

An aerial photograph of terraced rice fields in a lush green valley. A semi-transparent globe with latitude and longitude lines is centered over the fields. In the top right corner, there is a white circular logo containing the word 'NUCCO' in black capital letters.

NUCCO

ESG Communication

How to craft and deliver effective and engaging ESG communications

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1. The State of Play

Setting the scene

Described by the Financial Times as “**one of the most important shifts in the investment industry in a generation**”, ESG (Environment, Social, and Governance) is hitting the mainstream. COVID-19 has only accelerated interest in sustainability: January to May 2021 saw **\$54bn** invested in bond funds specialising in ESG issues. However, as more organisations implement ESG initiatives, a lack of clarity around ESG and increased greenwashing feed confusion.

As a result, navigating ESG communication can seem like a real minefield. That’s where this guide comes in. Drawing on our experience in this sector, we want to help you respond to the challenges faced and share **tools and tips for crafting effective communications around your ESG efforts**.

The Importance of ESG



Sustainable investment is becoming a sustainable business.

— Financial Times

A Call for Sustainability

With rising client demand for sustainable investments, “**ESG is becoming the biggest buzzword in investing**”, according to the Financial Times. The Wall Street Journal adds that “earning the perception of good corporate citizenship, in the form of [ESG ...] is no longer optional for the modern executive.” So, more than ever before, companies are starting to put environmental, social, and governance initiatives on their agenda.

The Importance of ESG

Following the Money

Despite initial concerns that doing good couldn't possibly be good for business, a **corporate focus on ESG has shown returns**. In an analysis between March 2020 and March 2021, S&P Global Market Intelligence saw 19 of 26 ESG funds perform better than the S&P 500.

Even in the wake of COVID-19, ESG funds are proving resilient and faring well in the stock market.

A report released by Morningstar in September 2020 identified that sustainability-focused index funds and assets had doubled since 2017, with funds topping **\$250 billion**.

Driving Resilience

Focusing on ESG issues won't just attract new investors and benefit your financial performance – it can also **improve your company's resilience**. EY's 2018 Global Climate Change and Sustainability Services study revealed that investors judge ESG factors as an aid to mitigating downside risk. The pandemic has only made this link clearer.

The Financial Times suggests: ***"The ESG boom is now being driven as much by risk management as activism"***, with Covid-19 having emphasised the dangers of ignoring 'externalities'.

The State of Play

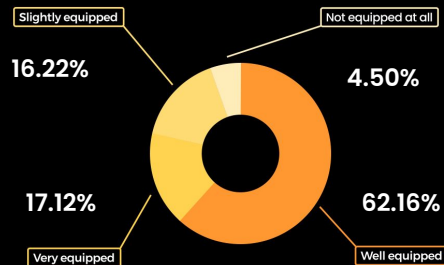


To understand the current struggles and successes of ESG communication, we surveyed those responsible for this task.

Having helped organisations in the finance sector with ESG communication campaigns, we know just how tricky they can be. So, we decided to create a resource specifically – and solely – addressing communication around ESG, in order to help.

We spoke to **111 marketing professionals** across the banking and finance industries to get a broad consensus on the state of play in ESG communications.

How well equipped do you feel you and your organisation are when it comes to ESG and communicating your efforts?



With only 17% of respondents feeling “very well equipped” to communicate their organisation’s ESG efforts, it’s clear communicators need more support with this complex task.

Based on our survey data, this guide will review the challenges and risks of ESG communication and offer solutions for crafting effective campaigns.

Ready to enhance your ESG communication efforts?

2. The Challenge at Hand

What difficulties are communicators facing?

ESG communication isn't easy. It's time to acknowledge the obstacles communicators face and work to address them.



Just some of the difficulties ESG communicators are facing.

What is ESG?

While the term “**ESG**” first appeared in the **mid-2000s**, many people still don’t understand what it is or what it means for their organisation. And if the team tasked with your ESG communication doesn’t understand it or why it matters, there’s no way your stakeholders or potential investors will.

If you want to find out more about ESG in general, these guides are a good place to start:

[ESG: An introductory guide for businesses](#)
– KPMG

[A practical guide to ESG integration for equity investing](#) – The PRI

[ESG oversight: The corporate director’s guide](#) – PwC

Just some of the difficulties ESG communicators are facing.

