CISION GLOBAL MEDIA INSIGHTS

ESG LANDSCAPE ANALYSIS

JAN 2020 - JAN 2021

CISION Insights

ESG | OVERVIEW

2020 saw strong momentum in ESG investing and a demand for standardized reporting. 2021 has shown a shift as top companies have adopted ESG metrics and the focus is now on how ESG and technology strategies will intersect in the future.

Interest in Environment, Social and Corporate Governance (ESG) topics began to climb in July of 2020 as the COVID-19 pandemic drove economic turmoil and governmental change (*Bloomberg*), which led companies to discuss the "great reset of capitalism" and how they could make investments to advance equality and sustainability. Companies that made the investment benefitted throughout the course of the year as the financial industry and high net worth individuals focused on sustainable investments.

Companies saw the growing need for ESG reporting, but struggled to determine what to measure (*BusinessInsider*). However, the measurement conversation shifted in September as the big four accounting firms, Bank of America and WEF announced an ESG reporting framework (*BusinessInsider*). September also saw growing positivity around the topic as media speculated that ESG stocks would thrive in a Biden presidency (*CNN*). Q4 (52% of 2020 ESG coverage) peaks were largely driven by speculation around the US elections and how a Biden presidency would be good for green energy (*LA Times*), but a potentially Republican controlled Senate could bring things to a standstill (*MSN*).

January 2021 brought renewed interest in ESG with the announcement that Bank of America, KPMG, Mastercard and IBM would be among 60 top companies adopting new ESG metrics (*Barrons*). As companies finally gained guidance on how to measure ESG, the conversation began to shift to how corporate strategy would drive a "twin transformation" in sustainability and technological innovation in the future (*Forbes*).

By the Numbers

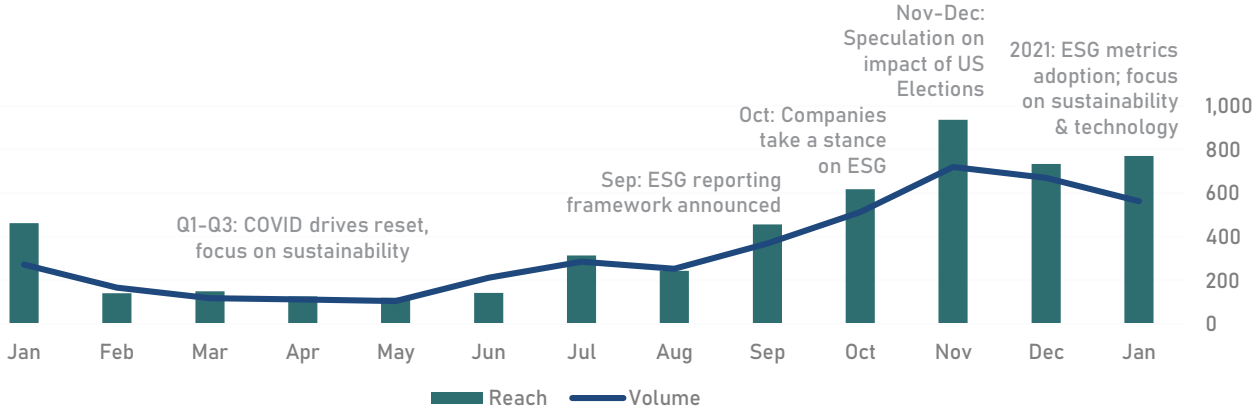
4.4 K articles

520.8 M reach

119.6 K avg. reach/article

Top ESG Topics (Reach)

- **181 M** Impact of a Biden presidency
- **94 M** World Economic Forum: ESG integration in business models (Jan: *USA Today*); reporting framework (Sep); ESG metrics (Jan: *Barrons*)
- **8.2 M** Great reset of capitalism (July: *Townhall*; Jan: *Forbes*)



Industries and corporations not mutually exclusive.
Reach and volume-based analysis. Online News | English | USA | January 1, 2020 – January 31, 2021

Financial brands made a strong, early commitment to ESG goals and building the technology to support them.

