



From Sustainability to Security: A changing world reshapes the agenda

A quarterly review of ESG thought leadership themes in the media

Spring 2022

lutherpendragon

Executive Summary

Luther Pendragon's AI powered review of Environmental, Social and Governance (ESG) thought leadership coverage in the media reveals that the environmental topics being covered have significantly altered. War in Ukraine, the subsequent sanctions against Russia and the impact on global energy markets have shifted the focus of thought leadership material published in the UK media.

Russia's invasion of Ukraine in February is reframing the energy debate. Long-term climate issues have been nudged off the agenda in favour of more immediate conversations around energy security and energy transition. With this, the focus has shifted from global environmental concerns to those falling closer to home.

In the same quarter thought leadership coverage on social issues was partially driven by the build-up to 'set-piece' landmarks such as International Women's Day. These events spurred an increase in the volume of social ESG themed thought leadership in the media and in particular topics focused on gender equality. Governance thought leadership coverage, though still only generating low levels of coverage, was determined by more spontaneously occurring news events such as the P&O Ferries scandal in March which saw the sacking of nearly 800 workers.

An evolving landscape

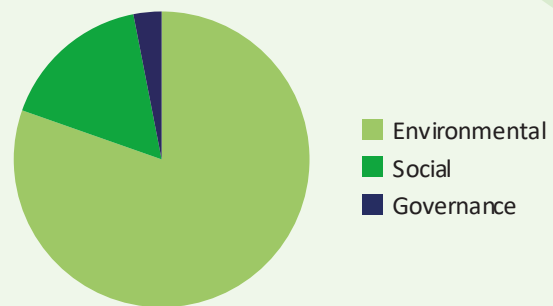
Environmental thought leadership once again attracted the highest levels of media coverage in Q1 of this year. Environmental focussed insights generated 1651 stories, compared to 340 and 63 for social and governance respectively.

Although environmental coverage declined quarter on quarter, as green issues took a back seat to geopolitics, the change is surprisingly marginal. Despite, or in some respects because, of what Prime Minister Boris Johnson described as "Europe's biggest war since 1945", ESG issues remain high on the agenda.

The drop in environmental coverage in Q1 of 2022, compared to the second half of 2021, is also small when we consider that the first three months of the year were 'COP-free', with neither the build-up nor the event itself a factor in the timing for published thought leadership insight.

Conversely, social and governance coverage remained more consistent across the quarters. Topics within those subject areas were distributed in line with key events such as the disclosure of top CEOs' pay-packets, as well as organisations' desire to showcase their EDI insights in the build-up to International Women's Day in March.

ESG thought leadership topic distribution, Q1 2022

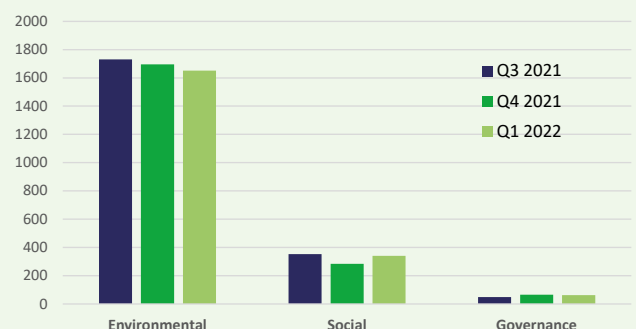


Homing signal

With the energy price cap lifting, fuel costs surging, and BEIS publishing its energy plan in an effort to tackle the crisis, media attention in Q2 will likely continue to turn from environmental issues abroad, to those closer to home. Organisations looking to gain audience attention for their insights on environmental topics have the opportunity to develop those insights according to the prevailing news agenda.

Our previous report, Green Giants, identified opportunities for social and governance thought leadership which can provide fertile ground for media and public attention. A number of these remain relatively unexplored and, for the right organisation, can provide a rich platform on which to build their reputation as a thought leader.

