green@red

HOW SUSTAINABLE?

UNDERSTANDING THE PERCEPTIONS & REALITIES OF BRAND SUSTAINABILITY COMMUNICATIONS

In association with Opinium

THE WORLD IS TURNING A DEEPER SHADE OF *GREEN.*

On one hand, many people remain unaware of the impact of global warming and the delicate balance of planetary boundaries. For environmental and existential concerns can be too complex to comprehend.

Yet, on the other hand, many others are starting to react with vigour. The race has begun to decarbonise the planet. Reliance on fossil fuels is slowly abating and life is gradually moving towards more sustainable ways. Innovation moves at pace and people and organisations are collaborating like never before. All looking for ways to step up as the climate movement gathers momentum.

Many businesses are taking up the slack where governments are slow to respond. Outliers and more mainstream brands are making headway, driving purpose beyond mere ESG compliance. But many are yet to make their move, yet to set targets and transition towards greener growth, and yet to engage in communicating their journeys towards net zero. This slow mover disadvantage happens at their peril.

As Francois-Henri Pinault, CEO of Kering once said: ***"Sustainability is a fundamental break that's going to reshuffle the entire deck. There are companies today that are going to dominate in the future simply because they understand that."***

Collective consciousness is growing and raising the bar as to what is deemed "acceptable" in terms of how and what brands communicate on sustainability. Levels of scrutiny surrounding the authenticity of green claims are rising as are official standards and government policies. All acting as guardians of truth and integrity.

We know organisations and brands sit in a position of great strength and responsibility. The triple bottom line must now take its rightful place for all businesses, centre stage. ESG compliance PLUS purpose is no longer a nice to do strategy, it is *the* strategy for greener growth.

'Activism' is where the hard-line few are. *'Actionism'* is where many more brands must sit. We must work hard and collaborate at an unstoppable pace to create a fairer society and a more regenerative way of life for the sake of our ecological existence – now and for many generations to come.

Sam Bowen, Head of Sustainability Communications, Green@Red

THE GRIM GLOBAL HEADLINES HAVE FIRMLY SUNK IN. We get it. We all need to do more. We all need to make greener decisions. From the resources we consume daily, to the brands we love to buy, people really do want to live more sustainable lives. But our study reveals that most of us are struggling to make the right choices, for two main reasons.

Show me your creds!

Firstly, we aren't clear what steps brands are taking to be more sustainable, with lessthan a third being able to name a single brand that has shared particularly strong sustainability credentials.

Sustainability communications remain a careful balance of volume and authenticity, but if brands can navigate successfully, consumers are open and waiting for them to use their position to drive greater, and more positive change. Awareness levels of sustainability communications are low amongst consumers but those that do succeed in cutting through, see higher levels of consumer trust and an increase in the likelihood to buy their products and services.

Show me the money!

And secondly, as we saw during the financial crisis, given that times are tough for most of us, the daily cost of living realities have seen a fall in consumer concern for the environment this year. So, considering consumers really do want to act more sustainably yet are struggling to afford to make the most responsible choices, initiatives based on a more practical approach with inbuilt cost savings are likely to resonate the most.

A huge shout out and thanks to our long term client, and partner, Red Consultancy, for inviting us to bring our research and passion for sustainability to support this important initiative.

Kate Jalie, Partner, Opinium

ABOUT THE *RESEARCH*

Only if we truly understand our target audiences and the dynamics of their relationships with brands can we engage them enough to change behaviours or take action. Throughout March and April 2023, Green@Red partnered with Opinium to understand people's perceptions of the sustainability of household brands in specific sectors.

We then cross-referenced this with our own media analysis using Red Pulse (our proprietary media impact tool) to understand what positive sustainability stories are actually being covered and where that coverage is appearing in mainstream media.
Full Methodology at back.

PERCEPTION

People's views on stainability credentials of brands and sectors

REALITY

What sustainability stories get traction and are seen

ARE PEOPLE LIVING *SUSTAINABLE LIVES?*

To set context for our wider research, we wanted to understand the extent of the decisions people around the UK were making to live more sustainably:

Is sustainability being prioritised?

