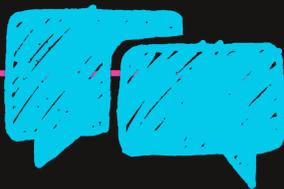


ESG AND SOCIAL MEDIA

FTSE 100 TRENDS

ESG is much discussed, with companies announcing commitments daily.

But, how is this being expressed in social media? Does positive ESG performance drive positive social media sentiment around corporate reputation?



To assess this, we compiled a data set with all the FTSE 100 companies across the past 12 months, including their social Twitter sentiment around ESG-related, branded conversations, ESG scores (using a combined index following [this methodology by CDP](#) and this one by [MSCI](#)), and share price movement over the same time period.



WHAT DID WE FIND?

Ultimately, scoring well on ESG does NOT, by itself, lead to positive social sentiment. It is not (at least yet) the main driver of social corporate reputation.

Digging into the nuances within this...



ESG is a relatively small part of social discussion around FTSE100 companies - ESG-related Twitter conversations (only) made up <5% of overall branded mentions in the past 12 months across the FTSE 100.

In fact, the volume of news articles talking about ESG was x3 times bigger than the Twitter conversation.

KEY FINDINGS FROM OUR ANALYSIS

Trading performance matters more than ESG - companies with strong share price performance (e.g. SEGRO, Coca-Cola) see the strongest social sentiment

As social sentiment does correlate strongly with trading performance, we conclude that profit warnings, dividend announcements, and the likes remain the key drivers for social sentiment



Activation matters when it comes to ESG & reputation - looking at a subset of the “most talked about” FTSE 100 companies when it comes to ESG, we found that their social sentiment actually **DOES** correlate with their ESG performance.

We tentatively conclude that unless brands hit a certain threshold of conversation around your ESG efforts (whether that is organic or stimulated), you won't see any positive effects for social sentiment.

Therefore, the most effective strategy in practice will be to build a strong ESG proposition/stand AND then activate it

Poor ESG performance doesn't drive poor social reputation - ESG and social sentiment don't correlate positively, but we also haven't found the inverse. From that, we take two things:

- You can't fake it - poor ESG performance can't be (or isn't) translated to positive chatter
- Equally, limited ESG performance isn't a significant source of social media malcontent



OK, SO WHO?

The relatively small audience of those discussing, and seeing said discussions, are in relatively dense networks of activists, and the politically-engaged.

These conversations, whilst visible to those searching for a company's reputation, are not readily visible to networks of consumers, nor to institutional audiences.

Want to know more? Get in touch -
hello@onefiftyconsultancy.com

ONE/FIFTY

APPENDIX

WHICH BRANDS HAVE SEEN PARTICULARLY STRONG SOCIAL SENTIMENT ON ESG-RELATED BRAND CONVERSATIONS?

Unilever - content that is talking about what they actually do (their commitments and projects) is among the most reshared posts. Third parties have been validating their commitments as part of COP26. People behind the company are making it real/giving it gravity (e.g. [Alan Jope](#)); 1 in 7 mentions of ESG-related Unilever content are tagging in Alan Jope.

 Unilever #StaySafe @Unilever Jun 26, 2020 • 7:45 AM Our brands are putting €1 billion into a new Climate & Nature Fund. They'll use this on projects that improve the health of the planet: <ul style="list-style-type: none">restoring landscapesreducing carbon emissionsreforesting/reinstating wildlife habitats #HealthyPlanetForAll https://t.co/4LFXtLh8wP 231k Reach 904 Retweets	 Unilever #StaySafe @Unilever Sep 3, 2020 • 10:00 AM Reducing carbon emissions is vital to protect the planet. So for years, we've been finding new ways to lower the carbon footprint of our cleaning products. Now, we're going to do even more. In fact, we're reimagining everything about them. #OurCleanFuture https://t.co/Nkko5QhhUk https://t.co/bWCFkdu7AM 231k Reach 773 Retweets	 Unilever #StaySafe @Unilever Jun 17, 2020 • 4:14 PM Given the scale of the climate crisis, we're making a bold commitment: net zero emissions from all our products by 2039. In the meantime, we plan to communicate the carbon footprint of every product we sell. #HealthyPlanetForAll https://t.co/RIK1MBfyD0 https://t.co/BMsKnWMcBz 231k Reach 608 Retweets
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NatWest - (together with SSE and National Grid), they benefited from being the first COP26 partner to be announced as a Principal Partner. Other content that is performing well is when they talk about achievements of others (e.g. [these conversations](#) are among the most shared pieces of content)

Most Retweeted ⓘ					
 COP26 @COP26 Nov 16, 2020 • 11:00 AM The first Principal Partners for #COP26 have been announced this morning. @NatwestGroup, @nationalgriduk, @ScottishPower and @SSE will be working with us to deliver a successful, ambitious event in November 2021. Learn more: https://t.co/CmWApHaBga #COP26Collaboration https://t.co/8DuUpQiYF9 74k Reach 76 Retweets	 Alok Sharma @AlokSharma_RDG Nov 16, 2020 • 10:51 AM Fantastic to announce @SSE @ScottishPower, @NatwestGroup and @nationalgriduk as our first Principal Partners for @COP26. These companies have all made net zero commitments and set science-based targets for reducing their emissions. Learn more: https://t.co/eyWSG7jo7f https://t.co/Dpw1qUo0Ds 49k Reach 39 Retweets	 National Grid UK @nationalgriduk Nov 16, 2020 • 10:00 AM #COP26 is set to be the world's most significant summit on #climatechange. We're coming together with @ScottishPower, @SSE and @NatWestGroup as a Principal Partner for @COP26. https://t.co/hPU0q6kO47 #togetherforourplanet 38k Reach 30 Retweets			

BRANDS WITH HIGH POSITIVE ESG-RELATED SOCIAL SENTIMENT, WHICH AREAS (ESG RANKING CRITERIA) WERE THEY STRONG IN?

- Corporate Governance

WHICH TOPICS (ESG RANKING CRITERIA) TEND TO BE THE LAGGARDS ACROSS BRANDS WITH HIGH NEGATIVE ESG-RELATED SOCIAL SENTIMENT?

- Product Safety
- Corporate Behaviour
- Labour Management

WHO WAS TALKING ABOUT ESG AND FTSE 100 BRANDS ON TWITTER IN THE PAST 12 MONTHS?

