Preparing for 2024: *A Special GlobeScan Trends Briefing*

Preparing for a Pivotal Year

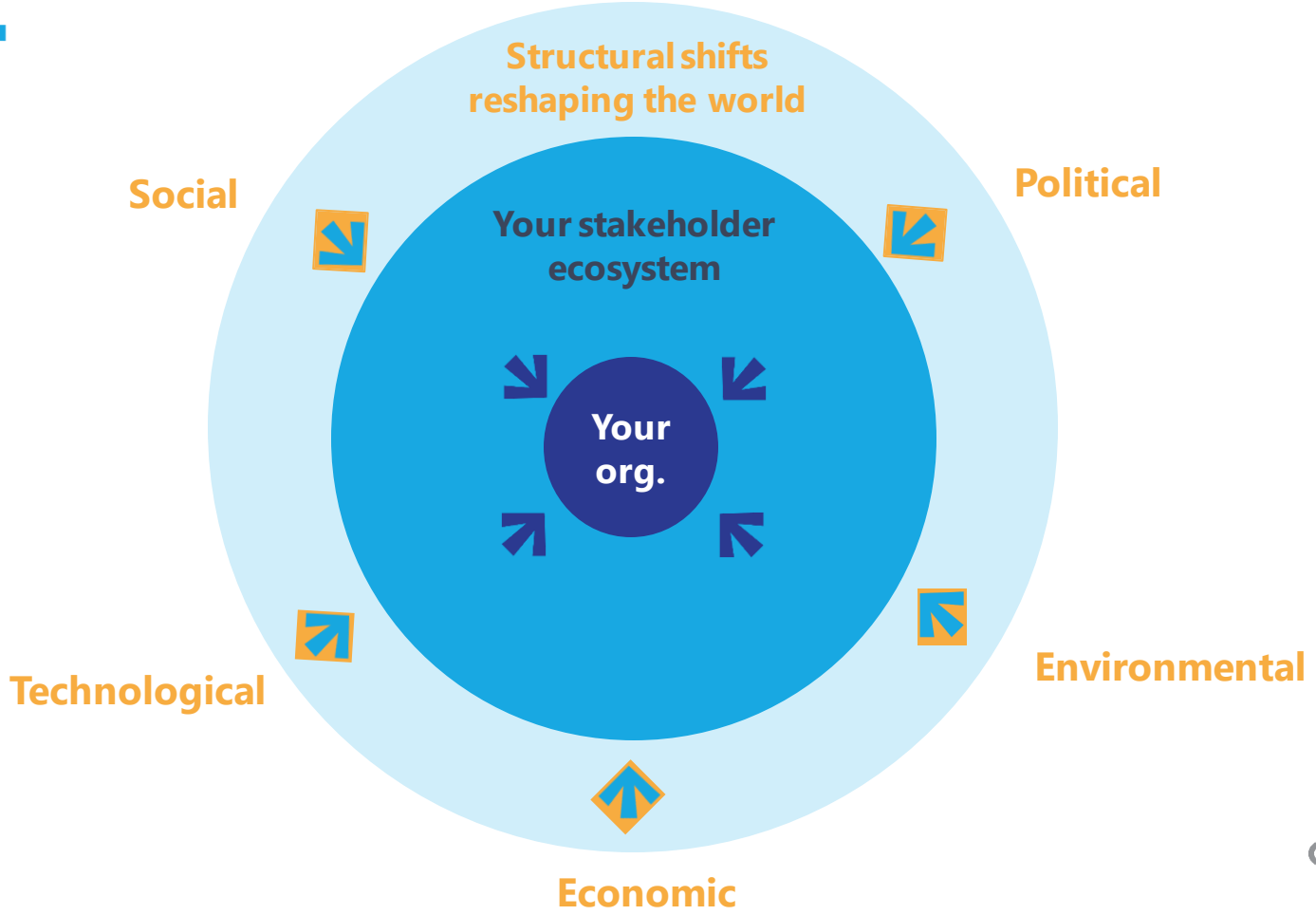
January 24, 2023

GlobeScan
Know your world.
Lead the future.

“Prediction is very difficult, especially about the future.”

Niels Bohr, Danish Physicist

Staying ahead of the curve



Know your world.
Lead the future.

These combine with insights from our custom work

Our platforms that inform the early warning system

Tracking what the world is thinking

Radar

Engaging consumers on sustainability

Healthy & Sustainable Living

The expert view on the leading edge

Global Sustainability Leaders Survey

GlobeScan

ERM SUSTAINABILITY INSTITUTE

Understanding leadership from the inside out

Global Corporate Affairs Survey

University of Oxford Saïd Business School

GlobeScan

Who we will hear from today

Chris Coulter
CEO,
GlobeScan

Femke de Man
Senior Director,
GlobeScan Toronto

Anneke Greyling
Director,
GlobeScan Africa

Victoria Gilbert
Director,
GlobeScan Asia Pacific

Álvaro Almeida
Director,
GlobeScan Brazil

James Morris
Director,
GlobeScan USA

Pendragon Stuart
Director,
GlobeScan UK

Agenda

- Introduction
- Geopolitical uncertainty and expectations of government
- Evolving activism and pressure
- Engaging and enabling consumers
- Incorporating diverse and regional perspectives
- ESG is dead, long live ESG
- Pivotal Moment for Corporate Leadership
- Conclusion
- Q&A

