

CHAPTER Six

Media watch

The media reflects and influences public opinion and is a powerful policy driver. Media coverage can also make or break a company's reputation. For Chapter Six, Trialogue and Media Tenor have analysed three years' worth of company-related environmental coverage in 29 broad-based national daily and weekly newspapers and TV news broadcasts.

The information gathered has been interpreted across five dimensions:

- Extent of environmental coverage
- Most visible environmental topics
- Persistence of reporting
- Most visible industry sectors
- Most visible companies

The results show that media coverage of environmental issues is growing and public scrutiny of companies' policies and behaviour will only increase. The analysis gives an overview of which topics are capturing public interest and which companies are in the spotlight, whether for good or bad reasons.

How companies are perceived by the media and the public is not beyond corporate control. Companies can manage their profile in the media by embracing the environment as part of a dedicated communications strategy based on concrete sustainability practice within the organisation.



Environment in the media



IN THE SPOTLIGHT

The ongoing 2010 oil spill in the Gulf of Mexico – arising from massive leakage from BP's Deepwater Horizon oil well – is shaping up to be the worst environmental disaster in US history, eclipsing the devastating Exxon Valdez oil tanker spill of 1989. There is potentially irreparable damage to rich ecosystems and a tsunami of negative impacts for people in the region's US\$6.5-billion seafood industry and in its lucrative fishing tourism sector.

The financial implications for BP are enormous. Following the oil rig explosion on 20 April 2010, the total cost to BP had reached about \$800 million by the end of May 2010, and some estimates put the final bill for clean-up, compensation, damages and other costs at as much as \$10 billion. In addition, investors have seen \$50 billion wiped off the BP share price.

The immediate worldwide exposure via the media and environmental watchdog organisations means that BP's reputation now hangs in the balance. Even if the incident does not bring down the oil giant, the reputational fallout will take many years to repair, as others have found (Shell's travails at its Nigerian and Brent Spar operations come to mind).

Analysing media coverage

Clearly, media exposure about corporate environmental practices – particularly following disasters – can be devastating. But in fact, media coverage can be negative or positive and has the ability to destroy or build reputations. In this context, analysing the coverage and tone of environmental reportage in the print and electronic media about companies is an important lens through which to assess companies' environmental behaviour and its effects on corporate reputation.

Triaologue, together with our media analysis partner, Media Tenor, sets out to do this by analysing the extent to which companies receive negative and positive media coverage on environmental issues. Media Tenor's analysis considers the volume of coverage, the range of environmental issues reported

and the spread of coverage across media titles, as well as whether the coverage was positive, negative or neutral.

Methodology and sample

We partnered with the local division of The Media Tenor Institute of Media Analysis (Media Tenor), which scrutinises the news, opinion and business sections of leading South African print, broadcast and online media to provide a range of media intelligence to the corporate sector.

The data used by Media Tenor for this assessment was based on their comprehensive day-by-day analysis of all company-related environmental articles appearing in 29 broad-based national daily and weekly newspapers and TV news broadcasts. The analysis period covered just over three years – from January 2007 to March 2010. In print media, all articles in the political, news, editorial opinion and business sections were assessed. Excluded were 'advertorials', advertisements, letters to the editor and all other items that were clearly non-editorial content. On television, news reports were coded.

Media Tenor's analysis of these items was based on standard content examination procedures. All environmental articles were included in which one or more companies were described in at least five lines or for five seconds. In other words, the analysis focused only on those environmental articles that made specific reference to one or more companies at a statement level. Environmental articles of a general nature that did not refer to one or more companies in this way (of which there are many media articles) were not analysed.

ENVIRONMENT ON THE RADAR

At the outset, it is clear that environmental issues do not share the same media prominence in South Africa as in the developed world. In France, Italy, Switzerland and the United Kingdom, the environment enjoys, on average, up to 5% of all television news coverage. German television focuses even more attention on the issue. By contrast, the equivalent proportion in South Africa is no more than 1% to 2%.

