

CISION[®]

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 favoring “purpose-led” brands over those that are undecided. 32% of PR professionals surveyed in the latest ICCO World Report said that their organization 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 prioritize ESG strategies are more likely to reap long-term returns than ones that do not. Investors perceive a change in consumers' preferences, and are therefore committed to supporting brands that align with their customers' values.

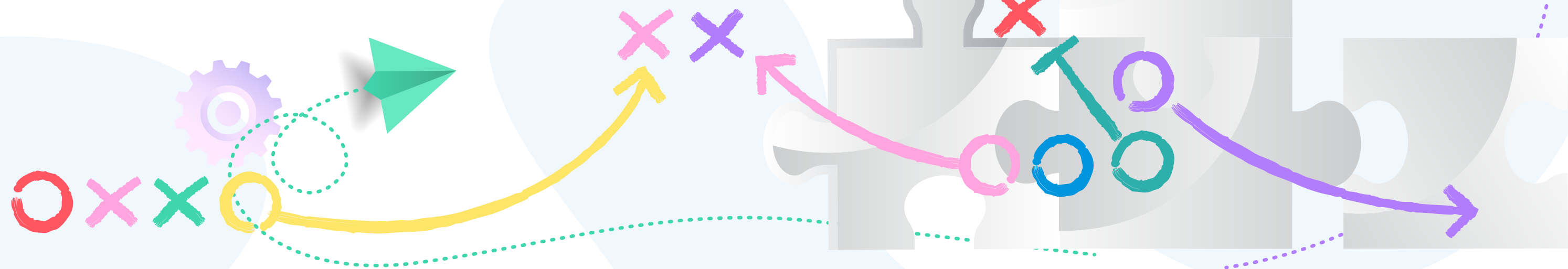
The winds have shifted to such an extent that consumers are now actively demanding that businesses step up and take the lead. Any company that doesn't have a clear and authentic ESG position and strategy in place needs to form both as an urgent priority.

In the age of social listening, brands now have the benefit of tracking what ESG actions and messaging are resonating with their audience. We have found that conversations around ESG continue to grow. According to research we conducted in partnership with the Institute of Public Relations, LGBTQI+ rights, mental health, and race relations were the most discussed topics on social media between May to June 2021. In 2022, online conversations surrounding climate change increased from previous years. It is clear that consumers' overall engagement with socially and environmentally issues will continue to grow along their expectations that brands address these subjects.

According to the 2022 Edelman Trust Barometer, 52% of those surveyed want to see brands do more on climate change, and 49% expect leadership to address economic equality.

The specific challenges of ESG planning

As is the case with most communications strategies, communicating your ESG initiatives effectively comes with its own specific challenges. Let's explore how brands can craft a communications and investor relations strategy that hits the right notes.

