Communicating sustainability

A guide for values-led organisations



RH&Co.

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Introduction

Marketing sustainability matters

Sustainability, ESG, ethics, values, reporting – there's an undeniable shift that's taking place for organisations. More are prioritising People and Planet than before, thought leaders are advocating for greater change, and nonprofits are mobilising action around an increasingly urgent cause.

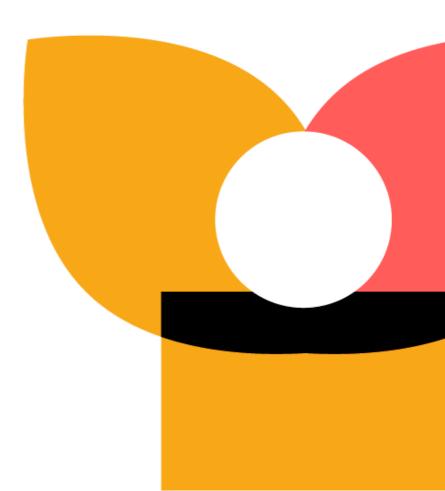
This is clearly a good thing. But for those charged with marketing their organisations, it poses a series of challenges. There's the risk of being accused of greenwashing. There's the battle to get your message heard above the ncreased noise. There's the need to communicate

impact effectively.

Finding a way through these challenges is essential. Not just for commercial reasons but because, unless we can work out how to communicate effectively about our sustainability efforts, we limit the impact and influence we otherwise might have.

Business can be a force for good, and charities and non-profits can achieve so much, but only if we can all avoid the particular communications pitfalls that organisations in the sustainability space face.

In this guide we've drawn together all of our knowledge and experience, not only as a B Corp but as an agency that has worked with a raft of values-led business in sectors ranging from science and technology to health and haircare.



Challenge 01: Greenwashing

Greenwashing vs Greenhushing: 3 ways to avoid both and sell your impact

The most effective protection against greenwashing is to have an environmentally sustainable business model. If your organisation is a) doing literally nothing to harm the planet, and b) only producing a positive impact on the environment, well, you're probably in the clear.

Sadly, we live in a world where this describes very few companies. We also live in a world where businesses that have a net-bad impact on the environment are frequently popping up in the news for claiming they are "the world's most sustainable airline" or "at the forefront of sustainable innovation".

So how can we highlight our positive environmental impact without losing face or falling off a regulatory cliff in the process? Or, as some in the industry are starting to say, how do we navigate the space between greenwashing and "greenhushing", which, depending on who you ask, is either brand shyness or another, even trickier, form of greenwashing?

Be concrete in your language and claims

To begin with, you can throw out any urge to describe your products using the terms eco-friendly or natural. To be honest, in this age, it's arguable whether you should even use the word sustainable. After all, Patagonia, the most recognisable fashion brand for this sort of thing, doesn't use the word sustainable to describe any of their products. Instead, they opt for concrete terms:

- 100% recycled polyester shell and lining
- Made with durable organic hemp
- Utilises fabric scraps and recycled bottles to reduce our reliance on virgin raw materials

And so on. There are times when it's helpful to use the word "green" or "sustainable" to describe a product if it's measurably more green than alternatives, and that's its primary differentiator. But you'd better be able to back it up to the hilt with concrete reasons why it's green (biodegradable, plant-based, made in a solar-powered factory, made of 100% recycled materials etc.). If your list of reasons is damage-control at best, steer clear. After all, plastic is recyclable and we don't call that green.

2) Seek accreditations from independent bodies

There are plenty of pitfalls when it comes to self-disclosure and company commitments. For instance, what do the following statements have in common:

- We aim to reach net-zero carbon emissions across our operations by 2040
- Our product range uses recycled materials like polyester as we work towards transitioning to better materials.

Any guesses? Well... they're both misleading. Really, really, really misleading.

The first statement was made by Amazon in an attempt to position the company as a climate leader. Turns out, according to a <u>private report</u>, the retail giant isn't counting emissions associated with any third party products on their site – only Amazon branded products. That means when they're talking about hitting zero-carbon, they're only counting the carbon for 1% of their online sales.

The second statement is found in Boohoo's Ready for the Future range. Nice name. But a CMA investigation is underway, since the actual amount of recycled materials included in a new garment might be as low as 20%. And it's not an isolated problem either. In 2020, an EU's assessment of 150 product claims found that 53% used "vague, misleading or unfounded information". Is it any wonder why consumers are growing cynical?