Geopolitical uncertainty and expectations of government

Anneke Greyling
Director,
GlobeScan Africa

Cape Town

Context

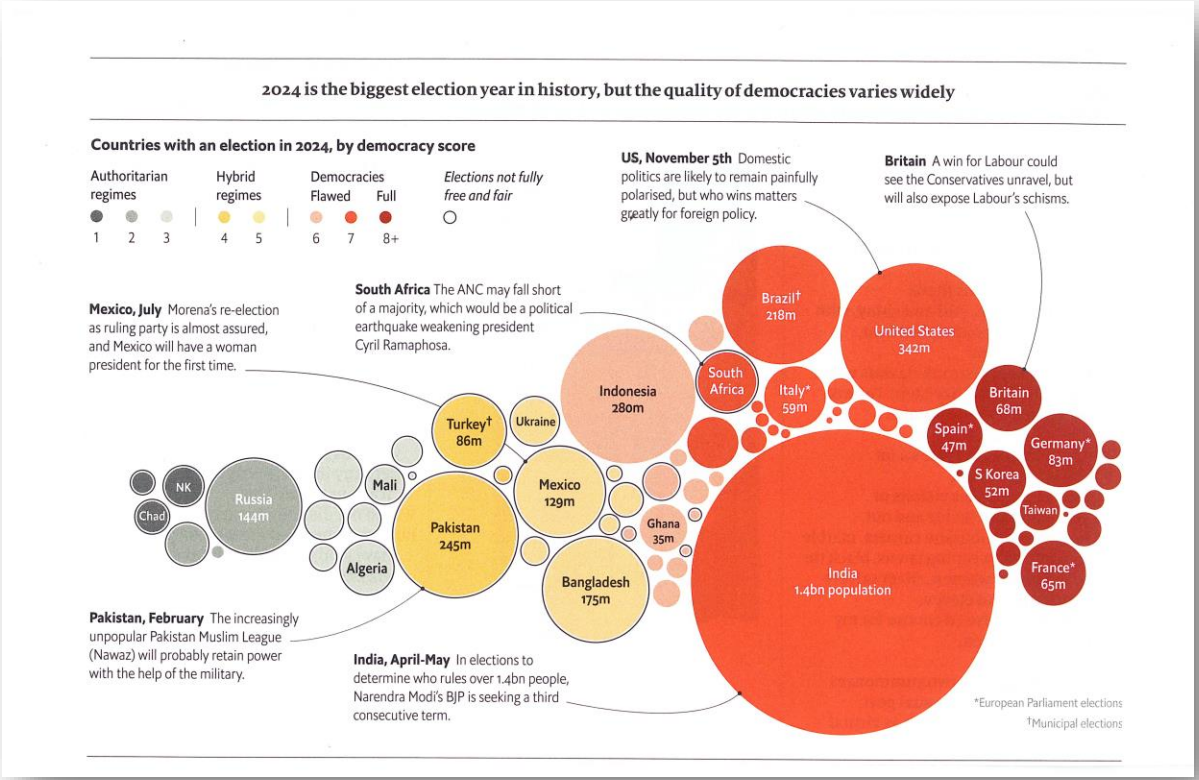
1

War and conflict across key regions

Context

2

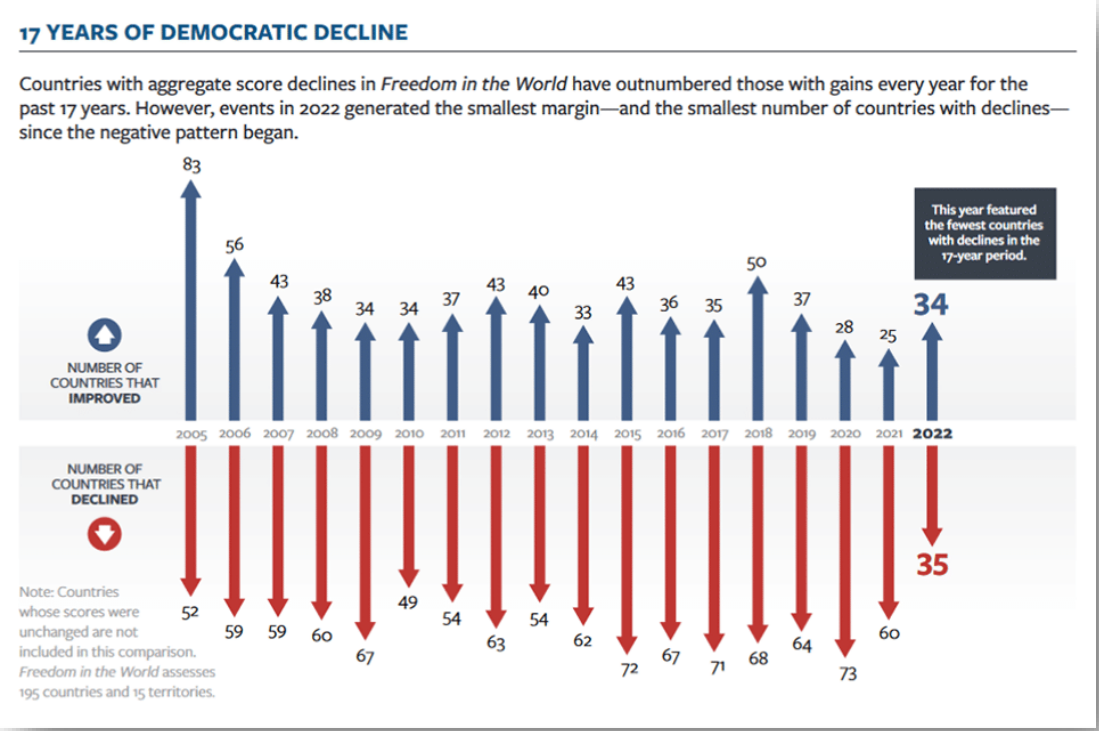
Nearly 80 countries hosting national elections



