

Sustainability Blog

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Credible ESG Communication

As ESG evolves from a "nice-to-have" to a key performance indicator, learn how to navigate these waters to secure your brand's credibility and make your company future-proof to avoid pitfalls such as being accused of greenwashing.

Read the newest PwC Sustainable Finance publication "[Credible ESG Communication](#)".

In today's business environment, Environmental, Social, and Governance (ESG) aspects are key not only for a company's reputation, but also for a company's competitiveness. Yet, this path is challenging and above all demands credible implementation and authentic communication. High ESG ambitions can support corporate success, but failing to deliver on promises can spell disaster, inviting accusations of greenwashing.

Credible communication on your ESG objectives, strategy and performance is key to your company's success, as ESG is important for the reputation of your brand. Your clients, regulators, supervisory institutions, current and future employees, and other stakeholders care about your ESG performance and this trend will not diminish, but grow in the future. Respecting ESG criteria will no longer be considered as nice-to-have, but rather as a must for companies.

Credible communication requires transparency about your objectives, your pathways to achieving them, and how you will be measuring your achievements. Your first step should be to establish where your ambitions lie, what your customers and clients are expecting from you, and what contribution you want to make to promoting a sustainable economy and society with your ESG strategy.

Compliance with regulations on reporting is a cornerstone of ESG communication, but there is much more to consider: strategic positioning is at least as important. Joining sustainability initiatives with public ESG commitments and strong ESG ratings can strengthen your market position and can help you stand out from your competitors. Public ESG commitments and ratings can also support you in staying on track with mandatory reporting requirements, as these are often taken into account in relevant approaches and methodologies. However, it is necessary to consider that you have to be able to follow through, if you make a public commitment. Companies are subject to public scrutiny, and accusations of greenwashing are a major reputational risk. Therefore, it is crucial to make sure that your ESG positioning and related communication are credible and authentic. For a holistic approach to sustainability, it is recommended to integrate ESG into your corporate strategy making full use of related synergies..

In conclusion, the journey to ESG success rests on transparent communication, authentic commitment, and strategic alignment. High ESG ambitions hold immense promise, but credibility is the linchpin. As stakeholders increasingly evaluate companies through an ESG lens, meeting these criteria evolves from an option to a necessity. By navigating ESG waters with honesty, consistency, and a strategic outlook, you're not just safeguarding your business – you're paving the way for making your company future-proof and resilient.

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Schlagwörter

ESG, Sustainable Development Goals (SDGs), Sustainable Finance (SF)

Kontakt



Angela McClellan

Berlin

angela.mcclellan@pwc.com