



COMU- NICA- TING

SUSTAINABILITY AND ITS IMPACT ON REPUTATION

A PRACTICAL GUIDE

In collaboration with



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Presentation letter

All organisations, regardless of their sector or size, need to generate trust among their stakeholders and strengthen their reputation in order to drive valuable actions and secure their social license to operate. To this end, sustainability and the management of ESG (Environmental, Social, and Governance) criteria have become essential intangible resources for the business model of the future.

We are immersed in the “Decade of Action”, a strategy announced by the UN in 2021 with the objective of achieving the goals set forth in the Paris Agreement. And, although there continues to be some scepticism about the progress that has been made so far, in recent years we have witnessed a real revolution in the integration and consolidation of sustainability and reputation in business strategies.

There are many challenges when it comes to showcasing a company’s environmental, social, and governance commitments. However, there are also multiple opportunities that can arise from coherent and transparent communication that generates solid reputations. This has been affirmed by 70% of surveyed professionals who believe that developing sustainability presents both risks and opportunities.

Organisations are therefore now faced with the complex and essential task of efficiently communicating sustainability, and this is the specific purpose of this initiative: to accompany organisations and their professionals on the sustainability roadmap.

At Women Action Sustainability (WAS) and Corporate Excellence - Centre for Reputation Leadership, we are fully convinced of the impact that sustainability can have on generating trust in organisations. We believe that willingness and adapting to regulations and legislation can be a good starting point for achieving this. Whatever form it takes, sustainability is an intangible asset that has a powerful impact on reputation, credibility, and value creation for stakeholders. Without a doubt, companies must follow a path marked by sustainability, but undertaking this constantly evolving and transformative journey requires specific knowledge and skills.

This guide aims to support this purpose, and our vision is for it to become a practical and useful resource for companies and professionals as it proposes a roadmap that details the key characteristics of effective sustainability communication.

The practical recommendations shared in this document have been identified as a result of in-depth research and analysis conducted with the collaboration of experts in sustainability, reputation, and communication. We are grateful for the contributions of these experts but, above all, we admire them for the relevant role that they play each and every day in promoting the management of these disciplines in their respective organisations with the conviction that the integrated management of intangible assets impacts business and enables us to continuously advance and improve on the path to business excellence.

Society requires strong and decisive leadership to initiate change. Organisations must play a transformative role capable of generating long-term, equitable value for all stakeholders in environmental, social, ethical, and economic matters. Promoting responsible leadership has become one of the key elements of the business agenda, as reported in *Approaching the Future. Trends in Reputation and Intangible Asset Management*. Organisations therefore need to communicate their progress in sustainability and ESG (Environmental, Social, and Governance) criteria through a meaningful narrative.

We trust that this guide will help organisations and professionals advance on this path and continue to promote the creation of a new business model that integrates sustainability and good reputation into the decision-making processes of all organisations.



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1 THE PURPOSE OF THIS GUIDE

Sustainability is a broad and complex concept. As a result, many organisations and professionals need guidance on how to communicate this information (ESG) to stakeholders, clarifying technicalities and connecting with the needs of each stakeholder group. The Brundtland Report (1987) - a precursor to the SDGs - defines sustainable development as *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs (...); sustainable development seeks to achieve balanced economic development, social development, and environmental protection”*.

Our guide invites readers to reflect on this concept and offers proposals for the development of strategic sustainability communication that considers these elements and has a positive impact on reputation, taking into account potential risks and opportunities in a changing and uncertain context. In this regard, 69% of Open Talks participants believe that the enhancement of sustainability presents both risks and opportunities, and 31% believe that sustainability should be seen as an opportunity to demonstrate a company’s positive impact and contribution to the world.

The terms “greenwashing” - misleading communication that reflects the illusion of a sustainable company that does not correspond to reality - and “greenhushing” - the absence of communication due to fear of claims of promoting the aforementioned practice - demonstrate the risks associated with ineffective communication. In contrast, authentic communication and connecting with all stakeholder groups, beyond communication directed at accountability or compliance with legal requirements, should be perceived as an opportunity.

Moreover, with the approval in 2022 of the EU Corporate Sustainability Reporting Directive (CSRD), which requires companies to provide detailed information on the social and environmental impact of their activities (without ambiguity or misunderstandings), the need to promote and value sustainability is even greater, and the need for practical recommendations to advance in this area is all the more valuable.

1. Report “Nuestro futuro común” (Brundtland, 1987).

2

DRIVING FORCES BEHIND THIS GUIDE

This initiative has been promoted by the Permanent Commission on Sustainability and Reputation, composed of WAS (Women Action Sustainability) and Corporate Excellence - Centre for Reputation Leadership. The commission was created in 2022 with the aim of generating shared value in the area of intangibles, with particular emphasis on reputation and its link to sustainability in the corporate arena.

