



Financial Reporting Council

Financial Reporting



# Video in corporate reporting

Digital Future of Corporate Reporting – October 2020

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### Examples used

Our report highlights examples of current practice that were identified by the Lab. The examples used are selected by the Lab to illustrate principles of interesting practice, but they should not be taken as confirmation of acceptance of the company's reporting more generally.

### How to access the examples

For each video we have included both a link and a QR code. For those reading the report in a printed form, the QR codes provide a way to directly view videos using a mobile phone. To use the QR codes point your camera at the QR code (special QR reader apps may be required for older phones). The phone should then take you automatically to the **video**.



If you have any feedback or would like to get in touch with the Lab, please email us

at: [financialreportinglab@frc.org.uk](mailto:financialreportinglab@frc.org.uk).

## Quick Read

### Video in corporate reporting

Companies have many tools and media with which to communicate with investors and other stakeholders. Whilst the use of video has increased in recent years, it still is not being used to its full potential, with videos of annual general meetings (AGMs) being a particular area where more development is needed.

This report looks at how companies currently use video in corporate reporting, considers how it might be used in the future and explores some interesting examples. Companies that use video well consider the purpose and objective of the video and tailor the length, content and placement accordingly. Our review of current practice identified four different types of video:

- News-focused;
- Insight-focused;
- Aspirational; and
- Narrative-focused.

We used these categories to consider the effectiveness of their use and highlight some interesting practice.

### News-focused video



News-focused videos are often connected to the overall reporting cycle and feature prominently on corporate or investor home pages. Specific areas where companies use such videos include:

- results days;
- corporate news;
- analyst/investor days; and
- AGMs.

Examples that worked well:

- *Share a clear message*, delivered with confidence by a credible voice of the company (often the CEO, IR director or CFO).
- *Provide context* for the video including the date and connection to the reporting process (e.g. the half-year 2020 results issued on 12 December).
- *Give deeper insight* with details and narrative that provide more than simple repetition of the key metrics.
- *Support other material* with clear links to additional material, such as full statements and transcripts.

### Insight-focused videos



Insight videos aim to provide more detail into a specific aspect of a company's business, relationships or operations. We observed many uses for these videos, including those that provided insight on:

- business model;
- process;
- product;
- divisions; and
- operations.

Examples that worked well:

- *Provide real insight* by going further than simply showing an aspect of a company by providing detail and context.
- *Don't feel overly choreographed and feel* akin to a physical interaction, visit or meeting and not like a strictly scripted advert.

#### Video use in the FTSE 350

We looked at the use of video at a sample of 50 companies. 86% were using video to some extent. Prevalence of video was higher in the FTSE 100 (100%) than the FTSE 250 (72%). Of the different approaches, News and Insight-focused were the most common uses, with Aspirational the least used.

### Aspirational video



Aspirational videos look forward to a state that the company would like to achieve. They can be a good way of quickly communicating such information, without having to fully explain it. We observed several uses for aspirational videos, including to explain:

- sustainability targets;
- future visions; and
- purpose.

Examples that worked well:

- *Don't date quickly* – by focusing on longer-term goals and aspirations.
- *Engender trust* – using senior leaders, employees and external partners to provide credibility.
- *Inspire* – using the power of the medium to show quickly and simply what is being aspired to.
- *Are business relevant* – going beyond concepts and high-level statements to show a link to the business and its operations.
- *Are multi-stakeholder* – focusing on themes and goals that were of interest to a wide range of company stakeholders.

### Narrative-focused video



Narrative videos tell a story about the company, such as its history or its work on sustainability issues. We saw a number of uses of narrative video, including:

- sustainability actions;
- corporate history; and
- stakeholder and community actions.

Examples that worked well:

- *Resonate with stakeholders* – taking an aspect which they know about a company and expanding and enriching their understanding.
- *Tell a connected story* – with a proper narrative flow.
- *Are appropriately leveraged* – across different communication channels, periods and audiences.

### Examples of interesting practice

#### News-focused

[Royal Dutch Shell Plc](#)

[Prudential Plc](#)

[Informa Plc](#)

[Marks and Spencer Group Plc](#)

[Rolls Royce Holdings Plc](#)

#### Insight-focused

[U and I Group Plc](#)

[Ballie Gifford - Monks Investment Trust Plc](#)

[Victrex Plc](#)

[Ascential Plc](#)

#### Aspirational

[Legal & General Group Plc](#)

[J Sainsbury Plc](#)

[JD.com Inc](#)

[Assura Plc](#)

[AstraZeneca Plc](#)

#### Narrative-focused

[Virgin Atlantic Limited](#)

[Burberry Group Plc](#)

[Co-operative Group Limited](#)

## Introduction

### Video in corporate reporting

Companies have many tools and media to communicate with investors and other stakeholders. While PDF remains the most popular medium by far, video is often identified by both companies and investors as an area where future development is expected.

This report looks at how companies currently use video in corporate reporting, considers how it might be used in the future and explores some current interesting examples.

This report is not about promotional videos used to attract customers, but about those which are investor-focused, or which have a multi-stakeholder audience, of which investors are an important part.

### How is video being used currently?

To gain a better understanding of the current scope and nature of video use for investor-focused communication, the Lab undertook a review of 50 (randomly selected) companies from across the FTSE 350. We reviewed their investor-focused reporting (across multiple

years) to see if and how they are using video to communicate (see next page). Our review identified four distinct types of video that we have categorised as follows:

- News-focused;
- Insight- focused;
- Aspirational; and
- Narrative-focused.

We use these categories to explore current examples and approaches throughout the rest of the report.

### The Lab's work on technology

The Lab has looked at a number of leading edge and developing technologies and their potential impact on corporate reporting. Our [Digital Present](#) project showed that technology provided new ways for companies to interact with their stakeholders, but that many of these new mechanisms were not delivering on their promise of transformative change. The [Digital Future](#) project continued these themes and aimed to understand how new and developing technologies are used to disseminate company communications in the most efficient manner. Across these deep-dives we considered [XBRL](#), [Artificial Intelligence](#) and [Blockchain](#) and are now working on a report covering virtual and augmented reality. Whilst this report is not directly part of that project, we consider it important to consider how the current generation of technology is being deployed before assessing the opportunity that new technology offers.



