

WEATHERING the coming ESG STORM

My company treats sustainability like a PR stunt

41%
Supply chain

38%
Media

33%
Financial services

29%
Manufacturing

28%
Healthcare

26%
Retail

20%
Technology

With the world facing some uncomfortable environmental, social, and governance (ESG) issues, marketers need something authentic to say. How can they build believable sustainability messages?

By Danny Bradbury

If you don't think sustainability and ESG messaging are important, just take a look outside. The past seven years were the warmest on record, according to the World Meteorological Association. NASA said this June was tied for the warmest ever. In July, eight months after 120 world leaders fretted about the climate change emergency at the U.K.'s COP26 conference, the country's temperatures hit record heat levels that meteorologists weren't expecting until 2050.

It isn't just environmental problems that are evolving more quickly than expected. Social ones are too. Unrest is growing at historical levels as inequality soars.

Companies are interested in addressing their customers' values and concerns. With that in mind, marketers should be telling people how their organizations are mitigating environmental, social, and governance (ESG) concerns that are now impossible to ignore. But in reality, they may not be doing as much as they should – making it difficult to communicate their ESG messaging authentically.

In a report on sustainable transformation this summer, Google Cloud surveyed almost 1,500 executives across 16 markets. Two-thirds of the respondents questioned how genuine some of their organization's sustainability initiatives were.

Some respondents went further, with 58% flatly stating that their company is guilty of greenwashing and 29% complaining that they treat sustainability "like a PR stunt." These complaints were even higher in the U.S., at 72% and 35% respectively.

TIME FOR CHANGE

Organizations must do better or risk losing trust as consumers get wise.

In its 2021 Consumer Intelligence Series Survey on ESG, PwC noted that 83% of consumers wanted companies to shape ESG best practices. And just over three in four said that they were more likely to buy from a company that stands up for ESG values.

Consumers are waking up to greenwashing rhetoric. European consumer rights group Euroconsumers found in a December 2021 survey that people find environmental labeling on products confusing, with 54% believing it's merely a marketing strategy to increase sales. Fewer than one in five trust public authorities to verify green claims. It's clear that fake sustainability is no longer an option.

6 WAYS TO DO BETTER

Marketers must look for authentic sustainability in their organizations. Without it, they're limited in how they can become part of those conversations and address their customers' concerns.

Here are six steps that organizations can take to support sustainability and give marketers something helpful to say:

CHART YOUR GOALS.

Work out what's important to you and your customers. A corporate social responsibility (CSR) strategy should provide clear ESG goals that you can adhere to. If you don't have one, now's the time for a materiality study to identify and quantify the sustainability issues that matter to your business and its stakeholders – including your customers.

These issues will vary between sectors. For example, Google and its rivals are focused heavily on carbon emissions because of their large data center portfolio and power consumption.

START A ROADMAP.

The materiality assessment will help you articulate your goals, which should be quantifiable and realistic.

The longer term those goals are, the more you'll need to support them with a roadmap defining how to get there. These milestones should also be quantifiable, with clear information on how you'll meet them. That way, your "net zero by 2030" commitment won't seem like you're kicking the can down the road.

FIND THE DATA.

Assessing your progress relies on appropriate data from your operations. Just over a third of companies told Google that they have measurement tools in place to quantify their sustainability efforts, yet only 17% are using the measurements to optimize their efforts.

Getting this data relies heavily on input from operations. Building the alliances to fund and collect it might be the biggest challenge for committed marketers.

EDUCATE CONSUMERS.

Getting the data to demonstrate your achievements is one thing. Communicating that to distracted consumers is another. Educating them about how and why you're supporting these values is a challenge, but also an opportunity to differentiate yourself from your peers. Tools like the Provenance Framework, an open-source guide to making and supporting sustainability claims from U.K.-based B Corp Provenance, can help.

Build credibility by participating in sustainability initiatives that will certify you and hold you accountable. There are plenty to choose from that focus on issues ranging from responsible packaging to sustainable wood and food to climate issues.

OWN YOUR FAILINGS.

The data will likely show that you're falling short in some areas. Owning that and committing to doing better might be the second hardest step you can take as a marketer. It's also a chance to show vulnerability and build trust with your audience.

BUILD ALLIANCES.

Marketers can't do all this alone. They need to build a multidisciplinary consensus across the organization. That takes political capital.

The hardest step of all might be crafting the alliances to support this effort and persuading leadership to fix the areas where you're falling behind in your sustainability goals. As it stands, over four in five people want senior leadership to give them more room to prioritize sustainability, according to Google's survey.

For many, the quest to build a truly believable sustainability message and demonstrate how your company is making a difference will be long and difficult. But the alternative is looking less appealing by the day.