

# Growing ESG expectations in the financial services sector

Presentation Date: 18 May 2022



# Welcome



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# Agenda

1 Paying attention to ESG

2 The importance of the pillars of ESG

3 The future of ESG for financial services

# Who do we speak to?

MPs	Business Journalists	Reputation Council	General Public
<ul style="list-style-type: none"><li>• Runs twice a year (summer/winter)</li><li>• Roughly 100 telephone or face-to-face interviews</li><li>• Quotas and weighting used so results reflect the House by ministerial status within political party</li></ul>	<ul style="list-style-type: none"><li>• Runs twice a year (summer/winter)</li><li>• Roughly 80 telephone or face-to-face interviews</li><li>• A mix of National, Regional, and Online / Broadcast / Wire / Periodicals</li></ul>	<ul style="list-style-type: none"><li>• Annual survey</li><li>• Roughly 150 telephone or face-to-face interviews</li><li>• Senior corporate communicators from the world's largest organisations</li></ul>	<ul style="list-style-type: none"><li>• A mixture of different surveys are used within this deck</li><li>• All are nationally representative of the adult population under the age of 75</li></ul>

# Paying attention to ESG

# 01





***“ESG is the only game in town. Ignore it at your peril.”***

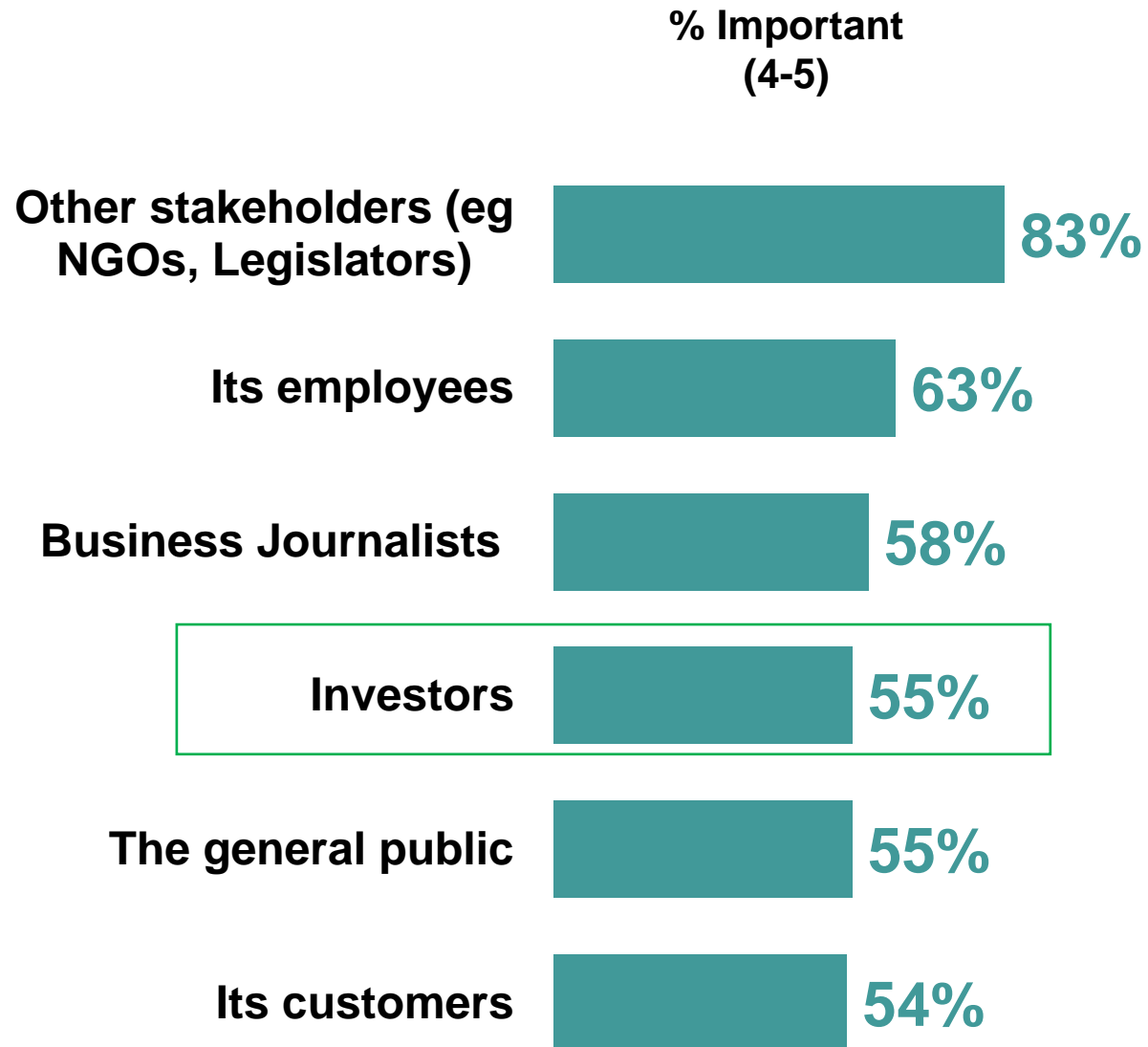
***Reputation Council member***



Base: All Business Journalists who know at least a little about each company and have an opinion about the ESG performance of that company. Source: Ipsos UK Survey of Business Journalists, Summer 2021

# Importance of ESG to various audiences

Overall, on a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important would you say a company's ESG performance is to each of the following audiences...



Base: All Business Journalists (80). Source: Ipsos UK Survey of Business Journalists, Winter 2021





**58%**

**of MPs &**

**83%**

**of business journalists  
agree a link exists  
between a company's  
ESG performance and  
its attractiveness to  
investors**

Base: All Business Journalist (80), All MPs (84),

Source: Surveys of Business Journalists and MPs, Summer 2021



## Reputation Council members say ESG remains important for investors (76%)

Base: 148

Source: The Ipsos Reputation Council (Fifteenth Sitting)



# Why does it matter?

## Corporate comms plays a critical role in ESG

- Of our Reputation Council:
  - **12%** think it is exclusively or mainly the responsibility of corporate comms
  - **63%** think it is a mix of corporate comms collaborating with others

Base: 148

Source: The Ipsos Reputation Council (Fifteenth Sitting)