**News:** Videos that tie to a specific event such as year-end results, an acquisition or a new strategy.

**Aspirational:** Videos that look forward to a state that the company would like to achieve.



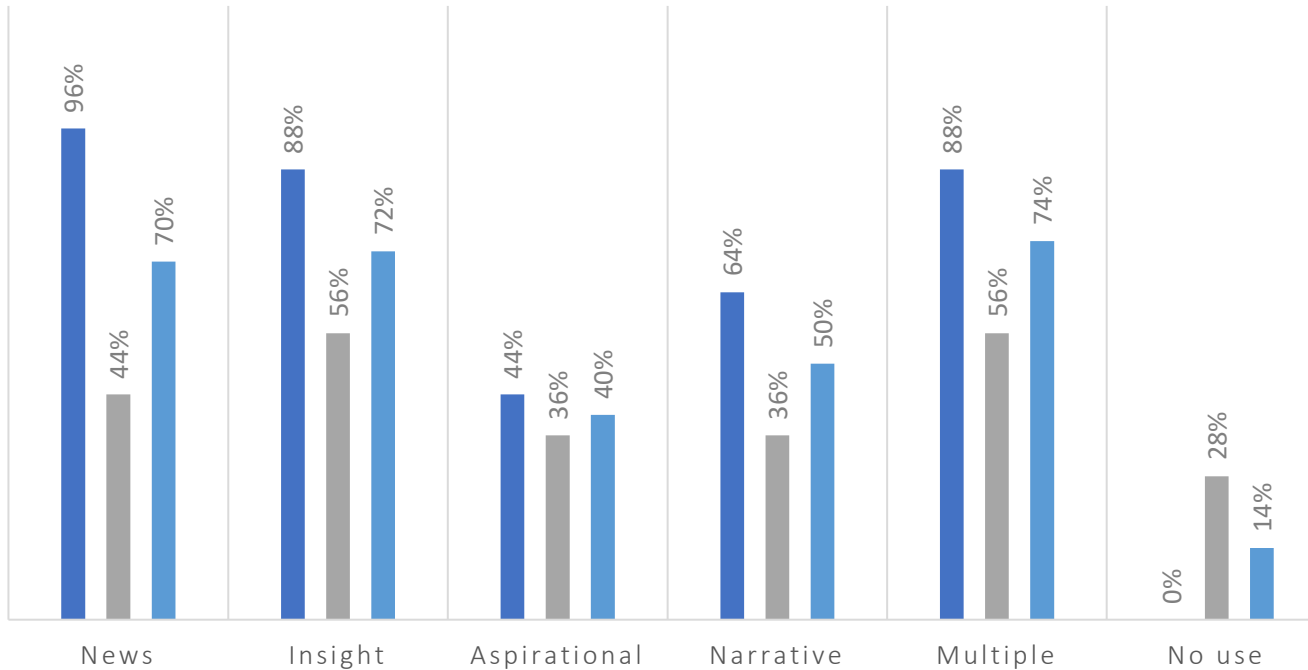
**Insight:** Videos that provide insight into a specific aspect of a company's business, relationships or operations.

**Narrative:** Videos that tell a story about the company, such as its history or its work on sustainability issues.



## Types of video use across the FTSE 350

■ FTSE 100 ■ FTSE 250 ■ FTSE 350



### Video use in the FTSE 350

Across our sample of 50 companies, 86% are using video to some extent. The use of video was higher in the FTSE 100 (100%) than the FTSE 250 (72%). Of the different approaches, News and Insight-focused videos are the most common uses, with Aspirational being the lowest. This shows that videos are a key element of the communication suite for many companies.

## News-focused video



These videos, focused towards investors, tie to a specific event such as year-end results, an acquisition or a new strategy. Often these videos are filmed as direct-to-camera pieces by the CFO or CEO.

Company reporting is often driven by scheduled events such as annual/interim results or one-off activities such as acquisitions or disposals. It has become common practice for companies to support these events with short (3-5 minute) videos, often fronted by the CEO or CFO.

News-focused videos were the most common category in our sample, with 96% of FTSE 100 companies using such videos. Use by the FTSE 250 was lower, with only 44% of companies producing such videos, possibly due to cost or lack of resources and expertise.

### Uses

News-focused videos are often clearly connected to the overall reporting cycle and feature prominently on corporate or investor home pages. Specific areas where companies use such videos include:

- **Results days**– Many companies use short videos to provide context to the results presentations. These videos can be very effective in communicating key messages quickly, although if they appear over scripted (or badly delivered) they may not achieve this.
- **Corporate news**– Some companies use videos to support strategic announcements such as mergers/demergers, acquisitions and strategy changes. Videos provide an opportunity to focus on key aspects of the change and explain the context in a short and engaging manner. Companies should consider if such videos are targeted (and accessible) to the right stakeholders. If promoted and referenced properly, such videos are of interest to investors, employees and customers.
- **Analyst/Investor days**– Many companies record their analyst days. These provide a good opportunity to communicate much more in-depth information about the business, especially where they are supported by additional analysis. Providing video access to these allows retail and non-UK investors to take part which helps avoid an asymmetry of information. Where companies do provide such recordings it is useful to provide a full transcript (including Q&As).
- **Annual general meetings**– Some companies produce recordings of their annual general meetings, with a few experimenting with fully live broadcast AGM events (virtual or hybrid).

While in theory such videos should provide stakeholders with a clear, concise and timely overview of the company, they often don't deliver this.

Examples that worked well:

- **Share a clear message**, delivered with confidence by a credible voice of the company (often the CEO, IR director or CFO).
- **Are authentic** and not overly scripted. Companies are experimenting with different formats to deliver an authentic feeling video, such as using an interviewer or in some cases an investor (e.g. Netflix) to pose questions.
- **Provide context** for the video including the date and connection to the reporting process (e.g. the half-year 2020 results issued on 12 December – see next page).
- **Give deeper insight** with details and narrative that provide more than simple repetition of the key metrics.
- **Support other material** with clear links to additional material, such as full statements and transcripts.

Over the next few pages, we consider some examples of interesting practice for each use case.

## Regulation and video

Whilst video has been used in corporate reporting for at least a decade, the explosion of video and social media that utilises it brings challenges for companies in terms of understanding the relevant regulations and requirements. This section highlights some of the key considerations that companies might want to consider.

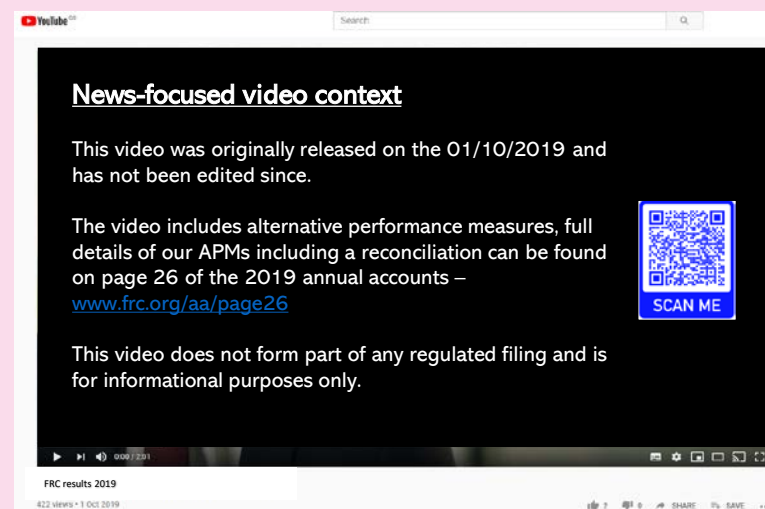
## Price sensitive information

In the report we consider news-focused videos which are often tied to corporate reporting events such as mergers and results. Whilst we highlight the value of video as a timely means of communication it is important to note that price sensitive information must be released via official channels using a regulated information service (such as RNS). Reporting through the RNS is focused on text as it is this that is furnished to the market and third-party data providers. Videos should therefore support the release but not act as the release itself.

