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Preparing for the green recovery

How to craft and communicate an ESG story
that drives long-term success

As one of the most volatile and challenging years in recent memory comes to an end, it has become increasingly clear that the future will not be rebuilt to the template of the past.

Rather, economies, businesses and individuals are rushing to rebuild more resilient and future-fit models.

From the acceleration of government targets and programs to tackle climate change to the increasing support for putting sustainability at the heart of the COVID-19 recovery – now more than ever before, Environmental, Social and Governance (ESG) issues are shaping the future.

A big opportunity is to be part of, if not lead, the green recovery. In a world increasingly characterized by ESG, support your long-term success by building your brand and reputation.

The big risk is to be left behind, sidelined or stranded.

The imperative is to make sure you prepare as best you can to win in this new future. Crafting and communicating your ESG story in the right way is critical.

In this guide, we explore the key drivers behind the green recovery. And the key communication steps you can take to prepare to win in this world.

Putting some color on the green recovery



Key drivers

There are a number of drivers behind the green recovery. We highlight key ones here, reflecting the fact that core stakeholders are increasingly informed by and informing the ESG agenda. Businesses can no longer simply answer to shareholders, they must take into account the wider world of stakeholders and ensure that every move and opportunity has a positive impact on that broader group. This is the central truth of ESG, and by default, it makes the green recovery a multi-stakeholder, multi-issue recovery.



Governments and regulators

Nationally and internationally, governments and regulators are putting increasing focus, scrutiny, commitments and budget allocations behind ESG programs and initiatives.



Investors

ESG is rising up the investment agenda. Driven by the mounting evidence that it is not just nice or good to have — it materially improves long-term value creation and returns. From current shareholders to future lenders, investors are increasingly making assessments and decisions based on ESG. In short, an ESG business is an investible business.



Customers

From corporations to individuals, ethical buying decisions are on the rise among all kinds of customers. Conscious consumption is in.



Employees

Retaining and gaining the best talent these days means making ESG part and parcel of your employee value propositions (EVPs). Just as conscious consumption is increasing, so too is conscious job acceptance.



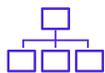
The world at large

Look at the headlines. From today's media coverage and opinion formers to the assumptions and preoccupations of the next generation — the tenor of the times is increasingly green, conscious, ESG positive. Just as Generation Z grew up knowing nothing of a pre-digital world, Generation ESG will live and breathe environmental, social and worldly, worldly responsibility.

Taking these drivers together, we are at a pivotal point. The time is now to get ahead in preparing for the green recovery. Crafting and communicating the right ESG story is a vital part of this imperative, and the focus of our guide.

Crafting and communicating your ESG story

When it comes to your ESG story, there are three key steps:



1. Clarify your position and path

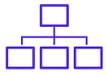


2. Craft your story



3. Communicate your story

We outline the steps on the next pages



Clarify your position and path

Start and lead from the top

It starts, and continues, from the top. Like all critical factors in the long-term success of your organization — ESG calls for genuine, active senior buy-in and championing. Rather than leaving it to one department or looking to add it on later, effective ESG strategy and execution relies on many parties: Board Directors, CEO, CFO, Chief Risk Officer, Chief Sustainability Officer, General Counsel, Chief People Officer, IRO, Head of Communications and Internal and External Auditors, all working together as one.

Define your core purpose and values

Financial performance is no longer the only measure of success. Purpose and a values-led contribution to wider social well-being are essential attributes of successful businesses. You need to define and assess your core purpose and values through the ESG lens. Is it really fit and sharp enough for these COVID times? For the green future?

Evaluate risks and opportunities

It is critical you rigorously evaluate your risks and opportunities as the world transitions to a lower-carbon economy. Your organization may face financial risks driven by policy, legal, technology and market changes. In addition, changing perceptions of your contribution to the transition to a green economy may present reputational risks. These risks may be compounded by the real physical dangers inherent to climate change which can impact businesses on fronts ranging from supply chain, to performance, to employee safety. But along with the risks come potential opportunities — from resource efficiency, new products, services and markets, to increased to increased resilience. A clear and comprehensive evaluation should be at the heart of your strategic plans and stakeholder communications.