In the local print media, average coverage on environmental issues differs between dailies and weeklies, with weeklies featuring a higher proportion although with large differences between titles. For instance, the *Mail & Guardian* and *Rapport* cover such issues much more than do the *Sunday Independent* or the *Sunday Times*. Even so, environmental issues tend not to feature as 'hard news'. Rather, they are regarded as 'soft' issues that are usually covered by way of analysis and commentary in the media weeklies. That, in itself, is not surprising. Daily media deal with leading events of the day, and sometimes reflect on how a daily event influences the longer term. To become a topic for daily media, an environmental issue would have to be sensational, such as BP's recent oil spill in the Gulf of Mexico.

Somewhat disconcerting, however, is the fact that the motivation for environmental reportage is often political – witness reportage on fishing quotas, government policies on canned hunting, and the beach driving ban – and that corporate environmental behaviour is seldom seen as sufficiently newsworthy, unless it is linked to a shocking environmental accident or to severe cases of non-compliance with legislation.

Extent of environmental coverage

But perhaps this is changing. The Sustainability Coverage Monitor (SCM) – a joint initiative between Trialogue and Media Tenor recently published in the 2009 *Sustainability Handbook* – revealed a shift in media coverage on corporate sustainability issues. In 2007, the average focus on the environment, as a proportion of all sustainability-related media coverage, was a mere 1.5%, but in 2008 and 2009, this share increased to 1.7% and 2.1% respectively.

During the first quarter of 2010 this proportion increased further still, reaching 3.1%. This might not seem significant in a media reporting context that focuses on corporate financial sustainability rather than broader business sustainability, but perhaps it does suggest a changing media emphasis.

Could it be that the global financial crisis has taught the media to look behind the numbers at the fundamental sustainability of companies? In the developed world, this watchdog role played by the media extends

to environmental issues and it seems, at least for now, that the local corporate sector is also being kept on its toes by the media. But the jury is still out as to whether this reflects genuine interest in environmental issues for the long term.

Most visible environmental topics

In the graph overleaf, we show the most visible environmental topics for companies in the media over an analysis period from the beginning of 2007 to the end of the first quarter of 2010. It is interesting to note that reportage about corporate environmental policies, in general, was by far the most widely covered environmental issue. And given the global prominence about global warming, a number of specific issues relating to climate change, when considered collectively, also dominated media exposure – these included CO₂ emissions and emissions trading, climate change, energy conservation and fossil fuels.

In South Africa, energy-related issues currently dominate the public environmental discourse. This is perhaps not surprising, given the pre-occupation with securing our energy supply after the electricity supply cuts and shortages in recent years. The impact of increased industrialisation and energy use has literally hit home. Not enough energy means chaos on our roads, cold dinners, cold showers, no entertainment and no home security. It also means no production, resulting in higher costs of basic products at a time of global recession. These are issues that affect the corporate sector directly. Our environmental motivations, therefore, remain focused primarily on securing our current energy sources and on mitigating the effects of these energy sources. But very little media space, from a corporate perspective, covers renewable energy options such as solar and wind energy.

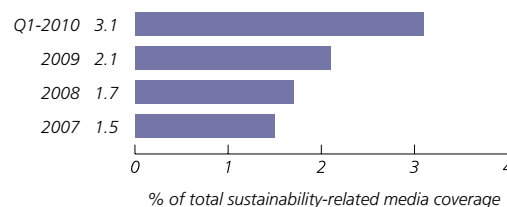
WHAT IS NEWSWORTHY?

News-worthiness, and hence media coverage, is determined by a number of factors:

- **Timespan** – the longer a particular event, the more it attracts the attention of different media types.
- **Intensity or threshold value** – dictates which matters of national importance are given higher importance.
- **Cultural proximity** – the closer an event or issue is to the immediate concern of the target audience, the more 'uptake' it finds.
- **Consonance** – the more an event confirms popular expectations or feeds into stereotypes, the more 'uptake' it finds. For example, poverty or civil war in Africa almost automatically receives attention in Western media.
- **Continuity** – the more the media report on the same issue, the more it is perceived as a 'problem' and narrows the discourse, so sidelining other stories.

Research shows that awareness of a media-hyped issue is likely to remain in the public mind for a maximum of nine months, and that persistent coverage is required to keep reinforcing the message. Persistent media attention on a subject can also shape perceptions that are not actually true.

