# Key Takeaways

## TCB Roundtable Series: Telling Your Sustainability Story 2.0

## Session One: The Current State of Corporate Sustainability Messaging & Stakeholder Engagement

*Roundtable Series for US & EU ESG Center Members and Marketing & Communications Center Members, held under the Chatham House Rule.*

### February 27, 2025

In 2021, The Conference Board convened discussions on corporate sustainability communication, recognizing the growing complexity of ESG messaging amid evolving regulations, stakeholder scrutiny, and reputational risks. As these dynamics have intensified—particularly with the shift from voluntary to mandatory sustainability disclosure and the political backlash against ESG—The Conference Board is revisiting the topic in a two-part Roundtable Series. This program provides a forum for senior executives to explore how sustainability messaging strategies are adapting to these new realities while maintaining credibility, compliance, and engagement.

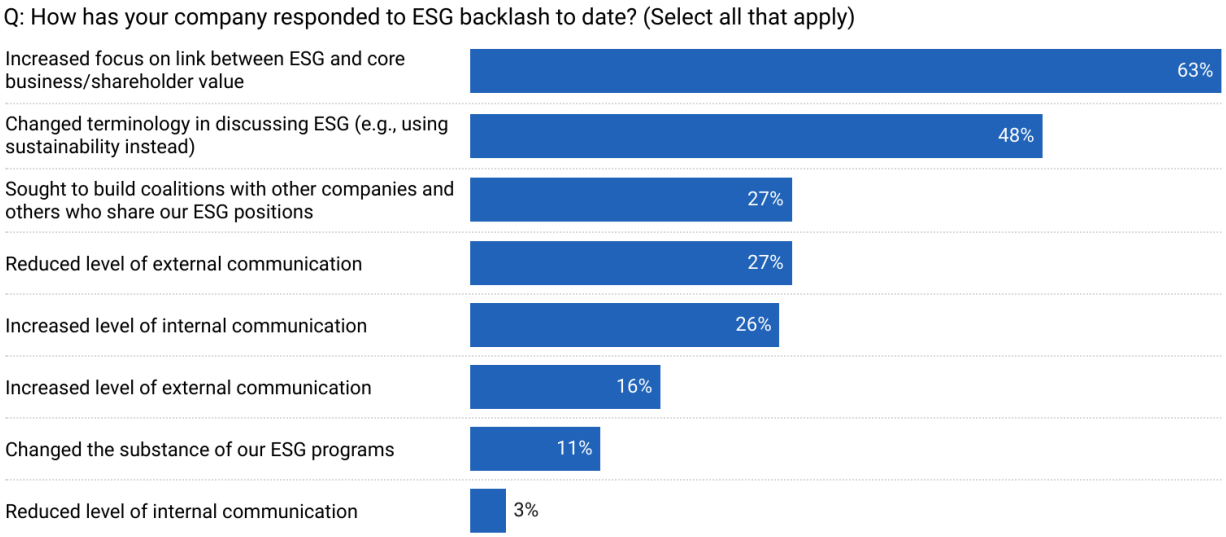
The first session of this Roundtable Series examined critical dimensions of sustainability communication, including the strategic recalibration of language and tone, the balance between regulatory disclosure and broader corporate storytelling, and the ways in which investors, regulators, and other stakeholders are influencing corporate narratives.

Session Two will expand on these insights, focusing on storytelling as a strategic tool to enhance customer and employee engagement, align sustainability efforts with business goals, and build credibility.

The session was attended by 33 executives from 25 companies across various industries. Key takeaways from Session One are summarized below.

## Evolving Context for Sustainability Reporting and Storytelling

1. **Pushback against ESG has developed from general skepticism to a structured, politically charged movement with legal and reputational implications**. This has influenced how many companies approach sustainability narratives, requiring more precision in messaging, greater alignment with business fundamentals, and a recalibration of public positioning. Previous research by The Conference Board found that companies primarily respond to ESG backlash by sharpening focus on core business value and adjusting terminology.




Note: 62 survey respondents.
Source: How Companies Can Address ESG Backlash, The Conference Board, 2023