***“Companies building ESG into comms with all stakeholders are those leading the way.”***

***Reputation Council member***



# The importance of the pillars of ESG

# 02

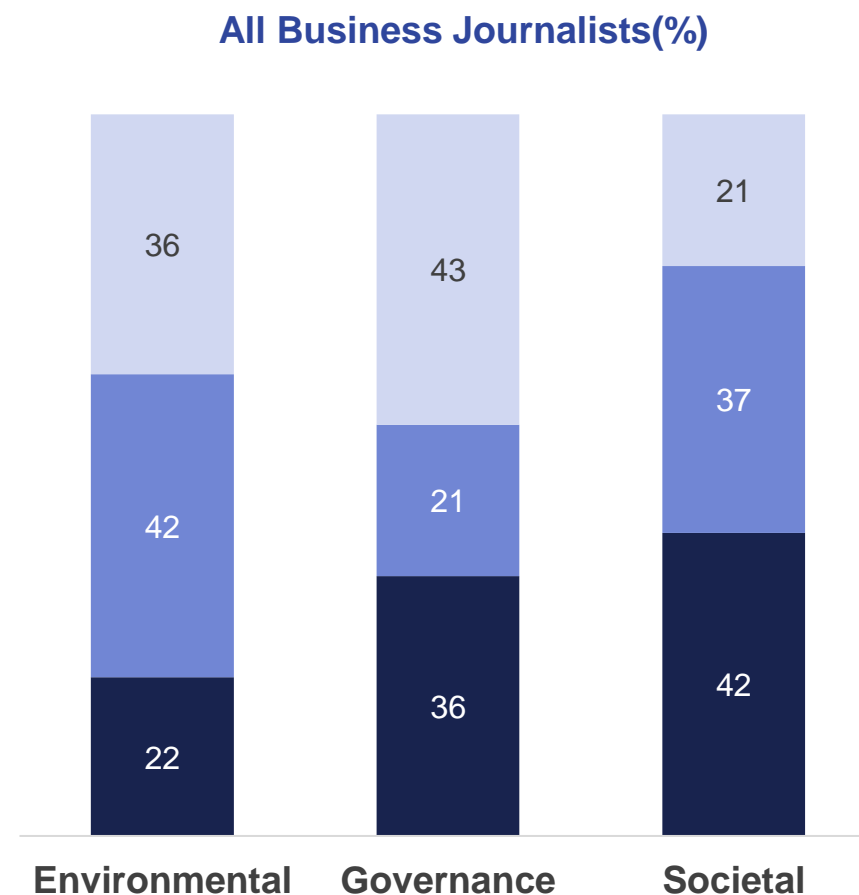
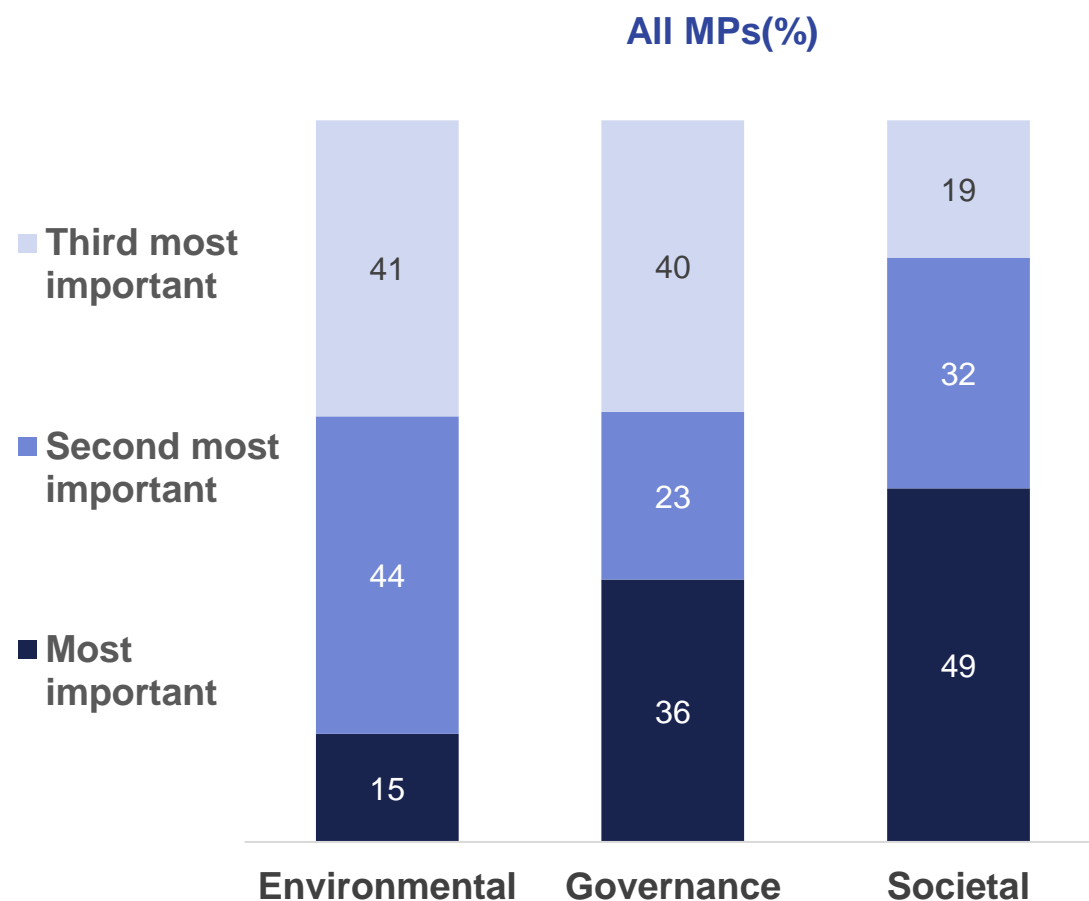
*“Today everybody is aware that something has to be done, but many don’t know where to begin.”*

## Reputation Council Member



# Most important pillars of ESG

Q. Thinking about all aspects of environmental, societal and governance issues. When you judge an organisation's reputation, which of those three issues do you generally consider to be the most / second most / third most important?