PROPORTION OF SUSTAINABILITY ISSUES FOCUSED ON ENVIRONMENT



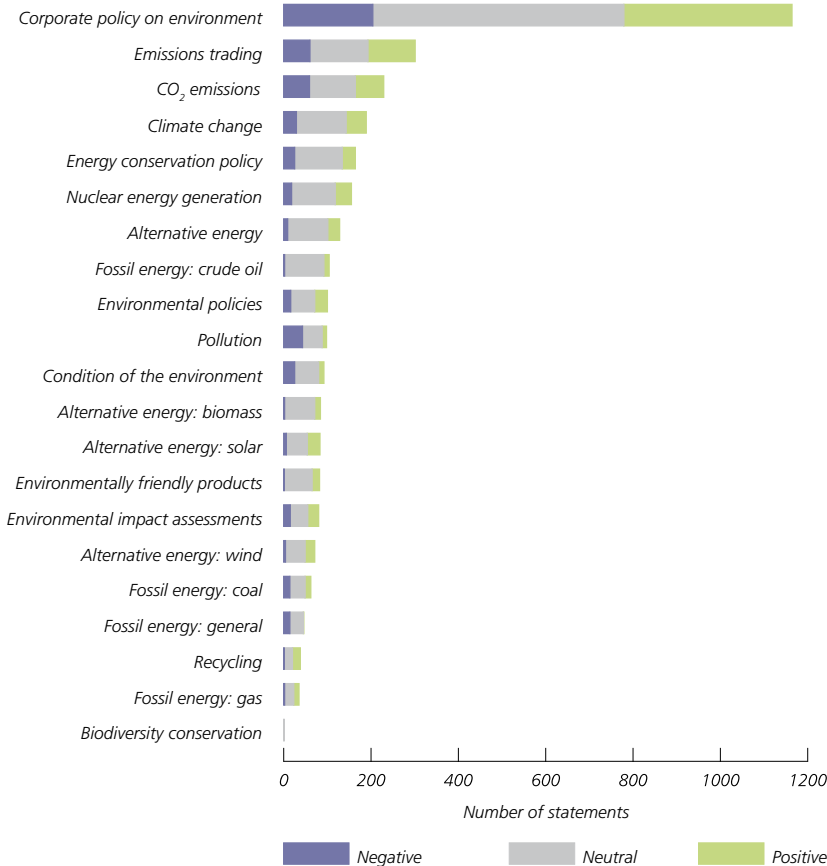
It is also concerning that so little media attention is paid to how companies are addressing non energy-related environmental matters. The issue of water quality and scarcity should be receiving considerable attention in a country with looming water shortages such as ours, yet our media analysis has shown that water-related issues had very limited media coverage that featured the corporate perspective. Likewise, waste management, recycling, biodiversity management and environmental product stewardship are crucial issues, yet they were seldom covered in the media from a corporate perspective. One might infer either that there is not a great deal of proactive corporate activity on these key environmental issues, or not many newsworthy incidents about them, or both.

Persistence of reporting

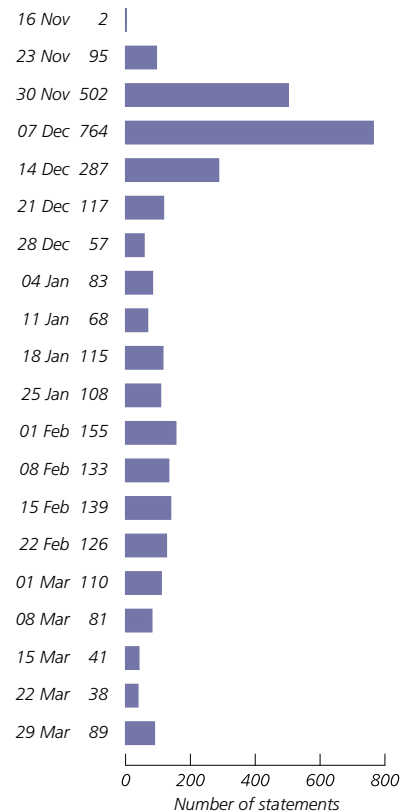
Even on a topic as profound as climate change, media reportage is not consistent, nor necessarily persistent. In recent years, docu-movies such as Al Gore's *An Inconvenient Truth* and Hollywood films like *Happy Feet* and *March of the Penguins* have depicted a world in climate crisis. The media has been used extensively as a channel to emphasise that, unless consumer and corporate behaviour changes drastically, the planet is doomed.

