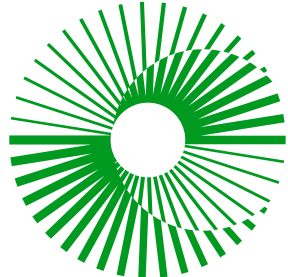


GLOBESCAN / ERM SUSTAINABILITY
INSTITUTE PULSE SURVEY

Government Action

November 2023



ERM
SUSTAINABILITY
INSTITUTE



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Introduction

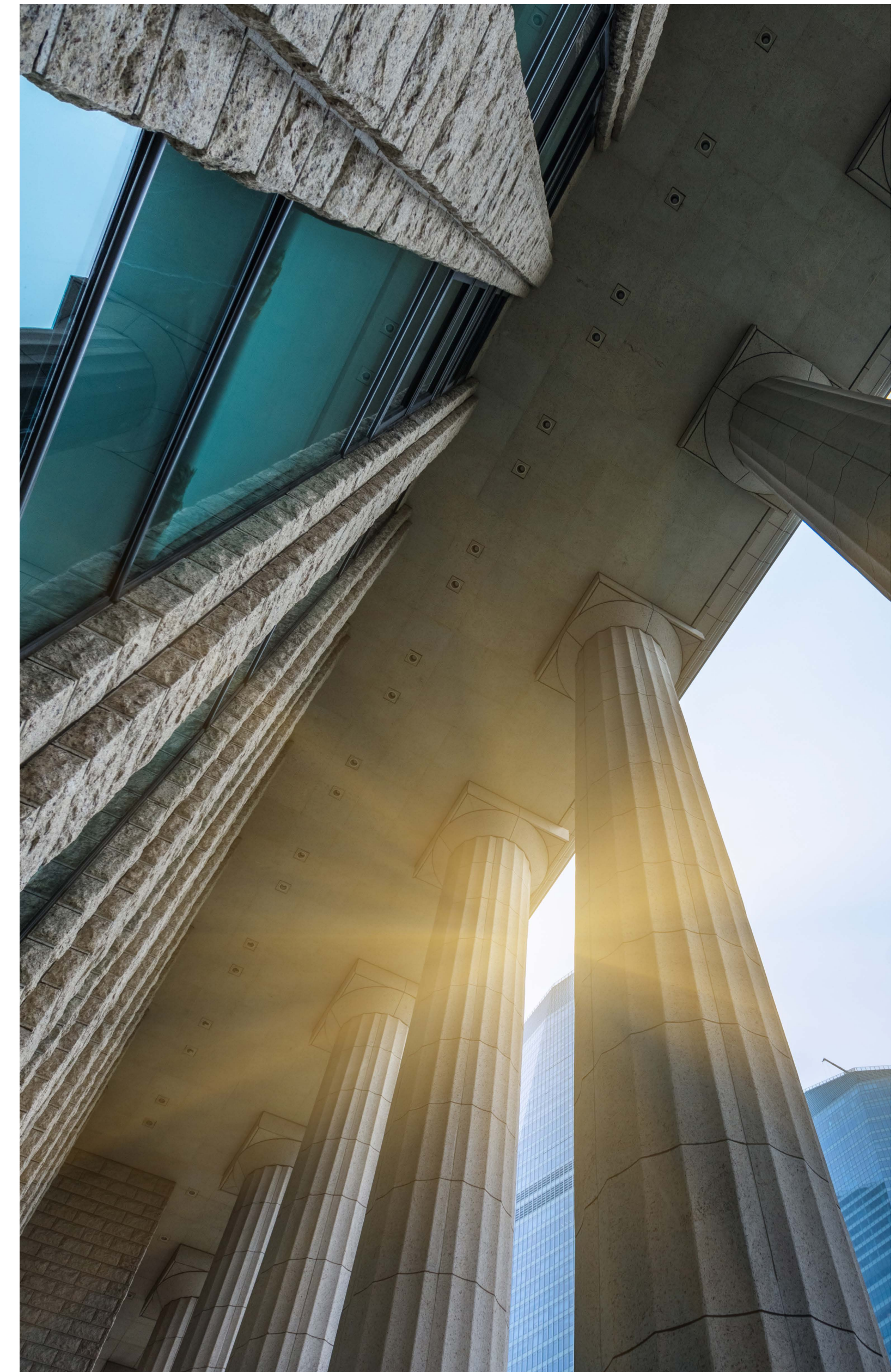
This briefer consultation was conducted with the intention of diving deeper into the most relevant findings from the 2023 Leaders Survey, providing a more focused and detailed look at what is most important to sustainability experts across the globe.

