WHAT NEXT FOR SUSTAINABLE BUSINESS?

UNDERSTANDING CHANGING ATTITUDES TO CLIMATE ACTION POST COP26

FOREWORD

Climate change is one of the defining forces of our lifetime. And, as David Attenborough put it, “**saving our planet is now a communications challenge**”.

We know the world is in crisis, but many remain hesitant on what to do – and that is at least in part due to how we talk about climate action, and how accessible our language is.

Last year’s United Nations Climate Change Conference, also known as COP26, took place amid a backdrop of scepticism, with activist Greta Thunberg denouncing the ‘blah blah blah’ of political leaders.

Since then the Intergovernmental Panel on Climate Change (IPCC) has warned that the window for action is ‘rapidly closing’, with the devastating effects of climate change already being seen around the world.

Geopolitical events including the invasion of Ukraine combined with the rising cost of living has prompted some to ask whether sustainability needs to take a back seat.

We wanted to explore what people are really thinking – and crucially what they are planning to do next. Kingdom and Ireland, alongside business leaders across Europe – and we have found great reason for hope.

It is clear that the vast majority saw cause for optimism amid the conversations that have taken place in the past few months. People told us that they care about doing what they can to tackle the challenges of climate change. However, it is also clear that the sustainability intention-action gap is a concern.

If there is common ground to be found between the key players – corporates, regulators and the public alike – this could be a defining moment for climate action. In the fight against the climate crisis, we would all be cautioned to use our words wisely, as seen at the conference, to finally inspire impactful action.

We firmly believe that this is a decisive decade for action, for changing our behaviours, for ensuring our policies match our intentions and for firmly positioning our businesses at the vanguard of climate action. The time to act is now.

TEODORA COSTE

STRATEGY & INSIGHTS DIRECTOR, HANOVER GROUP

METHODOLOGY: A series of online surveys were conducted between December 2021 and February 2022. A nationally representative sample of 1,506 members of the general public were polled (with quotas for age, sex and location as per the latest Census data) in the UK and Ireland (RoI/UK 502/1,004). A sample of 952 business leaders (director and managers in their organisations) were polled across Europe (Netherlands/ UK/ ROI/ Belgium/ France/ Czech Republic/ Germany/ Spain/ Italy/ Portugal 50/ 250/ 50/ 50/ 100/ 51/ 100/ 100/ 100/ 101).

EXECUTIVE SUMMARY

ONLY 1 IN 4 PEOPLE FEEL CONFIDENT DEFINING 'NET ZERO'

Despite widespread concern for the environment, a lack of consensus extends far beyond the mere technical problem-solving. Our research identified **language as a key barrier** to enacting change, with only a small fraction of people able to confidently define key terms like Net Zero.

We found a certain scepticism that opposed a sense of keenness and urgency. People feel **a sense of uncertainty** with regards to their ability to act and to genuinely have an impact on the crisis – they find **the problem to be too big, too complicated, too widespread.** Against an alarmist backdrop, even though people want to do their bit, they find it difficult to know what impact they can have and at times even the courage to take action.

79% OF PEOPLE ARE CONCERNED ABOUT THE EFFECTS OF CLIMATE CHANGE

73% WOULD LIKE TO DO MORE PERSONALLY TO ACT ON CLIMATE CHANGE

49% OF PEOPLE ARE CONCERNED ABOUT THE FINANCIAL BURDEN OF ACTION

We further found that financial impact is **top of mind when it comes to not doing more**. The huge cost of going green is the main barrier people say stops them from taking action.

Businesses were more comfortable with the costs attached to altering their operations to more sustainable action, potentially making corporates a catalyst for change. And yet, by acting fast, most business leaders seem to struggle with long-term thinking, with governance models lagging behind when it comes to sustainability. Still, just as the public struggles to find inspiration to do the right thing, they recognise lacking guidance, regulatory models, and the financial support that would allow them to transform their operations fully.

2 IN 3 BUSINESS LEADERS SEE SUSTAINABILITY AS ONE OF THEIR TOP PRIORITY FOR THIS YEAR AND THE NEXT THREE YEARS

ONLY 7% OF BUSINESS LEADERS ARE SEEKING TO ATTAIN B-CORP STATUS

79%

OF PEOPLE ARE CONCERNED ABOUT THE EFFECTS OF CLIMATE CHANGE

CONCERNED, CONFUSED, YET CAUTIOUSLY OPTIMISTIC ABOUT CLIMATE ACTION

While COP26 may have faded from the headlines, it's clear that climate change is still front of mind – and not just for policy makers and activists.

An overwhelming majority (79%) of the public said they were either very or quite concerned about the effects of climate change. It can't be said that we are all apathetic about climate issues – only 2% said they were 'not at all concerned' about the effects of climate change.

This was even higher among business leaders across Europe, with 90% saying they were either very concerned (48%) or quite concerned (43%) about the effects of climate change. Half of the business leaders polled said that the agreements will have a broadly or very positive impact on their business; still, over a third said it wouldn't make a difference to their business.