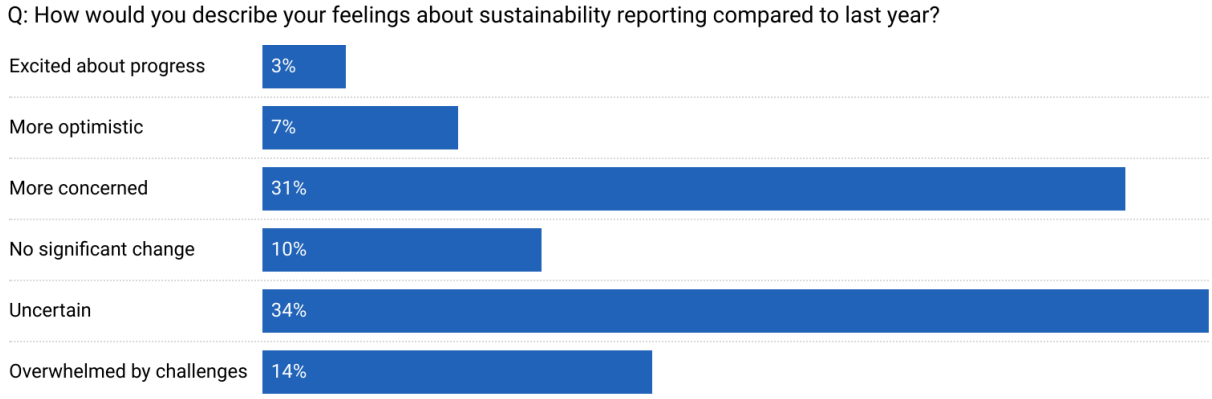
2. **The federal policy landscape has shifted in 2025, with significant implications for corporate sustainability efforts and messaging**. The new administration has initiated a significant pivot in energy and climate strategy, away from support for renewables and decarbonization while emphasizing deregulation and scaling up of fossil fuel production. These shifts potentially intensify anti-ESG sentiment and complicate how companies talk about their sustainability efforts, although underlying commitments currently remain intact.

3. **Despite a complex political environment, the transition from voluntary to mandatory corporate sustainability disclosure is ongoing.** While regulatory developments such as the EU's Corporate Sustainability Reporting Directive (CSRD) and the International Sustainability Standards Board (ISSB) continue to shape the landscape, the pace of implementation has slowed compared to last year. Nonetheless, the shift from voluntary to mandatory sustainability disclosure means companies must refine their messaging to balance regulatory compliance with stakeholder expectations.

4. **The way audiences find, consume, and engage with sustainability content is shifting rapidly, driven by algorithmic feeds, AI-generated summaries, and declining trust in traditional sources**. Social media platforms, search engines, and AI-powered tools increasingly filter corporate disclosures into bite-sized insights, often stripping context and nuance. Investors, regulators, and other stakeholders rely more on third-party aggregators and AI-driven analysis, reducing corporate control over messaging. To stay ahead, companies must ensure disclosures are structured for machine readability, narratives are clear and data-backed, and key messages are optimized for discoverability and adaptability across multiple channels.

5. **As sustainability becomes more sophisticated and integrated within many companies—tied to climate risk modeling, AI-driven data analytics, and financial disclosures—companies are also reevaluating how they best convey their performance, progress, and vision**. This evolution requires clearer, data-backed communication that aligns sustainability with core business priorities, ensuring credibility with investors, regulators, and other key stakeholders while adapting to an increasingly complex and scrutinized disclosure environment.

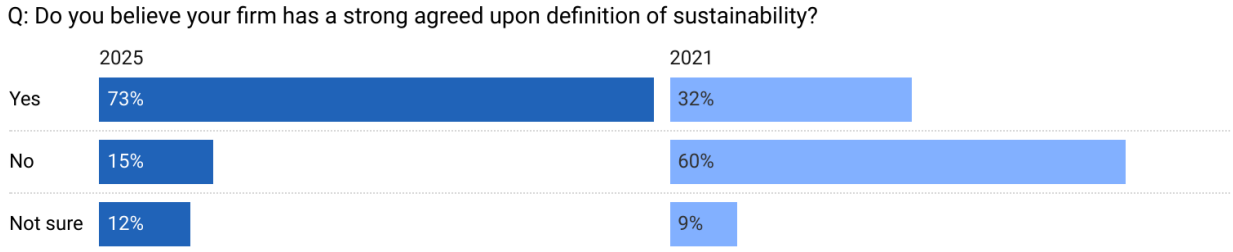
6. **In this rapidly evolving landscape, our poll of roundtable participants suggests concern and uncertainty among senior sustainability professionals about reporting and storytelling.** Over 30% report increased concern from last year, while 14% feel overwhelmed—outpacing the 10% who see no change and the 10% who express optimism. These findings underscore the growing complexity of sustainability reporting.




Note: 29 poll respondents.
Source: Telling Your Sustainability 2.0: Session One, The Conference Board, 2025

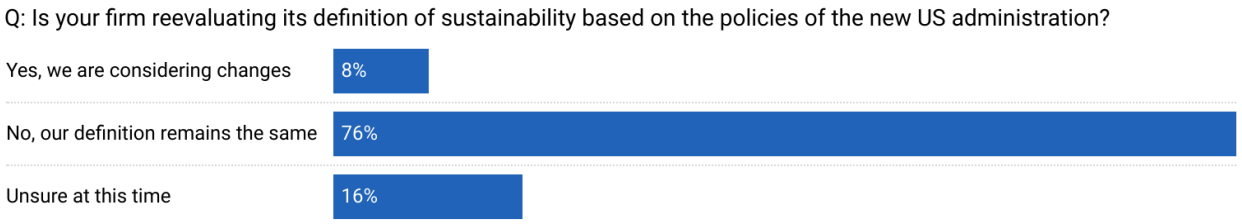
## Sustainability Definitions and Terminology

7. **Corporate sustainability executives report significantly greater clarity around sustainability definitions today than in 2021**. The sharp rise in consensus suggests that sustainability is now more deeply embedded in corporate strategy and governance. This shift also likely reflects increased standardization in ESG and sustainability reporting, along with growing regulatory and stakeholder pressure for clearer commitments and accountability.



