Is Sustainability Just a PR Stunt?

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If you check out any announcement at leading businesses these days, there will be some mention of sustainability, and probably DEI. These are two really hot issues in the corporate world, with companies coming under scrutiny if they are not doing enough to become a more inclusive and responsible company. This is because there is now a lot more focus on a company's CSR and ESG. If you're not entirely familiar with these two terms, let me briefly cover those.

What is CSR (Corporate Social Responsibility)?

CSR looks at how companies make an impact on society, which can include the economy, the environment and people in general. Those who are actively looking at their CSR will do more for their local communities and try to make themselves accountable to their stakeholders and to the public.

What is ESG (Environmental, Social and Governance)?

ESG are a set of standards which look at a company's impact across the three areas:

- Environmental: sustainability practices and direct environmental impact

- Social: relationships with their community, employees and customers
- Governance: leadership, shareholder rights and internal controls.

Related: **Why ESG Conscious Companies are Resilient Companies**

What's the difference between CSR and ESG?

While both can have crossovers in terms of what actions a company takes to meet both CSR and ESG goals, they are very different in terms of what they are. CSR is a type of business model that companies can implement, which is completely self-regulated, but helps them make a concerted effort to help society and the environment. Many companies include a CSR model as it can increase employee morale, attract better talent and improve the company's brand overall.

ESG is actually a set of standards that a company is judged on – like a predetermined set of criteria. It is usually used by investors to evaluate how socially conscious a company is, and they use it as a screening tool to avoid risky investments.

Benefits of sustainability in business

So, sustainability in business usually refers to implementing the CSR model in order to improve your ESG! Examples of sustainability in business could be:

The benefits to the environment are obvious, and the benefits to those companies introducing sustainable practices could just be that they feel great that they are helping the environment. However, there's so much more to why companies

are concentrating on sustainability in business at the moment, and here are just a few reasons why:

- Talent is so difficult to come by at the moment, and companies who are seen to be “greener” have an edge as employees prefer to work with companies who are more socially responsible.
- Being known as a sustainable and socially responsible company is generally good for your brand reputation overall, not just with talent. So, you can stand out from your competitors and attract more customers this way too.
- You become more attractive to investors and open up more financial opportunities.

Related: 3 Steps for Making a Positive Environmental, Social and Governance (ESG) Impact

Is sustainability just a marketing trend?

With all of the above benefits, it’s no wonder companies want to claim to be sustainable and caring about the environment and society. But how much of this is just for PR? Do they *actually* care? How do you know what’s really going on behind closed doors? Companies are spending so much time looking as though they’re doing a lot for the environment rather than actually making a difference that it’s been given a name – greenwashing.

Big companies have been caught making bold “green” claims in order to keep up with competitors. Thankfully, some countries are cracking down on these claims, and companies such as H&M are being investigated and made an example out of.

Unfortunately, this issue runs right down into even small businesses, some of whom feel even more pressure to try and stand out amongst their biggest competitors. This is why the Greens Claim Code was introduced, warning even the smallest companies.

If you take a scroll down LinkedIn, you will see businesses announce far and wide that they are planting X amount of trees and donating part of their profits to great causes, making sure the world knows what good they're doing. But meanwhile, back in their offices, they're powering hundreds of computers, never turning them off and flying on private jets around the world. These companies are well aware of the PR benefits of seeming like they're a sustainable business, but are running the company another way.

Related: 4 Ways to Avoid Greenwashing as a Sustainably Minded Brand

How can you tell if a company is greenwashing?

You can usually tell a company is greenwashing if they use vague language and consistently release press articles about the great work they're doing, but not really doing anything to back up these claims. For example, BP spent millions on an ad campaign featuring renewable energy, but everything else the company was doing was bad!

Companies who use a lot of jargon and talking scientifically are usually doing so to confuse the audience and make them seem like they're doing complicated work. These companies are usually also not very transparent and hide key bits of information – a key sign that greenwashing is at play.

If you're genuinely interested in a company and its real ESG status, then look up their owners, and do a bit of research

first. Take their press releases with a pinch of salt, and use your own data to assess their claims.

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