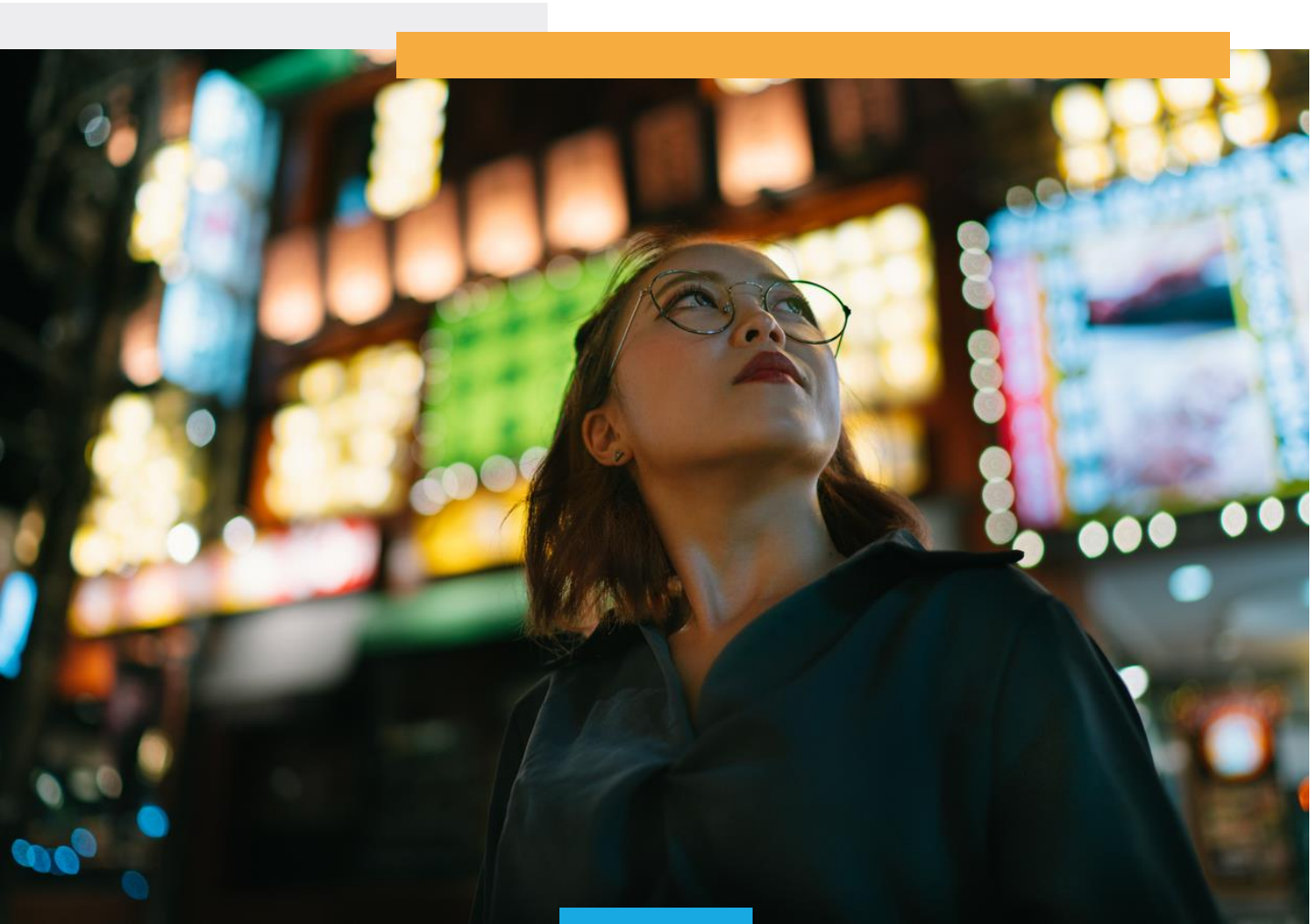


NAVIGATING A PIVOTAL YEAR: A Special GlobeScan 2024 Trends Report



February 2024



Introduction

In times of rapid change, stakeholders are your early warning system.

During a time of rapid change and “polycrisis,” businesses’ stakeholder ecosystems are an essential early warning system for predicting structural shifts. They are also the partners for finding solutions to these.

At GlobeScan we have analyzed the key shifts we see in our proprietary research across different stakeholder groups to map what 2024 has in store and how best to navigate it.



