



COMMUNICATIONS AND ACTIONS REVIEW

FTSE 100 COVID-19

2 JUNE 2020

UK
COMBATING
CORONAVIRUS

Introduction

Since the start of the COVID-19 pandemic, public audiences around the world have observed big businesses, watching closely to see their responses to the unprecedented circumstances now forming the status quo.

In this document, we review the non-regulated communications published by FTSE 100 companies during the peak of the crisis, and the lessons we have learned from their actions.

Key areas analysed:



Company communications
(.com, social media channels)



ESG commitments, pledges and donations



Furlough and redundancies



CEO and Executive pay

Facts and Stats

Public Communications

The overall tone adopted, coverage of and engagement with FTSE 100 communications varied across the different industries.

Companies' communications have received mixed reactions. This was mostly dependant on the topic covered, the proactivity and profile of the management teams, as well as the company's brand reputation and profile.

Analysing both coverage and engagement:

- For non-consumer focussed brands, media coverage has been muted. The positive stories and initiatives received more attention within trade publications.
- 'Frontline' sectors, e.g. food retailers, industrials, pharmaceuticals and support services have been proactively using their owned channels to promote their communications. This has gained positive social engagement but somewhat limited meaningful or standalone coverage outside of the food and healthcare sectors.
- Unsurprisingly, statements regarding job cuts and furloughing employees have received emotive or negative commentary, with higher standalone media coverage than positive news flow.

The statistics:

63%



of companies have shared some form of non-regulated communications, whether through their website or a CEO statement

52%



of companies received some form of media coverage for their COVID-19-specific communications

Of this 52%
75%



(39) companies had low, albeit positive, levels of engagement

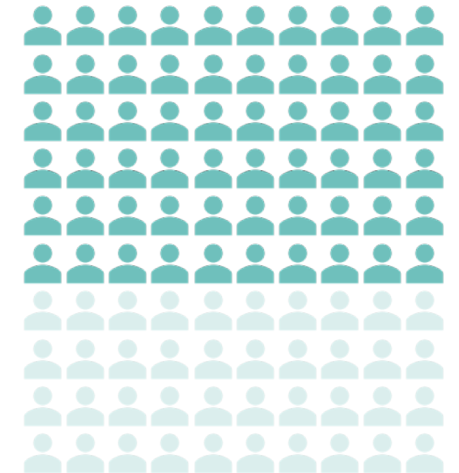
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companies that received high levels of engagement also received notably negative coverage

60%

of CEOs have made a statement on COVID-19





Furloughs and Redundancies

A lot of media attention has focussed on the timing of furloughing announcements. This is particularly in cases where dividends have recently been announced or paid, or if these announcements preceded executive pay cuts. Looking at the trends by industry and example standalone companies:

- General Retailers have furloughed all in-store staff, which received widespread but factual coverage unlike the negative coverage seen with the travel and leisure sector.
- Among these, Whitbread and EasyJet announced their intention to furlough employees before announcing dividend cuts or executive pay cuts, which received a severe backlash. EasyJet's recent announcement of further job cuts has meant it has continued to receive negative media coverage.
- Some companies did get this right. Flutter received positive coverage for committing to using group resources to fund employees' salaries and NEXT's early announcements highlighted that closures of its online business were done in consultation with employees to protect their health and livelihoods.

The statistics:

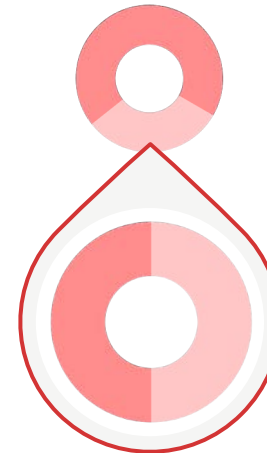
31%



of companies have made public statements on staff furloughing

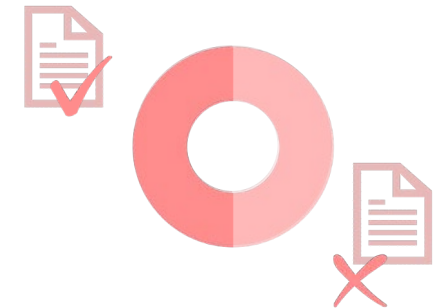
Of this 31%
50%

have announced they will be using the government's furlough scheme, whilst the other half have specifically stated they will not



18%

of companies have made public statements on redundancies, with a 50/50 split between those announcing redundancies and those committing to retaining employees





ESG Commitments, Pledges and Charitable Donations

Many FTSE 100 companies have made their charitable donations public, offering equipment, resources, time and financial assistance to those in need. Yet due to the large proportion of companies doing so, media coverage has not necessarily been guaranteed.

