

Unsustainable: Focus on ESG falls amid an age of crisis

A quarterly review of ESG thought leadership themes in the media

January 2023

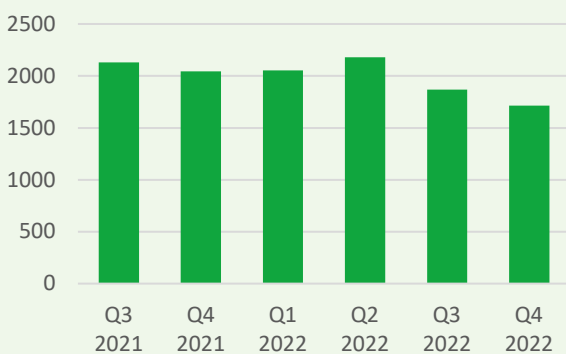
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Executive Summary

Luther's AI-powered review of ESG thought leadership in the media sheds new light on how organisations can set the agenda with incisive, original and well-targeted thought leadership. In a news environment dominated by conflict and crisis, we explore how organisations can shape the conversation and influence events by drawing attention to their ESG focused insights.

Our quarterly review finds that, in Q4 of 2022, national media coverage of ESG thought leadership reached its lowest point since our analysis began. Strikingly, the sharpest decline was for environmental coverage, despite the much-anticipated COP27 climate summit taking place in November.

Overall ESG thought leadership coverage by quarter



The fact that Q4 had such a small volume of stories on environmental thought leadership, despite the occurrence of this high-profile environmental event, shows how the news agenda turned away from ESG issues, and towards the myriad political and economic crises which unfolded during the quarter. Will the previous levels of attention return? That remains to be seen. However, as 2023 begins, there is clear opportunity for organisations to reset the agenda with fresh insights.

COP Out

During Q4, coverage of thought leadership on 'carbon emissions' and 'climate change' continued to trend downwards, with both terms reaching their lowest point since Luther's analysis began in summer 2021. This comes as a surprise, given that COP27 took place in Sharm El-Sheikh between 6 – 18 November. One explanation is that, unlike the previous COP summit in Glasgow, COP27 was hosted by Egypt, with UK media less likely to be in attendance. Added to other 'big issues' commanding the media's attention, coverage of environmental insights fell.

Similarly, coverage of 'biodiversity' reached its lowest point since the project began. This, too, may be unexpected, as in December there was a landmark UN pact dubbed 'the Paris Agreement for nature', aiming to arrest extinctions by conserving 30% of land and oceans by 2030.

Such low levels of coverage could be due to a lag between the new pact and organisations conducting research on the issue, meaning that an increase in Q1 of 2023 is likely. To stay ahead of the curve, organisations should look to publish their thought leadership early (where they can), as being the first mover in this area could pay dividends.

Sinking Social

As with the environment, coverage of thought leadership on social issues declined on a quarterly basis, dropping to its lowest level since our analysis began. The decrease was partially offset by notable increases in coverage of 'privacy', likely due to debates over the UK's Online Safety Bill.

The quarter also saw a rise in mentions of 'gender equality'. With childcare featuring prominently on the news agenda this year (as the UK government drops plans for reform), and International Women's Day coming up in March, coverage of this issue should increase further - providing fertile ground for thought leaders to get their insights noticed.