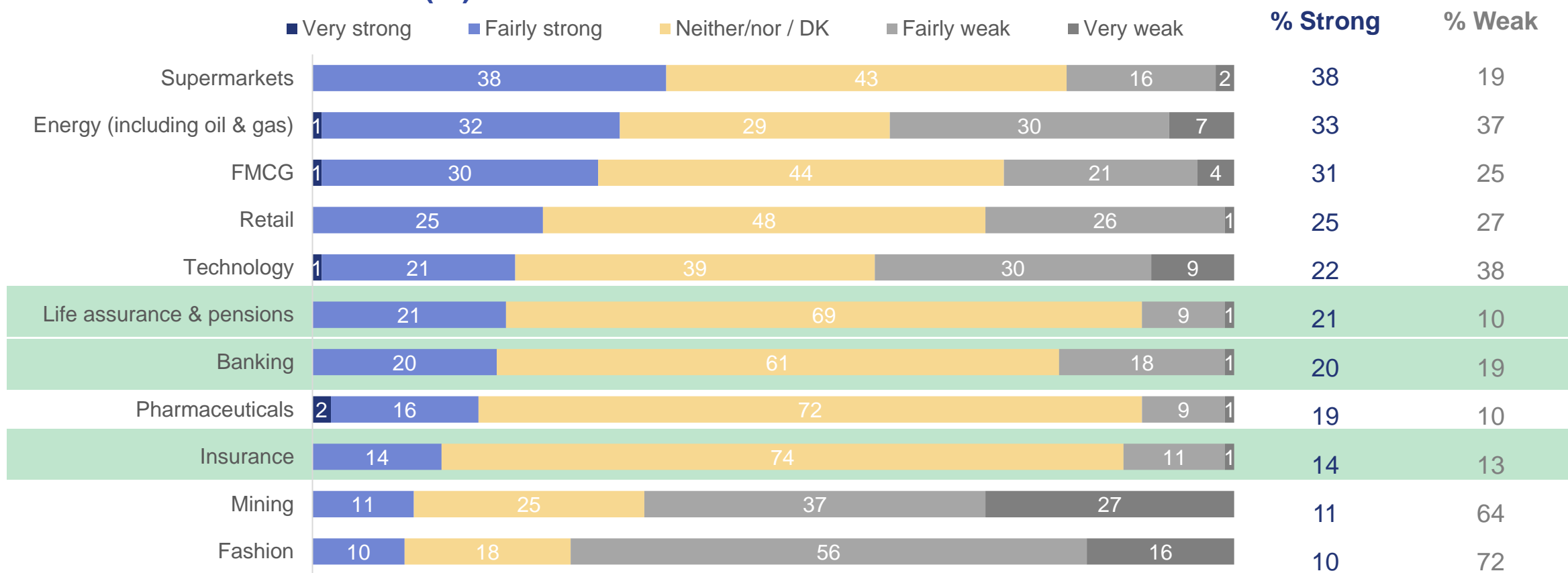


Base: All Business Journalists (99). Source: Ipsos UK Survey of Business Journalists, Winter 2021

# Impressions of sector efforts in ESG

Q. Overall, what is your impression of the following sectors' efforts to address ESG issues?

## All Business Journalists (%)



Base: All Business Journalists asked (80-81). Source: Ipsos UK Survey of Business Journalists, Summer 2021