For example:

- Well known, consumer brands tended to get more national coverage. This can be seen in the example of Burberry committing their factory to producing PPE, versus industrial B2B companies such as DS Smith and Smurfit Kappa, who developed and donated innovative PPE solutions, and REITS who donated space and parking to volunteer initiatives and the NHS. Compared to the fashion house, the latter only received coverage in local and trade publications.
- Purely monetary pledges received comparatively little media attention. Reckitt Benckiser donated £5 million to Coronavirus charities to a muted media response.

The statistics:

72%



of companies have announced donations

23%



have made purely monetary donations

Whilst
42%

have committed their time, resources or have diverted their supply chains to help combat COVID-19

75%

Of mining companies have set up special COVID-19 funds for local communities

Donating time, materials or financial aid was revealed as an overarching theme across all industries.

Only a handful of companies have not publicly outlined their ESG commitment, pledges of donations.

Those that have received limited recognition despite sizeable donations include:

- REITS
- General Industrials
- Oil & Gas



CEOs and Executive pay

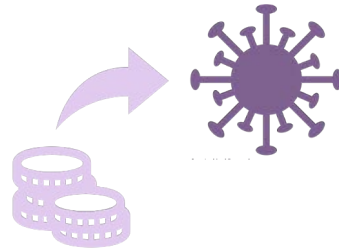
Throughout the FTSE 100, many companies took swift action to mitigate the potential financial impacts of COVID-19, with Boards and CEOs alike taking voluntary pay cuts or donating their salaries.

- Boards did not always specify where their donated salaries would be directed or redistributed. Those that did said the money would be donated to charitable partners they either already worked with or initiatives supporting communities and services affected by COVID-19.
- Financial Services CEOs, who received the most coverage on cuts, were criticised for not taking them sooner.
- Outside of the Financial Services, CEOs who donated their wages early on and in the peak of the crisis did not necessarily receive favourable or a lot of coverage. This highlights the potentially imbalanced nature of coverage, unless the news was communicated at the same time as job cuts or dividend payments.

The statistics:

40%

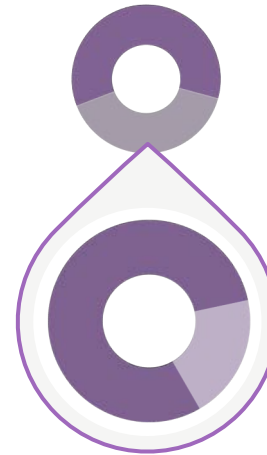
of CEOs and **31%** of executives have waived some form of financial remuneration; **28%** of those donating their finances to COVID-19 related causes.



Of the 40%

80%

(32) are taking pay cuts or waiving a portion of their fees; **28%** (11) are donating pay cuts to COVID-19 causes or charitable organisations; **30%** (12) are foregoing or cutting bonuses



The sector leaders announcing pay cuts without prompting from the general public include:

- General retailers
- Food producers
- REITs
- Support Services
- Industrials, particularly paper

The banking sector has seen Boards defer remuneration and leadership cancel bonus payments.

Conclusions

1

A third of FTSE 100 companies did not publish standalone COVID-19 communications on their website or a statement via their CEO.

2

Companies that did publish standalone communications concerning the COVID-19 crisis were not necessarily viewed more favourably by the media.

3

At a sector level, the leisure and tourism industry has felt the brunt of the negative media coverage the most following their responses.

4

At an executive level, Financial Services CEOs were criticised heavily for not taking pay cuts or waiving their bonuses sooner.

5

Pure-play financial donations did not cut through, in most cases receiving little to no media coverage.

6

Those companies offering 'giving initiatives' and adapting their production lines were warmly received. The more innovative the initiative, the more favourable the coverage.

Using our expertise, data and analytics capabilities and stakeholder mapping skillset, we can:

- Raise the profile and presence of leaders
- Amplify content on owned channels
- Develop bespoke digital communications strategies
- Enhance a company's employer brand and reputation
- Benchmark against industry and wider best practice

**Contact COVID19Insights@kekstcnc.com
for more information.**