

Sustainability Initiatives and the Impact on Businesses

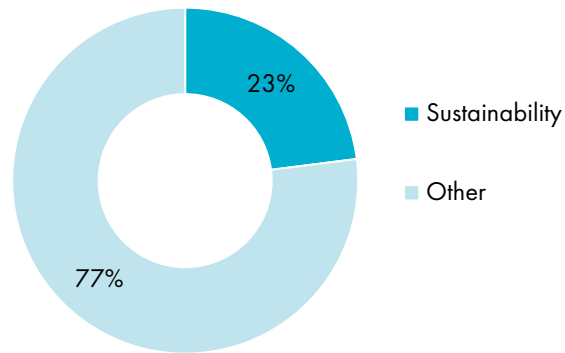
Case Study



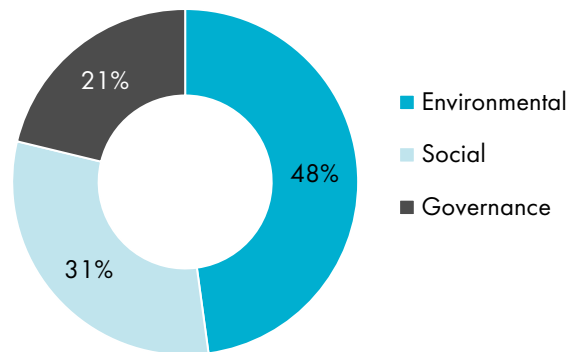
Case study 1: Banking

Overview: Sustainability in the Press

Share of banking coverage



ESG split



ESG has become an increasingly important topic for most industries. In the banking sector “Environmental” outweighs “Social” and “Governance” significantly.

The most visible topic was “**pollution financing**”, reflecting the wider media conversation about the climate crisis. While this contributed to negative media perceptions, positive stories were also present. Top stories included:

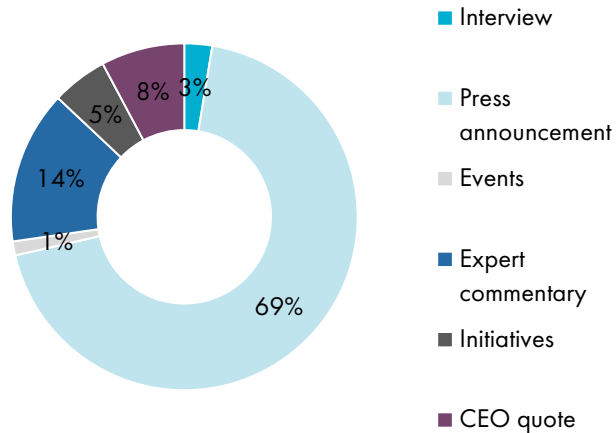
- **Coal financing.** Negativity was seen in mid-July as banks were accused of “propping up coal polluters” by environmental lobby group Europe Beyond Coal. The topic was prominent across traditional media, including several pieces from the *FT.com*.
- **Amazon rainforest.** A report by Stand.earth accused many European banks of being “major players” in the trade of crude oil from the Amazon rainforest. This prompted accusations of “double standards”, as several banks had previously committed to protecting the environment, and also generated negative sentiment.
- **Sustainability financing.** This included the launch of new ESG products and services, which generated positive news stories, such as a new ACTI-linked bond from BNP Paribas, and Société Générale’s support of the new AFL sustainability bond framework.

Outlets were less likely to report ESG news that did not fit into “Environment” discourse because topics such as sustainable financing were inherently more “**newsworthy**” due to significant media focus on climate change. Nevertheless, it is possible to identify strategies that were more (or less) successful by comparing messaging trends to actual media coverage:

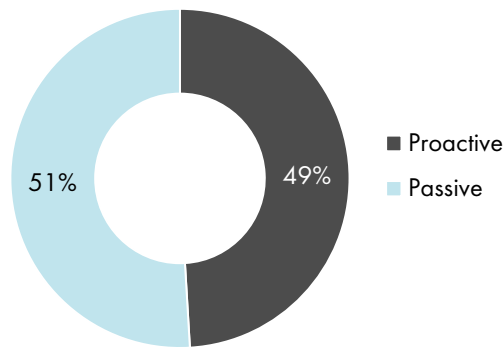
- **Announcements that mentioned the term “ESG” directly were often more successful at gaining coverage** (as well as higher prominence). Examples include BNP Paribas and the “Australian Climate Transition Index”, and UniCredit’s announcement of a new Head of Group ESG Strategy.
- **Banks that used the CEO quote tactic had a higher level of prominence** due to lower numbers of “passing mentions”.