Lack of Clarity & Consensus

ESG can mean different things to different individuals and organisations. As the Wall Street Journal points out: “Contradictory claims about ESG abound, partly because there is no agreed definition of what counts as sustainable [...]”. There are also no defined standards around what can and can’t be classed as ESG. Plus, no real industry consensus on how ESG metrics should be reported, with several differing frameworks for addressing ESG issues.

All this leads to much confusion. Confusion your communications have to cut through to deliver their messages effectively.

Greenwashing

As socially responsible investing becomes more popular, companies strive to show off their green credentials to attract sustainable investors. However, as the Wall Street Journal notes, some companies’ “exaggerated claims about sustainability” mean “figuring out which products and services meet evolving ESG standards isn’t easy.”

How can you compete with a highly impressive (if unsubstantiated) claim when your ESG initiatives take time to implement, let alone to yield significant results?

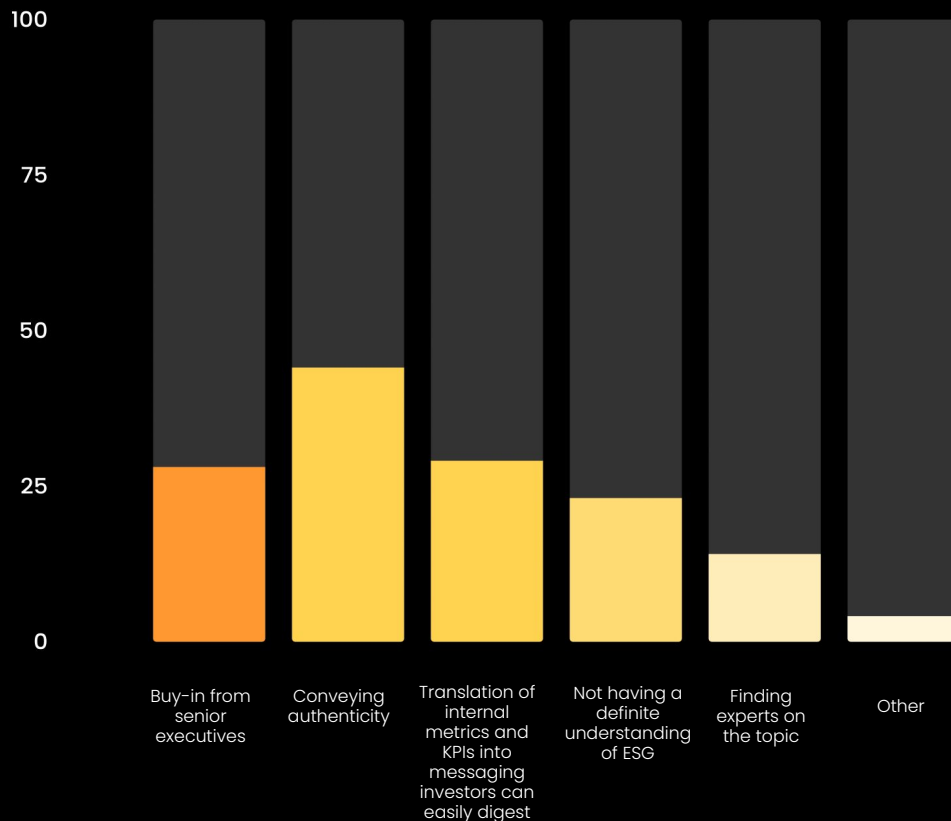
And how can you get stakeholders to trust the ESG messages you’re putting out there when greenwashing is prevalent?



