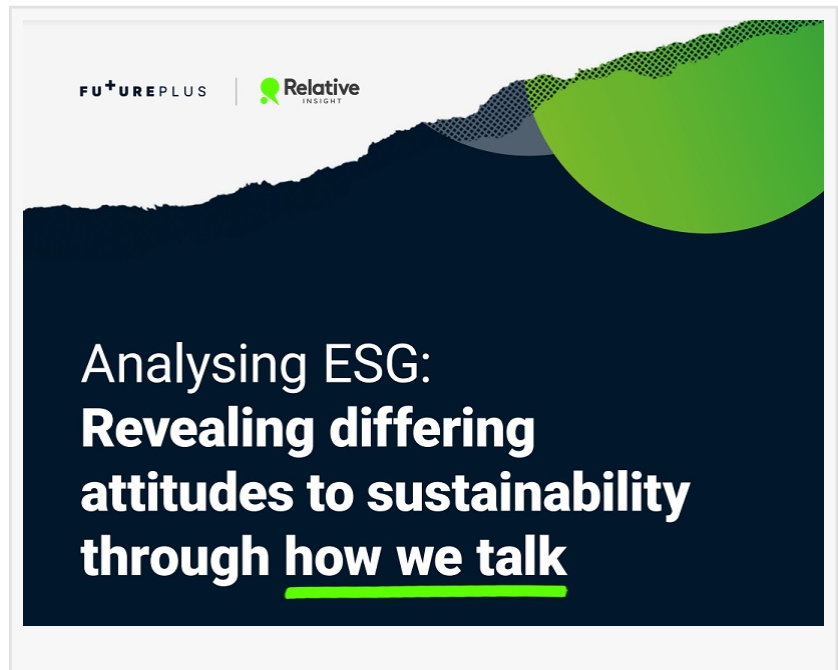


UK Businesses Failing to Address Consumer Concerns about their Commitment to Sustainability

Report analyses multiple text data streams to illustrate where a company's sustainability practices can have the greatest impact

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EINPresswire.com/ -- Research released today by sustainability management platform [FuturePlus](#) and comparative text analytics software company [Relative Insight](#) reveals a worrying disconnect between consumer concerns around corporate sustainability efforts and UK companies' ESG reports.



The research report, "[Analysing ESG](#): Revealing differing attitudes to sustainability through how we talk," analyses 30 listed and 30 non-listed UK-based companies' ESG reports - a total of over one million words of text - using numerical scoring and text analysis to interpret the implications of the language used. The report's findings cover three key themes: why and how listed and non-listed companies are reporting on sustainability, the blind spots they need to consider more carefully, and where they are currently critically disconnected from the needs of consumers.

Consumer disconnect

By exploring the differences between the words and sentiment used in ESG reports with how people discuss sustainability online, the research identifies four areas of significant disconnect between the sustainability topics that are front of mind for consumers and the way businesses are communicating the efforts they're making:

- Climate Justice: the phrase 'climate justice' occurs 29x more often in tweets than in ESG reports, highlighting a disconnect between companies and their consumer expectation - there is

increasing pressure from populations to present solutions which create a fairer and more equitable world

- Affordability: consumers are nearly twice (1.9x) as likely to use words relating to 'affordability' when compared with ESG reports, particularly with regards to energy and fashion. The public highlights that, with energy prices skyrocketing, it now makes even more sense to switch to renewable energy sources and to look for cost-effective ways to do this.

- Urgency and emotion: people talking about sustainability online use a wide variety of emotional language when compared to ESG reports, including 'greed' (88x), 'disappointment' (29x), 'selfishness' (20x), 'fear' (16x) and 'frustration' (2x). While it is unsurprising that the general public uses more emotional and urgent language when compared to ESG reports, there is also an urgency to these discussions, which is not reflected in the reports. The public is 24x more likely to use the phrase 'climate crisis', and 36x more likely to talk about the 'huge impact' of unsustainable practices.

-Greenwashing: consumers have become savvier at spotting when companies are looking to misrepresent their commitment to sustainability to exploit the rising demand for sustainable products and services. The word 'greenwashing' appeared in online conversations 55 times more often than in ESG reports, with the public happy to name and shame brands which are inauthentically adopting sustainability initiatives to tap into the "green pound", rather than to help solve the problems facing the world.

Sustainability blind spots

To find out just how well companies' stated positions reflect truly sustainable practices, FuturePlus and Relative Insight analysed different-sized firms' ESG reports to see which areas of sustainability they focused on the most - and where there were visible blind spots. The results highlight two key areas where UK businesses are falling short in their sustainability strategy:

- Diversity & Inclusion: when comparing ESG reports with FuturePlus' sustainability indicators, the word 'diversity' appears 2.5x less frequently and 'inclusion' 2.3x less frequently in the ESG reports. While this does not mean that organisations are not trying to improve D&I, it does indicate that D&I is not baked into overall sustainability strategy in a way that will ensure organisations get the best from their workforce, boosting their bottom line by bringing a wide range of views to the table.