So what's the antidote, other than being very vigilant about what you do and don't claim? For many, accreditation from external bodies is the answer.

One of our clients, <u>Davines Group</u>, uses the platform Provenance to evidence the brand's claims about its haircare products. Provenance uses blockchain data to fact-check claims about social and environmental impact against the company's supply chain. So if they say a product has "widely recyclable packaging" or "supports biodiversity", there's an independent voice to back it up. The Davines brand itself is also <u>a certified B Corp</u> – so they have another independent voice on their side.

3a) Be transparent about mistakes...

"Be authentic" is an easy thing to say but it's hard for many brands and businesses to pull off. For a start, most would rather only be candid if their honesty will be met with applause - the equivalent of a pop star wearing their heart on their sleeve. Authenticity that involves, say, how unsustainable your current practices are, well, that's less sexy.

That's why greenwashing exists, after all. It's so much easier for a corporation to showcase the 1% of the organisation that's conducting research into a net-zero transition than it is to be upfront about the 99% that's contributing to a climate or ecological crisis.

However, if you are chasing a genuinely sustainable future, and not trying to keep an environmentally toxic business afloat, brutal honesty can help put your impact in perspective.

When eyewear brand Ace & Tate became a B Corp in 2021, they could have announced it with green fanfare. Instead they announced it with the words Look, we f*cked up. Our bad moves, and proceeded to list all the ways in which the company had failed at sustainability, and what they were doing about it.

Within this they were clear to explain the limits of their carbon-reduction: "We can say we're Carbon Neutral, but we still have a long way to go on the journey towards becoming net-zero." They also showcased concrete errors: "We chose to produce a glasses case from Polyphenylene Ether (PPE) and bamboo fibre. It turns out, that's not as sustainable as we thought."

3b) ...and about limitations

Even if you're an engineering firm that only works with wind farms contracts, there are going to be limits to your positive environmental impact (possibly even a few downsides as well). And all companies can win more trust by sharing a little more than they do.

One of our own clients in HR consultancy was careful to do this in the promotion of a different kind of pension. We wrote an article for the company that had words to the effect of: "For decades, our company recommended pensions that damaged the earth. Now we're trying to change that. And yes in the interim, we're partnering with companies that are offsetting rather than 100% carbon neutral. It's not perfect but it's a step in the right direction."

You might disagree with this brand stance on offsetting but at least you're able to tell what the company is doing vs. what it isn't. Whether or not they're making the right move, at least they're upfront about what they're doing. And while transparency won't endear a brand to everyone, it's better than talking vaguely about being carbon neutral in a gambit for universal appeal.



Challenge 02: Increased noise

Positioning a brand on values - how to cut through the noise

Back in the day, positioning yourself as a green / ethical / sustainable (delete as appropriate) bank or fashion brand or consultancy practice was a relatively straightforward thing to do, assuming you could back it up in some way.

These days it's not so easy. With everything from ESG regulations to the explosion of the B Corp movement, having social and environmental values is no longer a differentiator – there's just too much noise.

As business advisor and author <u>David C Baker wrote recently about purpose-driven agencies</u>, "There are a thousand firms claiming that space, and thus it has become a distinction without a difference." He goes on to say that he's a big proponent of being-purpose driven, but adds, "It's a good thing, but it is not positioning."

So should you bring your brand values into your positioning? Can it be done effectively, and if so, how? And are there any alternatives?

Just because it's a feature, doesn't mean it's a brand

There are times when signalling a particular values-led product or feature is worth doing. For instance, a consumer will want to know if the toilet paper you're selling is recycled or not, so by all means stick that on the packaging. But don't be fooled into thinking that makes you Who Gives A Crap.

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Who Gives A Crap oozes values from every pore. Not only is the product made of sustainable bamboo, they donate 50% of their profits to build toilets and improve sanitation in the developing world. They're so passionate about their cause that one of their founders sat on a toilet in a warehouse and refused to move until their first £50,000 campaign was crowdfunded.

