INFORMED

PROMOTING EXCELLENCE IN INVESTOR RELATIONS ISSUE 108 AUTUMN 2020

EMBRACING **CHANGE**

a special feature on IR priorities including ESG, guidance, small investors, corporate reporting, investor days, digital tools and more

and

FULL COVERAGE OF CONFERENCE 2020

PLUS

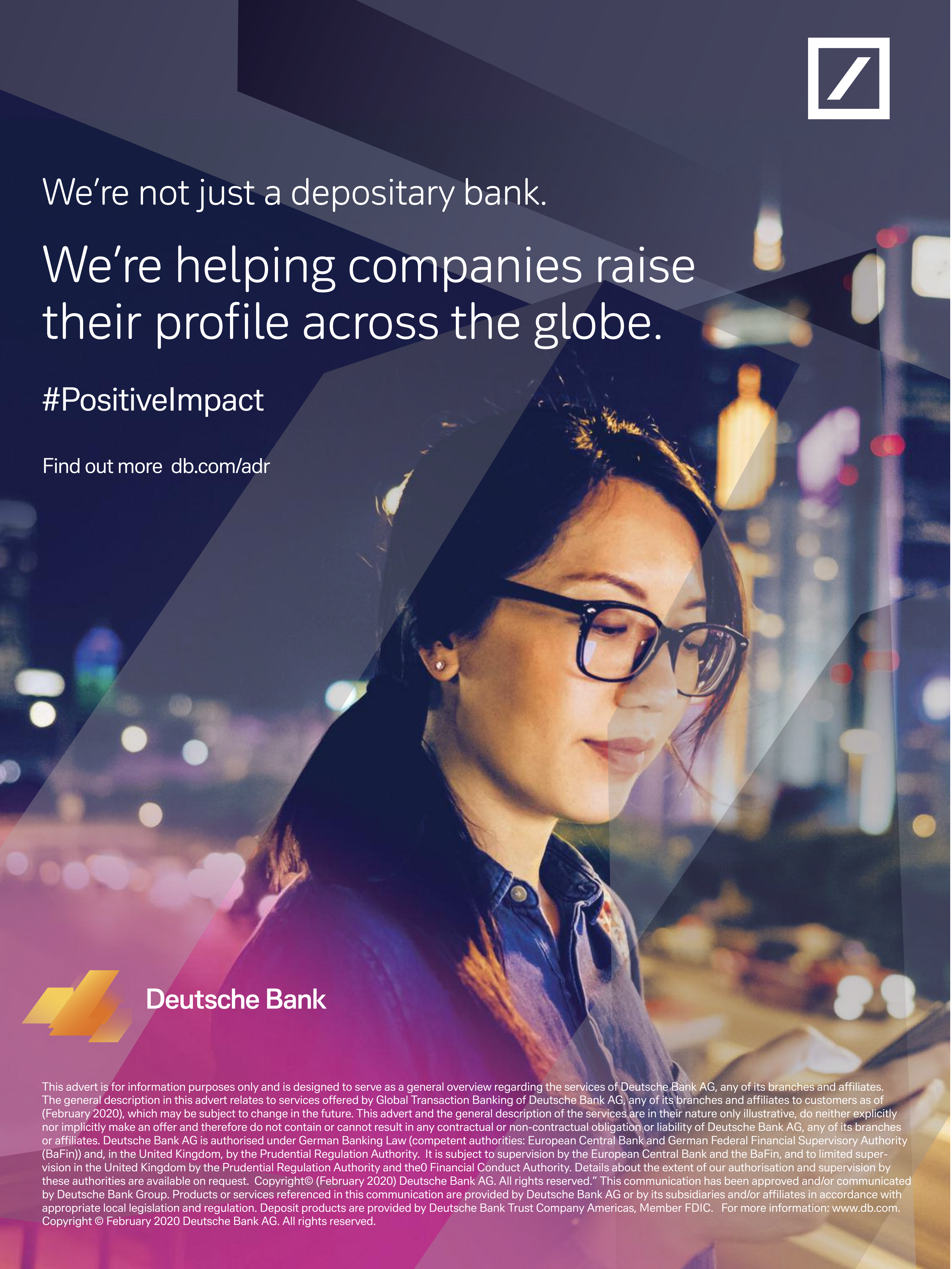
VIRTUAL EVENTS

PROFESSIONAL DEVELOPMENT

AWARDS UPDATE

NEW MENTORING SCHEME

ir society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SAVE THE DATE!

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Tuesday 24th November 2020

CHECK WWW.IRSOCIETY.ORG.UK FOR UPDATES

INFORMED

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CHAIR'S LETTER

Finding success at a difficult time

Like so much of life in 2020, the Society's September annual conference was not quite what we're used to. We had to embrace a new, virtual way of delivering the event, with many challenges, but in the end it worked brilliantly; it was an afternoon full of rich content and excellent insights. One of the best things was to see so many familiar faces.

This year we were lucky enough to hear from two knights of the realm and a baroness, all of whom offered us the benefit of their massive experience, while we listened to many brilliant panellists and moderators in the conference sessions (see our full conference report on page 34). Thanks are due to everyone who took part, as well as to those engaged in the networking rooms or with our sponsors. Particular thanks go to: RD:IR, our Gold sponsor; Deutsche Bank Depositary Receipts, who sponsor our professional development programme; and Orient Capital, our events programme sponsor. Also, many thanks are due to our four Silver sponsors: ingage, investis digital, invicomm and Q4 Inc, and to all of our other annual sponsors.

Resilience and professionalism

There were a couple of key conference messages that resonated with me. Firstly, how proud we should be of the resilience and professionalism that the IR industry has shown through the crisis. Never have things been more difficult, but collectively it is clear that we've done a great job; people across the IR world have delivered beyond expectations, while IR – in all its various guises – continues to become an ever-more vital function.

Secondly, it is clear that ESG in its broadest sense, is right where it should be – at the top of the agenda. The onus on companies to articulate how they are responding has never been greater, and over the last six months, the spotlight has very much been on the 'social' aspect – with businesses being scrutinised for how they have responded to the pandemic across all stakeholder groups. Companies have had to consider not just their shareholders but their people, customers, suppliers and the communities in which they operate. To me, that doesn't mean focusing LESS on shareholders, rather it means elevating the focus of those other groups to be equivalent.

As listed companies, our licence to operate has never been more important, or under more scrutiny than it is right now. That is a good thing and will not change. Trust in companies is at an all time low, while volatility is at an all time high. For us in IR that presents a massive opportunity. We have a vital role to play as the voice of authority in this area, supporting and advising board members and communicating the corporate story to all stakeholders in a balanced and effective way.

Commitment and effort

Helping people to become better is our mission throughout the year, with the Society team working hard to promote best practice, to support professional development and to represent your views on vital issues. Like all of us, Laura and the team have had a challenging few months, but their commitment, effort and passion for the Society has shone through. They are a credit to us all and we are lucky to have them.

I would also like to thank you, the members. Put simply, without you, none of the great work we do as a Society would be possible. We know times are hard and we know budgets are tight, so we appreciate your support enormously. I hope everyone stays safe and well – and I look forward to seeing you all soon. ■

David

DAVID WALKER

New mentoring programme for members

As part of the Society's commitment to continue to develop its offering to members and to support them in their day-to-day roles, we are delighted to announce the launch of a mentoring programme in the New Year. This exciting initiative is being rolled out in conjunction with our partner Equitory, the specialist independent IR consultancy.

The mentoring scheme will be an opportunity for the Society and members to support the career ambitions of all members and to help them develop personally and professionally through a one-to-one relationship with a more experienced professional.

The Society will create a network of mentors and mentees who will provide valuable guidance and support while also expanding the opportunities for members to connect with fellow IR professionals.

Speaking about the programme, Fiona O'Nolan, IR consultant, and Clara Melia, founder, at Equitory said, "At Equitory we are passionate about the role IR plays in communicating and connecting with investors.

As a niche but growing profession, IROs often work in isolation and many would benefit from the opportunity to connect with fellow professionals through mentoring. We are delighted to be partnering with the IR Society as they launch their mentoring scheme and to support them in expanding the development opportunities for all members."

The Society will launch the 'virtual' pilot scheme in early 2021 and will publish the final details of the programme and how you can apply later this year.

A significant number of members have already expressed an interest in taking part in the pilot programme, so please do get in touch with Robert Dann (robert.dann@irsociety.org.uk) if you would be interested in being involved as either a mentor or mentee.

For the pilot programme, participation will be limited to in-house IR professionals and we will look to expand this offering to the rest of the membership as soon as possible. ■

equitory

ir society

NEWS IN BRIEF

The first ESG/SRI programme for IR in Latin America

GovernArt and The IR Society, with the exclusive corporate sponsorship of Enel Americas, and with the support of the Santiago Stock Exchange, taught the first version of the ESG/SRI Programme for IR in June 2020. The programme is a pioneer in addressing ESG issues with a focus on matters concerning IR, sustainability and corporate affairs professionals in Latin America.

The programme allowed participants to acquire specific knowledge on ESG matters, addressing financial markets and their environment, as well as regulatory and reporting requirements for financial and ESG information for listed companies. The programme was taught over the course of four days, in an online format. For further details check the website.

Further updates

The Society's latest webinar 'The role of IR and the board', explored the increasingly strategic nature of the role and discussed how IROs can raise their profile and make a valuable contribution to the board. We have also published an in-depth ESG FAQ and recorded our first podcast, with the Financial Reporting Lab (see p8, Industry News, for further details on these topical items).

NEW IR SOCIETY MEMBERS – May to September 2020

The IR Society is pleased to welcome the following new members, who joined from May to September 2020.

Kerry Adams-Strump – Prudential
Afolabi Adio – Company Webcast
Maricris Aldover Ysmael – Metro Pacific Investments Corporation
Anna-Lena Astrom – Bestsson AB
Samantha Bryce – Equitory
Harvey Coles – Alfa Fx
Lisa Connolly – U.S Bank
James Deal – PrimaryBid
Louis Edouard Bielmann – Trinity Western University
Marwan Galal – Euronext Corporate Services
Aiden Hamilton – Asia Green Fund
John Haworth – QinetiQ
Lois Hutchings – Equitory
Will Keith – PrimaryBid
James King – Imperial Brands
Dominic Lagan – Rathbones
Kirsty Law – Independent
Martin MacConnol – Wardour Communication
Andrew May – SampsonMay
Clara Melia – Equitory
Jordan Minkin – Equitory
Victoria Pease – Equitory
Mark Prestwich – L'Oreal
Grace Reohorn – Augusta Ventures
Nick Rose – Fishburn
Seena Shah – Infrastrata
Joe Stanley – Independent
Alexander Stewart – CorpAxe
Meng Yuan Sun – Novo Nordisk A/S
Alexandra Ruofan Wang – Sino British Summit

To find out more about becoming an IR Society member, please contact Rebecca White at rebecca.white@irsociety.org.uk

A busy programme despite it all

Against the background of the continuing pandemic restrictions, the Society continues its active programme, as **Laura Hayter** explains.

Laura Hayter is CEO of the IR Society.
laura.hayter@irsociety.org.uk

As I write this, we have just concluded our first virtual annual conference and what a great event it was! Despite the change in conference format this year we aimed to offer our members and the IR community the opportunity to experience as much of a real-life conference experience as possible. In the run-up to the conference, we were delighted to welcome back past conference host, Evan Davis, who conducted four keynote discussions with Sir Jon Symonds, Sir Donald Brydon, Sacha Sadan and Baroness Lane-Fox. All four helped shape the discussion during the live conference, and on the day we had over 400 registered attendees, with a wonderful group of honorary fellows and former chairs moderating the afternoon's proceedings. All in all, with the conference platform, exhibitors and virtual networking opportunities, we were extremely pleased in light of the challenges to be able to offer our first virtual conference, rich with content and practical takeaways for all attendees.

The conference content remains on demand throughout October, so if you haven't had a chance to listen in, please do. I would personally like to say a big thank you to all our sponsors, exhibitors, speakers, conference committee, members and attendees, without whom putting on such an event would not have been possible. Last but not least, I would like to thank my executive team who worked tirelessly behind the scenes to make the day as seamless as possible. Bravo all! You can read full conference coverage on page 34

ESG FAQ

The increasing interest around ESG, not just the 'E' but also the 'S' and the 'G' is a trend that has accelerated as a result of the recent pandemic and we are addressing through a number of our member events, courses and communications here at the IR Society. The policy committee is doing a lot of good work around practical advice for our members and we recently published an ESG FAQ to assist in navigating the evolving ESG regulatory and best practice landscape. Members can access this in the knowledge bank section of our website.

The awards

As we gallop towards the end of the year, we are looking forward to the annual highlight in the IR calendar here at the IR Society – our Best Practice Awards. Shortlists were announced in early October (see opposite) and many congratulations to all those who reached the shortlist in either the self-entry or voted awards categories – what an achievement. And now the judging begins!

This year, in light of the challenges, we have been delighted by the outstanding quality and overall number of entries, which exceeded last year's total, and we saw a number of new companies entering for the first time. This is testament to the best practice committee which has worked hard to keep the awards categories relevant and up to date.

> ‘ We have been delighted by the outstanding quality and overall number of entries, which exceeded last year's total ’

This year we also refined the entry process to ensure each company entering had a more focused approach to aligning their entry with the award criteria and demonstrating why they deserved to be recognised. We also have a new chair of the judging panel, Paul Lee, who is a veteran in the stewardship and governance industry. A huge welcome to Paul, who will be ably supported by our excellent judging panel drawn from organisations such as the Financial Reporting Council, Investor Forum, ICSA, PwC, and Fidelity. Look out for the awards winners who will be announced on 24 November.

Member survey

Finally, with IR Society planning underway for 2021, we are currently conducting our annual membership survey. It's that time of year where we ask our members to respectfully tell us how we are doing and, just as importantly, what they would like to see more of in the year ahead. As well as the usual questions about interactions with the Society and the services we provide, this year we are also asking for thoughts on the impact of COVID and the changes this will have for IR teams going forward. This has been a very different and challenging year for us all, and we want to ensure we can stay agile and responsive to members' needs and provide you with the best value, networking and professional development opportunities through 2021 and beyond.

Please do enjoy this Autumn edition of *Informed*, thank you for your continued support this year, stay safe and well and I look forward to seeing you all very soon. ■

IR Best Practice Awards – update

Congratulations to all those companies and individuals who have been shortlisted in the Society's Best Practice Awards 2020!

The winners will be announced at the virtual IR Society Best Practice Awards event on 24 November – for full details of this, see www.irsociety.org.uk.

There are two categories of award - the Self-entry Awards and the Voted awards. Despite the difficult market conditions created by the pandemic, the entries for the Self-entry Awards have exceeded last year's total and the judging is now underway.

The shortlists for the Voted Awards 2020 have been compiled by *Institutional Investor*, who conducted a perception survey of carefully-vetted global buy-side and sell-side investment professionals, asking them to submit votes across the categories of 'Best newcomer to IR', 'Best investor relations officer' and 'Best overall company IR'. In total, 218 companies and 230 IR professionals received nominations. Corporates and IROs in the UK, in turn, were asked to share their views to assess 'Best investor engagement' across 101 investment management companies.

Now in its 20th year, these awards provide a meaningful opportunity to showcase best practice, raise the standard of investor communications and recognise best-in-class performance. Our ambition is to make the 2020 virtual event as interactive as possible and to celebrate the companies, teams and individuals demonstrating excellent investor communications. This event has always been a highlight of the IR calendar. We expect to be able to host our annual awards dinner again in 2021 – so that will also be something to look forward to! ■

THE SHORTLISTS

SELF-ENTRY AWARDS

Most effective overall communication of company investment proposition

International
- BASF
- Polymetal
- Valmet

FTSE 250
- Babcock International
- G4S
- William Hill

FTSE 100
- British Land
- Ocado Group
- Royal Dutch Shell

Best communication of ESG

International
- BASF
- EN+ Group
- Polymetal

FTSE 250
- Avast
- G4S
- JLEN Environmental Assets Group

FTSE 100
- Coca-Cola HBC
- Mondi Group
- Royal Dutch Shell
- Severn Trent

Most effective use of digital communications

International
- BASF
- Valmet

Small Cap & AIM
- Halfords
- Henry Boot
- Trifast

FTSE 100
- British Land
- Royal Dutch Shell
- Vodafone Group

Best annual report

International
- Adecco
- DP World
- Polymetal
- QNB

Small Cap & AIM
- Henry Boot
- Naked Wines
- NMCN
- Trifast
- Watkin Jones

FTSE 250
- Babcock
- Derwent London
- Great Portland Estates
- Hammerson
- JLEN Environmental Assets Group
- Provident Financial

FTSE 100
- Anglo American
- Johnson Matthey
- Severn Trent
- Taylor Wimpey
- United Utilities Group
- Vodafone Group

VOTED AWARDS

Best investor engagement (investor)
- Capital Group
- Columbia Threadneedle
- Fidelity Management & Research
- Schroder Investment Management
- Wellington Management

Best newcomer to IR (individual)
- Michael Burt, UNITE Group
- Andrew Carter, Rotork
- Tristan Lovegrove, BHP Group
- Brian Massey, BHP Group
- Jonathan Yarr, Petrofac

Best investor relations officer (individual)
- Matt Coates, Liberty Global
- Sarah Elton-Farr, GlaxoSmithKline
- Chris Griffith, Tesco
- Thomas Kudsk Larsen, AstraZeneca
- David Pitura, International Consolidated Airlines Group

Best overall company IR (company)
- Anglo American
- AstraZeneca
- Barclays
- HSBC Holdings
- International Consolidated Airlines Group
- Vodafone Group

DATE FOR YOUR DIARY

IR Society Best Practice Awards

24 November 2020

A virtual event to celebrate the 2020 awards shortlisted companies and individuals – and to announce the winners!

For full details, see www.irsociety.org.uk

INDUSTRY NEWS BRIEFING

ESG's growing importance

Kate Heseltine summarises recent key issues for IROs.