Context

3

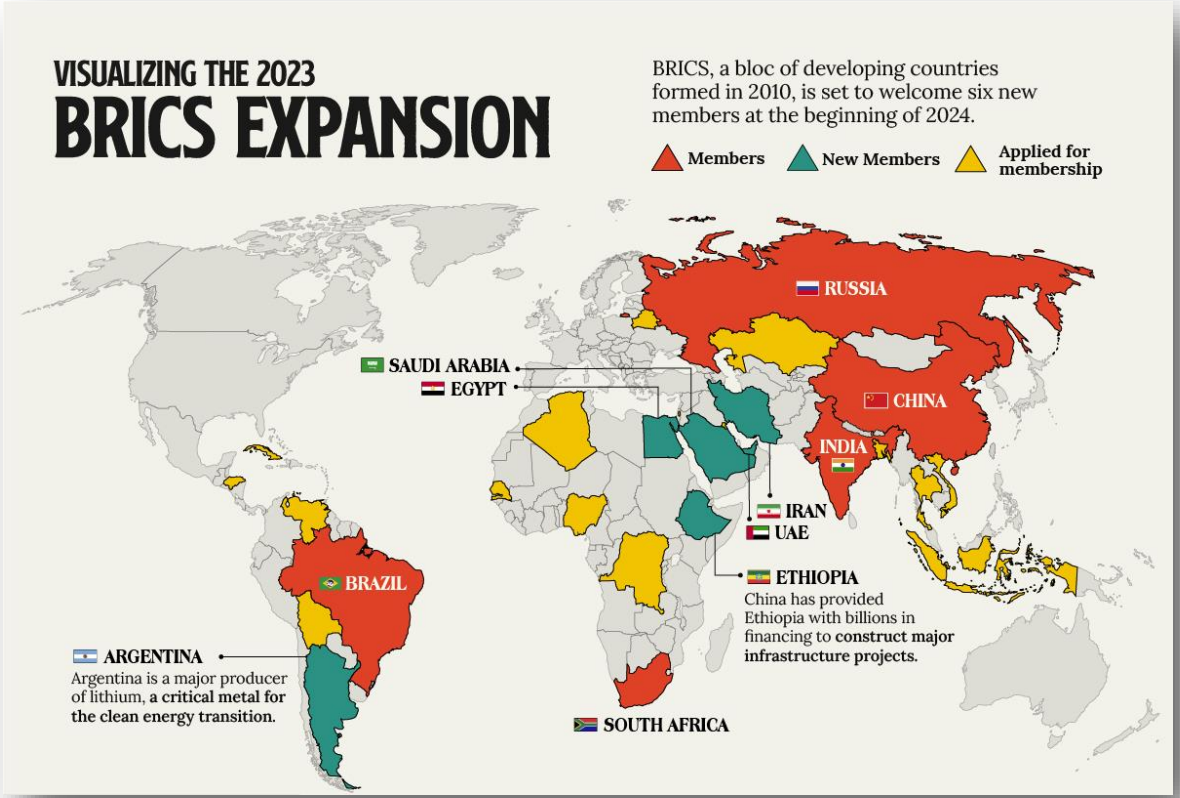
Democracy on the decline



Context

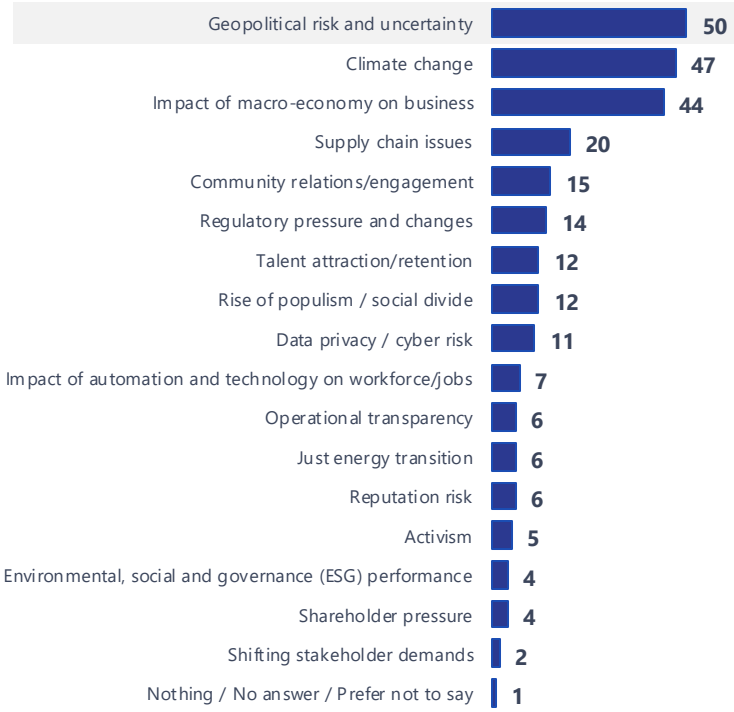
4

New economic order on the rise

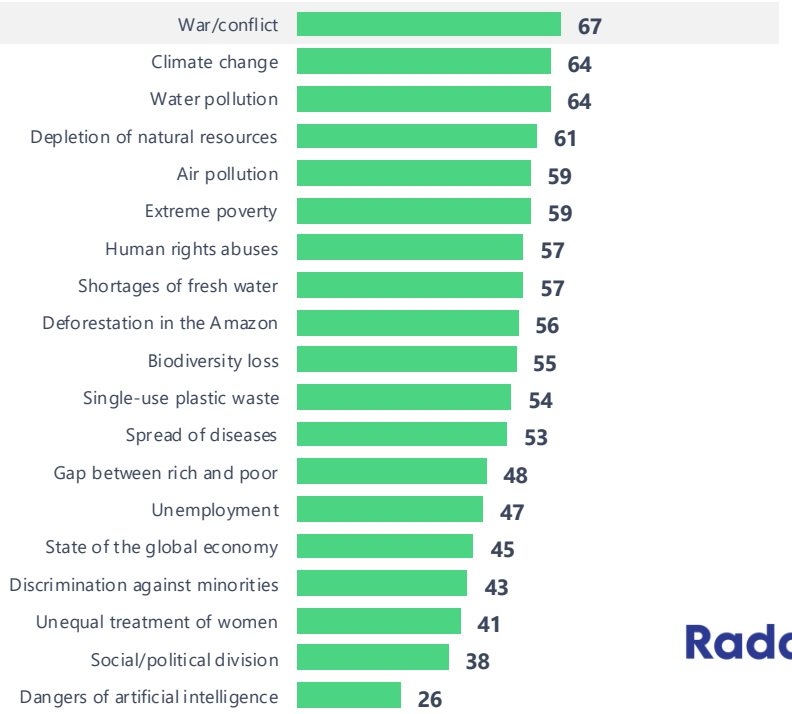


Concerns related to the political order tops the agenda

Geopolitical risk and uncertainty identified as top risk by Corporate Affairs professionals



War and conflict tops list of global concerns amongst public across 31 countries

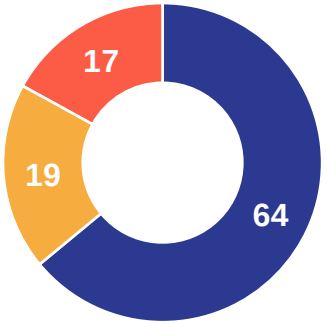


Q40. What are the top three areas that are the biggest risks for global businesses over the next two years? Please list below in order of biggest risk, where 1 is the biggest, 2 is the second, and 3 is the third biggest risk. (*n*=109)

T1. For each of the following possible global problems, please indicate if you see it as a very serious, somewhat serious, not very serious, or not at all serious problem. Average of data from 31 countries

Expectations

Government legislation on sustainability expected to increase

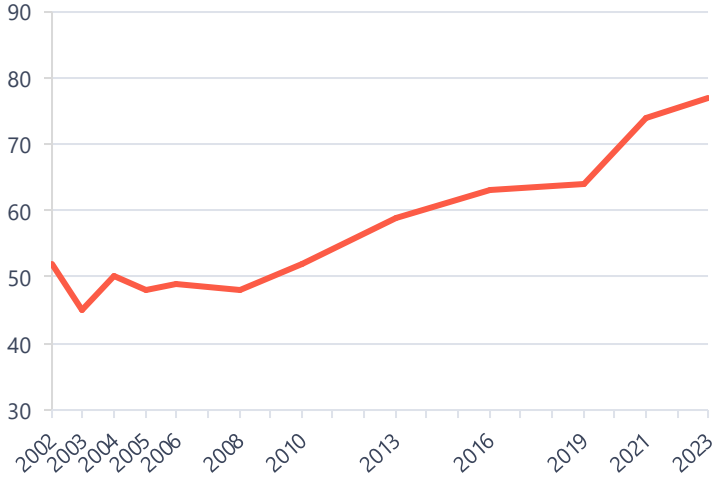


More Same Less

Global Sustainability Leaders Survey, 2023

Q: 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 twelve months?

Long-term trend of growing public support for regulating corporate responsibility



Radar

T8_3. Our government should create laws that require large companies to go beyond their traditional economic role and work to make a better society, even though this could lead to higher prices and fewer jobs.

*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Kenya, Mexico, Nigeria, South Korea, Spain, Turkey, UK, and USA. Before 2020 this question was asked using an in-person and telephone methodology.

Evolving activism and pressure

Femke de Man
Senior Director,
GlobeScan

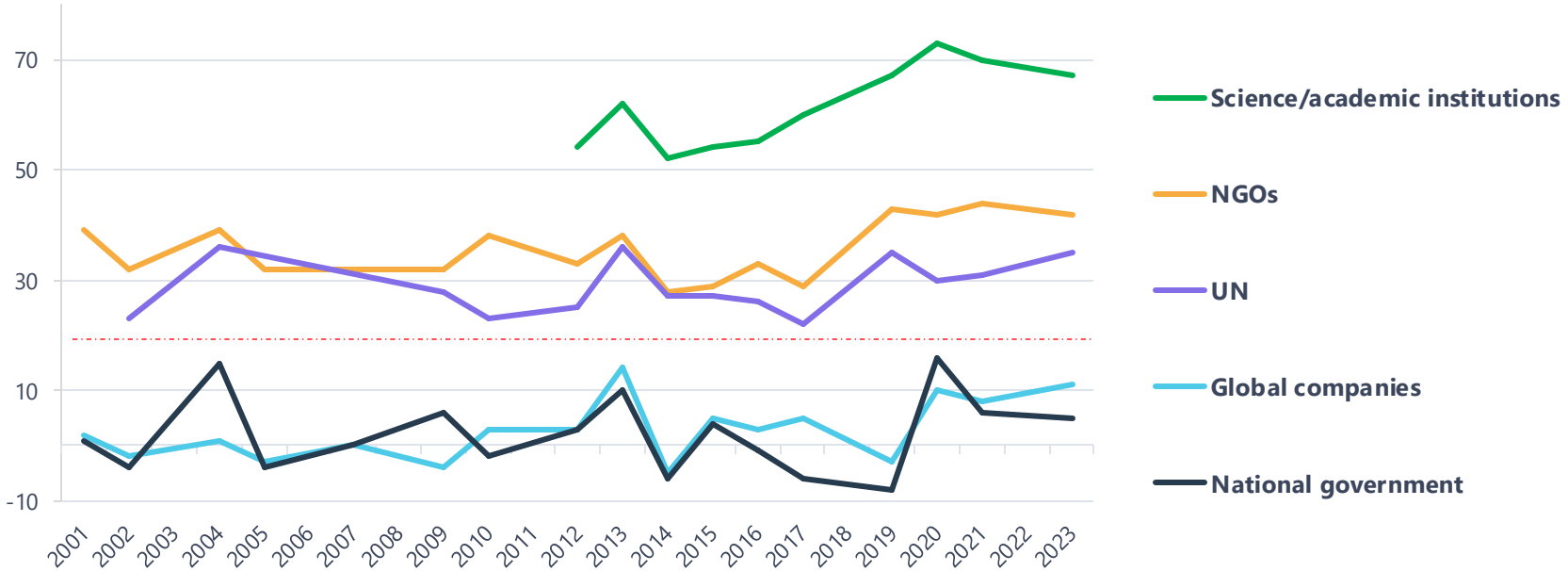
Toronto

Scientific/academic institutions and civil society much more trusted than government and business

