

National Investor
Relations Institute
Edition

ESG Pulse Report

for

Investor Relations
Professionals

DFIN

 **NIRI**

What is the DFIN ESG Pulse Report?

To collect environmental, social, and governance (ESG) perspectives, DFIN and the National Investor Relations Institute (NIRI) collaborated on a study. It assessed a range of ESG topics affecting corporate investor relations officer (IRO) members professionally, their companies' current ESG practices and reporting, and their anticipated future state.

Who are the respondents?

This survey was conducted online during the fourth quarter of 2021 among a sample of more than 100 IROs and targeted the following ESG-related topics:



Knowledge



Practices



Contributors



Platforms



Trends

Major revelations identify the **path forward**



IROs are knowledgeable

They consider themselves knowledgeable about ESG and their company practices. Also, Investor Relations is the most frequent participant in ESG collaboration.

Companies are closing gaps

Respondents reported a lag between their companies having good ESG practices and doing equally good ESG reporting. Most companies are committed to closing this gap.



Corporate boards are watching

A majority (83%) of IROs reported boards are providing ESG oversight. Board involvement is a topic that investors continue to press companies to reveal.

Financial reporting is increasing

Companies anticipate increasing involvement in financial reporting and applying financial disclosure controls to ESG data. SEC rulemaking may increase urgency.



Few platforms are in place

A minority of respondents indicated they currently have a platform to house and share ESG data. Most use general-purpose tools rather than specialized solutions or platforms.

About the study

To better understand IRO roles and views on ESG, DFIN and NIRI jointly surveyed corporate IRO members on various topics.

The results contained in this report summarize key findings from 103 complete and 39 partial responses. Summaries and data are reported only in an aggregated format.

Up to 72% of IROs feel **knowledgeable** about one or more ESG concepts.

**Multiple Choice Question*

72%

Know Governance

71%

Know Social

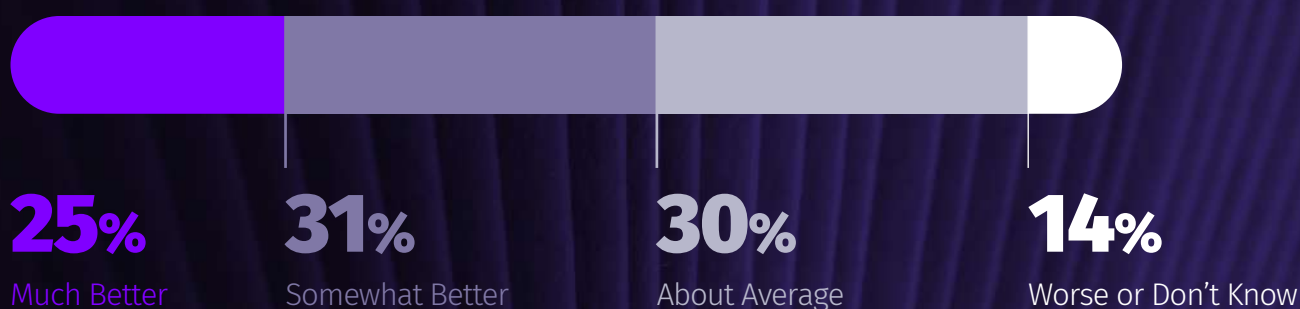
66%

Know Environmental

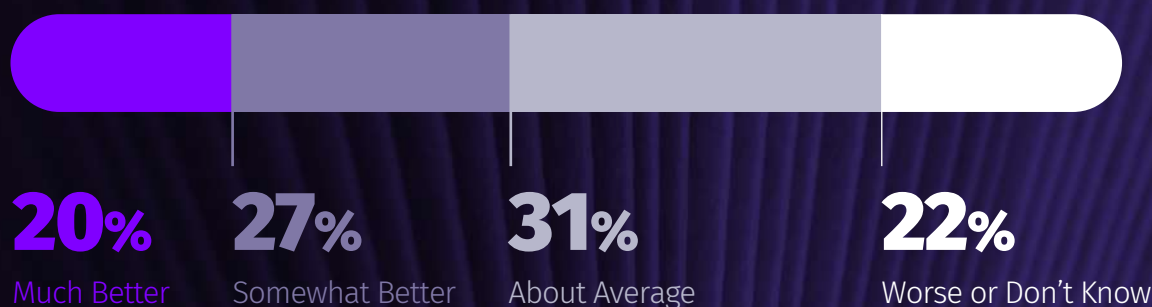


The majority of IROs rate their company better on **ESG performance**, against their peers, versus ESG reporting.