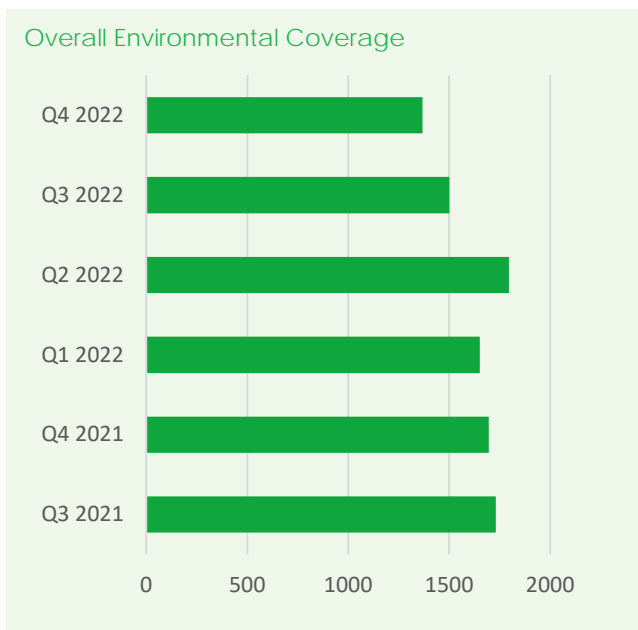
Governance stays steady

In Q4, thought leadership on governance again retained a lesser share of the coverage than that on environmental and social issues. However, the drop was much less significant than in previous quarters – with governance becoming a more consistent feature of the media and thought leadership landscape.

Recent headlines, ranging from Elon Musk's acquisition of Twitter to the EU's new SFDR rules, indicate that corporate governance remains, and will continue to be, a pivotal subject. How companies are run, and the impact they have on society, are the topics most under-examined by thought leadership according to our analysis. Organisations which buck that trend with illuminating new research can pioneer this unexplored landscape, drawing interest to their insights in the process.

Environment

Q4 2022 saw the lowest volume of environmental thought leadership coverage since Luther's analysis began. The number of stories on environmental thought leadership declined by 10% from the previous quarter, and by 20% since Q4 of 2021. This is a continuation of the pattern observed in our most recent report: economic and political crises are displacing ESG themes in the media and thought leadership landscape.



Environmental issues were therefore superseded in the news agenda by the political and economic upheaval that took place in Q4. This is unsurprising, given that this quarter saw the resignation of Liz Truss; her replacement by Rishi Sunak; and the UK economy entering a recession.

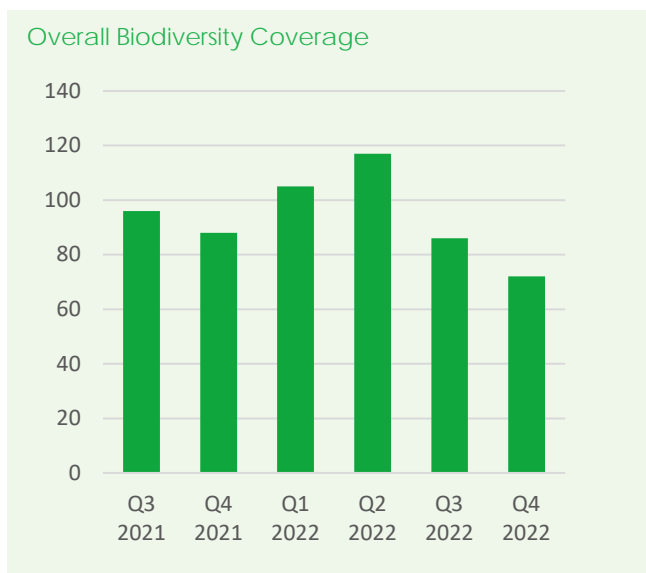
As the political environment begins to stabilise, ESG issues will re-gain the spotlight, creating opportunity for organisations to drive media narratives and shape public opinion with fresh thought leadership insights.

A drop for COP

In a pattern identified in our previous report, mentions of 'carbon emissions' and 'climate change' continued to trend downward, with both terms falling to their lowest level of thought leadership coverage since our analysis began. However, the continuation of this trend is particularly surprising given COP27 took place in November.

During COP26, which took place in Q4 2021, our analysis registered the highest ever monthly volume of environmental thought leadership stories. Environmental coverage declined by 20% in Q4 2022 in comparison to Q4 2021. This is partly because, while COP27 took place in Egypt, COP26 happened in the UK, naturally drawing greater scrutiny from the British media but also an evolving news agenda.

Coverage of 'biodiversity' also reached its lowest point since Luther's analysis began. This, too, may seem unexpected, given that Q4 saw the announcement of a landmark UN pact dubbed 'the Paris Agreement for nature', aiming to conserve 30% of land and oceans by 2030. Even more surprising is the monthly distribution of this coverage: December was the sparsest month for mentions of thought leadership on 'biodiversity', despite being the month when the UN agreement was signed.



