



IDEAS FOR COLLABORATING WITH ESG-MINDED INVESTORS

WHAT RETAIL INDUSTRY INVESTOR RELATIONS AND ENERGY & SUSTAINABILITY PROFESSIONALS SHOULD KNOW

To help retail industry energy, sustainability, and IR professionals understand how to interact with investors who track Environmental, Social, and Governance (ESG) criteria, RILA and HIP Investor conducted research including interviews with retailers and investment firms.

FIVE IDEAS FOR DEVELOPING YOUR RELATIONSHIP WITH ESG-MINDED INVESTORS:

1. MAINTAIN AN OPEN DIALOGUE WITH YOUR LARGEST INVESTORS

A purely reactionary response to ESG questions may not reflect the thoughtful programmatic work many companies are doing around ESG topics. Active engagement and transparency from retailers, even when underperforming on ESG-related themes, may demonstrate an awareness of their potential material impact on your organization. Some companies may even consider establishing an ESG update call held to complement earnings calls.



2. BE PROMPT IN YOUR RESPONSES

ESG-minded investors indicate a willingness to file shareholder resolutions after a single failure to respond to an inquiry.



3. UTILIZE INVESTORS' FRAMEWORKS AND RESOURCES

Some investors have developed resources to help companies understand the ESG integration process. Consider asking your major investors if they have any materials to help you align with their processes and capitalize on potential new ESG-related opportunities.





RETAIL INDUSTRY LEADERS ASSOCIATION

4. INTEGRATE ESG REPORTING INTO FINANCIAL STATEMENTS

Some ESG-minded investors are asking for integrated ESG reporting using materiality frameworks to incorporate ESG metrics into traditional financial statements. Understand investors' preferences among available frameworks to meet expectations.



5. CONSIDER AN INTEGRATED REPORT

Broader ESG, CSR, or Sustainability reports may provide additional context beyond what appears in an ESG integrated reporting framework. You may be able to use a comprehensive report to explain how non-material or difficult to quantify factors, such as company culture, may be important for your competitive differentiation and how they are integrated into corporate strategy. While an integrated report is designed for use by investors, comprehensive corporate sustainability reports represent an opportunity to speak to a wider group of stakeholders including customers, local communities, NGOs and governmental organizations.



Access even more retail finance resources at www.rila.org/energy.



This resource was completed with support from the Department of Energy's Office of Energy Efficiency and Renewable Energy and the Better Buildings Initiative to highlight innovative proven energy solutions from market leaders in the Retail sector. Find more ideas at the Better Buildings Solution Center at betterbuildingsolutioncenter.energy.gov

This material is based upon work supported by the Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE), under Award Number DE-EE0007062.

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