Communication Approaches

Message tactics



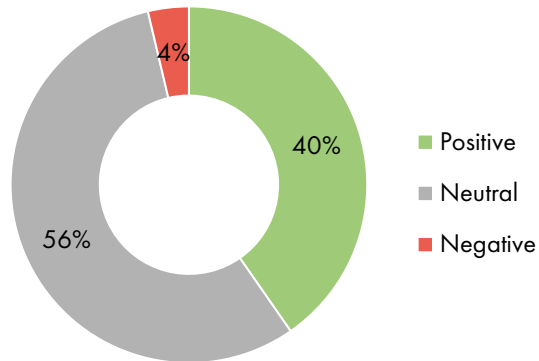
Proactive/Organic



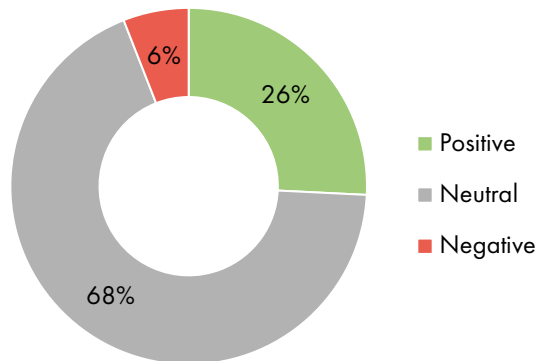
- **Banks are actively communicating their “sustainability story”**; all competitors released at least one piece of related messaging in the analysis period. The most common tactic for doing so was **“Press announcement”** with many similarities in approach between competitors:
- Most banks included an environmental element in their **HY results announcements**, either as a CEO quote, or as a dedicated section of the release.
- **Banks that released a high volume of press release content did not necessarily receive higher numbers of mentions in the press**, and in some cases may have actually lost coverage. Santander had relatively unique ESG messaging, but it was hidden amongst a huge number of press releases.
- Banks typically focused on “Environment” by demonstrating a **commitment to the low-carbon economy transition**.
- All banks also used the “expert commentary” tactic at least once by providing quotes or commentary to financial publications. This contributed to banks being portrayed as “leaders” of sustainable initiatives. In other cases, banks including BNP Paribas, UniCredit and Société Générale were sometimes portrayed as “laggards” in relation to **“propping up some of the continent’s biggest coal-burning polluters”**.
- The similarities listed above reveal **two main themes in bank press releases**: Sustainability as a **vehicle for change** (e.g., through the abolition of “pollution financing”), and as a **vehicle for business growth**. These themes formed the “base” of the industry’s “story” during the analysis period. However, there was also significant variation between banks in their communications, reflecting differences in corporate priorities:
- Tactics beyond “press announcement” varied by competitor. BNP Paribas was the only bank to use the “interview” tactic; UniCredit and Intesa Sanpaolo were more likely to use the “CEO quote” tactic; the “events” tactic was only used by Société Générale (a risk webinar) and UniCredit (the Frankfurt Finance Summit).

Benefits and Risks

Sustainability Sentiment



General Sentiment



Sentiment towards the financial sector was significantly **more positive when the topic of sustainability was mentioned**, and this was mainly due to the rise in green loans, as well as major initiatives. News of Deutsche Bank's best first quarter in 7 years led to an increase of coverage discussing the **general goal of sustainable profitability**, and this helped to boost positivity too.

Top positive stories include:

- **Alliances** – The Net-Zero Banking Alliance was established in April this year, and helped to push coverage during this month, with banks around the globe joining the alliance in hopes of reducing their CO2 emissions. News that Intesa Sanpaolo is the first Italian bank, and one of the first six in Europe, to be admitted into the European Clean Hydrogen Alliance also made the headlines; as they hope to achieve carbon neutrality by 2050.
- **Green loans** – The green lending market has been developing rapidly and setting new annual records. Top headlines mentioned Intesa Sanpaolo's €10m loan to La Doria, which will go towards achieving targets based on sustainability, and UniCredit's €120m bond given to Kelag to help support renewable energies.

Sentiment tended to be **more negative in general banking discourse**, and the discussion of sustainability helped bolster institutions' reputations. With this being said, there was still negativity in the media which was driven by the banking sector's attitude towards sustainability. Coverage did tend to be more favourable by outlining sustainable goals for the future, but this was often **in response to pressures** put on banks following the Paris Agreement and climate change protests.

