

## Summary of the ESG dialogues between businesses and investors Workshops held with eight French companies between March and September 2025

The French Sustainable Investment Forum (FIR) has produced a detailed summary of the feedback from the ESG workshops conducted with eight SBF 120 companies. These meetings, organised under *Chatham House* rules in pairs of companies and attended by investors between March and September 2025, provided an opportunity to discuss the current model of shareholder dialogue and engagement<sup>1</sup>, its benefits and areas for improvement. The aim of these discussions was to assess existing practices with a view to identifying avenues for sustainable co-creation between investors and companies to improve CSR policies and practices. These ESG workshops were initiated by the FIR based on an observation: the proliferation of discussions between investors and companies on ESG issues in recent years, coupled with the fact that these discussions remain too unstructured, can lead to potential frustrations that limit the quality of the dialogue and the impact of engagement. Whilst they cannot claim to reflect the full range of corporate and investor perspectives on dialogue and engagement, these discussions have highlighted several key and converging points. These are summarised in this report.

### A. General feedback

The discussions revealed several recurring themes and shared expectations on the part of companies regarding the improvement of shareholder dialogue and engagement.

#### I. The need for high-quality, ongoing and tailored dialogue

A key conclusion from all the workshops is the crucial need for continuity and depth in dialogue to establish a lasting relationship of trust.

1. **The need for depth and mutual understanding:** companies believe that, unlike portfolio managers or financial analysts, ESG analysts do not always fully understand their business model or specific constraints. A more in-depth dialogue is deemed necessary to move beyond an overly top-down approach and grasp the robustness of CSR policies. Discussions must be qualitative and focus on specific, material issues for the company to make effective progress.
2. **Preference for the long term and personalisation:** exchanges must be sustained over time. Companies appreciate personalised interactions and value investors' in-depth ESG expertise. They seek proactive exchanges, wish to identify responsible investors to establish a long-term dialogue, and want to be asked about their areas of interest to determine topics for collaborative work.

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<sup>1</sup> According to the definition from the report "Tools for measuring the effectiveness and influence of engagement", FIR, 2026 (forthcoming publication), engagement is based on one or more specific and targeted objective(s), aimed at influencing the transparency, operations and/or strategies of companies on environmental, social and governance (ESG) matters, with the goal of protecting and/or enhancing long-term value creation. It is distinct from dialogue, which does not necessarily involve precise, time-bound objectives. Dialogue is defined as an occasional or recurring, open form of interaction with companies, generally for the purposes of information gathering or knowledge building, and whose objective is not to seek influence.

3. **Time management and decoupling from the Annual General Meeting:** time is a limiting factor for high-quality engagement. It is considered important not to confine dialogue to the Annual General Meeting (AGM) season, even though this is a period conducive to intensifying exchanges. Continuous dialogue throughout the year is to be preferred. One company also notes that E&S issues are often discussed throughout the year, unlike governance issues, which are mainly addressed during roadshows and in the run-up to the AGM.

## II. The burden of reporting requests

Major concerns shared by companies relate to the increasing number of requests, the lack of consistency in non-financial reporting, and certain practices of rating agencies.

1. **The burden of questionnaires and reporting:** companies perceive reporting (activity reports, questionnaires) as a constraint that sometimes causes them to lose sight of the initial objective of sustainable performance. They criticise the cumbersome nature and redundancy of ESG questionnaires. Information already available in public documentation (such as the Universal Registration Document, URD) is often requested again. The reporting burden is often perceived as too heavy, to the detriment of action and the implementation of CSR policies.
2. **Disappointments surrounding the CSRD:** although the implementation of the CSRD was initially seen as potentially beneficial (an 'entity-specific' approach, consideration of positive impacts, dual materiality, etc.), it has led to excessive 'bureaucratisation' and has not, at this stage, produced the hoped-for consistency. Despite significant efforts, companies also lament, to date, a lack of engagement with CSRD sustainability reports by investors.
3. **Limitations related to rating agencies:** companies have expressed frustration regarding the requests made by rating agencies and data providers. This sentiment is shared, particularly due to the opacity of analytical methodologies, which differ from one another and make the reporting process difficult. Some companies have complained that the right of reply to correct false information is not always respected. Furthermore, agencies may sometimes extrapolate data from a subsidiary to the entire group or use a (often American) lens that leads to a biased view of the company's CSR policy.

## III. Expectations regarding co-creation and impact

Companies are calling for a shift in engagement towards a model where investors play the role of active and transparent partners.