Tracking what the world is thinking

Engaging consumers on sustainability

The expert view on the leading edge

Understanding leadership from the inside out



Global Sustainability Leaders Survey



Global Corporate Affairs Survey



We explore five trends and a common outcome:

- Geopolitical turmoil means government moves to center stage.
- Corporates and NGOs collaborate to accelerate change.
- Consumers feel maxed out and demand business and government help them.
- Diverse Global South needs demand a more localized approach.
- ESG, reporting, and investor demands grow more sophisticated.
- **The outcome:** Navigate this pivotal moment with a new model of leadership.

Geopolitical turmoil means government moves to center stage.

Government sets the context for business, but in a world of growing volatility, this is shifting faster, forcing organizations to look beyond business as usual. Three forces make this even more pressing in 2024:

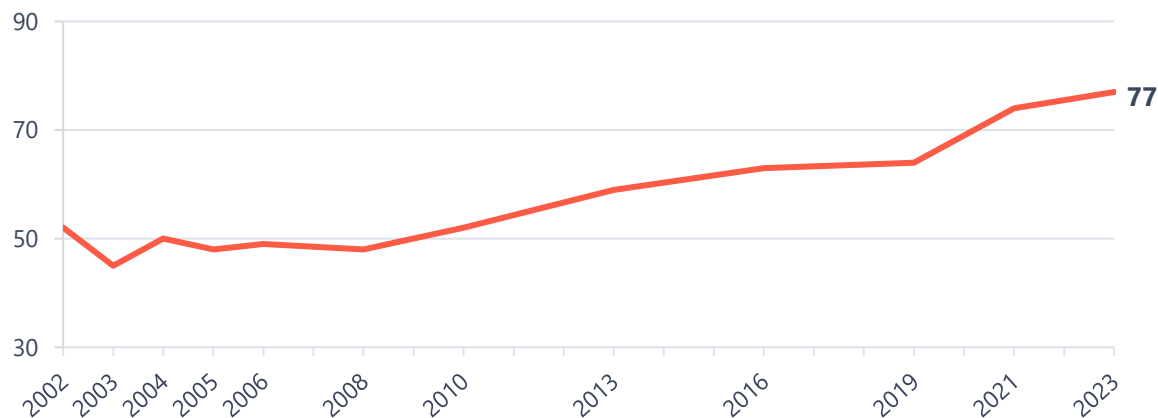
- War and conflict from Russia, the Middle East, to Taiwan all threaten to disrupt supply chains. Companies are now being asked to take a side – for instance in Gaza, creating a new level of reputational and political risk.
- 2024 will be the biggest election year in history with over 80 countries voting.

Companies must decide whether they will advocate for sustainable policy platforms, risking consumer alienation or damage to their bottom line if no progress is made.

- However, citizens *want* more legislation for sustainable outcomes, so the “safe” approach of keeping silent or lobbying for anti-regulation platforms will leave organizations at odds with their consumers. Where companies are not part of the regulatory conversation, they are more likely to suffer well-intentioned but poorly designed legislation.

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

“Strongly” and “Somewhat Agree,” Average of 18 Countries* 2002–2023



*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Kenya, Mexico, Nigeria, South Korea, Spain, Turkey, UK, and USA.

Source: GlobeScan Radar, 2023

Implication: How can you plan for this greater volatility? Look for more constructive and proactive ways to engage with government when it is too big a risk to step back or rely on the status quo.

Corporates and NGOs collaborate to accelerate change.

Governments are expected to step up and make change for the better – but trust in them is low and has fallen since 2020. Global companies are also not the most trusted. The urgent social and environmental challenges we face demand rapid change – but this will only happen at speed if there is trust and broader buy-in.