The Challenge at Hand

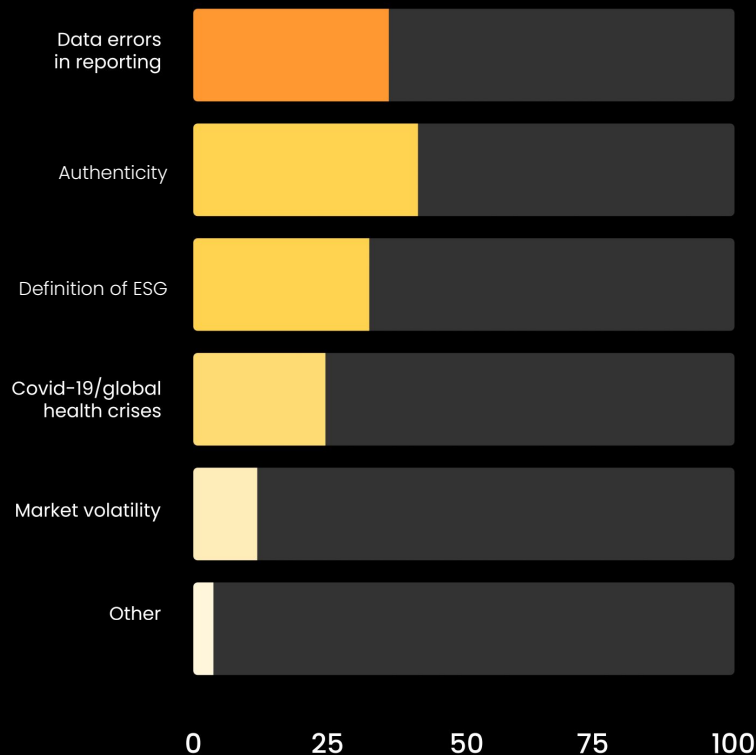
What did marketing professionals say were their biggest ESG communication challenges?

What are your biggest challenges when it comes to ESG comms?



What did marketing professionals say about the risks of ESG communication?

What risks do you have to navigate when communicating around ESG initiatives?



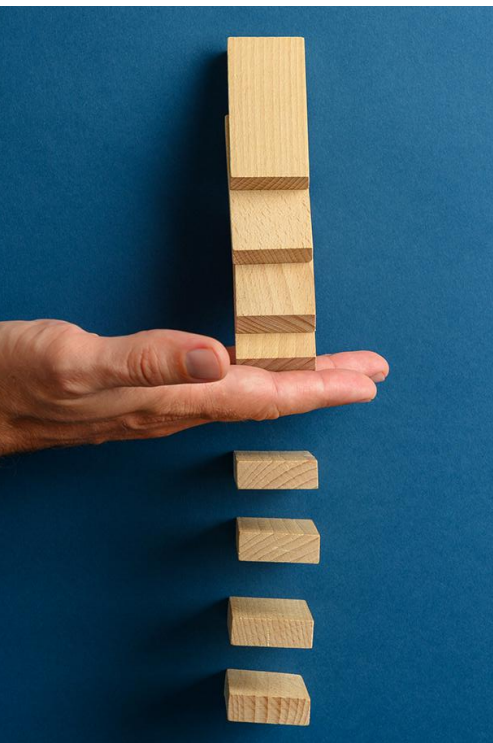
The Challenge at Hand



Tactics

Asked how they navigate communicating the more complex components of ESG, respondents shared a **range of tactics**, including:

- Completing social surveys
- Using studies, data, and weekly reporting
- Work groups, knowledge transfer and training
- Involving all stakeholders for an aligned vision
- Using external experts to craft wording



How to respond to the challenges and risks of ESG communication:

Define ESG Internally

While ESG can mean many different things to other people, you need to be really clear on what it means for your organisation. Take the time to **define ESG within the context of your business**, and ensure all your employees understand the term and how to use it. This is where great **internal comms** comes in, and we're always here to help if you need some inspiration.

Make Data Digestible

Endless streams of unintelligible figures will put off even the most committed sustainable stakeholder. But your ESG data doesn't have to give your audience – or you – a headache! Visualising your **key statistics in infographics** – whether static or even animated – can make internal ESG metrics and KPIs much clearer and easier to understand.



How to respond to the challenges and risks of ESG communication:

Improve Authenticity

Show that you're taking ESG seriously – bring in **subject matter experts** to work on your programmes and help you better understand the messages you're communicating. Also, don't hesitate to **showcase your ESG experts in your communications**. Why not include profiles on them or quotes from them on the importance of ESG and the work your organisation is doing in this area? Or maybe ask a subject matter expert to record the voiceover for an ESG communication video.

These may seem like small, insignificant things, but they can make your messages come across as much more **authentic** to your audience.