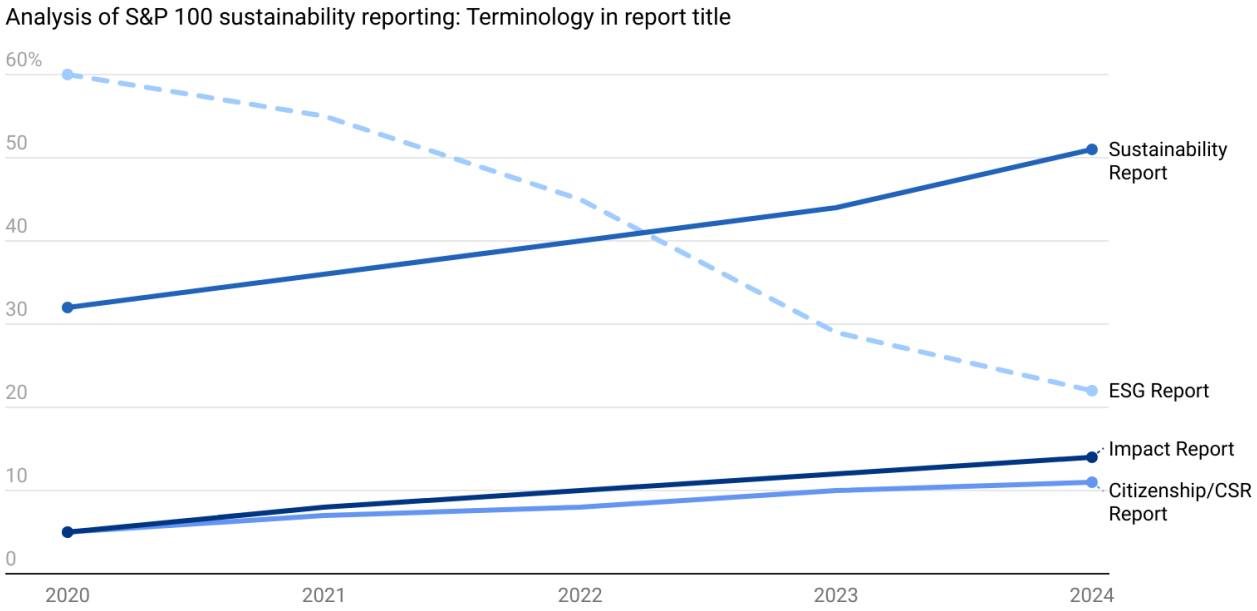

Note: 29 poll respondents (2025), 47 poll respondents (2021).
Source: Telling Your Sustainability 2.0: Session One, The Conference Board, 2025

8. **Our poll of roundtable participants shows that most firms are not reevaluating their definition of sustainability in response to the new US administration's policies.** This suggests that sustainability is structurally embedded in long-term strategy rather than reactive to political shifts, with fundamental business drivers—risk management, operational efficiency, and competitive differentiation—continuing to shape commitments more than any single administration's stance.




Note: 25 poll respondents.
Source: Telling Your Sustainability 2.0: Session One, The Conference Board, 2025

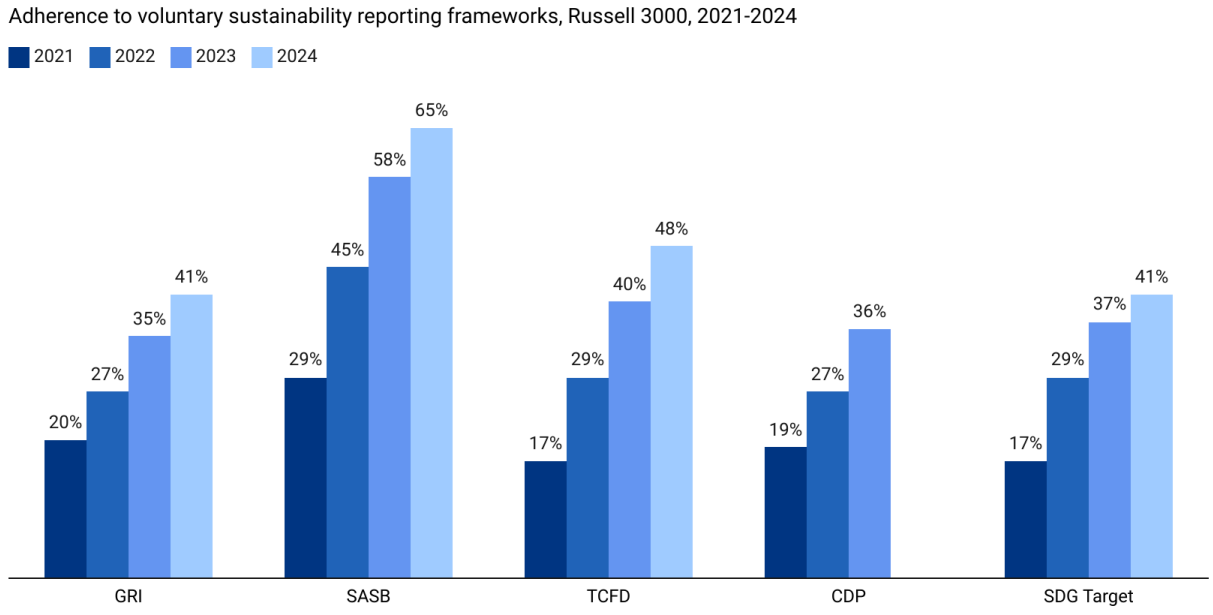
9. **While companies are not redefining sustainability, many are adjusting terminology, moving away from "ESG" in response to political backlash and adopting terms like sustainability and corporate responsibility instead**. Framing sustainability efforts in broader, less divisive terms can enhance credibility and engagement. For example, "sustainability" aligns more naturally with long-term corporate strategy, regulatory compliance, and investor expectations while sidestepping the polarized debates surrounding ESG.