## Alternative performance measures

Videos that are focused on results often will include both IFRS metrics and management metrics (referred to by regulators as alternative performance measures (“APMs”)). APMs are covered by a number of different pieces of regulation depending upon which market a company is listed on. In the UK the FCA reference [guidance](#) that has been provided by the European Market and Securities Authority (ESMA) which requires (amongst other things) that companies using APMs in regulated documents reconcile these to IFRS equivalents and disclose the rationale for using the measures. These disclosures can be either directly incorporated in the document or through cross-reference. The guidance does not directly cover videos, and whilst the majority of such videos may simply support other disclosure that are covered by the reconciliation, it is useful for companies to reference these compliant disclosures within the video. This reduces the risk that investors

might misunderstand the performance metrics and focuses attention back to the complaint document. This cross reference could be included as text before/after the main video or might be included within the videos descriptions (see example below).



## Use in social media

Videos are a key tool to communicate on social media platforms and form sharable content. Whilst many social media platforms have their own rules and guidelines there are [also relevant FCA rules](#). The rules are focused principally on companies providing regulated financial services to consumers the concept of inducing consumers to take action (investing) is not significantly different from how many companies use video to communicate corporately. The rules focus on the concepts of social media messages being **clear, fair and not misleading** – these form useful principles for companies to consider all their videos and have similarities to the requirements for corporate reporting (the Strategic Report) to be [fair, balanced and understandable](#).



 Results day



**Royal Dutch Shell Plc**  
 CEO / CFO Q1 results video 2020

Shell Global | Inside Energy | About us | Investors | Media | Shell Global

Home | Motorists | Shell Energy | Business customers | Energy and innovation | Sustainability | Careers

Shell Global > Investors > Financial publications > Quarterly results > Quarterly results - 2020 > First quarter 2020 results - April 30, 2020

## FIRST QUARTER 2020 RESULTS - APRIL 30, 2020

Apr 30, 2020

On Thursday April 30, 2020 at 07:00 BST (08:00 CEST and 02:00 EDT) Royal Dutch Shell plc released its first quarter results and first interim dividend announcement for 2020.

On this page a summarised overview of the Royal Dutch Shell plc first quarter 2020 results and links to the full set of results documents and webcast.

- [CEO & CFO video comment](#)
- [First quarter 2020 summary of unaudited results](#)
- [First quarter 2020 results financial documents](#)
- [First quarter 2020 dividend announcement](#)
- [CEO statement](#)
- [Chair of the Board statement](#)
- [Webcasts and presentation slides](#)

### CEO & CFO video comment

Shell CEO Ben van Beurden on Q1 2020 results | Investor Relations

Watch later | Share

**What is useful?**

Shell’s video covers the key financial highlights. The company places the video up-front which drives users to the content.

The video includes both the CFO and CEO and covers both financial and strategic issues. It is embedded within the company's website. This allows it to be supported on the page by a transcript and key results numbers that allow investors to access the key information quickly. The video page can also be shared directly via social media, allowing others to reference the content.



## Corporate news

**On 21 October 2019 Prudential plc  
completed the demerger  
of M&G plc**



### **Prudential Plc** Demerger video – October 2019

#### **What is useful?**

Prudential plc's video was released at the same time as the demerger of M&G. It provides a clear context for the video (including time-stamping). In a concise manner, it details the high-level strategic rationale for the demerger and reiterates the purpose and opportunity for the remaining group. The video is available via the company's YouTube channel and therefore can easily be found and accessed by investors, employees and policyholders.

 **Investor Day**



**Informa Plc**  
[Investor Day 2019](#)

**Investor Days**

We organise regular investor Days for institutional investors and analysts as part of our ongoing engagement with shareholders.

Informa's 2019 Investor Day was held on 10 May in London, with the theme of Depth & Specialisation.

[Full 2019 Investor Day Recording](#)

[2019 Presentation Pack](#)

[2019 Transcript](#)



2019 Investor Day highlight

**What is useful?**

Informa's 'Investor Days' page includes links to the key sessions of the day, videos, transcripts and presentation packs, allowing investors and other stakeholders to review all relevant information. Informa also includes a short summary video, which provides a quick overview of the day.

**Informa Markets**

 **informa markets**

Divisional CEO Charlie McCurdy provides an overview of Informa Markets and our enlarged Exhibitions portfolio, followed by focus sessions on the Pharma and Fashion portfolios and our China focus.

[Strength & Growth from Specialisation](#)

[Specialist Markets: Pharma Focus](#)

[Specialist Markets: Fashion Focus](#)

[Specialist Markets: China Focus](#)



Informa Markets  
 Information only

**Informa Tech**

 **informa tech**

Divisional CEO Gary Sargent introduces the new Informa Tech Division, followed by focus sessions on our Artificial Intelligence and Cyber Security capabilities.

[Accelerating Annual Specialist Markets](#)

[Specialist Markets: Artificial Intelligence](#)

[Specialist Markets: Cyber Security](#)



2019 Investor Day - 10 May 2019

**QUESTIONS & ANSWERS**



### Tips on what **NOT** to do

Across our sample (and through our wider research), we also saw examples of News-based video that didn't work well. Videos that didn't work exhibited issues in relation to content, delivery and promotion/storage.

#### Content

- **Filmed too early** – balancing a filming schedule with the reporting process can be a challenge. However, some videos we saw appeared to be filmed too early in the process and therefore only delivered vague directional messages (“it has been a great year”) rather than specific, contextualised IFRS numbers. Filming too early limits the value of the video.
- **Unclear** – where the video requires a watcher to watch to the end before they can assess if the video contains useful information. This can be very frustrating when videos are long (more than 2 minutes). A video that provides clear context (either in the video or in the accompanying text) about what is in it and what period it covers is highly valued. Similarly, a transcript of the video provides both a useful tool to investors and is important for accessibility. For analyst day videos, providing slides as a separate document is also valued.

