

## ***Use and consume NFTs responsibly: A manifesto for companies.***

**This is an important message from out of this world for ESG driven companies and marketers using and engaging with the digital tokens known as Non-Fungible Tokens (NFTs).**

NFTs are, by their very existence, alluring and unique. They are tokens used to represent ownership of unique items that exist, exclusively, in a digital world. Each NFT is designed with a unique identifying code and therefore uniqueness creates digital scarcity. Their value is very often associated to their rarity. NFTs exist on blockchains, shared ledgers that facilitates the process of recording transactions and tracking assets in business networks. NFT transactions leverage the use of cryptocurrencies.

For brands looking to stand out in a digital world, NFTs present a golden opportunity. In fact, they provide a new way for brands to connect and engage with audiences in a way which attracts a lot of attention and creates a lot of buzz. Moreover, when the stars in the digital universe align (demand + scarcity + perceived value), NFTs can be a real (and in some cases massive) revenue driver.

Like with any new technology or shiny toy entering the digital age, NFTs come with many benefits, but they also come with a set of risks and unknowns.

**This manifesto is therefore a warning of sorts for responsible organisations and sustainable marketers using NFTs, cautioning them to do so with care, and with an understanding of the associated benefits, risks and opportunities.**

For an asset that doesn't exist outside of the digital world, the process of producing NFTs have a very real impact on the planet. NFTs are stored in blockchains, which consume significant amounts of energy (some more than others) and therefore have a heavy carbon footprint. NFTs and cryptocurrencies have raised also the attention of governments for cybercrimes such as money laundering, market manipulation and tax evasion.

For companies that are guided by a set of ESG values, the use of NFTs could back fire and damage their sustainability focused reputation. In a decade where almost all large organisations have committed towards carbon net zero targets, the engagement with these new technologies should be a cautious one.

Therefore this manifesto invites both companies and consumers to be responsible when it comes to the use of NFTs.

Companies using this new technology should be aware of the ESG risks associated to it, and plan for risk management and mitigation (e.g. by offsetting the carbon footprint) before use. Companies should also be transparent, and include information on these initiatives in their sustainability disclosure.

**While the impact NFTs have on the planet today is indeed concerning, like with any infrastructural transformation towards sustainability - with time, the opportunity for the tokens to be made more responsibly in the future is there, and no doubt, is coming. Until then, by being empowered with the knowledge of the benefits and the risks, sustainable marketers can make informed decisions of how to best use and consume NFTs, in both the near and distant future.**

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The NFT of the “NFT Sustainability Manifesto” is available here:

<https://stratisphere.com/asset/CUvRGkr3mezbC6RVTe81mSdqre6rm2H1Nh/1>