Note: Analysis covers 96 S&P 100 companies that publish annual ESG/sustainability reports in PDF format. As of March 2025, many had not yet released a "2024" report, resulting in a smaller sample size for 2024 than in previous years.
Source: The Conference Board, 2025

## Reporting Frameworks and Emerging Disclosure Regulations

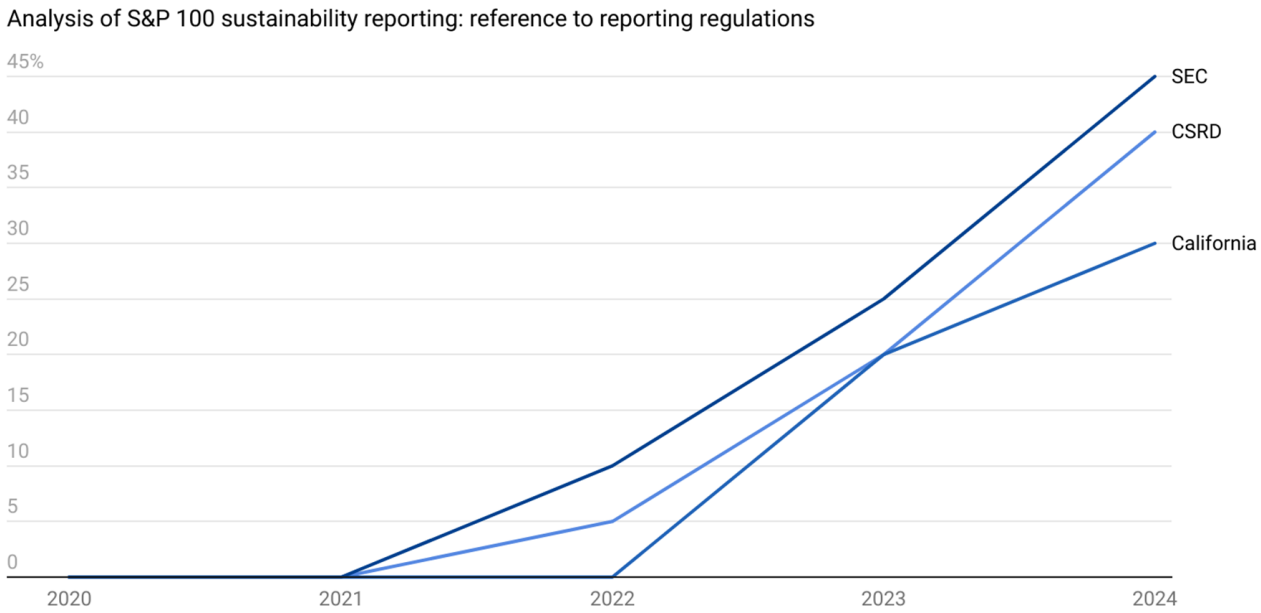
10. **Companies have increasingly aligned sustainability reporting with voluntary frameworks such as SASB, GRI, TCFD, and CDP to enhance standardization, improve investor comparability, and prepare for evolving regulatory requirements**. Key frameworks include:
    - **Sustainability Accounting Standards Board (SASB)**: Industry-specific, financially material ESG factors, aligning with investor expectations for decision-useful sustainability data. Investors and financial analysts favor SASB because it prioritizes financially material ESG risks and opportunities.
    - **Task Force on Climate-related Financial Disclosures (TCFD)**: Provides a structured framework for disclosing climate-related risks and opportunities, emphasizing governance, strategy, risk management, and metrics/targets. TCFD is the global benchmark for climate risk disclosure, closely tied to investor concerns about climate-related financial risks.
    - **Global Reporting Initiative (GRI)**: Provides a broad, stakeholder-oriented framework focused on economic, environmental, and social impacts. GRI emphasizes materiality from a multi-stakeholder perspective and is widely used across industries
    - **Carbon Disclosure Project (CDP)**: Focuses on environmental impact disclosure, particularly related to carbon emissions, water security, and deforestation. It collects standardized data on climate-related risks and opportunities. Many investors and asset managers use CDP data to assess climate risks, and participation in CDP's disclosure platform is often tied to investor-driven ESG assessments.