In addition, this initiative has relied on the support of ILUNION Social Communication and the consulting firm CANVAS Sustainable Strategies as collaborating entities and research and knowledge partners.



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COMMUNICATING SUSTAINABILITY AND ITS CONTRIBUTION TO REPUTATION

Sustainability is an intangible asset with a high capacity to impact the reputation of organisations, often expressed as admiration, respect, esteem, and good feeling (RepTrak, 2022). When an organisation manages to build this feeling in a positive and lasting way in the minds of its stakeholders, it generates attitudes that lead to favourable behaviours towards the organisation, such as recommending, buying products, investing, applying for a position, etc. (Carreras et. al, 2013; RepTrak, 2022).

In recent years, we have observed how intrinsic values linked to sustainability and ESG criteria have become increasingly relevant when it comes to building conscious and reputable brands capable of empathising with society by addressing its present and future concerns. In this regard, certain studies suggest that ESG criteria account for approximately 40% of the process of building reputation (RepTrak, 2022), and that organisations with low sustainability management scores reduce the probability of purchase to 10-20% compared to those with high ratings where the probability of purchase increases up to 60-67% (RepTrak, 2022).

Sustainability and reputation have a direct impact on business; hence their importance in the governing bodies of organisations and the positive evolution we are witnessing in terms of the number of organisations and professionals that are working to care for, nurture, and strengthen these intangibles.

Sustainability plays an increasingly important role in the process of building reputation and, consequently, so does its communication. Without it, it is not possible to showcase the distinctive capital and expertise of an organisation. Communication also plays a key role in activating an organisation's purpose and culture, demonstrating its contribution to generating a positive impact in the environments in which it operates, and establishing valuable connections and relationships with different stakeholders through the brand platform.

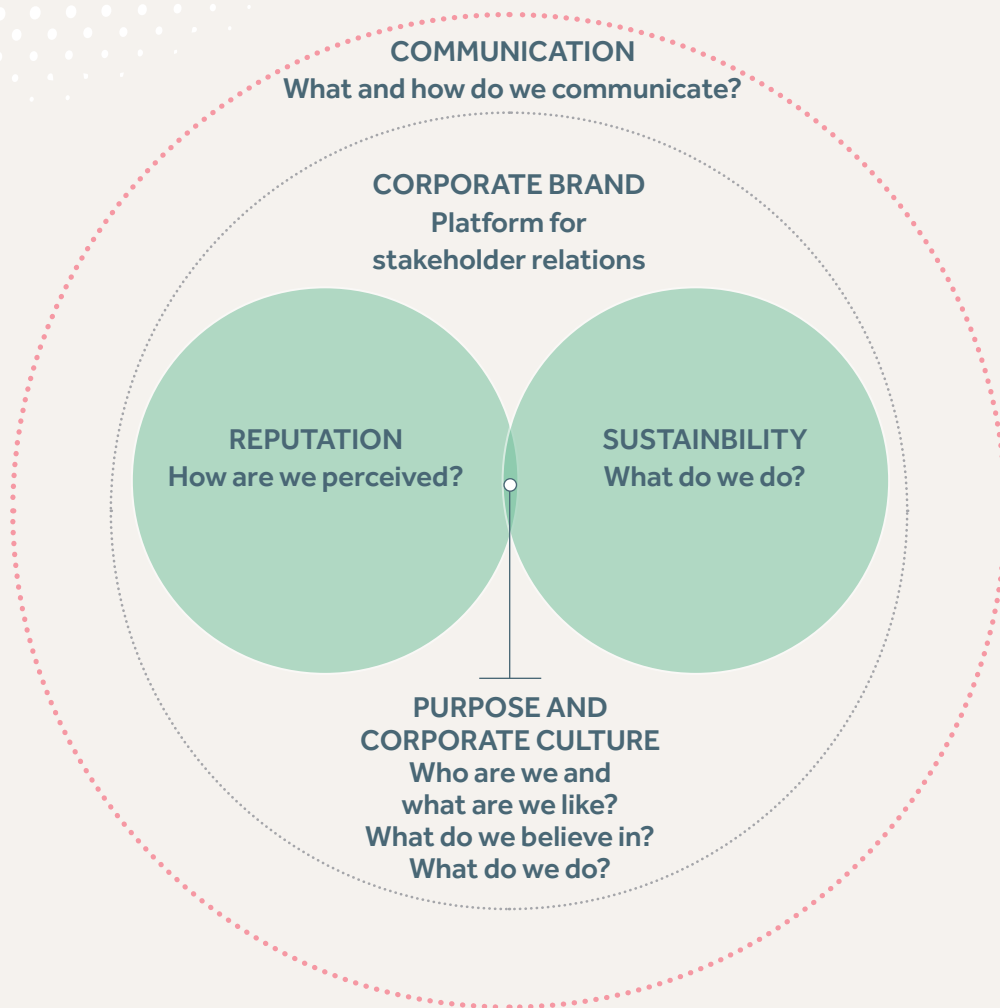
Building a good reputation requires identifying the demands and expectations of our stakeholders and responding to them through honest and transparent communication. Therefore, including non-financial metrics and indicators in scorecards is particularly beneficial for monitoring and evaluating these intangibles.