Respondents to the 2023 Leaders Survey indicated that government legislation and disclosure requirements are currently seen as the most important drivers in progressing the sustainability agenda. This is reflected by the flurry of activity in the disclosure landscape as companies react to several pending or established regulatory requirements across geographies. ESG-related disclosure has especially been in the spotlight, with companies operating in Europe preparing for alignment with CSRD, and those with listed securities in the United States anxiously awaiting the finalization of the SEC’s Climate-related Disclosure Rule. And as the ISSB’s IFRS S1 and S2 become integrated into the disclosure landscape, government legislation and disclosure requirements are likely to remain a high priority for entities across sectors and geographies.

We wanted to find out more from our network of sustainability experts about how government legislation and disclosure requirements will play out in the future – do they expect more, less, or the same amount of government legislation on sustainability in their country over the next 12 months?

What is the most important action that governments could take now to advance the sustainability agenda? And how do experts see different organizations performing over time on contributing to the sustainability agenda?

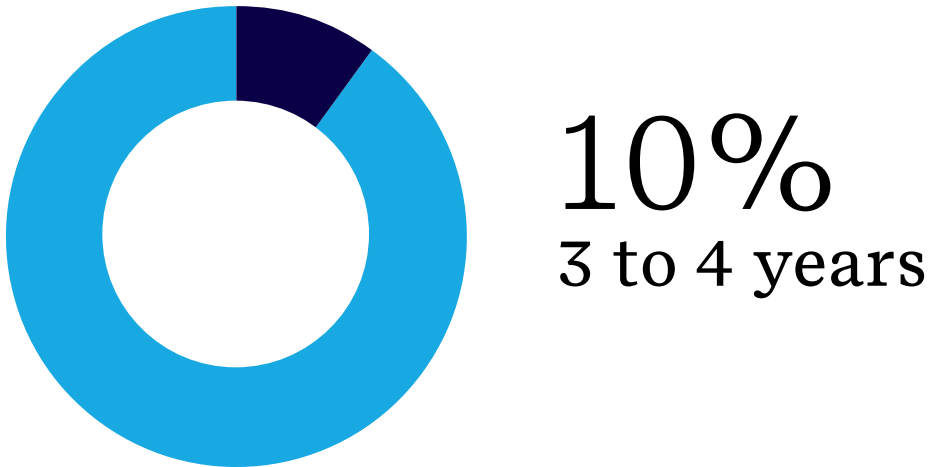
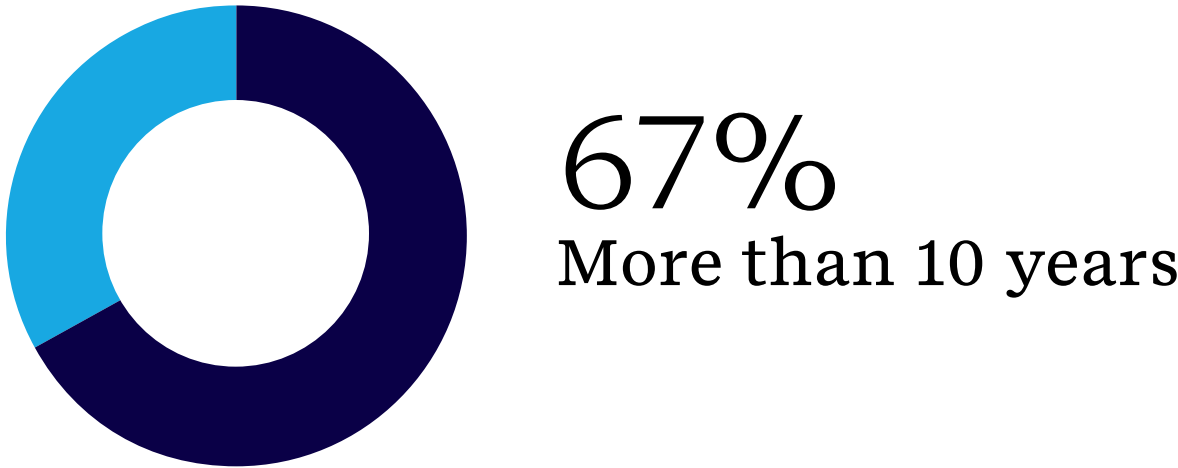
Our survey shows that an overwhelming majority of respondents expect at least the same if not more government legislation in the next 12 months, with corporate respondents being the most bullish on legislation. Further, respondents not only expect more legislation, but they also believe passing more or improving existing legislation to be the most important action governments could take to advance the sustainability agenda. Though NGOs are seen to be the strongest performers in contributing toward progress on sustainable development, governments are expected to play a major role in the future of the sustainability landscape.