Overall, 84% of people say living more sustainably is a priority

YET just 21% say living more sustainably is a priority and are taking action to be as sustainable as possible

63% say it's a priority but believe they could be doing more...

The generation gap
Gen X and Boomers are almost 3x more likely to say *'living sustainably is not a priority for me'* than Millennials and Gen Zers. Those that **do** say sustainable living is a key priority for them, by age group:

Millennials	Gen Z	Gen X	Boomers
73%	71%	56%	50%

The geographical gap
Almost twice as many people in the south say they take action to be as sustainable as possible (26% versus 14% in the north).

This divide may be explained by previous research[i] which exposed a divergence in the sustainability performance of local authorities across the country, with London boroughs generally outperforming Northern regions in areas such as waste and energy consumption. This slow to act leadership may have had a 'trickle-down' effect on people.

i https://www.edie.net/sustainability-index-reveals-north-south-divide-among-local-authorities/

KEY *FINDINGS*

Sustainability communications is in a state of flux with brands in various stages of 'active response'.

Of course, businesses are at different stages of the sustainability journey. But, broadly, we found that most organisations / brands fall into one of the following categories:

FIGHT	FLIGHT	FREEZE	FAWN
Clear action and comms focus/ driving behaviour change	Sustainability plans in development / more scattered comms	Greenhush Where to begin?	Pat on the back

FIGHT
Brands showing clear sustainable action, comms focus and dominance as being purpose-led having been acting and communicating on this for some years (many from inception). From an audience perspective, brands heavily in fight mode demonstrate strong leadership, have a mission and are aiming to drive changes in people's behaviour through taking very specific responsibility for sustainable living.

FLIGHT
Brands in Flight are on the journey, with potentially less-developed sustainability action plans and, as a result, seem to have more scattered communications around sustainability. In some instances, these are linked to calendar moments / early-stage sustainable development. They have multiple areas of focus and are moving comms forwards but are not yet driving significant behaviour change.

FREEZE
Freeze can exist for various reasons: fear-based freeze around greenwash accusations, freeze due to not being ready to talk about sustainability, or freeze due to simply wanting to get on with the job and not talk about it.

FAWN
Fawn, somewhat of an outlier but important, nonetheless. Our analysis shows that trade and green media coverage is high across all eight sectors. Whilst we recognise the importance to talk to supply chains, potential partners and industry via trade media, too much could be seen as a 'pat on the back' and possibly not being seen by the audiences that need to act.

As of now, most brands sit within either Flight / Freeze categories.

PERCEPTION:

THE "ACTION-INTENTION GAP"

Although some organisations are picking up the pace, many have been slow in their response to the necessities of sustainability. According to the World Economic Forum, 90% of executives believe sustainability is important, but only 60% of organisations have sustainability strategies in place[ii]. Furthermore, just 5% of FTSE100 firms have credible net-zero transition plans, according to EY[iii]. Organisations know they need to be doing more, but real action appears to be lacking.

One of the major issues is that those brands slower to act, or suffering business or comms inertia, are creating little to no awareness and understanding with their audiences - people that are increasingly looking to business to drive sustainability in the absence of concerted and consistent government action. Essentially, brands that aren't taking decisive action are missing out on people's intention to buy. We call this the:

"ACTION – INTENTION GAP"

Significant responsibility lies with brands / organisations:

68% **say brands are in a strong position to drive greater, sustainable change**

YET **70% don't understand what businesses / brands are doing to be environmentally sustainable**

AND **64% say businesses/brands aren't doing enough to communicate their sustainability actions**

Greater ambition is required:

42% **want to see / read more clear and believable comms on sustainability**

48% **want to see less about profit and more about people and planet**

And immediate brand action:

43% **want to hear how brands are reducing water and energy use**

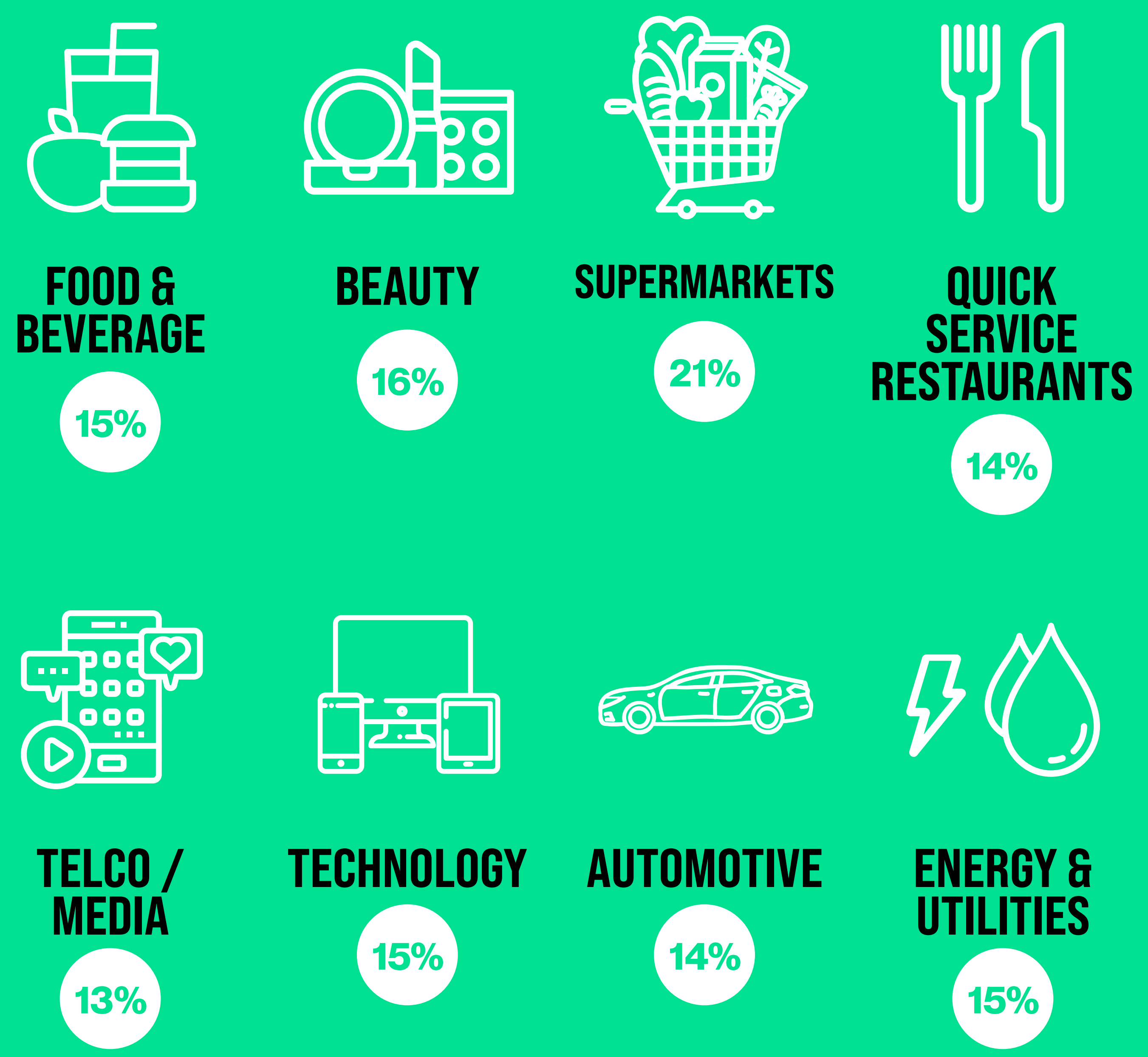
37% **want to see more brands helping with the cost of living crisis**

ii https://www.forbes.com/sites/forbesbusinesscouncil/2021/02/10/why-corporate-strategies-should-be-focused-on-sustainability/

iii https://www.climateaction.org/news/5-of-ftse-100-have-net-zero-plans-that-would-be-deemed-credible-under-gover#:~:text=Hydrogen-,5%25%20of%20FTSE%20100%20have%20net%20zero%20plans%20that%20would,detailed%20under%20draft%20Government%20guidance.

