Purpose & Impact Report

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PORTER NOVELLI LONDON

We are the strategic communications company, built on purpose to do business better.
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Welcome

Reflecting on this quarter’s news and trends, the concept of ‘permacrisis’ (Collins Dictionary’s newly-announced word of the year) stands out as an overarching theme – the idea that there is never again going to be a ‘settled’ moment of ‘normalcy’ and that society must adapt to living in a continuous state of crisis response.

While this can be exhausting for citizens as well as communicators, this report also shows the opportunity this brings enterprising companies and brands to establish themselves as consistent and reassuring forces in the minds of customers and other stakeholders.

While there is no ‘silver bullet’ to achieve this, what is clear is that waiting to see what lies around the corner will not work. As the old adage goes, hope is not a strategy – a reminder to us all as COP 27 kicks off this month.

Instead, companies must double down on their values and commitments, avoid the trap of short-termism – particularly when it comes to climate change and other ESG commitments – and think laterally about how they can be of service to communities in need. Whether that’s finding tangible ways to help consumers through the cost of living crisis, or empowering changemakers who are working to address some of the big inequities of our time: in health, wealth and social justice. For us, these are challenges we ponder every day, as we help you do business better.

Your Purpose & Impact
London Team
The big conversations
The consequences of climate change come into sharper focus

According to the UN, 1 in 78 persons on the planet is now displaced, presenting the international community with an unprecedented challenge. And while geopolitical instability remains a key driver – the war in Ukraine leading to 7.5 million refugees alone – the rise in climate-related migration is stark.

In the past few months, Pakistan experienced record-breaking rainfall which submerged one third of the country and European nations saw record-breaking summer temperatures, with wildfires uprooting communities from their homes.

Furthermore, The Lancet reported that heat-related deaths globally have increased over two thirds over the last two decades. And this comes as the UN warns there is now “no credible pathway” to meet the 1.5 degree target and society must now adapt and transform to lessen the impact.

What this means for you:
The commitment and intentionality of corporations will increasingly be questioned as the impact of climate change hits closer to home. Long-term pledges and incremental actions are no longer enough. Climate-concerned citizens want to see as much urgency from the corporate world as the situation demands. As Inger Anderson of the UNEP says: “It is a tall, and some would say impossible, order to reform the global economy and almost halve greenhouse gas emissions by 2030, but we must try. Every fraction of a degree matters: to vulnerable communities, to ecosystems, and to every one of us.”
Disruption and disobedience become the new normal

In the last quarter, more countries witnessed an increase in civil unrest than at any time in the last 7 years (Civil Unrest Index). There’s been: soup thrown at priceless artworks in Europe, tyre slashing of fuel-guzzling vehicles in London, economic unrest in Sri Lanka, Ecuador, Kenya and Peru, as well as continued protests in Iran following the killing of 22-year-old Mahsa Amini.

All this indicates a growing sense of frustration around the world that those in power are not rising to the challenges of the day, nor indeed, rapidly unfolding crises such as climate change which threaten the existence of generations to come. What remains to be seen is whether campaigners from different groups can integrate their demands and work together, for a more sustainable and equitable society.

What this means for you:
At a time when people do not feel listened to and feel compelled to impede 'business as usual' to make themselves heard, companies should consider how they can best engage with those demanding change, versus shutting themselves away from difficult conversations. Not engaging simply raises the stakes.
Changes in government bring changes in focus

With new governments in Italy, Sweden and Brazil, a third Prime Minister in 7 weeks in the UK, mid-terms pending in the USA, and responses to climate change, geopolitics, inflation and social justice divided along political lines, policy direction hangs in the balance and stability any time soon is far from certain.

In the UK, Liz Truss attempted to reverse the ban on fracking during her short stint in office – a ban which Rishi Sunak has now reinstated although many campaigners and MPs are questioning his climate credentials (particularly given the U-turn regarding his attendance at COP 27). Lula Da Silva’s victory in the Brazilian presidential elections has been hailed a victory for the Amazon Rainforest, although he won by the smallest of margins.

Meanwhile, in the USA, the mid-term elections will have a huge influence over the provision of sexual health services for women, following the reversal of Roe V Wade. While the immediate impacts of such changes are felt domestically, such divergence in norms, values and interests makes it harder to address the big challenges of our time: whether that’s tackling inequities in living standards and health, preparing for future pandemics, or adapting to climate change.