Trust in Institutions

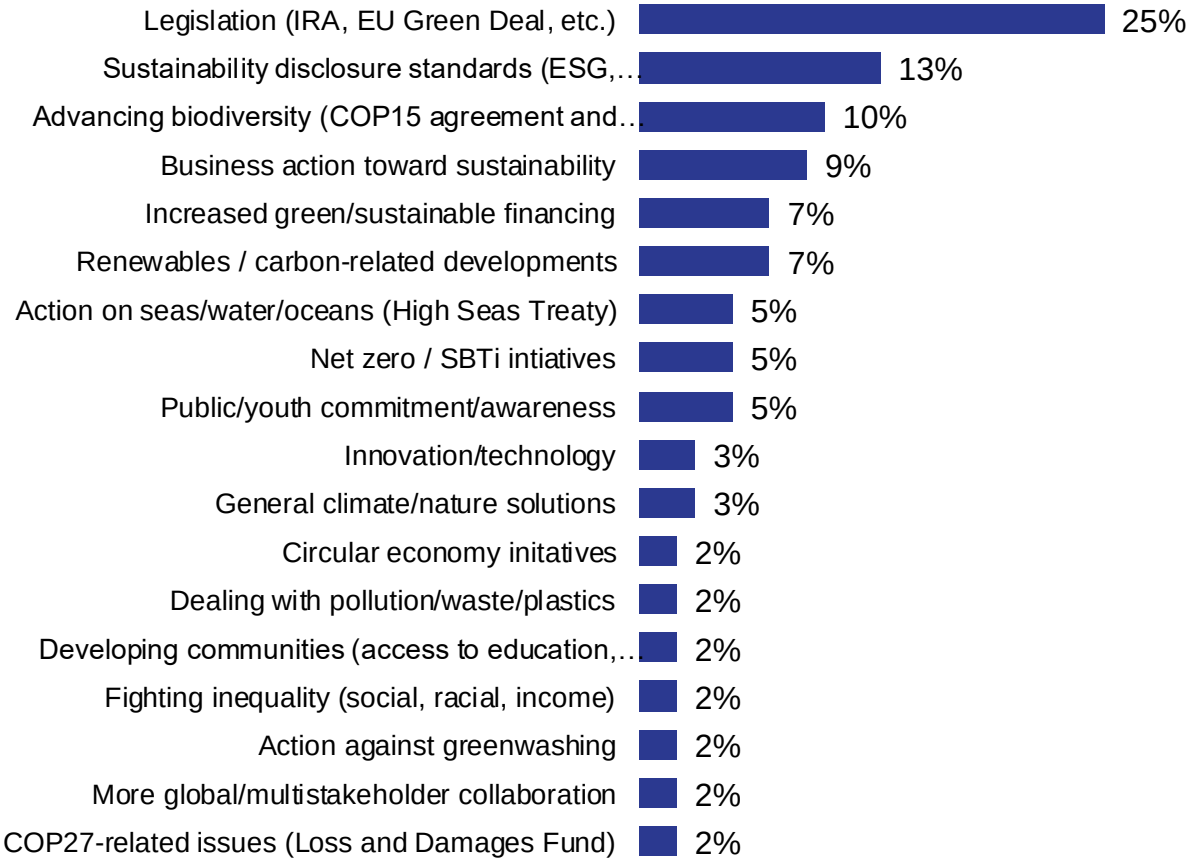
Net Trust,* Average of 16 Countries,** 2001–2023

*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"



T3. Please indicate how much you trust each of the following institutions to operate in the best interest of our society. Would you say you have a lot of trust, some trust, not much trust, or no trust at all in…?

Experts See Range of New Legislation as Most Significant Recent Sustainability Breakthrough



Question

Over the past 12 months, what has been the most significant positive action or development related to the sustainability agenda? This action or development may have come from the public sector, civil society, business, finance and investment, or any other part of society.

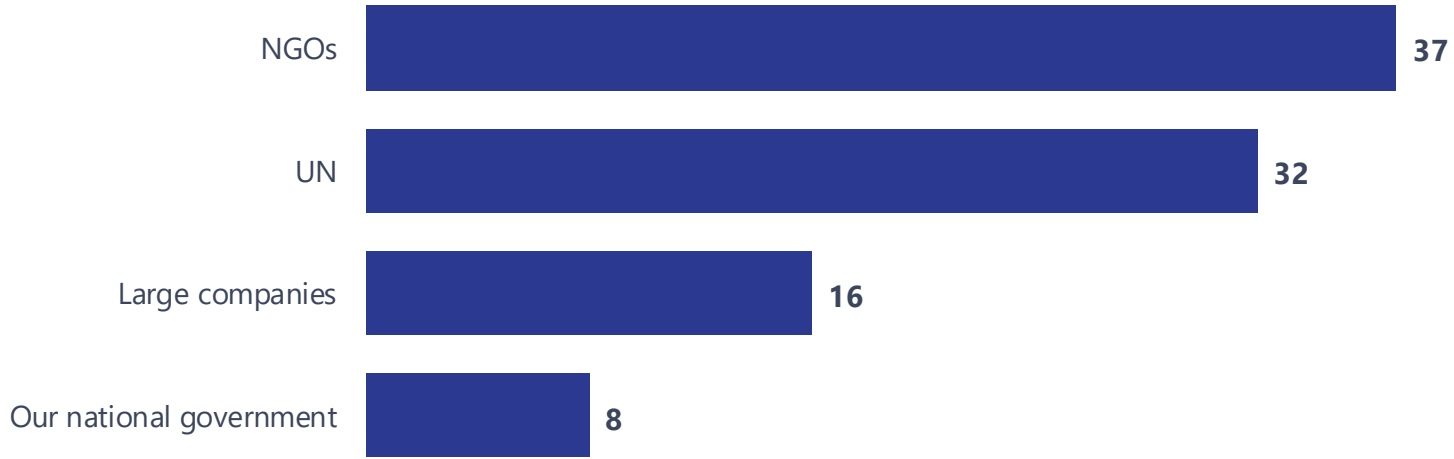
% of Experts, Unprompted, Total Mentions, 2023

Global Sustainability Leaders Survey, 2023

NGOs and the UN are ranked the highest on their perceived net performance on helping meet the SDGs; national governments are rated the lowest

Perceived Performance of Institutions on the SDGs

Subsample: Asked to Those Who Know "A Lot" or "Some" about the SDGs,
Net Performance,* Average of 31 Countries, 2023



*"Very good" and "Good" minus "Poor" and "Very poor"

T47. How would you rate the performance of each of the following in making sure that the Sustainable Development Goals will be met?

Collaboration and Stakeholder Engagement Drive NGO Leadership

Question

Why do you think [insert NGO #1] is a leader in sustainable development?

Please choose up to two from the list below.