#### Delivery

- **Not engaging** – a video fronted by a CEO or CFO can add gravitas and authenticity to the message. However, many videos are presented in an unnatural or wooden way. This impacts both the believability of the message and has the potential to reflect badly on the presenter.
- **Too ethereal** – news videos by their nature should deliver key information quickly and concisely. Some news videos appeared to be more focused on marketing aspiration rather than delivering clear information.

#### Promotion and storage

- **Stale** – while good video content can remain relevant for some periods, much of the current corporate content that is news-driven needs to be constantly tendered and refreshed. A CEO feed that hasn't been updated for 18 months raises questions.
- **Not archived** – while the focus for many users is the most recent content, ensuring that older information remains available is also important, especially if that material is linked or referenced to, or from, other material.

## AGM videos

The percentage of UK equities held by non-UK based shareholders has increased dramatically over the last few decades and now accounts for more than 50% of UK companies' [ownership](#). Given this fact, we were surprised that across our sample of 50 companies, the number of companies producing a video or audio recordings of AGMs, or that allowed participation virtually, was low.

Pre-COVID the number across the sample was zero. Post-COVID this had increased to 10 (with five companies not yet having held a 2020 AGM). This is low, especially when analyst days and other events are broadcast almost by default.

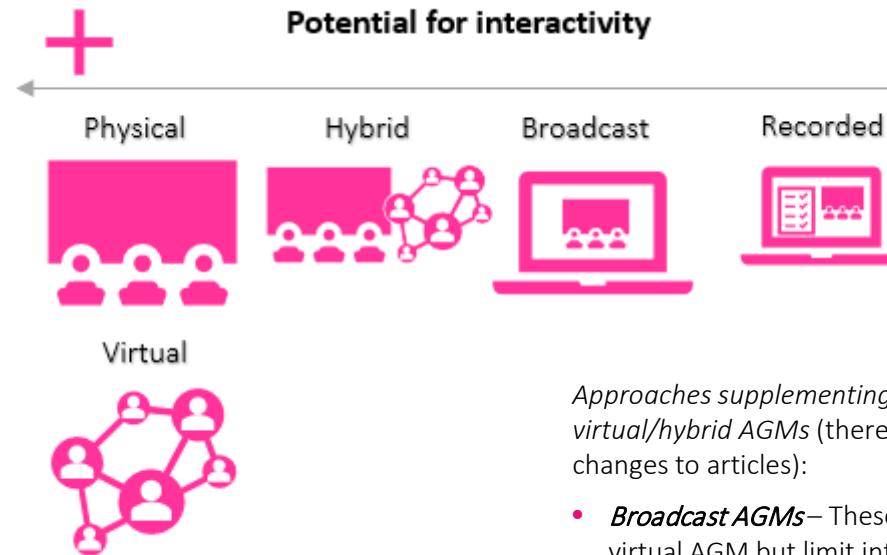
Whilst there are potential barriers to online/digital enabled AGMs (including cost and regulation - see next page) they are not insurmountable and therefore there is an opportunity to go beyond a physical-only approach to AGMs.

### Time for experimentation?

For those looking to experiment with a more digital approach, there are several options, some of which require longer-term changes to articles and others that do not. The key components of an AGM are:

- Presentations on performance;
- The voting process; and
- An opportunity for Q&A.

Different elements may lend themselves more readily than others to an online or video delivery.



Options to consider include:

*Approaches replacing physical AGMs* (and therefore requiring changes to articles):

- **Virtual AGMs**—These AGMs replace the entire physical event with an online conference call. All AGM activity is covered during the meeting. Questions are either asked live or sent to the company to be answered.
- **Hybrid AGMs**—These AGMs combine a physical event with the ability to join virtually via phone or software. All AGM activity is covered, and questions are placed to the board as normal, although some restrict questions to those physically present.

*Approaches supplementing physical or virtual/hybrid AGMs* (therefore not requiring changes to articles):

- **Broadcast AGMs**—These AGMs are similar to a virtual AGM but limit interaction for attendees. Often these might also cover only a limited aspect of the AGM program (often focused on Q&A and performance), with a closed meeting for official business and votes.
- **Recorded AGMs**—These are video or audio recordings of the full or parts of the AGM (either Physical/Virtual or Hybrid). They provide those who cannot attend an opportunity to review the AGM and, if archived, provide historical transparency.

### AGMs and impact of Covid-19

A recent [note issued by the ICSA, FRC and Slaughter & May provided](#) guidance to companies on options for AGMs during COVID. The guidance noted that:

*“Virtual-only meetings might not be viable given they may not constitute valid meetings. However, if the Articles allow this, companies can conduct a hybrid AGM (a combination of a physical and electronic meeting). If a company has already issued its AGM notice for a physical-only meeting but its articles allow a hybrid AGM, it can change to a hybrid AGM. An announcement should be made to reflect this decision and the website should be updated. Companies conducting a hybrid AGM should make shareholders aware that they can participate fully in the AGM electronically.”*

To support companies during COVID-19 BEIS has provided additional legal guidance through the [Corporate Insolvency and Governance Act 2020](#), which provided companies with a temporary ability to hold virtual or hybrid AGMs even where not allowed under their articles. This temporary allowance has been extended until the end of 2020. However companies wanting to use hybrid or virtual AGMs may need to consider changes to their articles in the longer-term.

### Advantages and disadvantages of a more digital AGM approach

Advantages of a digital AGM include:

- It can reach a wider range of shareholders by not requiring attendance at a specific location.
- It can also serve a wider purpose and can be used to communicate with potential and current stakeholders.
- Videos can be both recorded and automatically transcribed, which provides additional value to those reviewing later.
- It can be delivered at relatively low cost and on a short timeframe when compared to traditional venue-based approaches.

Disadvantages of a digital AGM include:

- Shareholders lose an opportunity to meet with management and raise questions in person. Some methods of organising digital AGMs (e.g. preselected questions) may further perceptions of bias.
- Digital / Virtual AGMs require both connectivity and some level of technical skill, which may impact the attendance and involvement of some shareholders.
- Adding digital to a physical AGM (or adopting a full virtual AGM) has costs attached. However, rapid development in the technology and availability of low cost video is bringing these down.

### A lost opportunity

AGMs are an opportunity for companies to engage with their shareholders in a transparent way, and physical distance should not be a barrier to this. Given the value of AGMs there is an opportunity to make these widely accessible through technology.



