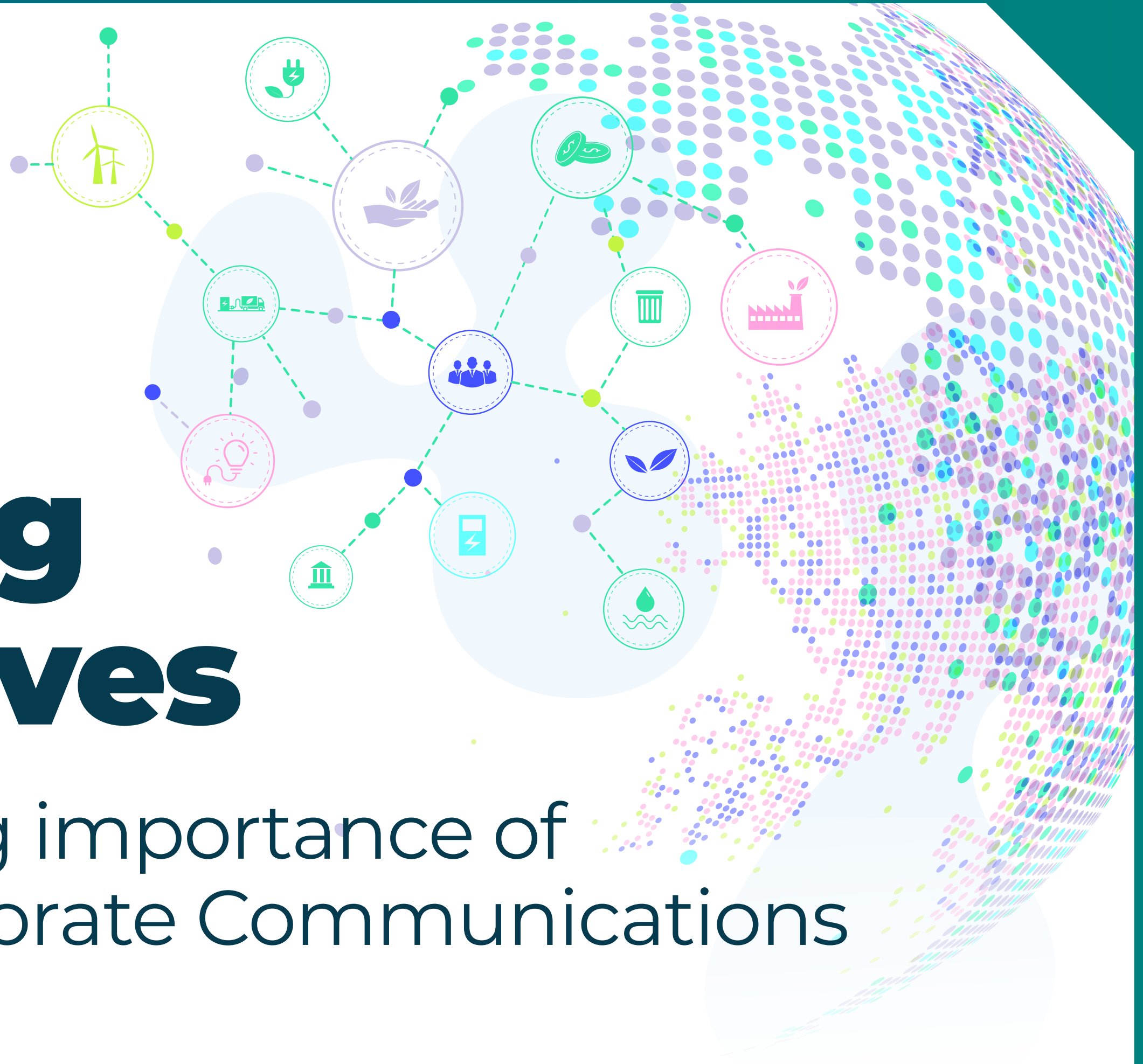


CISION[®]

VOLUME III

Shaping Narratives

The growing importance of
ESG in Corporate Communications



Enhancing Brand Reputation

No company is deaf to the steady drumbeat of ESG initiatives in the present environment. Enough has been said and written about the role of ESG messaging in solidifying existing corporate strategies. The purpose of this piece is not to echo what has already been said time and again, but to delve into how brands can cut through the noise and truly make an impact.

A robust ESG strategy is absolutely critical to enhancing corporate communications, owing to growing pressures from both investors and the general public. Mark Carney, Governor of the Bank of England, predicts that “In the future, climate and ESG

considerations will likely be at the heart of mainstream investing.” A recent survey by [Accenture](#) validates this, given that 62% of consumers are already favouring “purpose-led” brands over those that are undecided. 32% of PR professionals surveyed in the latest ICCO World Report said that their organisation planned to invest in ESG in the year ahead.