What this means for you:
During times of uncertainty, it is human nature to look for sources of stability and reassurance. Businesses have the opportunity to reaffirm their values and commitments, whether that’s to employees, customers, suppliers, investors or society at large. This is particularly pertinent in times of crisis and downturn, where businesses have previously deprioritised ESG goals and commitments. Ask yourself what values are sacrosanct to your business, regardless of external change?
Corporate short-termism threatens ESG commitments

Faced with unprecedented challenges with fuel security, EU countries are considering watering down the European Commission’s plan to ditch Russian fossil fuels, known as REPowerEU, including reducing a proposed 45% renewable energy target for 2030. The amendments to the REPowerEU proposal, tabled in May, could impact the speed of renewable energy deployment, which is crucial to decrease reliance on Russian fossil fuels and lower energy prices.

Such short-term pivoting of ESG commitments is evident in the private sector. While most CEOs believe ESG positively affects their finances in the long term, a significant share said they would have to take a backseat because of the economic uncertainties in the near-term (KPMG, 2022). This points to a critical concern with the shift to more sustainable operations: financing the upfront investment to make it happen.

What this means for you:
To incentivise change, those advocating for sustainable development need to set out nearer-term business benefits, or be explicit about how investment in new skills and technology will help drive corporate resilience through recession and beyond.
Philanthropy shifts from giving to empowering

With wealth inequality at an all-time high, the question remains – what should the wealthiest 1% do to help address societal issues? And do they have a moral imperative to solve the world’s problems or give their wealth away?

This quarter, we’ve seen high-profile examples of company founders and corporate foundations trying out new approaches to maximise impact and empower the communities they support. Patagonia founder Yvon Chouinard announced that company ownership will be transferred to a trust and Non-Profit, to support those working on the front-line of climate defence.

Meanwhile the Ford Foundation announced an $80 million program called Weaving Resilience, which will establish resource hubs in Latam, APAC and Africa that focus on providing local social justice changemakers with strategic counsel, skills training and legal advice, based on the premise that “the people closest to a problem are also closest to its solution. We must listen to and learn from the individuals, communities, and organizations who have been courageously leading the way for years”.

What this means for you:
There is a growing interest not just in how much a company is allocating to support the causes it cares about, but what resources are being deployed and how. Corporate communicators should prepare to answer the following questions: who decides how the resources allocated get spent? Is this configured to deliver the greatest possible impact? And are you giving your expertise, as well as financial support?
Helpful brands address the cost of living crisis

Following the toughest days of Covid-19 restrictions, Porter Novelli’s fifth annual study of corporate reputation, ‘The Purpose Priorities Report: How to respond to the new Era of Accountability’ highlights how consumers express particular loyalty to brands that had gone the extra mile to keep them connected, fed and entertained. Now, with a cost of living crisis threatening to push 71 million more people into poverty (Source: UN), enterprising brands are once again recognising the brand-building power of being helpful.

In fact, recent research from Reach found that 58% of Britons want brands to help them through the cost-of-living crisis, with supermarkets, food & drink and financial providers seen as most credible at helping in this context.

Such examples include: price freezing by Vodafone, a cost of living helpline set up by Nationwide, Morrisons and Heinz partnering to give families free hot meals upon request during the half term break and Lidl pledging 1 million meals to communities this Christmas.

What this means for you:
Actions speak louder than words. So while there are many CEOs who will put their head above the parapet to decry the current cost-of-living crisis and call for a more robust political response, it is tangible actions from brands that mean the most to consumers.
Generation Alpha takes society back to school

Generation Alpha (born 2010-2024) are the youngest members of our families and society. They are growing up with an innate sense of fairness and societal concern. And enterprising brands are recognising the importance of including them in those conversations. Take for instance M&S, Asda and Gap, who all made ‘Back to School’ campaigns that put inclusion, belonging and sustainability front and centre.

Dame Rachel Da Souza, the Children’s Commissioner for England, said: “This is not a ‘snowflake generation.’ It is a heroic generation. A generation of children who are veterans of a global crisis. They have seen how colossally frightening life can be. But they have endured. Bruised, yes, but for the most part, happy, optimistic, and determined.”