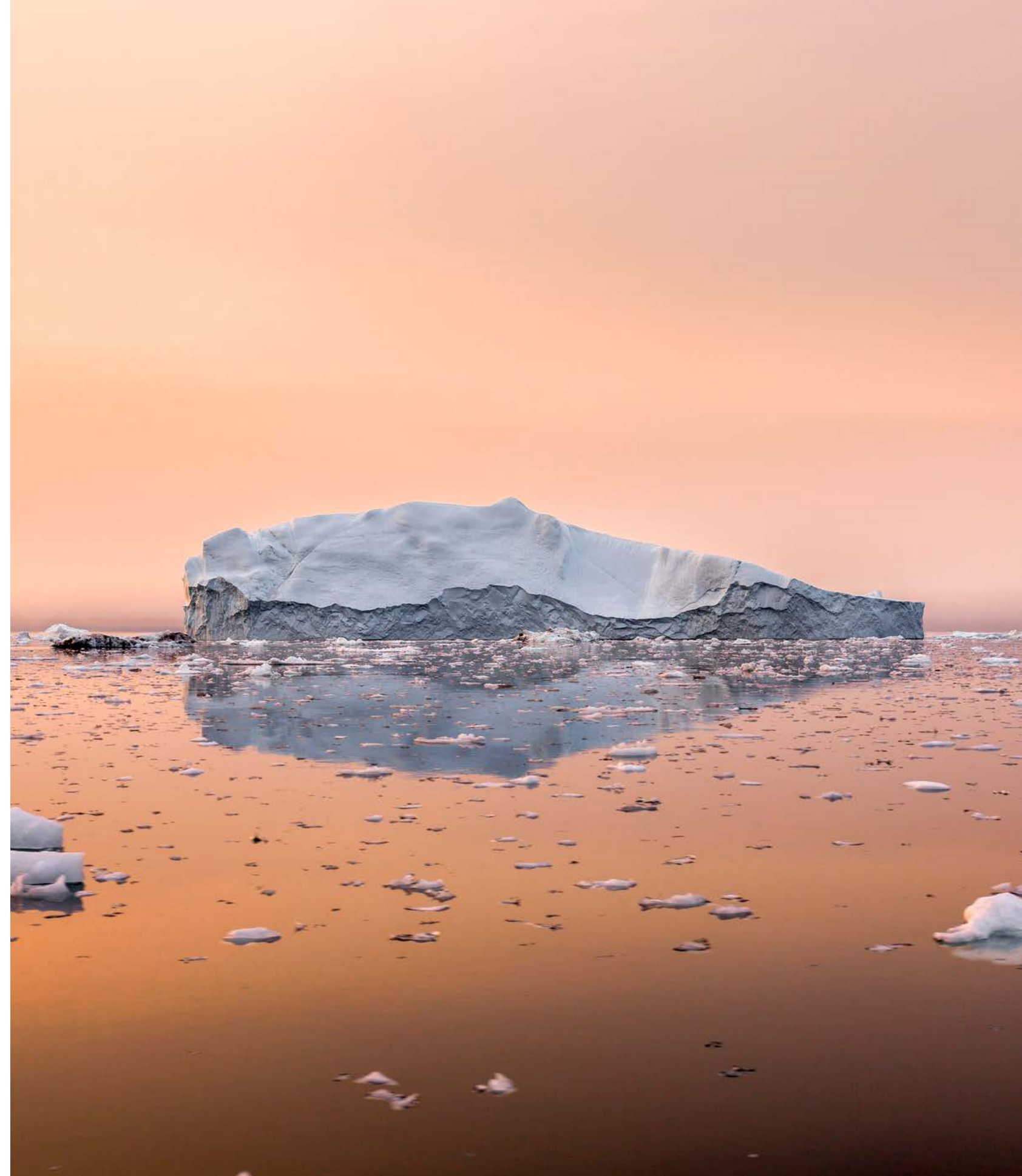


Environmental

The effects of climate change are becoming increasingly hard to ignore. Consumers are demanding companies take action to reduce their carbon footprint, and investors are also divesting from companies that do not prioritize ESG. In response to the growing crisis, the Securities and Exchange Commission (SEC) has proposed new rules requiring public companies to report their climate-related risks, emissions, and plans to transition to carbon neutrality. Brands will now have a mandate to be more transparent and accountable in disclosing measurable actions they're taking to improve their environmental sustainability..

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 measures that brands should share with their stakeholders and weave into their mission, vision and values.



Social

Brands are under constant surveillance when it comes to their social performance. As a result of the earth-shattering events of 2020: The Covid-19 pandemic, the murder of George Floyd and subsequent protests, companies increased their focus on the Social pillar of ESG. Consumers were quick to demand that companies do better to address mental health, racial inequity and improve working conditions within their organizations. Brands were forced to confront how much more progress they needed to make to become a fair and equitable workplace.

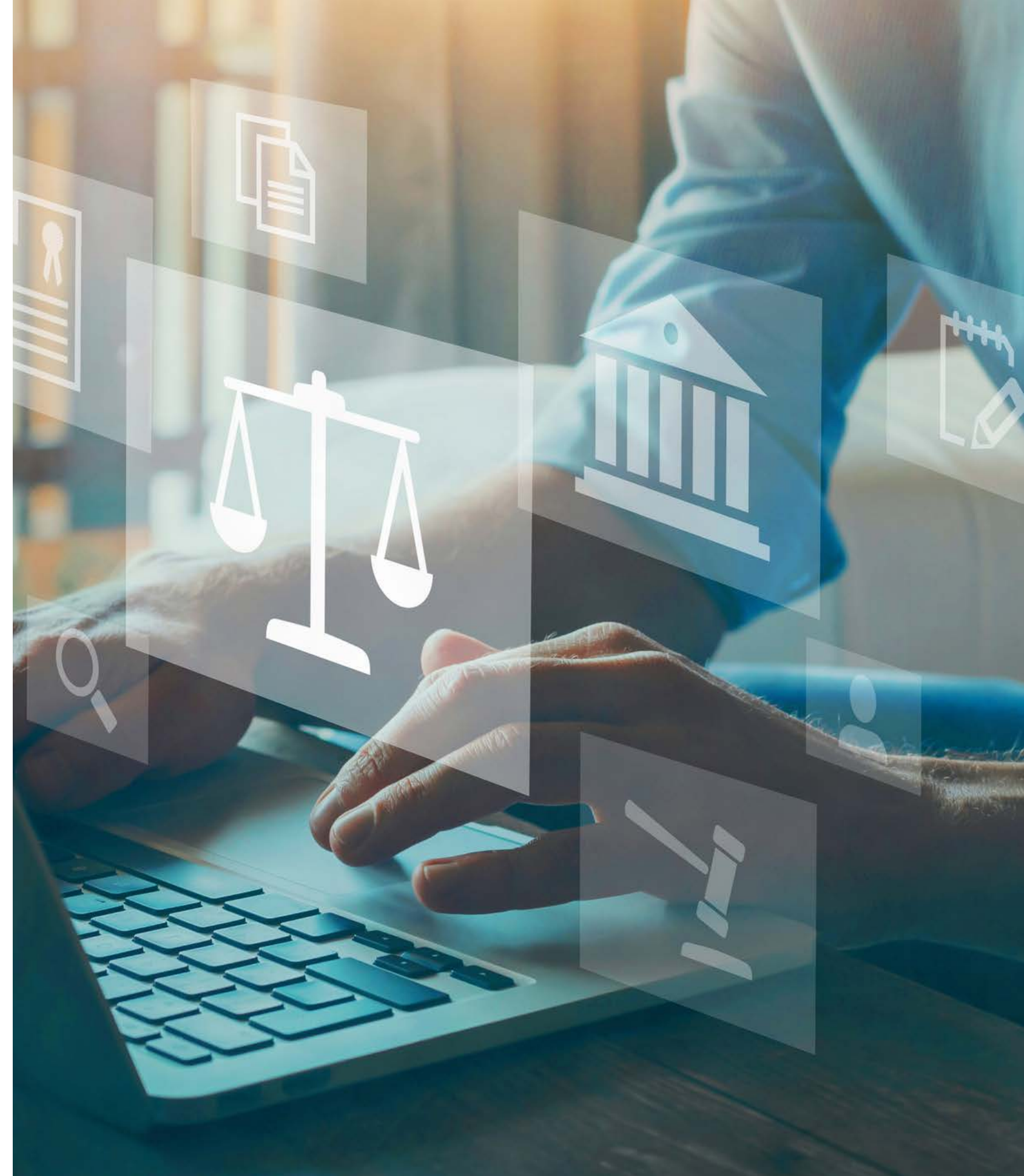
In this moment, brands can take the opportunity to create a strong communications , so they are prepared to address any ESG-related headwinds that come their way. With momentum gathering around Social inclusion, it's time to have a crisis management plan in place. It's good to remember that the backlash you face around ESG might not be coming from within your organization. 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 demonstrate internally, specifically at boardroom level. No business can afford to be labeled a hypocrite. Investors and consumers alike are now more likely to cross-reference the messaging brands post 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.



