



Weaving sustainability into your brand (and business).

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As branding specialists, we spend a fair amount of time helping leaders understand what branding really is. In its simplest form, branding is what consumers say about your company. While marketing and public relations offer tools for companies to try and influence their perception, it's the culmination of what a consumer sees, hears, and experiences that shapes what your brand really is.

In a world where people-employees, customers, and anyone else who wants to participate—can share their opinion, the pressure for companies to set goals that go well beyond profitability has never been greater. The sheer mention of sustainability is likely to raise eyebrows and blood pressure.

The following pages are designed to provide insight into why and how business leaders can approach sustainability in a way that speaks to key stakeholders, partners, employees and consumers. When you fully understand what sustainability is and how it can impact your brand, you can begin making a clear and meaningful shift within your organization.



Why should businesses be intentional about sustainability?

It's impossible to talk about sustainability without addressing the elephant in the room: Sustainability is not just about the environment. In reality, Mother Earth is just one of three core elements that make up sustainability. In addition to considering things like a company's carbon footprint, it's imperative to consider where you stand from an economic and social standpoint, too. ESG (Environment, Social, Governance) criteria were created to directly address the need for more intentional corporate responsibility. Not only does ESG help leaders create a plan for change; it builds in a checks-and-balances framework to help guide long-term success. You could consider ESG as the evolution of Corporate Sustainability, which has been the term of choice when connecting business to the evolving needs of the world.

In many ways Corporate Sustainability and Branding are interconnected. As part of foundational elements of how your business operates, things like purpose and core values have no doubt been established. There's a good chance one or both touches on helping the planet or being welcoming to all people. But has your team really taken the time to identify what matters most-to your company's future and to your audiences?

According to a 2019 <u>study by Accenture</u>, just 48% of CEOs were implementing sustainability into their corporate strategy and company purpose. While that number has risen to around 60%, businesses could still be missing the core reasons why sustainability should be addressed, and how it can impact your brand over time.

Why your company needs a clearly defined sustainability plan:

Create a purpose and values that matter

1. Create a purpose and values that matter

During the branding process, we pose the question, "If your company closed its doors tomorrow, what would the world be missing?" The intention is to help leaders think deeper about why their company exists beyond making money. The answer doesn't always speak to sustainability in the way we typically think it should. However, with some additional prodding a purpose that points to helping others or filling some need is typically identified. It's vital for CEOs and their leadership team to spend time carefully considering the purpose of the organization. Other ways to reach your purpose include asking yourself:

- Beyond making money, why does our company exist?
- If we were to quit making our current product and switch to an entirely different one, what foundational element of our company would remain?
- · As a company, what do we really stand for?

The following section will help you consider these questions through the lens of sustainability, not just in terms of environmental impact but to include topics like equality and world betterment.

Similarly, the set of values showcased on a website or showcased on a wall in your corporate office likely need a little attention. Our approach to values includes identifying the behaviors that are rewarded within your organization. By asking managers and frontline staff, it should become pretty clear whether or not your current values reflect what's really attracting attention. This also creates an opportunity to compare current expectations with future goals. You may be talking about inclusiveness but have you truly defined what this means to your company? Is there a clear path that your employees know and understand and can rally around? If they don't know your definition of the word chances are, nothing is being done to truly embrace it. Consider values that fit within the environmental, social, and economic components of sustainability and determine if the current actions and attitudes align or need to be adjusted.

Appeal to current investors and attract new ones

2. Appeal to current investors and attract new ones

Investors, regardless of industry, are becoming more intune with the expectations of consumers. They understand the urgency to address climate change, world poverty, and enormous challenges in the economic landscape. A growing number of investors are applying ESG factors as part of their risk/growth analysis. Companies with clearly defined plans and goals to support those plans are more likely to appeal to investors, especially as global challenges continue to rise in awareness and urgency. To continue building on your relationship with existing investors and opening the door to new opportunities, companies have to be diligent in how they weave sustainability into their operation.

From a branding standpoint, we continue to see an increase in demand for marketing materials that demonstrate a company's commitment to sustainability. However, without a strategy behind these initiatives, brands run the risk of expressing half-truths or being too vague in the direction they are headed. An annual sustainability report should only be produced if a leader has a clearly outlined plan, supported by actionable goals, and real proof of forward movement. Anything less can cause uncertainty in the minds of investors.



Build a stronger relationship with your customers (and attract new ones)

Retain and attract talent

3. Build a stronger relationship with your customers (and attract new ones)

A <u>survey by Nielsen</u> states that Millennials are nearly twice as likely as Baby Boomers to change their habits to reduce economic impact. This matters because millennials are currently the largest population of consumers. Up and coming Gen Z are proving to care even more about a company's commitment to the environment and other world matters.

The rise in a consumer's desire to buy from companies whose values align with their own means that companies can no longer use sales or clever campaigns to win over audiences. Rather, companies need to express and prove their more vulnerable side by putting humanity and the planet above sales. When a brand lives its purpose and values in a way that consumers can see and experience—digital media, philanthropic events, or even their website—they are on a clearer path toward positive brand perception.

4. Retain and attract talent

It's possible there's never been a more important time for companies to focus on their people above all else. Just as consumers care about buying from companies that demonstrate care and compassion, employees are choosing who to work for based on purpose and values, which almost always includes sustainability.

Patagonia is an obvious example of a company whose purpose and values are expressed and celebrated from the boardroom to frontline staff. The company's homepage doesn't showcase the latest jacket, rather, it places attention on climate change and people who are committed to participating in a solution. "Activism" is part of its primary navigation, and the company isn't shy about sharing how it empowers employees to play a role in its purpose.