Simplify Complex Topics

When dealing with the complexities and lack of clarity around ESG, **your communication must simplify** the topic rather than adding to the confusion.

Video content is an excellent way of communicating complex topics simply, drawing information into a clear, engaging narrative your audience can follow.

Try presenting your ESG metrics with an **infographic video**, outlining ESG's importance with an **explainer video**, or introducing your ESG initiatives with a **video series**.

3. Effective ESG Communications

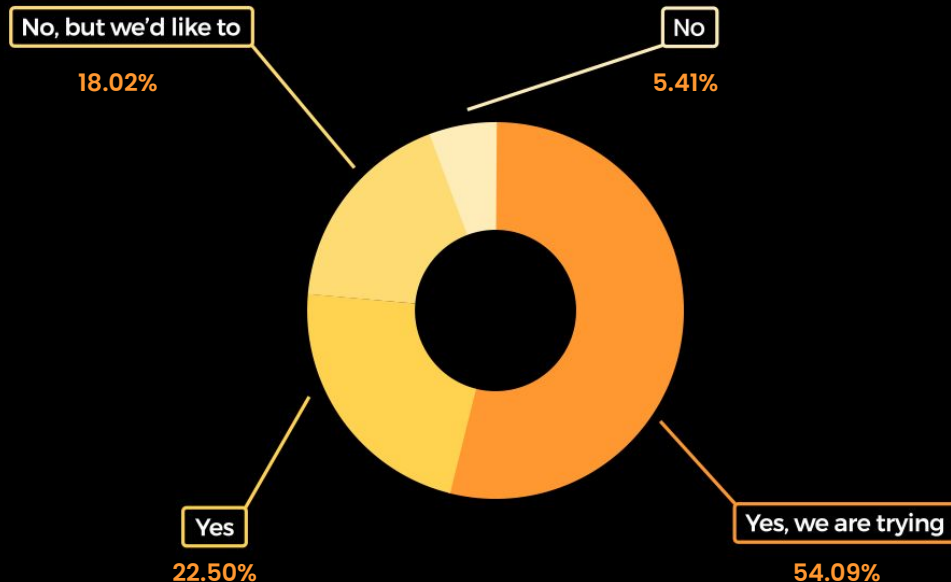
Tools and tips for success

When crafting an internal or external ESG comms campaign, all four of the following elements need to be carefully considered: **Audience, Messaging, Assets & Channels.**

Do you tailor your ESG reporting and communications to suit your different audiences?

// *It is crucial that asset managers continue to review their outbound ESG communications to ensure they continue to satisfy the demands of their audience, or risk losing relevance.*

— Peregrine



Audience

The Importance of Understanding

Understanding your audience of stakeholders and investors and **tailoring your ESG comms** accordingly is key. However, the data suggests more people are trying to do this than necessarily succeeding. So, how can you ensure your communications speak to your sustainably-minded audience?

Relevance and Relatability

What ESG information does an investor care about? Likely how your **ESG initiatives** will impact the company's **profits**. How about an employee? Probably how the **social standards** will affect their work life and opportunities within the company.

The ESG messages you're communicating to a particular audience group should be **relevant** to that group, reflecting their interests and needs.

Make it clear why they should personally care about the sustainable programmes you're so proud of.

Audience

The Global Challenge

As well as reflecting their interests, your ESG communication materials should **reflect the diversity of your audience**. If working on a global campaign – this can be a challenge. **Thoughtful stylisation** is needed for your message to hit home across markets and cultures. Your ESG comms should successfully speak to multiple groups. But how?

→ Keep visuals **neutral** and widely **relatable**.

→ Check your messaging works with colleagues abroad.

→ Use **inclusive** language and a universally-accessible narrative.

The Rise of Generation Z

As younger investors come onto the scene, organisations' ESG efforts are under more scrutiny than ever. These new cohorts "are **interested in seeing their money do good** as well as generate returns", the Financial Times acknowledges. Plus, they're not afraid of publicly calling organisations out for unsustainable practices. So, how can you make your messages land with this new, growing, and **highly influential audience**?

→ Use **online surveys** and **social** media polls to understand which ESG issues matter most to them.