In this challenging and uncertain environment, one certainty is that the pandemic has pushed environmental, social and governance (ESG) and climate change further into the spotlight. The IR Society recognises the significance of these factors and has developed an ESG FAQ with a wealth of information to assist members in navigating the evolving regulatory and best practice landscape, understanding the various ESG frameworks and the role of the ratings agencies, and engaging with investors on ESG issues.

It also considers the important role that IROs can play in helping to identify and prioritise the ESG issues that matter most to their business and stakeholders.

You can read our ESG FAQ in the Knowledge Bank section on our website at irsociety.org.uk/resources/knowledge/category/esg-faq.

The Society's recent consultation responses

The Society's policy committee continues to proactively engage with the regulators and other professional bodies and has recently responded to two consultations. This includes the FCA's proposals to enhance climate-related disclosures by introducing a new rule for premium listed issuers to adopt the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations on a 'comply or explain' basis, for which we are largely supportive (see our key points summary on page 9).

> ‘ We are largely supportive of the FCA's proposals to enhance climate-related disclosures ’

We also responded to the Securities and Exchange Commission's (SEC's) recently announced and unexpected proposal to raise the Form 13F reporting threshold for US fund managers by 35 times, from \$100m to \$3.5bn. In our view this would have a negative impact on the transparency of share ownership and engagement between issuers and investors and is contrary to wider market sentiment for greater openness in financial markets.

Our responses can be viewed in full by selecting 'Consultation Responses' in the News section on our website at irsociety.org.uk/resources/news/category/consultation-responses.

Pre-Emption Group extends flexibility for equity placings

The Pre-Emption Group (PEG) has extended its recommendation that investors, on a case-by-case basis, continue to consider supporting placings by companies of up to 20% of their issued share capital over a 12-month period. The PEG's original recommendation on additional flexibility was introduced as a temporary measure in April and has been very well received by the market. It was due to end on 30 September but has been extended by a further two months, to 30 November 2020.

Maximising shareholder participation in AGMs

In June, the government introduced the Corporate Insolvency and Governance Act 2020 to put in place a range of measures to help companies through the crisis. It has recently extended a number of these temporary measures, including allowing greater flexibility for company AGMs to be held virtually, by three months to the end of the year.

This extension coincides with a review published by the FRC, looking at the approaches to AGMs adopted by companies in the first half of 2020. As highlighted in the Society's Best Practice Guidelines, the review found that the best virtual or hybrid meetings were those that enabled greater shareholder participation whilst those holding closed meetings, with retail shareholders unable to participate or vote on the day of the AGM, disenfranchised those shareholders. During these challenging times, we continue to encourage companies to think innovatively about the ways in which they can maximise the opportunity for shareholders to hear from and engage with the board during their AGM.

Kate Heseltine is head of policy and communications at the IR Society.
kate.heseltine@irsociety.org.uk

Listen to our podcast, in conversation with…

The Financial Reporting Lab talk to us about the excellent work the Lab has embarked upon during the crisis. This includes their two recently published reports on COVID-19, *Reporting in times of uncertainty*. We also discuss their current project on stakeholders and Section 172, which coincides with the new requirement this year for companies to prepare a Section 172 statement. The podcast can be found in the news section on our website https://irsociety.org.uk/resources/news/item/lab-ir-society-podcast.

FRC reviews early reporting against the Stewardship Code 2020

The Financial Reporting Council (FRC) has published its *Review of Early Reporting* against the new Stewardship Code 2020. The review is intended to help improve the quality of reporting by signatories, by setting out the FRC's expectations and highlighting good examples from early reporters. This is the first time that signatories will need to consider ESG in their stewardship activities and the report has highlighted the importance of effective engagement between investors and issuers on topics such as climate change and on social issues, which have been pushed higher up the agenda as a result of the COVID-crisis. The new Code took effect on 1 January 2020, and the FRC will begin accepting applications to become signatories in the first quarter of 2021.

EU capital markets recovery package

In late July, the EU announced a Capital Markets Recovery Package, setting out measures aimed at increasing investment in the economy and allowing for the rapid re-capitalisation of companies in light of COVID-19. This includes the introduction of an EU Recovery Prospectus, a new short-form prospectus for secondary offerings by issuers that have been listed for more than 18 months. The prospectus will be a maximum of 30 pages in length with the aim of being: easy to produce, easy to read, easy to scrutinise. If the draft text for the EU Recovery Prospectus Regulations come into force before 31 December, the changes will be applicable in the UK.

TCFD consultation response key points

We have summarised below the key points from our response to the FCA on their consultation paper CP20/3: *Proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations*:

- The IR Society recognises the growing importance of climate change to both issuers and investors, and the need for transparency and consistency in disclosures across sectors and companies.
- The Task Force on Climate-related Financial Disclosures (TCFD) recommendations have been gaining widespread recognition and a number of our members, typically in the FTSE 100, already have or are taking steps to adopt the framework on a voluntary basis.
- The TCFD recommendations are also consistent with, and build upon, the requirements of the Companies Act 2006, and related 2013 and 2018 regulations, and the UK Corporate Governance Code 2018.
- Overall, the proposed new rule is supported by the IR Society.
- We are, however, aware of the considerable time and resource required by companies to establish ownership and working practices within an organisation, develop reporting practices and model the scenarios required to fully comply with the TCFD recommendations.
- As such, we believe that it is appropriate to introduce this new rule for premium listed companies, which are typically larger and better resourced, initially and welcome the principle of 'comply or explain'.
- We also encourage the FCA to allow for sufficient time to implement this new rule given the time and resource requirements, and in light of the unprecedented market conditions resulting from the COVID-19 crisis.

Chair of UK Accounting Standards Endorsement Board appointed

The government has appointed Pauline Wallace as the inaugural chair of the UK Accounting Standards Endorsement Board (UKEB). The UKEB has been set up to endorse and adopt new or amended international accounting standards on behalf of the UK when the transition period comes to an end, and will conduct research to ensure that the UK is at the forefront of developing opinions in accounting. ■

CIR and ICIR PASSES – June to August 2020

The IR Society would like to congratulate the following candidates who passed the CIR® or ICIR® in June, July and August 2020.

Ahmad Daham Aldaham – MEIRA
Ahmed M. AbdulGhaffar – MEIRA
Ajith Henry – MEIRA
Alex Schlich – Yellowstone Advisory
Annabel Atkins – Yellow Jersey PR
Anne Marie Shepherd – Utmost Group
Antonia Williams – Cognism
Chau Sze Wing Tenny – HKIRA
Dami Tanimowo – HomeServe
Edisson Pacheco – Orient Capital
Elvira Konakhbayeva – JSC Samruk-Kazyna
Eva Borowski – Transition
George Allen – MEIRA
Hannah Chambers – Marks & Spencer
Ibraheem Mohammed Alkharji – MEIRA
Jamil A. Fahmy – MEIRA
Jared Sim – IRPAS
Khalid Mohammed Khalil Alsayed – MEIRA
Lin Dan – HKIRA
Markus Palder – Independent
Noreen Ismail – IRPAS
Nwabisa Piki – Fuma Capital Consulting (Pty) Limited
Olanrewaju Tomori – Independent
Olga Voznaya – Renaissance Capital Investment Bank
Omar Taheri – IRPAS
Parisa Ansarian – MEIRA
Rebecca Ellice-Flint – Arcus Infrastructure Partners
Samantha Bartel – MEIRA
Sophie Parker – Burberry
Sophie Swart – MEIRA
Tracey Herriett – Independent
Vanessa Foong – IRPAS
Vanessa Lau – Black Sun
Wang Xing – HKIRA
Windy Tee Win – IRPAS
Yannis Pleasis – Black Sun

To find out more about the CIR and ICIR, please contact Kim Anderson at kim.anderson@irsociety.org.uk

EMBRACING CHANGE

A special feature on IR priorities including ESG, guidance, small investors, corporate reporting, investor days, digital tools and more.

No dealing, no cry

Richard Davies assesses the huge changes coming to global markets, affecting Europe, the UK, the City of London and the IR profession.

We stand at the edge of the greatest change in the UK's political, economic and financial structures since the end of the Second World War, and certainly since we joined the Common Market.

At the time of writing, the future is not clear about nearly every aspect of our future relationship with the European Union, and the impact this has on our relationship with the rest of the world. The prospect of a No Deal Brexit looms. Even if a deal is done, many relationships in London's capital markets will presumably remain fraught with complexities and challenges, if only because of the lack of certainty on the practicalities and the timeframe to ensure an orderly exist by year-end.

London's biggest share trading venues are preparing to engage their Brexit contingency plans, reflecting fears that the UK's departure from the EU will bring about a significant reshuffle of where investors can buy and sell European stocks. The overall impact on European investor holdings in UK equities is yet to be understood but we have known for some time that the EU's rules on the management and distribution of UCITs will have a major impact on pan-European investment managers. Shifts in cash flows in the mutual fund sector are inevitable.

NO DEALING, NO CRY

- **There are fears that Brexit will bring about a significant reshuffle of where investors can trade European stocks.**
- **Brexit has already caused the greatest cross-border cash flows in Europe in the post-war period.**
- **UK IROs need to gain a good understanding of the intentions of their active non-indexing European investors.**

Richard Davies is managing director of RD:IR. richard.davies@rdir.com

> 'Even if a deal is done, many relationships in London's capital markets will be fraught with complexities and challenges'

Contentious equivalence

The contentious issue remains: will the EU and the UK have a mutual recognition of 'equivalence' in markets, which would allow free trading to go on, even a restricted way. At the time of writing, the road is running out.

Lobbying goes on behind the scenes by the investment banks to avert the worst of the disaster that looms but the devil is always in the detail, and despite the period of time between the Referendum and now, it seems that detail in some areas remains in short supply. Certainty, the foundation of financial markets, has been sacrificed on the altar of ideology, in the same way arguably as truth and rationality have been downgraded or actively suppressed in the era of populism.

Whatever the merits or not of Brexit, there are indisputable principles in the maintenance of orderly capital markets: one needs a coherent regulatory environment for investment and trading, within which the rule of law and respect for property rights must retain. This is the bedrock of investment management across the globe. Trust in the market environment has to be an intrinsic belief of institutions and organisations, as well as individuals – without trust, there is chaos, or, as in this case, a question mark over the future of cross-border investment.

The rise of regionalism

We have seen the rise of regionalism in investment management across Europe over the last couple of years, partially as a result of the decline of influence of the international (more accurately, US) investment banks due to the impact of MiFID II and partially due to the retraction of capital from European issuers by US investors as a result of the re-allocation of assets to domestic equities.

The withdrawal of the UK from the EU created the greatest ever cross-border cash flows in the European markets in the post-war period. It was widely reported in June 2019 that over £1 trillion of assets had moved from the UK to Europe in advance of Brexit – and the total figure by the end of 2020 will be a lot higher.

So, how does this all map to the life of the UK IRO? The simple truth is that as yet, none of us really knows, and, of course,

> ‘ We may be at the start of a major shift in capital allocation, not just in the UK and Europe, but also globally ’

things change over time, so where we are in January 2020 will not be the same place as in 2021 or thereafter. Markets will certainly be difficult and uncertain for some months, and the ongoing COVID pandemic only adds to the challenges. While some structural issues in financial markets may be resolved quickly due to the pressure of expediency, we may also be at the start of a major shift in terms of capital allocation, not just in the UK and Europe, but also on a global basis. While Trump's presidency has been a boon for short-term stimulus driven growth, a Biden win presumably herald a drive to a greater ESG agenda with more sustainable returns. The current Wall Street equity sell-off will be short-lived, I suspect.

Continental European and Nordic investment into the UK equity market is not insignificant at around 8% of total UK market capitalisation, though some of this is money is managed externally by UK or US asset managers. In these cases, however, the will of the beneficial owner countermands the decision of the asset manager, so if there is change of asset allocation by the underlying European funds, this will flow through to divestment of UK equities.

We know that the index providers have been firm in their stipulation that Brexit has no impact on their inclusion of UK stocks in their indices, so this provides a buffer for many larger and mid-cap UK stocks in terms of equity ownership transfers but how smaller issuers will fare in terms of their exposure to European investors remains to be seen.

A special case

The currency issue of sterling versus euro helps ironically in this regard. European investors have viewed UK equities as a special case for many years, so this will ameliorate negative sentiment to some extent but the practical difficulties of cross-border trading remain.

One wonders if we will find UK shares also trading as European Depositary Receipts in the future or whether some UK issuers will consider re-domiciling to or re-listing in the EU to benefit from greater access to its capital markets, though that seems far too pessimistic a view on the future of London as a place to raise capital, even during these strange times.

It would be certainly be useful for UK IROs to gain a good understanding of the intentions of their active non-indexing European investors in terms of their position towards UK equities post-January next year and plan their response appropriately by way of managing demand from other investors.

They say that life is a process of becoming and 2021 is shaping up to be no less easy than this year for the UK IRO.

I wish you a splendid rest of 2020 – and please stay well! ■

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A decade in the trenches hosting investor days

Having spent several years refining the 'in-person' investor day, **Sandi Meeks** suggests that the same approach cannot be transfered to a virtual environment. Here she provides five tips for moving things online.

I never set out to be in investor relations; it somehow fell into my lap – a familiar story to many, I'm sure. My own journey happened after years in strategic financial planning, budgeting and various finance positions. My CFO tapped me to move into IR after working closely on several projects that incorporated my financial, creative and project management skills.

In 2009, my first investor day experience was supporting the CFO in his presentation development. It was the first time the company had ever held an investor day and right at the start of the financial crisis. The financial presentation was largely focused on the past as the company was only 18 months post a merger of equals. Each speaker created their own presentation which, as one might imagine, resulted in a very siloed story. It was clear that our communications lacked a holistic message.

The following year, still in the midst of a full-blown financial crisis, a new CEO prompted a 'redo', thus we hosted another investor day. The messaging was still rather siloed, no real guidance was provided, and it was more of a show and tell with the new management team. Perhaps not the best use of our time and resources.

After a five-year investor-day hiatus, by 2015 most of the fallout from the downturn had been dealt with, and the company was on better footing. Yet, with all of the repairs to the financial position in our rearview mirror, investors were now clamouring for a growth plan.

The years prior had been spent in turmoil dealing with the company's 'sins from the past'. Quarter after quarter the story kept getting worse, our stock tanked alongside our investment grade ratings.

INVESTOR ENGAGEMENT

- **The corporate message must remain consistent across the management team, with as much direct feedback from investors as possible.**
- **Following the financial crisis, long-term strategy and reassurance was more important than ever.**
- **In this new virtual age – things must be done differently to maintain strong engagement with investors.**

Long-term guidance

Clearly, investors needed a great deal of transparency, disclosure, reassurance and evidence of execution to prove that we had fixed and overcome the issues.

For the first time in the company's history we were going to give long-term guidance. It felt like we were all holding hands together jumping off a cliff. As well as having confidence in the forecasting process, we had to have confidence in our ability to execute.

Looking back to previous investor days, it was clear that we needed to approach this event differently. The most important change was the need to coalesce around a single unified message. I was charged with developing the communication strategy and found myself at the hub of these historically disconnected messages.

We started by conducting a perception study. We needed honest and candid feedback from the investment community. It was important for management to hear it 'from the horse's mouth' and not through just the IR team. This helped us solidify the all-important investment thesis so that we could then build a message tree to support the thesis. For months I worked with the different speakers and their teams to build a cohesive story and supporting slides that fit together like a puzzle.

The message was well received by investors as demonstrated by the reports published the next day. That's the thing about investor days – you always get a report card after the event by way of sell-side notes published subsequently.

'That's the thing about investor days – you always get a report card after the event by way of sell-side notes published subsequently'

Sandi Meeks is managing director of StoryLign at Rivel.

On the right path

Fast forward three years to the next investor day. It was time to report on our previous long-term targets and provide new ones. Once again, we conducted a perception study as it was important to get that report card to tell us where we had improved and where we still had work to do.

While our message wasn't drastically different from the previous three years, we wanted to communicate to investors that we were still on the path for success. We developed a theme to emphasise the direction of the company. It had nothing to do with the industry but had everything to do with how we wanted investors to view our stock. This became the glue that held the story together but was also how I was able to get everyone quickly on the same page internally.

Everything went off without a hitch: The team was seasoned and knew what was on the line.

Today of course, it's all moved online. Taking my learnings from the past and combing it with our investment community research on virtual day preferences, I've compiled five key takeaways to help you plan a successful virtual investor day– see the 'top tips' box on the right. ■

Virtual investor day – top tips

1. Investor 'days' are out, investor 'workshops' are in

Investors will not pay attention to their computer screens for more than a few hours. That means your message has to be tight, well-constructed, effective and engaging. Investors who participated in our research indicated that they prefer it to be two to three hours max including Q&A.

2. Internal orchestration of the message will be challenging

Orchestrating your team internally will be much different than walking down the hall to ask someone a question. It will require extensive planning to get the message just right.

If you only have a few hours to cover the strategic direction of your company, that means that not everyone will get a turn to speak. Narrowing down your message to the most salient points is more important than ever.

3. The possibility of a larger audience

The stakes are still high, and these events need to come off as well as in-person events, which is harder to do over a computer screen. And you are likely to have a larger audience based on feedback from companies that have already hosted these virtual events.

4. Q&A can be tricky but is still very important

Adding another layer of complexity by allowing viewers to ask questions either live or in advance is just another thing to consider. Q&A is still essential. Events will need to be interactive like an in-person investor day, but don't leave it all to the end. Weaving it into the event will help maintain interest.

5. Start with the end in mind

Importantly, when thinking about messaging for a virtual investor day, start with the end in mind. After an investor day, sell-side analysts will write reports about the event. I always ask: What do you want your headlines of the analysts' reports to say? It's a very quick way to boil down the most important message. If after the event these reports say exactly what you intended, then you have earned an A+.

THE IR SOCIETY'S SERVICES DIRECTORY

The IR services directory serves as a resource and industry reference point for the IR community. It offers readers and users of the website the opportunity to market their services to an extensive audience in the UK and the international finance community.