The most successful brands are built from the inside, and Patagonia is an example of how a clearly defined strategy that combines corporate operations with branding leaves no doubt about who the company is and what it stands for.

Do your part in progressing sustainable development

5. Do your part in progressing sustainable development

The deepening global food crisis, combined with social inequalities, and a host of other world issues continues to make it impossible for business leaders to ignore the topic of sustainability. Regardless of size or industry, organizations can take steps toward affecting real change. While this point goes well beyond branding, it cannot be left out of the conversation. Any impact a business can make can and should be shared to inspire others to follow.

ESG is becoming a common reference in corporate environments for good reason. A growing number of CEOs are implementing practices and policies that directly align with this thinking to: increase the opportunity for top-line growth in the long run, attract talent, reduce costs, and forge a sense of trust amongst consumers.



How can your business embed sustainability into your work?

Corporate sustainability is an approach aimed to create long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business.

Sustainability branding is the process of focusing and integrating identified environmental, economic and social issues into the operations of a business.

The two look and act very similar, which supports the idea that branding and operations should be aligned at every possible area.

As mentioned above branding touches most, if not all, areas of a business. From how people are hired and trained to the partners a company joins forces with to how consumers feel when they see your product or experience your service—every touchpoint is an opportunity to express your purpose and build positive perception.

With this in mind, bringing sustainability into your business begins at the top. What do you as a leader care about? What elements of your business already lean into some element of sustainability? What are the easy wins, small adjustments that can help steer you in a better direction? There are a few ways you can build a strategy around sustainability:

Dissect your current company purpose and value system

Get familiar with the United Nations' Sustainable Development Goals (SDGs)

1. Dissect your current company purpose and value system

Regardless of where your organization seems to fit in relation to sustainability, it's important to take a deep dive into your purpose and values, and possibly your entire brand strategy. Daake's approach to rebranding is designed to help leaders and their teams see the company from a different perspective. Engaging a third party can shed light on areas of misalignment and help teams double down on what's already working well. It's possible your business has the right parts and pieces; it just may need a better, more intentional strategy to catapult your sustainability efforts to the forefront.

Evaluating your purpose and values will also clarify company culture and create opportunities to engage staff across all levels to help shape the direction of the organization. When people are working for a company they believe in, they are more likely to stay and say positive things to their friends, neighbors, and strangers on social media.

2. Get familiar with the United Nations' Sustainable Development Goals (SDGs)

Regardless of how you define sustainability, it's worth making time to study the <u>UN's SDGs</u>. The organization created 17 goals as part of the larger, 2030 Agenda, to help organizations create meaningful strategies to address economic, social, and environmental concerns. These SDGs can add clarity and direction in how you design and implement an ESG-minded philosophy into your organization. More specific in nature, the goals can be compartmentalized under Environment and Social pretty easily. Further research will help you define the Governance portion of this process.

As part of working through your organization's purpose and values, your team can focus on one or more of these goals as a way to identify ways you can get involved and begin to implement change across your operation. As an example, the sixth goal is focused on clean water and sanitization. If your business relies on water in production or transportation of goods, you may consider establishing strategic goals around conserving this resource or implementing alternative solutions for reuse. Each goal offers an explanation and insight into how these topics might be addressed.

Over the last several years, more organizations are creating positions dedicated to sustainability. This role may also include internal culture or even marketing as these professionals are tasked with identifying opportunities to not only shift how your company operates but also how it empowers employees to participate.



Identify internal opportunities to live your plan

Identify external opportunities to live and express your plan

3. Identify internal opportunities to live your plan

In addition to hiring an expert to help your business be more intentional about sustainability, either this role or others within the organization should have a clear, action–driven plan for both implementation and maintenance. Some corporations incentivize employees to volunteer at food banks or housing developments. Others become more intentional with where and how materials are sourced to ensure more sustainable products. From the smallest effort to organization–wide changes toward more mindful partnerships and practices, it will benefit your brand in the short– and long–term to implement your new purpose and values into as many areas of your business as possible.

4. Identify external opportunities to live and express your plan

The foundation of your sustainability plan exists within the operation, however, to be successful in attracting like-minded consumers, transparency is king. As you develop internal systems, consider how these might be expressed to your external audience. From showcasing team members doing their part to creating thoughtful case studies of your partners or actions, it's essential to build a detailed plan for measuring and showcasing your progress.

Creating an annual sustainability report is quickly becoming a go-to for larger organizations. In a single document, leaders can express their thoughts around sustainability and bring clarity to their plan and offer tangible proof that the organization is following through. Ways to think about organizing a report should include:

- · Leadership's goals and commitment
- · An overview of the long-term plan, not simply the year ahead
- Categorized content either around specific goals or by: Environment, Social Responsibility, and Economic Impact
- Actual data and real stories that speak to your goals
- · A look into what your stakeholders can expect in the next year

Build in a checks and balances system to ensure consistency

5. Build in a checks and balances system to ensure consistency

Finally, building sustainability into your business and brand isn't a one-time endeavor. As your plan is designed, a system for identifying what works and what needs improved upon, and even long-term goals is needed. Just as your positioning should be repeated to build recognition and trust, so does your commitment to sustainability.

There's never been a more important time to bring sustainability into your business, and your brand.

Connecting a plan around sustainability into the foundation of your company will only become more important as pressure to resolve core topics around poverty, hunger, and inequality continues to rise. That, combined with both employee and consumer desire to work for and buy from more mindful and responsible companies will have a great impact on operations and brands alike. The rebranding process is one way leaders can address these needs in a way that will build stronger connections and create opportunity for long-term success.





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