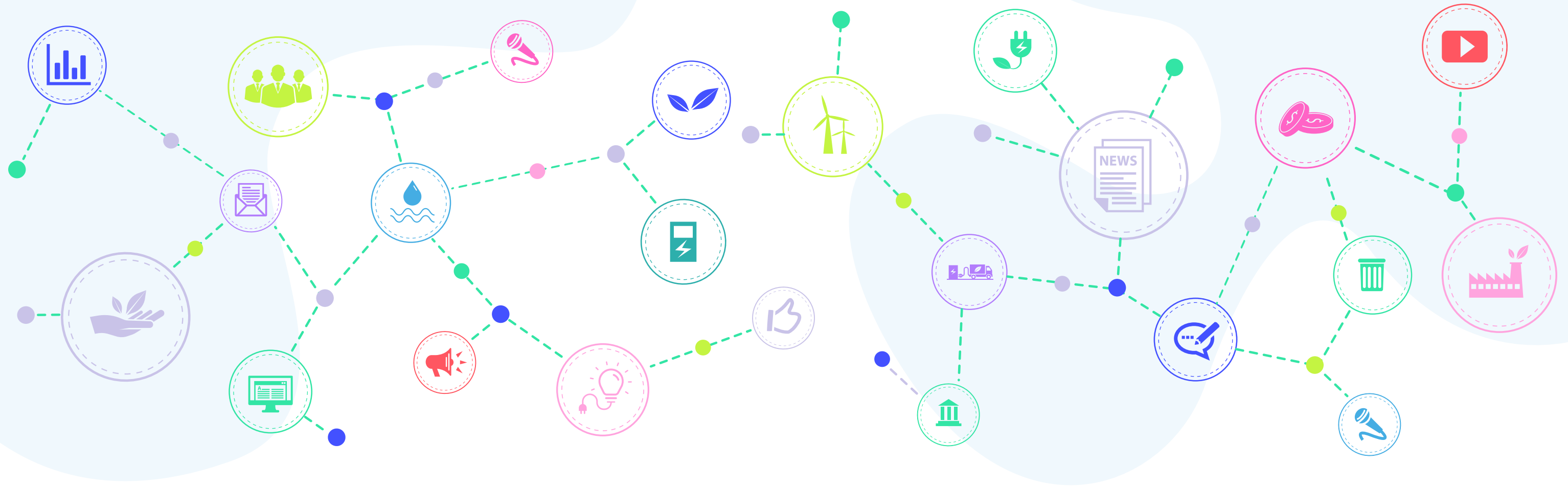


So how can we, as communicators, bolster ESG strategies and plans by taking on these challenges and tackling them head on?

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 organization's position, employees' perceptions, and audience preferences. Monitoring popular issues and disseminating the right messages in a timely manner is critical. The channels comms pros use 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 [2022 State of the Media Report](#), press releases remain one of the most popular channels for brands to get their message across.



Our own research shows that a staggering **76% 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 can help comms pros get their ESG message to the right audience.

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.

PR Newswire's extensive network of ESG-related outlets, journalists and influencers can ensure your ESG press releases are delivered to the right audience, helping you become more transparent and building value within your organization.



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.com.