Embed ESG into your brand

You need to get ESG-organized and do everything you can to embed ESG in your brand. Track, report on and improve your ESG management and progress so you can build your brand and reputation. The consolidation and alignment of ESG standards and frameworks will make it easier for investors to incorporate comparable, non-financial information into investment decisions. A clear ESG strategy, quantifiable goals and regular reporting of performance metrics will become table stakes in the green recovery. The annual report, proxy statement and ESG/CSR/sustainability reports should all be complementary outlets for your clear, compelling, coordinated ESG story. Each can major on specific aspects or angles of your ESG story and cross-linking adds to the cohesion and impact.

Four ways to create an energizing brand in the low-carbon energy sector:*

1. Adopt the mindset of a service provider
2. Deliver on the brand promise at every touchpoint
3. Create a distinctive brand personality
4. Become the heroes and disruptors of the future

*For more on this see [“Energizing Your Brand for Low-carbon Future.”](#)

Reassess materiality

Make sure you are clear on the issues that matter most to you, and that you keep this clarity up-to-date and actionable. Employee health & safety, labor practices, access and affordability, product quality and safety, and supply chain management are just some of the issues that have been material for most, if not all companies during the crisis. There could be others, too, such as financial stability. You need to stay on top of all the ESG issues that are material to you.



Craft your story

Once you have clarified your ESG position and path, the next vital step is to craft your core story.

This is a delicate balance between distilling down to the essentials and ensuring your story resonates with all key stakeholders. This in turn calls for a core story that is both highly compressed, connected and long-lasting. Think of it as the starter for your sourdough. A strong core story guides and inspires you as you engage and communicate.



Communicate your story

Strengthen investor engagement

Thoughtful and proactive engagement with the investment community is more important than ever. Use technology and other creative methods to highlight your plan, demonstrate your leadership strength, address investor concerns and, importantly, to continue to control the narrative.

Broaden stakeholder audiences

ESG is by definition multi-issue, multi-stakeholder. It ups the emphasis on connected, long-term communication and relationships with everyone involved. ESG puts an increased focus on employment, health and safety, and governance. It goes beyond the numbers to give non-financial stakeholders a strong voice in determining outcomes.

Moreover, COVID-19 has turned up the volume on the S of ESG. Investors, media and the public have focused on companies' behavior toward their employees and communities throughout the pandemic.

Use all channels

Use owned content on digital tools, traditional media and third-party advocacy to foster connections and trust with key financial and non-financial stakeholders before an activist appears on your register. Build bridges and loyalty with all your key stakeholders. Bring your ESG story to life on all fronts and across all channels.

Getting a handle on ESG

Focusing on the most important issues is the key to driving long-term value.



What we do in ESG

Advisory

Input

- Stakeholder gap analysis
- Investor audit
- Peer group review

Process

- Reporting frameworks
- Stakeholder engagement
- Materiality analysis
- ESG strategy

Outputs

- Meeting external benchmarks (Sustainalytics, MSCI, FTSE4Good, Dow Jones)
- Mission, values and purpose
- Metrics & KPI analysis (SASB, GRI, bespoke)

Communications and reporting

Comms

- Integrated annual reports
- ESG reports
- Sustainability and CR reports
- I & D reports
- ESG portals and websites
- Gender Pay Gap and Modern Slavery

Reports

- Brand and positioning
- Animations
- Vision films
- Executive films
- Report and narrative writing

Engagement

Stakeholders

- Workshops and roadshows
- Intermediary engagement
- ESG stakeholder committees
- Capital markets days
- Board presentations

Issues & campaigns (plastics, coal, water, I&D, etc.)

- Issue and crisis communications
- ESG & issue campaigns
- Campaign planning
- Signature activity
- Long-form documentary and film series

Contact

Nina Eisenman – New York

Director, Client Services

neisenman@merchantcantos.com

+1 917 774 1424

Ian Roe – London

Director, Strategy

iroe@merchantcantos.com

+44 7834 502389