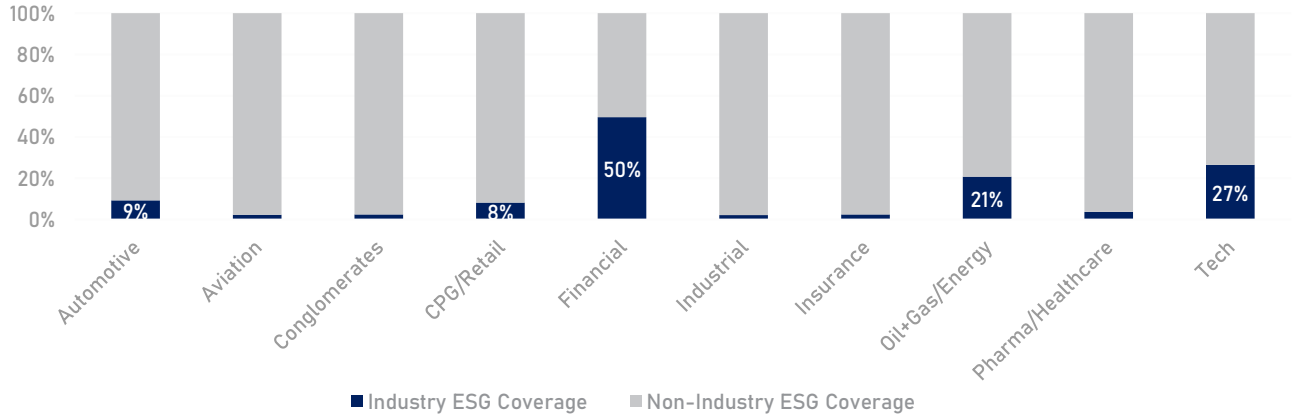
Financial brands were a key driver of ESG news as banks, which normally avoid leadership on environmental and social issues, took strong positions on ESG topics such as climate change and racial injustice (*CNN*). They also took the lead in partnering with tech companies to launch solutions integrating new technologies with sustainability solutions as BNY Mellon and Microsoft launched an ESG data analytics solution (*Bank Innovation*) and Accenture partnered with Salesforce.com to embed sustainability goals in its cloud technologies (*Yahoo Finance*).

Clean and renewable energy was also a major focus of ESG coverage with tech and oil and gas/energy companies launching new products and committing to increased investment in the area. In the tech space, Amazon reached a total of 127 renewable energy projects and Cisco reached 100% renewable energy (*SDX Central*), while oil and gas company Exxon, under increased investor pressure, shared plans to cut emissions by 2025 (*Reuters*) and BP committed to increase funding for clean energy tenfold by 2030 (*Forbes*).

The automotive industry also saw significant ESG coverage, largely driven by Q4 discussion of Biden's plan to invest $400 billion in making America the global leader in EV manufacturing and how that impacts companies like Tesla and could also help create jobs for traditional automakers (*CNN*).

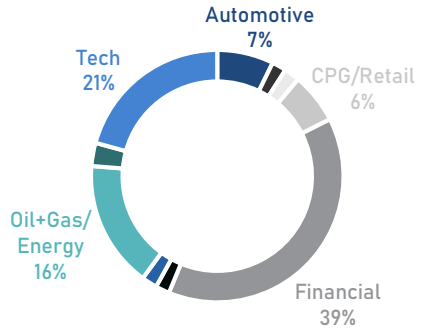
Industry Landscape

As coverage increased in the second half of 2020, the financial, tech and oil and gas industries drove the ESG news landscape.



ESG Industry Areas

Financial and tech partnerships helped drive strong ESG SOV for both industries.

