

Examining the Risks and Rewards of Pursuing ESG Priorities

Companies that act in an ethical, responsible manner can create a huge advantage in recruiting, retention and sales. An expert shares how to pursue meaningful, sustainable programs.




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As feather-haired Andre Agassi boldly stated in a bygone era: "Image is everything."

That’s still kind of true. But a more precise update for 2021 would be: “Reputation is everything.”

Jessie Sitnick, VP of corporate and public affairs at Toronto-based Argyle, shared a wealth of tremendous guidance with Ragan’s Crisis Leadership Network members on the perils and benefits of pursuing an Environmental, Social and Governance (ESG) plan. Sitnick, who previously spent a decade in the environmental sector, says her career has largely focused on the “E” in ESG. But that’s just one ingredient in a much larger strategic stew.

To begin, she clarified the difference between ESG, CSR and corporate philanthropy. They’re all similar—and certainly related—but important distinctions include:



| | Corp. Philanthropy | CSR | ESG |
|-------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| What’s it about? | Giving back <i>Spreading the wealth</i> | Managing our impact <i>Decoupling growth from harm</i> | Creating value <i>Aligning growth with solutions</i> |
| What drives it? | Internally-driven | Community-driven | Investor-driven |
| What does it look like? | Sponsorships Donations Scholarships Volunteerism | Footprint reduction Community investments Issue-adjacent investments | Global commitments Supply-chain HR and governance policies Executive thought-leadership |
| How do we report it? | 2 Pages in our Annual Report | An annual CSR report | A series of reports, with data embedded in our Financial reporting |
| Where does it live? | Corp Foundation Marketing/ Comms | Sustainability Public Affairs Marketing/Comms | Board & C-Suite Everywhere |

While corporate philanthropy and CSR likely have a “home” in your company, and someone who “owns” each initiative, ESG falls to the board, the C-suite and everywhere else throughout your company. ESG strikes to the root of your reputation and

how you're perceived by the outside world—and by those within your walls. “Who you are is more important than what you sell,” Sitnick says, adding, “You must invest in relationships that drive your reputation.” Otherwise, you risk losing precious talent and capital.

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