# Impressions of sector efforts in ESG

Q. Overall, what is your impression of the following sectors' efforts to address ESG issues?

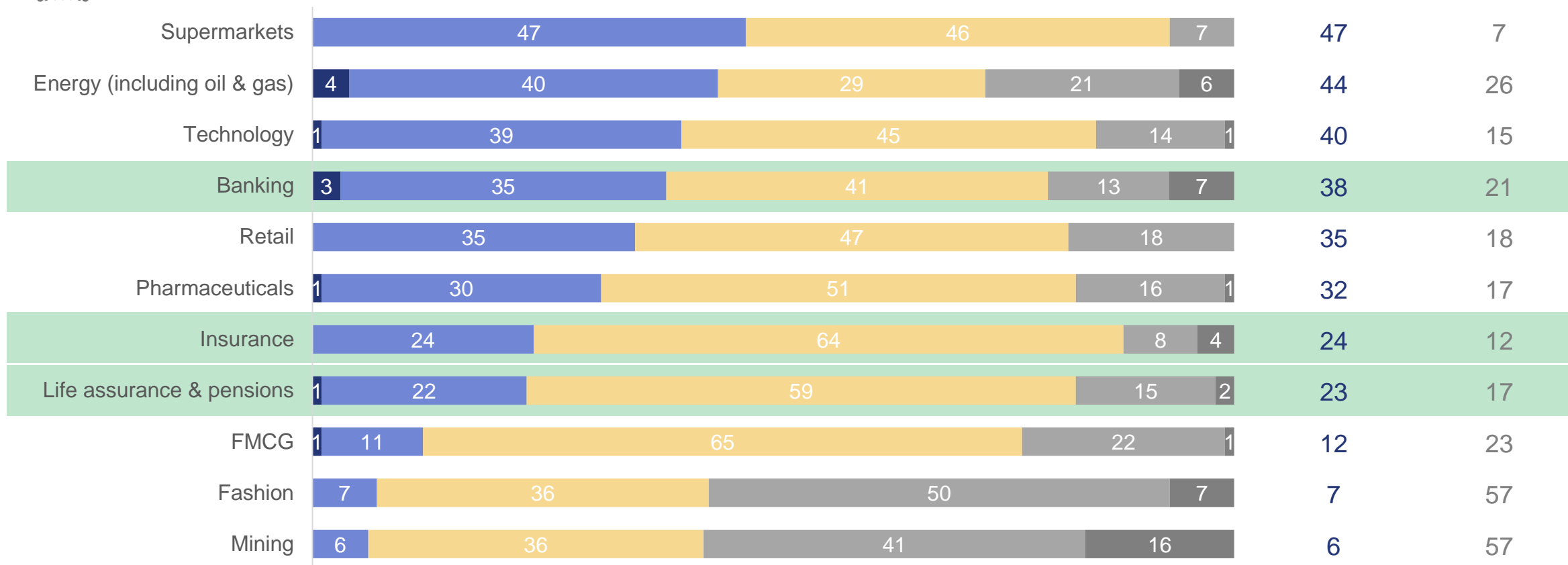


All MPs (%)

■ Very strong ■ Fairly strong ■ Neither/nor / DK ■ Fairly weak ■ Very weak

% Strong

% Weak



Base: All MPs asked (FMCG, Retail, Fashion, Supermarkets, Energy (including oil & gas), Mining n=76; Banking, Insurance, Life assurance & pensions, Technology, Pharmaceuticals n=81). Source: Ipsos UK Survey of Members of Parliament, Summer 2021



# The future of ESG

# 03



*“Impacted by the pandemic,  
the ‘S’ of ESG has gained  
greater prominence.”*

**Reputation Council Member**



## Admiral Stay at Home Refund

During the UK-wide Coronavirus lockdown, we were delighted to give back £110 million to our car and van insurance customers in recognition of them staying at home and driving less.

We automatically gave a £25 premium refund to all customers for each car and van we covered on 20 April 2020 – that's a total of 4.4m vehicles.



## UK banks offer mortgage holidays for customers affected by coronavirus

**RBS, NatWest, Lloyds and TSB to increase credit card limits and let fixed-term savers withdraw cash early**

When we think about how the sector responded to the pandemic crisis, there were a wide array of actions taken from across the sector that showed genuine support for people, and by extension a refined focus on the S of ESG:

- Car insurers gave rebates for the undriven miles through the early lockdown, whilst banks gave mortgage holidays, froze loan repayment requirements and extended credit card repayments.