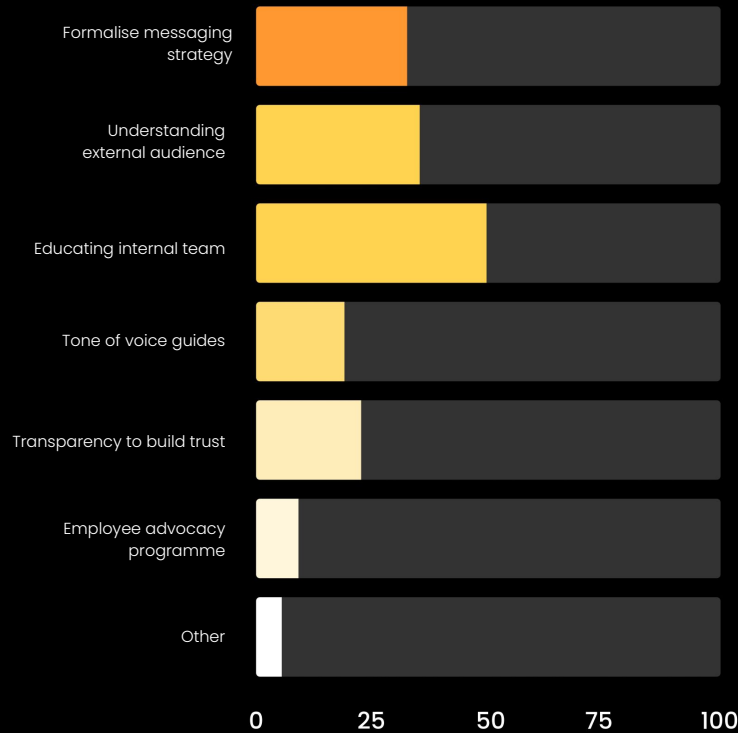
→ How do your ESG initiatives focus on these issues and align with their ideals.

Tailoring your Messaging

How do you maintain consistent messaging internally and externally for your ESG comms?

// Boards and executives have a fiduciary duty to consider how their organizations are identifying and managing ESG-related risks and what story the market is getting about their performance.

— Ernst & Young



Messaging

Defining Your Strategy

Consistency between your internal and external messaging can seem like a real challenge. Our survey showed that **internal education** was key to a cohesive messaging strategy.

Only once your internal team is educated on ESG can they properly educate your external audiences in turn. To help ensure harmonious messaging, a **formal messaging strategy** can also be highly valuable.

Messaging

Getting it Right

The **right messaging is vital** in ESG comms, and it's also vital that everyone's singing the same tune. With a lack of clarity in the industry around ESG, the last thing your audience needs is differing confused messaging from your organisation. Plus, get it wrong, and you'll lose public and stakeholder trust, and consequently, investment. Our survey participants used a **range of methods to ensure consistency** in their messaging, but **internal education** came out on top.

An Education

Educating your internal team on your ESG goals, programmes, and results is highly important. To communicate your ESG efforts in the best way, they need to understand these efforts and their impact. An **internal communications campaign** can be a great way to educate internally and help ensure messaging consistency.

When putting together a formal messaging strategy for ESG communication, there are some **key tips** that are always worth including:

Messaging

→ Be Transparent

According to the Financial Times, there is a “**rising investor demand for more transparency**, on ESG issues in particular.” Make it clear exactly what you mean by ESG, and address the challenges of greenwashing in your communication.

→ Show the Impact

Carrying out ESG initiatives is all very well, but what do your efforts actually achieve? **Share the real difference** you’re making, and visualise data with **infographics** to show it off to its best.

→ Talk About Profit

However sustainably-minded investors are, by and large, investing to make money. Show how your ESG initiatives will pay off for them **financially**.

→ Be Creative

A formal messaging strategy needn’t make your comms boring. Creativity can help make your ESG messages more **memorable**, boost their effectiveness, and **drive advocacy**.