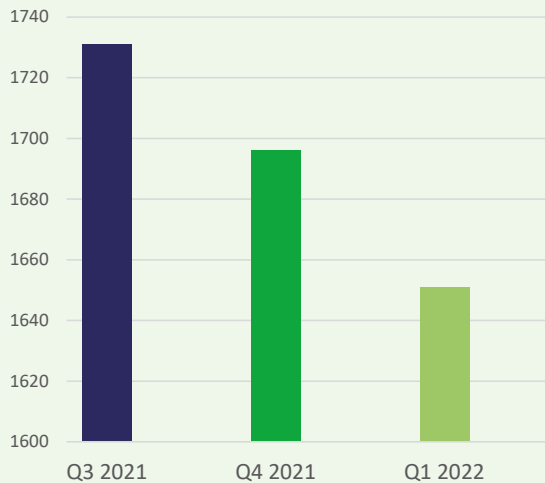
ESG thought leadership coverage by quarter



Environment

Media coverage of environmental thought leadership has declined in the first quarter of 2022. This change reflects a wider deprioritisation of certain environmental issues against the backdrop of war in Ukraine and period in which the world has not been concentrating on pre, during or post COP debate.

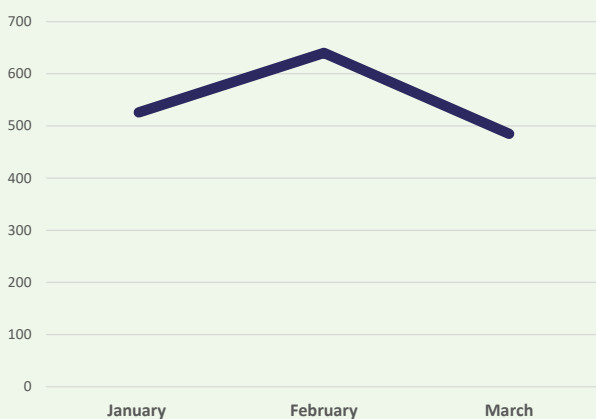
Environmental thought leadership coverage by quarter



Last year, environmental thought leadership generated an average of 1713 national media stories across the third and fourth quarters. In the first quarter of 2022, this dropped by just 4% to 1651.

However, a closer look at the quarter shows that there was a pronounced drop-off in environmental thought leadership coverage after late February – when Russia invaded Ukraine. This reflects the media’s focus on the immediate Ukraine conflict and inevitably a reduction on some of the environmental topics such as climate change.

Environmental thought leadership monthly distribution 2022

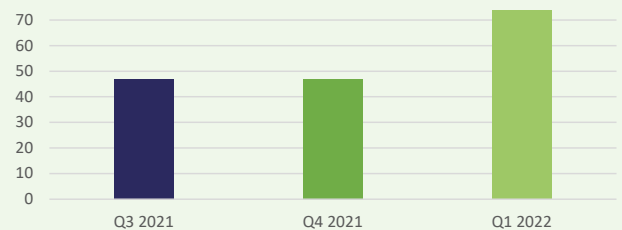


Geopolitics and the planet

Although overall coverage of environmental thought leadership declined, coverage of certain related topics increased and in particular where the conflict had a bearing on energy and the environment.

The number of stories covering thought leadership on ‘renewable energy’ rose by more than half, with 47 in each of Q3 and Q4 last year, but 74 in Q1 of this year. This is primarily because the war in Ukraine has prompted conversations about European reliance on Russian oil and gas, increasing calls for a renewable transition and drawing relevant insights into the debate.

Renewable energy thought leadership coverage by quarter



Conversely, coverage for thought leadership on ‘carbon emissions’ and ‘climate change’ has declined. These topics, arguably more long term focused, were covered in nearly 30% fewer stories in Q1 2022 compared to Q3 of 2021. Similarly, coverage of thought leadership on ‘climate change’ dropped by almost 10% between Q4, 2021 and Q1, 2022. That term also featured in 867 stories in Q3 of last year, compared to 820 in Q1 of this year.

The data shows a rise in coverage of thought leadership on ‘renewable energy’, and a decline of that on ‘climate change’ and ‘carbon emissions’. Ukraine has therefore shifted some attention from the climate change and carbon reduction environmental aspects of the debate and increased focus on the energy transition debate as it relates to geopolitical.

Get ahead of the curve: opportunities going forward

With further developments on oil and gas sanctions, rising fuel costs, ‘Just Stop Oil’ protests, and the government’s energy strategy now published, will this picture continue into Q2? Events have evolved the energy debate considerably and quickly. There is much to analyse, and significant room to form and share new insights.