What this means for you:
Generation Alpha are both engaged and solution-centric. Their influence will sit at the heart of family life, empowering their parents and grandparents to act in their name. Understanding how they see the world is a great way for brands to speak the language of family life and show up in valued and relevant ways.
Key news by sector
Healthcare
Building future-proofed ecosystems around health and wellbeing

Health inequity remains an unresolved global issue as its effects are visible in every community. Hundreds of millions of people globally are reliant on health facilities with inconsistent or limited access to electricity. Socio-economic deprivation, unsafe living conditions and inequitable educational provision mean one’s health outcomes still depend on where one lives. Moreover, it is expected that the impacts of climate change will also hamper the quality and accessibility of healthcare services, hence developing climate-resilient health systems is vital.

This rationale is reflected through the development of WHO’s Universal Well-being Economy Initiative for the Western Europe region (U-WE). The initiative intends to encourage and inspire financial institutions, governments, businesses, and the third sector to invest in recovery and growth practices that will improve public, personal, economic, social, and environmental health, ensuring that quality of life is prioritised as a key outcome across industrial sectors.

What this means for you:
The prioritisation of health and wellbeing as a cross-industry outcome will hopefully encourage organisations of all types to ensure health and wellbeing are considered as a key ‘externality’ in their ESG strategies. This may require guidance from consultants and health experts to help companies determine how they can contribute to the development of resilient and synergised health ecosystems, where quality of life sits at the centre. For pharma companies, this provides an opportunity to provide thought leadership on a much broader scale, as health and wellbeing becomes everyone’s business.
Future of the health workforce

Pre-COVID-19, the World Health Organization (WHO) expressed concerns about the shortage of healthcare professionals in low- and lower-middle-income countries. Covid-19 has since exacerbated these challenges, with a huge number of unfilled vacancies in the UK, US and beyond as many have encountered burnout and mental health challenges because of overcoming the pandemic.

To meet unmet patient demand, US pharmacy brand CVS has made a number of acquisitions to integrate healthcare provision into their business. It has just acquired Signify Health, who have a network of physicians, nurse practitioners and physician assistants to support patients at home. Meanwhile, CVS continues to advance digital solutions that save patients and providers time, such as automated messaging systems and greater interoperability of healthcare records.

What this means for you:

A shortage of healthcare professionals is an urgent issue where big pharma can play a valued role, whether that’s through digital innovations that can help support patients in a community setting, or through direct funding and training of specialist patient support. Such innovations are often thought of for low-to-middle-income countries, but are now needed in established markets too.
Food security remains top of the policy agenda

The World Bank estimates that the war in Ukraine could push an additional 95 million people into extreme poverty, and 50 million into severe hunger. This supply shock is compounded by the effects of climate change which have resulted in global heatwaves, droughts, and floods – all of which have drastically impaired farmers’ capacity to produce. In the last few months, the UN General Assembly has expressed its growing concerns and called for governments and corporations to prioritise food security.

In response, retailers are looking for new ways to integrate supply chains and eliminate wastage. At a time where tasty, affordable and accessible food is top of the agenda, Tesco has built a new end-to-end supply chain for Cornish sardines to help diversify protein people can build into their diets. Meanwhile, M&S has taken full control of its food supply chain by completing a £145m acquisition of its principal contract logistics provider Gist.

What this means for you:
Crisis can breed innovation, and the food security crisis is no exception. Greater collaboration will be needed between producers, retailers and governments to diversify food systems and build supply chain resilience. And when adaptation becomes a necessity, the role of communications becomes even more important in driving success and bringing all parties together.
Regenerative agriculture: a new frontier for farming and greenwashing?

Regenerative agricultural techniques are intended to encourage sustainable farming practices by reducing the use of pesticides and capturing carbon emissions, amongst other things. Increasingly, food firms are including regenerative techniques in their supply chains and production processes. Nestlé Cereals plans to support wheat farmers in the UK using regenerative farming practices. Similarly, General Mills has pledged to convert a million acres in the US to implement regenerative systems by 2030.

However, as consumer recognition of the concept is low, there is concern companies will use “regenerative” to imply net-zero or a circular system, versus educating on specific outcomes that can be achieved, like better soil health and biodiversity.

What this means for you:
It may be tempting to latch on to the latest trends when communicating about corporate initiatives or sustainability efforts, but as the crackdown on greenwashing continues, companies must always consider the assumed knowledge of their audiences first. If in doubt, remember the three ‘S’s of sustainability communications: Substance, Specifics and Simplicity.
Tech
Keeping connected in times of turmoil

Maintaining a digital connection is crucial to all sectors and the continuation of life. Demand for broadband communication services has increased dramatically since the Covid-19 crisis began, with some operators experiencing a 60% increase in internet traffic compared to before the pandemic.