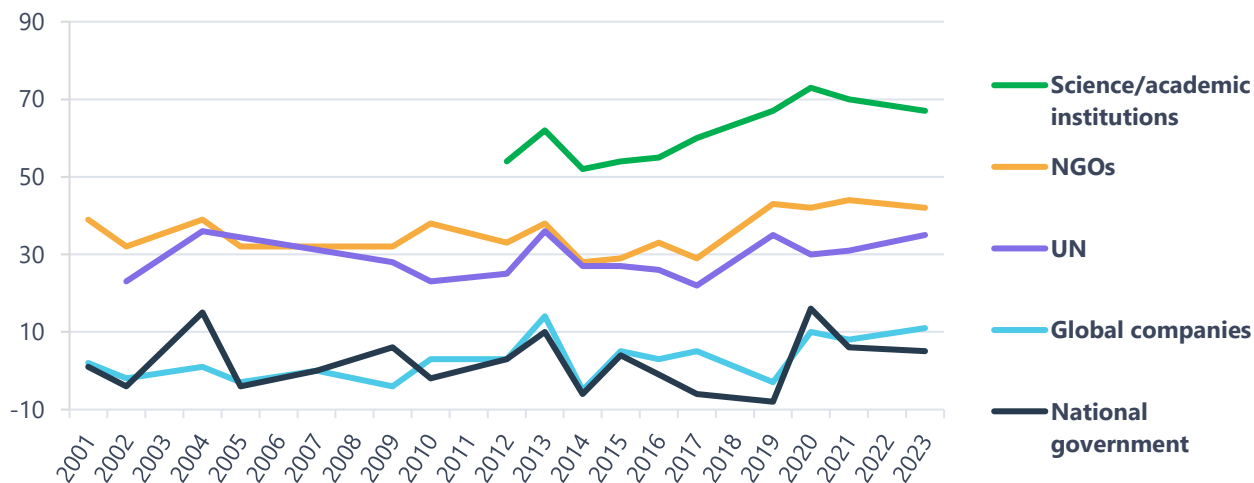
Companies and governments need to recruit more trusted allies, and the most trusted groups are scientific/academic institutions and NGOs. But how can they work together?

There is a growing movement for NGOs to be the coordinators of collaboration in addition to their traditional role as critics. For instance, the Ellen MacArthur Foundation Global Commitment on plastics in collaboration with 500 organizations.

While it can be challenging to deliver a compromise that works for all, collaboration is rated as the most important feature of a civil society sustainability leader according to our global experts. If we do not address this challenge, we will only see a downward spiral of mistrust and disengagement.

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"

**Includes Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Kenya, Mexico, Nigeria, South Korea, Spain, Turkey, UK, and USA. Not all countries were asked in all years. Before 2019 this question was asked using an in-person and telephone methodology.

Source: GlobeScan Radar, 2023

Implication: Explore how to create common ground between corporates, governments, and NGOs. Think less of crisis management in relationships and seek more partnerships on systemic solutions.

Consumers feel maxed out and demand business and government help them.

People want a better world and feel increasingly affected by climate change. They now more often recognize the win-wins where more environmentally friendly outcomes can make them healthier and happier – from tackling water pollution to climate change.

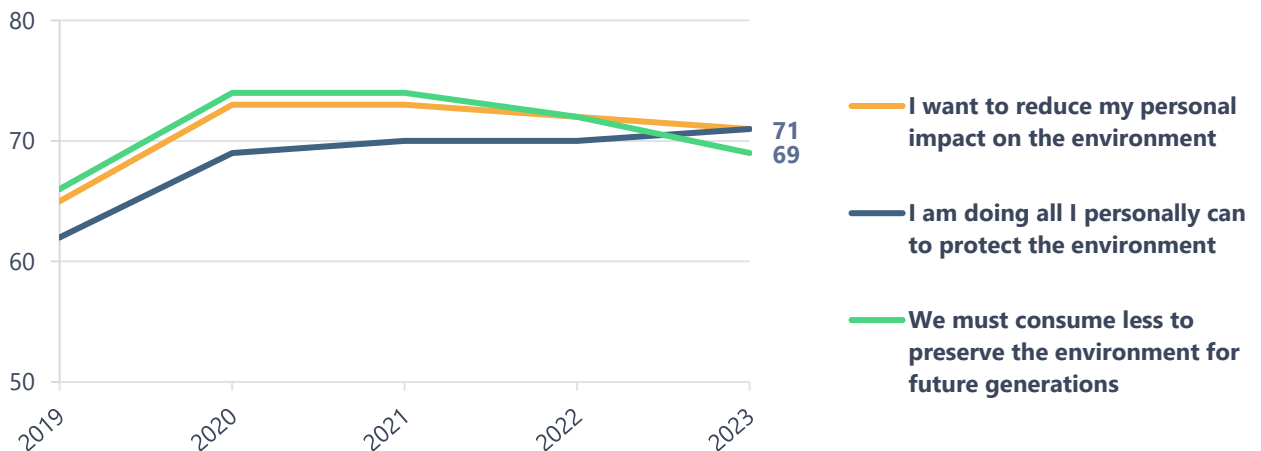
However, they are increasingly reaching the limits of what they feel they are able to do – and their motivation to make personal sacrifices is dropping.

In a time of greenwashing, many people do not want to feel like companies are expecting them to do all the work. Instead, companies must demonstrate how they are leading and tackling the structures and systems that people feel powerless against.