Social

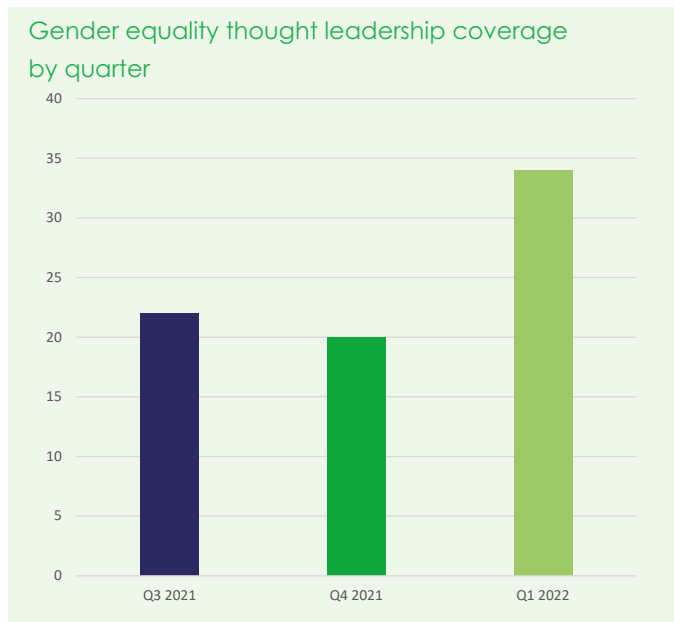
After a fall in coverage in Q4 2021, social thought leadership regained a significant share of coverage in Q1 2022. It accounted for 17% of ESG-related thought leadership coverage in the period, with 340 national media articles.

This increase shows that organisations are filling the 'white space' identified in our report of Q4 2021, when thought leadership on these themes remained relatively low.

The quarter of EDI

Thought leadership relating to diversity and gender equality received the highest level of media coverage in Q1 of 2022 since our analysis began. Diversity insights received 184 items of national coverage in the period, accounting for 54% of all social thought leadership coverage.

Meanwhile, thought leadership on gender equality issues was covered in nearly 40% more articles in Q1 2022 than in Q3 or Q4 of 2021. It received 34 pieces of media coverage in the latest period, accounting for 10% of coverage of thought leadership on social issues.

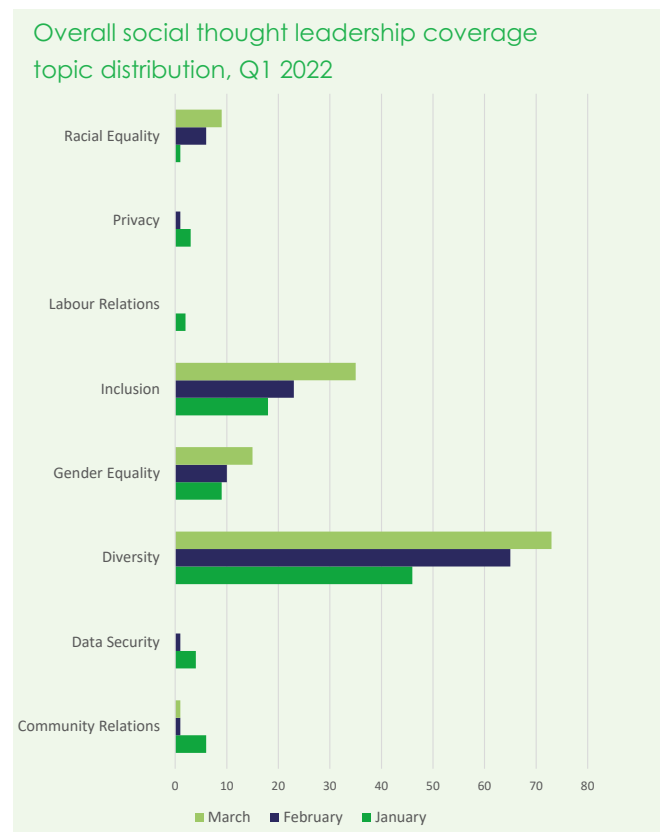


Notably, the largest proportion of coverage of diversity and gender equality came in March, likely timed to coincide with International Women's Day and illustrating the strength of the day as a news hook. The deadline for certain organisations reporting their gender pay gap also falls at the beginning of April, and many organisations aim to publish insights in advance of relevant dates on the news calendar. This allows organisations and writers to refer to recently published insights.

