Navigating 2025: Societal Trends

Emerging solutions for rising challenges

January 15, 2025

GlobeScan
Know your world.
Lead the future.

2025 can look uncertain and feel challenging

Today we challenge the gloom and look for the opportunities for action

Many causes for hope

The year of climate finance – in Brazil and the world

Helping you find your path

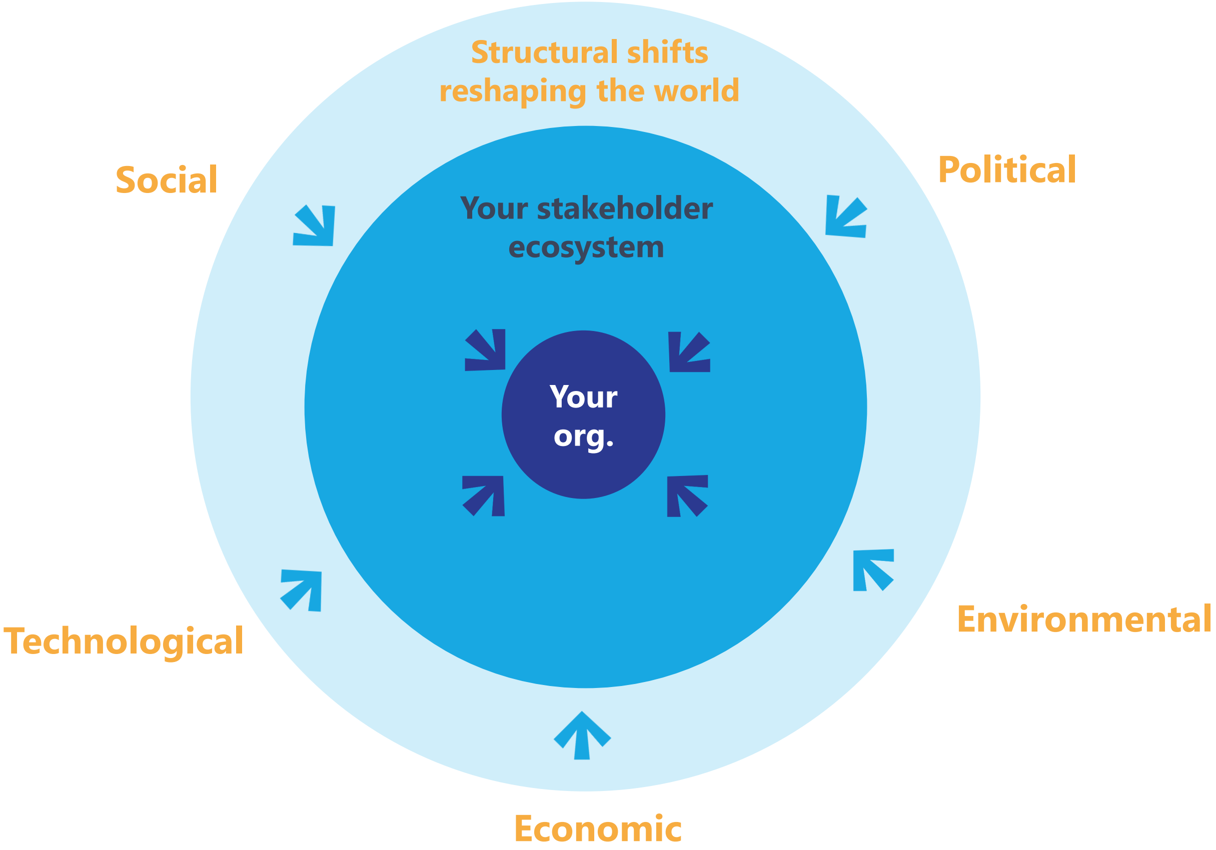
GlobeScan

Know your world.
Lead the future.