It’s easy to see why. ESG data is attracting more attention than any other key performance indicator, and the number of companies disclosing ESG data almost doubled between 2020 and 2021, according to [S&P Global](#).

Given this scenario, communications and investor relations have never been more crucial to managing and maintaining corporate reputation. For the most part, investors largely acknowledge the fact that companies that prioritise ESG strategies are more likely to reap long-term returns than ones that do not. Investors perceive a change in the end consumers' preferences, and are therefore committed to supporting brands that align with the same.

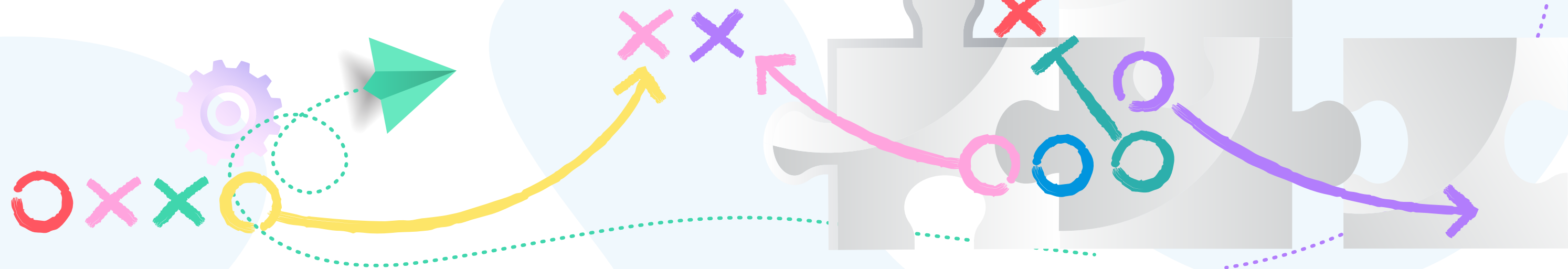
The sands have shifted to such an extent that consumers are now actively demanding that businesses step up and take the lead. And there's work to do, we have seen a sea change in how brands are perceived. Any company that doesn't have a clear ESG position and strategy in place needs to form both as an urgent priority.

Our own research, in concurrence with the Institute of Public Relations, points to the fact that LGBTQI+ rights, mental health, and race relations were the most discussed topics on social media between May to June 2021. It is also worth noting that conversations surrounding climate change sustained more than other issues. This goes to reflect consumers' overall engagement with socially and environmentally relevant subjects, and mirrors their expectations from brands.

**52% of those surveyed
want to see brands do
more on climate change,
and 49% look for more
leadership on economic
equality.**

The specific challenges of ESG planning

As is the case with most communications strategies, getting the right message across as far as ESG initiatives are concerned comes with its own specific challenges. Let's delve into each of the elements in turn, and how brands can craft a communications and investor relations strategy that hits the right notes.