1. **Co-creation as a lever for progress:** the overall objective is to develop a more constructive engagement and to co-create solutions that can have a positive impact on companies' ESG practices. Some companies have seen their policies positively influenced by investors' expertise or requests. For example, one company cited internal progress following the question on living wages raised by the FIR five years ago during its written question campaigns. This ties in with the idea that, to maximise effectiveness, progress within companies should be targeted at specific points rather than the overall strategy, and a continuous dialogue should be built over time.
2. **More feedback and transparency expected:** a major criticism concerns the lack of systematic feedback from investors following discussions. Companies lament a lack of transparency regarding how their data is used and incorporated into investors' analysis and decision-making processes.

3. **Need to demonstrate impact:** from the investors' perspective, the need to prove the results of their actions—the fact that they have contributed to a company's development over two or three years—is becoming increasingly crucial, particularly under market pressure such as that exerted by the SRI label. This timeframe is also often considered too short to see the results of the engagements undertaken, particularly when the engagement objectives are material and strategic.
4. **Complexity of world wide expectations:** finally, a growing challenge lies in managing the divergent and sometimes contradictory expectations of investors worldwide (American, Scandinavian, European, etc.). Some companies even note a waning of engagement on ESG issues or a request from certain Anglo-Saxon shareholders not to address these topics.

## **B. Specific features**

We have also identified several specific points based on the companies we have met:

1. **Difference between Large and SMID Cap:** one of the Large Cap companies surveyed perceives shareholder engagement as highly 'process-driven'. Investors are said to apply their policies indiscriminately, leading to a certain degree of wariness on the part of the company, which views these requests as too far removed from its material issues and/or lacking clear objectives. Conversely, one of the SMID-caps surveyed views this engagement as a genuine opportunity to take a step back, benchmark performance and prioritise communication efforts. In other words, the company is aware of its room for improvement, particularly thanks to interactions with specialist investors.
2. **Collaborative engagement:** generally speaking, the perceived value of dialogue depends in part on the forms of engagement adopted (one-to-one, collaborative, frequency, etc.). All companies agreed on the value of one-to-one dialogue, but they were not unanimous regarding the value of coalitions: some are considered more valuable than others. In some cases, it would be helpful to define more clearly the objectives of these initiatives, which can seem vague at times, with a wide variety of demands. Furthermore, one company notes that the most engaged investors often hold a small share of the capital, which it believes undermines the credibility of coalitions. Nevertheless, some companies see real value in these collective commitments as they encourage them to seek information, or even act, whilst ensuring genuine follow-up over time. Furthermore, these coalitions are highly valued when they provide information on the quality of the company's practices through benchmarks or the sharing of best practices.
3. **Submission of resolutions:** perceptions of resolution submissions vary from company to company. Some see them as a means of capturing the attention of management and the board of directors, often following a breakdown in dialogue with investors, whilst others view them as an escalation leading to consistently negative media coverage for the company, which can strain relations with investors and ultimately undermine the intended objective.
4. **Exclusion policies:** according to some companies, exclusion policies contribute to a disconnect with European investors and a strengthening of the US shareholder base, which is often less sensitive to ESG issues, thereby exerting pressure on companies' strategic direction. In this context, the shift from exclusion to engagement requires a credible shareholder engagement strategy, whilst recognising

that the changes made by companies are driven by multiple factors and that the direct contribution of one or more investors is often difficult to demonstrate.

Taken together, companies agree on the need to reduce the ‘bureaucracy’ associated with the proliferation of standards and demands, **to prioritise continuous, long-term engagement to build trust, and to focus on material and specific issues by adopting a co-construction approach.** The effectiveness of shareholder engagement will depend on investors’ ability to provide relevant expertise, to structure their engagement activities, to monitor them over time, and to measure the contribution and outcomes of their actions. Based on the findings identified in these workshops and other work carried out on these topics<sup>2</sup>, the FIR continues to promote credible, constructive and effective engagement actions and to promote and develop best practices.

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<sup>2</sup> See, for example, the report “Tools for measuring the effectiveness and influence of engagement”, FIR, 2026 (forthcoming) and the **Guide to Shareholder Dialogue**, Paris Europlace, June 2024

## **Appendix I: Names of companies met and investors present**

### List of companies met:

- Bouygues
- Carrefour
- Engie
- Kering
- Orange
- Rubis
- Veolia
- Wavestone

### Non-exhaustive list of investors present:

- Crédit Mutuel AM
- ERAFP
- Generali AM
- LFDE
- Rothschild & Co AM
- Sycomore AM