Technology remains untapped

While familiar social topics across Equality, Diversity and Inclusion (EDI) deliver meaningful levels of thought leadership coverage, topical technology themes such as privacy and data security continue to attract little activity. Privacy accounted for just 1% of social thought leadership coverage so far in 2022, four times less than it achieved in the final quarter of 2021. Data security has produced just 1% of thought leadership coverage in the last two quarters, but did account for 4% of social coverage in Q3 2021.

The low level of overall coverage achieved by privacy and data security-related thought leadership indicates an area of opportunity for organisations keen to be an authority in this space. Both topics have generated higher levels of media coverage at certain points in the year, indicating media interest, but there is no consistent stream of insights being published.



Governance

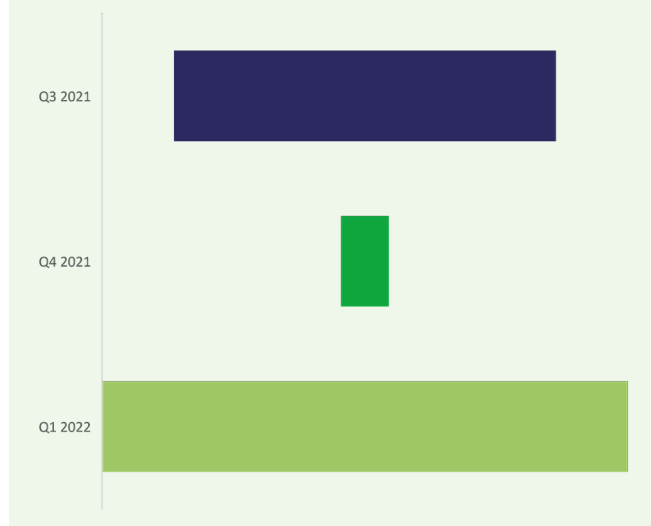
Corporate governance remains the least covered area of thought leadership under the ESG banner. However, given the potential for strong media interest in the topic, exemplified by the P&O Ferries scandal, there is significant opportunity for organisations to develop and draw attention to their insights.

A bumper day for executive pay

From Q4 of 2021 to Q1 of 2022, media coverage of thought leadership around the issue of 'executive pay' increased by more than tenfold, albeit from a low number. As illustrated in the graph below, there was also nearly 30% more coverage of the topic in Q1 2022 than in Q3 2021.

The increasing salience of the issue, and corresponding spike in related thought leadership coverage, is partially due to the P&O Ferries scandal. The row began when nearly 800 P&O staff were sacked without notice on a Zoom call. It proliferated when the company's CEO, Peter Hebblethwaite, was revealed to be earning £300,000 a month, not including performance-related bonuses.

Executive pay thought leadership coverage by quarter



Prompted by increased scrutiny of the issue, more media coverage cited research and insights on 'executive pay', with media coverage of those insights rising accordingly. The disclosure of Bet365 CEO Denise Coates' £300 million pay packet raised the prominence of the issue even further. Conversely, and highlighted in the graph below, coverage of other related topics, such as 'legal compliance' and 'labour relations', remained low.

Laws and labour make room for insight

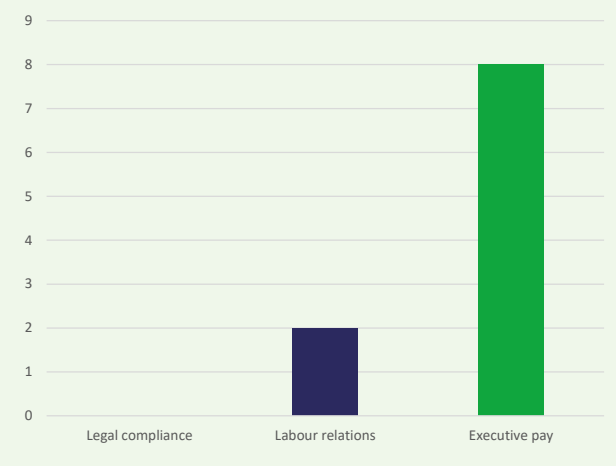
Across the quarter, thought leadership around 'legal compliance' and 'labour relations' generated zero and two pieces of coverage respectively. Business Secretary Kwasi Kwarteng announced on April 1st that formal investigations into P&O Ferries were underway, suggesting that legal issues will likely draw interest in Q2 of this year.