Yet media coverage on the issue does not persist at consistent levels over time. The graph below shows how media coverage escalated from a low base and peaked at the time of the Copenhagen conference on climate change in December 2009, but that the coverage declined rapidly and reverted to

ENVIRONMENTAL MEDIA COVERAGE BY CATEGORY



CLIMATE CHANGE REPORTING PERSISTENCE (NOVEMBER 2009 - MARCH 2010)



its former base level immediately thereafter.

This point is endorsed by global media analysis, which shows that less than a month after the December 2009 conference, with the exception of Asia, the rest of the world dropped the climate change focus below the critical 4% threshold that is required to maintain the topic on an audience's agenda. African media, in particular, stopped reporting on the issue altogether.

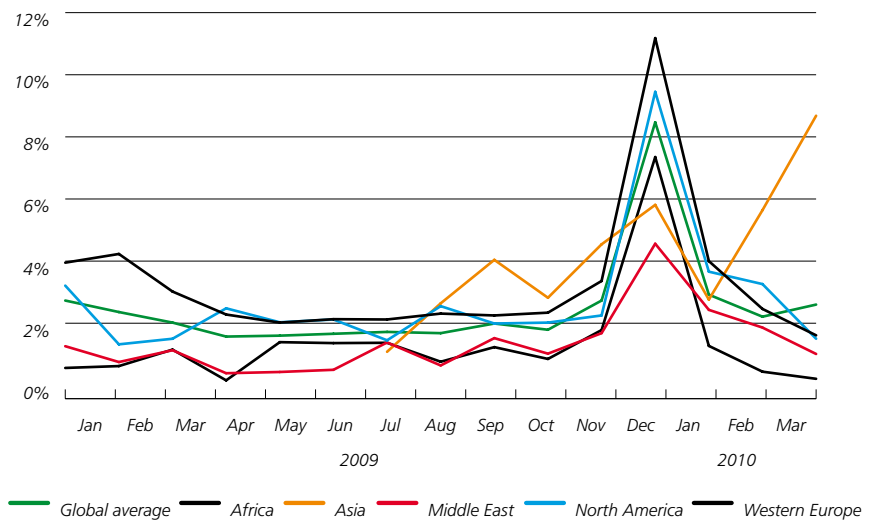
Most visible industry sectors

Given the nature of their operations, some industry sectors feature more frequently in the media than others on a range of environmental issues, as shown in the graph below right. Media Tenor's analysis shows that, over the past four years, the energy sector (mainly Eskom), the mining industry, oil and gas (mainly Sasol), and automotive sector have featured most prominently in terms of corporate environmental coverage. This is logical, given the significant environmental impacts of each of these sectors and/or their products.