Find the directory in *Informed* on page 62 and online at irsociety.org.uk/resources/service-providers

Communicating your ESG performance is more important than ever

As the world continues to grapple with the coronavirus outbreak, **Siobhan Cleary** introduces the Global Reporting Initiative (GRI) Standards for communication of ESG issues to investors and stakeholders.

One might have thought that a global pandemic, followed by the most severe economic slowdown in living memory, would have dampened investor enthusiasm for environmental, social and governance (ESG) issues. In fact, what we have seen is the reverse. Not only have investors doubled-down on core issues such as climate change, they have also started to focus more explicitly on social issues (the 'S' of ESG).

In May, Aviva Investors[1] claimed that 'COVID-19 has thrown new light on the interdependencies in human and natural ecosystems, and the vulnerabilities of a closely networked world', while in July JPMorgan asked[2] whether 'COVID-19 could prove to be a major turning point for ESG investing'. When you add in recent research from MCSI[3] suggesting companies with a stronger ESG focus outperform their counterparts – and new UK stewardship guidance[4] requiring signatories to 'take ESG factors (including climate change) into account' – this all suggests ESG is here to stay.

Siobhan Cleary is director of capital markets engagement at GRI.
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> 'Investors will increasingly differentiate between those companies that are selling a good story and those that understand and manage their impacts'

Genuine understanding

So, what does this mean for investor relations professionals and the way in which they navigate communication and engagement with an increasingly ESG-focused investment community?

The starting point is to recognise that this is not simply about defining a narrative but about communicating how the firm is identifying and managing its ESG risks and opportunities. As investors become ever-more ESG-savvy, they will increasingly differentiate between those companies that are selling a good story and those that genuinely understand and manage their internal and external impacts.

While it is difficult to generalise across investors, it is fair to say that investors by and large are interested in understanding the following:

- What are the major ESG risks and opportunities facing the business?
- What are the implications of these for the company's strategy and financial performance?
- How is the firm measuring and monitoring these factors?
- What targets has it set and how is it performing against these targets?

That is why the ESG information that is disclosed needs to be performance-based and company-specific. It should also be standardised and comparable over time and across companies.

COMMUNICATING ESG

- **The importance of ESG issues is greater than ever, with investors looking for companies who fully integrate the principles.**
- **The GRI Standards help companies to identify and communicate their impact on ESG issues.**
- **The ESG information that is disclosed needs to be performance-based and company-specific.**

Widely used standards

Using global disclosure frameworks and standards, such as those provided by GRI, assists companies not only in identifying their material topics (significant impacts) but also in ensuring they meet this demand for standardisation and comparability.

The GRI Standards[5] are a comprehensive set of globally-applicable standards aimed at helping companies to identify and communicate their impacts on the economy, society and the environment. They are also the most widely used set of standards for sustainability reporting by companies around the world. The standards are developed through a multi-stakeholder process and rooted in the public interest, enabling companies to meet the information needs of a broad stakeholder audience, including the investor community.

So, how do the GRI Standards – which are impact-focused – support effective investor communications?

1. The GRI Standards require companies to engage with investors (as key stakeholders) to identify the topics they should report on. This process allows the company to identify issues of specific interest to investors.
2. Many investors increasingly understand that a firm's social license to operate is predicated upon how well it is managing not just those issues that impact the firm, but also the impacts it has on the economy, environment and society. The GRI Standards include this broader perspective.
3. Using the GRI Standards reassures investors that companies are managing not just issues that are immediately financially material but those that might become financially material over time. The COVID-19 crisis and increased concerns about structural inequality has demonstrated how quickly this can happen.

> ‘ As a global common language for reporting, the GRI Standards are ideally placed to facilitate corporate transparency ’

4. Finally, because the GRI Standards require reporting on the approach and management to their governance of sustainability topics, they give invaluable contextual nuance and performance information that cannot be expressed in numbers alone.

The breadth of the Standards, and the multi-stakeholder focus, means sustainability reporting will likely identify issues beyond just those that may be of interest to the investor community. It is therefore important for investor-focused communications to highlight the specific elements you believe are relevant for this key stakeholder audience.

As investors become ever-more focused on ESG topics, heightened by the context of the pandemic, it is critical for companies to disclose a full picture of their sustainability performance. As a global common language for reporting, the GRI Standards are ideally placed to facilitate the corporate transparency that investors and other stakeholders demand. ■

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Goliath investors are all very well, but don't forget David!

Small-investor trading volumes surged in the spring lockdown. **Derren Nathan** explains what companies need to do to attract these investors, and why retail trends may be a useful signal for institutional investors.

A common goal of IR professionals is to attract a core group of long-term institutional holders to the shareholder register. As institutional-facing corporate brokers, we have a vested interest in helping listed companies to achieve this ambition, and indeed have added the first institutional shareholders for many listed small caps in sectors as diverse as venture capital, telecoms, life sciences, media and software. However, we have never underestimated the importance for boards to communicate with retail investors. The ability for the general public to vote alongside sovereign wealth funds at a company's AGM is a core pillar of any market that proposes to be free, open, and transparent. We strongly believe there is no place for investor snobbery.

This is particularly pertinent for smaller companies early on in their investor journey be it in the public or private arena. Companies below a certain size, (and that can be bigger than one might expect!) can really struggle to get on the radar of institutional investors, with many of them applying blanket criteria to the size of business they will invest in. Add in a company that has a limited financial trading history or is yet to reach profitability (or perhaps even revenue as can be the case in drug development and mineral exploration) or is still owned in large part by the founder(s) and the institutional bar is set even higher. It is here that retail investors can really take up the slack, making a huge vote of confidence in management teams, and accepting the risk that goes with earlier stage investments, and also benefitting from potentially very high returns from disruptive growth companies. These risks can in part be mitigated if the investments qualify for tax incentives such as the Enterprise Initiative Scheme or Inheritance Tax Relief.

However, retail investors also have a part to play throughout a company's lifecycle. The number of retail investors is not small and as with institutions there are differences in investment criteria and holding period. Affluent younger investors may be searching for spectacular returns from growth companies, whereas a retired investor may be more comfortable with more stable larger dividend paying stocks.

Retail investors particularly in smaller companies are vital for enabling liquidity, being able to trade in smaller sizes and less constrained by process than institutions. Without this liquidity, institutions are even less likely to show interest in a company's shares. In fact, it is often retail-fueling liquidity in a company's shares that can first attract the attention of an institution, with the helping hand of a diligent corporate broker of course!

The rise of retail

The volatility in the markets following the onset of the COVID-19 pandemic, as well as perhaps the limitations on people's movements and activities, has seen a surge in retail trading volumes. According to Sharesoc, it is estimated that during March and April 2020, at least 20% of the volume of the FTSE All Share was from retail investors, with over 60% being 'buy' orders.

DAVID AND GOLIATH

- **The spring lockdown triggered a surge in share trading by small investors.**
- **Choice of broker is increasingly important – they must be up to speed with the suitability of capital pools.**
- **New technologies can allow retail investors to attend online webinars.**
- **Companies should see retail investors as an important signal of more general trends, which may affect institutional investments in years to come.**

'It is estimated that during March and April 2020, at least 20% of the volume of the FTSE All Share was from retail investors, with over 60% being 'buy' orders'

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> ‘ Retail investors often reflect trends in institutional investing and indeed many retail investors are often underlying investors in institutional funds ’

Engagement with retail investors is cloaked in regulation which has become ever more stringent over recent years, and we have seen a clear shrinkage of the retail broking universe (particularly in the advisory segment) since the introduction of The Retail Distribution Review in 2012. We have also seen a more commoditised service from these brokers who have gravitated towards a one size fits all model portfolio approach, leaving those with a greater risk/reward appetite largely unserved.

What do companies need to do to make sure their investment story is followed by this dynamic segment of the investor community? One's choice of broker is very important. Hiring a tier-one investment bank may ensure that the household names of asset management are well covered, and for a smaller company the broker may not in fact show the SME name to its asset management client base. The same advisor is likely to be less up-to-speed with the constantly evolving private client broking and family office world. It is important for all sizes of company to have an advisor who knows which pool of capital is right for the company at the right time. We place importance on the role of family offices who can invest in size, who can back earlier stage businesses than many institutions and who can be active buyers in the market, as well as focusing securing the first (possibly cornerstone) institution on the register and building more around that.

Engaging directly however with individual investors can seem like a daunting task. In a recent report by the Quoted Companies Alliance (QCA), Marc Downes the CEO of InvestorMeetCompany, disclosed that 'there are over 4.5m execution-only retail investors in the UK who trade circa 19 million times per annum.'

InvestorMeetCompany is just one example of how technology can create investor engagement tools. It allows retail investors to attend live online webinars hosted by the issuer and submit questions and answers either in advance or during the presentation.

Primary Bid is another enabler of retail share ownership allowing companies to offer retail investors access to fundraisings on the same terms as institutions. Primary Bid enjoyed early success in the Small Cap arena but is now enabling retail access across the spectrum having participated in the transactions of at least five FTSE 100 companies in the year to date, as well several FTSE 250 deals. The platform also has plans to expand into corporate bond issuance.

Access to information

Retail investors typically do not have the same access to investment research as institutional investors. It is important that a company's house broker is active in its research as possible whilst avoiding compliance pitfalls. Our research is widely distributed to market data platforms, institutions family offices, wealth managers and private client brokers who can share it with their clients who have been through an on boarding process.

This research is also available on Research Tree which, among its other services, allows eligible private investors to access research on a subscription basis. There are a host of media platforms and conferences (many of which have now gone virtual) that offer further channels for direct investment and it can be a little bewildering for corporates to choose. There can be something of a herd mentality amongst retail investors and the popularity of these events can fluctuate.

In essence, it is essential to engage with the broadest range of investors possible. Retail investors often reflect trends in institutional investing and indeed many retail investors are often underlying investors in institutional funds and can perhaps offer early indicators of trends such as the increasing importance of ESG factors.

The QCA report mentioned previously concluded that there was evidence that a fair proportion of retail investors will be shifting to invest more in companies with strong environmental, social, and ethical credentials. They believe the pandemic has expedited a shift towards companies that contribute positively to the world, a shift that was already occurring and will now likely gather pace. ■

Providing guidance in the current market requires a tailored approach

Navigating the minefield of guidance has become increasingly complex during COVID-19. **Lois Hutchings** summarises the role and purpose of guidance and explains how to use it effectively in the current market.

A company's public guidance to the market is simply the latest expectations for financial performance in the upcoming reporting period, full year or medium term. Issuing guidance is not a legal requirement but it has become common practice, as it substantially improves visibility for investors and analysts.

Drawing on the guidance, analysts will reach their own conclusions about the company's value and the visibility in market forecasts can help support a higher valuation.

Gauging the right level of detail for guidance

Across our client base, there are a number of different approaches to guidance, to suit different business models. Clearly, the correct level of detail to disclose depends on the degree of visibility regarding forward-looking revenue and costs. A company with predictable, recurring revenues (eg, a subscription model) will be in a very different position to one whose results can be volatile or lumpy. Indeed, the main downside of providing guidance is that predicting earnings accurately can be difficult and time-consuming.

Nonetheless, it is important for every company to have a policy on guidance, including the level of detail and the frequency of updating it. This provides clarity to the market, avoiding misunderstandings or 'reading into' any inclusions or exclusions. Analyst models will anticipate the content of the updates and providing consistent information will reduce unnecessary questions.

The timing of updates is key for two reasons. Firstly, this can set a precedent for further updates in the future. And secondly, should a company's forecasts drift from market expectations, it is essential to update the guidance to realign expectations.

Lois Hutchings IR director at Equitory.
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> ' It is important for every company to have a policy on guidance, including the level of detail and the frequency of updating it '

PROVIDING GUIDANCE

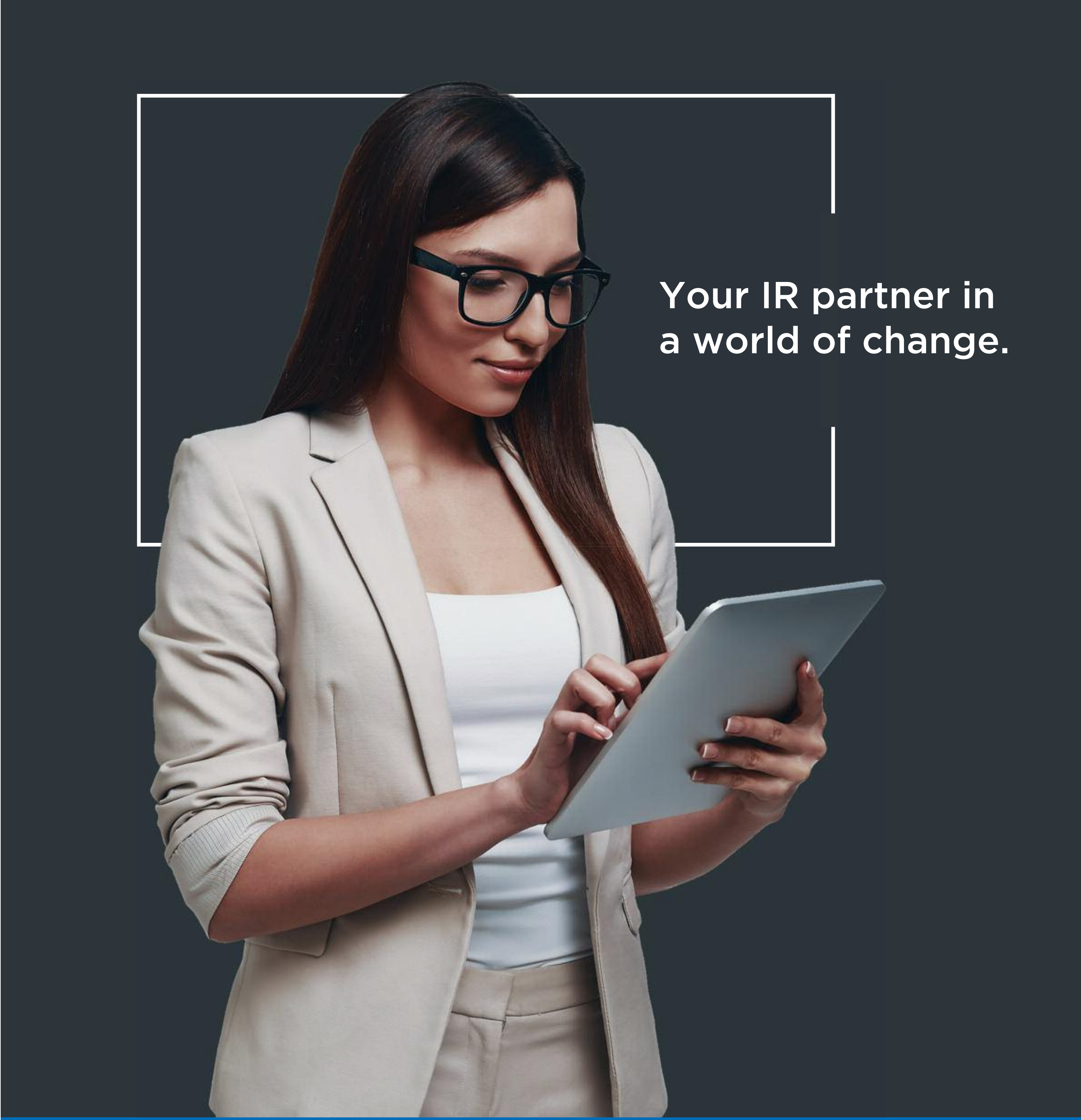
- **There is no 'one size fits all' approach to guidance, as different business models will suit different levels of visibility.**
- **Some companies may wish to focus on revenue targets, others should focus on KPIs or scenario outcomes.**
- **The COVID-19 pandemic has highlighted the need for companies to assess their forecasts, both in terms of short- and long-term impacts.**

Styles of guidance

In terms of types of guidance, there are a number of different options available, such as:

- Specific revenue or profit targets – often used by companies which have strong visibility over recurring revenues and limited business disruption.
- Ranges for targets – a good approach when there are uncontrollable impacts on performance which are hard to predict, such as seasonality.
- Scenario outcomes – over the past six months, this has been particularly helpful, given the high level of uncertainty and potentially very different financial outcomes due to business disruption.
- KPIs rather than absolute figures – allowing investors and analysts to overlay their own assumptions on market conditions into a 'simple model' which then gives the financials as an output.

Peer group analysis is also a consideration. Giving too little information versus others in the sector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> ‘ Many companies are in a very different position now, and the key question is whether the former level of guidance remains the most suitable ’

may lead to questions. On the other hand, providing too much detail can set a precedent which can result in management spending valuable time discussing small movements in the metrics rather than focusing on the bigger picture.

Reinstating guidance during COVID-19

Following the upheaval of recent months, our clients are asking us about guidance expectations in the current environment. Before reinstating guidance, our view is that companies need to stand back and reassess their business models. Is there visibility of revenues in both the short and medium-term? Is the business operating with some level of ‘normality’, or are there longer term impacts and a high level of uncertainty?

Many companies are in a very different position now and, revisiting the different types of guidance, the key question is whether the former level of guidance remains the most suitable.

Broadly speaking, we believe companies fall into three categories:

1) Companies with strong visibility

This could include those with a high level of recurring revenues and/or limited business disruption going forward. This category includes predominantly online businesses (e.g. online gaming, online platforms, online retail), who may have even experienced upside from COVID-19. Some key questions to consider: are the recently elevated levels of revenues sustainable? Is there the possibility of reinstating dividends?

2) Companies that have had significant business disruption but have managed to return to a vague ‘normality’.

This category includes many service businesses, such as construction. Guidance should focus on experience gained and demonstrate that the business is robust. A scenario analysis without precise guidance may be the most appropriate. It’s about providing reassurance to investors and giving detail on key themes such as cash flow and balance sheet strength.

3) Visibility remains highly uncertain.