Awareness of sustainability communications is low

Our research reveals a low-level awareness of sustainability communications, consistent across all sectors:



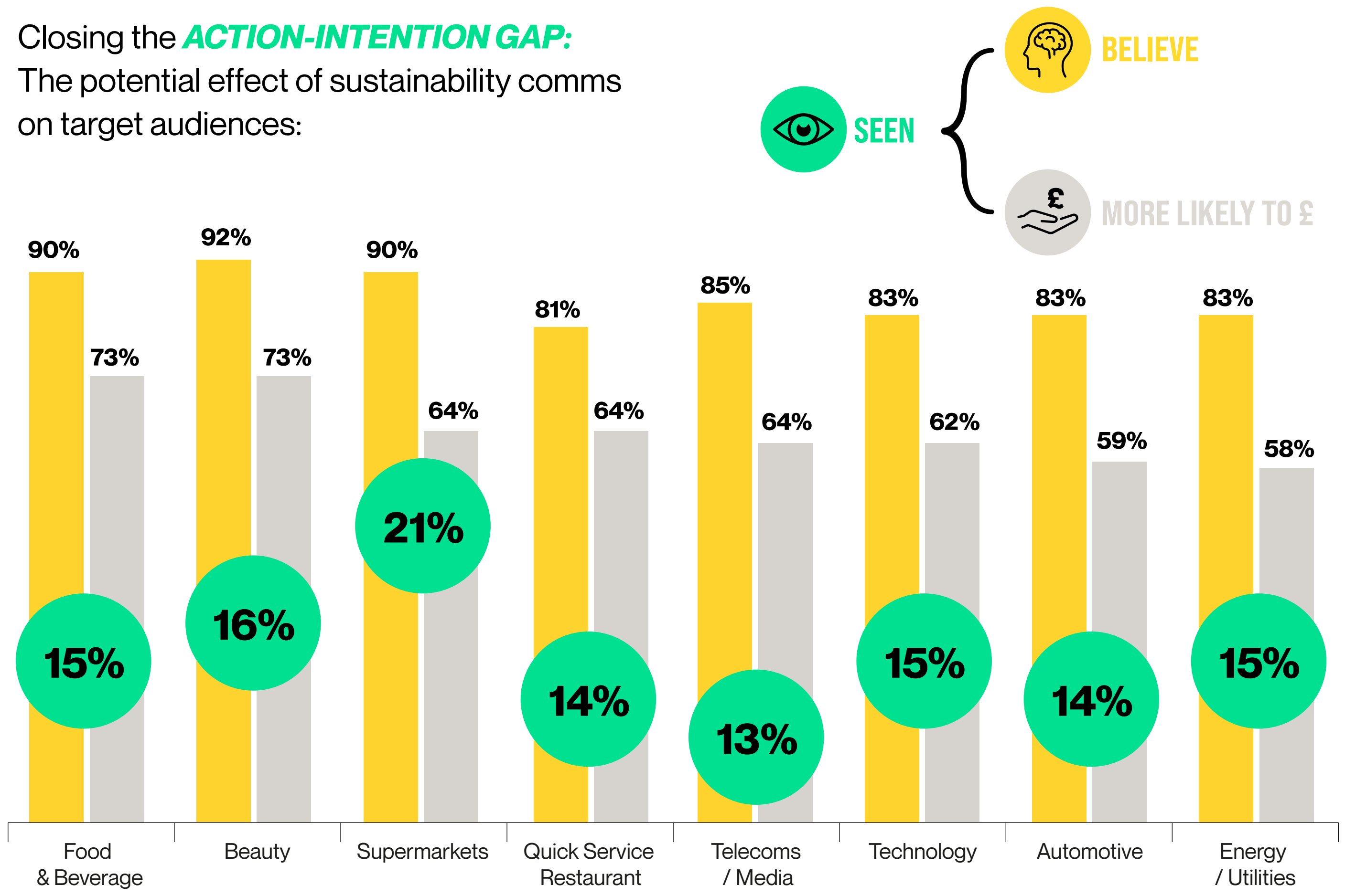
RESEARCH QUESTION:

Have you seen any communications from each of these brands relating to their sustainability in the last six months?

Closing the gap

Despite awareness being low, overwhelmingly, those that have seen sustainability communications tend to believe all or a majority and, importantly, are more likely to buy a product or service from that brand as a result.