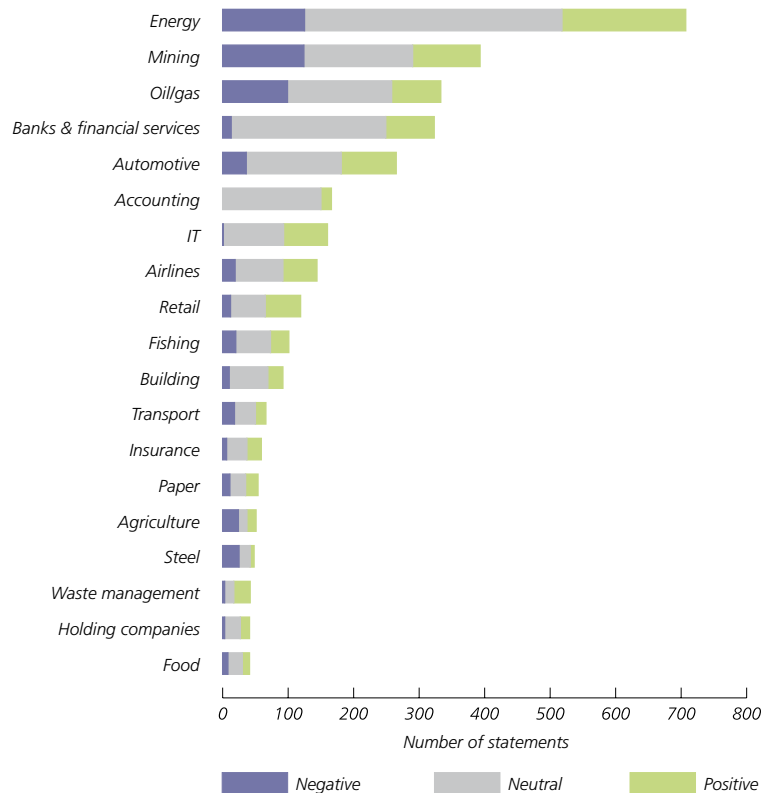
The oil and gas industry averaged more negative than positive coverage. Pollution has been the greatest challenge for the oil and gas industry and reflected negatively on the industry over the period, but coverage on gas as an alternative received generally good coverage. The mining industry received more or less the same amount of criticism and support over the period, with the media divided in their coverage about corporate environmental policies, and particularly critical about the industry's CO₂ emissions. The energy industry received more positive reportage than negative, with renewable energy – particularly wind and solar power – receiving considerable positive reportage while articles on energy conservation, coal-generated power and other fossil fuels featured negatively. The automotive industry generally received more positive coverage than negative, and this related mostly to reportage on companies' policies on environmental issues.

It is also interesting to note that banks and financial services featured so prominently, and that companies in the IT and accounting industries also enjoyed considerable coverage. These are so-called low-impact industry sectors whose direct environmental impacts

CLIMATE CHANGE COVERAGE AS A PERCENTAGE OF GLOBAL MEDIA



ENVIRONMENTAL MEDIA COVERAGE BY INDUSTRY SECTOR



are small. Yet they dominate the economic landscape and companies in these sectors are, therefore, often keen to demonstrate their commitment to responsible environmental practices, particularly in terms of measuring their carbon footprints (which mainly relate to direct and indirect energy consumption). Again, this coverage often related to the policies that companies have in place to address environmental issues.

In some sectors, one might expect more environmental coverage, given the nature of their operations. The airlines, fishing, building, transport, paper, agriculture, steel, waste management and food industries all fall into this category. All have an extensive range of their own specific environmental impacts as a consequence of their operations. We expect that in the years to come, many of these sectors will face growing media scrutiny and pressure across a range of their environmental practices and innovations.

Most visible companies

Media Tenor's analysis also highlighted those companies that received the most media

coverage relating to their environmental actions over the period January 2007 to March 2010. The results are shown in the graph below.