Crucially, because they were one of the first to really offer toilet paper that feels like a missional purchase, they could market it as exactly that

However, if you were working at Andrex, and the company switched to using recycled fibres one day, you'd have a hard time convincing people you were the values-first choice. You'd be far better off sticking to your 'soft as puppies' message. Your recycled fibres alone would not give you the grounds to lead with a sustainability message.

As an aside: A glance at the Andrex site shows you their mission is "to leave a greener pawprint on our planet" which while cute, doesn't exactly ring true when you consider their parent company cut the use of recycled fibre from 29.7% in 2011 to 19.3% in 2021, and Ethical Consumer advised against buying their products in report published in May 2023.

To make this point with a B2B example, if you're a commercial cleaning company and you use only environmentally friendly products, that's absolutely something your clients might want to know. But it's not enough to start marketing yourself as the green alternative.

By all means make ethical choices as a brand. But you only

By all means make ethical choices as a brand. But you only earn the right to build a value proposition around your ethics if they run uninterrupted through your business model. Because in <u>this age of greenwashing</u>, unless your values are near faultless, you're going to be called out – or at the very least you'll raise eyebrows from sceptical buyers (who might have given you a chance if you hadn't embellished a feature and tried to hold it up as a sustainable brand).

From values to disruption: defining your cause

So let's imagine you work for a business that can hand-on-heart claim to be values-first. The problem you're facing now is that too many other businesses are trying to lead with the same message. They're all using the same language.

Which means your value proposition needs to be built around a specific cause. You can't just be a 'people-first fashion brand' or an 'ethical HR tech platform' or a 'green manufacturer'. Be clear about how you're disrupting your sector, whether that's championing size and gender diversity, advocating for skills-based hiring to combat hiring bias, or making a circular economy possible in a given locality.

For instance, <u>Tony's Chocolonely</u> have built their entire business on "making chocolate 100% exploitation free", rather than pitching their brand as "the ethical chocolate company", a phrase that feels shallow by comparison.

Making chocolate 100% exploitation free isn't just Tony's brand positioning, it's their business model. More than 9.2% of their retail price goes to cocoa farmers – more than the Fairtrade premium – and they work directly with farmer cooperatives, ensuring that premiums reach individual farmers

If your brand is similarly cause-based, it can act a little like <u>disruptive companies in the tech industry</u>. And your marketing can cut through the noise using a couple of disruptive principles:

- 1. Change the rules of engagement, showing people a new idea is true or possible, e.g. ethical clothing can be affordable if we do it at scale (see <u>Yes Friends</u> "...it costs as little as 10p extra per T-shirt to pay workers a living wage in India, and as little as £1.50 per tee for fairly traded organic cotton").
- 2. Show empathy before you sell. Assume the consumer or client wants to do the right thing and they've simply been working with a broken system until now – they've been navigating greenwashing and social-washing, and maybe getting disillusioned too.

If you're changing the way an industry operates, you can afford to bring your cause into both your value proposition and your communications strategy. You can be like Patagonia and only ever run awareness-campaigns instead of product ads, or you can create reports that urge further change in the industry, or you can hone a message that flips people's percentions on their head

Understand your value beyond your values

So what about the brands that are genuinely doing their bit for People and Planet as well as Profit but can't quite claim to be disruptive frontrunners? Should you still try and position yourself around your values?

Let's explore this using a set of three imaginary IT companies. You're the customer or client trying to pick one.

Option 01: Beige IT

Assessment: Good performance, good price

Option 02: Surprisingly Digital Consulting

Assessment: Good performance, good price. Achieving a positive social impact.

Naturally you'd choose the more impactful business, Surprisingly Digital. However, we're rarely in such a clear, clean cut scenario. You're much more likely to encounter the following set of IT services companies:

Option 01: Beige IT

Assessment: Can probably meet your needs.

Option 02: Surprisingly Digital Consulting

Assessment: Can probably meet your needs, and the brand showcases a few ways it is green or sustainable or values-led.

If that's all you're choosing between, you'll likely go for option 02. Until we add another company into the mix.

Option 03: The Goldilocks Wave

Assessment: Can deliver exactly what you're looking for. They have made no claims about their values, but they seem perfect from a performance angle.

Suddenly Surprisingly Digital Consulting, the business that made a point about advertising their values, isn't quite so appealing, is it? Those values have been overshadowed by the fact that The Goldilocks Wave can deliver exactly what you're after.

