

# Taking a Stakeholder View with ESG storytelling

Companies are under pressure to increase transparency around environmental, social and governance issues (ESG). This pressure is not only coming from investors, but increasingly from employees and prospective employees, supply-chain participants, customers, and communities... the list seems to grow by the day. In the past, failure to tell an effective ESG story and avoid shareholder proposals can impact capital access and the ability to attract new investors—which is why more than 90 percent of the largest companies now publish sustainability reports. But ESG storytelling goes beyond investor relations. Social media-driven consumer activists have put companies under public scrutiny for their human capital management, climate impact, political contributions, and corporate diversity. Likewise, employees are pushing leadership to adopt their values and interests.

ESG impacts talent, brand perception and long-term customer loyalty. Authenticity matters, so your ESG story needs to align with the values your company represents.

It is true that regulators have begun to look at ways to standardize company disclosures regarding ESG, but they often take a narrower view that is often piecemeal and scattered. In 2022 the SEC is focused on climate change matters, while a few years ago, it was human capital. Some disclosures will end up in Form 10-K, while others will be in the Proxy, all oriented towards investors and not necessarily for other stakeholders. This makes it impossible to present a cohesive ESG program and narrative that is available for all stakeholders unless you choose to do so.

## IT'S TIME TO OWN YOUR NARRATIVE.

First, it's important to gain familiarity with SASB (Sustainability Accountability Standards Board) and TCFD (Task force on Climate-related Financial Disclosures). Although there is much alignment, in general SASB focuses on a corporation's climate impact, while TCFD tends to focus on how environmental factors present long-term risk. Investors and stakeholders want to know how climate change will impact your corporation's ability to deliver durable financial returns.

Second, it's critical to hone your internal reporting, metrics, and measures. It's one thing to know what you need to measure, but it's another thing to know how to measure. Try to find a partner with the right expertise to expand and refine your measurement processes and infrastructure.

Finally, prioritize your ESG storytelling. Although hard data indicators and metrics matter, ultimately your ability to attract capital and satisfy all stakeholders will require meaningful engagement to proactively shape perceptions and expectations.

ESG messaging should showcase how you will navigate long-term risk and capitalize on new opportunities. In this respect, impactful ESG narratives go beyond mere facts and figures.

## THE VALUE OF DESIGN

Bridging the gap between data and understanding. Communication design seeks to attract, inspire, and motivate an audience to respond to a message. Design elements of typography, infographics, color, charts, and graphs should all work together to communicate a holistic, strategic message that visually supports your brand. But design does more than make things look good.

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## Design plays an overall vital role in enhancing your communications by adding credibility, professionalism, and purpose to your message and your organization.

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Even the best-prepared data may not achieve the desired response if the content is not presented in a way that engages the reader. Design is what bridges the gap between data and storytelling.

For many companies, their ESG presentment takes on a journey. Often companies begin with a highlight of their ESG activities that tend to be dense with metrics and facts. As their ESG programs begin to progress, they move from more general qualitative statements to a more refined narrative, usually enhanced through sophisticated design, leading to more:

- **Accessibility** through layout enhancements
- **Thoughtful** (clarity) with improved content flow
- **Understanding** through strategically designed charts, graphs, and iconography
- **Alignment** with the brand through implementation of your graphic standards and branded imagery

Sustainability Reports attract a variety of stakeholders that have specific needs and expectations about the information provided in these reports, all with varying levels of engagement and resources for interpretation and analysis. With that in mind you will want to consider:

- How do I strike the right balance between disclosing the right metrics and incorporating an engaging story?
- What are the top stories my audience cares about?
- Is the content presented in a way that is engaging and easy to understand?
- Does it communicate professionalism and have a sense of purpose?
- How does it compare to peer companies?
- How does it reflect the brand?

Then identify your priority goals and objectives to best determine where to focus your design efforts and how design can contribute towards your success. How you convey your ESG narrative can go a long way toward shaping stakeholder perceptions of your business.

Let Broadridge help. We deliver an end-to-end process that helps you identify milestones, benchmark your accomplishments, and own your ESG narrative. Whether you are just getting started or well into your ESG efforts, we've got the roadmap you need to advance your ESG capabilities.

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