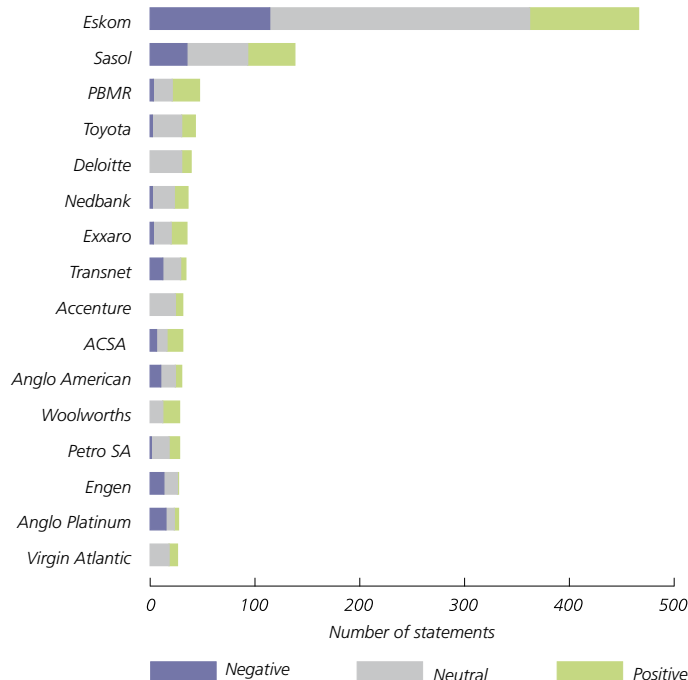
Eskom appeared in the media considerably more frequently than any other company, followed by Sasol, Pebble Bed Modular Reactor (PBMR), Toyota and Deloitte. In Eskom's case, the reportage covered a diversity of environmental issues, including criticism around the continuous use of coal-fired power generation, its CO₂ emissions, and its perceived lack of long-term plans for alternative energy solutions. For Sasol, the principal reporting focus was on its overall environmental corporate policy (generally positive), but there was also considerable criticism about its CO₂ emissions and pollution. The PBMR coverage was generally friendly on the environmental front, with clean nuclear energy versus coal the key focus area in the media, although there was also negative coverage relating to safety. Toyota received particular praise for its general environmental corporate practices, as well as coverage about its Prius technology. For Deloitte, the focus related primarily to the research it published on climate change, CO₂ emissions and general environmental issues.

ENVIRONMENT AS HARD NEWS

Increasingly, the environment is not a soft issue. Our view is that it is starting to become, and will progressively be, hard news that is relevant for a wide range of influential company stakeholders. Indeed, corporate environmental behaviour is under growing scrutiny and will continue to move up the global issues agenda. The media plays a powerful role in driving this change, and experience shows that companies are prepared to adapt their business models and products when the media and, by extension, broader society demands it. What is more, crises like BP's Deepwater Horizon spill are not necessarily isolated incidents. There have been other environmental catastrophes before, and there will be more disasters in the future. Considering this, it would be foolish for companies to wait for the next incident before they raise their environmental game and try to repair their green credentials.

The extent to which companies feature in the

ENVIRONMENTAL MEDIA COVERAGE BY COMPANY



media, and the tone of that coverage, is not beyond company control. As with all other facets of their business, companies can do a great deal to influence how, and to what extent, they appear in the media regarding environmental issues. And if approached correctly, they can actually play an important role in shaping the media's news agenda.

But their environmental profile in the media cannot be based on PR. It must be underpinned by concrete action. By living the values, practicing what they preach, and being honest, companies can tell a positive environmental story. Accordingly, they should be prioritising environmental issues at strategic, operational and communications levels. There is an opportunity to embrace this topic based on a clear business case which, like few others, can be linked to innovation, community relations and key reputational and other factors. Such an approach has the power to sell more products, attract better employees, and prepare for more stringent regulation imposed on business by governments.

By practically and honestly embracing the environment as part of core business strategy and integrating it within their overall communication plan, corporates will be able to secure significant media coverage. On the other hand, simply responding in the media after an oil spill or other environmental crisis is too late and negates all ongoing corporate efforts to green their operations.

Will the latest BP oil spill in the Gulf of Mexico be a wake-up call that sees the environment given greater ongoing prominence on corporate and national agendas? Or will it merely elicit another knee-jerk response to catastrophe and a massive PR campaign to shore up reputational damage in the media? Only time will tell.

SOCIAL MEDIA SCRUTINY

Digital user-generated publishing platforms – like Facebook, YouTube and Twitter – are enabling a variety of stakeholders to get their voices heard. If stakeholders have enough credibility in the social community, they can quickly win people to their cause, creating exponentially growing impacts through the network. Journalists from traditional media trawl social media for leads and quickly escalate stories beyond the online-savvy demographic. If companies engage with social media activists in a threatening way, their responses will likely be published, exacerbating the negative reaction. Recent examples include Greenpeace's social media campaign against palm oil in Kit Kat, which forced Nestlé to concede to no longer purchasing palm oil linked to rainforest destruction, and @BPGlobalPR, a spoof Twitter account, which completely overshadowed BP's own PR efforts during the Gulf oil spill. Companies would do well to monitor their reputations on social media networks and set up their own presence in this space.



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