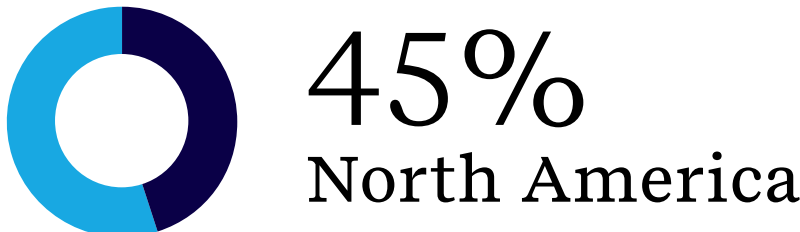
Survey Methodology

A total of 272 qualified sustainability experts completed the online questionnaire from October 24 to November 13, 2023.

Experience



Geography



Sectors



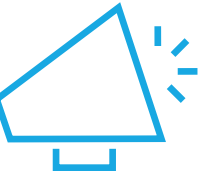
37%
Service & Media



31%
Corporate



13%
Academic & Research



12%
NGO



1%
Government



6%
Other

Key Findings



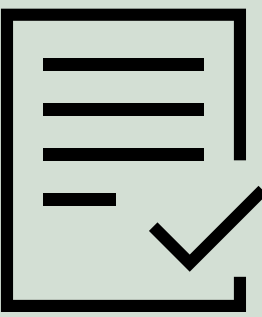
NGOs are consistently rated at the top for contributing to the progress on sustainable development.

Despite the burst of action from governments, their perceived performance is stagnant. The private sector and city/local governments see an uptick in performance ratings, while NGOs, citizen-led mass social change movements, and international financial institutions instead see decreased performance ratings. Research and academic organizations are considered stronger performers by academia and research sectors and are also seen more favorably in Africa and the Middle East. The United Nations is considered a stronger performer by experts in academia and research, service and media, and in Latin America and the Caribbean.



Experts expect there to be more government legislation on sustainability in their countries within the next year.

Surveyed experts, particularly those in the corporate sector and in the Latin America / Caribbean region, expect to see an increase in government legislation in the coming year. However, those in the NGO and academic/research sectors, and in Europe, are somewhat less likely to expect more government legislation on sustainability in the next 12 months, while 25 percent of European experts believe there will be less legislation.



Experts say passing more legislation and improving current laws are the most important actions that national governments could take to advance the sustainability agenda.

Providing incentives for renewables and disclosure requirements are also frequently mentioned, particularly in the NGO and corporate sectors and in Asia-Pacific and Latin America / Caribbean regions.