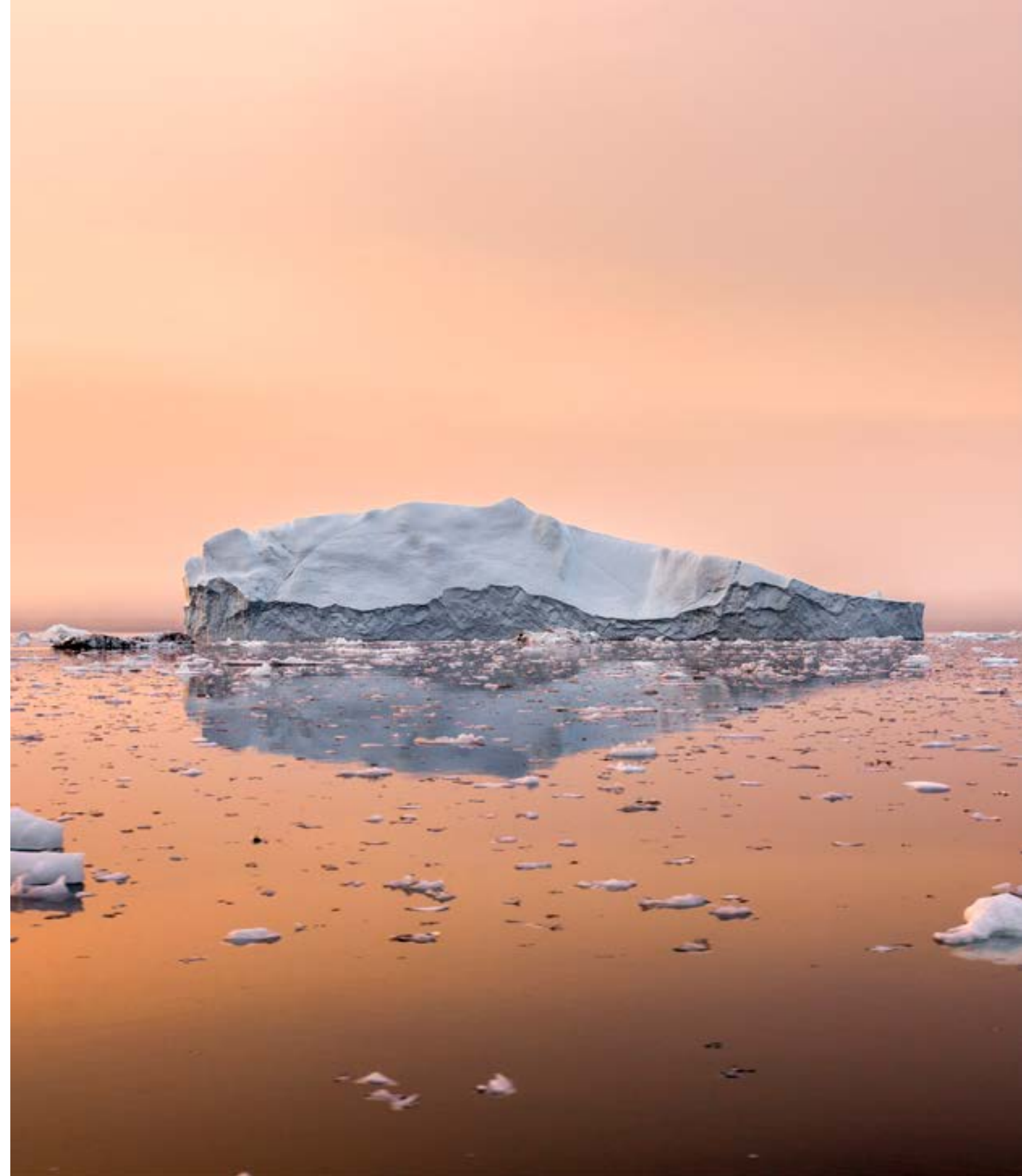


Environmental

The EU is targeting the establishment of the “first climate-neutral” continent by 2050, raising the bar and cranking up the pressure on any brand that does business in the region. There’s no time to lose. Since the bombshell 2021 IPCC report that put the challenge ahead in stark terms, brands can no longer get by with being seen to do the right thing. They have to **show** leadership. Consumers want to see progress, not commitments, while investors are looking to channel funds into green finance and sustainable businesses.

In the future, every high-profile business needs to have clearly crafted messaging and a communications strategy in place for responding to potential consumer challenges on its carbon footprint, greenhouse emissions, supply chain efficiency and waste management.

These are no longer details to be hidden away in a footer or some obscure page on the corporate website. They are positive features that need to be championed and woven into the brand’s values as part of its core messaging.



Social

Brands are under constant surveillance when it comes to their social performance, both historically and in the future. Human capital is surging in value, and the Social component of ESG is now perceived as being equal in importance to the Environmental and Governance elements. It isn't enough for brands to simply audit their ethical trading practices and working conditions. It is now equally important to take an honest appraisal of the extent to which diversity genuinely runs through their entire organisation, from interns to members of the boardroom.

This is the opportunity for a strong communications strategy to strengthen the narrative and place Social in progressive, aspirational terms. With momentum gathering around Social inclusion, it's time to have a crisis management plan in place. Look no further than Dyson, which recently found itself toppled from its position as an innovation darling to being cast as an ethical villain following claims that the company was outsourcing to a supplier that allowed poor working conditions and exploitative practices in its Malaysian factories. Dyson immediately terminated its contract, but not before the supplier, ATA IMS, had lost two-thirds of its value.



Governance

Brands must be increasingly wary of championing values externally that they don't replicate internally, specifically at boardroom level. No business can afford to be labelled as a hypocrite. Investors and consumers alike are now more likely to cross-reference the messaging brands spread on social media with the brochures distributed at shareholder meetings.

If there's any discrepancy on gender equity, executive pay or board diversity, or whiff of corruption, brands can expect to be called out publicly. The investment community no longer turns a blind eye either. Nasdaq, for example, now requires companies listed on the exchange to have at least one female, LGBTQI+, or underrepresented minority member on their board.