These are all focused on society and built good sentiment among stakeholders and the public. The financial sector was stepping up at a time of crisis, having been seen more negatively for much of the previous decade.

Whilst that time has passed, the need to support the communities and people financial institutions provide services to has not. There is another crisis looming – the cost of living crisis – and there will be an even greater emphasis on the Society aspect of ESG.



## Coronavirus: Banks to allow customers to defer mortgage payments

🕒 10 March 2020 | 💬 [Comments](#)



# 70%

**of the British public would describe the economic situation in Britain as 'bad'**

Base: GB (1,003)

Source: Global Perceptions of Inflation, 2022



# Inflation is the British public's number one concern

# 51%

**of the British public are either 'just about getting by', 'finding it quite difficult', or 'finding it very difficult' to get by financially**

Base: GB (1,003)

Source: Global Perceptions of Inflation, 2022





# 20%

**of the British public are either 'finding it quite difficult', or 'finding it very difficult' to get by financially**

Base: GB (1,003)

Source: Global Perceptions of Inflation, 2022





# 39%

**of the British  
public think their  
own standard of  
living will fall over  
the next year**

Base: GB (1,003)

Source: Global Perceptions of Inflation, 2022



# 60%

**of the British  
public think their  
disposable  
income will fall  
over the next year**

Base: GB (1,003)