Source: ESGAUGE/The Conference Board, 2025

11. **The International Sustainability Standards Board (ISSB) is working to consolidate SASB, TCFD, and other frameworks into a unified reporting structure focused on financial materiality**. Established in 2021 by the IFRS Foundation to standardize sustainability disclosures for global capital markets, the ISSB has since launched IFRS S1 (general sustainability-related disclosures) and IFRS S2 (climate-related disclosures). ISSB aspires to become the global baseline for sustainability disclosure, with increasing adoption by financial regulators and stock exchanges.

12. **The transition from voluntary sustainability reporting to mandatory disclosure is accelerating, driven by regulations such as the EU's Corporate Sustainability Reporting Directive, California's climate disclosure laws, and emerging mandates in China and other jurisdictions**. These regulations require greater data accuracy, external assurance, and comparability, leading sustainability reports to resemble financial disclosures in structure and rigor. Our analysis of public reporting by S&P 100 companies indicates increasing references to disclosure regulations since 2022.

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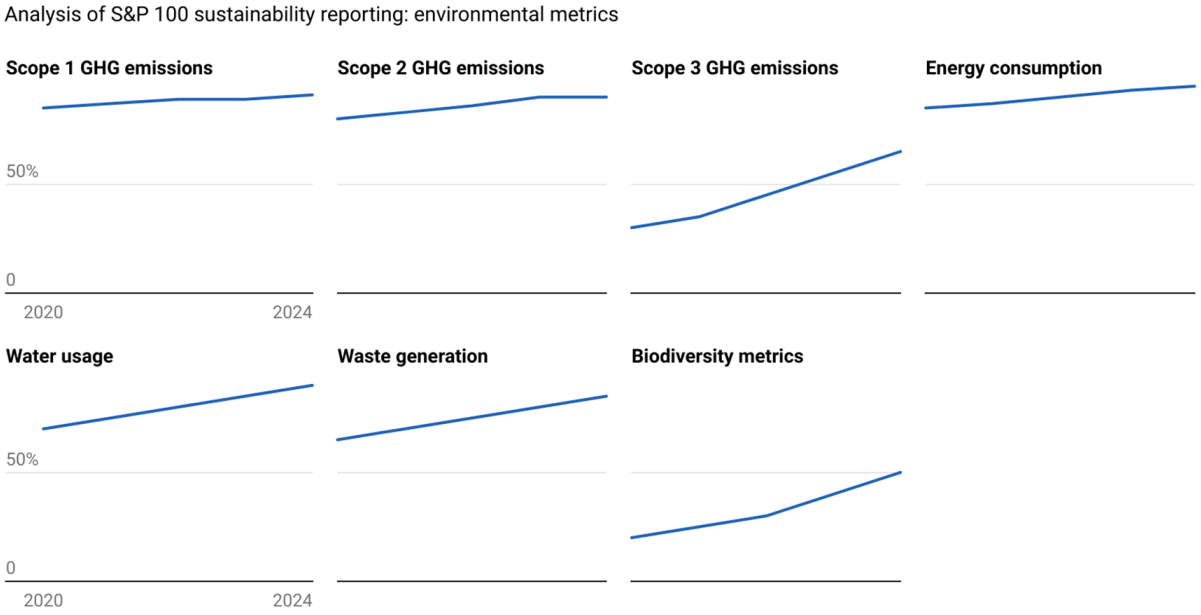
Source: The Conference Board, 2025

13. **While the shift toward mandatory ESG disclosure is ongoing, regulatory uncertainty—such as the SEC's climate disclosure rollback and efforts to streamline the CSRD in Europe—may complicate how companies balance long-term sustainability commitments with evolving compliance requirements**. Despite these fluctuations, the trajectory toward more rigorous, standardized sustainability reporting remains clear. Companies can mitigate uncertainty by proactively embedding sustainability reporting into core business strategy, strengthening internal data governance, aligning sustainability metrics with financial reporting standards, and preparing for third-party assurance requirements.

14. **The voluntary reporting landscape is evolving in response to regulatory mandates, but complete consolidation remains unlikely**. The ISSB's effort to establish global sustainability disclosure standards is a step toward harmonization, yet companies will still need to navigate multiple frameworks to meet jurisdictional requirements. While financial reporting provides a parallel—where mandatory standards coexist with voluntary non-GAAP disclosures—the same dynamic is expected in sustainability reporting. Companies will likely continue voluntary reporting alongside regulatory disclosures to provide additional context, investor-relevant data, and differentiation from competitors.

