainability activities are ad hoc and not part of a formal strategy. Sustainability factors are not considered as part of the risk processes. Limited board oversight of sustainability. Sustainability-related performance indicators have been set but are not part of the business KPIs. Sustainability performance is not linked to executive remuneration. 	<ul style="list-style-type: none"> Some understanding of how sustainability factors underpin the business model, and the relationship between them. There is a formal sustainability strategy, but it is separate to the business strategy. Environmental and social factors appear on risk registers, but the sustainability team retains ownership. Sustainability is partially integrated into governance structures including risk and audit committees, as appropriate. The board has insight into the sustainability activities and is regularly updated on related performance. Sustainability KPIs are linked to the sustainability strategy, with corresponding targets and progress towards the targets reported alongside the business KPIs. 	<ul style="list-style-type: none"> Full understanding of the relevance of sustainability factors to the business model, and an effective process for reviewing this on an ongoing basis. The company identifies opportunities for industry leadership on key environmental and social issues. The organization has a single, integrated strategy. Environmental and social factors are viewed as key business drivers and not just through the risk lens. Sustainability is integrated into risk management and business processes with responsibility for relevant environmental and social issues cascaded throughout the organization. Capital allocation and business decisions are aligned with sustainability commitments. The board members are appropriately skilled to exercise oversight of sustainability issues, with evidence of on going training. Sustainability is integrated into governance structures including risk and audit committees, as appropriate, with a dedicated sustainability committee led by a senior executive. Executive remuneration schemes are linked to specific environmental and social targets. KPIs are linked to value drivers and integrated within internal and external reporting. There are clear targets driving performance.
Communications and disclosures	<ul style="list-style-type: none"> Communications about sustainability are not linked to the broader business strategy. Communications do not articulate the link between sustainability and long-term value creation. Sustainability is often discussed separately and is not integrated throughout communications. There is limited explanation of why specific sustainability initiatives are undertaken. Environmental and social performance is not presented using recognized standards. Disclosures are largely qualitative with limited quantifiable metrics. No or limited reporting of performance against strategy and targets. Sustainability activities are considered to be similar to Corporate Social Responsibility eg donations, grants or volunteering. 	<ul style="list-style-type: none"> Investor communications incorporate sustainability activities and provide some links to the long-term business strategy. Communications link some sustainability factors with key business drivers. There is some integration of sustainability issues in investor communications such as press releases, reports and presentations. Sustainability performance is presented using recognized standards for key metrics. Limited to moderate reporting of performance against strategy and targets. Regular stakeholder engagement on sustainability issues. 	<ul style="list-style-type: none"> A long-term integrated strategy, presenting short-term results in the context of long-term goals, is reinforced across all communications. Communications link sustainability performance to long-term value creation. Context is provided on which environmental and social issues the company is focused on and why. Sustainability is integrated consistently and holistically, year-on-year and throughout all discussions, presentations, investor communications and reports. Recognized standards are used when reporting sustainability performance and external assurance is provided over the key metrics. A consistent, comparable set of KPIs is reported annually. Clear targets are set and performance is communicated transparently and in a balanced manner.
Investor Relations Activities	<ul style="list-style-type: none"> Only the sustainability team can respond to investor questions on sustainability. Sustainability information is not available on the investor relations section of the company website. Sustainability reporting is presented separately from financial information in or alongside the annual report. Investor-focused reports do not include any information about the company's approach to environmental and social issues. Investor relations communications focus on the short and medium term and do not meet the information needs of investors focusing on the long term. 	<ul style="list-style-type: none"> The investor relations and sustainability teams are collaborating and developing an understanding of how to respond to investor questions on sustainability. Relevant environmental and social information is easily accessible to investors with a link to it from the investor relations section of the company website. Sustainability information (qualitative and quantitative) is incorporated into annual reports. Relevant measures of sustainability performance are integrated into quarterly statements, with the focus being on longer-term performance and value creation. Investor relations communications meet the information needs of investors focusing on the long term. 	<ul style="list-style-type: none"> The board, executive management team and investor relations colleagues are confident and proactive in explaining to investors how sustainability impacts business performance. The investor relations team can explain key sustainability issues independently and these aspects are part of regular discussion with investors on overall business strategy and performance. Investor calls include relevant experts from across the business to enable deep dives into specific sustainability issues. Relevant sustainability information is included throughout the investor relations section of the company website. Compelling case studies are included in presentations and reports. Quarterly reports (where required) are linked back to the long-term strategy. Investor relations engagements enable a dialogue, particularly around emergent issues and responses.
	Beginner	Intermediate	Leader