The prospect of a wage-price spiral, meanwhile, suggests that 'labour relations' will climb up the news agenda as more workers ask for wage increases in response to rising costs.

Organisations with expertise on 'legal compliance' and 'labour relations' therefore have opportunity to share their insights on topics that could draw significant media interest, yet remain untapped by others.

In Q4, however, these more technical topics caught up. Not only did *tax transparency* come up over 50% more often, but its activity was distributed much more evenly across the quarter. During Q3, every thought leadership piece on tax transparency was published in July, coinciding with the OECD's announcement of a 15% global minimum tax rate that month. The higher and more consistent frequency of thought leadership insights covering those technical topics suggests public awareness of them is growing, providing a boost for future thought leadership output.

Topic distribution Q1 2022



Conclusions and opportunities

Our analysis over the first quarter shows that ESG themes and the thought leadership that supports them remain firmly in the media agenda even with the attention of the world fixed on war in Europe. Across the second quarter of 2022, we expect this to continue. Organisations have opportunity to influence the narratives surrounding the major events of our time, on issues ranging from the energy transition at home and abroad, to diversity, income inequality, and the relationship between labour and capital.

In an increasingly crowded media landscape, those who can find the 'white space', into which new, relevant, and interesting insights can be credibly added, will be most successful. Below, we set out a series of conclusions and recommendations to maximise organisations' chances of shaping the conversation.

Environment

- > In Q1 2022, the discussion shifted from the climate and carbon aspects of the environment to the debate around energy transition against the backdrop of geopolitical events.
- > Sanctions and rising energy prices mean that this conversation will likely continue to be the focus in Q2.
- > Organisations looking to gain an audience for their insights should consider pre-empting this shift with relevant insights that reflect the current media agenda.

Social

- > The topics of Equality, Diversity and Inclusion retained the lion's share of media coverage on social thought leadership, consistent with the pattern we identified in Q3 and Q4 of last year.
- > EDI issues generated an even greater proportion of the coverage in Q1 of 2022, largely because of International Women's Day. Although a potent hook for news, the crowded nature of thought leadership coverage in this area means that organisations must significantly impact the debate if they are to cut through with their insights.
- > Issues such as data security and privacy continue to represent a potential 'white space', attracting strong media attention without a corresponding volume of thought leadership outputs.

Governance

- > The events of Q1 2022 elevated executive pay as an issue, and with inflation remaining at historic levels, the ongoing cost of living debate is likely to keep the topic in the headlines.
- > Organisations seeking to share their insights on pay should therefore not be put off by the presence of other voices, as the issue will likely stay on the news agenda in Q2.
- > The salience of this discussion around pay means that organisations with expertise on related topics such as labour relations, should seek to share their insights and build a share of voice.

Methodology



Luther Pendragon uses an AI-powered media monitoring platform to analyse all UK national media online and print output during the set period, identifying thought leadership on ESG. Each category was divided into ten subcategories, which covered the spectrum of ESG topics and have all been reported on during the set period.

To identify relevant articles, all UK national media output is monitored using a custom thought leadership filter, which identifies articles focusing on the publication of new research. Qualifying articles must refer to one of the 30 ESG subcategory terms in the headline or opening paragraphs, indicating that the subcategory in question is relevant to the article. The media monitoring platform uses artificial intelligence to build an understanding of the search it is executing, and exclude articles which are not relevant.

Environmental	Social	Governance
Carbon footprint	Gender equality	Corporate governance
Climate change	Racial equality	Board diversity
Carbon emissions	Diversity	Stewardship
Climate finance	Inclusion	Tax transparency
Pollution	Community relations	Business ethics
Biodiversity	Labour relations	Legal compliance
Sustainability	Data security	Accountability
Environmental impact	Privacy	Stakeholder relations
Natural resources	Reputation	Executive pay
Renewable energy	Sourcing	Corporate behaviour

Have a question about communications and thought leadership around the ESG agenda?

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