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# The lost opportunity of sustainability communications

**Picture the scene: it is 2004, we are working with a UK automotive manufacturing client, based out of Bedfordshire, UK.**

**They want a sustainability report. Their industry trade body has already produced the first Sectoral Report on Sustainability, the industry is pretty much 'all over it'. Government is legislating on air quality, the US owner of the car maker is coming under pressure through the Corporate Average Fuel Economy standards (CAFE regulations of 1975 derived from the 1973–74 Arab Oil Embargo), competitors are upping their game and market signals suggest that fleet customers and consumers are starting to want environmental credentials in the car they buy.**

In our studio, we have before us a set of Principles guiding best practice sustainability reporting. They are part of a voluntary framework of guidelines published recently. They are robust. There are other tools too, supporting good standards of accountability, governance, or assurance.

We apply the principles, then produce well-design communications (reports, videos etc.), showing what a company does, how it operates, its supply chains, what are the main issues at stake, options to resolve them, data that improves in quality over time and application of a few select best practice standards relating to certain impacts, such as air quality, or stakeholder engagement, or palm oil in the supply chain, or corporate governance.

But there is an everlasting tussle between Principles and Standards. As if the two can't complement each other.

Enter 'Global Standards' around 2016. A substantial set of disclosure requirements that each company should apply to a certain level. Or else. They increasingly become a deluge of voluntary and mandatory instruments to effect change in reporting, strategy, data, assurance, engagement etc. The sustainability-industrial-complex is nigh, and it will do well.

Fast forward to 2024. Clients in our industry are subjected to vast swathes of regulation on reporting standards that are supposedly inter-operable and high quality.

The standards boom is upon us. The alphabet soup of standards, codes, norms, data platforms, benchmarks, initiatives, movements, ideologies and more, is the treacle through which we must wade. And it is all mired in mis-information. It is polluted by artificial intelligence. There is concurrently acute and chronic politicisation of the impacts being considered and managed by companies.

The honest and the crooked are pushing their agendas. Who knows where to get facts from? Science is being politicised to the point where educated individuals with high levels of integrity are hesitating about what to do, where to direct resources, whether to continue.

A recent example was the great Mann v Steyn "Climate Change on Trial" defamation court case in Washington DC, earlier in 2024. A climatology professor is the plaintiff, a Canadian writer was a defendant (there were two) who called the professor's hockey stick graph 'fraudulent' (the graph was made in the late nineties and used by Al Gore in the Inconvenient Truth climate movie in 2006). The facts were not accounted for by the jury. It is said that the jury was Democrat-leaning (shall we leave it at that?). If science feeds policy which in turn spurs billions, nay trillions, into national and corporate programs to fundamentally change energy sources and systems then it needs to be solid, tested, and incontrovertible.

If a company states its product provides 'net good' for society, then gets on and manages the side effects (like a doctor with a medicine) then it is attacked. Think mining, or oil & gas. We can note BP's recent "And not Or" branded sustainability/ESG story. We need a pragmatic energy policy and a blended energy system.

The problem is that Standards are forcing the content. The Principles are being left behind. And standard-setters are unelected, generally unaccountable and occasionally unresponsive to stakeholders. The sustainability-industrial complex is like an eco-system of consultancies, politicians, academics, NGOs and others brick-walling companies into an ever-increasing spiral of high-cost processes to appease the Standards.

The outcome could be highly problematic: the opportunity cost is that all that time and money could have been spent on actual performance improvement on topics and impacts that matter, that are material.

So, a checklist for practitioners on all sides of the client-consultant relationship:

- When you report: make it count, make it work hard for the company, make it focused, let it cover genuine impacts, make it trigger transformation
- Think about context, and avoid iterative outcomes against weak baselines
- Include CFOs, Heads of Treasury, Heads of Finance etc. when you prepare sustainability report (ESG) content
- Be "materiality-ruthless": what is really Material (seriously and authentically material from a financial perspective, or a sustainability impact perspective, or indeed both)?
- Let your readers decide! If what you publish falls short of the mark then they will tell you. Don't rely solely on a consultant or assessor
- Be aware that "double-materiality" is a new name trying to generate a buzz, but it is an old concept
- Science, by definition, is never settled, so apply a healthy skepticism in all sustainability programs (the scientific method is based on skepticism)
- Don't let "plan-continuation bias" keep you in a rut, it could threaten your long-term reputation
- Know the difference between Sustainability and ESG
- Apply the Precautionary Principle in all potential directions
- Be aware of the expanding "VUCA" – Volatile, Uncertain, Complex and Ambiguous risks, such as black swan or green swan events (the pandemic was an example)
- Apply critical thinking, always (is the data good, what is truth, is there a back-lash, is that scientist really applying the scientific method, or is s/he captured by some ideology?)
- Take the Standards-setters to task: are these things really interoperable? Is mandatory climate-reporting fair (think ripple effects)? Are EU Taxonomy regulations sensible for zero-eligible/aligned reporters? Etc.
- Respond to consultations used by authorities (such as the EU) during the developments of Standards.
- If you are listed, talk to your Stock Exchange about how resources are best used (meeting standards or taking action) and influence the listing requirements
- Consumers change: this can mean unexpected outcomes ('Go Woke, Go Broke' is allegedly starting to affect perceptions and opinions, and ULEZ in London is allegedly hitting businesses and their families).

**Lastly, have fun, feel proud. You are generally making a difference.**