Closing the ***ACTION-INTENTION GAP:***
The potential effect of sustainability comms on target audiences:



Brands that close the ***ACTION – INTENTION GAP*** through greater sustainable action and communications may also benefit from greater levels of trust and reputation.

Benet Northcote, Sustainability Advisor, Founder, 432 and former Chief Sustainability Officer, John Lewis Partnership, said
"The truth is, we are already at the point of inflection: the climate is changing, governments have woken up, employees are concerned, and the evidence shows that customers are starting to change their behaviour patterns when they see evidence of authentic sustainable change. Brands that don't wake up to this are being left behind".

PERCEPTIONS
OF BRANDS' SUSTAINABILITY COMMUNICATIONS

We asked people to give their open thoughts on which brands and sectors they felt were achieving more than most in terms of communicating sustainability action.

Despite a relatively low response on the overall sustainability perceptions of all sectors, it is Beauty and Supermarket brands that fare the best of all in unprompted perception of those that are strongly communicating sustainability credentials.

In Beauty, positive perceptions are associated with both mass / heritage brands which have purpose at the core as well as neo-sustainability brands - those newer to market which are similarly built on 'good business'.

"I think that that some, but not all, beauty brands have shown a real change in their sustainability over the years and communicate it as a major part of their branding

"Supermarkets are working to rid the use of excessive plastic and charging more for plastic bags. Many have more Fairtrade products too and it seems that own brand clothing is starting to show how the item has been made using sustainable materials. M&S has been promoting sustainability under their Plan A strategy, decades before everyone else began..."

Jayn Sterland, MD of original 'green' beauty brand Weleda, said
"The communications industry has a vital role to play in helping brands and organisations become more sustainable. Comms leaders are best placed to find creative ways to engage consumer audiences with their organisation's sustainability action plans. Only by being transparent and honest about our journey can we expect consumers to embrace their own behavioural change. The global pandemic demonstrated how greater sustainability can be achieved by brands and consumers by working together, changing behaviours and community collaboration."

From a food service and supermarket point of view, many were called out for their positive changes towards plastic.

However, these positive perceptions come from a low base of awareness and there are some people who remain cynical about sustainability comms.

"I am almost constantly surrounded by companies telling me how sustainable they are, but I can't think of a single example. it all blends into one. None of them stand out."

"Not interested in virtue signalling It's all a farce and jumping on the "save the environment" bandwagon..."

"Very few brands are communicating sustainability well because a lot of the changes they make are just the tip of the iceberg and they are scared of being accused of greenwashing if anyone looks under the lid."

A DEEPER DIVE INTO *SECTOR DIFFERENCES*

We asked people how environmentally sustainable they considered each of the following sectors to be. Again, percentages for positive responses: *'Very Sustainable'* or *'Sustainable'* remain fairly low.

FOOD & BEVERAGE: 38%

It is likely that many have read communications around the positive moves towards dealing with food waste, as well as plastics and glass recycling. Many brands have used sustainability messaging in paid media and made recycling messages more prominent on their packaging. We've also seen more brands addressing regenerative agriculture.

SUPERMARKETS: 38%

Whilst supermarkets are making positive moves towards their own sustainability actions, they may be deemed more sustainable than other sectors by association, given the brands / products they sell instore, and the regular touchpoints consumers have with supermarkets.

TELECOMS / MEDIA: 31%

Awareness of energy savings of 5G networks and a transition to recycled plastic SIM cards will have influenced people here. Like supermarkets, perceptions of media may have been influenced by more generic sustainability coverage carried on UK media outlets.

BEAUTY: 27%

Despite Beauty being called out for particularly strong sustainability communications, people's perceptions are lower in terms of how sustainable the sector is seen as a whole. Plastic packaging and historical issues around ethically-sourced / natural ingredients could account for some of this awareness, with trends such as re-fillables and other no-packaging products still in their very early stages.

TECHNOLOGY: 37%

Whilst carbon capture and sustainable tech has been well-documented, our analysis is more related to consumer tech. E-waste has long been an issue, we think that more information on the energy consumption of information processing and data centres, and the rare earth metals used in most technology, will become much bigger issues in the future.