This category currently covers a wide range of businesses, such as events companies, retail outlets and travel. Again, a scenario analysis is fundamental, with an even greater focus on issues such as liquidity, debt covenants and going concern. Essentially, companies should issue scenario guidance to provide reassurance as to how another extended period of business disruption might impact them. The market remains nervous and it is vital to demonstrate how they will weather a worst-case scenario and what they are doing to prevent it. ■

Case studies

Naked Wines (online subscription model)
... recently reinstated guidance for the current financial year, based around a central case under various scenarios, and included specific revenue and contribution measures. Focusing on the medium-term, Naked is guiding on recent customer trends versus historical data. What is different in this cohort of customers and, more importantly for forecasting, what remains the same?

PureGym (gym operator)
... has required a fluid communication strategy, given the complete closure of its business during lockdown. The messaging evolved from safety issues and the ability to quickly shut sites, to communicating a prudent level of cash to survive. Then subsequently the preparation for reopening, the new gym experience and providing insights into member trends. Finally, the next stage is to consider is the return to growth. Guidance in this instance is focused on scenario planning.

Galliford Try (UK construction)
... is back to normal productivity. With all sites reopened and trading at close to ‘normal’ productivity levels, there is good visibility for medium term revenues and guidance has been reinstated in line with previous levels of disclosure, while giving the terms to be met for the reinstatement of dividends.

CMC Markets (online trading)
... has experienced significantly higher trading volumes from both new and existing customers. Guidance is complicated currently, due to the unusually high level of uncertainty in the market (including the US election in November). The approach taken is to update on the current situation, apportioning the year into ‘X’ months at these higher levels of volumes, with the remaining ‘X’ months at a more normalised state, as future trading conditions are hard to anticipate.

Beyond compliance to more authentic reporting

Companies have more to report than ever before, and some smaller companies are missing out on opportunities to clearly communicate their story, as **Rachel Crossley** explains.

In the past six months our lives have changed almost beyond recognition. One of the knock-on impacts has been for people to reflect on just what is most important to them – and the business world is no different. Combined with existing, but accelerated, pressures around the climate, social purpose and equality, this has led to a greater than ever focus on long-term, sustainable success.

So the pressure is on companies to show they are thinking about more than short-term profit, demonstrating their broader contribution to society, how they are taking stakeholders' needs into account and responding to environmental challenges.

The annual report is one of the key communications channels for AIM and smaller companies. Our recent review of December year-end AIM 100 annual reports, *Beyond compliance to more authentic reporting*, looks at how those companies are starting to address these themes in their communications.

The research explores six key topics:

- reporting ambition;
- COVID-19 and risk;
- purpose, culture and values;
- stakeholders and section 172;
- sustainability; and
- governance.

In this article I explore the key findings, as well as identifying opportunities for companies to enhance their communications and develop a more consistent and cohesive corporate narrative.

Addressing the impact of coronavirus

This year has been overshadowed by the drastic impact of COVID-19 and although the reports we reviewed covered 2019, companies were unanimous in addressing the pandemic, reflecting the huge impact it has had on business activities.

Indeed, 55% included it as a new principal risk and outlined steps they are taking to mitigate the impact. In line with guidance from the FRC and the audit community, many companies chose to interweave the discussion throughout their report, in the directors' statements as well as the risk section, and also in some governance and sustainability sections.

Looking forward, we expect the focus to shift from the immediate impact and response to how companies are moving forward, prospects for the future and plans in place to ensure longer-term viability.

BEYOND COMPLIANCE

- **The annual report is a valuable communications tool for smaller companies to tell their story.**
- **Culture and values is a focus area; companies should explain how their culture serves as a differentiator.**
- **Growing demand for information on ESG is driving improved disclosure, with 70% now having a separate sustainability section.**

Rachel Crossley is a senior consultant at Emperor. rachel.crossley@emperor.works

> ‘ Only 21% identify a specific purpose statement and explain why it matters to the business ’

Articulating purpose beyond profit

The concept of purpose – why a company exists beyond making financial returns – has received much attention in recent years, both from regulators and members of the investment community such as Larry Fink, CEO of BlackRock.

Many smaller companies have a clear purpose and a strong corporate culture that is a key differentiator and enabler of their strategy. However, AIM companies are struggling to articulate this in a meaningful way in their reporting. While just over half of companies include a statement on their vision for the company, only 21% identify a specific purpose statement and explain why it matters to the business.

A majority of companies (53%) describe the companies' culture and values in the report. However, only 18% articulate how it relates to the purpose or vision and how it helps to drive performance and long-term success, for example referencing a culture of innovation and explaining how this helps them evolve their strategy or setting out how they live their values and why this helps drive performance. We see this as one of the biggest areas for improvement going forward.

Growing stakeholder engagement

One of the biggest recent shifts we have seen is the need for companies to consider the broader matters that may impact longer-term performance and their wider stakeholders.

This is encapsulated in the section 172 statement, which requires companies to explain how directors have carried out their legal duties to promote the long-term success of the company while having regard to their stakeholders.

We found that most AIM companies (68%) identified and reported on engagement with their key stakeholders. And in most cases, this formed the basis for the s172 statement.

However, reporting was mostly functional, aimed at meeting the s172 requirements. But there is a real opportunity to expand this discussion to consider the importance of key stakeholders and what they bring to the business – for example, through engaged employees or strong customer relationships – and to explain how stakeholders' views are incorporated into board-level decision making. Demonstrating how stakeholder engagement contributes to long-term success.

> ‘ The need for companies to communicate effectively and take ownership of their narrative has never been more important ’

Demand for sustainability information

Investors are increasingly incorporating environmental, social and governance (ESG) issues into their investment decisions. There is a desire for more information on companies' performance against their material non-financial issues, and the focus comes not just from demand from investors, but also other stakeholders and the media, and is reflected in a raft of new regulations and reporting requirements.

In response, we have seen a growing awareness from AIM companies of the importance of reporting on their key ESG issues; and 70% now have a separate sustainability section, which generally includes an overview of activities, initiatives and/or policies relating to their people, community engagement and the environment.

This is a good foundation but there are more requirements coming down the line – such as streamlined energy and carbon reporting (SECR) and Task Force on Climate-related Financial Disclosures (TCFD) – so companies will have to continue to evolve their activities and reporting in this area.

More importantly, considering material sustainability issues will help companies avoid the risk of long-term reputational damage as a result of failure to address them.

A new era of authentic communications

Amid changing stakeholder expectations, new regulations and growing external pressure, the need for companies to communicate effectively and take ownership of their narrative has never been more important.

Telling an authentic story and joining the dots between purpose, performance, sustainability and governance to present a cohesive message is not just a nice extra but a growing imperative for companies – and this goes beyond the annual report and should be considered across all channels to engage with your different audiences.

AIM and smaller companies are starting to address these issues and there is a real opportunity going forward for them to further develop their reporting and ensure they tell a joined-up, consistent and compelling story. ■

From no room to boardroom. The rise of ESG

It has taken years for ESG issues to be taken seriously by boards and investors. **Yulia Chekunaeva** discusses the journey, and suggests why the movement will only get stronger as businesses recover from the pandemic.

"Yulia, I don't think anyone is interested…" Not the feedback I was hoping to hear for a major 133-page report on environment, social and governance (ESG) criteria to assess 249 emerging markets stocks. The report had taken several Goldman Sachs colleagues and me thousands of hours to research and prepare. That was 2013.

How times change. Such is the interest in ESG that chief executives are losing their jobs over it; mounting investor and other stakeholder pressure on Rio Tinto following its destruction of two ancient Aboriginal sites recently led to the departure of CEO Jean-Sebastien Jacques.

This backlash at the world's second largest metals and mining corporation underlined the increasing importance of ESG and why it is ignored at a company's peril. It was in great contrast to stock market and industry reaction back in 2007 when Cynthia Carroll, the then CEO of Anglo American, ordered the temporary shutdown of Anglo's platinum mine in Rustenburg, South Africa, after a spate of fatalities. Her actions prompted complaints and resistance, but the commitment to health and safety proved a turning point not only for the company, but the industry.

So why the change in sentiment? Well, it starts with people and consumer choice; they are ahead of the game. People are asking corporates "why do you exist?" and "what is your purpose?".

They want responsible, sustainable and notably a low-carbon economy and they want brands to prove they are what they say they are. A recent poll by the Carbon Trust found that two thirds of consumers want to understand the climate impact of manufacturing supply chains and would support carbon labelling on products.

Consumers lead change

Where people choose, business, investors and governments follow. Take the example of climate. Following the Paris Agreement in 2016 to reduce greenhouse gas emissions and then financial markets regulation and ESG disclosure by fund managers, a clear strategy on ESG is now expected by investors. And that volume of money talking is a very strong incentive for the corporate world to change and to justify its 'license to operate'.

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> 'Research by Morningstar showed that six out of 10 sustainable funds delivered higher returns than conventional equivalents'

ESG IS PAYING OFF

- **Over the last two decades, ESG has moved from the fringe to the forefront of business reporting.**
- **The spending power of millennials – with a preference for ethical and low-carbon goods – is now shaping consumption around the globe.**
- **IR is now responsible for evolving the company, beyond relaying financial information to the board.**

In 2014, 190 investors committed to cutting fossil fuels from their emissions. Now it's more than 1,100. More than $30 trillion in assets under management is currently held in sustainable or green investments.

Research by Morningstar showed that six out of 10 sustainable funds delivered higher returns than conventional equivalents over the past one, three, five and ten years. BAML found the top 20% of ESG-rated stocks outperformed the US market by more than 5% in the recent COVID-19 sell-off and BlackRock reported 94% of sustainable indices outperformed their parent benchmarks in Q1 2020.

Just as some years ago there was a debate as to whether health and safety actively contributed to business continuity, it is now debated whether ESG aids a company's financial standing over time. What is not in dispute is that from an investor perspective it mitigates risk. Also, this isn't a one-off – similar patterns were seen in downturns in 2015-16 and 2018. If anything, the outperformance is only getting stronger.

Build back better

The pandemic has focused everyone on the need for business and economies to be more resilient and above all, to 'Build Back Better'. A key part of that will be tackling other existential issues such as climate change.

At En+ Group – as the largest low-carbon aluminium producer globally and the largest privately-owned operator of hydro power plants by installed capacity – we believe that, post-COVID, there will be an acceleration towards the low-carbon economy and the materials necessary to build it.

As a major raw material supplier to the packaging, construction, automotive and aerospace markets we see first-hand that evolution of demand in action as millennials influence markets with their consumer choices. I recognise the mindset of this generation and saw it emerge. While working at Sberbank – before joining Goldman Sachs in London – I taught students at the State University – Higher School of Economics in Moscow for two years.

I was a banker by day and a teacher by night. I met many talented students who were asking 'out of the box' questions and I recognised the younger generation is much more flexible in its thinking and better equipped to adapt to current changes in the world and find solutions.

I see this in my continuing involvement with education as chair of the Warwick Women's Professional Network – a community of students, graduates, academics and professionals that helps women achieve their career goals. The younger generation of women I see are fearless in asking questions and don't just accept answers if they are not satisfied. They act.

> ‘ The role of IROs will evolve from narration to creation. As an influencer, contributor and facilitator to decision making ’

The questions will keep coming. From the young, employees, suppliers, customers, policymakers and investors and as IR professionals we need to have robust answers that withstand scrutiny. 'Greenwashing' is easily spotted in an age of authenticity.

The role of IR

The key role of passing on feedback from financial markets to boardrooms and C-suites rests firmly with investor relations. If, originally, IR was supposed to give 'teach-ins' to the market about a company's business and answer relevant questions, it is now increasingly apparent that being an active feedback conduit from market to board is of equal if not greater importance.

A chief IRO should not just be giving 'teach-ins' on what the markets are saying about 'cancellation of dividends' amid market volatility, but more broadly about themes that inform investor choices. These include business resilience, the contribution of companies to social stability in the regions of their operations and the increasing demand for an authentic strategic vision. These shape public and investor perceptions about corporates and the value of their publicly traded instruments, and must be high on board agendas. The role of IROs will evolve from narration to creation, as an influencer, contributor and facilitator to decision making in the boardroom about long-term strategy and corporate purpose.

From the European Commission's ESG disclosure regulations – which when they come into force next year will be the world's first rulebook for sustainable finance – to a generation demanding businesses have purpose beyond profit, companies cannot stand still.

It has been just seven years since my report was hardly noticed. ESG is now a major theme for investors. A company's ESG strategy and performance is one of the top questions many managers face about their company on roadshows and corporate sustainability reports are the norm. Or, as my corporate communications colleagues put it:

"Yulia, people are really interested…" ■

The global pandemic has a silver lining for investor relations

Amid the continuing COVID-19 shocks to the economy, **Charles Hamlyn** discusses ramifications for the investor relations industry and anticipates some changes for the better.

In a recent *Financial Times* article, the Global Business Travel Association (GBTA) stated that in August: '92% of companies are restricting international travel'. That's quite a number and in conjunction with rapid universal adoption of online alternatives, associated savings in time and money and the pressing need to lower our carbon footprint, maybe business travel really will change forever.

For the investor relations industry, which has only recently adjusted to profound changes brought about by MiFID II, it looks increasingly likely that 2020 will be the year when the old model died. What is undoubtedly true is that we are now in a time when it is essential to think differently and imaginatively in order to succeed. However for those who are ready to embrace change, I think that at least one silver lining is clear.

There is a huge amount of exciting development going on with innovative businesses deploying dramatically more efficient solutions for connecting companies and investors. Online services that deliver outreach, engagement and feedback solutions are developing almost at the speed of thought with radically different outcomes to traditional practices.

While human relationships will probably (hopefully) always be the bedrock of business, now that IR programmes have effectively gone virtual, the 'new normal' for connecting companies and investors seems certain to become much less reliant on good relationships and much more reliant on good data.

Disruption could help valuation

For a long time, before we had the pandemic and climate crises, working out how to engage with 'new' investors rather than 'the same old faces' has been a persistent challenge for most companies. This matters greatly because, when a company's meeting lists are allowed to grow stale, it is inevitably much harder for that company to identify and target the right investors to buy in, as others rotate out. At this point, valuation can start to come under pressure, with management next in line. However with the shift to virtual engagement, there is no longer any reason (or excuse) for investor meeting lists to be constrained in the way that they have been in the past. Companies that have been historically reliant on traditional intermediaries are now discovering that in the online world it is online agency and intermediation that wins.

Personally, I miss physical meetings. I miss shaking hands, presenting to rooms of real people and casually discussing things in a way that doesn't quite seem to happen online.

I also miss business travel. I remain optimistic that these things will come back to varying degrees, but it's hard to avoid the feeling that certain parts of the old order have changed for good. I'm willing to bet that companies being dependent on limited (and limiting) relationships will be one of them. ■

> ‘There is no longer any reason (or excuse) for investor meeting lists to be constrained in the way that they have been in the past’

A SILVER LINING

- The combined impacts of MiFID II and now the global pandemic have 'changed the model' for IR.
- The shift to virtual engagement promises easier access to much larger pools of relevant investors.
- New technologies and processes are already unlocking this potential.

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The future value of ESG as we look towards a post-pandemic era

Businesses are beginning to reap the rewards of having a robust policy on ESG issues. **Peter Hewer** and **James Bavister** explain why an integral approach is important, as we look beyond the COVID-19 pandemic.

"What do we need to say about ESG?" That's a question investor relations practitioners and their advisers are being asked repeatedly by their boards this year. Inevitably many non-executive directors still view ESG as just so much box ticking, rather than something core to the business and that should embedded into the investment case. The fact that so many boards have needed to ask the question suggests that there is still a long way to go.

If further evidence were needed, the Big Four accounting firms recently came together to make a joint statement unveiling a reporting framework for ESG standards, marking a significant move in the direction of creating a more formalised and co-ordinated approach to ESG reporting.

And there is no doubt that COVID-19 may just be the catalyst to change attitudes to ESG, permanently and for the better. The events of this year have brought businesses and the communities they operate in closer together than ever before.

Many have accepted support from the state to weather the immediate crisis and to preserve jobs and cash during lockdown.

But we all know that there's no such thing as a free lunch, and so as businesses rebuild, there will be a greater expectation on them to demonstrate their wider contribution to society and the value they bring to it.

Expectations of customers, regulators, the media, shareholders and employees are already elevated, and as ever, actions speak louder than words.

Get this wrong and it could cause significant value destruction and reputational damage – just look at the impact on Boohoo's share price in July following exposure of its supply chain in Leicester, or the media furore around Rio Tinto's destruction of an Aboriginal heritage site in Australia earlier this year

Investors are increasingly taking an active role in setting out how they think public companies should be dealing with ESG. Just look at Legal & General's recent announcement to 30 FTSE 100 companies that it will vote against resolutions proposed by all white boards, giving those companies 15 months to hire an ethnic-minority director.

So how should companies be thinking about ESG today and demonstrating its value to shareholders through their capital markets communications?

Here is a round-up of our top suggestions, focusing on the 'S' from across our team.

REBUILDING FOR SUCCESS

- **The benefits of ESG strategy should be reported, showing how the business has been positively impacted.**
- **Investors want to know that the board really cares about ESG issues.**
- **Consider linking ESG performance to executive remuneration.**
- **Acknowledge pandemic support, and accept that large dividend payments will attract criticism.**

> 'As businesses rebuild, there will be a greater expectation on them to demonstrate their wider contribution to society and the value they bring to it'

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Make the case for how ESG drives shareholder value

Just as an investment case sets out how a corporate strategy for growth delivers value, an ESG strategy should be clear on the how it will also create value.

We commonly see companies communicate how ESG activities protect their licence to operate. This defensive approach misses the opportunity to demonstrate how ESG activities are creating value for shareholders. Find positive examples which bring this to life. For example:

- a housebuilder might evidence how better community involvement and investment is enabling faster planning decisions;
- a professional services company could demonstrate how more flexible working practices are increasing productivity and reducing staff turnover;
- a consumer facing brand could demonstrate an uptick in sales or job applications following certain environmental or other socially responsible campaigns; and
- a manufacturer might invest in cleaner, energy efficient technology to drive down costs as well as emissions.