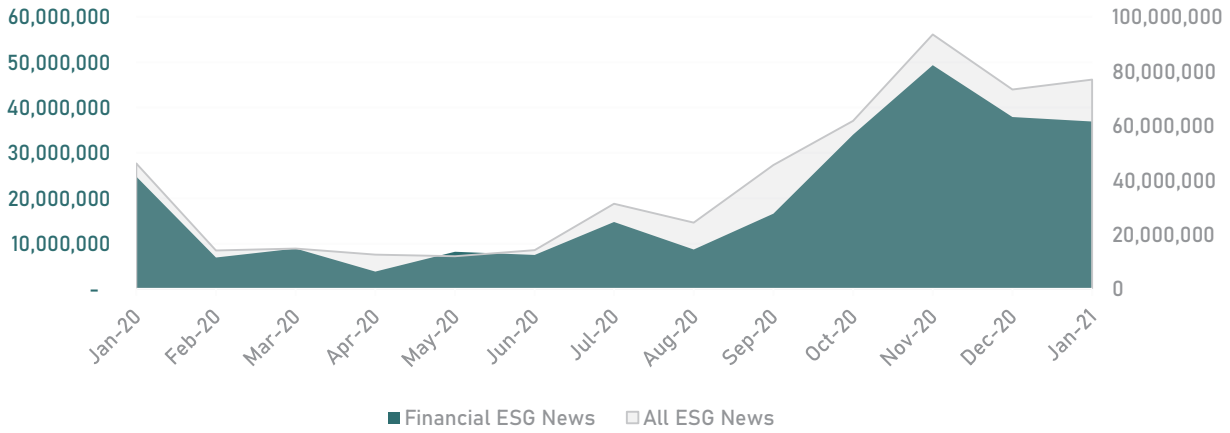


Finance leaders see long-term value of ESG metrics and look to AI, blockchain and other tech as a path to sustainable digital finance.

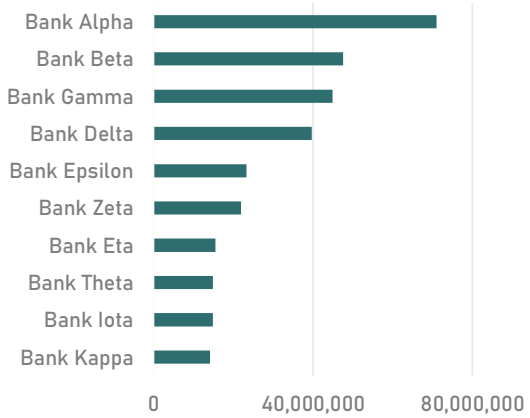
Data and reporting were a major focus of ESG coverage across the financial industry over the past year. Bank Beta took the lead in working with the World Economic Forum and others to draft a framework, based on 21 nonfinancial metrics, for global ESG standards (*American Banker*). Bank Beta was also one of the first to commit to reporting on those ESG Metrics (*Barrons*). Some companies also chose to set their own ESG goals and plans as seen by the launch of Bank Kappa's first global ESG Impact Plan focused on "Plant, People, Prosperity and Governance" (*Accounting Today*). While Bank Zeta partnered with a research lab to measure public company performance against a set of SASB sustainability criteria (*Yahoo Finance*).

Starting in Q4 2020 into 2021, conversations started to shift to the technologies that could best support ESG strategies and measurement. Bank Alpha built out modeling tools for predictive ESG data as it found that companies with better ESG profiles were better able to build long-term value for stakeholders and outperform their peers (CEO Letter). Bank Delta executives discussed how AI, big data and machine learning technology could "better measure environmental factors and their economic implications" in order to help sustainable investing turn the corner (*MSN*). And, in a WEF report, a Bank Lambda executive discussed how combining an ESG framework with blockchain, AI, mobile platforms and IoT technologies could help companies reach their sustainability goals.

ESG Coverage of Financial Brands



Top Financial Brands in ESG News



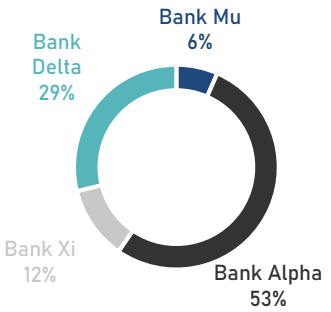
ESG IN FINANCE

Strong statement from Bank Alpha spurs peers to speak out, with mixed results

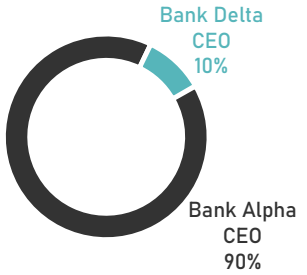
Bank Alpha dominated ESG coverage in this benchmark following its CEO's January 2020 shareholder letter setting environmental sustainability as a core goal (*NYT*). Bank Xi and Bank Mu responded, promising to "address climate change risk" (*Inquirer*) and take action against ESG underperformers (*Bloomberg*), respectively. Though Bank Delta was comparatively less visible on environmental investing, its CEO underscored a renewed commitment to diversity and inclusion in his 2020 shareholder letter (*BI*) and hired the firms' first D&I officer in April 2020 (*BI*).