The ability to measure and communicate these results, as well as to understand the impact of sustainability on reputation, is becoming increasingly necessary in companies, not only to establish goals and action plans, but also to demonstrate the impact of these results on value generation and to consolidate these concepts within organisations.

The following graphic (Figure 1) demonstrates the relationship between these concepts.

Figure 1

**Key dimensions of the future business model:
sustainability, reputation, communication, brand, and corporate culture**



Source: Own preparation

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THE 5 KEY ELEMENTS OF COMMUNICATING SUSTAINABILITY

1. #Strategic and cross-functional
2. #Transparent and coherent
3. #360 vision: Internal/external
4. #Clear and instructional
5. #Multiplier and alliance builder

**“SUSTAINABILITY
COMMUNICATION
SHOULD BE...”**

4.1.

#Strategic and cross-functional

Sustainability should be at the centre of the business strategy and communication should serve this strategy, involving the entire organisation collaboratively and cross-functionally.

The communication of sustainability must stem from the sustainability strategy itself, which in turn should be derived from the business strategy. In this sense, the discourse and narrative must be aligned. ESG criteria (Environmental, Social, and Governance) mark the three spheres of sustainability; all three are important, and all three must be worked on and communicated.

The cross-functional scope refers to the need for the participation of the entire organisation in the development of sustainable policies and behaviours. Sustainability cannot be isolated to one department of the company; all areas must be committed.

Organisations must develop a cross-functional vision of sustainability, and all areas of the organisation must be involved in its management

Regardless of whether an organisation's Communications Department plans and executes its campaigns to disseminate the objectives and messages included in the sustainability strategy,

all other departments must receive constant information and actively participate in the strategy; everyone must understand it, make it their own, and be responsible for its execution and value proposition.

Therefore, it is essential to differentiate between informing and communicating. Informing is a unidirectional action in which something is reported or explained. Communicating, however, is a bidirectional action through which something is transmitted, and a dialogue takes place. Strategic communication allows for the full participation of different stakeholder groups; it is an action that goes beyond simply informing and requires involvement and dialogue in order to impact behaviours and demonstrate the organisation's true commitment.

In order to materialise this dual scope of communication, organisations must:

- Understand the relationship between sustainability and business for the proper and efficient management of sustainability communication.
- Consider the role of corporate purpose as a lever for transformation in the organisation. Purpose is established as a strategic pillar for business success and has become one of the main priorities of the business agenda, as well as one of the aspects that organisations are currently working on the most (Corporate Excellence & CANVAS Sustainable Strategies, 2022).
- Define the materiality matrix - the cornerstone of the sustainability strategy and, consequently, of communication. This matrix will allow for the proper identification of the most relevant aspects for the business, but also for its stakeholders. In this way, alignment is achieved between the expectations, demands, and interests of everyone, and the actions and behaviours that are expected from the company.
- Sustainability communication must go beyond what is strictly necessary and mandatory, committing to the connection and creation of shared differential value with stakeholders, something that will become a competitive and distinctive advantage.



PRACTICAL RECOMMENDATIONS

COMMUNICATING SUSTAINABILITY

#Strategic and cross-functional

- 1.** Define a clear purpose, capable of building a strong and trustworthy corporate culture that facilitates the integration of sustainability into all actions and decisions undertaken by the organisation.
- 2.** Establish a measurable and auditable sustainability strategy that can be effectively communicated. This includes ensuring traceability as well as measures for it to be evaluated and reviewed in order to determine whether business and sustainability objectives are being met for subsequent communication. There are global standards that can help with this, such as the Integrated Evaluation Framework offered by the International Association for Measurement and Evaluation of Communication (AMEC). This structured, integrated model enables organisations to plan and evaluate their communication strategies, and it also measures the impact of said communications on stakeholder behaviour and organisational reputation (Table 1).
- 3.** Developing a business with a sustainability strategy involves thinking about the future. But the effective communication of sustainability also requires understanding how to converse with stakeholders in real time, and how to effectively interpret the immediate context surrounding the organisation, without losing sight of the short and medium term. The communication team, together with those responsible for the sustainability strategy, must be capable of facilitating these relationships equitably.
- 4.** Cross-departmental collaboration is the key to effective and coherent communication. The training and involvement of everyone, both terms of ESG and the role of each employee in reputation building, is vital for effective communication. Departmental divisions should be avoided, and a shared and participatory project must be launched in order to progress on the sustainability roadmap.