% of Experts,-Total Mentions, 2023

Engaging and enabling consumers

Hong Kong

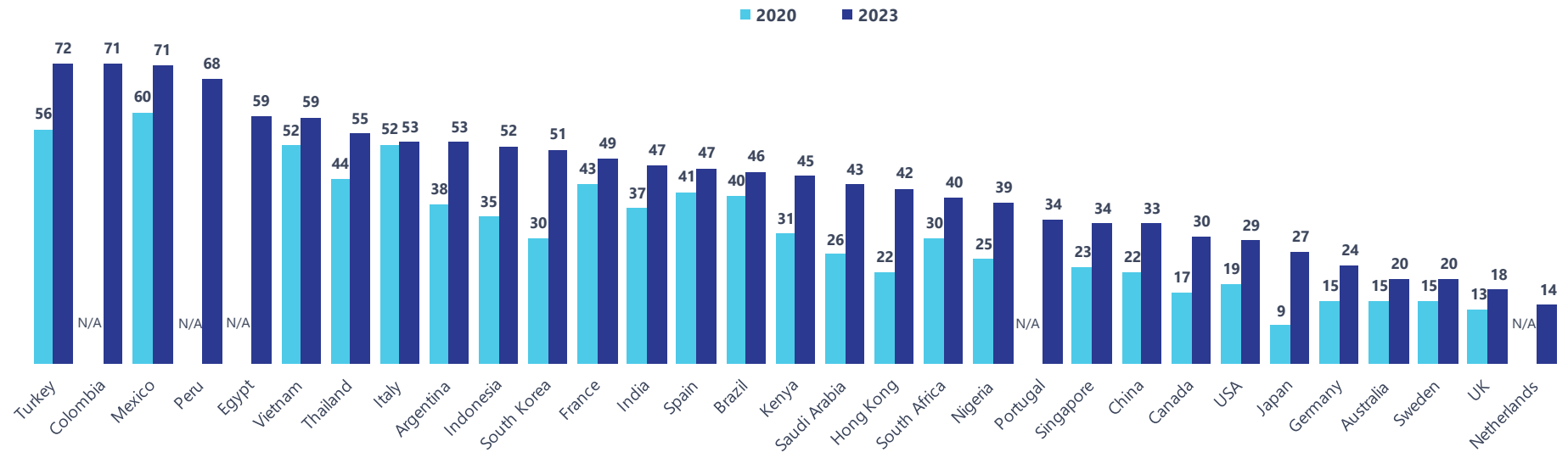
Victoria Gilbert
Director,
GlobeScan Asia Pacific

Almost all markets have seen increases in *personal impact* of climate change over the past three years

Healthy & Sustainable Living

Extent Personally Affected by Climate Change

"Greatly Affected," by Market, 2020–2023



T2. How much are you personally affected by each of the following?– Climate change or global warming

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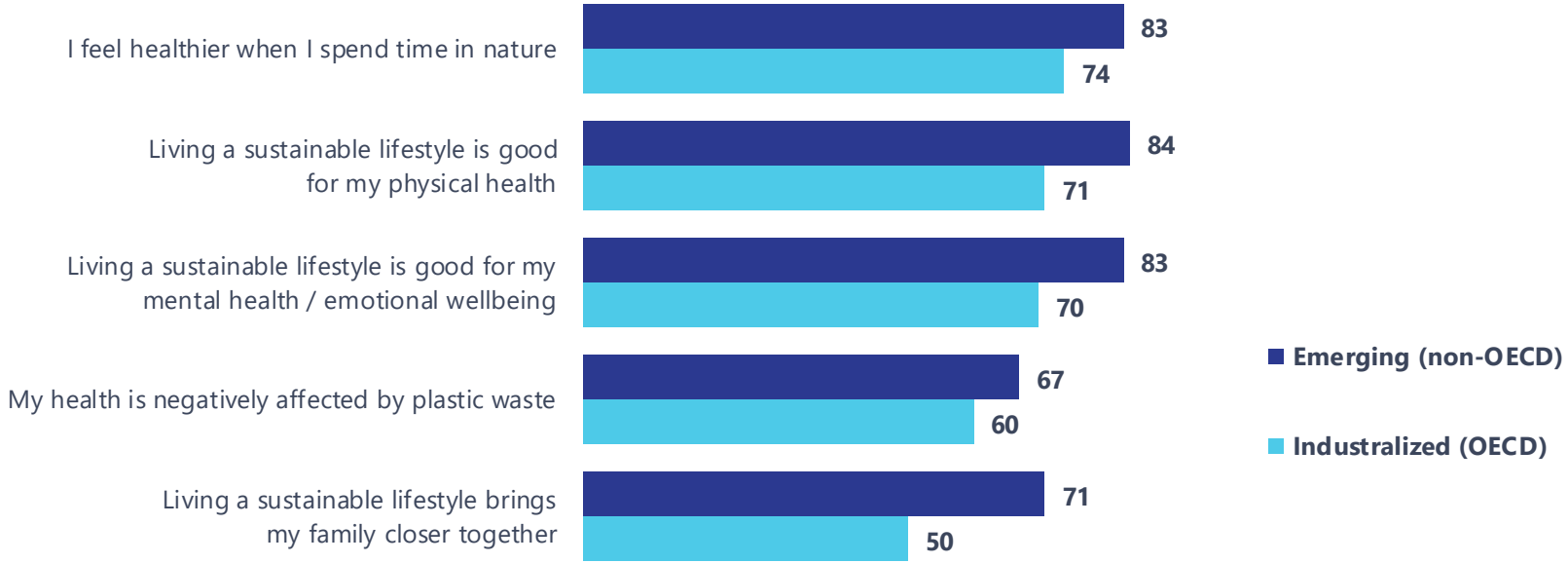
Belief that a sustainable lifestyle is beneficial to personal health and wellbeing is stronger in emerging markets

Healthy & Sustainable Living

Attitudes on the Sustainability-Health Connection

"Strongly" and "Somewhat Agree," Average of 31 Markets and by Economic Development, 2023



Q6. Please indicate whether you strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree with each of the following statements.

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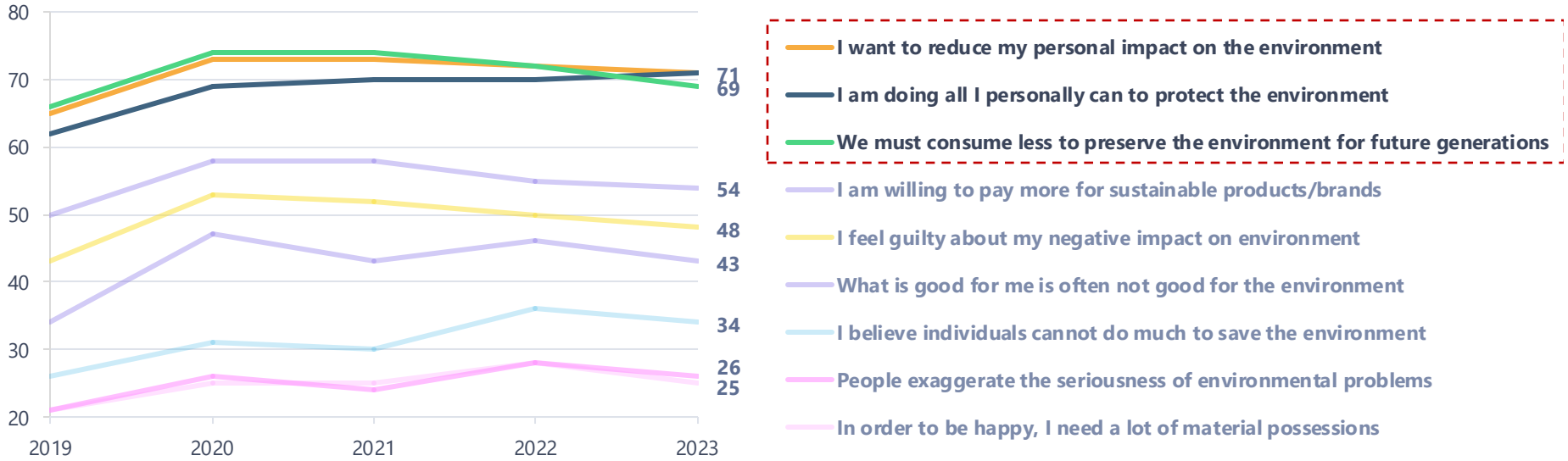
Losing momentum: >70% consumers believe they are already doing all they can

Healthy & Sustainable Living

Environmental Attitudes

"Strongly" and "Somewhat Agree," Average of 23 Markets,* 2019–2023



*For consistent tracking, this chart does not include Colombia, Egypt, Netherlands, Peru, Portugal, Singapore, Thailand, and Vietnam, as these markets were not surveyed in 2019.