Set measurable targets and report on progress

Measuring ESG can be difficult and often subjective. While most listed companies set out financial and operational metrics from which the capital markets judge performance, fewer companies list any ESG-related metrics. Therefore, one can consider what metrics to use to report on the progress being made and include these prominently in communications and presentations to the City.

> ‘ Be transparent about the financial support that has been received during the crisis and how this has supported the business ’

‘But investors don’t care’ we often hear the board say. They do, and most importantly they want to know that the board cares.

If there is an aspect of ESG where a company outperforms, in which it is a market leader, make a virtue out of it. Speak out in support of how others may also do it better. Clearly, the corporate website and digital channels are a good home for such content, which can also be highlighted in financial calendar communications.

Embed ESG into the culture of the business

Consider linking the delivery of ESG performance to remuneration, not just for the board and senior leadership team, but across the organisation. This demonstrates a real commitment and helps embed the importance of ESG.

Make ESG a board level issue, with a member of the executive team given responsibility for owning it and pushing forward corporate commitments. This will show audiences that it is taken seriously and ensure it remains firmly on the board agenda. Eventually having an ESG board committee may become the norm; why not start now with one of the non-executive directors taking oversight.

Acknowledge the external support provided through COVID-19

Be transparent about the financial support that has been received during the crisis and how this has supported the business, and importantly whether it is intended to repay these sums back or what the mitigations are. This is particularly important for companies with public sector clients.

Those companies who have accepted government support, but continue to pay a dividend or intend to restore the dividend sooner rather than later, leave themselves open to criticism by the media and the state (unless they have explicitly stated their intention to pay back the support). ■

A new mentoring programme

PILOT PROGRAMME

As part of our commitment to continue to develop our offering for our members and to support them in their day to day roles, we are delighted to announce that we are introducing a mentoring programme for our members. This exciting initiative is being rolled out in conjunction with Equitory, the specialist IR consultancy.

We already have a significant number of members who have expressed an interest in taking part in the pilot programme, but please do get in touch with Robert Dann at robert.dann@irsociety.org.uk if you would be interested in taking part as a mentor or mentee.

For the pilot programme, participation will be limited to in-house IR professionals and we will look to expand this offering to the rest of the membership as soon as possible.

equitory

ir society

Capitalising on digital tools in a challenging environment

Over the last few months, a small Spanish microcap company became one of the best-performing stocks globally. Here, **Ramón Pedrosa-López** shows how IR played a part, and considers the lessons learnt.

Who would have thought that a Spanish microcap company would become one the best performing stock-market companies globally in 2020 – the year in which the coronavirus pandemic threatened to change the financial arena forever? It might seem a surprise for many market observers.

However, for those of us that had been involved for years in the development of Lleida.net's IR strategy, the 900% growth in share price the company experienced during the year looked more like recognition from the investor community of a clear plan of innovation and internationalisation than just a stroke of luck.

While many of you probably had not heard about the company before 2020, Lleida.net is a digital signature company that has been developing for a decade cutting-edge technologies that allow companies and consumers to sign contracts and send and receive notifications in an electronic, secure, legally binding and certified way.

I am sure that many of you, during the lockdown, were asked to sign a contract, or received an important notification from your bank or your local government. Well, most probably you did so using technology like the one Lleida.net develops under a proprietary model.

The day before Madrid locked itself down. I was in London presenting the Lleida.net case to the DipIR examiners in the IR Society's London HQ (I passed!). That same evening, it was clear to me that the world would never be the same.

RAPID GROWTH

- **The global pandemic lead to many new clients for Lleida.net, as companies began to operate remotely.**
- **A new IR website was launched, and regular one-on-one Zoom meetings were conducted with investors.**
- **The use of technology, total transparency and access were all fundamental to the IR programme, and will be continued in years to come.**

Conveying the equity story

When lockdowns started being enforced, the company (named after the small town of Lleida, in the north of Spain, where it was founded by Sisco Sapena precisely 25 years ago) had operations in four continents and an IP portfolio of over a 150 patents. It was listed in Euronext Growth in Paris, and the then-called MAB (which was very recently rebaptised as BME Growth), in Madrid.

What we also had was a solid IR strategy in place and a credible and respected equity story. Our approach to that strategy – in which we had started working on around May 2018 – was already a non-conventional one.

We relied on digital tools to convey that equity story globally, and it was guided by values such as full transparency. Lleida.net's IR team was always conceived as fast-moving, tech-savvy, digital and accessible, and a crucial part of our work was paying a lot of attention and care to our individual investors (they are about 20% of our market cap these days).

Since we were first listed, in 2015, and especially since 2018, when our shares started trading in Paris, the company has always taken IR seriously and has accepted my future-looking approach as the one to follow.

The IR and financial PR strategies go hand-in-hand and are still in coordination. The C-suite, lead by CEO Sisco Sapena, and CFO Arrate Usandizaga, has always shown full support to the work IR does.

Ramón Pedrosa-López is CEO of The Paloma Project. rpl@ramonpedrosa.com

> ‘ We agreed that our fundamental goal would be to give our investors all the information they needed to know to make decisions, almost daily ’

Rapid growth

The demand for Lleida.net's services grew exponentially during lockdown (and in Spain it was strict and long – very long). From the very first moment, we agreed that our fundamental goal would be to give our investors all the information they needed to know to make decisions, almost daily.

For us, the new age in IR meant being as close as ever to the investment community, and that was clear for us from the beginning.

To do that, we developed all digital tools at our disposal to engage with them. We launched a fully-fledged mobile-friendly investor's website, gave a boost to our social media presence, and Zoom and Webex became essential tools, and we have had more one-on-one meetings than ever.

We put up in place a calendar to meet with large groups of individual investors and set up a listening system that would analyse the very active message boards that exist around Lleida.net's stock.

> ‘ While the financial world was collapsing, the company launched a private purchase plan and shared dividends for the first time ’

That listening system – and the digital encounters that followed – derived in real plans that helped bring a feeling of transparency and security to the market.

Digital future

While the financial world was collapsing, the company launched a private purchase plan and shared dividends for the first time. Moreover, it sought and obtained shareholders' approval to start listing in OTCQX in New York, something that will happen any week now.

During the pandemic, our strategy was to engage our investors, both institutional and individual at all times. As a result, we issued over 80 regulatory announcements, explaining the real picture of the company's position and short-term strategies.

During the lockdown, and after lockdown, we learnt that, in future, IR will have to rely on heavy use of digital technologies, total transparency and access, something vital when such a crisis affects the markets and the whole world.

We acted on that lesson, and investors trusted so much in our investor relations that Lleida.net became one of the top-five best-performing stocks in the planet so far. We still are. ■

A 17-page report on the 29th September conference, held online at www.irsocietyconference.org.uk

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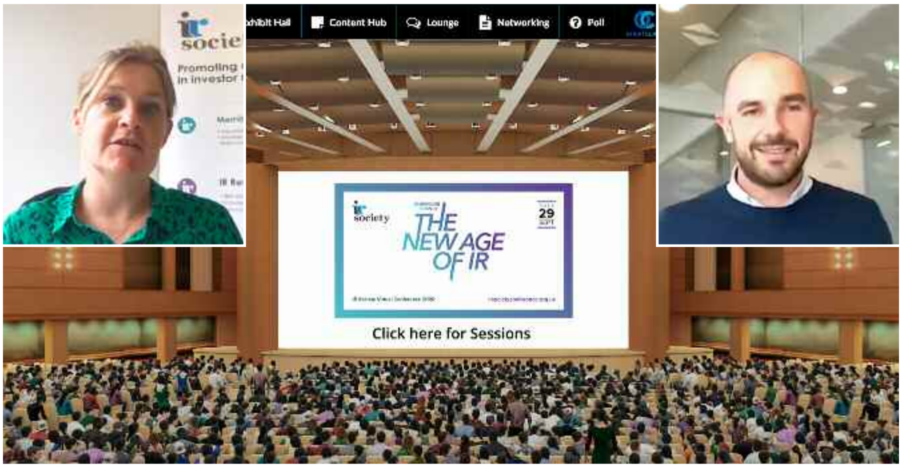
CONFERENCE 2020

A special feature on the virtual annual conference with session reports and photos.



Laura Hayter, Society CEO, and David Walker, chair, at the 2020 virtual conference.

A different kind of conference

The IR Society's 2020 annual conference was held 'virtually' for the first time, due to COVID-19 restrictions, with an excellent line-up of keynote speakers and session panellists participating via the online conference platform, either pre-recorded or by live streaming. Delegates were able to access an outstanding range of content, visit exhibitors in the platform's exhibition hall to find out more about their services, and link up with peers in the networking lounge.

The day started bright and early, with delegates able to register and explore the conference platform, and access four pre-recorded interviews between Evan Davis, the BBC journalist and broadcaster, and four eminent keynote speakers. These were: Sir Donald Brydon, chairman of Sage Group; internet expert and entrepreneur Baroness Lane-Fox; Sacha Sadan, director of investment stewardship at Legal and General Investment Management; and Sir Jonathan Symonds, chairman of GlaxoSmithKline.

The live proceedings began around lunchtime with the Society's CEO, Laura Hayter, welcoming delegates and bringing them up to date with the Society's activities in this unusual year, before introducing the afternoon's events.

After this, the four live-streamed panel sessions commenced, addressing the topics of greatest importance to our profession. These were moderated by honorary fellows of the Society, Peregrine Riviere, Diane Faulks, John Dawson and Gillian Karran-Cumberlege – each bringing extensive experience and insight to their sessions.

Their panel guests were an impressive mix of experts from the worlds of investor relations, investment management, City regulation, broking and banking. Despite the absence of a physical audience the conversations were lively, exploring topical subjects such as the latest economic developments, corporate governance, climate change, the rise of virtual communications, the changing shape of capital markets and the importance of ESG and stewardship. The sessions were made all the more interactive by delegates keenly participating in live Q&A with the panellists.

The Society's chair, David Walker, rounded the day off by summarising his key takeaways from the conference and thanking the guest speakers, exhibitors and sponsors, delegates, and the Society's executive team.

Although this year's format was a little different, the day proved to be a great success. As one attendee commented: "Overall a great day with excellent topics and speakers. The venue works well, and the organisation was excellent!" ■

The share price is not enough

After a quarter of a century, **Sir Donald Brydon** returned to address the IR Society in September. In this keynote interview, Evan Davis asked what had changed for the IR industry and sought advice for IROs.

When Sir Donald Brydon addressed our IR Society conference 25 years ago, he asked what the objectives of an IRO were. The response was 'to get the share price up'! His keynote address at our conference this year highlighted how much things have changed since then.

Significant change needed to manage corporate accountability

Brydon's review of the quality and effectiveness of audit, the review of the audit market itself and the regulation of the market came on the backdrop of a broken audit market, collapse of trust and anxieties about the profitability and sustainability of audit. The three together, with over 280 recommendations, will be distilled down to one holistic proposal and 25 key recommendations, where there needs to be government action and the basis of legislative action, in November.

Brydon's review on audit and its purpose provides greater clarity about who audit is for and reinforces its role as a public interest function. His desire is for audit to be much more informative – to bring investors in, focus more on risk and the areas that really matter and then cut out some information not needed. He sees a fundamental part of this to be moving from 'rules and standards' to 'principles' to ensure that auditors have a responsibility 'to call something out' if it doesn't feel right with an obligation to be suspicious as well as sceptical and that it should fall within an auditor's remit to endeavour to find material fraud. In the spirit of greater transparency and understanding he would also like to expose the debates between management and the board, the Board and the auditor and how the FRC has addressed the quality of the audit.

What does all this mean for IROs

Brydon feels that these changes should facilitate and encourage better interaction between shareholders and companies. One of his proposals is that the company should lay out its audit and assurance policy which outlines what it is they are going to get assurance over and he notes – "it doesn't have to be everything" – and then invite the shareholders to suggest where they want the emphasis of the audit to be. This is an opportunity to force more transparency from investors – in terms of their anxieties or concerns. The IR function will be critical to that dialogue and to serve as a liaison mechanism to bring that information to the company.

Beyond COVID, what corporate Britain should focus on

Brydon focused on two main areas: Brexit and the move towards a net-zero world. The challenge on IROs will be to work through what investors want from companies, balancing different investors who want to know about different things – climate change, diversity and long-term investment. To meet these diverse challenges, his advice to IROs is to focus on "your story" and "how you tell your story". Ensure that your narrative is honest and helpful to investors and ensure that you get the feedback you need to make sure you don't lose touch with those providing capital.

Making a good chair

Brydon has been chair of multiple complex organisations during his career and refreshingly his advice was very honest and simple. He started with the importance of the board itself, staying in touch with each other and the chair's role in ensuring that stability and balance. Next, he focused on the need to ensure that management feel that they are supported in making the complex decisions and finally critical to success – the importance of getting the balance right in terms of what can be left to the management and what needs to come to the board.

Underpinning everything he said was the encouragement of better listening and communications throughout the company. This reinforced my belief that great leadership is all about great communications. To be effective you have

Keynote interview:
Sir Donald Brydon

Brydon is chairman of Sage Group. He conducted the highly topical independent review into the quality and effectiveness of audit, published in December 2019. Additionally, he has broad experience gained on the boards of listed companies across a range of sectors, as well as significant knowledge of the financial sector from his time as chairman and chief executive of both BZW Investment Management Ltd and AXA Investment Managers SA, and in his role at London Stock Exchange Group.

> ‘ Ensure that your narrative is honest and helpful to investors and ensure that you get the feedback you need to make sure you don't lose touch with those providing capital ’

Evan Davis and Sir Donald Brydon.

to articulate objectives and plans, encourage and congratulate good work and prepare people for rough and good times ahead.

He also reminded us that one size does not fit all – each company is different and each board is unique and has different needs.

Breaking down the importance of ESG agenda

Brydon was clear in his views about the importance of the environment. "No people in positions of authority have a right to ignore it. Companies need to work out what is best for them as well as society." He acknowledged that this was not an easy task but straight forward in its need to be addressed.

Others issue offer more complexity. His views again were pleasantly simple, compelling and to-the-point. On diversity, he said 'there is no question – that the more diverse the group you have – the better the inputs to your debate and the better decision making that comes out'. He went on to share his beliefs that organisations need to reflect and look more like the society that they are operate in – in order to gain trust. He explained, "Simply if we've got a population that is 50% male and 50% female and you only have a board that 10% female – that just doesn't feel right any longer. We need to do something about that." I couldn't agree more.

> ‘ Each company is different and each board is unique and has different needs ’

Governance for the most part, is well established in this country and, as he's said in the audit review, there is a lot more we can do.

Understanding is key to IROs' effectiveness moving forward

Simple advice to IROs was to focus on understanding. The IR function is about "ensuring that all those that need to understand the company within all the boundaries and restrictions about what information you can share at different moments understand."

Steps you can take: First, ensure that the IR function itself really understands your business and how you make money, including the true drivers of profitability; secondly, understand clearly what the board wants from IR which will require two-way dialogue and interaction; and thirdly, use the opportunity to influence your IR function to shape your share register by focusing energy on getting understanding of your company to the sorts of people you want to understand the company.

Simple but compelling advice. ■

Report by Sallie Pilot, Black Sun

Speak up and pick your battles

In this interview with Evan Davis, **Martha Lane Fox** drew upon her wide experience to discuss social media, career tips and the economy.

As a businesswoman, philanthropist, and public servant, Martha Lane Fox was always going to bring a broad perspective on our rapidly-changing environment. Although she's usually associated with technology, Davis started by exploring the threads that connected her rather eclectic career. During the discussion, it emerged there's actually an interesting parallel between her career path and the role of every investor relations professional. As she has done, every IRO must: embraced being a generalist; enjoyed making connections; and been useful.

Lane Fox emphasised the need for continuous pragmatism and how companies need to embed a value system in everything they build. Not enough thought is given to the unintended consequences of what is being created, both by companies and individuals. Given the complexity of all our networks currently, not just technological, this is something which needs highlighting with each new venture.

Given she's a director of Twitter, it was interesting to hear her perspective on the reach of the platform, not just through the tweets of individual members, but on how it is amplified through news channels. While acknowledging her slight bias, she understands the value of this worldwide platform for journalists and news outlets, however she didn't hold back her opinions on lazy journalism!

The discussion then turned to the impact of COVID-19. As chair of the new House of Lords Select Committee appointed to consider the long-term implications of the COVID-19 pandemic on the economic and social wellbeing of the UK, her focus is on the implications for a two to five-year time frame. She also expressed concern over the inequalities that have become apparent through the crisis. Lane Fox is dismayed by how the outside world's perception of the UK has changed; that the effectiveness once displayed in the running of our country seems to have faltered.

Diversity was touched upon, given how topical it has become in 2020. Although Lane Fox freely admitted that she wasn't sure if systemic change has been wrought, she feels encouraged that people in certain circles are now asking what the right thing to do is. She feels we need to celebrate more individual voices, rather than grouping large swathes of different cultures unhelpfully into one group.

Pick your battles

Turning the conversation back to the corporate world, she urged the audience to use our voices, sharing a personal anecdote to illustrate that we have all earned the right to be in the room, even if our head occasionally questions it. The statement, "Don't put yourself in a position where you might look back and regret not being heard," will resonate with many of us. This is particularly relevant for investor relations professionals as we are in a unique position where we can help shape the direction and long-term sustainability of the companies we work for.

She finished with some general advice on what makes a person interesting, resilient, and impressive:

- read outside your niche;
- volunteer your time in an area that interests you; and
- serve on a board.

It's a challenge that demonstrates personal values and benefits society, and something we should all consider. To sum up, one of her earlier quotes was one of the best takeaways, "You can't do many things, you just have to pick a few and focus on them relentlessly ... to make them happen." ■

Report by Lorraine Rees, IR-connect.

Keynote interview:
Martha Lane Fox

Baroness Lane-Fox is a director of Twitter and non-executive director of Chanel and The Queen's Commonwealth Trust. She co-founded and chairs the karaoke chain LuckyVoice, and founded doteveryone in 2015. In 2013 she was awarded a CBE and became a life peer in the same year.