Institutional Performance on Sustainability



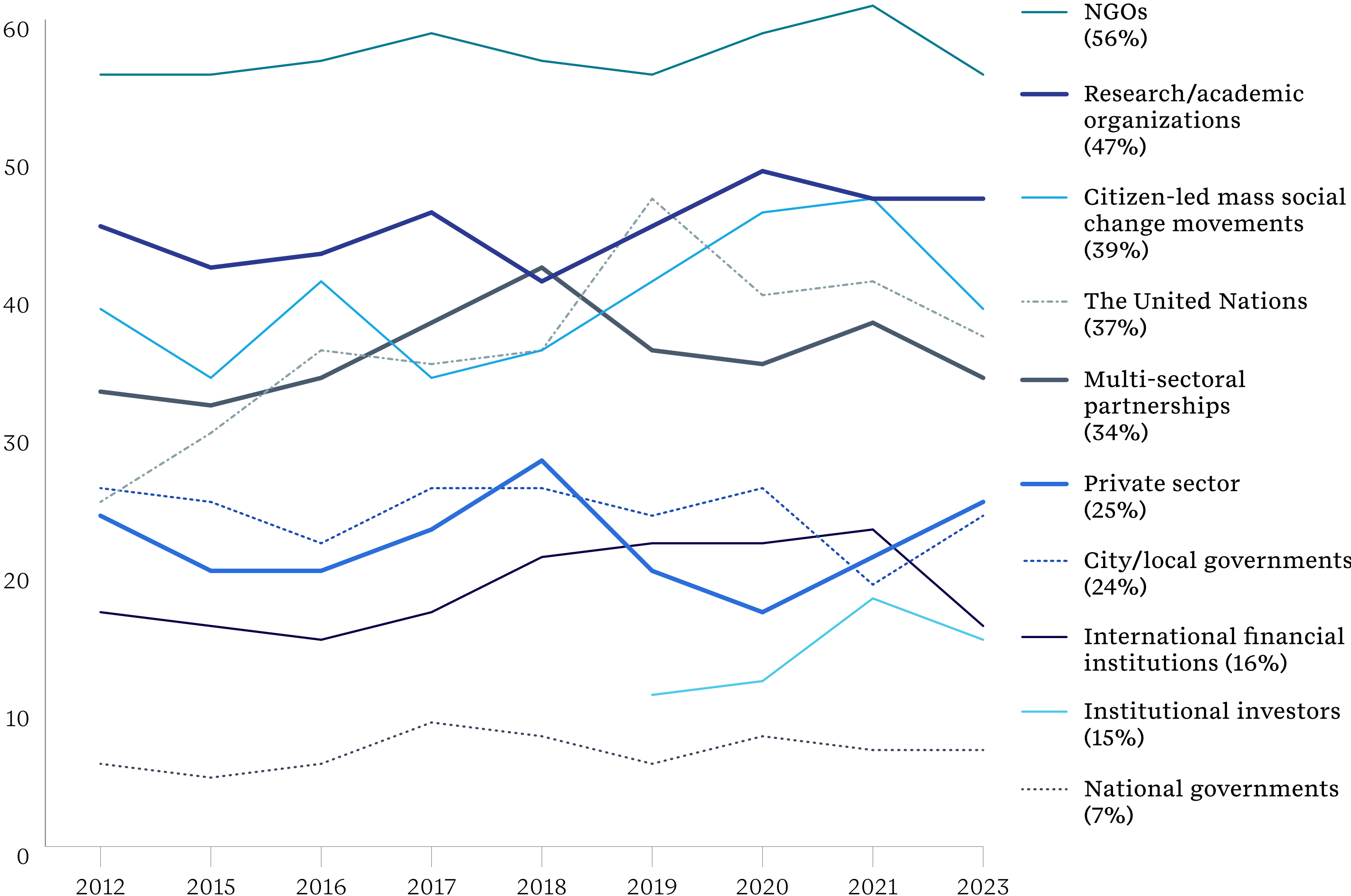
NGOs continue to be seen as the strongest performers in contributing toward progress on sustainable development

Since 2012, NGOs have stood out as performing the strongest in terms of contributing to the progress on sustainable development, although ratings have decreased slightly from 2021. The private sector and city/local governments have seen an uptick in performance ratings since 2021, while citizen-led mass social change movements and international financial institutions have seen decreased performance ratings.

QUESTION

How would you rate the performance of each of the following types of organizations in terms of their contribution to progress on sustainable development since the 1992 Earth Summit in Rio?

PLEASE USE A SCALE FROM 1 TO 5, WHERE 1 IS "POOR" AND 5 IS "EXCELLENT."



% of Experts, Excellent (4+5), 2012–2023

Across most sectors and regions, NGOs are considered the strongest performers in terms of contributing to progress on sustainable development

However, research and academic organizations are considered stronger performers in the academic and research sector and in Africa and the Middle East. The United Nations is considered a stronger performer by experts in academia and research, service and media, and in Latin America and the Caribbean.

QUESTION

How would you rate the performance of each of the following types of organizations in terms of their contribution to progress on sustainable development since the 1992 Earth Summit in Rio?

PLEASE USE A SCALE FROM 1 TO 5, WHERE 1 IS "POOR" AND 5 IS "EXCELLENT."