## Metrics and Data

15. **The scope and depth of environmental and social metrics in corporate sustainability reporting continue to expand, driven by regulatory mandates, investor expectations, and market pressure for greater transparency**. Companies are moving beyond core climate disclosures—Scope 1 and 2 emissions—to more granular Scope 3 breakdowns, product-level carbon footprints, and carbon intensity per unit of revenue or profit. Social metrics are also evolving, with workforce diversity disclosures becoming more selective due to legal risks, while human rights, supply chain resilience, and community impact metrics gain traction. Emerging areas such as water usage, biodiversity, and circular economy reporting remain less standardized but are increasingly integrated into disclosures, particularly in industries with high environmental impact.

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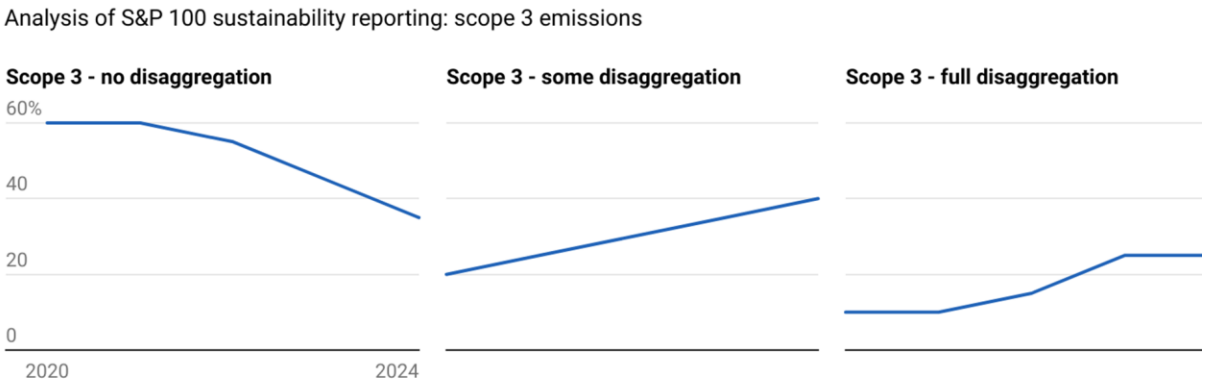
Source: The Conference Board, 2025

16. **Scope 3 emissions disclosure is expanding, with leading companies providing more detailed breakdowns, yet significant challenges persist**. Once limited to broad estimates, many large firms now report emissions across all 15 Scope 3 categories, with purchased goods and services, transportation, business travel, and product use among the most commonly disclosed. Investors are increasingly demanding transparency on supplier-reported data versus estimates, driving greater scrutiny and engagement in decarbonization efforts. Regulatory developments, including California's climate disclosure law and Europe's CSRD, will further accelerate Scope 3 reporting, but full standardization remains unlikely due to industry-specific complexities and regional regulatory divergence

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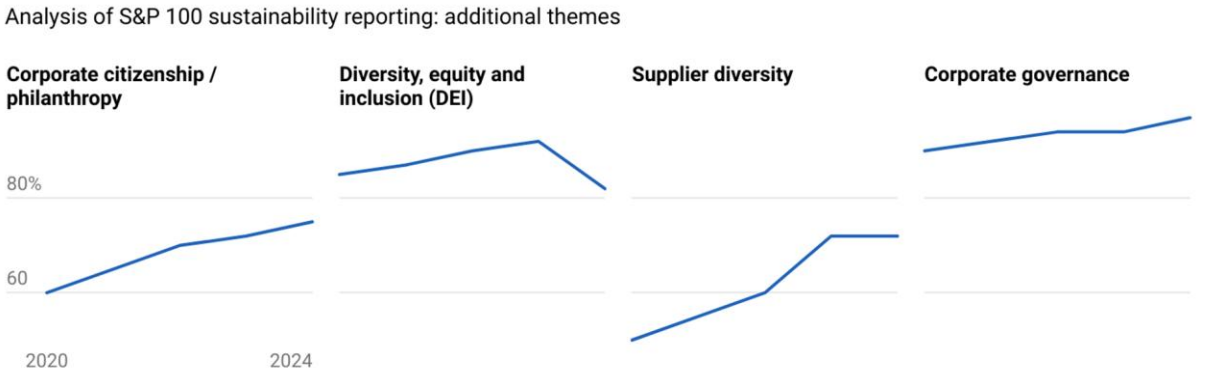
Source: The Conference Board, 2025

17. **Carbon intensity metrics are becoming more important to investor evaluations.** Instead of focusing solely on absolute emissions, investors are assessing emissions intensity—measuring carbon emissions per unit of revenue or per dollar of profit. This approach allows comparisons between companies and industries while assessing exposure to carbon taxes, regulatory risks, and decarbonization costs. As financial and climate risk assessments continue to merge, companies should expect further refinement of carbon intensity metrics and their integration into mainstream financial analysis.