Table 1
Framework for measuring communication

PHASE	INPUTS	ACTIVITIES	OUTPUTS	OUTTAKES	OUTCOMES	IMPACT
DEFINITION	Definition of objectives, budgets, and available resources	Strategic planning and content creation	Distribution and dissemination of messages with target audiences	Target audience reception and generated actions	Impact of communication on target audiences	Results generated by communication with target audiences
GOALS	<ul style="list-style-type: none"> • Objectives • Budgets • Resources 	<ul style="list-style-type: none"> • Research • Planning • Production 	<ul style="list-style-type: none"> • Distribution • Presentation 	<ul style="list-style-type: none"> • Attention • Awareness • Understanding • Interest • Engagement • Participation • Consideration 	<ul style="list-style-type: none"> • Learning • Knowledge • Attitude change • Trust • Preference • Purchase intention • Recommendation NPS (Net Promoter Score)	<ul style="list-style-type: none"> • Reputation • Relationships • Organisational transformation • Social transformation

Source: International Association for Measurement and Evaluation of Communication (AMEC)²

2. <https://www.amecorg.com/>

4.2.

#Transparent and coherent

One of the main requirements for sustainability communication is transparency. This is a key factor that demonstrates an organisation's commitment to all its stakeholders to provide truthful, coherent, and traceable information about the economic, social, and environmental impacts of the business and its activities. In addition, communication must be consistent, supported by the corporate purpose and values, and aligned with the organisation's actions in order to generate coherence with the corporate discourse.

Transparency in the promotion of sustainable policies and practices is crucial for strengthening stakeholder trust and, consequently, contributing to the organisation's reputation. It also protects the organisation from claims of greenwashing or greenhushing and from potentially communicating information that is not true or supported. It is worth noting that these types of actions can result in stakeholder rejection, distancing, or disconnection from the organisation.

Organisations must continuously monitor how they are perceived and include social intelligence and social listening feedback in all senior decision-making processes

In order to reflect this transparency in all shared content, messages must be aligned with the business strategy, organisational purpose, and stakeholder expectations. Metrics that allow for the effective management and measurement of data must also be utilised.

Moreover, consistent language must be used. In other words, language that is easy to understand, accessible, timely, simple, concise, specific, clear, instructional, and visual must be used in all corporate narratives.

PRACTICAL RECOMMENDATIONS

COMMUNICATING SUSTAINABILITY

#Transparent and coherent

- 1.** Communicate the sustainability strategy through concrete and realistic objectives, with a clear timeline that considers mid and long-term progress and evaluation.
- 2.** Continuously monitor the strategy, reviewing and adapting content to each audience.
- 3.** Transparently communicate unachieved goals, without fear of including what has not been accomplished.
- 4.** Continuously develop constructive criticism, recognising successes and errors and being aware that everything impacts the organisation's positioning and reputation.

4.3.

#360 vision: Internal/external focus

Sustainability communication requires broad and exhaustive knowledge of the internal/external reality that surrounds the organisation. The internal scope and projection of this communication are important dimensions to manage, but they also have a relevant external impact that affects different stakeholders and the organisation as a whole.

Communicating sustainability requires an in-depth understanding of the context in which the organisation operates so that it is able to act consciously, consistently, and strategically. Professionals who manage sustainability communication must be capable of understanding the existing social and geopolitical context in order to respond quickly to the demands and concerns of society in a conscious, consistent, and strategic manner. To this end, it would be a risk and a mistake to limit sustainability communication solely to environmental aspects without addressing social or governance issues, or to focus exclusively on only one stakeholder group.

This is where the multistakeholder perspective comes into play. This perspective should be included in the communication strategy and stakeholder mapping should be conducted. This process provides a snapshot of the various stakeholder groups that an organisation relates to, both those that affect the organisation and those that may be affected by its activities.

Following the classic method of differentiating stakeholders - internal and external - organisations can achieve twice the impact and reach with sustainability communication.

INTERNAL FOCUS

An organisation's internal dynamic is a source of wealth and a competitive advantage. It's therefore essential that internal stakeholders are actively included in the sustainability communication strategy. It is becoming increasingly necessary to obtain the internal collaboration and commitment of everyone in sustainability, which is why increasing numbers of organisations are investing in training and awareness-raising in this area.