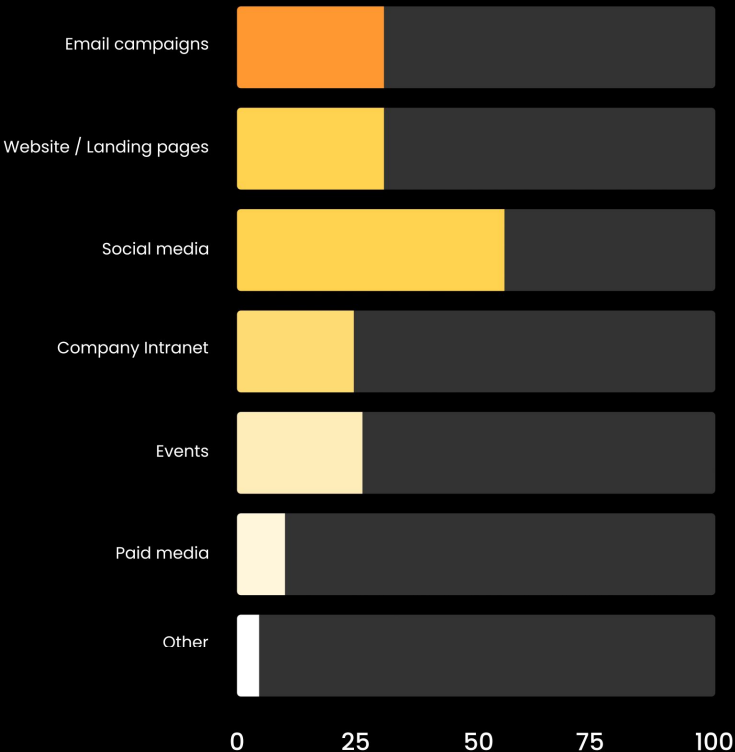
→ Tell A Story

People invest in sustainable businesses because they believe in the importance of doing good for our planet and people. Provide a **human narrative** they can get behind.

What are your most effective marketing channels through which you communicate your ESG strategy?

// Consider all the communications channels available to get your story across, and how these channels can support each other.

— Amfori



Channels

Finding What Works

With a huge number of communication channels at your disposal, choosing the right one seems trickier than ever. So, why not **test out a few different channels** and see what the results say? The channel that works best for you might not be the one you expect. The marketers surveyed found **social media** to be highly effective for ESG communications, so try making this channel a central part of your strategy.

Channels

// *Consider all the communications channels available to get your story across, and how these channels can support each other.*

— Amfori

→ The Best ESG Comms Channels

Our survey rankings:

1. Social media
2. Email campaigns & Website/landing pages
3. Events
4. Company intranet
5. Paid media

→ Think content

While social media seems the clear winner, it's no one size fits all solution. **Different content does well on different channels.** The key is figuring out the right one for each ESG asset. Attention-grabbing imagery is great on social, while long-form copy is better suited to your website. Don't be afraid to look beyond the above channels, with options such as **webinar** tools and **traditional media**.

Channels

→ Look at Engagement

For internal ESG comms, the best channel comes down to **what your employees actually use and engage with**. Maybe your intranet is known as the place to go for information, or maybe emails generate more engagement. Or perhaps, as offices start opening up again, **eye-catching infographic posters** on your ESG initiatives in the kitchen are more likely to attract attention.

If employees respond more to face to face interactions, why not introduce new ESG efforts through in-person events or virtual town halls? **What works best for your internal audience will work best for your ESG communication.**

The same applies to targeting external audiences. Maybe you have a really active **LinkedIn** following, or perhaps the engagement rates on your **email newsletters** are incredible. **Listen to the data. It will lead you to your audience.**