While visibility for pro-ESG statements and funds rose in 2020, coverage was often critical of firms' lack of follow-through on commitments. In particular, financial firms' proxy voting records and investment portfolios were heavily scrutinized. In September, major investment firms, including Bank Alpha, Bank Xi and Bank Mu, saw bombshell reporting linking top brands to labor abuses in the palm oil industry, which has long been criticized as unsustainable (*Yahoo*). Bank Delta was also heavily criticized as a top funder of oil and gas (*Forbes*). Increased commitments to ESG did not assuage concerns for "Greenwashing" as firms repositioned themselves according to sometimes misleading or under-defined ESG criteria (*WSJ*).

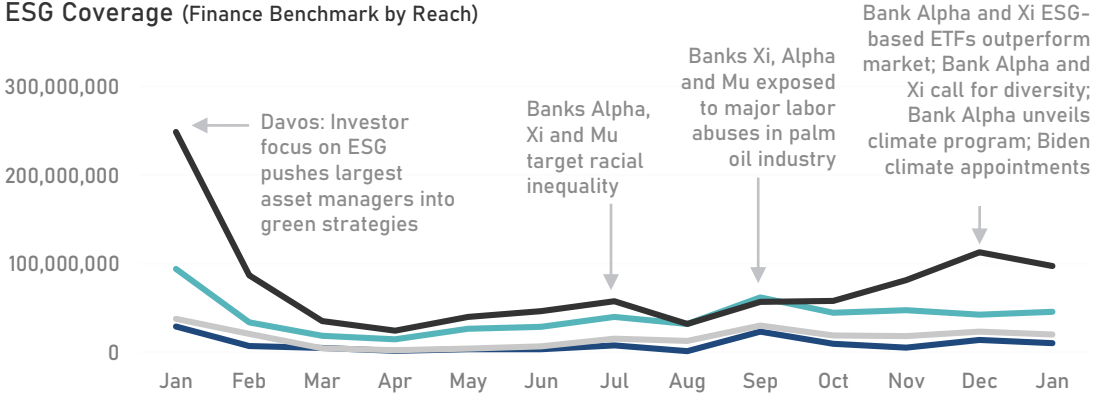
Corporate SOV



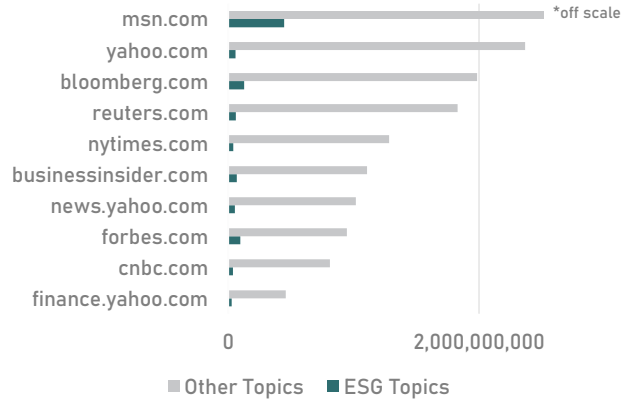
CEO SOV



ESG Coverage (Finance Benchmark by Reach)