Q6. Please indicate whether you strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree with each of the following statements.

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Bridge the gap to gain trust and build momentum

- Meet consumers where they are – know your audience
- Highlight the link between environment and wellness – make it personal
- Recognise geographical differences – localize and motivate
- Look ahead – drive behaviour change

Incorporating diverse and regional perspectives

Álvaro Almeida
Director,
GlobeScan Brazil

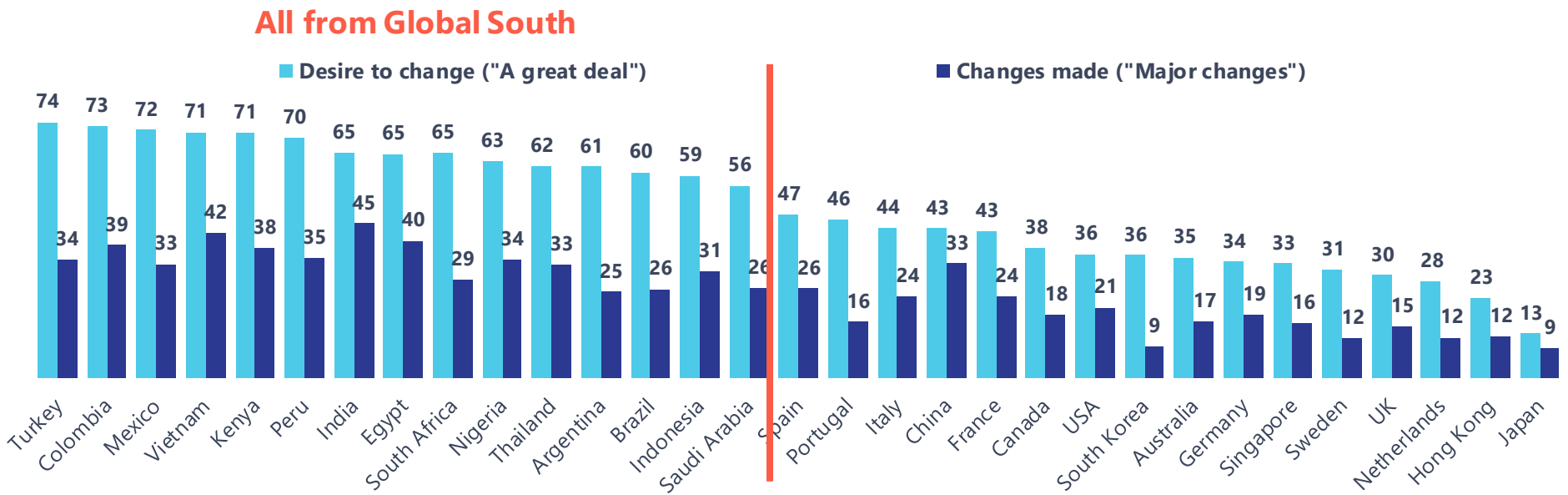
São Paulo

A significant aspirations-action gap for sustainable living persists in all markets; gap is largest in Turkey, Mexico, Argentina, and South Africa

Healthy & Sustainable Living

Gap between Desire to Change vs Changes Made for Lifestyle to Be More Sustainable

By Market, 2023



Q2.1 How much would you like to change your lifestyle to be more...? – Environmentally friendly, reducing my impact on the environment and the climate

Q3.1 Have you made any changes to your lifestyle in the past year to be more...? – Environmentally friendly, reducing my impact on the environment and the climate

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Priority concerns vary across regions, with climate change at the top in Asia-Pacific and water pollution most worrying in Latin America

Perceived Seriousness of Global Problems

"Very Serious," Top Issues, by Region, 2023

	Africa / Middle East	Asia-Pacific	Europe	Latin America	North America
1	War and armed conflict	Climate change	War and armed conflict	Water pollution	War and armed conflict
2	Extreme poverty	War and armed conflict	Water pollution	Depletion of natural resources	Depletion of natural resources
3	Water pollution	Air pollution	Depletion of natural resources	Extreme poverty	Water pollution
4	Human rights abuses	Single-use plastic waste	Climate change	Shortages of fresh water	Extreme poverty
5	Unemployment	Water pollution	Loss of biodiversity	Climate change	Human rights abuses

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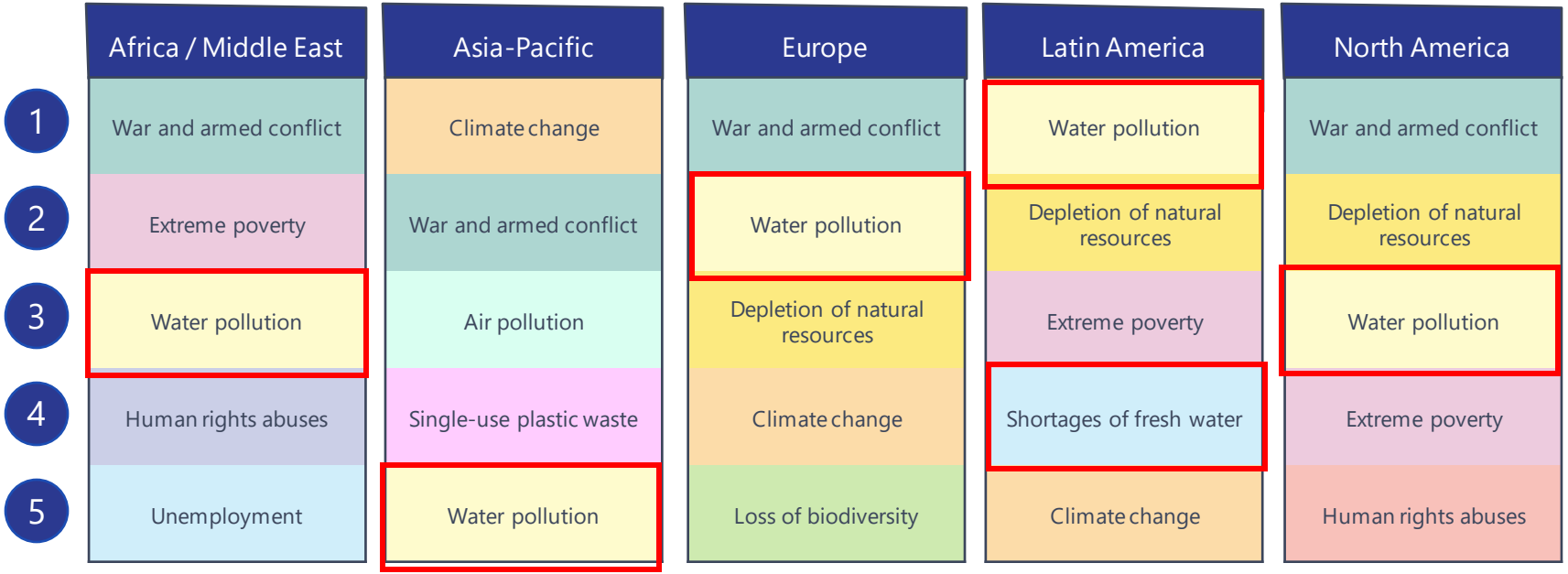