→ Go Omni-Channel

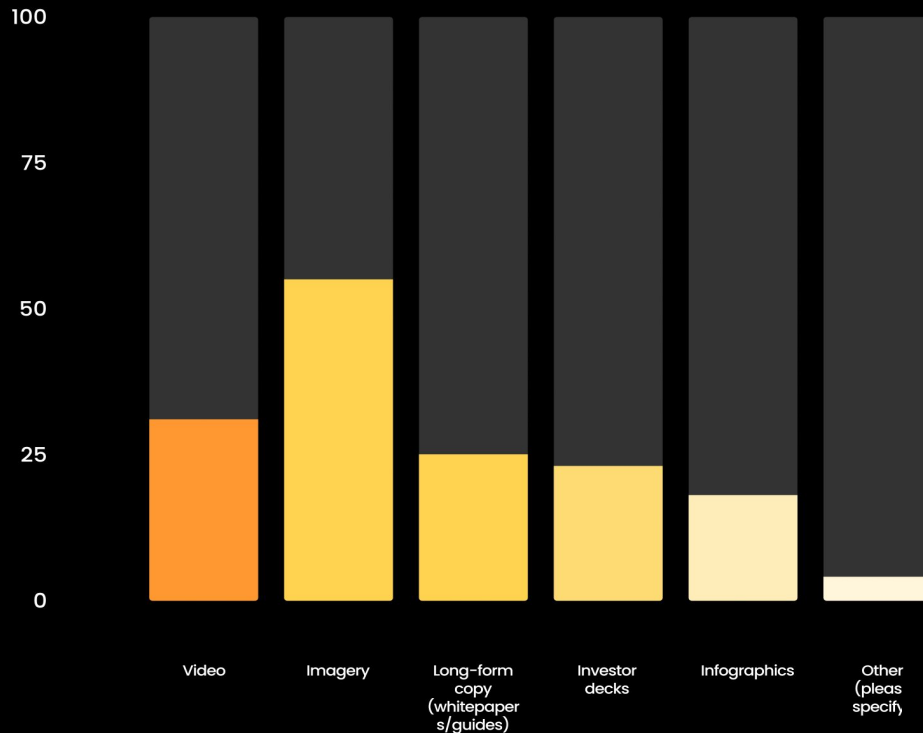
To **spread your messages wide** and reach as many people as possible, an omni-channel campaign is often a great choice. It ensures people are able to access your communications on whichever channel they usually frequent, helping you to **obtain and retain stakeholders**.

Diversifying your Content

What are your most effective marketing assets when it comes to communicating your ESG strategy?

// When an organisation has a credible ESG story to tell, content-led communications [...] can help influence genuine social change - but it has to be authentic.

— Damian Douglas, World Media Group



Assets

The Options are Endless

There are endless assets that can be utilised for ESG communications, and, accordingly, 34% of survey respondents identified **two or more assets as most effective**. But which ones are best for you? The data highlights the **power of visuals**, with over half of respondents crowning imagery as most effective, with video coming in second place. It seems pictures really do speak 1000 words!

Assets

Which are most effective?

Our survey rankings:

1. Imagery
2. Videos
3. Email newsletters
4. Long-form copy
(whitepapers/guides)
5. Investor decks
6. Infographics

But these aren't your only choices. If the content justifies it, give the following content a go:

- Webinars
- Articles/blog posts
- Short animations
- Slideshares
- Microsites
- Data visualisation

Assets

What Are You Communicating?

- Clarifying a complex social issue?
Use an explainer video.
- Presenting impressive environmental stats?
Go for an infographic.
- Sharing regular governance updates?
Send out a newsletter.
- Showcasing the impact of an ESG initiative?
Create a case study.

Some assets lend themselves to certain types of communication: **think about the message** you want to convey when choosing what type of content to create.

Repurpose. Repurpose. Repurpose
Make the most out of your ESG communication materials by creating assets that can be used across **multiple formats and channels**, ensuring greater engagement.

Save time and money by **giving new life to existing content**, turning an ESG infographic into an animated video or social media images, for example.

4. The Work in Practice

Putting it all together

With our heritage in telling complex stories through mediums such as animation and live-action film, we've been making ESG communications work for our clients before it was even called ESG. Since 2013, we've worked with firms like UBS, BCG and AB InBev, telling their ESG stories using a variety of messaging, mediums and assets. Check out three of our case studies over the next few slides.



CASE STUDY

The Challenge

Boston Consulting Group are at the forefront of changes in global markets and are known for their approach to risk management in digital transformation.

They wanted to highlight the changing landscape of the fuel market and how stations of the future will need to adapt to the evolving needs of their customer base.

Boston Consulting Group The Future of Fuel

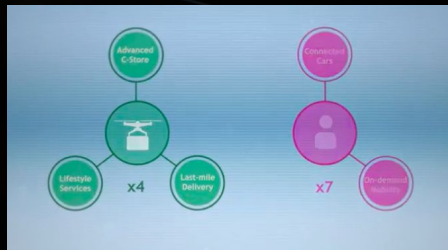
The Response

We worked with the BCG team to create a story that would show where we are today and where the market is going in the future.