Most of us want to make ethical choices wherever we can. But the truth is – unless a brand offers a disruptively ethical alternative – we're rarely going to choose a company that appears to be values-based over a company that delivers exactly what we need. That's true whether we're talking about toilet paper or cloud infrastructure or legal services.

If your audience is primarily in the market for a HR consultant, you need to focus on how you've helped companies bring back their workforces from the brink. That doesn't mean you shouldn't talk about your fundraising efforts for your local conservation charity and your commitment to pay the Real Living Wage, but these things need to take a supporting role.

Because ironically, if you can't go big with a values-led message, your best bet for cutting through the noise is not to shout but to let others infer what you stand for from your actions. Infuse your values throughout your marketing – share pics of your team doing charity work, <u>create an impact report</u> to showcase how you've been reducing carbon emissions – but don't lean on them as central to your value proposition.

In all things, show don't tell

So should you bring your brand values into your positioning? Only if it really is a central cause around which you've built your business, and which you can back up with evidence that even the most cynical aggressor would be hard pressed to deny.

Can values-based positioning be done effectively? Yes, if you go beyond generic terms like 'sustainable' and 'green', and hone your narrative around a clearly defined cause that runs clearly through your entire business model.

And are there any alternatives? Absolutely. Because we can't all be Patagonia or Tony's Chocolonely or Ecolab. But we can and should be infusing our values through all that we do. And, if we follow the 'show, don't tell' rule, that can absolutely include our brand marketing.

Challenge 03: Need for impact

How to create an impact report with impact

If you want to be taken seriously for your sustainability commitments or your social impact, sooner or later you're going to need to pull back the curtain on what you're achieving. Enter the impact report. It's a document that will be familiar to any B Corp, non-profit or company that has grown to the point where it needs to disclose its impact by law.

There are many types of impact report, addressing different stakeholders and concerns:

In and of themselves, these reports can have great value for benchmarking and tracking progress in an organisation. That's not all though. With the right thinking and narrative behind it, these reports can create an impact that's all their own.

- Charity annual reports
- Programme reports
- Environmental impact reports
- Social impact reports
- Health impact reports
- B Corp impact reports
- Modern slavery statements
- Gender pay gap reports

Business impact reports vs. charity impact reports

The fundamental difference between business and charity impact reports is that of stakes.

A non-profit's impact report is justifying its existence.

It needs to say, "Donors, this is why you should keep donating. This is what your partnership has accomplished. Here is the evidence this organisation is making a difference in the world."

A business impact report, meanwhile, is evidencing its ethics.

It's shining a light on the impact - positive and negative - that the company has on the environment and / or other stakeholders.

For a business, the stakes will rise or fall depending on several factors:

Positioning of the business

If a company has built its brand around a cause – for instance, slave-free chocolate or carbon-free clothing – it will attract more scrutiny, whether that be from buyers, regulators such as the FCA, or journalists.

Stakeholders

If a company's partners, investors, and clients are evaluating their own ESG-credentials, they'll want to know more about those they do business with. Also, if a company works in or with regions where human rights or conservation violations are high risk, it's all the more important to be meticulous.

Industry and growth stage

If you're a small company in an industry not known for its impact reports, the fact that you're creating an impact report at all will speak to your audience. If you're a multinational FMCG, there will be more regulatory and stakeholder pressure to disclose a greater depth of information and take bolder action.

Even if the stakes are low, that's not to say your impact report can't have an impact in and of itself. It can be an invitation to employees, partners or other stakeholders to go on the sustainability journey with you, or it can challenge others in your industry to take bolder action. With the right narrative behind it, it can become a key milestone in your organisation's story.

How to create impact with your report

If you're primarily creating an impact report because you have to do it, you risk overlooking the value it can bring to your organisation. When it's firing on all cylinders, an impact report can achieve a whole lot more than compliance. So how do you make sure yours delivers on all fronts?

Make sure your impact is instantly clear and evident

Outcomes:

- Deepen trust with stakeholders
- Stand up to scrutiny

In an age of greenwashing and greenhushing, an impact report will stand out if it's candid and clear. It's all too easy for an organisation to create an impact report that obscures the important details with vague statements, commitments and a showcase of non-critical action. But a report that is aware of its audience and speaks honestly to what they care about will build a better brand reputation.