Martha Lane Fox and Evan Davis

‘You can't do many things, you just have to pick a few and focus on them relentlessly... to make them happen’

Supporting good practice

Sacha Sadan is an influential investment professional in the City. In this interview, he discussed with Evan Davis the changes sweeping through boardrooms due to COVID-19 and the rise of ESG.

The session started by discussing how COVID-19 is affecting LGIM, one of Europe's largest asset managers and a major global investor, with assets under management of £1.2 trillion (as at 30 June 2020). Sacha Sadan stressed that the group is committed to supporting companies in their time of need to do the right thing and thrive.

Evan Davis asked Sadan to address the mismatch that seems to exist at the moment between the markets and the real world. Many companies are suffering, and not many are expecting things to get back to normal any time soon, yet the equity markets have been generally strong. Davis said it seemed likely that lots of companies will need a bridge to get through the crisis.

Sadan emphasised that the equity markets are still open, so there has still been the ability for companies to raise capital, but at some point cash flow must come back. "The placings have happened. A few rights issues have happened. And the good companies have always had a little bit of safety, or a war chest for bad times." He said that the institutions had helped be more lenient on pre-emption rights so that companies can find it easier to get money back into the system.

Davis stated that "COVID has been the ultimate stress test" and questioned whether companies should be defined by how resilient and successful they are at responding to it. Sadan's view was that companies that had a purpose, cared about employees and stepped up to the plate have stood out. "I don't want to know about words – show me what you did, how you looked after your supply chain, how you looked after your employees, and give me examples of what you've done – because we will give you that money if you need it in order to support you in this time."

Davis said that the demand from investors for sustainable capitalism has been a growing trend and asked whether this had stepped up considerably as a result of COVID. Sadan agreed: "Just before COVID we were starting to get quite a lot of momentum, and ESG funds were doing quite well. Since COVID, it's just been amplified. The media frenzy, as well as the company frenzy, about who's not paying tax, we've seen that kind of thing. Black Lives Matter, which is separate from COVID, but has been in the middle of it – again has brought another big debate about diversity in all of its forms. Again, we've discussed diversity, including gender diversity, in the past. These things are cranking up, and they're only cranking up because people care."

Sadan said that he was keen to encourage companies to move in the right direction on these ESG issues: "I want to tell companies early. because it isn't easy to do these things. And I want to give companies the chance to get there – we don't want the company to think we're changing the goal posts, because it's not fair to them. We do understand it's difficult out there."

He said that there is a financial reason behind the need for diversity, as better decisions are likely to be made when boards have taken the right steps. He highlighted the need for better data on ethnicity on boards to enable investors to vote against lack of diversity. He added that LGIM are not alone in driving change.

Standing out to investors

Davis asked how LGIM scores companies on ESG issues, given the wide range of data providers – and asked Sadan to advise companies on how to impress institutional investors.

Sadan recommended mapping the key data providers that your top investors use and to correct any errors that do exist in many of those data points. He said that there had been significant growth in money moving into ESG funds – so this will drive better ratings if companies increase the demand for their stock. IROs should highlight why they may not agree on the ratings – state the company's case as to where the ESG focus is being directed.

Keynote interview:
Sacha Sadan

Sacha Sadan is director of investment stewardship and a member of the board at LGIM, one of Europe's largest asset managers. In September 2016 he was recognised in the *Financial Times* as one of 'the 30 most influential people in the City of London'. At LGIM, Sadan has responsibility for investment stewardship, including environmental, social and governance (ESG) areas, collaborating with other investors as well as governments and regulators. He was previously a senior UK equity manager at Gartmore, and is a founding member and still on the board of the UK Investor Forum.

'I don't want to know about words – show me what you did, how you looked after your supply chain, how you looked after your employees'

Evan Davis and Sacha Sadan.

LGIM uses the data but then scores on the minimum requirements and will meet the company to discuss and fully understand. It is available on their website. "We meet companies – we had over 500 engagements last year – so if a chairman comes to me and says 'here's five reasons why I don't agree with that', I'm in a much better place to have that discussion."

More than shareholders

Davis asked whether it was the case that, in light of the rise in ESG issues, boards are moving away from shareholder value as the basis for corporate decisions – "Everyone likes to say they're changing, but are they really?"

Sadan said: "I am optimistic that we've been moving that way for a while. In recent years, there's been a big debate about Section 172 [of the Companies Act 2006] on wider director duties, which says that directors have more than a duty to their shareholders. It was there already. The debate we're having is about health and safety, employee benefits and so on. It's just cranked up now. In the past, they did some of these things, but they didn't communicate it, because all people wanted to know about was earnings per share. But can I say that our clients, the thousands and millions of investors, are demanding that we give them better data. That we do more on climate change and diversity and executive pay. That has definitely changed."

However, there is a place for cynicism – words must be followed up by consistent action and decisions throughout the organisation.

Sadan recommended that boards focus on doing the most important things that matter to the company. In practical terms, ask whether the board has the best combination of people to make the right decisions. Select the key issues and stick to them, avoiding a scattergun approach and make sure that the internal auditors are on top of their job as the quality of information coming to the board is vital.

> ‘ Select the key issues and stick to them, avoiding a scattergun approach ’

Show you care

Davis asked what were the key takeaways for IROs. Sadan said: "I'm going to go for new ones, to keep the debate going. Tax transparency. How comfortable are you with the tax that you're paying. I spoke to one chairman, he said 'thank you, Sacha, two years ago we had eight disputes globally with tax authorities, we have none now. I feel comfortable now, that we are doing our bit.' Of course, some years ago, companies would come to me, and say 'we've managed not to pay any tax'. With furloughing, look what's happening – it's taxpayers money. You need to have a story for this. Governments have little money. Show what you've done."

His second point was about employee share schemes. "People say they have employee share schemes. Ask yourself, how many people are actually using these schemes at different levels in the company? What you should be doing is giving lower grades free shares. Give free shares and make them hold them. That shows that you really care about your employees." ■

Report by Deborah Morton-Dare, Morton Dare Financial Training, and Silverdart Publishing

UPDATED BEST PRACTICE GUIDELINES

The IR Society has recently published its updated best practice guidelines for members, bringing together the Society's views on the topics of relevance to our profession.

This latest edition includes an additional section on COVID-19, reflecting the best practice in IR that is emerging from the crisis on issues such as virtual investor meetings and roadshows, AGMs and corporate reporting.

The updated guidelines are available in the IR Resources section on the Society's website – www.irsociety.org.uk

Dealing with the pandemic

Evan Davis's keynote interview with the GSK chairman **Sir Jonathan Symonds** focused on the company's vital work on COVID-19, business challenges, the economy and the role of IR.

Evan Davis introduced Sir Jon Symonds, chairman of GSK, one of the world's major pharma companies, and suggested that COVID-19 was the best place to start the interview – "I'm imagining that really is your job at the moment – almost all of it." Symonds agreed: "It is all-encompassing, as it should be, because it's affecting so many people's lives."

He said that, as one of the largest vaccine companies in the world, GSK has a major role to play. "We have a very important component in vaccine development – our adjuvant – and so this has become an important component for COVID vaccines. We have projects in China, in Europe, in North America, and we're very active. I'm pretty convinced that there will be a vaccine. I don't think there's any doubt about that. The question is when, and how effective and how safe it will be."

Symonds pointed out that vaccine approval is not the end of the story. "In many ways it's just the beginning of an even more complex phase, involving manufacturing, scaling up, distribution, and allocation."

Davis said that the pandemic had made businesses like GSK appear less of a shareholder-focused company than an agent of the state or a public service. Symonds agreed that it was not 'business as usual' for GSK – "although we have got to have a business coming out of this that justifies the commitment of long-term shareholder capital."

The group had said that it would reinvest profits made in COVID-19 into future resilience – "to improve our capacity to react faster, to improve the system's capacity to be more resilient and to make sure that there's fair allocation."

GSK is involved with global institutions such as the World Health Organisation and the Gates Foundation. "I think the point of fair and equitable distribution of vaccines across the world is really important. So the global health aspect of our business has really come to the fore. Interestingly, we've never seen, as a company, the employee engagement scores being better. The communication of the leadership of the company and the reinforcement of 'what is the purpose of GSK?', 'why does it exist?', and the motivation that comes from being part of a global health initiative has been massively motivating for our people."

ESG focus

Davis asked whether companies will be judged more on performance with social issues in future. Symonds said they had talked over the last few years about where the ESG agenda sits in the company's strategy – it had always been there, but was it really at the core? "Actually we have spent more time, in the last six months, as a board, on the 'S', than virtually any other topic. We have a corporate responsibility committee and it is now core. We think that, as a company, we won't go backwards and the same will be the case for many, ESG is central to the way that companies operate now."

He said that there had not been any problem with shareholders on this approach. "This has been all hands on deck. I have meetings between now and the end of the year, where we will engage with shareholders. Long-term sustainability of the business is not short-term profit maximisation, it's about delivering consistently to all of your stakeholders, and I think that is now part of a durable resilient business model."

Irreversible change

Davis asked about the report that Symonds had produced during the lockdown in April, together with Conservative peer and investment banker Lord Gadhia, urging government to reopen businesses to boost the economy. Symonds said that they had decided to put their views down – "and one of the first sentences we wrote was 'It is going to prove that reopening the economy will be considerably more difficult than locking it down', and so it has proved."

Symonds said they had both thought that by October, there would have been a much clearer distinction between what the

Keynote interview:
Sir Jonathan Symonds

Sir Jon Symonds has extensive international financial, life sciences and governance experience. Among his roles, he served as an independent non-executive director of HSBC Holdings plc from 2014, and as deputy group chairman from 2018 to early 2020. In 2019 he was appointed chairman of GSK. Jon is also chairman of Proteus Digital Health Inc. and a non-executive director of Rubius Therapeutics, Inc. He is a non-executive director of Genomics England Ltd, having previously served as its chairman.

> ‘ Long-term sustainability of the business is not short-term profit maximisation, it's about delivering consistently to all of your stakeholders ’

Evan Davis and Sir Jon Symonds.

health risks and the economic risks were. But this was an underestimation of the difficulties. “This mixed stage, where we're still managing health risks, and also trying to mitigate economic risk, is going to go on for a long, long time.” For business, the fundamental uncertainty was how to predict revenue, he said.

“We have to recognise that many things have changed, and some have changed irreversibly. We can’t predict how sustainable it’s going to be but we’ve got to work in a new environment.” He acknowledged that there was a social aspect to this. “If you ask who has been impacted by this, it is the young, the underprivileged, the poor around the world – and this time, we're seriously going to have to think about distribution and fairness.”

He said that there had been a significant impact already on cities and town centres – “as well as on the social architecture around arts, humanities, entertainment, sport, that makes society so rich. That’s where the real threat is. Business will adapt, but how much of society will we lose? And that’s a big challenge.”

Stress testing

Davis asked what the main lessons were for business. Symons referred to his time working in the banking sector: “I learnt a lot in financial services, where there is this annual stress testing that the Bank of England applies to these businesses. Not only does it force you to think about the primary effects, but the second and third order affects that come too.” That should apply to all businesses, who should ask themselves whether they can operate in stressful conditions. At GSK the challenge was ‘can we continue to deliver life-saving medicines to our patients, come what may?’. It came back to the inherent business model itself, and whether it could adapt.

He said that the funding and capital structures of companies were vital. “That is true for a lot of the businesses that have gone, especially the ones that we've seen have been passed around private equity. Every time they sell it, they put a bit more debt on, they sell it again, and you know they’ve almost failed immediately, because they were not properly structured. Sadly, in bull markets, businesses build up that are not good enough, and they will go. We shouldn’t lament that, it’s part of a healthy economy.”

CEO candidates

Davis turned the discussion to IR as a profession, asking what were the attributes of the best IROs with whom Symonds had worked. Symonds said that IR is a very intense process, and it had to be fun. “The best IROs I’ve worked with can actually make the experience rewarding and challenging – you will always gain something about your business, your sector, that you hadn’t understood before.”

He said that IROs needed to be able to give executives the hard truths. ”I’m enjoying this talk, but it’s when you turn the camera off, and they say ‘how can you possibly have said that?’, and you think ‘well, I didn’t really mean that’ but that’s how it came across. So IR is always important, probably never more so than now. It is the transport of information, and, as you probably know better than anybody, the gap between what is said and what is heard is often much wider than you think it is. And that’s the role they play.”

‘ The best IROs can make the experience rewarding and challenging – so you will always gain something about your business ’

Symonds noted that companies can see IR in different ways. “It can be just, ‘manage the shareholders and an analyst for me, just make it go away’, or ‘this is an essential medium in which the company communicates with the shareholders and other stakeholders and is a fundamentally important part of the business strategy’. I very much take the latter view, so I always put top talent in that job, and long-term potential CEO candidates.”

IR was a value-adding piece of the business, he said, noting that “sometimes companies get themselves into extreme positions, where the rest of the world thinks they're absolutely bonkers, yet they still believe that their narrow interpretation is the right one. So I think good IR is vitally important.” ■

Report by Alex Murray, Silverdart Publishing.

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Climate risk and optimism

The first live plenary session considered how the current crisis is shaping macro-economic, governance and technological trends, that will likely influence the financial markets and issuers in years to come.

The first live auditorium session attacked some big topics head on: corporate disclosure and action on climate change, the fallout from the COVID-19 pandemic, and the opportunities ahead for a post-Brexit UK.

Chris Faint discussed the potential systemic risk posed to the UK by climate change. We were reminded that whilst the COVID-19 pandemic is an urgent issue, with the right support the economy and the financial system should eventually rebound from the current disruption. But, left unchecked, climate change would inevitably result in irreversible harm for generations to come.

Yael Selfin was sure that the COVID-19 pandemic would lead to permanent economic loss, particularly where businesses have become unviable due to social distancing restrictions. Searching for positives, we may see some gains in productivity via working from home and accelerated technology adoption.

Nevertheless, there is a tough Q4 ahead, with growing lockdown measures taking their toll, and the UK economy is not expected to recover to pre-pandemic levels until the beginning of 2023 at the earliest. Near-term risks from Brexit and the pandemic are real concerns that are not currently factored into equity markets, which are being driven by low interest rates and returns on other asset classes.

More optimistically, Andrew Griffith highlighted the fact that a number of businesses have actually seen the fallout from the pandemic as 'an accelerator'. Those businesses that survive the crisis are likely to emerge stronger, leaner and ready to embrace new technology. A tidal wave of capital is ready to invest in the UK, following period of macro-uncertainty, prolonged by the pandemic. Clarity and confidence will grow as we emerge from this environment, with pent-up demand for investment ready to be unleashed. *(continued overleaf...)*

Session 1:
Key themes and mega trends

Moderator: Peregrine Riviere, group director of IR, WPP, honorary fellow and former chair of the IR Society
- Chris Faint, head of division, Bank of England
- Andrew Griffith, MP
- Yael Selfin, chief economist, KPMG

> ‘ A tidal wave of capital is ready to invest in the UK, following the period of macro-uncertainty, prolonged by the pandemic ’

Clockwise: Peregrine Riviere, Yael Selfin, Christ Faint and Andrew Griffith

Problem solving

Touching on a key topic for IROs – corporate purpose – Griffith went on to make the case that, at its heart, corporate purpose involves solving a problem that society has and, in the process, generating employment and future prosperity. In his view, this should be celebrated.

Throughout the COVID-19 crisis business has actually done a good job, and food and life-sciences supply chains are good examples of this. Other areas have obviously not worked so well, and lessons will need to be learned. But IROs should not be afraid to 'scrape off the barnacles' and go back to the irreducible core of their business and celebrate it. Striking a philosophical note, the summary that 'corporate purpose lies in connecting capital to ideas in a human enterprise that makes the world a little bit better', was clearly thought-provoking for the audience.

Faint shared some further thoughts ahead of next year's UN Climate Change conference of parties (COP), to be hosted by Britain. This will be an opportunity to reassess commitments and ensure that enough ambition is built into future goals. A key aspiration for the COP is to unlock funding through better understanding. Given the huge appetite that exists among investors to fund green projects, it is frustrating that the mechanisms to enable this investment are not fully formed yet.

But what should UK companies do now with respect to the climate change information they provide? Firms should create scenario analyses over future decades as to how climate change may affect their businesses. This analysis should then be used to inform and revise corporate strategy. BP was highlighted as a good example of a company that has recently done a good job in this regard. With more data of this nature, investors will be better informed as they consider their investment choices.

> 'Firms should create scenario analyses over future decades as to how climate change may affect their businesses'

An enviable position

The session ended with an optimistic rallying cry for UK business: next year could be a 'banner year', as the UK is freed from the entanglements of EU membership, and the pandemic is brought under control through more effective management and treatment. The UK is in an enviable position, with the G7 presidency, a government elected on a strong mandate and sizeable majority to get things done, Britain is hosting the COP, and regulatory certainty about our relationship with our nearest trading partner, the EU.

Hence, businesses should 'focus on how best to achieve growth in such an environment'. This was a succinct and useful final takeaway for an audience of IROs currently wrestling with how best to craft their investor messaging for 2021 amidst the disruption of 2020. ■

Reporting by Derek Brown, Beacon IR.

Previous issues of *Informed* are available for members to download at: irsociety.org.uk/resources/news/category/informed

IR technology after COVID

As the IR community longs for face-to-face interactions once again, certain technologies have enabled a wider audience than before. This panel looked at how IR engagement may change in the wake of the coronavirus.

Session 2:
How to shape your IR programme in a post-COVID world

Moderator: Diane Faulks, MD Diane Faulks Consulting, honorary fellow and former chair of the IR Society
- Ben Grindley, managing director, Morgan Stanley
- Edward Thacker, head of investor relations, Land Securities
- Ellie Tinto, head of corporate access EMEA, BlackRock

The second panel of the day brought together experienced practitioners from buy side, sell side and in-house IR to consider what the IR programme would look like 'after COVID', and what has changed both for the better and worse.

Ably moderated by former IR Society chair, Diane Faulks, the panel looked at a broad range of topics, giving views and first hand experience on topics such as how technology is changing interactions ranging from virtual meetings, conferences, AGMs and capital markets events, along with how the dialogue has shifted across all three communities.