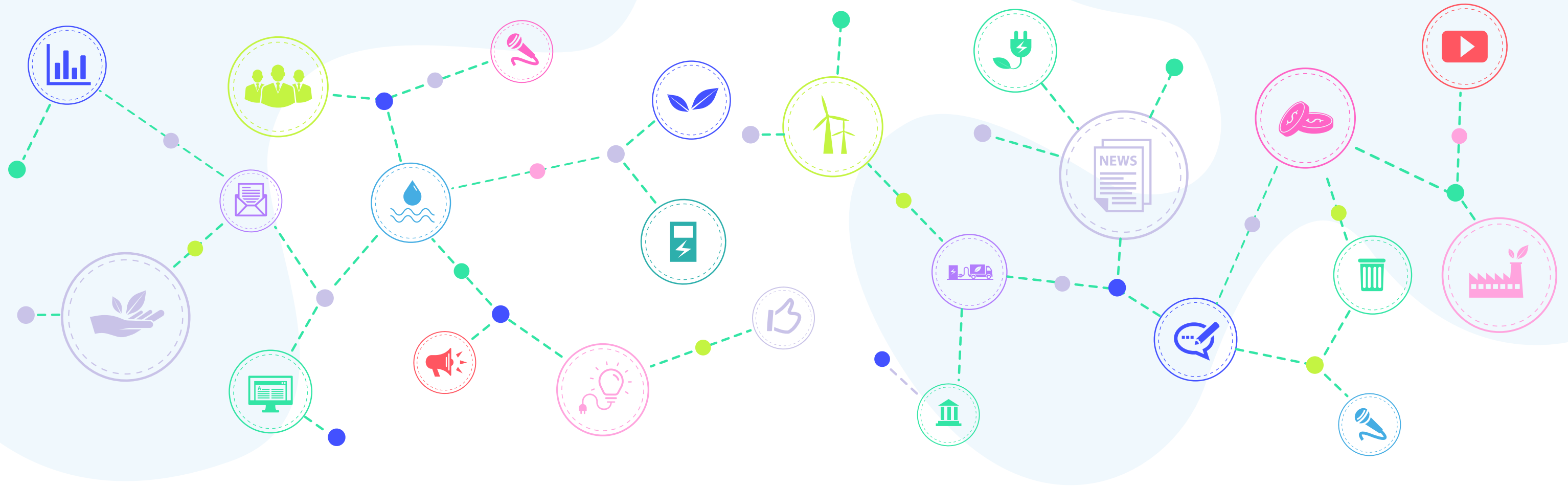


So how can we, as communicators, bolster ESG strategies and plans by taking on these challenges and tackling them head on?

Bridging the communication — gap

Communicators should weave their brands' values and purpose into their messaging. A process should be in place to help them understand the organisation's position, employees' perceptions, and audience preferences. Monitoring popular issues and disseminating the right messages in a timely manner is of utmost importance. The channels deployed to deliver these messages, however, are just as important.

Given all key investors' and stakeholders' avid interest in ESG initiatives, it's no wonder that brands are eager to publish large volumes of content that resonate with them. According to our [2021 State of the Media Report](#) (update coming in April), press releases remain one of the most popular channels for brands to get their message across.



Our own research shows that a staggering **78% of journalists** wish to receive press releases from PR professionals. Brands are currently sharing their ESG progress more via press releases than ever before, given how relevant and newsworthy they are to both investors and the general public.

Therefore, corporate communications teams must ensure that they have a tool in place that allows them to connect with both the most receptive audiences, and the most influential journalists and thought leaders. Here's where newswires gain significance.

Before the pandemic, PR Newswire definitely held sway over comms teams and strategies. Following the pandemic, however, its significance has been heightened even further, due to global consolidation and companies' growing commitments to ESG initiatives.

Newswires remain the best place for journalists to get their stories, especially in a world where their inboxes and newsfeeds are overflowing with content. They make it easy for journalists and influencers to find your news.



Cision PR Newswire's new offering is designed specifically to help brands share their ESG story. We connect you with the most receptive and influential network of journalists, media outlets and financial institutions who cover ESG-related news, helping you to cut through the noise and make an impact.



Cision PR Newswire's new ESG offering connects you with the most influential network of journalists, media outlets and financial institutions who cover ESG-related news. To find out more, speak to one of our consultants today.

As a global leader in PR, marketing and social media management technology and intelligence, Cision helps brands and organisations to identify, connect and engage with customers and stakeholders to drive business results. PR Newswire, helps companies meet their communications and disclosure needs. A network of approximately 1.1 billion influencers, in-depth monitoring, analytics and its Brandwatch and Falcon.io social media platforms headline a premier suite of solutions. Cision has offices in 24 countries throughout the Americas, EMEA and APAC.

For more information about Cision's award-winning solutions, including Cision Communications Cloud®, visit www.cision.co.uk and follow [@CisionUK](https://twitter.com/CisionUK) on Twitter.