18. **Workforce diversity disclosures are becoming more selective and risk-conscious as legal and political scrutiny of DEI practices increases**. While many companies have historically reported gender and racial diversity metrics in their sustainability reports, a growing number are reevaluating how they present this data. Notably, about 10% fewer S&P 100 companies included DEI information in their 2024 sustainability reports, and this trend is likely to continue: potentially with a shift toward consolidating disclosures within legally required filings such as EEO-1 reports in the US. To balance transparency with risk management, some firms may pivot to broader workforce representation metrics, such as global gender diversity, rather than emphasizing US-specific racial breakdowns.

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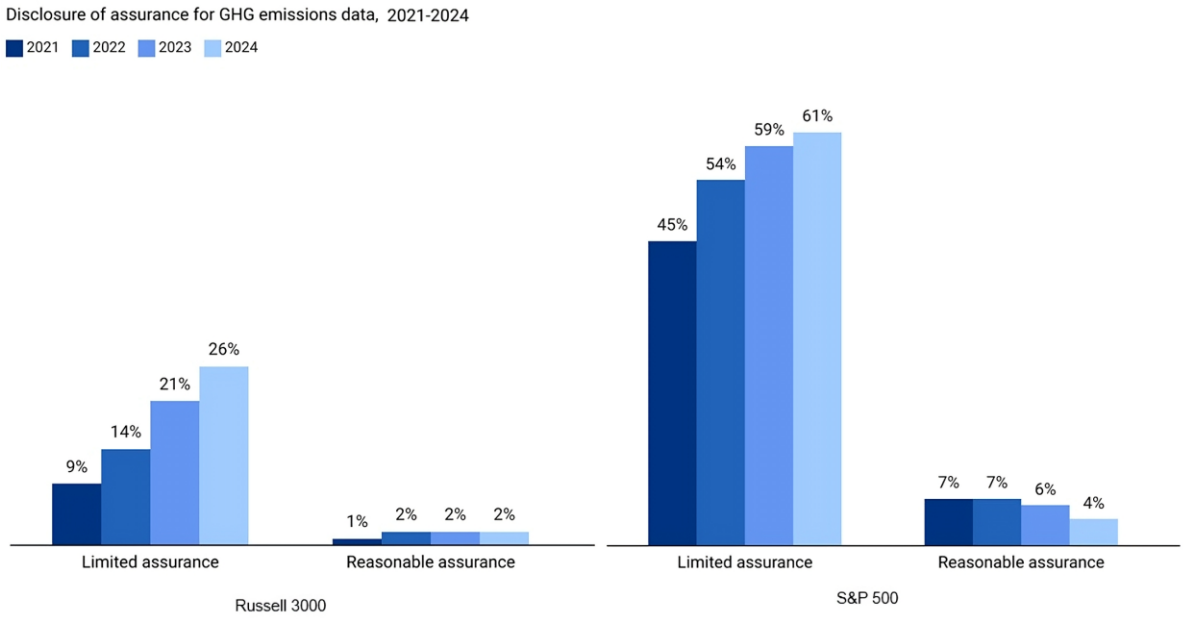
19. **Assurance in sustainability reporting is evolving from a best practice to an expectation, driven by regulatory mandates and investor scrutiny**. Leading companies are increasingly securing third-party assurance for climate and ESG disclosures, with limited assurance now standard and growing pressure for

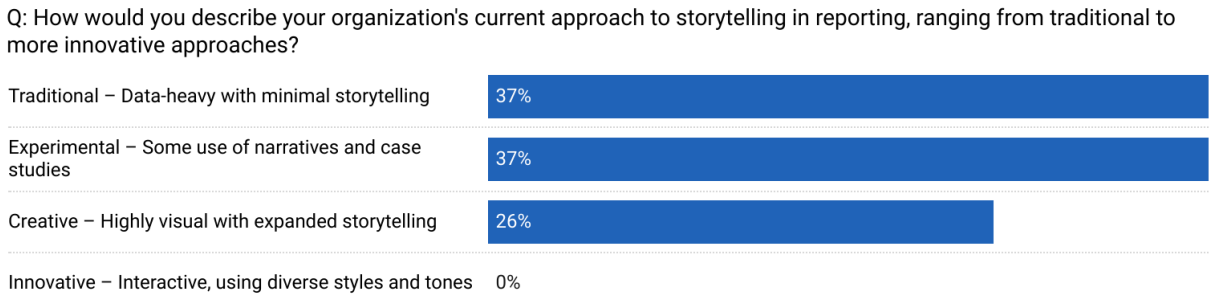
reasonable assurance similar to financial audits. Recent high-profile, post-assurance emissions data restatements underscore the rising scrutiny and risks of inaccurate reporting. California's climate disclosure law and CSRD's assurance requirements will further accelerate this shift, making external verification effectively mandatory. However, inconsistent global standards, fragmented regulations, and a shortage of qualified sustainability auditors will remain key challenges.