Engagement with existing shareholders had been seen to be fairly easy to migrate online, and virtual roadshows could open up parts of the globe that traditionally would have been out of scope for many companies, but also made targeting and relationship building with new or prospective investors considerably harder.

Discussions were starting to normalise, after a period of 4-6 months where the buy-side/sell-side had acknowledged that formal earnings guidance for most companies was not achievable, as management teams needed to focus on the immediate future and employee wellbeing. For many sectors, it was felt that even if guidance was not yet possible, management discussion on base case assumptions, scenarios and key leading indicators was now appropriate and increasingly necessary.

Shorter, more frequent events

Good technology was also going to be a 'leveller', allowing smaller companies to potentially gain more investor traction than before, if they were intelligent with their online offering. Critically, all companies needed to be very mindful of the growing level of online fatigue – both in terms of length of any interaction (particularly CMDs), and death by screen-shared PowerPoint – which came very much faster in the virtual world, so the need to be creative was paramount.

This was the takeaway 'top tip' from the combined panel – shorter, more frequent capital market events are likely to become the norm, with a healthy mix of video, breakouts and other formats to help manage audience fatigue. In many ways this is an acceleration of what has already been adopted by a number of corporates as best practice, and reflects the fact that the move to virtual has been as much an accelerator of existing trends as adoption has been through necessity – but there are going to be companies judged harshly if they don't take note of this trend.

The panel advised that IR and institutional budget holders would do well to divert some of the savings being made on travel across to ensuring technology such as better video conferencing is available, and that a 'thoughtful hybrid' model of investor engagement was likely to be the most sustainable model for the longer term.

> ' All companies needed to be very mindful of the growing level of online fatigue ... including death by screen-shared PowerPoint '

Diane Faulks, moderator

Legal challenges

Finally, the interaction which was flagged as potentially going to see the greatest permanent structural change was the AGM, where the virtual, closed meeting had significant drawbacks and legal complications which technology could not easily overcome – such as managing in-meeting change of voting intentions. One potential solution was to separate the shareholder engagement element from the legal voting actions, which could take place a few weeks later in a more controlled environment, with each managed to mitigate their own particular risks. This too is not an entirely new idea as the AGM has for many companies felt ripe for updating. Our thanks to the panellists and Diane for a very worthwhile session. ■

Reporting by Ross Hawley, Virgin Atlantic and chair of the IR Society's education committee.

Specific points from each panellist

Ellie Tinto (buy side):
Many PMs are finding the virtual meetings and conferences significantly more productive for data gathering and efficient updates from more companies in their coverage, with no need for travel or jet lag. The role of the buy side corporate access is becoming ever more important for corporates, and these teams across the City welcome direct enquiries from in-house IROs needing advice on how best to engage.

Edward Thacker (in-house IRO):
In-house teams have managed to find ways to work together virtually with their colleagues including on projects such as annual reports, but this will be a greater challenge in the run up to results. IR teams will need to embrace technology innovation in order to get the best out of their investor engagement, and also pace the number of management meetings in a day to avoid presenter-fatigue. Online conference groups need careful curating to ensure similar levels of expertise, as this is much harder to manage online.

Ben Grindley (sell side):
Corporates are using their brokers more at present, and are focused on the traditional and more value-added broking advisory support rather than roadshow co-ordination or outreach to existing investors. Broker support for investor targeting to new regions is growing, as corporates see potential opportunities in traditionally hard to reach geographies.

The end of neo-liberalism

The capital market is undergoing the biggest transformation in a generation, accelerated by the societal shock that the pandemic induced. This panel discussed what the future will look for companies, investors and IR.

In this expert panel, moderator and veteran IRO John Dawson introduced the themes of discussion for the session: post-pandemic macro- and micro-economic trends, ESG trends, shareholder activism and technology.

Simon Brazier began by looking back at past economic shocks, including the 2010 financial crisis, the dotcom bubble, and the 1973 oil crisis – the only event which he believed really changed how we did things once recovery was underway. He likened the current pandemic to this event, suggesting that significant, rapid and irreversible change will follow – this time in three key areas: the use of technology, the use of property (commercial and residential) and sustainability.

Edward Cole echoed Brazier's contextualisation with the oil crisis, adding that: "fiscal policy will take over from monetary policy". This 'new era' will have many more stakeholders, and many roles which must be filled. He believes that there may be a rebalancing of labour and capital, with management teams being asked to focus on external factors more than internal profitability.

Harlan Zimmerman went on to say that shareholder bases will get increasingly fragmented in years to come, and that it will be much harder for long-focused (or long-only) fund managers.

He spoke about the emergence of 'anchor' investors, and a more constructive type of activism than has been seen in the past, with more involvement from typically 'back seat' investors. Dawson agreed, saying that "companies want investors to help them navigate through an uncertain period".

Changing times

The era of neo-liberalism is coming to an end, said Dawson. Companies are being valued differently, and on more than profit alone. Cole added that in the past, 'the invisible hand' was there to maximise profit, and that if we move to a rebalanced era, then the breadth of interest will encompass social aspects and the social imprint that a company has. He added that the core role of IR doesn't change as a result, but the information that investors need will change: "It ultimately comes down to transparency" – he went on to say. Investors will want to know more about the supply chain, climate risk, carbon emissions, and social and governance issues.

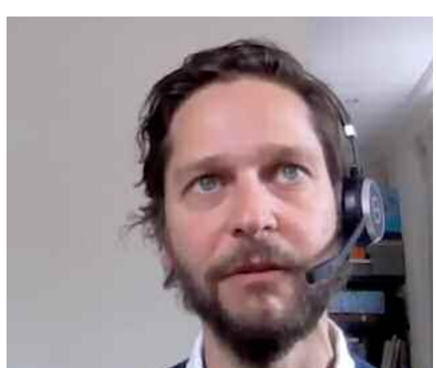
The buy side will become better equipped, Cole explained, with more tools and data at their fingertips, and in some cases, they may even know more than the management teams do themselves about certain issues – so IROs had better be prepared for this! Brazier said that he sympathises with the IR community. "Everyone wants data, everyone wants it immediately", he said. IROs can't be different things to different people – they must focus on two or three

Session 3:
The changing shape of capital markets

Moderator: John Dawson, head of IR, RB, honorary fellow and former chair of the IR Society

- Simon Brazier, co-head of quality, Investec Asset Management
- Edward Cole, managing director – equities, Man GLG
- Bill Kennedy, portfolio manager, Fidelity Management & Research Company
- Harlan Zimmerman, senior partner, Cevian Capital

> ‘ IROs can't be different things to different people – they must focus on two or three things, do them really well, and be as proactive as possible ’



(left to right) Simon Brazier and Edward Cole.

Moderator John Dawson.

> ‘Zoom fills the gaps, but I want to get out there, see companies, see factories and shake hands’

things, do them really well, and be as proactive as possible.

Investor trends

Passive funds have taken a significant share of the market in recent years, Bill Kennedy stated. Yet the passive industry hasn't generated the performance required to generate the fees they attract – particularly this year. Over the past few months there has been a resurgence in actively-managed funds: as the pandemic has shown, a shock event requires human nuance.

Kennedy went on to say that there is now more opportunity for active investors – who are better equipped to assess the subjective nature of a businesses activities. Brazier agreed that the 'share of the pie' for active investors had fallen overall, yet 'the pie is getting much bigger' – citing new pools of capital from Asia and from a millennial base in the West.

Dawson asked what companies should be looking at in the months and years to come. "ESG is a long-term trend", Kennedy said. It is driven by the industry and a younger customer base as well. He added that active management plays a key part here as well, as many of the ESG criteria are subjective, and can't be extracted from financial statements – so IROs must be prepared. Cole reiterated this point, saying that: "material data needs to be provided, not numbers to satisfy box-tickers".

In a pool of shrinking investment companies (referencing the Wilshire 5,000, which now only contains around 3,500 companies), Kennedy sees ESG as a source of new active money.

Technology

Dawson introduced the next topic of discussion – technology and human interaction – questioning how things will change in the short and long term.

On the topic of remote meetings, Brazier said these have worked well where there was already a previous 'off-line' relationship, saying that it's been possible to challenge management teams – however it is much easier to build relationships from scratch in person. Zimmerman agreed, adding that remote meetings can be a great screening tool, to check the seriousness of investors before using valuable CEO time, yet in-person meetings are preferable before anything is signed and sealed.

Even before the pandemic, MiFID II lessened the importance of sell-side communication – meaning that the burden was already shifting to the company. Zimmerman went on to say that IROs are more important than ever, as must be responsible for controlling the agenda and as many communications as possible.

Kennedy agreed about direct engagement, adding that "Zoom fills the gaps, but I want to get out there, see companies, see factories and shake hands". A point that Dawson reiterated, saying that: "to really know and understand a company, things must be done one-on-one and in person". Cole said that the rise of technology has been a mixed blessing – it's enabled greater efficiency for some teams, reducing travel time and enabling immediate access to certain people – however non-verbal cues, particularly when the stakes are high, can only be seen in person.

The right shareholders

A question from the online audience asked about the future of mergers and acquisitions. Zimmerman saw a slight pause in merger activity, while companies wait to see whether they'll return to normal, or wether we'll stay in this 'new normal' forever. In the UK, Brexit uncertainty has also put the brakes on until at least January – but beyond then merger activity will likely increase.

As the session drew to a close, the participants agreed that having a strong IR team was more important now than ever before. Brazier concluded by saying that "companies get the shareholders they deserve". He reiterated that it is pivotal for IROs to seek the investors that they want, and to have strong relationships with them. He finished by saying: "when times are good – any investor will stick with you, yet when times are testing – that's when [IR] is really important". ■

Reporting by John Thistlethwaite, Silverdart Publishing.

(left to right) Bill Kennedy, Harlan Zimmerman.

Value through ESG

In the last live session, panellists discussed the measurement of company ESG performance, and explained how long-term value is being created.

Gillian Karran-Cumberlege

Rupert Krefting

Julie Hudson

Neil Stewart

Joanna Kennedy

Session 4:
ESG and stewardship as we emerge from the crisis

Moderator: Gillian Karran-Cumberlege, founding partner, Fidelio and honorary fellow of the IR Society

- Julie Hudson, head of ESG equity research, UBS
- Joanna Kennedy, director of IR, Coca Cola HBC
- Rupert Krefting, head of corporate finance and stewardship, M&G
- Neil Stewart, director of corporate outreach, SASB

The session opened with a discussion on the range of standards that exist to map company performance against ESG criteria. Participants noted the resources that companies were expected to extend on meeting a range of requests, and there was consensus that moves to coalesce around a few core standards were an important development. The two pressing challenges were: the time it took companies to put together comprehensive responses; and the effort it took investors to find comparable and useful information about sustainability performance.

In terms of approach, Neil Stewart remarked that SASB had a 'laser-like' focus on investors and provided a lens across 77 industries for interpreting material non-financial information, without rating or ranking companies. Rupert Krefting concurred that, from a buy-side perspective, an industry-level framework made sense as indicators for oil and gas companies would likely be quite different to those in the software or media sectors, for example. M&G analysts use a question bank of around 600 questions, building an ESG scorecard that would eventually be applied to all of the 3,000 investments held.

Julie Hudson commented that UBS's approach focussed on integration and involved a survey of six questions being sent to their analysts, asking them to identify the material ESG issues within their sector. From a company perspective, Joanna Kennedy agreed that ESG issues were more prominent in investor meetings, usually on very specific topics such as packaging.

Emerging stronger

With regard to emerging from the crisis, Hudson emphasised the importance of talking – having ESG specialists engage with sector and industry specialists to understand the issue at the appropriate level of complexity. Stewart suggested that IROs should talk to shareholders about the frameworks they used. He commented that The Task Force on Climate-related Financial Disclosures (TCFD) is an elegant way of framing disclosure. Krefting recommended looking at the courses and qualifications available, including the CFA Institute's ESG course. Kennedy referenced the importance of corporate purpose for motivating staff through difficult times.

Long term value

Other topics raised in the session included the timeframes that companies should use when setting out ESG objectives, the relevance of diversity and inclusion and scrutiny of ESG in public versus private markets. Respondents were broadly aligned on the argument that ESG was a long-term value driver, and that scrutiny in the private markets was unlikely to be any less intense than it was for public companies.

Moderator Gillian Karran-Cumberlege closed the session by highlighting the take-aways of materiality, learning and engagement. ■

Reporting by Alex Money, Oxford Earth Observation

> ‘The TCFD is an elegant and well thought through way of framing disclosure’

IR Society professional development

Our sponsor

Deutsche Bank's Depositary Receipt group is pleased to sponsor The Investor Relations Society's 2020 Professional Development Programme.

American Depositary Receipts (ADRs) are a means for non-US companies to raise their profile with US investors, make their shares more easily available to them and raise new capital in the US. Deutsche Bank's ADR business is dedicated to providing excellent service for companies with ADR programmes.

Deutsche Bank provides all the services necessary to set up and run a successful ADR programme plus a range of added services to ensure that both the issuing company and its investors get the most from the programme. This includes providing specialist investor relations support to companies with ADRs to assist them in communicating with their US investors.

For further information please contact:
Zafar Aziz, director, head of DR IR advisory group
zafar.aziz@db.com or +44 (0) 20 7545 6619

Deutsche Bank

The following pages contain course details, testimonials and information on our courses

The IR Society's professional development programme comprises a suite of courses and qualifications for IR professionals at every stage of their career. Our courses will ensure that you have the tools, techniques and knowledge to perform your role as effectively as possible and our qualifications provide globally-recognised endorsements of your skills, competencies and capabilities.

Courses

Core IR Skills
12 courses

Advanced IR
6 courses

Specialist
3 courses

Qualifications

Certificate in Investor Relations

Diploma in Investor Relations

Courses in 2020

KEY TO COURSES

- Core IR Skills
- Advanced IR
- Specialist

For more information on all of our courses please visit www.irsociety.org.uk/professional-development

PLEASE NOTE: Due to the COVID-19 crisis, we will be delivering most of our courses online

Nov 3 • 9am-4.30pm
Demystifying company accounts and valuations – module one

Nov 4 • 9am-4.30pm
Demystifying company accounts and valuations – module two

Nov 10 • 9am-4.30pm
Leadership in IR

Nov 11 • 9am-4.30pm
IR regulation and compliance essentials – module one

Nov 12 • 9am-4.30pm
IR regulation and compliance essentials – module two

Nov 19 • 9am-1pm
Annual reporting: Best practice in practice

Nov 24 • 9am-1pm
Building your debt IR capability

Nov 25 • 9am-1pm
ESG/SRI: Sustainability issues for IR

Nov 26 • 9am-4.30pm
IR for assistants and coordinators

Dec 3 • 9am-4.30pm
Introduction to IR and the financial markets

Dec 9 • 9am-1pm
Best practice in IR

For more information and to book a course, see www.irsociety.org.uk/professional-development or contact Jessica Hyett at jessica.hyett@irsociety.org.uk or call +44 (0) 20 7379 1763

NEW FOR 2020!

Leadership in IR

Tuesday 10th November 2020 (9am-4:30pm)

This interactive one-day course will explore what leadership means for IR professionals and provides practical advice on how to manage and influence others.

Delegates will examine their own leadership style, strengths and personal brand within a supportive environment. They will gain a greater understanding of the skills and competencies sought by senior managers and boards, and will hear how these have been applied by experienced IR leaders. They will be assisted in considering how to apply their personal style to build a best practice IR function.

It will be of particular benefit both to those looking to progress into a senior role in IR and also to those considering the Diploma in IR.

Note: All attendees will be required to complete a confidential assessment in advance of the course and are encouraged to make themselves familiar with the pre-reading material.

What will I gain?

- A greater understanding of:
    - your natural leadership style and what this might mean for your career development;
    - the skills and competencies being sought by boards and management teams;
    - what a best practice IR team looks like and how to lead it; and
    - current thoughts on leadership; particularly helpful for those thinking of taking the Diploma in IR qualification
- A personal action/ development plan of the next steps to take.

Programme

- Introduction and warm up
- What is meant by leadership: review of the theory
- Understanding your personal style
- How to apply your style to lead and influence
- Understanding the leadership skills a board is looking for: advice from a senior head hunter
- Practical advice on leading a best practice IR function: from those who are doing it
- What next: creating your own action/ development plan

Course tutors

Jon Harris

Jon's unique background means that he is ideally suited to helping professionals develop their writing skills. Jon is a Cambridge english graduate, a qualified teacher of adults and an associate tutor at Goldsmiths University, where he teaches management at BA and MA level. He has been commissioned by several IR teams to assist in writing critical communications at times of significant change. He has delivered writing skills training for the IR Society for several years and has also trained special-interest professional groups in writing skills, including banks, regulators and government departments.

Sue Scholes

Sue is a fellow of the IR Society. She was chair of the IR Society from 2014 to 2016, during which time the Society launched its Diploma in IR (which she continues to support as an examiner) and its Code of Conduct. She was previously chair of the education committee. A CIMA-qualified accountant, she first started working in investor relations in the late 1990's, at GKN plc. She was involved in the demerger of its joint venture businesses and the subsequent listing of Brambles Industries plc in London; as well as the late unwinding of this dual-listed company structure.

Guest speakers

Gillian Karran-Cumberlege is founding partner and head of chair advisory at Fidelio Partners.

Alison Owers is chief executive officer, EMEA at Orient Capital.

Douglas Radcliffe is group investor relations director at Lloyds Banking Group and IR Society board member.

For more information and to book this course, see www.irsociety.org.uk/professional-development or contact Jessica Hyett at jessica.hyett@irsociety.org.uk or call +44 (0) 20 7379 1763

Certificate in IR®

About the CIR

The Certificate in Investor Relations (CIR®) & International Certificate in IR (ICIR®) are internationally recognised qualifications for the investor relations profession. The qualification allows successful candidates to demonstrate their knowledge of the financial and market environment, the regulatory and reporting requirements for listed companies and their sound understanding of the principles of investor relations, which will enable them to operate competently and safely.