Rate your company against peers on ESG performance on an average basis:

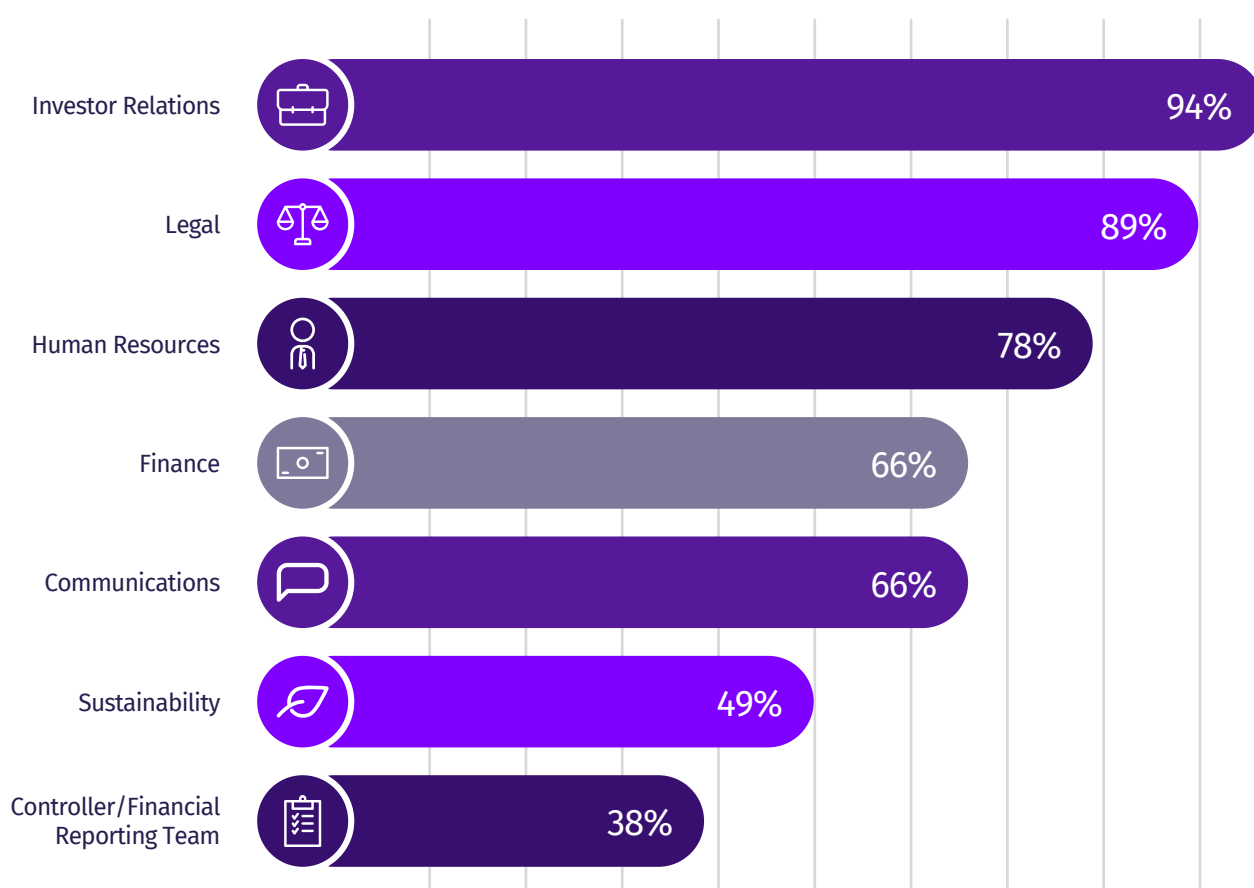


Rate your company against peers on ESG reporting on an average basis:



Many departments are actively involved in ESG work.

Please select all departments at your company who are – to your knowledge – actively involved in ESG work:



83% of corporate boards
are providing significant
ESG oversight.

54%

Board Committee

29%

Entire Board

17%

No Oversight or Don't Know

While one department is most likely to oversee ESG reporting and tracking, the department varies among companies.

To the best of your knowledge, which department at your company is primarily overseeing ESG reporting and tracking?

89%

Single Discipline Group

11%

Multi-Discipline Group



Top 3 Teams Involved



While surprisingly low, we expect Finance to elevate in the future.



Many financial reporting teams are planning more ESG reporting oversight and support.

Do you have plans for your financial reporting team to provide greater oversight and support on ESG reporting?

65%

Yes

26%

No

9%

Uncertain

Few companies use a platform to house and share ESG information – those that do use a general-purpose alternative.

% Based on those that answered the question.

Do you currently have a platform to house and share ESG information?

32% Yes **59%** No



Microsoft Teams / Google Drive / Dropbox / etc.