If in doubt, focus on the outcomes to your actions rather than the actions themselves. Charities are typically great at this. They know if there is no qualitative or quantitative measure of impact, there is little point in reporting the action. For instance, don't only say you launched a new D&I committee, show how that committee is already shaping your organisation's policies and processes.

2) Weave smaller stories into a wider narrative

Outcomes:

- Win over the fence sitters
- Give your audience a reason to stay invested

The story you tell through your impact report can also be a swing factor for people looking for reasons to become a donor, stay investing, keep partnering, renew their membership, or continue a client-supplier relationship.

That's not to say your report should advertise your sustainable brilliance (unless you really can justify it), but you can showcase how your company is learning, facing up to its challenges, and building a future that fence sitters will want to be a part of.

<u>Personal stories</u> are key here. This might involve a case study demonstrating how your partners are working to protect mangrove forests, or interviews with the people impacted by the changes you've made to your health programme, or the small business owners your direct trade is supporting. Personal stories will make a statistic like "we supported our NGO partner with 352 pro bono hours" far more meaningful to everyone reading it.

3) Don't leave it all in the report – spread the message

Outcomes

- Attract new leads and build your reputation
- Motivate your team, brand advocates, and volunteers

Depending on the content of your report, you may also be able to use its quotes, case studies and statistics in your marketing campaigns. Not everyone will read the full impact report, but if you snip parts of it up into social posts, internal comms, executive summaries, emails and so on, your message can go far further.

If your comms paint a clear picture, your team, brand advocates and volunteers are also more likely to stay loyal to your cause. When they see what they're contributing to, it can put fresh wind in their sails.

Who do you need to write an effective impact report?

The answer to this question will depend a little on the scale of your operations and the stakes involved. If you're a sole-trader, for instance, you could technically have a go at creating the whole report yourself.

That said, if the stakes are higher, you're unsure of where to start, or you want your report to have the greatest impact possible, you might want to make use of the following:

1) Sustainability consultants

If you're a scaling company new to the annual report process, you're not sure which sustainability framework to use (GRI, TCFD, SBTi, IRIS+, etc.) or you're aware that your data collection has had too many gaps in the past, it can be helpful to work with a sustainability consultant

A consultant - or indeed an internal sustainability expert - can help you to understand what companies, investors and regulators will want to see. They can also facilitate stakeholder workshops to help map out the scope of what you should be reporting on, and how you can collect and present the data in a responsible way.

2) Subject matter experts

No organisation can create an effective impact report without contributions from people in charge of key areas. This might involve consulting with the professors in charge of key research, or receiving full case studies written by your technica team. You can also bring in the voices of external experts and partners to provide a broader perspective.

If parts of your impact report are written by subject matter experts, you'll probably need to edit the tone of voice for the sake of consistency. If your wider audience is non-specialist, you may need to simplify some of the language too, without losing the nuance that specialist readers will expect.

To learn more about how to do this, see <u>our guide to involving experts in content creation</u>.

3) Content strategists and writers

<u>Sustainability and ESG content specialists</u> like RH&Co will ensure your report not only adheres to regulatory and ethical standards but that it also resonates with your audience on an emotional level – both line by line, and as a whole document.

We can help you to answer questions like: What's the wider story we're telling as an organisation? How can this impact report build momentum for our brand or cause? How can we launch this report as part of a wider campaign that attracts new members, hires, donors or clients?

In other words, how can we ensure that, when we launch this impact report, it actually makes an impact?

Next steps in sustainability communications

How we communicate impact will continue to evolve – it will need to, as regulations change and customers continue to raise their expectations. Which makes it even more important for marketers to get the foundations right, and to continuously interrogate their own sustainability communications strategies in order to keep pace.

But we will also need a shift in mindset. Because this is not just about gaining a competitive advantage. It's about making

a genuine impact. Which means that we need to be sharing best practice and working together to push for truth, transparency and accountability, calling out slick campaigns designed to distract from a lack of substance.

As a first step, if you know a fellow marketer or a comms professional working within a values-led business or organisation, why not forward this ebook on to them?



Rin Hamburgh & Co is a strategic brand copywriting agency and certified B Corporation based in Bristol, UK. We work with businesses and organisations across Europe to create high quality content that builds brand awareness, drives engagement and ultimately delivers results.

If you'd like to discuss a content project or learn more about our services, visit our website or contact one of the team today.

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