Although network operators have successfully maintained services and effectively utilised available capacity, geopolitical conflicts are having significant consequences on the energy sector. This threatens the connectivity of regions beyond those involved or within the conflict zones. In Europe, telecom executives anticipate the rise of mobile phone and internet outages in the event of energy blackouts. In preparation, one million telecom towers in operation in Europe have battery backups that last for about 30 minutes.

Rationing may seem like a concept of the past as consumers are accustomed to having an abundance of access to electricity, energy, fuel, food, etc. However, having to adopt these past practises may be a short-term solution all of us will have to consider.

What this means for you:
Faced with the looming prospect of power blackouts, employers should give careful thought to contingency planning, identifying any steps that can be taken to minimise disruption. Employees are likely to be anxious about what potential blackouts mean for their work and homes, which will have further impact on employee wellbeing.
Citizens and legislators demand greater checks and balances

Big Tech is facing legislative battles on a number of fronts. Amazon, Apple, Google and AdSense have been subject to Antitrust investigations in Europe, US, India and Australia, with many ordered to pay some of the largest corporation fines on record.

Africa has created the African Heads of Competition Dialogue, an umbrella organisation that intends to collaborate on market regulation and share resources to address the challenges of an international digital services sector, which echoes the EU’s regulatory focus on digital sovereignty.

Meanwhile, there is growing pressure on social media platforms to protect citizens from harmful and hateful content. In the UK, a highly demanded Online Safety Bill remains ‘in limbo’ due to changes in government. Meanwhile, Elon Musk’s takeover of Twitter is raising concerns that those kicked off the platform for hate speech could be re-platformed.

What this means for you:
Ensuring citizens’ and consumers’ privacy and security are managed and protected, without risking upset to major economic players in Big Tech is a challenge being faced globally. Smaller tech companies can lead the way by prioritising consumers and by aligning their organisation with the policies set by regulators and sharing this process with users to gain their trust.
Retail
Value vs. sustainability: should there be a choice?

The cost of living crisis is forcing many consumers to sacrifice sustainability for value. According to research by Zurich, six in ten shoppers in the UK say they have been forced to choose less sustainable but cheaper options as prices increase – despite wanting to make more eco-friendly choices. Sustainable appliances like energy-efficient lightbulbs are the most likely to be left on shelves, and for young people, the biggest impact is being felt on clothing purchases, with 40 per cent saying they would choose more sustainable fashion if it wasn’t for current economic pressures.

This is in tune with Porter Novelli’s latest research on the gap between say and do, presented at the 2022 Sustainable Brands conference in October. The study explores the motivations consumers need to adopt more sustainable behaviours and one of the key findings is that value products and sustainable products cannot be mutually exclusive, meaning brands and retailers must address the affordability of sustainable goods to create lasting behaviour change.

A good example of this in action is M&S’ back-to-school initiative, which promotes the re-wearing and reuse of fashion for Gen Alphas as a way to cut down on costs and over-consumption. This has been launched alongside a new venture from the high street retailer to hire out clothes to cost-conscious shoppers who are also concerned about the impact of the fashion industry on climate change.

What this means for you:
Sustainability should no longer be considered a luxury. Savvy brands are recognising that the cost of living sustainably shouldn’t be overshadowed by the cost of living crisis, and they are finding new and innovative ways to ease the tension that exists between what’s right for the planet and what works for consumers’ wallets.
Upcoming events to have on the radar

COP 27
6-18th November, Egypt

Following the fanfare of last year’s conference in Glasgow, which saw a raft of countries set ambitious climate goals, the world will be watching to see how many of these commitments have been followed through. Key themes for COP 27 are climate finance and nature solutions, but the event has already been mired in controversy due to the questionable human-rights record of the host nation, and the inclusion of indigenous voices, amongst other things.

WEF
16 - 20th January, Davos, Switzerland

While COP is usually where the big goals are set, the World Economic Forum (WEF) is where these same goals are embedded into the global corporate agenda. With the world in a state of constant flux and ‘permacrisis’, the political, business and civil society leaders convening at the forthcoming Annual Meeting in Davos will have a lot to discuss.
Until next time...

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