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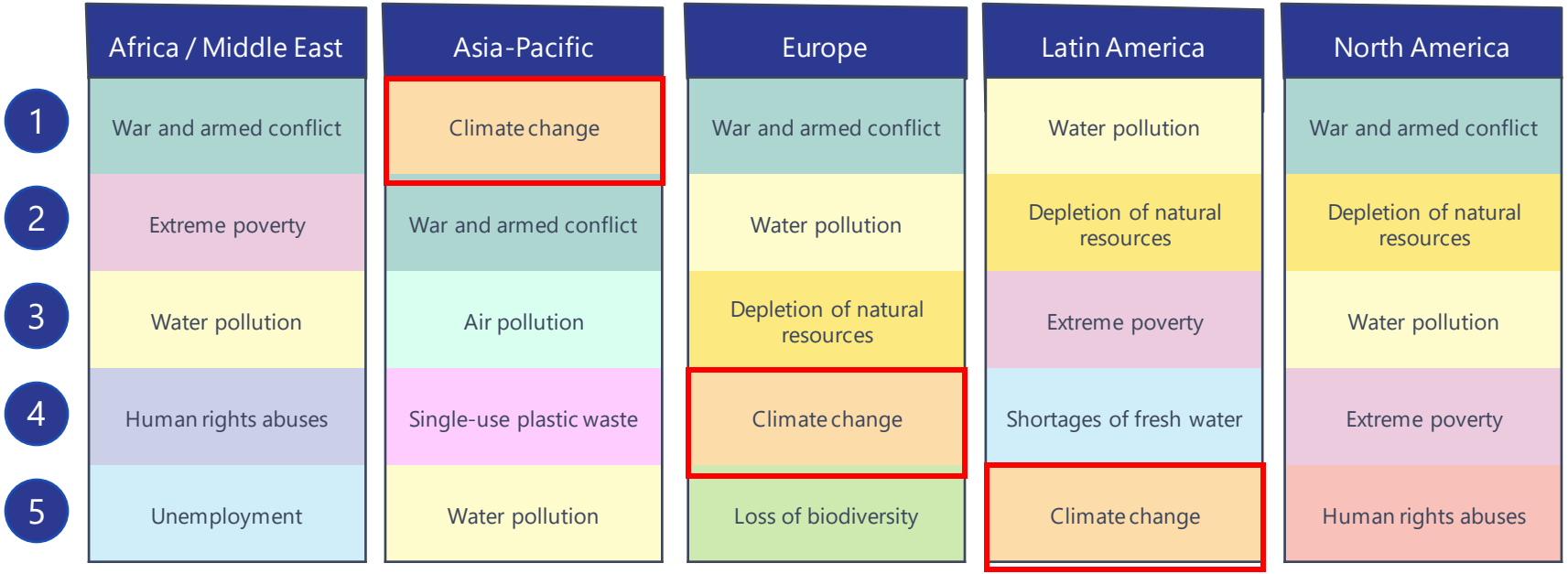

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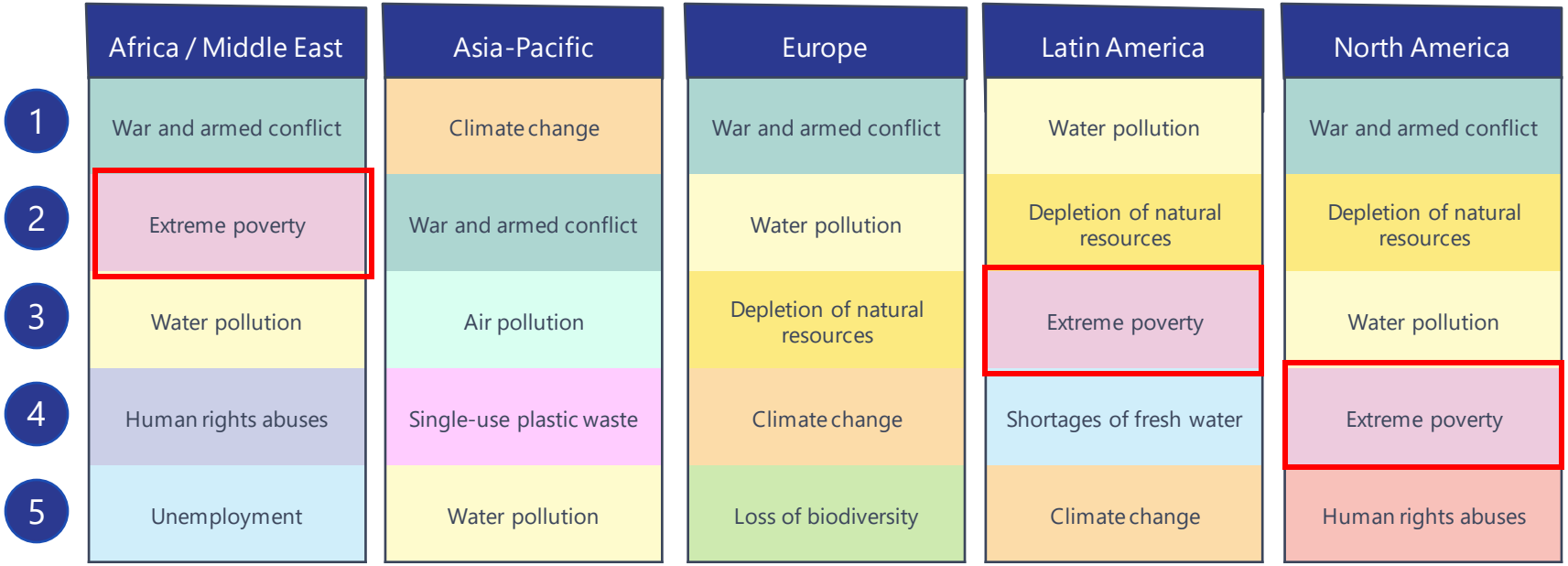

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The urgent need to incorporate regional perspectives…

- Global problems vs local activation
- The imperative of just transition
- Diversity of social local contexts (tradition, values, culture) and priorities (needs)
- Communications and Engagement depends on meaningful local associations
- Map local associations to better activate stakeholders, even more in Global South

ESG is dead, long live ESG

London

Pendragon Stuart
Director,
GlobeScan UK

ESG has risen rapidly, but has suddenly faced major challenges

The rise: business friendly sustainability

ESG assets may hit $53 trillion by 2025, a third of global AUM

Bloomberg

The pushback: from opposite directions

To little: Rebrand of business as usual ⟷ **Too much: Business disrupted by politics**

Between the momentum and the challenges, which way will ESG pivot?