There is also a growing trend towards employee willingness and voluntary participation in sustainability issues and projects. This participation represents a great opportunity for sustainability communication, and it must generate environments built on dialogue, understanding and collaboration. Otherwise, the organisation may be at risk of using language that has not been aligned with its employees or provokes the rejection of internal messaging.

In this sense, internal communications and human resources departments are key players in the sharing and internalisation of sustainability. It is also vital to train and promote internal and responsible leadership in sustainability, taking into account all members of the organisation (Corporate Excellence & CANVAS Sustainable Strategies, 2022). In a context of uncertainty, organisations must explore these new forms of leadership, focusing on the creation of long-term value and a commitment to ethics and integrity.

Employees themselves are crucial for driving sustainability, which is why internal communication is so important for uniting all teams around a common purpose

This type of leadership, which encourages employees to interiorise the concept of sustainability, converts collaborators into the primary ambassadors of conscious, committed, and responsible brands.

This has a direct impact on the generation of trust, strengthening the sense of belonging, and boosting corporate reputation. Companies with these characteristics are also more capable of attracting talent and potential employees.

EXTERNAL FOCUS

The external communication of sustainability requires us to stop thinking about the target audience in terms of segments. We are witnessing a paradigm shift in which there is no longer a single receiver, and communication is not static or unidirectional. Citizens are empowered, they are prosumers - both consumers and producers - and there are multiple channels through which they receive and emit information and content.

Younger generations also have higher expectations when it comes to identifying with the values of an organisation. Companies must therefore involve their external stakeholders in sustainability and mitigate certain risks, such as rejection or disconnection and distrust towards the brand compared to the connection they may experience with other organisations.

That way, communication is capable of achieving a balance between the organisation's purpose and the expectations of stakeholder groups. Organisations must also consider how these stakeholder groups perceive and receive this information.

Organisations face the difficult challenge of transmitting a diverse range of information through different channels and content formats - offline and online - in order to respond to new information consumption habits, such as decreasing attention spans. In this regard, virality and immediacy are two elements that determine how external sustainability communication should be produced and managed.

Special attention must be paid to the constant and close relationship with journalists, media, and influencers, whom the company should provide with information about its activities. Additionally, products, services, and stories related to sustainability should correspond to the experience that stakeholders have with the brand through the various consumer touchpoints (points of sale, customer service, etc.).

Moreover, companies must comply with current regulations and legislation that govern sustainability communication at any given time, and these regulations must be consolidated as accelerators for the integration of sustainability in the business.



International standards and approaches to corporate reporting must be adopted so that the organisation can communicate its impact and the value it creates in the environments in which it operates, demonstrating its purpose and positive contribution in terms of ESG. It is worth noting that non-financial reporting started out as a voluntary matter for organisations, but in Spain, for example, it is already regulated by law. This regulation drives the ethical management and integration of sustainability in organisations based on the use of transparent information (Corporate Excellence & CANVAS Sustainable Strategies, 2022).

PRACTICAL RECOMMENDATIONS

COMMUNICATING SUSTAINABILITY

#360 vision: Internal/external focus

- 1.** The internal sustainability communication strategy should build on the corporate culture and seek employee engagement. Sustainability communication should flow from the inside out.
- 2.** Employees should be offered training, internal learning, and awareness-raising on sustainability and reputation in order to boost engagement and collaboration. This will facilitate coherent and aligned behaviour throughout the organisation.
- 3.** External sustainability communication should be tailored to specific audiences, paying special attention to their needs, demands, concerns and expectations.
- 4.** Organisations must be aware of the standards, indicators and regulations that govern sustainability communication and that condition the way in which they issue and deliver information.

4.4.

#Clear and instructional

Sustainability communication must be specifically adapted to each addressed audience. Information must be adapted to ensure an appropriate and efficient use of tone, resources, and platforms. In addition to being understandable, sustainability communication should be instructional and involve, inspire, and raise awareness amongst all targeted audiences.

All organisations should have their own sustainability narrative and discourse. Storytelling strategies should aim to identify and connect with stakeholder expectations. In this regard, sustainability communication contributes to the externalisation of the organisation's value proposition.

This can be achieved provided sustainability communication can be adapted, i.e., the same message can be delivered in different ways depending on the language, tone, resources, and media used to convey it. The objective is to be clear to and understood by all stakeholders.

Communication should avoid technical concepts and emphasise a sense of cooperation, community, and shared interest

Stakeholders need to understand the language used by organisations, as sometimes the style used by a company is not the most appropriate. The teams in charge of sustainability communication need to use language that is understandable, simple, and inclusive for all audiences.

Organisations should use a materiality matrix to undertake this task effectively. This will enable them to develop an active listening exercise with stakeholders that provides them with insights into their needs, interests, and demands in relation to sustainability that can then be used to adapt the company's communication strategy. Adapting communication according to each audience then serves as an opportunity to connect in the best possible way with them.