	NGO	Academic & Research	Corporate	Service & Media	Africa / Middle East	Asia-Pacific	Europe	Latin America / Caribbean	North America
NGOs	63	56	50	59	38	44	66	71	53
Research/academic organizations	35	68	41	51	69	42	54	41	42
Citizen-led mass social change movements	44	44	30	42	31	39	38	41	40
The United Nations	41	44	25	45	19	36	39	59	36
Multi-sectoral partnerships	25	24	49	31	13	28	28	41	42
Private sector	16	15	31	29	0	28	16	29	31
City/local governments	28	32	23	20	6	17	24	29	27
International financial institutions	9	12	18	18	13	14	15	41	14
Institutional investors	9	15	19	16	6	11	5	18	24
National governments	0	9	8	9	0	17	4	18	7

Government sector was not included in this analysis due to small sample size.
% of Experts, Excellent (4+5), by Sector and Region, 2023

Future of Government Legislation on Sustainability

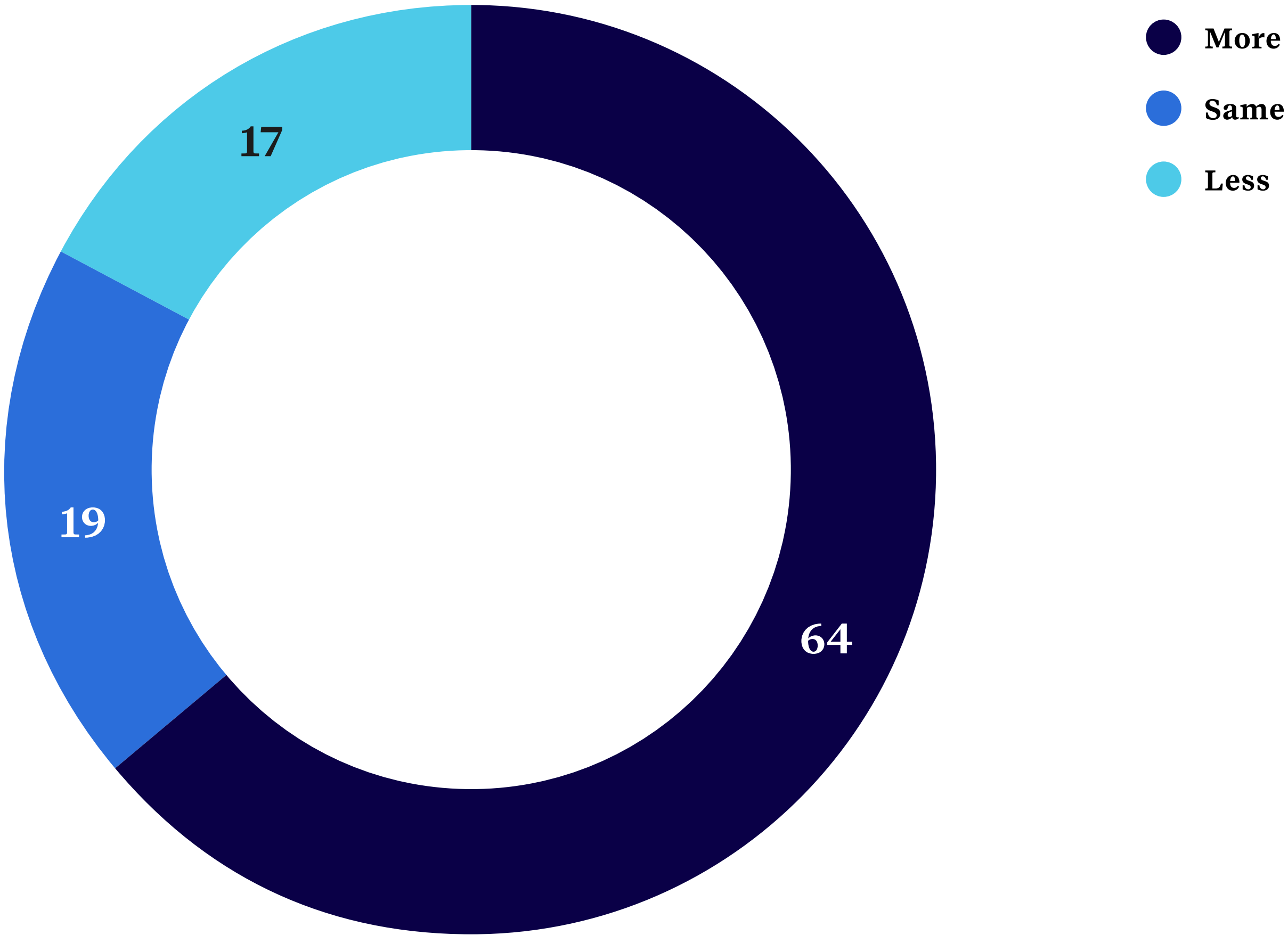
Government legislation is expected to increase over the next year