One explanation is a lag between the announcement of the Pact, and experts conducting research on the issue. Luther's previous reports identified a gap between attention paid to the climate crisis compared with the ecological crisis, with the former receiving more interest than the latter. Increasing public awareness and news stories around biodiversity, however, may narrow this gap significantly – a pattern which thought leaders would do well to note.

Quarterly increases in coverage for 'environmental impact' and 'carbon footprint' are consistent with the high level of media attention around the World Cup's environmental effects. That tournament had the largest carbon footprint of any recent sporting event, despite organisers' pledges that it would be 'the first carbon neutral World Cup in history'. By measuring the effects such events have on our climate, and publishing timely insights on their findings, thought leaders can draw attention to their work more easily.

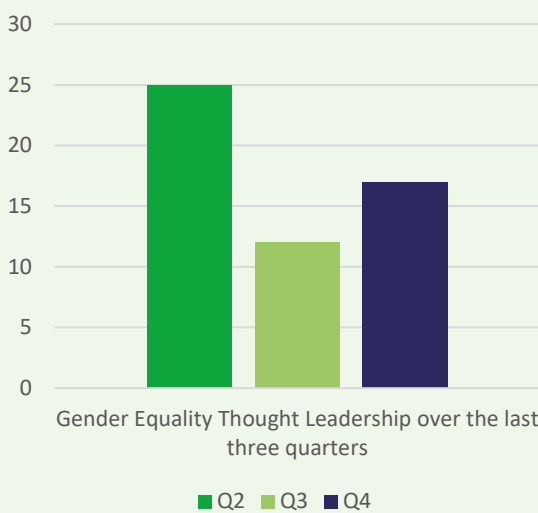
Social

Q4 of 2022 saw coverage of thought leadership on social issues reach its lowest point since we began our analysis, declining on a quarterly basis, and by nearly 20% since Q2. There was a drop across nearly every search term, however mentions of 'gender equality' rose by 30% from the previous quarter.

This uptick is likely to continue in 2023, as Rishi Sunak's alleged shelving of plans for childcare reform was met with condemnation among Conservative MPs in the media. According to the Organisation for Economic Co-operation and Development, the UK remains one of the most expensive countries for childcare in the world. This is an issue disproportionately affecting women – so gender equality is likely to remain high on the news agenda as the year progresses.

With effective thought leadership, organisations can shape the direction of policy in this crucial, and increasingly talked-about, area. Our Q1 report, *From Sustainability to Security*, found an uptick in coverage of thought leadership on gender equality around International Women's Day in March.

Gender Equality Thought Leadership over the last three quarters

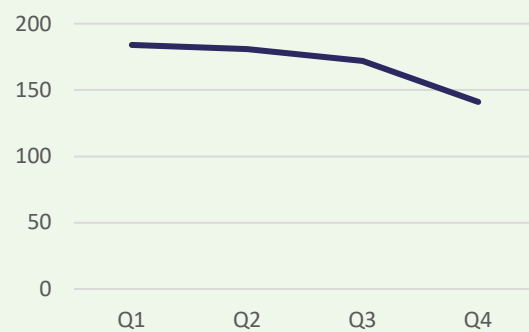


As IWD is a 'set-piece' event, taking place at the same time each year, we expect this increase will recur in 2023. To stand out from the competing voices, organisations must focus research on new aspects of the topic.

The growing focus on gender equality contrasts with the declining levels of attention paid to 'racial equality' and 'diversity' more generally. Mentions of the former term decreased markedly in Q4, dropping by more than half since the previous quarter. Coverage of thought leadership on 'diversity', meanwhile, reached something of a low point

during Q4, with less coverage than almost any other quarter since Luther's analysis began. This was partially compensated by an uptick in coverage of both terms in October, likely due to the first ever British Asian Prime Minister taking office on October 25th.