Within this framework of flexible communication, there are notable differences between companies in terms of creativity and innovation in the tone, style and format used for sharing messages. Not all organisations will communicate the same thing or in the same way, and this unique perspective is precisely what can enrich and nurture an organisation's sustainability narrative. The use of technology to analyse data, as well as the use of different tools and media (social networks, websites, internal applications, etc.), enables organisations to understand and segment their respective audiences so that they can react strategically to each segment.

Sustainability communication also plays an important didactic role that involves, inspires, and raises awareness among the different stakeholders. This is reflected in two ways:

- The role of large companies within their sustainable supply chains becomes a driving force of change for SMEs and small organisations, empowering them on their sustainability journey.
- SMEs, as agents of change in the environment in which they operate, have the capacity to reach out more directly and intimately with the communities in which they operate. Their ethical and committed actions contribute to the permeation of sustainability in their immediate environment.



PRACTICAL RECOMMENDATIONS

COMMUNICATING SUSTAINABILITY

#Clear and instructional

1. Translate corporate terminology into a language that can be understood by all stakeholders by getting to know their needs and expectations.
2. Use appropriate communication tools and channels for each stakeholder group so that sustainability communication is effective.
3. Be aware of the role and influence that each type of organisation plays, both internally and in terms of its impact on the surrounding environment. Activate the proactive, inspirational, and transformative spirit of each organisation.

4.5.

#Multiplier and alliance builder

The management and integration of sustainability in the organisation are both essential processes for ensuring lasting business activities, and alliances between different organisations and institutions facilitate, naturalise, and promote this integration. All this builds a united community that is committed to sustainability, generating shared value for all.

Most organisations understand that the road to sustainability is the way forward. It's no longer viable to look the other way. But there are different paces for this journey: trailblazing companies that pave the way and spearhead high-impact sustainability projects; intermediary organisations that advance at a slower pace - but with a clear and defined focus -; and, finally, companies that join the sustainability revolution but still need to learn how to integrate the concept in an efficient way that is relevant to their business activities. On this path, it is important to place value on alliances to multiply the transformative effects of sustainability; alliances that can be made between the companies themselves (public/private), with NGOs or with the media itself.

Sustainability communication also requires building alliances. Organisations must seek out and strengthen alliances in order to generate transformation.

Moreover, alliances and collaborations need to be nurtured between organisations working in similar fields. The generosity of sharing and reporting on what others are doing exponentially increases the impact of sustainability.

Moreover, alliances also strengthen and reinforce the value chain mentioned above, as up to 90% of a company's impact on its environment is produced indirectly through the activities of its supply chain partners and suppliers (Forética, 2022). Supplier relationships are therefore fundamental.

PRACTICAL RECOMMENDATIONS

COMMUNICATING SUSTAINABILITY

#Multiplier and alliance builder

- 1.** Create strong commitments between different types of organisations in order to build communities that are united and convinced of the importance and positive impact of all aspects of sustainability.
- 2.** Create and foster spaces for listening, conversation, and the exchange of views that favour joint transformative actions.
- 3.** Identify strategic alliances in the supply chain that share common principles and values with the organisation in order to establish partnerships with them and accelerate the journey towards sustainability.

5 COMMUNICATING SUSTAINABILITY: OPPORTUNITIES AND RISKS

The way in which sustainability communication is managed in organisations can secure a number of opportunities or contribute to the emergence of potential risks.

Opportunities

- **Increase brand value.** The brand brings together all the impressions and opinions that different audiences have about the organisation in terms of sustainability. It is therefore consolidated as a platform that can increase the visibility and tangibility of the sustainable business strategy. Regardless of a company's size or sector, sustainability-related actions can generate millions of dollars' worth of financial value or, conversely, huge losses if said actions are negligent or slow (Brand Finance, 2023).
- **Strengthening stakeholder trust.** In an uncertain context characterised by health crises, wars, and price increases - something that hits people's lives hard - organisations have the opportunity to strengthen the trust of their stakeholders by working to increase their commitment in the face of major social challenges. To this end, they should promote codes of ethical behaviour and good governance, in addition to training their employees as agents that generate and inspire trust (Corporate Excellence, 2022).

Furthermore, according to the Edelman Trust Barometer Global Report (2023), citizens consider companies to be the only competent and ethical institutions that are under pressure and responsible for filling the vacuum left by governments. Globally, 62% of respondents trust businesses, 59% trust NGOs, 51% trust governments, and 50% trust the media. It is also notable that citizens value business ethics, which may reflect the increasing concern of companies towards environmental, social, and good governance (ESG) issues.