Nearly two-thirds of experts expect more government legislation on sustainability in their countries over the next 12 months.

QUESTION

Our previous survey on sustainability leadership showed that government legislation and disclosure requirements are currently seen to drive the sustainability agenda.

Do you expect more, less, or the same amount of government legislation on sustainability in your country over the next 12 months?



% of Experts, 2023

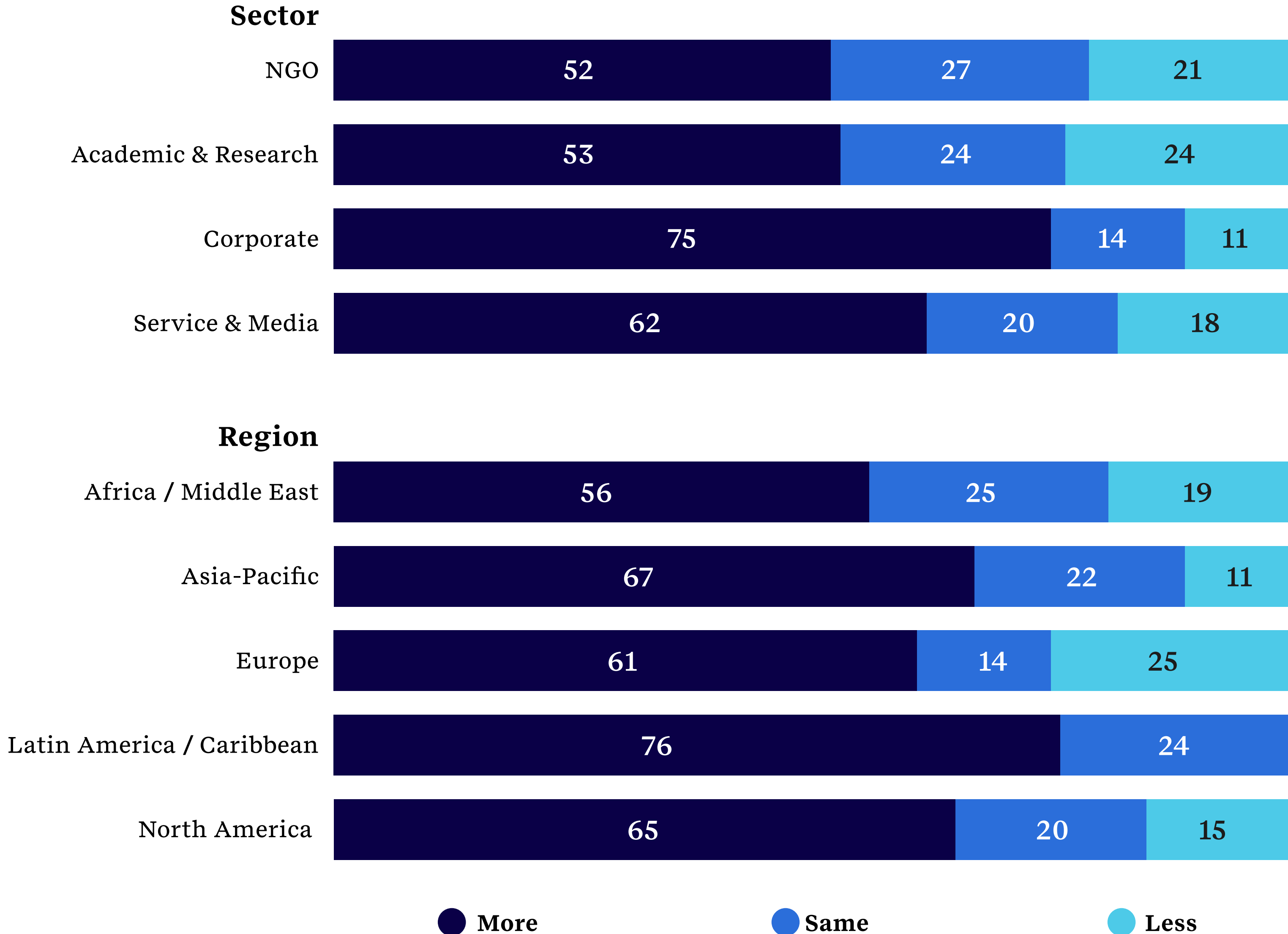
Across all regions and sectors, it is expected that there will be more government legislation in the next year