The CIR & ICIR Study Guides have been updated and were launched at the start of 2020, the 40th anniversary year of the IR Society. The sections on practical aspects of the role and the equity markets will give you a clear overview of the day to day aspects of the IR role, its contribution to the corporate profile and reputation, and the equity markets on which that company is listed. There are a number of key technical sections, covering legal and governance, regulatory, accounting and reporting obligations, which are by necessity quite detailed.

There are also chapters on topics such as ESG (Environmental, Social and Governance) and on consensus management, which are increasingly a focus of companies and shareholders alike, as well as updates on recent regulation and best practice.

What are the costs to sign up?

- IR Society members: £599 + VAT
- IR Society non-members: £749 + VAT

The fee includes the study materials, login details for the online mock exam and the final examination.

Online examination testimonials

"As soon as I signed up for the CIR, the IR Society was incredibly proactive in reaching out to ensure I had everything I needed. A comprehensive PDF study guide was sent to me, along with details on how I could take practice exams online, remote courses that were available to aid revision, and the booking process for my final exam.

When I felt near ready to take the exam, I reached out to the team (who were very accommodating around my schedule) to book a slot. In the week leading up to the exam, I was provided with all the information I needed ahead of the exam and, on the day, I was able to be on a live call with a member of the IR Society team whilst concurrently taking the exam online. The entire process went very smoothly and it was clear that the IR Society team had worked hard to adapt quickly and successfully to the new remote system."

Vanessa Lau, Black Sun Plc

"My experience of the CIR programme is that it's very well run. Study notes were provided at the outset and the topics were wide-ranging. What I liked most was that technical subjects were not the sole focus of the course; a sizable portion is dedicated to the more practical aspects of an IR role at a large publicly-listed firm.

Given the pandemic, the exam was run seamlessly online through video conferencing and screen sharing. Access to mock exams was provided in the lead-up which helped me get familiar with the types of questions that would be asked, and the platform itself. All in all, a great experience."

Caolán O'Callaghan, Zurich Insurance Group, Switzerland

Key dates for 2020

CIR revision course

- **November 18th**

Our revision course scheduled for 18 November will be held online and will follow the same format to that of a classroom setting, with the same tutor and similar timings. We've held all of our courses this way in recent months and have received excellent feedback.

CIR exam dates*

- **December 2nd**

**As the majority of us are still working from home, we will, until further notice, run CIR and ICIR exams online. You can still sign up to one of our existing exam dates via our website, but it is likely you will be contacted by a member of our team to firm up a specific date and time to take your exam. This is because exams online are held individually rather than in a classroom setting, which means we can only invigilate a certain number in a single day.*

The online process has been very well received, with over 50 candidates having taken their final exam online to date. The process is extremely straightforward and candidates have, we believe, appreciated the level of flexibility we've been able to offer around dates, particularly in the unprecedented times we find ourselves in.

For bookings or further information on either the CIR/ICIR, or revision courses, please contact:

Kim Anderson at kim.anderson@irsociety.org.uk

Studying for the CIR

Home study

The CIR is a self-study qualification based on the IR Society's comprehensive CIR study guide. It is assessed by an examination comprising 60 multiple-choice questions, based on the topics set out in the syllabus.

The study guide provides a comprehensive overview of the main subject areas that you will need to know in order to pass the CIR examination. It is intended to support other learning sources such as courses and reading material. The study guide summarises the required knowledge for each subject area. On average, 40 hours of self-study is recommended to complete the CIR. You should also consider attending other relevant IR Society courses to expand your knowledge base and understanding of the topics covered.

As a revision aid, you can take an online mock examination which will help you assess whether you have grasped the key principles. These questions do not cover every aspect of the CIR examination.

Revision course

Aim

- To clarify the purpose and format of the exam.
- To revise the key areas of the syllabus.
- To deal with any specific issues candidates might need to cover.

Who should attend and what will you learn?

This is intended for registered candidates who have completed the CIR study guide and are preparing to take the CIR exam.

There will be a review of the CIR syllabus and opportunity for Q&A with the course trainer.

Course costs

IR Society member £449 + VAT
Non-member £599 + VAT

The International CIR® or ICIR®

We offer an international syllabus of the CIR which captures the essential elements common to international markets. The CIR currently runs in the UK, Denmark, Hong Kong, Indonesia, Latin America, Malaysia, the Middle East (CIRO), the Netherlands, Singapore and Spain.

Denmark
https://dirf.dk
thp@dirf.dk

Hong Kong
www.hkira.com
info@hkira.com

Indonesia & Sri Lanka
www.iradvantage.asia
jonathan@iradvantage.asia

Latin America
www.governart.com
diana.rubinstein@governart.com

Malaysia
www.mira.com.my
mira@bursamalaysia.com

Middle East
www.meira.me

Netherlands
www.nevir.nl
secretariaat@nevir.nl

Romania
www.ir-romania.ro
dserban@ir-romania.ro

Singapore
www.irpas.com
info@irpas.com

Spain
www.aeri.es
jrodriguezvega@aeri.es

CONTACT

For more information about our international CIR partners, contact Kim Anderson on kim.anderson@irsociety.org.uk

Diploma in IR (DipIR®)

DipIR
ir society DIPLOMA IN INVESTOR RELATIONS

What is the Diploma in Investor Relations?

The Diploma in Investor Relations (DipIR®) is the new senior level qualification from the IR Society. Developed by expert IR practitioners and educational organisations, the Diploma will equip delegates with the skills, tools and expertise they need to become leaders in our profession.

Who should consider the Diploma?

Each candidate will be considered on their own merits. In general, however, it is expected that Diploma candidates will be members of the IR Society, will have successfully completed the IR Society's Certificate in Investor Relations (CIR) qualification and will have a minimum of five years' experience in IR or a related profession.

What is the process?

Candidates will complete an application form and if successful they will be registered for the next available intake.

How is it examined?

Diploma candidates will be examined on three modules and attend two compulsory half-day courses:

Modules:

- Principles of IR Module
- IR in Practice Module
- Presentation Module

Half-day courses:

- Ethics Course
- Revision Course

Candidates will sit two three-hour essay-based exams which will assess their skills, knowledge and experience across the compulsory topics and at least three of the optional topics shown in the syllabus. The exams will also assess familiarity with the UK's legislative and regulatory environment and corporate governance standards, and detailed knowledge of best practice IR and how it adds value. Candidates will also be expected to demonstrate their ability to communicate clearly in writing, identifying and justifying their key messages, their management and leadership potential and their understanding of their company and industry.

The presentation module, where candidates will make a formal 15 minute presentation with Q&A, is designed to test the candidates' competency in some of the softer attributes required as they progress in their career, including gravitas, authority/presence, credibility, clear communication and presentation skills.

On successful completion of the qualification, candidates will receive a certificate and are entitled to put DipIR® after their name.

What does it cost?

The cost for the Diploma is £995 + VAT and this covers: Examination fees, two half-day training courses and support from an IR Society mentor.

Find out more

For more information or to request an application form please contact: **Kim Anderson**, professional development administrator at **kim.anderson@irsociety.org.uk**

DEVELOPING THE DIPLOMA QUALIFICATION FOR IR ADVISERS

In the several years that we have been running our Diploma in IR (DipIR), we have had both IR advisers and in-house IROs participate in the programme together. We are now taking steps to better recognise the differing experience candidates have had, and are looking to tailor the 'IR in Practice' examination paper for each group. This will allow IR advisers in particular to demonstrate their expertise gained while working across a range of clients or sectors, while in-house IROs will be tested on their in depth understanding of the role within a corporate environment.

Please check our website for further details in due course including the criteria for candidates in terms of industry experience.

The IR Society **events** programme

Events news
The events below are scheduled throughout the year for IR Society members. Further events will be announced in due course. For the latest information and to register for our events, please visit irsociety.org.uk/events

Events contact
If you have any events queries or suggestions, please contact Nicolle Oliver at nicolle.oliver@irsociety.org.uk or call +44 (0) 20 3434 2211.

Nov 11 • 4pm-5pm

Senior IRO networking

Dec 2 • 11am-12pm

IR Webinar: Digital IR

October 2020 • IR SOCIETY VIRTUAL ANNUAL CONFERENCE

We were delighted to welcome so many of you to our 2020 Virtual Annual Conference, Embracing change: The new age of IR. Don't forget that all content, including the informative panel sessions and interviews between Evan Davis and our four eminent keynote speakers, is available on demand until the end of October. If you have a ticket already, all you need to do to access the content is log on to our virtual platform. If you missed out on the live event, you can still purchase a ticket by contacting Robert Dann at robert.dann@irsociety.org.uk.

Tuesday 24th November 2020 • IR SOCIETY VIRTUAL BEST PRACTICE AWARDS

Now in their 20th year, the IR Society Best Practice Awards provide a meaningful opportunity to showcase best practice, raise the standard of investor communications and recognise best in class performance.

The entry and judging process for these prestigious awards has not been impacted by the current crisis and the winners will be announced, as planned, at the end of November. Check the website and stayed tuned for details.

The IR Services Directory

The *Informed* IR Services Directory features those organisations who offer key services to the IR community and shows the categories in which they have chosen to appear. This section is published in parallel with the service provider section on the IR Society website – www.irsociety.org.uk For more information, please call John Thistlethwaite on +44 (0)1285 831 789 or email john@silverdart.co.uk

Key to IR SERVICES by category

Annual reports
Black Sun
Brunswick Group
Citigate Dewe Rogerson
CKD
Design Portfolio
EM
Emperor
Fourth Quarter
Instinctif Partners
Investis Digital
invicomm
Luminous
lyonsbennett
Magee
MerchantCantos
Rare Breed
Zebra Corporate Communications

Board advisory
Broome Yasar Partnership
Brunswick Group
Citigate Dewe Rogerson
D.F. King
EM
Fairvue Partners
Fidelio Partners
Georgeson
Institutional Investor
Maitland/AMO
Morrow Sodali
Nasdaq Corporate Solutions
Panmure Gordon
Portland Communications
Powerscourt
RD:IR
Smithfield
Yellowstone Advisory

Company secretarial services
Fidelio Partners

Corporate access
Capital Access Group
ingage
Institutional Investor
Orient Capital
Panmure Gordon
Powerscourt
RD:IR
RMS Partners
Yellowstone Advisory

Corporate branding
Jones and Palmer

CRM databases
ingage
Nasdaq Corporate Solutions
Orient Capital
Q4 Inc.
RD:IR

CSR/Sustainability
Black Sun
Brunswick Group
Citigate Dewe Rogerson
D.F. King
Design Portfolio
EM
Emperor
Instinctif Partners
invicomm
Luminous
lyonsbennett
Magee
Maitland/AMO
MerchantCantos
Morrow Sodali
Nasdaq Corporate Solutions
Portland Communications
Powerscourt
Zebra Corporate Communications

Debt IR
Brunswick Group
Citigate Dewe Rogerson
D.F. King
EM
Fairvue Partners Ltd
Fidelio Partners
ingage
Instinctif Partners
Morrow Sodali
Orient Capital
Powerscourt
RD:IR

Depositary receipts services
Citi
Deutsche Bank
RD:IR

Digital platforms
Emperor
RD:IR
Senasen
Zebra Corporate Communications

Digital platforms
Emperor
Euronext Corporate Solutions
Jones & Palmer
PrinamryBid
RD:IR
Senasen
Zebra Corporate Communications

Event Spaces
London Stock Exchange Group

Executive search
Anna Hartropp
Broome Yasar Partnership
Carter Murray
EMR
Fidelio Partners

Financial PR
Brunswick Group
Citigate Dewe Rogerson
EM
Finsbury
Instinctif Partners
Maitland/AMO
Portland Communications
Powerscourt
Smithfield
Tavistock
Yellowstone Advisory

Internet services
Brighter*IR
BRR Media
Investis Digital
Invicomm
Luminous
Orient Capital
WorkCast Corporation

Investor analytics
Capital Access Group
Institutional Investor
Maitland/AMO
Morrow Sodali
Nasdaq Corporate Solutions
Orient Capital
Powerscourt
RD:IR
RMS Partners
Yellowstone Advisory

Investor presentations
Black Sun
Brunswick Group
Citigate Dewe Rogerson
Design Portfolio
EM
Emperor
FourthQuarter
ingage
Instinctif Partners
Invicomm
Luminous
Lyonsbennett
Magee
Maitland/AMO
Powerscourt
Yellowstone Advisory
Zebra Corporate Communications

Investor targeting and roadshows
Capital Access Group
Citigate Dewe Rogerson
Georgeson
ingage
Instinctif Partners
Institutional Investor
Kepler Cheuvreux
Luminous
Maitland/AMO
Morrow Sodali
Nasdaq Corporate Solutions
Orient Capital
Panmure Gordon
Powerscourt
RD:IR
RMS Partners
Tavistock
Yellowstone Advisory

IR consultancy
Brunswick Group
Capital Access Group
Citigate Dewe Rogerson
EM
Emperor
Equiniti
Fairvue Partners Ltd
Fidelio Partners
Georgeson
HEAR-ir
Instinctif Partners
Investis Digital
Invicomm
KPMG Makinson Cowell
Luminous
Maitland/AMO
Orient Capital
Panmure Gordon
Powerscourt
RD:IR
RMS Partners
Smithfield
Tavistock
WorkCast Corporation
Yellowstone Advisory
Zebra Corporate Communications

IR for small caps
Brighter*IR
BRR Media
Capital Access Group
Citigate Dewe Rogerson
EM
Emperor
Fairvue Partners Ltd
Fidelio Partners
HEAR-ir
Institutional Investor
Investis Digital
Invicomm
Luminous
Maitland/AMO
Nasdaq Corporate Solutions
Orient Capital
Panmure Gordon
Powerscourt
Q4 Inc.
RD:IR
RMS Partners
Yellowstone Advisory
Zebra Corporate Communications

Mobile technology
Brighter*IR
BRR Media
ingage
Invicomm
Orient Capital
Q4 Inc.
RD:IR

News providers
Q4 Inc.

Perception studies
Brunswick Group
Capital Access Group
Citigate Dewe Rogerson
D.F. King
EM
Georgeson
HEAR-ir
Instinctif Partners
Institutional Investor
Maitland/AMO
Morrow Sodali
Nasdaq Corporate Solutions
Orient Capital
Powerscourt
QuantiFire
RD:IR
Rivel Research Group
RMS Partners
Smithfield
Tavistock
Yellowstone Advisory

Proxy advisors and corporate support
Brunswick Group
D.F. King
Equiniti
Georgeson
Instinctif Partners
Morrow Sodali
Orient Capital
Panmure Gordon
RD:IR

Publications
Emperor
Portland Communications

Registrars
Equiniti
RD:IR

Share register analysis
Capital Access Group
Georgeson
Instinctif Partners
Maitland/AMO
Nasdaq Corporate Solutions
Orient Capital
Panmure Gordon
Q4 Inc.
RD:IR

Sponsored Research
Capital Access Group

UK regulatory disclosure
Brunswick Group
Citigate Dewe Rogerson
EM
Instinctif Partners
Powerscourt

Video
Black Sun
BRR Media
Brunswick Group
Design Portfolio
Emperor
Instinctif Partners
Invicomm
Luminous
MerchantCantos
Orient Capital

Webcasting
BRR Media
Emperor
Investis Digital
MerchantCantos
Orient Capital
Q4 Inc.
WorkCast Corporation

Website development
Black Sun
Brighter*IR
CKD
Design Portfolio
Emperor
FourthQuarter
Instinctif Partners
Investis Digital
Invicomm
Luminous
Lyonsbennett
MerchantCantos
Portland Communications
Q4 Inc.
Rare Breed
Zebra Corporate Communications

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BLACK SUN – www.blacksunplc.com

BRIGHTER IR – www.brighterir.com

BROOME YASAR PARTNERSHIP – www.broomeyasar.com

BRR MEDIA – www.brrmedia.co.uk

CAPITAL ACCESS GROUP – www.capitalaccessgroup.co.uk

CARTER MURRAY – www.cartermurray.com

CITI – www.citi.com/dr

CITIGATE DEWE ROGERSON – www.citigatedewerogerson.com

CKD – www.carrkamasa.co.uk

DESIGN PORTFOLIO – www.design-portfolio.co.uk

DEUTSCHE BANK – www.adr.db.com

D.F. KING – www.dfkingltd.com

The *Informed* services directory is published in tandem with the online directory, which is available for members and non-members at irsociety.org.uk/resources/service-providers

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Equiniti Group plc is a FTSE-listed share services and fintech business and is the UK's leading provider of share registration, employee share plans, and associated investor services.

equiniti.com/uk/services/eq-boardroom

EURONEXT – www.euronext.com

EURONEXT CORPORATE SERVICES

Euronext Corporate Services offers a suite of cutting-edge solutions and tailor-made advisory services in the fields of investor relations, communication, governance and compliance, to address the most critical needs of companies on the capital markets.

Contact: corporateservices.euronext.com
corporateservices@euronext.com

FIDELIO – www.fideliopartners.com

FIDELIO

Fidelio Partners is an International Board Development and Executive Search consultancy. We have a deep understanding of what shareholders and stakeholders expect from the leadership team, as well as expertise in the Finance, Communications, Strategy and Governance functions. As such Fidelio has a recognised world class capability in sourcing senior Investor Relations professionals.

Contact: Gillian Karran-Cumberlege
+44 (0) 20 7759 2200
gkarrancumberlege@fideliopartners.com
www.fideliopartners.com

FOURTHQUARTER – fourthquarter.com

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HEAR-IR – www.hear-ir.com

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2020 SURVEY TRENDS

While ESG has been gaining momentum over the years, the last few months have seen a shift in investor interest on the social aspects of ESG, moving it to the top of the agenda.

Global **buy-side professionals** have provided **49%** more feedback;

Global **sell-side professionals** have provided **340%** more feedback;

CEO and CFO categories have seen an increase in nominations and feedback provisions by **271%**;

Feedback on **ESG engagment** has increased by **700% +**;

40% more **individuals have been nominated** than in the previous year.

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