- **Democratisation of sustainability.** Based on the assumption that citizens expect brands to step up their commitment to sustainability now more than ever, the effort to be more creative and humane in communicating these actions and policies is seen as an opportunity for brands.

Stakeholders also expect organisations to abandon opportunistic and short-term decisions, ensuring instead that their sustainability assurances are maintained in the long term.

- **Digitalisation of sustainability.** The digital world and new technologies are a driving mechanism to develop and implement sustainability communication in organisations, and some organisations use ESG-friendly platforms to support the achievement of their sustainability objectives.

According to Wunderman Thompson Intelligence (2023), 71% of metaverse users believe that brands need to think about and manage their environmental impact. Some are therefore choosing to use eco-friendly blockchain technology, others choose to balance their carbon footprint with more sustainable platforms, and so on. In short, innovation and digitalisation are great allies that provide an impetus to act and communicate in a sustainable way.

Technology is a great ally in reducing risks by facilitating the traceability of initiatives and actions, as well as auditing the life cycle of products.

- **Business projection, innovation, and competitiveness.** Leading companies in sustainability strategically communicate their actions, progress, and milestones, as well as their vision of the evolving changes occurring in their sector (trends, regulations, aid, business opportunities, ecosystems, etc.). In other words, explaining their values and history enables them to position themselves as benchmarks in the face of the media and other opinion leaders through their own channels - newsletters, social networks, websites, white papers, reports, etc.-.
- **Strengthening corporate reputation.** An organisation with a good reputation attracts consumers, capital, and talent. A good reputation also facilitates internationalisation and protects the business. An organisation can generate admiration and trust in terms of sustainability through a sustainable business policy that aligns with the needs and expectations of its stakeholders and is supported and reinforced by effective communication (Carreras et al., 2013).
- **Value generation and positive impact.** Faced with an increasingly demanding legal framework, organisations that measure their sustainability communication increase their value and positive impact and benefit from the strategic decisions they make based on this data. Therefore, the use of models, indicators and measurement tools is essential for correctly assessing the impact of sustainability communication, putting the focus on the most appropriate line of action for each organisation (ATF, EC 2022). This information is generated by the organisation itself and monitored according to its requirements, objectives, and results.

Risks

- **Economic losses.** Stakeholder perceptions of the brand in terms of ESG are expressed through purchase decisions, investment, employment, etc. Organisations cannot forget that these decisions have significant economic implications, so they need to quantify their financial value in order to continue to operate and develop. Recent research suggests that the world's biggest brands could suffer huge financial losses as a result of the careless communication of their commitment to sustainability and ESG criteria (Brand Finance, 2023).
- **Loss of trust.** Launching into sustainability communication without a defined strategy can be a mistake and can pose a common dilemma: "what I say" versus "what I actually do". Needless to say, a company that is truly sustainable but fails to communicate the fact effectively will not achieve visibility or generate value among its stakeholders. The same would be true for a company that communicates with too much emphasis on actions and content that do not align with its overall reality or corporate purpose: it could generate rejection and lead to accusations of greenwashing, diminishing stakeholder trust.
- **Biased perception of sustainability.** Communication must address all three aspects of sustainability application and performance: environmental, social, and governance. Many organisations focus their efforts and their sustainability strategy on environmental aspects, leaving aside other essential fields of action such as inclusion, diversity, or the integration of mental health, amongst other fields.
- **Reputational risks for the brand.** Damage to brand reputation is one of the biggest risks faced by organisations around the world (AON, 2021). A sustainability strategy that is disconnected from the business, poorly managed, or poorly communicated has a direct impact on increasing reputational risks. Organisations that do not manage their reputation face the risk of negative business outcomes, so addressing these risks must be a strategic priority.

Reputational risk management is beginning to affect the C-Suite and the Board of Directors, and its significance will continue to increase over the next five years. Organisations should commit to the introduction of tools for measuring and monitoring reputational and sustainability perceptions held by their various stakeholders in order to anticipate and mitigate potential risks (WTW, 2021).

3. The C-Suite refers to executives who participate in the steering committee

- **Corporate distancing from sustainability.** Sustainability must be incorporated into all business management processes. One of the most common mistakes is to assume that creating a sustainability department is enough for a company to become sustainable, since, as has already been pointed out, sustainability is not just another project or programme (Andreu et al., 2023). Managing sustainability communication in isolation disconnects it from both the business strategy and the internalisation of its criteria by employees, as well as generating inconsistencies in the corporate narrative.

Sustainability communication is therefore an essential lever for the good reputation of organisations. Organisation must try to explain their actions in this area in a clear and comprehensible manner, engaging in conscious dialogue with their stakeholders and bringing their work closer to society. True commitment to ESG issues through real and transparent actions, strategic alliances, and a 360° vision leads to a positive perception of the company and offers opportunities that benefit both the business and the public.