Top Outlets

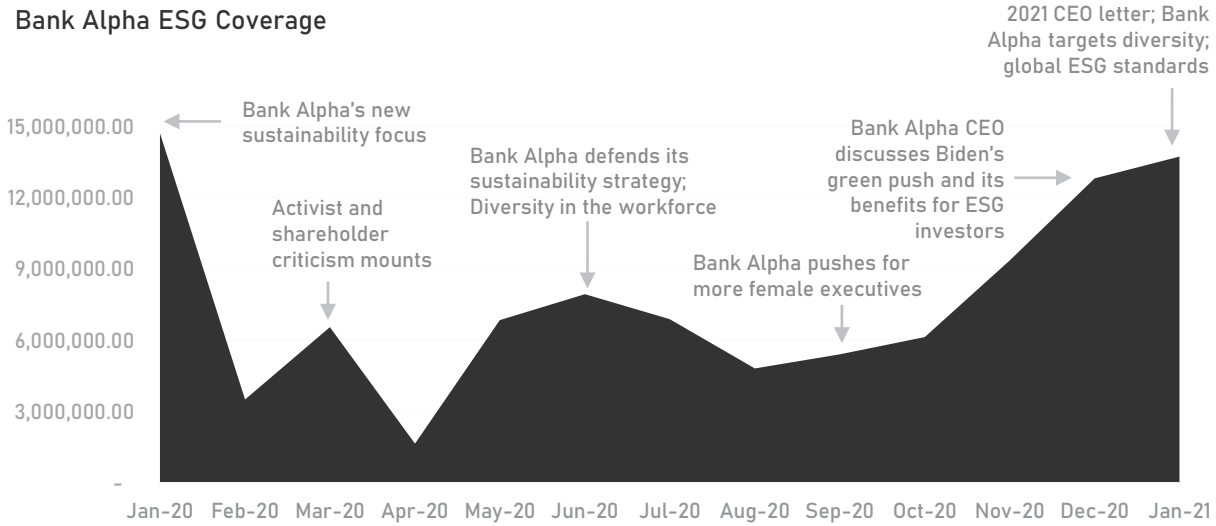


Bank Alpha's sustainability focus key ESG driver among financial brands, features prominently in top industry outlets

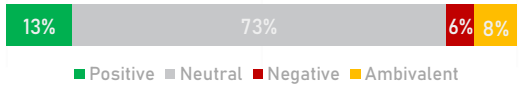
Bank Alpha announced that it would put climate change at the center of its investment strategy in January 2020, following the World Economic Forum in Davos, with its CEO's letter to shareholders garnering extensive coverage across the investment community and media (*Business Insider*, *CNBC)*. The CEO remained at the center of industry ESG conversations throughout the year as he repeatedly called to *corporate purpose* and cited climate risk as an investment risk.

However, despite Bank Alpha's numerous statements on its new sustainable approach, the firm faced criticism over its ESG actions as activist shareholders and climate activists demanded more proactive climate initiatives (*Bloomberg*). The 2020 US Elections and Biden's plan to rejoin the Paris Climate Agreement drove a second wave of Bank Alpha ESG conversations in Q4 (*Forbes*), with conversations reaching a peak around the CEO's January 2021 annual letter. Bank Alpha's CEO emphasized the importance of net zero carbon emissions and set even bolder climate goals for 2021 (*NYTimes*).