### Digital AGM tips – what to do

As part of the Lab's review, we observed a number of approaches to digital AGMs. Some specific tips for AGMs are as follows:

- Try to limit the need to download specific software to view or participate in the AGM.
- Live viewing is encouraged. If this is being made available, make sure that instructions are clear and that support is available to help when there are technical issues. Consider resending instructions one hour before the event to ensure that they are to hand.
- Consider how best to facilitate the posing of questions by the attendees. Some companies have opted for an interviewer style which can be effective, although can be viewed by some as an opportunity for companies to pick favourable questions (especially when it is not clear why specific questions have been selected). Other companies are exploring technology platforms which allow all shareholders to view and post questions.
- Think about the opportunity to reach a wider audience. Whilst parts of the AGM are rightly focused on shareholders, much of an AGM program is an opportunity to present the company to wider stakeholders, future shareholders and those holding via nominee accounts.

### Annual General Meetings – an opportunity for change

The FRC's Corporate Governance Team have recently conducted a review of 2020 AGMs, they found that whilst Covid-19 Pandemic presented substantial obstacles to the organisation and holding of Annual General Meetings it also presented a unique opportunity to consider the purpose of the AGM, what it offers a company, its shareholders and other stakeholders.

This report and the subsequent best practice guidance considers:

- the approaches companies took to AGMs,
- how shareholders interacted with the AGM,
- what makes for a good and effective AGM, and
- how the UK can benefit from the significant improvements in technology and especially, our newfound ability to embrace digital meetings.

The report is available on the FRC's website.

<https://www.frc.org.uk/getattachment/48c4ee08-b7be-4b7c-8f19-bcaf3d44e441/Corporate-Governance-AGM.pdf>



## AGM during COVID-19

# M&S AGM Live

Annual General Meeting

This is the replay of the Annual General Meeting held at 11 am on Friday 3 July 2020



**Marks and Spencer Group Plc**  
[M&S AGM Live 2020](#)



### What is useful?

Due to COVID-19, M&S ran a live AGM via webcast. Questions sourced via email were put directly to directors to answer on camera by the Chair. This provided a way of allowing investor questions whilst also working within the format of the event. Questions which were asked (via an app) but were not answered in the session were answered via the company's website.

A replay of the video was made available, as well as all questions (going back all the way to 2004 as a pdf). To support the meeting, M&S produced some short introductory statement videos which were made available on YouTube for wider use and viewing. All resources were collected on a single page allowing easy access.





## AGM during COVID-19



### Rolls Royce Holdings Plc [Rolls-Royce AGM 2020](#)

The Board welcomed engagement with the Company's shareholders and, as it was not possible to hold these meetings in person, the Board will consider holding an investor day later in 2020, depending on the situation with regards Covid-19.

Ahead of these meetings being held, shareholders were encouraged to vote and submit any questions on the business of the meetings in advance. The questions were addressed by the Chairman and Chief Executive during their presentation.

#### Chairman and Chief Executive's presentation & shareholder questions

[Presentation recording >](#)

⌵ WATCH

[Presentation script and shareholder questions >](#)

⌵ DOWNLOAD

[Presentation slides >](#)

⌵ DOWNLOAD

#### What is useful?

Due to COVID-19, Rolls Royce produced a video presentation of the CEO and Chair, which included key highlights for the year. The video also included shareholder questions. All material was made available online to allow for later viewing. The company also indicated that an investor day would be run later in the year (in-person, dependent upon restrictions) to allow for further shareholder and company dialogue.

## Insight-focused videos



These videos aim to provide more insight into a specific aspect of a company's business, relationships or operations – often they feature 'real people'.

Investors often note that they gain much of their insight into a company's operations, business model and products through meetings with management and site visits. However, videos provide an opportunity for companies to cost-effectively and efficiently (both in nature and in time) provide insight to a much wider range of stakeholders.

In our sample, insight-focused videos were the most popular category overall with both FTSE 100 (86%) and FTSE 250 (56%) companies using them.

### Uses

There are several uses for insight-focused videos. These include:

- **Business model insight**– Business model disclosures are an area where companies translate a complex operational environment into an (often circular) diagram on an A4 printed page. Many companies in our sample used video effectively to provide more context to their business model.
- **Process insight**– Some companies within our

sample used videos to provide more details about a company's process (or strategy). Such videos can be highly effective where they are able to explain a complex approach in simple terms.

- **Product insight**– Companies can often struggle to engage investors effectively in specific product details and the opportunities they bring. In our sample, several companies provided videos that attempted to provide insight into a product. These work particularly well for smaller companies whose product or organisation may be less well known to investors.
- **Divisional insight**– Providing sufficient detail on every part of a business can be difficult, particularly for large or complex groups. Many companies use investor days and visits as an opportunity to highlight a specific operation. Video can provide another mechanism to achieve this (either as an individual video or as part of a longer video). These videos can provide information for new and potential employees as well as investors.
- **Operational insight**– Site visits are particularly useful to analysts following a company. However, they are often costly and very time consuming. They also require a physical presence that is not always possible (e.g. due to COVID-19). However, many companies have started to experiment with video, virtual reality

and augmented reality as an alternative delivery mechanism. While they often allow companies to provide a more curated view of operations than on a physical site visit, they also allow companies to be 'open' to a far wider audience.

The next few pages highlight some interesting examples of insight-focused videos.

### Views vs impact

Videos can provide a challenge for corporate reporting and communications teams who want to demonstrate cost-efficiency. Across our sample, the number of views (through YouTube) ranged from less than 100 to over 15 million, with the majority being on the lower end of the spectrum. We observed that those videos with smaller numbers of views were not well embedded within the company website and often were not reused across social media and other channels. This was particularly the case when the videos were attached to annual reports. Those videos with the highest number of views were often attractive to multiple user groups (employees, investors and customers, etc.). Companies wishing to maximise the impact of video content may want to explicitly consider how to make it interesting to several stakeholder groups. One other interesting approach was to use or reference content that was about the company but produced by others. This appeared to lead to higher levels of engagement and is likely to be very cost-effective.



## Business model insight



### U and I Group Plc

Focus on Purpose and Partnership

#### What is useful?

U+I's video provides insight into how the company's business model works and the key elements of business operations. The informal style is engaging. The video is fronted by the Chief Executive, linking management to purpose, and creates a feeling that the business model represents the way the business truly is run.


**Process insight**

**Monks Investment Trust Plc**  
 A quartet of ways to find growth -2017

**What is useful?**

Ballie Gifford has created a video for the Monks Investment Trust (which it manages). The video provides insight into the investment philosophy of the trust in a way that is both engaging and informative.

The video is also preceded by a clear time stamp which notes that the video has not been updated since recording and references key documents which should be viewed on the investment managers' website. This provides a clear context for understanding the video and directs people to the most up-to-date information, which therefore extends the period for which this video remains relevant.

The Monks Investment Trust PLC is a listed UK company, and is not authorised or regulated by the Financial Conduct Authority. The value of its shares, and any income from them, can fall as well as rise and investors may not get back the amount invested.