Source: ESGAUGE/The Conference Board, 2025

## Approaches to Sustainability Storytelling

20. **The style and format of sustainability reporting is evolving, although many companies are still in transition.** Our poll shows 37% rely on traditional, data-heavy reports, another 37% incorporate narratives and case studies, and 26% use highly visual, storytelling-driven formats. While traditional reports remain essential for regulatory compliance, companies are increasingly integrating digital dashboards, case studies, and video storytelling to engage diverse stakeholders. Investors prioritize precise, data-driven disclosures, while employees and customers respond better to visual and narrative-driven content. The most effective strategies recognize that a one-size-fits-all report is no longer sufficient, using multiple formats tailored to distinct audiences while ensuring message consistency.




Note: 21 poll respondents.
Source: Telling Your Sustainability 2.0: Session One, The Conference Board, 2025

21. **Approaches to sustainability reporting and storytelling often vary by industry, reflecting differences in stakeholder priorities, risk profiles, and communication strategies**. For example, technology and consumer goods companies may favor highly visual, narrative-driven reports with strong case studies and interactive elements to highlight innovation and brand values. Healthcare and pharma often integrate patient and humanitarian impact stories but maintain a more formal, responsibility-focused tone with moderate use of visuals. Financial services emphasize investor-centric, data-heavy reports with limited case studies and minimal interactivity, prioritizing risk and return analysis.

| Industry | Case Studies & Stories | Visuals & Infographics | Tone & Style | Interactivity |
|---|---|---|---|---|
| **Technology** | **High:** Frequent impact stories (e.g., how tech solves sustainability issues). | **High:** Design-heavy reports with charts, icons, illustrations. | **Inspiring, future-oriented:** Narrative, innovative, public-friendly. | **Medium-High:** Many have web-based interactive reports or dashboards. |
| **Consumer Goods/Retail** | **High:** Community and consumer-focused case studies (sustainable products, community programs). | **High:** Colorful visuals, campaign-style imagery. | **Engaging and optimistic;** frames sustainability as core to brand values. | **Medium:** Some interactive elements like online portals or story maps. |
| **Healthcare/Pharma** | **High:** Patient and community health stories, humanitarian impact. | **Moderate:** Use of photos (patients, scientists), clear charts. | **Empathetic and responsibility-focused tone** – mix of formal reporting and humanizing stories. | **Low-Medium:** Predominantly static reports with data appendices. |
| **Financial Services** | **Low-Moderate:** Few case studies; focus on finance metrics and risk. | **Moderate:** Conservative use of visuals (graphs, tables). | **Formal, investor-focused** tone emphasizing risk and returns. | **Low:** Little to no interactive reporting; PDF reports dominate. |
| **Industrial/Manufacturing** | **Moderate:** Project case studies (factory emissions cuts, safety initiatives). | **Moderate:** Infographics to explain processes, images of facilities. | **Balanced tone** – informative and pragmatic, less flowery. | **Low-Medium:** Mostly traditional format; a few online highlights. |
| **Energy (Oil & Gas, Utilities)** | **Moderate:** Some case studies, often about technology pilots (carbon capture, community investment). | **Moderate:** Visuals of infrastructure, operations, data-heavy charts. | **Formal and technical**, emphasizing engineering and safety. | **Low:** Traditional reporting format (PDF with data); minimal interactivity. |

Source: The Conference Board, 2025

22. **The push for regulatory compliance may influence companies to rethink sustainability storytelling, and separate regulatory disclosures from broader sustainability narratives**. With reports increasingly subject to assurance, firms may split detailed compliance-driven data from more engaging case studies and storytelling aimed at employees, customers, and general stakeholders. This mirrors the structure of financial reporting, where 10-K filings are supplemented by investor presentations, annual reports, and other tailored communications. However, the two must remain strategically linked to avoid inconsistencies that could lead to accusations of greenwashing or misrepresentation.

23. **Sustainability storytelling may become increasingly tailored for diverse audiences and stakeholders**. As we heard at the roundtable, companies can consider designing reports for two distinct audiences: “humans” (employees, customers, and general stakeholders) and “robots” (AI-driven investor and analyst tools). AI-powered search and data aggregation tools are now major consumers of corporate sustainability reports, influencing how information is structured. Some companies are responding by creating separate, highly structured disclosure reports while using interactive, visual formats for broader storytelling.

24. **Compelling storytelling remains critical for engagement, but it must be built on verified data**. While sustainability reporting is becoming more data-heavy, storytelling—through employee narratives, customer case studies, and supplier impact stories—remains a powerful tool for driving engagement and trust.

However, as regulatory scrutiny increases, companies must ensure that any claims made in their narratives are verifiable and aligned with disclosed data. The risk of greenwashing is higher when storytelling is disconnected from substantiated impact, making it imperative that case studies and human-centric stories are rigorously vetted and framed within the context of broader sustainability metrics.

25. **Sustainability reporting often communicates risk more effectively than opportunity and transformation**. Investors are increasingly using sustainability data to assess risk, yet companies struggle to highlight the upside—such as revenue growth from sustainable products, avoided emissions (Scope 4), or business resilience gains. With regulatory compliance driving disclosure efforts, companies must strengthen their narratives around the business case for sustainability to demonstrate value beyond risk mitigation