Table 2

Sustainability communication: Opportunities and Risks

COMMUNICATING SUSTAINABILITY	
OPPORTUNITIES IF COMMUNICATED CORRECTLY	RISKS IF NOT COMMUNICATED CORRECTLY
<ul style="list-style-type: none"> • Increase brand value • Reinforce stakeholder trust and confidence • Democratisation of sustainability • Digitalisation of sustainability • Business projection, innovation, and competitiveness • Strengthen corporate reputation • Generate value and positive impact 	<ul style="list-style-type: none"> • Economic losses • Loss of trust • Biased perception of sustainability • Reputational brand risks • Corporate isolation from sustainability

Source: own preparation (main ideas shared in the WAS - EC Open Talks).

6

METHODOLOGY AND RESEARCH PHASES

This guide has been developed following the Action Research (AR) methodology used by Coughlan & Coughlan (2002) and by Errós-Garcés and Alfaro (2020), which places particular emphasis on the active participation of professionals and allows for the identification of relevant issues in the business/management field.

Research phases



Phase 1. Review of existing literature to establish issue status, design the key contents, and structure the Open Talk focus groups, in accordance with Wilkinson's (2004) qualitative methodology.



Phase 2. Open Talks with WAS members (managers and professionals in the fields of sustainability, communication, and reputation). Specifically, 3 Open Talks were held in which, through 8 working subgroups, the following topics were covered: opportunities, risks, and key findings in relation to sustainability communication and its impact on reputation.

Each Open Talk was shared with the respective subgroups in order to harmonise and synthesise obtained results. These sessions were moderated and conducted by the CANVAS Sustainable Strategies team and were held in face-to-face (1) and online (2) formats.



Phase 3. Preparation of the report. Collaborative work process in which the results of the Open Talks were introduced, and the expert vision of all members of the WAS-CE Reputation and Sustainability Committee were taken into account.

7 TASK FORCE: STANDING COMMITTEE ON REPUTATION AND SUSTAINABILITY WAS

In May 2022, the strategic alliance between WAS Women Action Sustainability and Corporate Excellence - Centre for Reputation Leadership was established and the Standing Committee on Reputation and Sustainability was launched. This working group was created with the main objective of generating shared value in the area of intangibles, with particular emphasis on reputation and its link to sustainability in the corporate environment.

This guide is the first initiative promoted by this alliance and it marks an initial frame of reference for future initiatives and activities, which will be jointly promoted to advance knowledge and the practical application of corporate sustainability and reputation management.



On behalf of WAS



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ACKNOWLEDGEMENTS

We insist on walking alone when, in reality, walking together with a shared purpose actually helps us travel further on our path.

We insist on talking about ourselves when, in reality, showcasing others actually promotes us in a better light.

This guide has been made possible thanks to this concept of shared generosity and sincere appreciation.

THANKS to:

ILUNION Social Communication, for supporting this guide and faithfully fulfilling your purpose of communicating in order to transform the reality of society and pave the way for the future.

CANVAS Sustainable Strategies, for coordinating and leading the Open Talks from which the practical recommendations of this guide emanate, giving impetus to the commitment of the Reputation and Sustainability Committee. Thank you Isabel López Triana, Claudina Caramuti, Constanza Nieto, Clara Suárez and Idoia Castillo.

Mónica Chao, president of Women Action Sustainability, as we would not be here without your drive and encouragement. Thanks also to the source of inspiration that emanates from all **WAS partners**, exceptional women who drive change and transformation every day in their own countries.

And a very special thanks to all the professionals who have participated in the Open Talks groups, for contributing your strategic expertise in sustainability to this guide as well as the great value of your time and experience. Thank you Ana María López de San Román, Laura Rodríguez, Elena Bou, Idoia Azaldegui, María Prandi, Teresa Sebastiá, Pilar Prior, Patrizia Laplana, Inés Leal, Irene Rodríguez, Isabel Roser, Alba Cabañas, Elena Galante, and Isabel Rivadulla, amongst others.

Corporate Excellence — Centre for Reputation Leadership, for working in alliance with the WAS Reputation and Sustainability Committee to generate value through your knowledge and experience. Thank you Ángel Alloza, Saida García, Sara Nieto, Diana Barberly, Yuliana Franco, and Clara Fontán.

Commission on Reputation and Sustainability Communication WAS, represented by great professionals who are united by a noble shared bond. For what we are and what we have achieved as a commission, and for what each one of us carries within us as a result of our uniqueness. Thank you, Nieves Jiménez, Delia García, Pilar Marqués, Elisa Regadera, Mariana Gramunt and Cristina Ruíz.

Gratitude is an integral part of our character.

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