The trust's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

This film was produced and approved in August 2017 and has not been updated subsequently. It represents views held at the time of recording and may not reflect current thinking.

A Key Information Document for Monks is available by visiting [www.bailliegifford.com](http://www.bailliegifford.com).

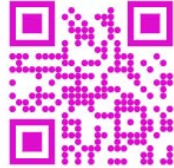




## Product or service insight

### Victrix Plc

Going Beyond Traditional Material  
Limitations with VICTREX PEEK - 2018



#### What is useful?

The video produced by Victrix provides a short overview of the key product, highlights some of the uses of the product (and therefore connects it with wider industrial and consumer trends) and identifies some of the product's benefits. The video is presented by key management from the company thereby adding to the credibility of the messaging. This type of content is particularly useful for communicating widely to investors (both current and prospective) especially where a company or industry might not be well known.



 **Divisional insight****Ascential Plc**[#AscentialExperts –WGSN \(2018\)](#)**What is useful?**

Ascential has produced a series of videos which provide insight into different divisions within the group. This video features the Managing Director of the WGSN business. It is longer than many videos (14 minutes) but provides an engaging look at how the business works and its overall direction. The interview style also helps the pacing of the video. The video is featured on the group website (under 'Who we are') and is available on social media, which facilitates access and helps to drive up engagement.

## Aspirational video



These videos look forward to a state that the company would like to achieve, such as forward-looking goals, purpose or specific future outcomes (such as UN Sustainable Development Goals).

Many companies have longer-term goals and visions that they would like to share with investors and other stakeholders. These might be focused on the advancement of market trends or aspirations relating to climate or global development.

While many companies report information about aspirations within the annual report or sustainability report, it can be difficult to do so in a way that fully communicates both the internal commitment to, and scope of, those aspirations.

Video by its nature as a visual medium can be a good way to quickly communicate aspirational information. Video also may not date as quickly as annual report text. This is especially important where aspirations might be relevant over a multi-year period. Despite this, aspirational videos were used by only 44% of FTSE 100 and 36% of FTSE 250.

### Uses

Across our sample we observed a number of uses for aspirational videos. These included:

- **Purpose**— Almost all large UK companies have now

adopted a corporate purpose (as identified in the UK Corporate Governance Code). However, in order for the purpose to be more than just a marketing slogan it needs to be widely adopted within the company. Video is one way to communicate such purpose to internal stakeholders and, at the same time, signal purpose to investors. Videos that are more authentic demonstrate why purpose is really important to the business and its operations.

- **Future visions**— Some companies use videos to lay out a vision of the company or marketplace. These videos can work well particularly where a number of concepts need to be communicated quickly without detailed explanation. Such videos are designed to inspire rather than lay out concrete actions. These videos should be sufficiently forward focused and clear as to not mislead viewers.
- **Sustainability targets**— A significant number of companies use aspirational videos to communicate their commitments to sustainability, such as 2050 net zero emissions targets or UN Sustainability Development Goals (SDG). Many of these videos work well but they need to be presented in a way that engenders trust and credibility (see next page).

In the next few pages we highlight some interesting examples of aspirational videos.

## Corporate purpose and communication

In September, the FRC co-hosted a Purpose Lab with the British Academy. The event was designed to discuss how reporting on purpose might evolve to work for multiple stakeholders. Participants at the event considered a number of stakeholders and their needs. It identified that reporting should:

- consider multiple needs and be driven by delivering those needs rather than specific stakeholders per-se.
- consider multiple mechanisms and formats – much wider than the current paper/pdf.
- engender trust, engagement and accountability.
- be authentic.
- be both top-down (from the board's perspective) and bottom-up (from the employees/supplier etc).
- focus on creating a focused, coherent story.

These characteristics are useful elements to consider when creating purpose-focused video reporting.

## Deep-dive

### Climate Videos - Gen Z

Generation Z (those born since 1990) already account for more than 35% of the global population, and that means their needs and wants as customers, employees or investors should not be ignored. Generation Z is often described as the first digitally native generation. Online video therefore forms a big part of their consumption. Recent research suggests that, combined, they watch more than 400 million hours of online video every day.

Climate change is a key area where companies want to communicate their actions, commitments and targets. The target audience for these communications is often much wider than investors and would include Gen Z investors, employees and customers. But what do they think about current company climate videos?

The Lab worked with the FRC's virtual work experience cohort (twenty 16 and 17 year old students) to understand their views on video communication, consumption and climate videos in particular. We showed them six videos and asked them a series of questions on the key message of each video, the level of trust and engagement it generated and how it impacted their views on the company as prospective employees, customers and investors.

Key findings were:

- All the students use YouTube as the key platform for viewing video content (therefore a company only putting video on their own website may miss the Gen Z audience).
- Videos are seen as a useful source of information.
- Overall, they found most of the videos interesting and thought that the messages were clear.
- They favoured videos with clear targets, statistics and examples as opposed to those with high-level marketing-style messages.
- They found that longer videos for Aspirational communications were often the most informative, but only when made in an engaging style.
- Many videos were seen as attempts at greenwashing, and those which involved well-known third parties (such as the World Wildlife Fund) were more trusted.
- Most videos only engaged the audience on one axis (often as a consumer) or on none, but the most popular (Virgin – see page 30) worked equally well across all three (consumer, investor, employee).

### Conclusion

Videos done right are a great way to connect with Gen Z. Still, as digital natives, they are not impressed simply by the existence of a video, it must communicate an authentic vision of the company to succeed.



 Sustainability goals and targets**Legal & General Group Plc**

[Investing in a sustainable future world \(2018\)](#)

**What is useful?**

Legal & General's video highlights the investment manager's longer-term ambition to support and invest in sustainable activities. The company ties this to specific SDG goals and provides some real examples of current work it is doing to manage and achieve this ambition. The video mixes presentations from the CEO and key staff deployed on these activities, giving insight and credibility to the ambition.





## Sustainability goals and targets



**J Sainsbury Plc**  
[Net Zero 2040 \(2019\)](#)



[about.sainsburys.co.uk/NetZero](https://about.sainsburys.co.uk/NetZero)



We'll halve our use of plastic packaging by 2025, then go even further, recycling more and making it easier for our customers to recycle too



All while developing and delivering delicious, healthy and sustainable diets for our customers, helping them Live Well for Less.

### What is useful?

Sainsbury's uses an animated video to communicate its ambitious targets to become a net zero business by 2040. The video includes some of the ways it expects to do that and provides some details of interim targets and investments for which people can hold them to account. The video also highlights the use of science-based targets and promises a bi-annual update on progress. The video is accessible and engaging for investors, customers and employees who want an overview of the group's commitments and resources. The video is embedded in a page which provides supporting detail.