Diversity Thought Leadership in 2022



However, the 18% decline in coverage of thought leadership on 'diversity' indicates that this is an area which attracts a strength of opinion not yet matched by thought leadership volume – opening a gap for organisations to fill with well-targeted insights.

Industrial Inaction

An even more untapped topic can be seen in the low levels of coverage for thought leadership on 'Labour relations', with zero stories for the third consecutive quarter. This is surprising in Q4, given that one of the most popularly supported professions in the country, nurses, joined rail and postal workers in announcing strike action.

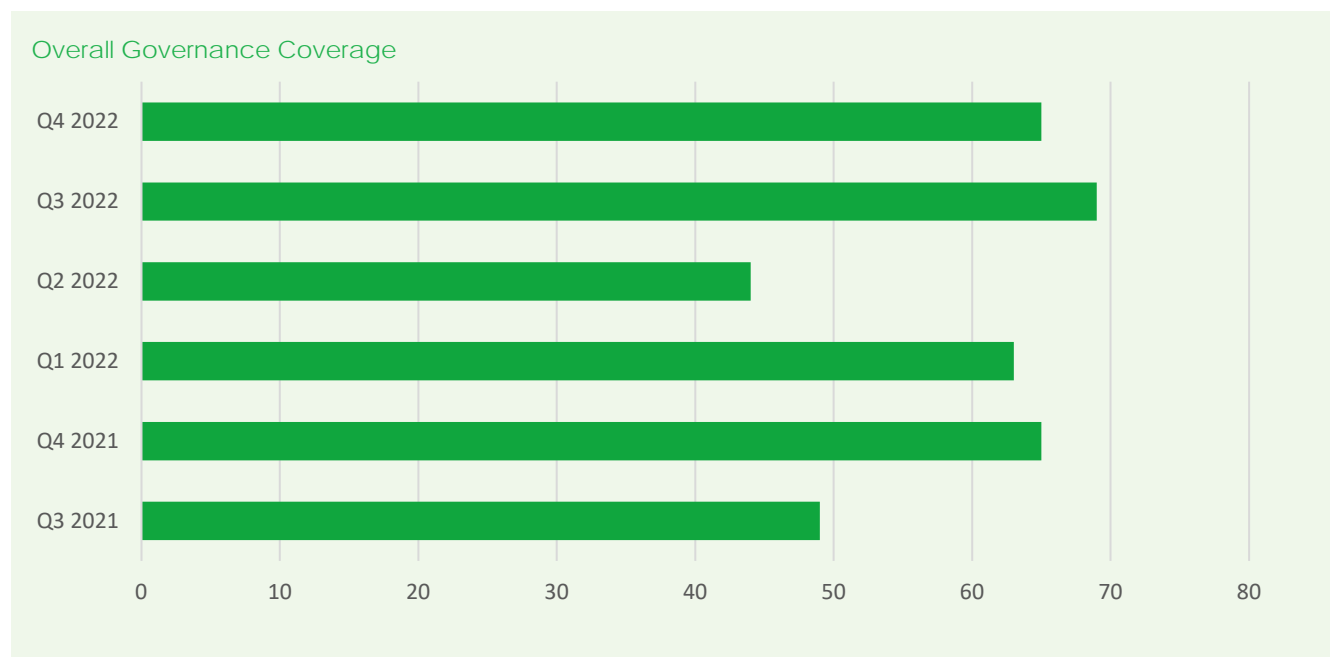
With another nursing strike taking place in January, thought leaders with insights on this issue can generate attention in an area that remains broadly unexplored.

Marked Private

Q4 showed the highest results on record for 'privacy', with a 250% increase in coverage – perhaps because of the changes made to The Online Safety Bill, and the ensuing debate between the Government and social media platforms over the privacy of individuals. As the Bill continues to move through Parliament, this debate will surely continue.

Governance

Governance was the least covered aspect of the ESG agenda, continuing a trend identified in the previous report, with only 65 stories on governance-related thought leadership, compared to 1368 environmental stories and 283 social stories.



The level of governance-related coverage overall points to a stabilisation in this area of ESG thought leadership, only falling slightly from 69 in the previous quarter of this year and comparable with Q4 of 2021 and Q1 of 2022.

