

From ESG Reporting to Investor Intelligence

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For years, companies have been asked to disclose more sustainability information. I am no longer convinced that "more" is the right objective. The harder question is what investors can actually learn from what is disclosed.

A climate target is useful; knowing whether the company has committed the capital to reach it is more useful. A responsible sourcing policy matters, but what happens when a supplier fails to meet it tells you considerably more.

This is where investor relations (IR) can play a larger role. Sustainability information should tell investors something about the business itself: its strategy, its weak points, the choices management is making and, in the end, its financial prospects. Artificial intelligence adds urgency. For IR, its significance lies less in its ability to draft another sustainability report than in its ability to read several of them side by side.

From commitments to evidence

The OECD's Responsible Business Outlook 2026 offers a telling data point. Among the world's 10,000 largest listed companies, 69% have made public commitments on at least one responsible business conduct issue, yet only 6% disclose supplier monitoring results on social issues.[1]

The two figures measure different things, and the gap between them is not a failure rate. Nor does the absence of public information prove that nothing is happening inside a company. Still, the contrast says something: commitments are far easier to see than evidence of what follows them.

For investors, that is the difference that counts. A policy explains what a company intends to do; evidence shows how it is being implemented; results show whether it is working.

Take a supplier code of conduct. Its existence tells us relatively little. How are higher-risk suppliers identified? What happens when a problem is found? Do the prices and delivery deadlines the company itself sets make compliance realistic? And after corrective action, does anything actually change? In supply-chain compliance work, these are usually the questions where the real answers lie, and they concern how the company operates, not only its sustainability programme.

Connecting sustainability to the business

Climate works the same way. An emissions target becomes far more informative once it is tied to investment decisions: which equipment has to change, what the company is assuming about energy prices and technology, and which projects have actually been funded rather than remaining longer-term intentions.

IFRS S1 is a useful reference point here, since it focuses on sustainability-related risks and opportunities that may affect a company's cash flows, access to finance and cost of capital.[2] For investors, though, identifying the risk is only the start. What they need to understand is what it means for this particular business. A water constraint may cap production. Labour problems in the supply chain may disrupt operations or damage customer relationships.

[1] OECD (2026), *OECD Responsible Business Outlook 2026: Making Commitments Count*, OECD Publishing, Paris, 30 June 2026, https://www.oecd.org/en/publications/oecd-responsible-business-outlook-2026_2b15370f-en.html

[2] IFRS Foundation (2023), *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, June 2023, https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/

A transition may absorb significant capital long before it produces a return.

There is an opportunity side as well. Energy efficiency, product redesign and better use of resources can improve competitiveness. Here, too, easy conclusions should be avoided: not every sustainability investment creates value, and a sustainability label does not by itself lower the cost of capital.

Human rights deserve a separate word. Respecting them is a responsibility in its own right, whatever the financial consequences.

When AI reads the whole story

AI changes the picture in a practical way. An investor can now compare what a company said three years ago with what it says today, and set both against its financial statements, capital expenditure plans, earnings calls and investor presentations.

Suppose a company describes an accelerated transition in its sustainability report while its investment programme looks largely unchanged. The obvious question is how the transition will actually happen. There may be a perfectly good answer: operational improvements that need little capital, a partnership that brings in the technology, or spending that falls outside the current planning period. What AI has surfaced is not necessarily an inconsistency, but a question.

That distinction matters, because reporting boundaries shift, methodologies improve, acquisitions alter the numbers and targets are sometimes revised for legitimate reasons. AI can spot differences quickly; without context, it cannot tell what they mean.

IR teams can turn the same tools inward: checking the company's own communications for consistency, tracking recurring investor questions and seeing how peers explain similar issues. Used this way, the technology improves preparation. The judgement still has to come from people who know the business.

Intelligence in both directions

IR has traditionally helped management explain the company to the market. Increasingly, it can also help management understand how the market sees the company. To me, this is where the role becomes particularly interesting.

Suppose investors keep asking how a transition plan will be funded. The disclosure may be unclear. Management may not yet have taken the investment decision. Or investors and management may simply disagree about the pace of the transition. These are three very different situations, and knowing which one you face is genuine intelligence.

Getting there requires IR to work closely with finance, sustainability, operations and legal. Important metrics need clear boundaries and methodologies, and material claims need evidence behind them. When figures or assumptions change, someone must be able to say why. When an investor presentation tells the story differently from another corporate report, the difference should be explainable.

There is also a legal dimension. An unexplained gap between what a company tells investors in one document and what it says in another is not only a credibility problem. In investor-facing disclosures, depending on the facts, it may raise questions of misleading disclosure under capital markets rules. Consumer-facing communications are a separate matter: where sustainability claims are used in advertising and other commercial practices, rules on misleading environmental claims apply. In Türkiye, the Advertising Board's guidelines on advertisements containing environmental claims set out how such claims are to be presented and substantiated.[3] The tools that help investors find such gaps are equally available to regulators, activists and litigants. Consistency is therefore as much a matter of risk management as of communication.

[3] T.C. Ticaret Bakanlığı, Reklam Kurulu (2022), *Çevreye İlişkin Beyanlar İçeren Reklamlar Hakkında Kılavuz* [Guidelines on Advertisements Containing Environmental Claims], https://ticaret.gov.tr/dis-iliskiler/yesil-mutabakat/duyurular/cevreye-iliskin-beyanlar-iceren-reklamlar-hakkinda-kilavuz

In Türkiye, this is no longer a theoretical question. Companies within the scope of the Turkish Sustainability Reporting Standards (TSRS) now publish sustainability disclosures, subject to assurance, that investors can read side by side with their financial statements, and a useful reference already exists for connecting the two. The national standard-setter, KGK, which also issues the TSRS, has published a voluntary management commentary framework, TFRS Uygulama Bildirimi 1 (Management Commentary). It addresses connections across corporate reporting and covers apparent inconsistencies with other communications, including investor presentations and press releases.[4] That kind of discipline becomes more valuable as information becomes easier to compare.

Beyond compliance

Companies will continue to comply with the reporting rules that apply to them, but compliance is only part of the IR task. Investors also need to understand what the information means, where uncertainty remains and what management is doing about it. That includes explaining delayed projects, revised assumptions and changed targets with the same care usually reserved for achievements.

In practice, a few habits go a long way: a single owner and definition for each key metric, used in every document where it appears; a short, standard explanation whenever a target, baseline or methodology is revised; a record of recurring investor questions that is reported to management and the board; and a consistency check of investor materials against the sustainability report and financial statements before publication.

AI will make corporate information faster to search and easier to compare, but it will not make the difficult judgements go away. Rules and technologies will keep changing. The most useful investor questions, I suspect, will stay fairly simple: what matters to the business, what evidence supports management's view, and how it intends to respond.

Answering those questions well — and carrying the answers back into the company — is where sustainability reporting stops being simply a reporting exercise and starts becoming investor intelligence.

[4] Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK) (2026), *TFRS Uygulama Bildirimi 1 – Yönetimin Açıklamaları* [TFRS Practice Statement 1 – Management Commentary]