Experts across all sectors and regions expect there will be more government legislation on sustainability in their countries in the next 12 months. Those in the corporate sector and in the Latin America / Caribbean region are most expecting that there will be more upcoming legislation.

QUESTION

Our previous survey on sustainability leadership showed that government legislation and disclosure requirements are currently seen to drive the sustainability agenda.

Do you expect more, less, or the same amount of government legislation on sustainability in your country over the next 12 months?



The government sector was not included in this analysis due to small sample size.
% of Experts, by Sector and Region, 2023

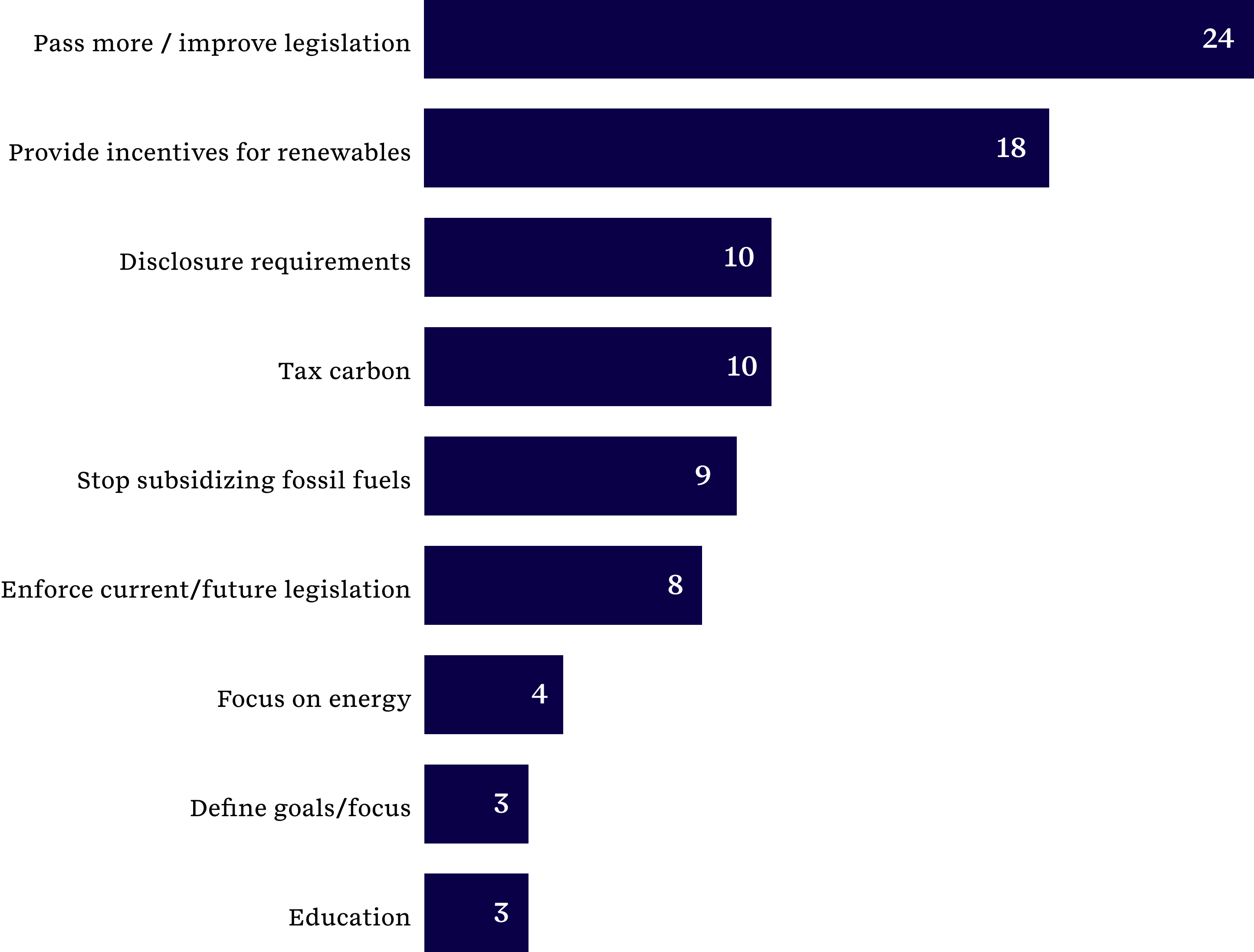
The Most Important Action Government Can Take to Advance Sustainability