- Ethics: the topic of business ethics is also lacking in UK companies' ESG reports, occurring 2.6x less often than in the FuturePlus indicators - despite ethics underpinning every part of ESG. Only 26% of organisations using FuturePlus have a comprehensive and publicly available code of ethics in place, which is indicative of a broader trend.

Differences in ESG reporting in listed vs unlisted companies

The report also pinpoints the differences between how (larger) listed and (smaller) non-listed businesses talk about sustainability, finding that listed companies are more likely to employ words associated with 'Risk' and 'Leadership' in their reporting in order to show stakeholders that they are a steady, safe bet. They are nearly twice as likely (1.9x) to use words relating to 'danger' and 'risk' as their non-corporate counterparts.

However, non-listed companies, which are typically light on resources dedicated to ESG reporting, are almost 14 times more 'Proud' than listed companies to be transparent about their sustainability practices and ambitions - giving them a potential advantage with an increasingly sustainability-savvy public, and signalling to investors and consumers alike that doing the right thing is within their DNA.

Larger, listed businesses are more likely to use words related to leadership, such as 'management', 'responsible' and 'control', but use the word 'leadership' itself almost twice as often as non-listed firms. While this is language being used by listed firms who are compelled to offer ESG reports, it is more a reflection on the confidence of non-listed firms. In many cases, it is smaller non-listed companies who lead the way in terms of innovation and voluntarily setting out sustainability standards which they are choosing to follow.

Alexandra Smith, Co-Founder and Partner at FuturePlus, comments: "Our research demonstrates why firms need to rethink what comprises sustainability – and how seemingly disparate policy areas across different business functions must be interconnected to chart a path to greater sustainability. Businesses must take the lead - authentically - and have the opportunity to take ownership of all aspects of sustainability. At a time when the public is looking for leadership on the vast range of issues on what it is to be sustainable - and finding this sort of direction lacking from other governing institutions - companies of all sizes must step up to the plate."

Alex Kibblewhite, Senior Account Director at Relative Insight, adds: "By conducting text analysis on a variety of sustainability-related text sources, we were able to compare how companies, and their audiences, talk about sustainability, allowing us to understand gaps and opportunities. Businesses need insights and indicators which will guide them toward optimal solutions, and this report is the first in a series aiming to help them with just that."

Download here: <https://resources.relativeinsight.com/analyzing-esg-revealing-differing-attitudes-sustainability-through-how-we-talk>

Methodology

The FuturePlus sustainability management platform is made up of approximately 200 sustainability indicators for micro and small businesses, and over 250 indicators for medium to large organisations. These indicators help business leaders to consider the practicality of

sustainability in a balanced way across five themes: Climate, Diversity & Inclusion, Social, Economic, and Environment.

This research applied the FuturePlus indicators to a range of data sets to discover what language and themes companies are using when they report on their social and environmental impact, using these insights to identify areas for improvement. In addition, Relative Insight's AI-powered natural language processing with advanced comparative linguistics to powered text analysis of a variety of sustainability-related text sources to identify how companies and consumers are talking about sustainability.

ESG reports were from 30 UK listed companies and 30 UK non-listed companies, from 2021 and 2022. Over one million words of text were analysed. Tweets were from UK tweeters from Sept 2021-Sept 2022.

About FuturePlus

FuturePlus is a sustainability management platform that makes managing social and environmental impact accessible, affordable, achievable and trackable for every business, not just the 1%. FuturePlus qualifies a company's sustainability achievements before quantifying and translating them into a realistic and trackable action plan. Its indicators made up of 200-300 questions, educate companies and business leaders to take practical, incremental steps towards sustainability by focusing on five pillars: Climate, Economic, Diversity & Inclusion, Social and Environment. Its indicators align with all 17 of the UN's Sustainable Development Goals. Based in London, U.K., FuturePlus has gained hockey stick growth. Its workforce is 66% female (compared to Deloitte's global benchmark of 33% in tech companies). www.future-plus.co.uk

About Relative Insight

Relative Insight is a comparative text analytics software that helps organisations generate actionable insights from text data - using technology originally developed for law enforcement.

Relative's platform combines AI-powered natural language processing with advanced comparative linguistics to analyse any source of text data and drive enhanced contextual understandings of target audiences, competitors and trends. By comparing any amount of qualitative data, Relative Insight reveals differences and similarities in how people and brands speak, using a methodology that enables users to glean unique insights in a fast and scalable way. With offices in Lancaster, London, New York and Philadelphia, Relative Insight has a growing international client list, including leading global companies such as Sky, Nespresso, Starbucks, General Mills, MetLife and Sony. www.relativeinsight.com

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