So did this translate into post-COP pessimism? At first glance, it would seem so, with only 6% of the public feeling 'very positive' about the agreements reached. However, only 16% felt negative about the agreements, with the majority somewhere in between – feeling neutral (32%) or broadly positive (38%). The public would have liked to see firmer commitments on deforestation (51%), global co-operation (47%), investment in green energy (45%) and reducing carbon emissions (45%).

ONLY
1 IN 4 PEOPLE
FEEL CONFIDENT
DEFINING
'NET ZERO'

NET ZERO BLAH BLAH BLAH: DEFINING CLIMATE ACTION REMAINS A CHALLENGE

The race to sustainability and Net Zero has dominated climate discourse in recent years, becoming a core objective for many businesses and governments alike.

While debate has raged as to how to nations and organisations effectively achieve this target, we found that many are struggling with the concept itself.

We presented our two audiences – general population in the UK and Ireland and business leaders across Europe – with a list of climate-related terms commonly used in policy announcements, media coverage and business reported. Including terms such as 'Net Zero', 'climate justice', 'fossil fuel subsidy' and 'carbon trading', 23% of the public said they didn't feel confident defining any of the terms listed.

It became clear the general population is struggling to define Net Zero – but so are business leaders. In the UK and Ireland, 25% of the public said they felt confident defining 'Net Zero'.

Across Europe, only 30% of business leaders across markets feel confident they could define Net Zero. In the UK, this is significantly higher, with 46% saying they feel confident – driven by it being a key term in the national political lingo; on the opposite side, only 17% of business leaders in Portugal felt confident.

This Net Zero gap extends to business plans too – over three quarters of business leaders surveyed said their business did not have a commitment to reach Net Zero.

Given a lack of consensus and comprehension around key climate concepts, it's clear there is a need for a focus on how climate issues are communicated.

When asked what they found off-putting about current conversations about the climate crisis, over a third of people (36%) felt that they don't have enough information about how the climate crisis is impacting them, and almost a third find the information they have too overwhelming or confusing. It suggests vague, non-targeted information might lead to worry or misunderstanding.

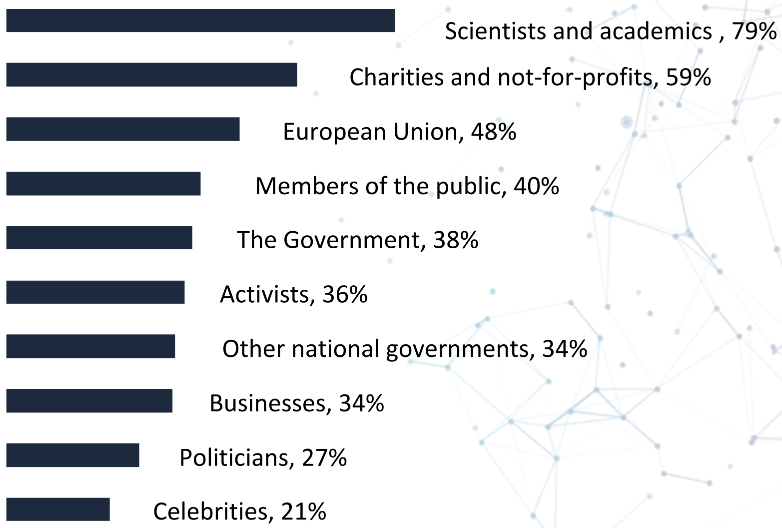
Although fear of climate change impact emerged as the biggest driver to engage with conversation about the climate crisis (43%) – perhaps reflecting the urgency – 42% said that being shown clear solutions would also encourage them. Most people would like simple, easy-to-understand language used by both businesses (56%) and politicians (53%) when they communicate about climate change, alongside clearly defined solutions and propositions.

The general population isn't looking for more scientific language – but scientists and academics have an important role to play. Scientists and academics are thought of as most important in terms of influencing conversations about climate change, before politicians, governments, and businesses. 79% said they trust scientists and academics as a source of information about the climate crisis – while only 27% trust politicians.

It is clear climate communication is a delicate balancing act, with a need to find a way to talk about issues that are often complicated and contested in a way that is comprehensible for all.

FINDING THE TRUSTED CLIMATE COMMUNICATORS

TRUSTED SOURCES OF INFORMATION ABOUT CLIMATE ACTION



1 IN 2

PEOPLE CITE COST AS THE MAIN BARRIER TO GOING GREEN

ADDRESSING THE GAP BETWEEN COST OF LIVING AND COST OF GOING GREEN

Our research was conducted before energy price rises kicked in across the UK and Ireland, but it was already clear that personal concerns were impacting the ability of individuals to do as much as they'd like in terms of positive, sustainable actions.

While people are very concerned about the effects of climate change, and want to do more personally, many struggle due to financial concerns or other personal pressures.