ENERGY / UTILITIES: 33%

Fossil fuel companies are spilling unfounded claims[iiii] around their efforts towards renewable energy. Utilities organisations led by Octopus Energy are being recognised for their work around renewables. This of course could also be impacted by the campaigns aimed at helping customers through the cost-of-living crises, which is inevitably tied in with more sustainable consumption.

AUTOMOTIVE: 25%

This low awareness is surprising given the fairly fast transition to electric and hybrid vehicles. Of course, diesel cars, emissions scandals and the vast second-hand market could factor in here, as well as awareness of the significant rises in fuel prices.

QUICK SERVICE RESTAURANTS: 22%

Removal of plastic straws from restaurants and vegan options play a part in positive influence here. So too does the launch of carbon neutral restaurants, e.g., McDonald's launch in Shropshire, as announced in mainstream / national media.

iiii (*"BP announces plans to slow its transition away from oil"; data from Global Witness claims BP more than doubled spending on environmental ads on Facebook and Instagram during the first seven months of 2022, compared to the whole of 2021)

REALITY:

WHERE ARE SUSTAINABILITY STORYLINES CUTTING THROUGH?

Currently, there are three key drivers of media coverage:

1.CHANGE / INNOVATION

- Removal of plastic / best before dates / other
- Biodiversity
- Diversity / inclusion
- How to... & 'alternatives' guides
- Energy / water savings
- Investments in new offices / factories / jobs / new funds
- Product listings (sustainable)
- Tech innovation
- Calendar moments

2.PARTNERSHIPS

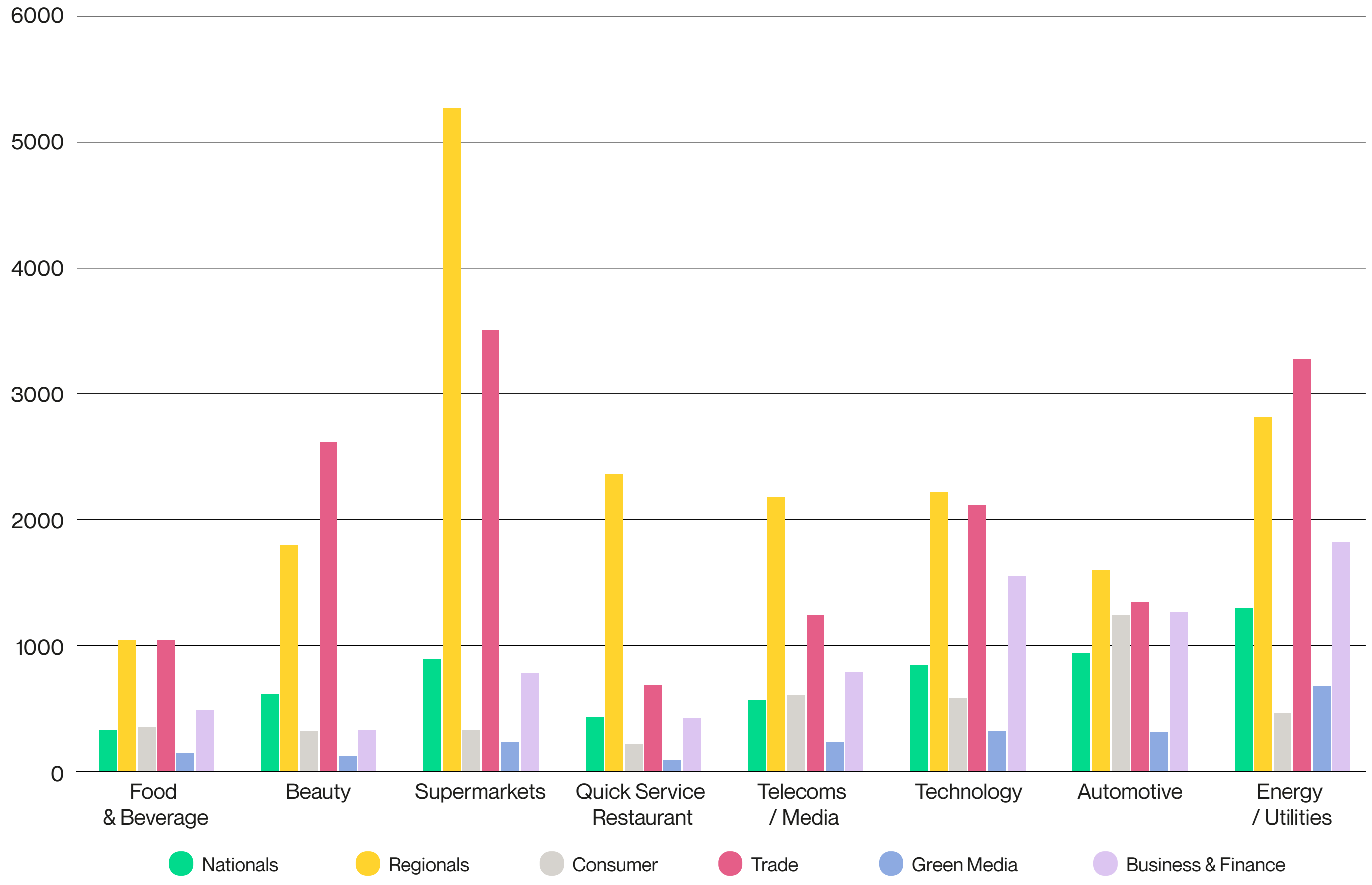
More businesses traditionally deemed as competitors are forging closer ties for the greater good, connecting with each other and/or with neutral NGOs which advise on best practice. They're coming together on lobbying initiatives for unlocking greater levels of sustainable finance, for help to reach net zero, to advance towards the eradication of virgin plastic, to help supplier with science-based targeting and more. Long may this develop further and continue.