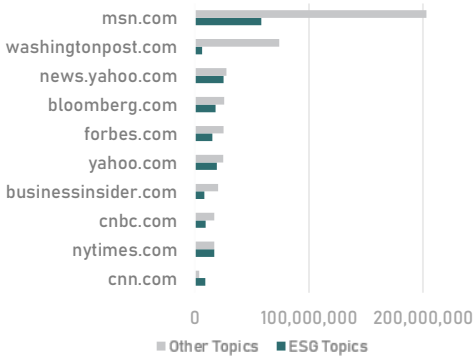
Bank Alpha ESG Coverage



Bank Alpha ESG Sentiment



Bank Alpha Top ESG Outlets



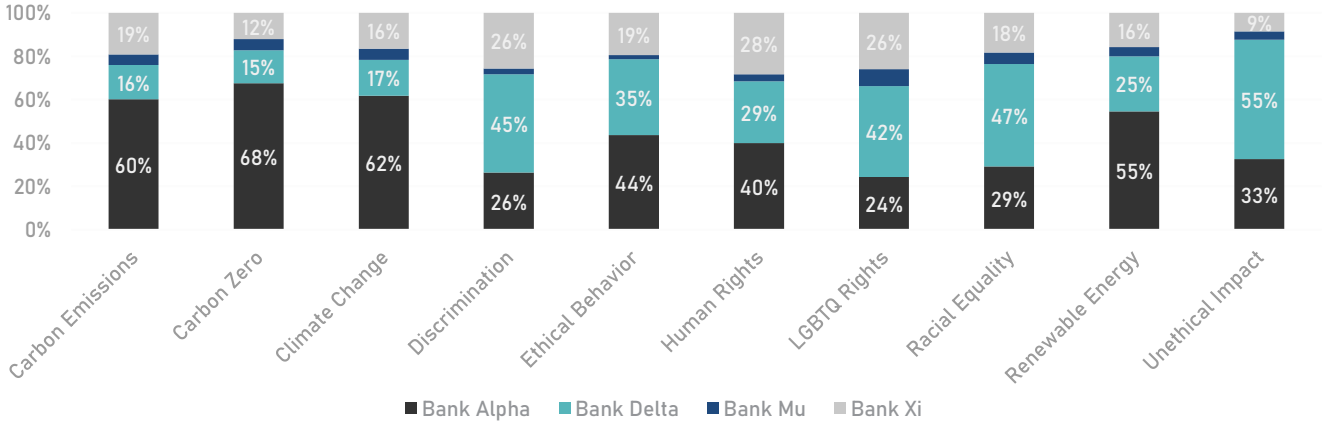
Finance brands push climate change and equality front-and-center, ethics gains momentum

Climate change was a major area of focus for the brands in this financial benchmark throughout 2020 and into early 2021. Bank Alpha and Bank Delta committed to a climate-focused portfolio strategy (*Bloomberg; Washington Post*). The two firms also committed to phasing out some arctic oil drilling and coal mining loans and to facilitating $200 billion in environmental and economic development deals (*MarketWatch*). However, the companies continued to face criticism as their commitments to climate change garnered media attention, but activists expressed concerns over changes that were too slow or too little and over the firms' votes against shareholder resolutions on climate issues (*CNBC; USNews*).

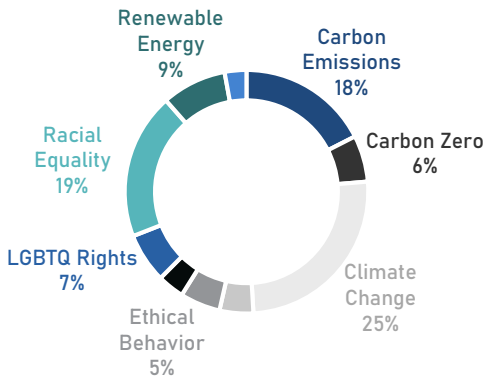
Equality topics were also a major driver of ESG news with industry CEOs and leaders collectively issuing support for equality (*Forbes; CNBC*) and encouraging customers to enact equality policies (*Reuters*). Bank Delta created initiatives to combat racial injustice (*Bloomberg*) and support LGBTQ rights (*Bloomberg*). While Bank Alpha emphasized ESG stewardship (*MarketWatch*) and its support for gender pay equality and LGBTQ rights (*Business Insider*).