Most people would like to do more when it comes to actions they may mitigate climate change and its impacts, but over a third believe they are doing as much as they can currently. Nearly half (49%) said concerns about the financial impact of actions was the main barrier to doing more, and, in another Hanover poll, 45% agreed that "it is more important that we keep costs down on everyday items and energy bills to help ease pressures on the cost of living, even if that means we create more carbon emissions".

Cost was also the main challenge for businesses when it comes to sustainability issues, with over half citing it as the first challenge faced (51%), closely followed by a need for financial support from governments (35%). Defining their proposition is the key challenge businesses face when it comes to communicating the actions taken in relation to sustainability (34%), followed by translating expert language into simple language (33%), ability to be transparent in reporting (31%), and relating business priorities to consumer concerns (30%).

Less than a third say they would face a challenge communicating their proposition internally and externally, and 1 in 5 fear backlash from internal and external stakeholders.

TALK THE TALK, WALK THE WALK: HOW BUSINESSES MOVE FAST BUT KEEP THINKING SLOW

The vast majority of business leaders saw both the need for businesses to act on climate change and sustainability (88%) and agreed there was a number of compelling reasons to act – with positive perceptions among customers being the key incentive (87%), though the moral imperative was a key factor for 82% of leaders. However, a sense of urgency is lacking as only 13% have made sustainability and mitigating or adapting to climate change the top priority for their business this year.

On the other hand, the public is sceptical of businesses' genuine efforts and tend to trust them to make positive sustainability choices most when it benefits profits (35%). In fact, fewer that 1 in 5 trust businesses to make these choices in all circumstances, and almost a quarter don't trust them at all – hinting at an extra layer of cynicism towards corporate interests.

"This is all we hear from our so-called leaders: words - words that sound great, but so far have led to no action"

– Greta Thunberg, Youth4Climate conference, September 2021

Adding to that scepticism, plans of action remain vague for businesses – when asked what their businesses were doing to promote sustainability and mitigate/adapt to climate change impacts, the majority listed short-term actions like on-site recycling (41%) or reducing energy consumption (43%), without firm targets to report on.

While there are challenges in measuring and reporting on impact, businesses need to clearly lay out their plans for the future in order to build consumer trust.

CHANGING SYSTEMS, CHANGING GOVERNANCE

With laudable efforts to start tackling climate change, business leaders remain focused on short-term actions. Less often seen are governance prerogatives such as tying senior management's compensation to sustainability goals or attaining B-Corp status – two steps leaders were the least likely to take to promote sustainability in their business.

Huge barriers remain when it comes to long-term, systemic changes, which seems to indicate a gap between intention and action. Beneath costs lie a variety of challenges, such as lacking financial support from government (35%), uncertain regulatory guidance (30%), regulation and compliance (28%) and clear information from the public sector (28%) – all of which would require a bigger push for clarity from governments to spark action. Next to institutions, private investors also need to provide more support, with 29% of leaders citing lacking support from them as a challenge.

But this is far from being a problem only businesses face. For the public, personal actions tend to be easy-to-do, easy-to-see changes such as recycling (78%), reducing food waste (69%) and walking more (56%). At the opposite hand of the scale, changing habits such as taking fewer flights and cutting out meat gathered less support (34% and 9% respectively). Public scepticism also applies to political action – perhaps because they don't feel like they can impact governance, perhaps because of a focus on personal responsibility. As a result, only 3% would either become a member of a campaign group or take part in acts of civil disobedience in relation to climate change. Just as for businesses, the main barrier is cost, with 49% concerned about the financial impact of doing something.

COMMUNICATIONS CAN BRIDGE THE GAP BETWEEN SCIENCE AND EXPERIENCE

"Overwhelming evidence shows most people want to make sustainable choices, but cost barriers often get in the way. To bridge the intention-action gap we need to ensure messages are simple and focused – whether that's outlining the options and benefits available to consumers, the support needed to effectively implement solutions, or the policy choices needed to drive change.

Most of us in the communications industry aren't geopolitical experts or climate scientists – and we shouldn't pretend we are. But we are skilled in relating to a range of audiences and helping make complex issues, solutions and actions comprehensible, cutting through the noise with consistent information that resonates. We tell our clients what they need to hear, not just what they want to hear. We can be clear and focused in communicating what's needed to support climate solutions - and there's no time to waste."

DANIELLA GRAHAM

SENIOR STRATEGIST, HANOVER GROUP

METHODOLOGY

Hanover conducted polling to better understand perceptions and attitudes towards sustainability in December 2021 (immediately post-COP for the general public) and in February 2022 (for business leaders).

We polled 952 business leaders identified as people with a decision making position in their organisations (director/ manager) across Europe – in the Netherlands (50), United Kingdom (250), Republic of Ireland (50), Belgium (50), France (100), Czech Republic (51), Germany (100), Spain (100), Italy (100), Portugal (101).

We polled 1,506 members of the general public in the UK (1,004) and the Republic of Ireland (502) – with quotas on age, gender, geography to reflect the make up of the general population

Our margin of error stands at -/+ 3 points.

If you have any questions about the report, or would like to discuss further please email our Strategy & Insight team at: strategyandinsights@hanovercomms.com