Source: Global Perceptions of Inflation, 2022



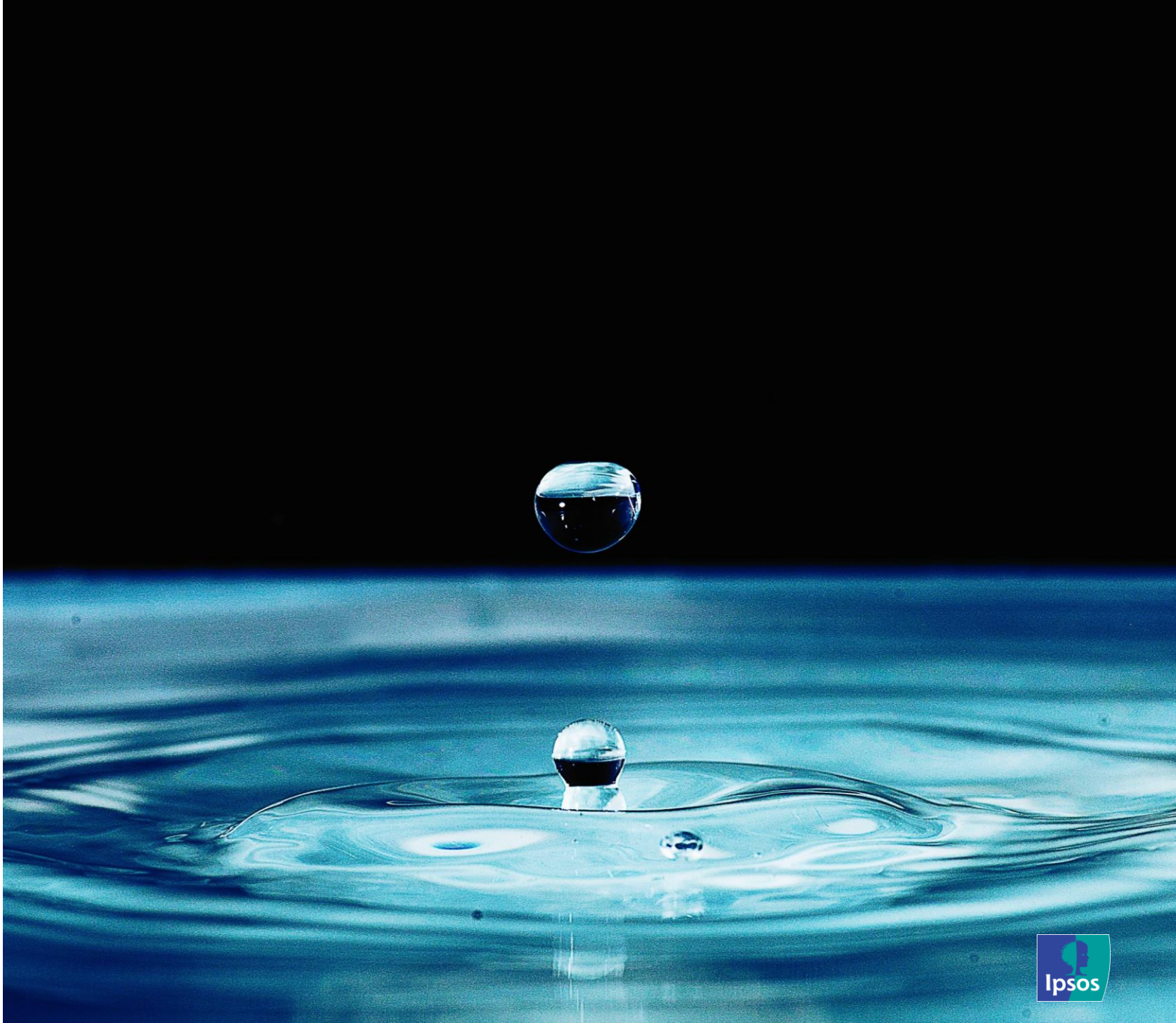


# 36%

**of business  
journalists say that  
improving society is  
the most important  
pillar for the  
financial services  
sector, because it  
has the most impact  
for society**

Base: All Business Journalists asked (80).

Source: Ipsos UK Survey of Business Journalists, Summer 2021







**“ The financial services sector has a very strong obligation to make the economy run well and not to just extract profits. So making the economy run well means improving society by definition. It's one of the most profitable sectors in the world and it's important that companies that are making a lot of money also contribute to society.**

***Business Journalist***



# 59%

**of mentions  
suggested that  
there would be a  
greater focus on  
the environment  
in the next few  
years**

Base: All Business Journalists asked (80).

Source: Ipsos UK Survey of Business Journalists, Summer 2021







“ The environment will become more important, **big firms are going to have to by law meet targets**, they're going to have to report against that and show what they're doing. It won't be just a case of saying oh yes we're really supportive of environmental issues, **they'll have to actually prove it.**

*Business Journalist*



The threat of climate change is real to more people and that goes into what investors want from companies, they realise these companies need to get ahead of their environmental, social and governance issues or they'll be **left behind by competition** and be **worth less to the shareholders** in the long run.