44%

Disclosure Management System

22%

General ESG Data Repository

16%

Virtual Data Rooms

9%

Other

9%

IROs believe the ESG topic is vital to several audiences and stakeholders.

% Based on more than one answer.

What is the importance of the topic of ESG to each of the following entities?

Corporate Board / Governance

75%

Internal / Executive Leadership

69%

Prospective Employees

45%

Industry Peer Companies

43%

Prospective Institutional Investors

38%

IROs have strong opinions about ESG.

To what extent do you agree with the following statements?

74%

Focusing on ESG is just the right thing to do morally.

71%

ESG reporting requirements are complex and burdensome for their organization.

67%

Our company leadership cares deeply about our ESG performance relative to peers.

59%

Increasing investment in ESG can drive bottom-line value for our business.

About half of companies conduct an ESG materiality analysis.

Does your company conduct an ESG materiality analysis?

53%

Yes

33%

No

14%

I Don't Know

About three-quarters of companies produce ESG or related reports.

Does your company produce a CSR, ESG, or Sustainability report?

71%

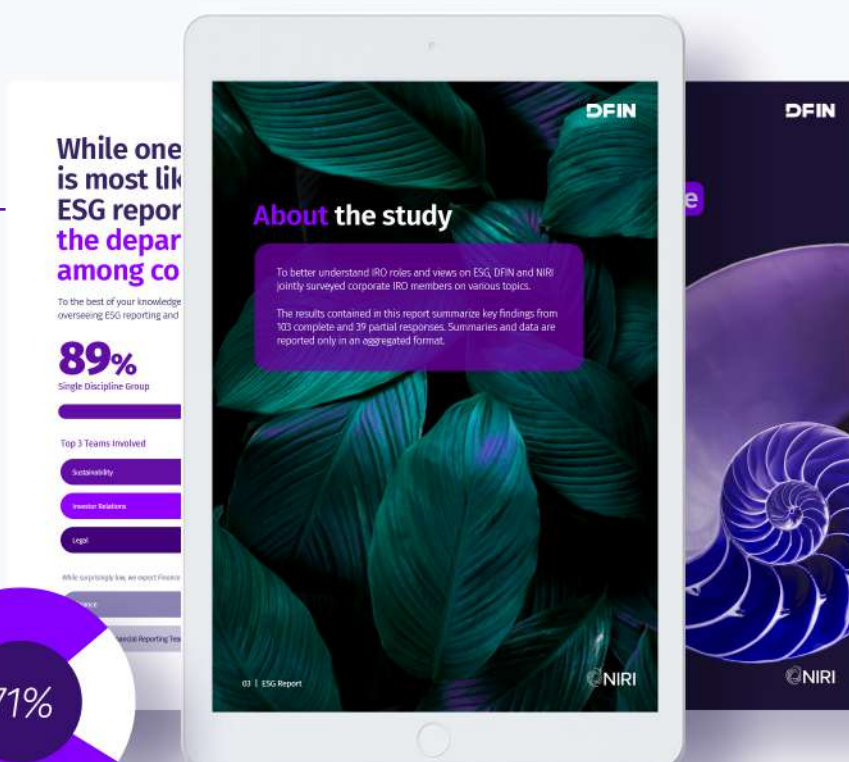
Yes

24%

No, but plan to in the next 1-2 years

5%

No



Accelerate & optimize your ESG reporting.

Demands on environmental, social and governance (ESG) reporting are intensifying. Our ESG reporting and data management software and advisory services help you work smarter and drive long-term value. By helping stakeholders see the big picture, you build trust and strengthen your brand and reputation & mitigate risk.

ActiveDisclosureSM

A fast and affordable SEC filing platform

- Take the complexities out of regulatory reporting.
- Seamless integration, simple onboarding and all the tools you need.

Proxy

Impactful annual shareholder communications

- Anticipate investor expectations, unify your brand and focus attention.
- Elevate your proxy statement's substance and style.

Data Protect Solutions

Optimize data privacy and security, efficiently

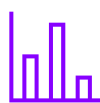
- Easily automate the finding and redacting of sensitive and personal information.
- Support policies and regulations by guarding consumer and employee data.

eBrevia

Faster reviews with AI by your side

- Gain insight on your contracts and vendor relationships.
- Extract ESG data associated with emerging topics from agreements.

Work smarter and drive long-term value.



Design reporting on demand

Accelerate the creation of your report with our one-stop-shop software.



Support audit-ready accuracy

Efficient disclosures using automated workflows avoid human error.



Benchmark against peers

Keep an eye on the impact of ESG on financial performance with AI technology.



Leverage expert support

Navigate the constantly evolving reporting environment with expert guidance.



Unlock data-driven insights

Get ESG-related information to support business intelligence and decision making.

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