In the previous report, we highlighted the increase in stories on 'stewardship', and this trend continued in Q4. Coverage for 'stewardship' started at very low levels in Q3 of 2021, but has steadily increased quarter on quarter, culminating in results that see it as the third highest theme in the Q4 data on governance.

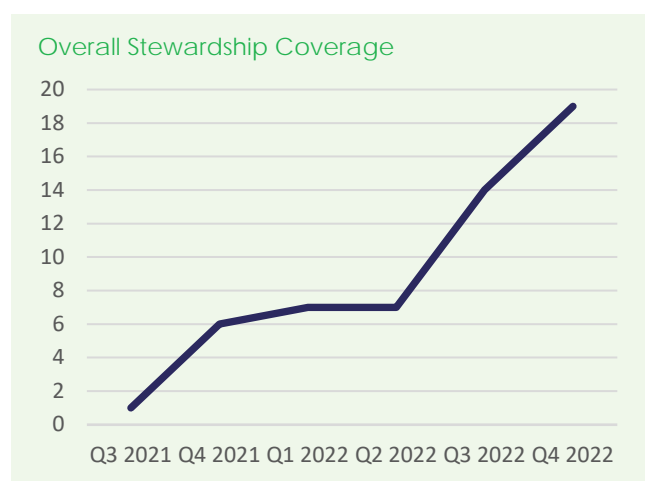
This may be because, as the effects of climate change become more apparent, corporate stewardship of the environment has begun to take centre stage, with private sector organisations compensating for a lack of action from governments, demonstrated by the watered-down commitments pledged at COP27.

Furthermore, new Sustainability Disclosure Rules (SDR) rules were proposed by FCA in the period reviewed, and the EU continues the roll out of SFDR in January 2023, likely generating further coverage of the topic. Therefore, we expect to see additional insights generated by thought leaders on this subject, and those who publish research early will stay ahead of the chasing pack.

Elsewhere, levels of thought leadership coverage on 'corporate governance' remained very low, with only one result. This is particularly surprising given how Elon Musk's

acquisition of Twitter thrust the issue into the spotlight. Since Musk's takeover, he has issued redundancies to large swathes of the company's workforce and made strategic decisions based on public polls, raising profound questions around corporate governance and transparency.

This is an area that will continue to attract media attention as corporations grapple with the effects of recession and labour shortages. Organisations can use thought leadership on 'corporate governance' to provide unique perspectives and insight in an area that remains broadly untapped by others.



Conclusions and opportunities

More than ever, today's headlines are driven by conflict and crisis. With original, eye-opening, and topical thought leadership, organisations can cut through the noise, educate the public, and open new business opportunities.

This report demonstrates that there is no shortage of 'white spaces' where thought leadership can exert the strongest impact. Below, we set out a series of conclusions and recommendations for drawing attention to these insights.

Environmental

- > The extent of coverage on the World Cup's environmental impact demonstrates interest in the effect such events have on our climate. Thought leadership which projects its insight onto such high profile events is therefore likely to attract attention
- > There is often a gap between the occurrence of major events, and the publishing of thought leadership coverage about them. In Q4, COP27 and the United Nations Biodiversity Conference both provided examples of this phenomenon. Organisations can pre-empt this pattern and draw attention by publishing their insights in the build-up to, or immediate aftermath of, such events

Social

- > The growing salience of childcare as a political issue, as well as International Women's Day on March 8th, indicate that gender equality will continue to attract significant attention. Organisations can lead this conversation with original and substantive thought leadership that increases understanding of these issues
- > Thought leadership on privacy issues increased during Q4 of 2022, partially because of controversy around the Online Safety Bill. As the Bill continues through Parliament, organisations can show leadership in this vital area by developing insights before it becomes law

Governance

- > Corporate stewardship of the environment generated more thought leadership coverage in Q4 2022 than any other quarter since Luther's analysis began. With new sustainability rules continuing to be introduced, and the UK government increasing funding for Environmental Land Management Schemes, stewardship of the environment by private organisations will become a greater focus in 2023

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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