*Business Journalist*

# What does a future focus on the environment look like for financial services?



Climate change: UK finance sector responsible for almost double Britain's net total emissions

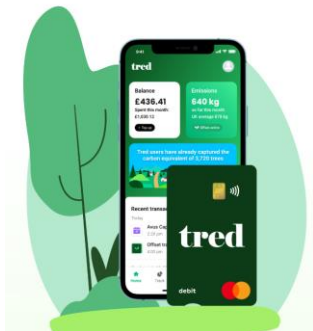
- Increasing divestments from areas such as energy and industry, and a growing demand of a shift to a greener economy.



## Bitcoin Mining Council to report renewable energy usage

© 25 May 2021

- How will the industry adapt to the environmental concerns behind crypto currencies if they keep continuing to grow?



Triodos Bank

- Will consumers gravitate in bigger numbers to companies like Triodos Bank, and Tred, which were founded on principles of sustainability and environmental care?





# Call to action...

## 1

**The ESG actions supported by business, need serious time and investment**

- Own an issue
- Be prepared to invest time, money and energy
- Failure to do this risks *inauthenticity*

# Call to action...

## 2

### **Demonstrate clear impact that is being made, through measurable actions**

- Link ESG initiatives with a relevant aspect of business
- Be prepared to measure and report on the impact made
- These act as proof points to demonstrate *authenticity*



## Call to action...

# 3

**Ensure that what is being said is being done, *is* being done**

- Talking without doing can be interpreted as ‘greenwashing’
- Identify messages which resonate, and who they resonate with
- Find the issues that matter and take actions which are credible

# Thank you

## We are here to help:

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