The film showed the key aspects of what risks current fuel stations face and how they can adapt to serve the needs of the future.

Blending a realistic illustration style with futuristic and dynamic characteristics, our film gave a clear and understandable vision of the not-so-distant future for fuel stations.

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The Challenge

AB InBev launched a commitment with the vision to build a company to last for the next 100+ years, relying on driving sustainability across their business.

To mark this, they wanted to create a campaign that highlighted some of the key initiatives they are involved with. They came to Nucco to help bring this messaging to life...

ABInBev 100+ Accelerator Programme

The Response

We created a series of 5 videos where AB InBev outlined the ways in which their drive would allow communities where we live and work to benefit and thrive.

We worked closely with the AB InBev team to develop scripts, styleframes and storyboards that would encapsulate the messaging of the various initiatives: ranging from water, to energy and packaging.

Using an emotive illustration style and imaginative transitions, we conveyed the AB InBev message from start to finish!



100% OF OUR DIRECT FARMERS
ARE SKILLED, CONNECTED AND
FINANCIALLY EMPOWERED



5. In Summary

There's no dodging around it: crafting effective ESG communication campaigns is a tricky business. But we hope this guide helps a little, clarifies the key areas to focus on, and makes the whole process that bit easier.

Unfortunately, we can't solve the problems around greenwashing, or the lack of a global reporting standard. However, following our tips will ensure your communication is **clear, authentic**, reaches the right people, speaks directly to your audiences, and **effectively** conveys your ESG messaging.

Key Takeaways

The State of Play

- Fuelled by the impact of Covid-19 and global warming, a focus on **Environment, Social, and Governance issues is on the rise.**
- In our survey of **111 marketing professionals**, only 17% felt “very well equipped” to communicate their organisation’s ESG efforts.

The Challenge at Hand

- No single definition, defined standards, or reporting for ESG.
- High prevalence of greenwashing.
- Hard to portray authenticity.
- Data and complex topics need to be made understandable.

How To Respond

- Define ESG internally.
- Improve authenticity with the help of subject matter experts.
- Visualise data to make it digestible.
- Simplify complex topics with videos.

Key Takeaways

Effective ESG Communications

- **Audience**
Remember relevance and relatability when tailoring your ESG communications and reporting.
- **Channel**
Look at your audience and the content type to determine which channel is best for your ESG comms.
- **Messaging**
Educate your internal team on ESG in order to ensure consistent messaging.
- **Assets**
Think visual, consider which asset works best for your message, and repurpose where possible.

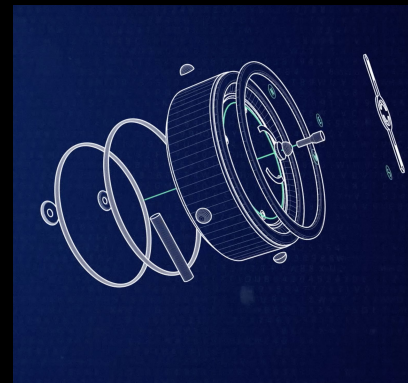
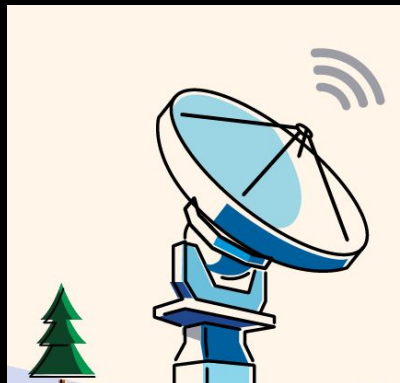
The Importance of ESG

- Client demand for sustainable investments is on the rise.
- A corporate focus on ESG has been demonstrated to show returns.
- Focusing on ESG issues can help manage risks and improve your company's resilience.

About Nucco

- **Communication that change behaviour and perspectives**
- We use **insight-led creative** to create digital campaigns and content for advertising, marketing and internal communications.
- Part of **UNIT9 Group**
AdAge "Production Company of the Year 2019"
Campaign "Tech Company of the Year 2020"

[Find out more.](https://nuccobrain.com)





Thank you

That's all folks!

Get in touch to discuss crafting beautifully simple ESG communication campaigns and content.



newbiz@nuccobrain.com