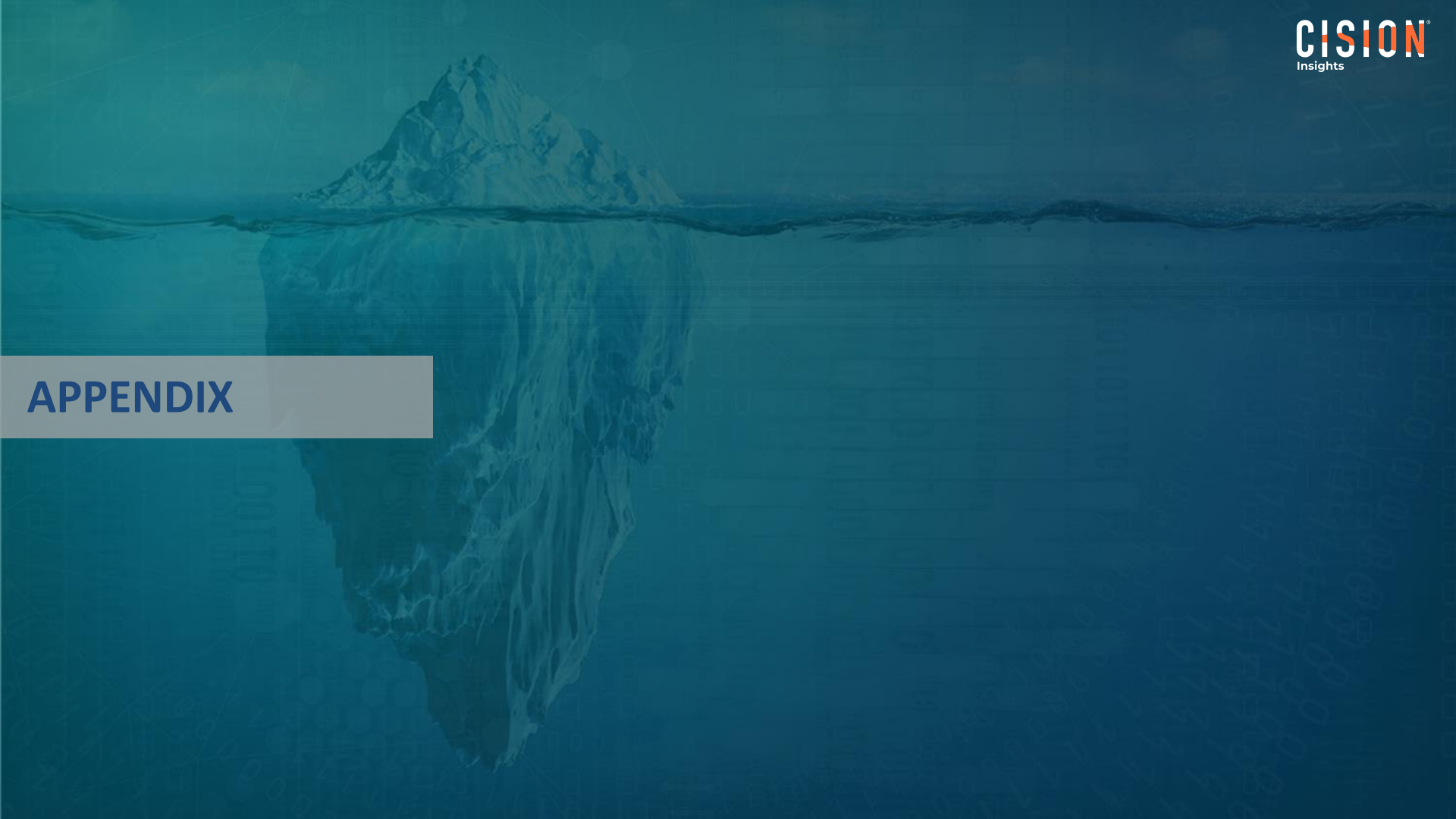
Discussion of ethical behavior gained momentum in the latter half of 2020/early 2021 with news including: Bank Delta's internal investigation into misuse of PPP Coronavirus funds (*Forbes*), Bank Delta metals trader conducting a spoofing scheme (*Bloomberg*), and palm oil production abuses linked to top banks (*Yahoo*).

ESG Topics (Finance Benchmark by Reach)



Top ESG Topics




APPENDIX

APPENDIX | METHODOLOGY

The ESG Landscape report is based on automated analysis of 13 months (January 1, 2020 – January 31, 2021) of environmental, social and corporate governance (“ESG”) news. Sources include US, English language online news outlets, approximately 10,000 sources.

Data was based on articles with top-line ESG mentions, excluding press releases and coverage of earnings, stock changes, basic stock/fund summaries and job posts. Corporations were organically selected through NLP entity detection and mapped to relevant industries. Trending topics were selected from 90+ ESG sub-topics drawn from the World Economic Forum ESG framework. Industries, corporations and topics are not mutually exclusive.

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