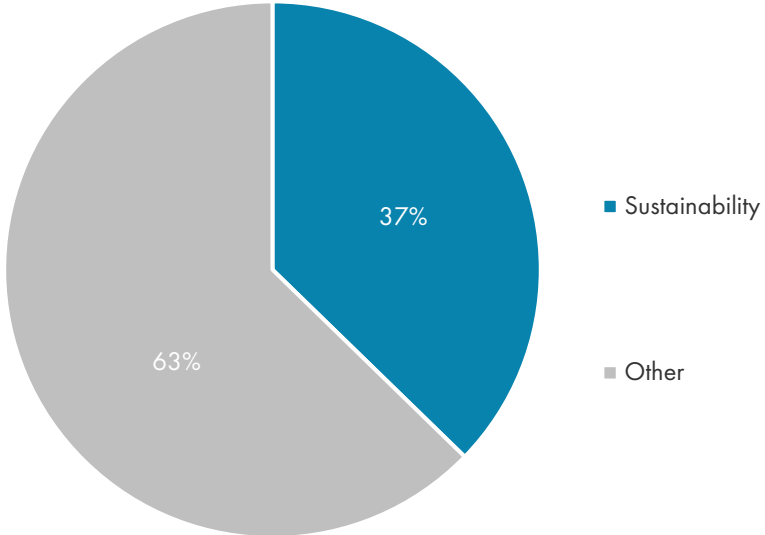
Top negative stories discussing sustainability include:

- **Conflicts with green pledges** - High-reaching outlets such as *FT.com* reported on banks' conflicts with green pledges as they are not fulfilling promises; since the 2016 Paris Agreement, the world's largest 60 banks have provided \$3.8tn to fossil fuel companies.
- **Protests** – Vandalism and riots in Zurich and London evoked negative coverage too, as windows were smashed and stickers criticising banks' broken promises were placed on buildings. With this being said, this did encourage the financial institutions to respond, and subsequently make a commitment to change.

Case Study 2: Meal-kit retailers

Overview: Sustainability in the Press

Sustainability Share of Voice



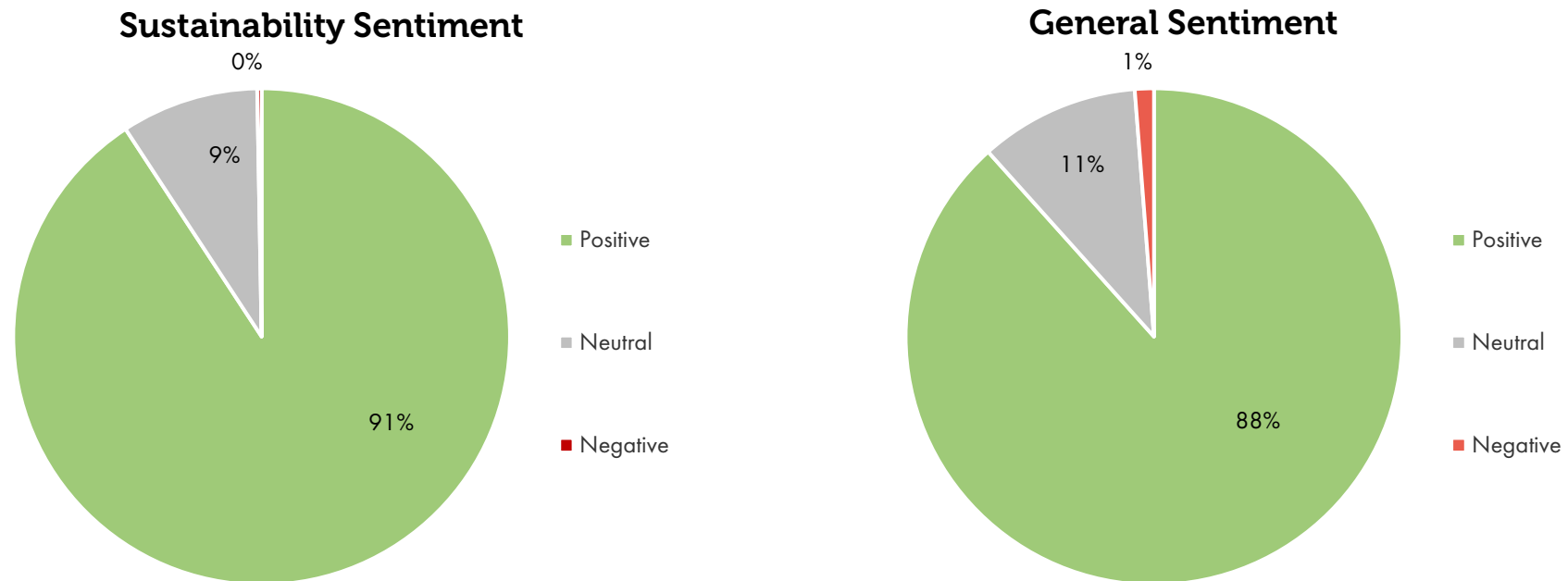
37% of all meal-kit coverage mentions the topic of sustainability, with consumer campaigns significantly driving conversation. For example, **Gousto's recent collaboration with DPD, which sees undelivered meal kits being redistributed to FareShare** in order to combat food waste within the supply chain. Other positive initiatives include **Mindful Chef's decision to find non-plastic egg containers, helping to cut 1,500kg of plastic** from its boxes, while **Hello Fresh became totally carbon neutral**. Articles discussing the best tips to live more sustainably often mentioned meal-kit companies, as they produce no food waste thanks to the precise amounts of ingredients contained in each box, and generate 23% less carbon than supermarket shopping.