Companies need to help consumers see practical ways to have more impact with the same effort rather than expecting them to do more work or pay more to offset the issues.

Environmental Attitudes

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



*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Kenya, Mexico, Nigeria, Saudi Arabia, South Africa, South Korea, Spain, Sweden, Turkey, UK, and USA.

Source: GlobeScan *Healthy & Sustainable Living Report, 2023*

Implication: Show leadership in how you are supporting consumers and changing the system, not just empowering consumers to drive the change themselves.

Diverse Global South needs demand a more localized approach.

The “polycrisis” consists of several urgent global challenges but these often require local solutions. Rapid change is needed but there is still too much reliance on a single Global North perspective of what to address and how. These tensions have been seen in the growing demands around the just transition, including at COP28.

Looking at our global data, the perceived seriousness of issues differs greatly by region while water pollution is the only consistent top five issue. These differences are driven by tradition, values, culture, and local priorities.

No organization can tackle every issue, but it is essential to connect the priorities chosen with local realities rather than deciding on a single deployment approach that is expected to work for everyone and blaming these communities when it does not create impact.

If we do not rapidly build in these diverse perspectives of what matters and how to address the issues, we risk losing the ability to engage governments, NGOs, consumers, and communities who feel ignored and patronized.

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

Source: GlobeScan Radar, 2023

Implication: Understand the way needs, culture, and location affect the needs of your key stakeholders – addressing the tensions this creates in global strategies rather than avoiding or (over) simplifying.

ESG, reporting, and investor demands grow more sophisticated.

ESG was seen as a “savior” of sustainability, bringing the investor interest needed for capital allocation, but challenges made many wonder if ESG would disappear.

In the “anti-woke” backlash, especially in North America, ESG has been accused of preventing the profit-maximizing duties of companies and acting against the desires of shareholders. However, when asked, retail investors say that they want investment and disclosure aligned with sustainability.

ESG has also been accused of being business as usual with a greenwashing label. Yet the

new regulation and disclosure standards, from the EU Corporate Sustainability Reporting Directive to the International Sustainability Standards Board, will force investor disclosures to be more detailed, standardized, and directly address the question of how it impacts the bottom line – and therefore those profit maximizing duties.

Investor interest will not disappear but will in fact become sharper and better informed. Organizations need to engage better to ensure investors are interpreting new AI-enhanced data streams accurately.

Retail Investor Perceptions

Average of Ten Countries,* 2023

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.”)



*Includes Australia, Canada, France, Germany, Hong Kong, Italy, Japan, Singapore, UK, and USA.

Source: GlobeScan Radar, 2023

Implication: Investor and ESG demands on reporting and materiality will become more sophisticated. Ensure new data help clarify the business case for sustainability and drive strategy so you create value beyond just compliance.

The outcome: Navigate this pivotal moment with a new model of leadership.

With so much change in the operating context, being sustainable can seem harder than ever. More to the point, this becomes an essential part of how you navigate the wider disruption all organizations face – and the benefits also become much greater.

By combining the tracking research of our international sustainability experts with our

experience of collaborating on these challenges, we have identified the three elements of leadership that are needed to help you step up.

These go beyond responding to the disruption coming from different stakeholder groups to engaging and recruiting them instead so you can achieve more together.

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, delivering a clearer business case
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 and 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

Implication: Map how you perform against the key dimensions and the nine attributes – where can you step up to better drive performance and impact?

About GlobeScan

GlobeScan is a global insights and strategy consultancy helping companies, NGOs, and governmental organizations know their world and create strategies to lead a sustainable and equitable future.

Established in 1987, we have offices in Cape Town, Hong Kong, London, Hyderabad, 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.

Our Services

- ➔ **Trends, Issues, and Foresight:** We help you identify, understand, and anticipate the current and emerging issues and trends that matter most to your business and stakeholders.
- ➔ **Trust, Reputation, and Brand Building:** We evaluate the drivers of stakeholders' perceptions and help shape positioning that addresses risks, builds trust, and enhances your reputation with key audiences.
- ➔ **Communications Development and Refinement:** We help develop and test communications strategies and narratives to make sure your messaging resonates and builds trust with stakeholders.
- ➔ **Engagement, Advocacy, and Thought Leadership:** We identify and engage your most important stakeholders and create opportunities for dialogue, collaboration, and thought leadership.
- ➔ **Strategy and Best Practices:** We co-create sustainability strategies, frameworks, goals, and narratives that guide action, enhance impact, and build trust with stakeholders.

Clients We Have Supported



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