 **Future vision**



**JD.com Inc**  
[JD.com: Future of Retail \(2019\)](#)



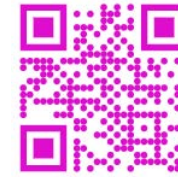
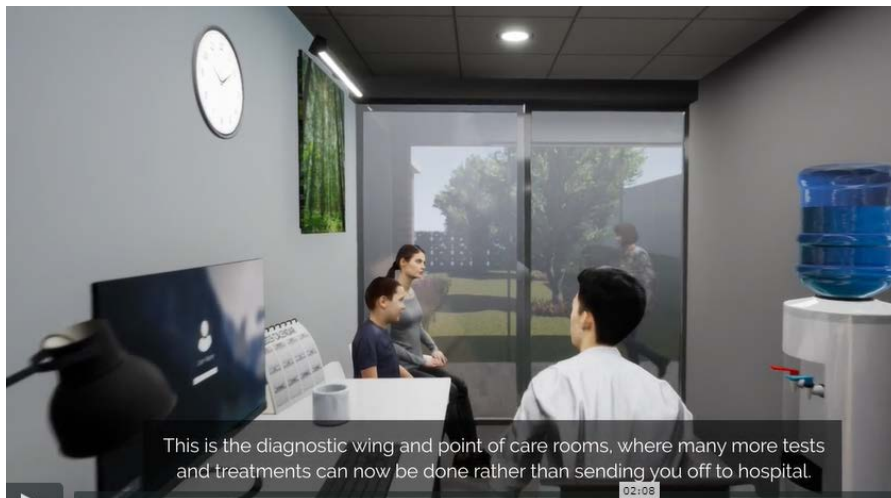
**What is useful?**

JD.com have produced a short video which highlights some of the technologies it considers are important for the future of retail. It sets out a high-level direction for the company without the need to set a timetable or target.



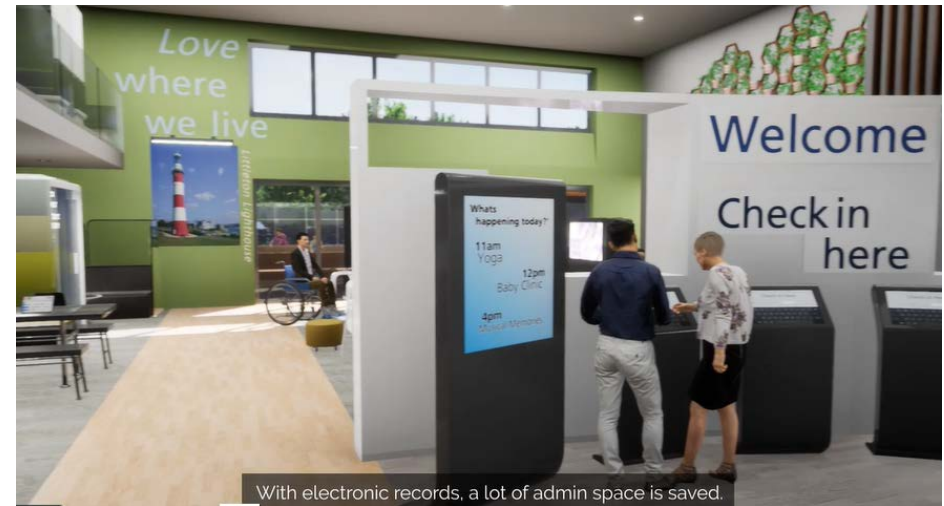


**Future vision**



**Assura Plc**

A 2030 health and wellbeing centre:  
Assura plc (2019)



**What is useful?**

Assura's video on what the future of a GP surgery 'might' look like (and noted as such in the video) presents a vision for how their key business line (health real estate) might look in the future. By providing and extrapolating from key trends they make a thought-provoking video but also highlight the potential opportunity for the business.



## Purpose and stakeholders



AstraZeneca Plc  
[Our Company](#)

*Our company*

We are a global, science-led biopharmaceutical business and our innovative medicines are used by millions of patients worldwide.

[Our strategy >](#)

*Our purpose and values*

Our purpose and values help explain why we exist, what we hope to accomplish, the behaviours we value, how we will achieve our goals, and the promise of our brand to our stakeholders.

We push the boundaries of science to deliver life-changing medicines.

We follow the science. We put patients first. We do the right thing. We are engaged.

Our purpose underpins everything we do. It gives us a reason to come to work every day. It reminds us why we exist as a company. It helps us deliver benefits to patients and create value for shareholders. It also sets the context for our employees' activities and the roles of our teams, partners and other collaborators.

Our values determine how we work together and the behaviours we expect for success. Our values guide our decision making, define our AstraZeneca culture.



### What is useful?

This video from AstraZeneca is part of a wider set of communications (on its corporate website) about the company, its strategy and purpose. The video is integrated into the page and is focused towards multiple stakeholders. The video covers not just the company's purpose but how that reflects into various stages of the company's process and business. By using people from the business it provides a sense of a unified purpose throughout the company.

## Narrative-focused video



These videos tell a story about the company, such as its history, or its work on sustainability or other issues. They are not time sensitive and can be of value across periods and to a variety of stakeholders. Often these videos use a mixture of interviews and footage with voiceovers.

Narrative reporting has become a focus in corporate reporting and communication and provides companies with an opportunity to create a shared perspective of the company across multiple stakeholders, including customers, employees and investors. Video as a visual, visceral medium is an ideal tool to support and enhance narrative.

In our assessment, narrative videos work best where they resonate with stakeholders, by taking an aspect which they know about a company and expanding and enriching their understanding thereof. A narrative which is incongruous with a company's actions or stakeholders' expectations will often be viewed negatively.

Because narrative videos are subject-focused (rather than audience-focused), the upfront investment can be recouped by promoting the output across investor and non-investor channels (and across years). Even though the potential for narrative video content within many

companies is high, only about 50% of companies in our sample used them.

### Uses

Across our sample, we observed many uses for narrative videos. These included:

- **Sustainability actions**– Some companies use narrative-style videos to tell the story of their approach to sustainability. This type of video can work especially well where the actions taken are unique or require more context.
- **Corporate History**– Some companies use videos to cover key aspects of company history. Often the key stories might be at a brand or subsidiary level and they can help identify key aspects that resonate with the company's business model and purpose. This makes them particularly effective at communicating to a wider audience.
- **Stakeholder and community actions**– One of the most popular forms of narrative video are those that cover community, stakeholder engagement and actions (including S172 – see box). These videos are often targeted towards customers and ESG investors, although it can provide some useful insight to all stakeholders.

The next few pages highlight some interesting examples of narrative videos.