Corporate strategy drove coverage too, and tended to be mentioned in high-reaching national media, as spokespeople were often quoted promoting brands' eco-friendly approaches. For example, *Yahoo! Finance (Online)* and *The Guardian (Online)*, quoted Timo Boldt, as he claimed that **Gousto is more sustainable than a supermarket because less food is wasted per meal**. Similarly, Thomas Regenhardt, Head of Packaging for Hello Fresh, was featured in an interview discussing the brands 85% recyclable packaging. This followed the publication of the Sustainability Report 2020 in line with UN's Sustainable Development Goals, where Hello Fresh announced its commitment to ambitious targets, which included **reducing its production facilities CO2 emissions per euro revenue by 60%, and halving food waste by 2022**.

B Corp certifications were also particularly visible in the media, with outlets praising Hello Fresh and Mindful Chef for acquiring this status, and therefore "changing the way people eat forever". Company growth in general drove mentions of sustainability, **as the release of financial results encouraged meal-kit companies to look to the future and establish core values**, with sustainability being a priority.

Sentiment

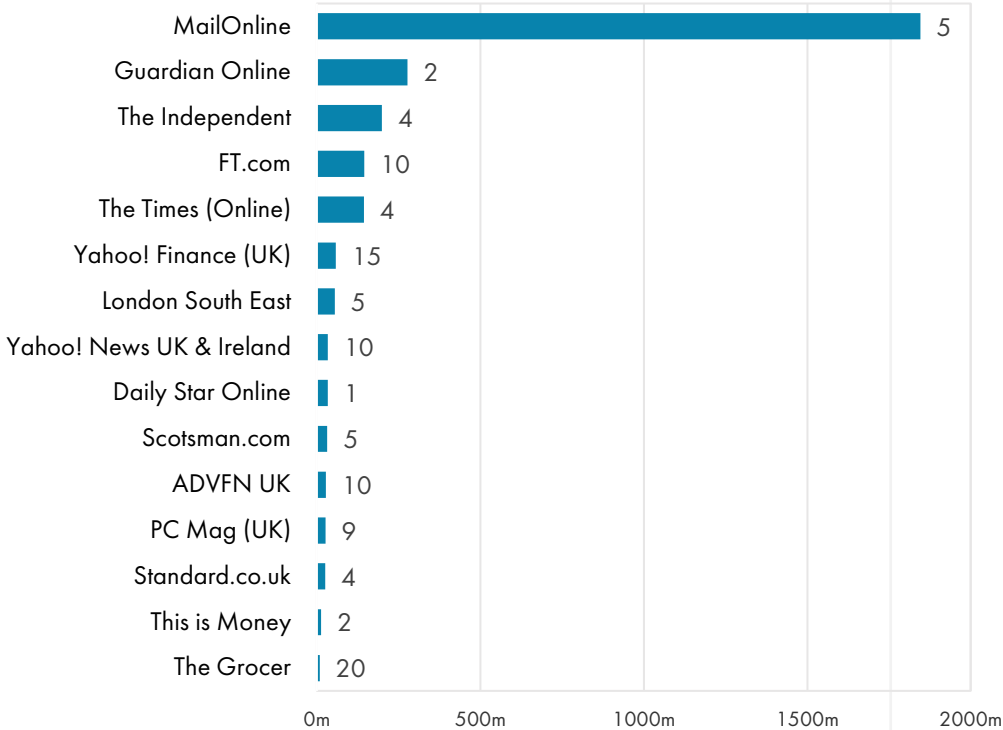
Sustainability is a key driver of positive coverage for meal-kit companies, with a **higher proportion of positive sentiment compared to discussion in general**. Sentiment was entirely positive or neutral, and coverage focused on the **overall reduction of food waste** as a result of meal-kit delivery services, but also specific initiatives and collaborations, such as **Mindful Chef's Coast Clean with Ben Fogle, Gousto's use of Foodsteps' carbon labels, and Hello Fresh's partnership with Plastic Bank**. Company growth and **corporate values also discussed sustainability** and helped to drive positive sentiment as meal-kit companies aim to become more eco-friendly and outline targets for the future. **Negativity was absent** within the discussion of sustainability, whilst in general it accounted for 1% of total coverage.