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Both challenges will evolve rapidly

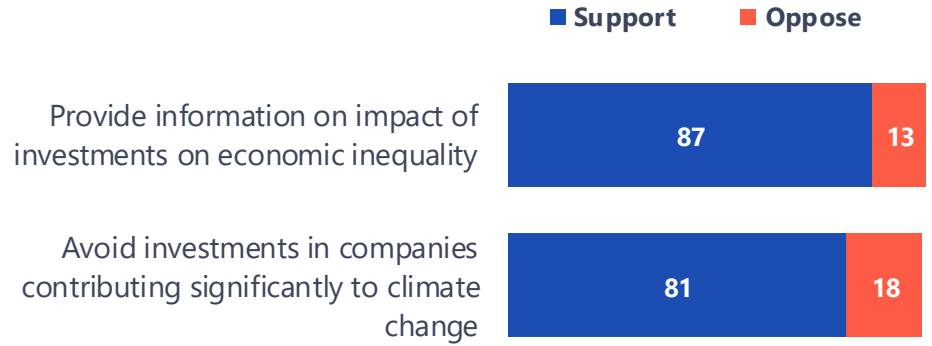
Too little: Rebrand of business as usual

New reporting standards demand disclosure of **financial impacts**

Some require **assurance and measurement of impact on society**

Too much: Business disrupted by politics

The *question* is politicised, but the citizen and retail investor *appetite* is not:



*Includes Australia, Canada, France, Germany, Hong Kong, Italy, Japan, Singapore, UK, and USA. Subsample: Asked only of those who say they own shares ("Own and invest in stocks/bonds directly," "Own and invest in EFTs (exchange-traded funds) or mutual funds directly," "Participate in a company or government pension or retirement scheme.")
T57. How much do you support or oppose your fund or pension plan to do each of the following?

So what is next and what does it mean for organizations?

- Investor interest is not disappearing – even if it is not called ESG
- Develop strategies to partner with investors in the shifting landscape
- Use reporting drive to inject rigor into sustainability
- BUT ensure data gathering does not overtake action

Pivotal Moment for Corporate Leadership

San Francisco

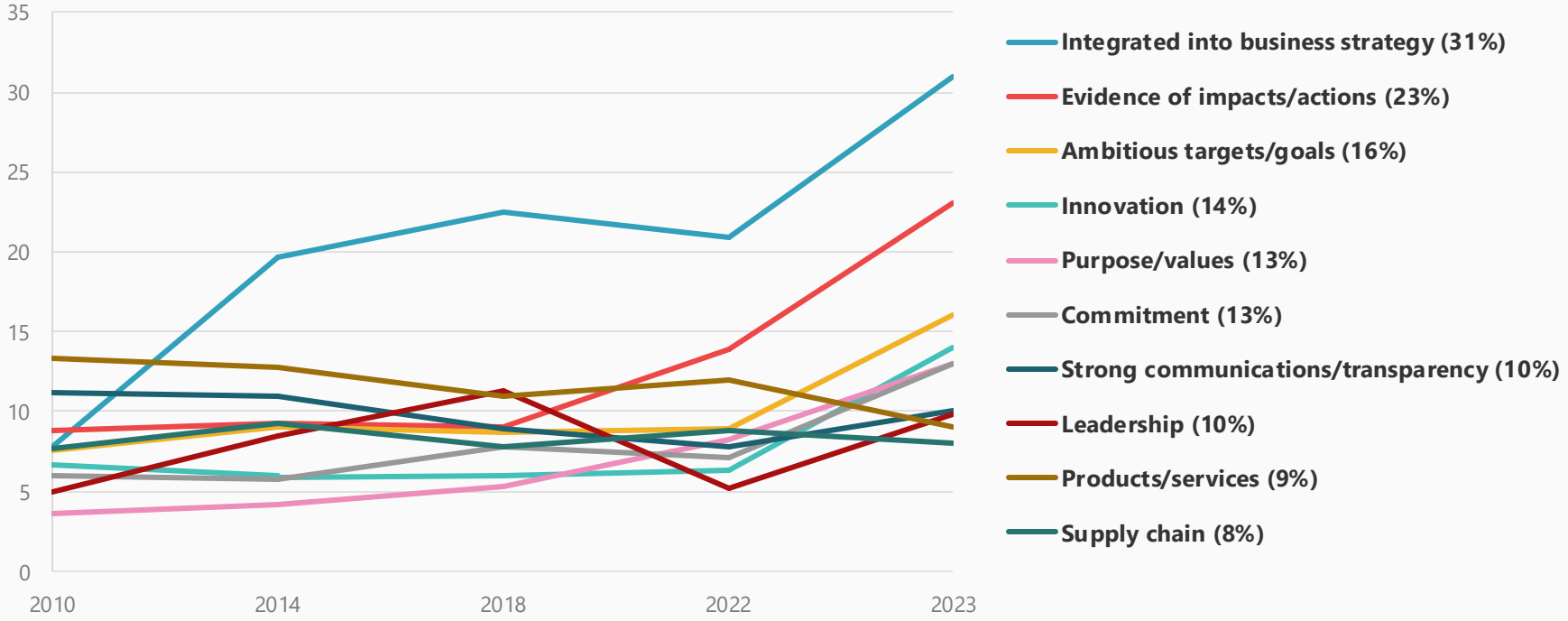
James Morris
Director,
GlobeScan USA

Recognized Leadership Is Increasingly Driven by Integration, Impact, and Innovation

Question

Why do you think [insert company #1] is a leader in sustainable development?

Please enter up to two responses in the spaces provided.



% of Experts, Unprompted, Total Mentions, 2010–2023

Sustainability Leadership: An Evolving Picture (1997–Present)

1997 – 2005

Harm Reduction Era

3M, bp, Dow, DuPont, Interface, Shell, The Body Shop

2006 – 2015

Strategic Integration Era

GE, Interface, M&S (EST. 1884), Nike, Toyota, Unilever, Walmart

2016 – 2022

Purpose-Driven Era

Danone, IKEA, Interface, Natura &Co, Nestlé, Patagonia, Unilever

2023 – Onwards

Regenerative Era

Danone, IKEA, Microsoft, Nestlé, Ørsted, Natura &Co, Patagonia, Suzano, Unilever

Continue to build on the foundation of each era

Recognized Leadership: The Framework

The nine attributes of the framework derived from longitudinal quantitative research with global stakeholders

Corporate Performance

Laying a strong performance-led foundation that demonstrates leadership and establishes credibility

1. Delivering progress on **impact** via ambitious strategy, goals, and commitments (Net Positive, SBTi, etc.)
2. Integrating and **commercializing** sustainability effectively
3. Driving sustainability **innovation** (products, processes, approaches, initiatives)

Systems Change

Engaging in collaboration and advocacy to effectively drive systemic change

4. Listening to, **mobilizing,** and engaging with stakeholders
5. Engaging in sustainability **advocacy** (policy & behavior change)
6. Working with others in **collaboration** and partnership to drive collective impact

Communications

Using communication as a strategic tool to inspire and change minds and behaviors

7. Having a well-defined sustainability **narrative** linked with purpose
8. Being **courageously transparent** and open about performance
9. Investing in **campaigns** and storytelling that inspire behavior and mindset change

Conclusions

Chris Coulter
CEO,
GlobeScan

Toronto

Questions

GlobeScan is a global insights and advisory consultancy working at the intersection of behavior change, sustainability, and trust.

We partner with leading companies, NGOs, and governmental organizations to deliver insights that guide decision-making and build strategies that contribute to a sustainable and equitable future.

We combine over 35 years of data-driven insights with a global network of experts and the ability to engage any stakeholder or consumer. Our unique research programs and global capabilities help to know what's new, what's next, and what's needed. And our advisory services help turn that knowledge into smart, strategic decisions.

Established in 1987, we have offices in Cape Town, Hong Kong, Hyderabad, London, Paris, San Francisco, São Paulo, Singapore, and Toronto. As a proudly independent, employee-owned company, we're invested in the long-term success of our clients and society. GlobeScan is a Certified B Corp and a participant of the United Nations Global Compact.

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