### Stakeholder & Section 172 communications

Video provides a potentially excellent medium to communicate to a wide range of stakeholders. However, currently few examples exist.

Recently, new requirements have meant that companies in scope need to prepare a Section 172 statement. As reflected in the Lab's recent reports, investors are particularly interested in a company's strategic decisions regarding stakeholders, as this assists them in developing a full picture of the company.

If you would be interested in finding out more about the Lab's current project on stakeholder and Section 172 reporting (and possibly take part) you can find details on the Lab's section of the [FRC's website](#).

 Sustainability actions**Virgin Atlantic Limited**

Three steps to tackle our footprint (2019)

**What is useful?**

Virgin's video takes a narrative approach to some of the actions the company is taking and has taken on climate change. The use of an employee (cabin crew) as the interviewer works well and keeps the video engaging. It also increases the audience for the video to both investors and employees.





## Company history



### Burberry Plc

[The Tale of Thomas Burberry \(2016\)](#)



#### What is useful?

This video on the history of Burberry has had more than 15 million views. Whilst the video is not explicitly aimed at investors, it highlights the origin of some of the key assets of the company (like its raincoats) in a quick and engaging format. The high production values means that the video has had a long shelf life.





## Stakeholder support



**Co-Operative Group Limited**  
 Celebrating 25 years of Fairtrade (2019)

# 25 YEARS

OF CHANGING LIVES

with Fairtrade

co  
op



**Traore Awa**  
 Director of CAYAT  
 Cocoa Cooperative  
 Ivory Coast



**ROSES**

Kenya

### What is useful?

The Co-op's video not only celebrates long-term support for Fairtrade but also highlights the impact on suppliers. The video is aimed at multiple stakeholders including customers. The use of real-life suppliers adds authenticity to the video.

### Tips on what **NOT** to do – Insight/Aspiration/Narrative

Across our sample (and through our wider research) we saw examples of aspirational, narrative and insight-focused videos that didn't work well. Videos that didn't work well exhibited issues in content, delivery and placement:

#### Content

- **Dream vs reality** – Videos can be a useful tool to inspire and inform. However, stock images of birds flying, plants growing and smiling people do not. To be viewed as authentic the best videos set out the company's aspiration but link it back to clear, present action, either in numbers or using actual employees, suppliers, customers etc.
- **Details vs slogans** – Many purpose-based videos do little more than deliver pithy slogans that look to be more marketing than a corporate video. Video is an ideal medium to show how the purpose of a company drives daily operations.

#### Delivery

- **Too long** – As a storytelling format there is a need to balance video length with attention span. Aspirational and insight-focused videos tended to be longer than other categories. Where these videos delivered engaging information, at pace, they worked. Where they were too long they quickly became tedious. Where videos are longer, they benefit from signalling of content (as text next to the video). This allows users to make an active decision before committing to watch the full video.

#### Placement

- **Siloed** – Companies often place videos on one part of their website or on a video channel without properly linking and highlighting them on specific stakeholder pages (like the investor relations page). Video content has a wide audience (especially when it is highly relevant) and should be highlighted across the web estate (and social media).

## Future of video



This report has considered some of the current practice for the uses for video. However, it also notes that video is not being used to its full potential in corporate reporting. Below we look at three opportunities for change which may spur innovation in video-based reporting.

### Opportunity 1: A longer-term regulatory outlook

Potentially part of the reason for limited use of video is that it does not currently fit well into the regulatory framework that is focused on paper and its digital twin, PDF. However, this might be about to change. The FRC's Future of Corporate Reporting Project which will be released shortly aims to create a blueprint for the corporate reporting framework of 2030. This framework envisages replacing paper documents with fully digital disclosure packages; these packages might be traditional PDF, structured data reporting or other media like videos or podcasts. The new framework dematerialises the traditional regulatory boundary around the annual report and moves it to all corporate reporting communications within a defined network of documents and disclosures. Under this new framework, videos would be an acceptable medium to communicate regulatory information and could be subject to the same oversight and assurance as today's annual report. The project's blueprint is due to be put to consultation shortly. Updates on the project can be

found on the [FRC's website](#).

### Opportunity 2: UK digital reporting

From 2021 companies listed in the UK will be able to file annual reports in XHTML format (DTR4.1.14r) under the European Single Electronic Format requirements. The regulatory requirements may be relatively plain but to maximise the usefulness of the format, the XHTML file will need to be viewed via a browser-like piece of software called a viewer. Given that the viewer is optimised for HTML it provides significant opportunity to enhance the regulatory file with more engaging interactive material, including video. The development of XHTML annual reporting remains at an early stage but presents significant communication opportunities for those willing to explore them (see the following page for an example).

### Opportunity 3: Virtual and Augmented reality

While video is now an established tool for corporate communications, newer and more innovative technologies are also being explored. Some companies are testing virtual reality (including 360 degree videos) and augmented reality for communication. These are part of a wider spectrum of technologies of which video is the most basic.

- **Augmented Reality**– In Augmented Reality (AR) the aim is to enhance the real world with digital elements. Often these digital elements might be used to communicate information. In AR, the

digital elements are often presented on top or alongside real-world objects via headsets or screens.

- **Mixed Reality**– In Mixed Reality (MR) the aim is to mix the digital and real-world elements in a way that allows interaction with the digital elements. This is often achieved via a headset or screen.
- **Virtual Reality**– In Virtual Reality (VR) the aim is to create a complete simulated experience; this might reflect a real work situation or landscape but may also be completely constructed. In VR the user is completely immersed in the construct, possibly via a headset.

The Lab is undertaking a detailed review of the opportunities for virtual and augmented reality, and a report detailing these is expected out later in the year.



Fig 1: UK xHTML reporting provides opportunities to innovate (Example Mock-up):

**1** Video Content and links to external services (such as employee views) are provided alongside the official report. The assurance status is clearly highlighted.

**2** The XHTML annual report as sent to the FCA's national storage mechanism is clearly presented.

**3** The tag viewer allows users to explore the tags and content generated from them.

## Explore more work of the Lab

The Lab has published reports covering a wide range of reporting topics.

Over the last three years the Lab has been investigating the potential for technology to fundamentally change the way that companies produce their corporate report, the way that it is distributed and how it is ultimately consumed. As part of this project we have :

- Released [a framework structure of characteristics](#) that are important for a digitally-enabled system of corporate reporting.
- Released a report that looked at the potential for XBRL to turn corporate reporting into [structured data](#).
- Explored the possibilities of [Blockchain](#) to deliver structured trust and location of corporate information.
- Investigated [how AI](#), can improve efficiency and effectiveness of corporate reporting via the creation of structured processes and judgement.



## Reports and information about the Lab can be found at:

<https://www.frc.org.uk/Lab>

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