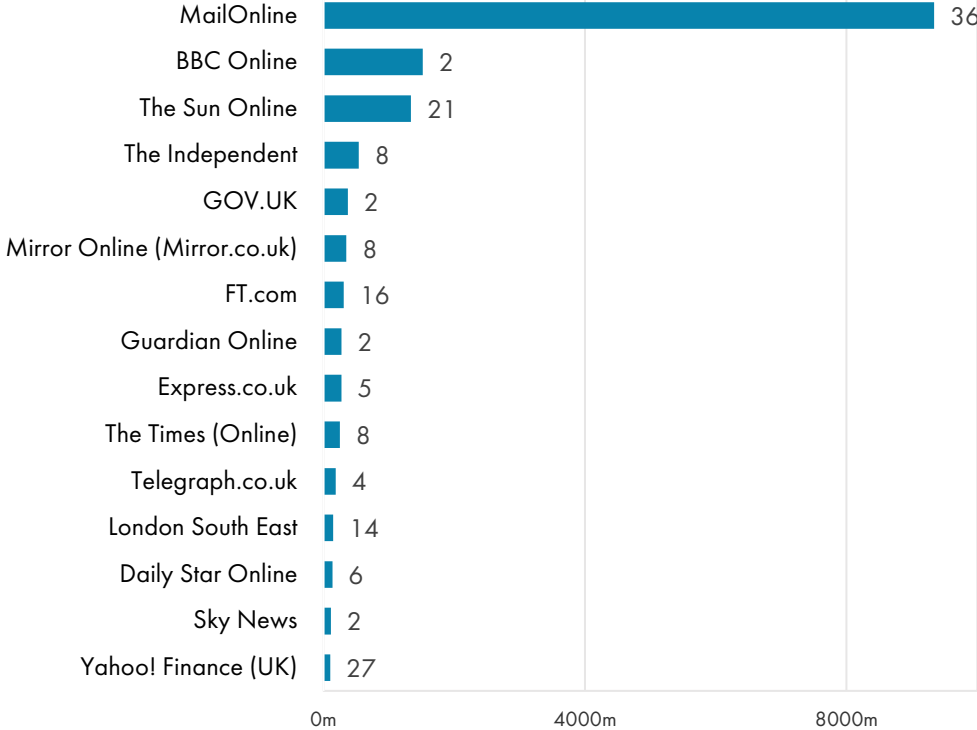
Top Outlets

For meal-kit delivery companies, coverage landed in a range of high-reaching national media, whether sustainability was the main topic of discussion or not. With this being said, **industry-specific outlets focused on sustainability more**. For example, *The Grocer* published 20 articles on this topic, with **sustainability objectives being a visible theme**: Mindful Chef, along with 400 other businesses that make up 'The Better Business Act Coalition', demanded new principles of environmental and social responsibility to be added to company law. Meanwhile, **national media tended to focus on business growth and industry trends**, with *MailOnline* including quotes from Hello Fresh CEO, Dominik Richter, after the pandemic created a “non-reversible, fundamental shift in how consumers shop for food”.

Sustainability Top Outlets



General Top Outlets



Key Facts of the Study

Subject	This study analyses the impact of the coverage surrounding key sustainability issues and how they are perceived in the media landscape. The study analyses key online publications, to identify key trends and to evaluate the media of the previous period.
Period	1st June 2020 – 31st August 2021
Markets	Global
Media	Online



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