3.ENDORSEMENTS

Brands are seeking accreditation and endorsements for sustainable action. At one end, the more complex B Corporation, BSI standards and King Charles III's Terra Carta based around deep insight into how businesses operate and perform. At the other, more initiative-based endorsements and awards such as the *Good Housekeeping Sustainable Innovation Awards*, the *Marie-Claire Sustainability Awards* and various ESG Award schemes for marketing / business campaigns.

The majority of coverage is seen in regionals and trades, with few stories breaking through into national news. Here, supermarkets and technology brands are doing the best, possibly because these two topics are inherently newsworthy in the current media agenda.

MEDIA TRACTION



An average of 15% of our respondents saw an article or news piece related to brands' sustainability initiatives in the last six months. This is likely to be down to the lack of coverage in national media, the busy news agenda and the daily reports on climate crisis. Disaster is always going to have more traction than brand messages, and real change, innovation, partnerships and commitment is needed to truly break through.

RECOMMENDATIONS

DRAW INSIGHTS FROM INTERNAL & EXTERNAL STAKEHOLDERS

FIGHT

Clear action and comms focus/ driving behaviour change

- Engage customers to join your mission
- Be brave and honest
- Ensure execution mirrors your claims
- State of mind

FLIGHT

Sustainability plans in development / more scattered comms

- Seek validation
- Be true to business change purpose
- Test and learn
- Find your focus

FREEZE

Greenhush
Where to begin?

- Educate
- Connect (with Sustainability teams)
- Ask questions / pressure the business

FAWN

Pat on the back

- Spread narrative wider than trades
- Consider what will be newsworthy in 6-12 months vs now
- Connect (with Sustainability teams)

METHODOLOGY

Green@Red worked with Opinium to uncover people's perceptions on brands in specific sectors and whether their sustainability communications are having a desired effect. This was supplemented by deep AI-supported media analysis over a 12 month period to understand what stories are getting traction and where most are being placed within earned media.

4000
people via omnibus

950
spreadsheets of data analysed on attitudes to sustainable living and perceptions on brands' sustainability efforts.

Over
50,000
media articles analysed.

X10
household brands across eight core business sectors:

- FOOD & BEVERAGE
- BEAUTY
- SUPERMARKETS
- QUICK SERVICE RESTAURANTS
- TELCO / MEDIA
- TECHNOLOGY
- AUTOMOTIVE
- ENERGY & UTILITIES

FOR MORE INFO OR TO TALK THROUGH OUR RESEARCH FINDINGS IN MORE DETAIL, PLEASE CONTACT:

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