Passing more legislation or improving current laws is considered the most important action to take for national governments

According to experts, passing more legislation or improving current laws is the most important action that national governments could take to advance the sustainability agenda in their countries. Providing incentives for renewables, disclosure requirements, and taxing carbon are also mentioned as priority actions for national governments.

QUESTION

What is the most important action that your national government could take now to advance the sustainability agenda in your country?



% of Experts, Unprompted, 2023

Across all sectors and regions, passing more legislation or improving current laws is considered the most important action that national governments could take to advance the sustainability agenda

Providing incentives for renewables is also mentioned frequently, particularly in the corporate sector and in Asia-Pacific and Latin America / Caribbean. Disclosure requirements are mentioned more often in the NGO and corporate sectors, and in the Asia-Pacific and Latin America / Caribbean regions.

QUESTION

What is the most important action that your national government could take now to advance the sustainability agenda in your country?

	NGO	Academic & Research	Corporate	Service & Media	Africa / Middle East	Asia-Pacific	Europe	Latin America / Caribbean	North America
Most important	Pass more / improve legislation (21%)	Pass more / improve legislation (26%)	Pass more / improve legislation (24%) Provide incentives for renewables (24% each)	Pass more / improve legislation (24%)	Pass more / improve legislation (47%)	Pass more / improve legislation (29%) Provide incentives for renewables (22% each)	Pass more / improve legislation (29%)	Pass more / improve legislation (19%) Provide incentives for renewables (18% each)	Pass more / improve legislation (19%)
2nd most important	Provide incentives for renewables (12%) Disclosure requirements (12% each)	Stop subsidizing fossil fuels (12%) Tax carbon (15% each)	Disclosure requirements (12%)	Provide incentives for renewables (17%)	Enforce current/future legislation (12%)	Disclosure requirements (17%)	Provide incentives for renewables (20%)	Enforce current/future legislation (12% each)	Provide incentives for renewables (17%)
3rd most important	Tax carbon (9%)	Enforce current/future legislation (12%)	Tax carbon (7% each) Define goals/focus (7% each)	Stop subsidizing fossil fuels (16%)	Provide incentives for renewables (6% each) Focus on energy (6% each)	Stop subsidizing fossil fuels (14%)	Enforce current/future legislation (11%)	Stop subsidizing fossil fuels (6% each) Tax carbon (6% each)	Tax carbon (15%)

The government sector was not included in this analysis due to small sample size.
% of Experts, by Sector and Region, Unprompted, 2023

Expert quotes

QUESTION

What is the most important action that your national government could take now to advance the sustainability agenda in your country?

“To not stick to its recent announcement to roll back on previous promises. Or give more oil exploration contracts. We need stronger, more legislation now not less.”

“Be serious about it and put a proper legislation into action, beyond CO₂ and N reduction... Belgian and Flemish governments are far behind in implementing and actively pursuing a sustainability agenda.”

“Put in place a national Sustainability ruling and require mandatory reporting GHG data or other ESG metrics.”

“Enact policies that accelerate the deployment of low carbon energy solutions (e.g., IRA in the US).”

“Requiring every corporation with over \$1B revenue to obtain third-party verified Scope 1, 2, and 3 emissions and disclose them publicly.”

“Support more alternative, clean energy options including funding for EVs to encourage more production and charging stations to make EV purchases more affordable and accessible.”

“Implement a carbon tax sufficiently high to change behavior and, at the same time earmark funds for more research and development of electrification of more transportation and industrial activities.”



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