Using trends to drive effective action – two key practices

1 See the bigger societal picture. Stakeholders are your early warning system & partners in progress.

2 Look beyond today's challenges to see the growing potential – the marathon not the sprint.



Our public platforms that inform the early warning system

Radar

Tracking what the world is thinking

Sustainability Leaders 2024

GlobeScan | ERM SUSTAINABILITY INSTITUTE

THE GLOBESCAN / ERM SUSTAINABILITY INSTITUTE RESEARCH PROGRAM

The expert view on the leading edge

UNIVERSITY OF OXFORD

Saïd Business School

Understanding leadership from the inside out

Healthy & Sustainable Living

Engaging consumers on sustainability

These combine with insights from our custom work

Trends & Benchmarking

Reputation & Trust building

Materiality & ESG Issues Assessment

Sustainability Positioning & Strategy

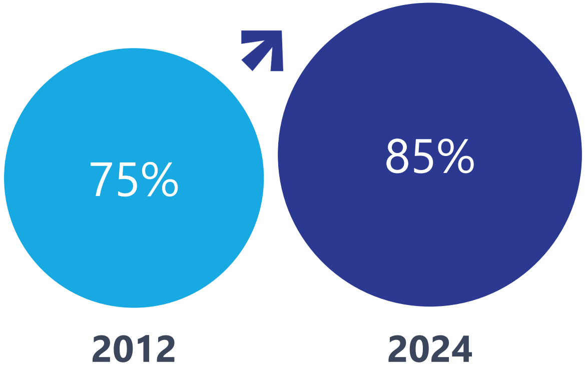
Consumer Engagement & Sustainable Living

Stakeholder Engagement & Advocacy

Big Picture: the urgency of hope

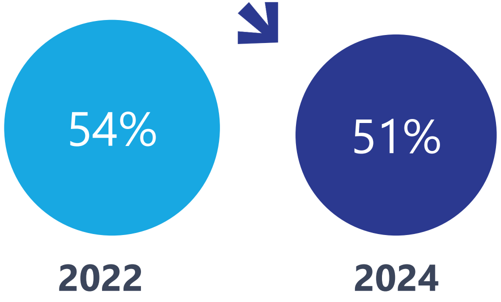
People feel the situation is worse

Current Environmental/Social/Economic Challenges Largest the World Has Ever Faced



And hope for change is starting to slip

Most People Will Live Sustainably in the Next Decade



- Major challenges, high expectations and uneven progress together create a risk and opportunity – be blamed for collapse, or restore the faith needed to make progress

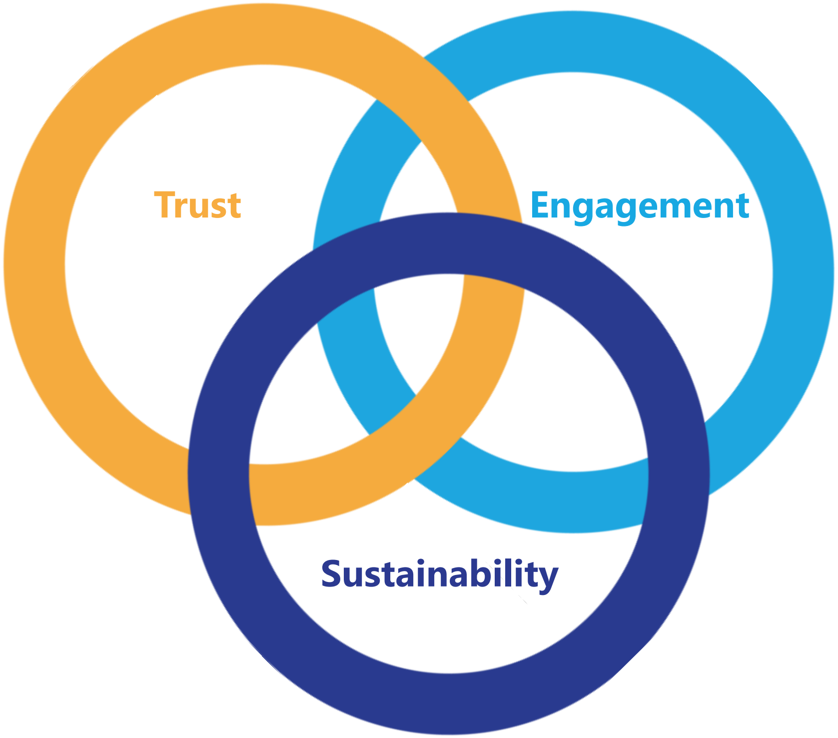
GlobeScan, Radar 2024, T8. % agree to 'The social, environmental and economic challenges currently facing the world represent a bigger crisis than the human race has ever faced before'; GlobeScan, Healthy and Sustainable Living 2024, Q40. How likely do you think it is that each of the following will happen in the next ten years? – Most people will be living environmentally friendly lifestyles

The priority: bring together Trust, Sustainability and Engagement

Trust
Increasingly challenged, but essential to shared progress

Engagement
Complex demands, but solutions cannot be delivered by one actor

Sustainability
Urgent pressure for people and business models

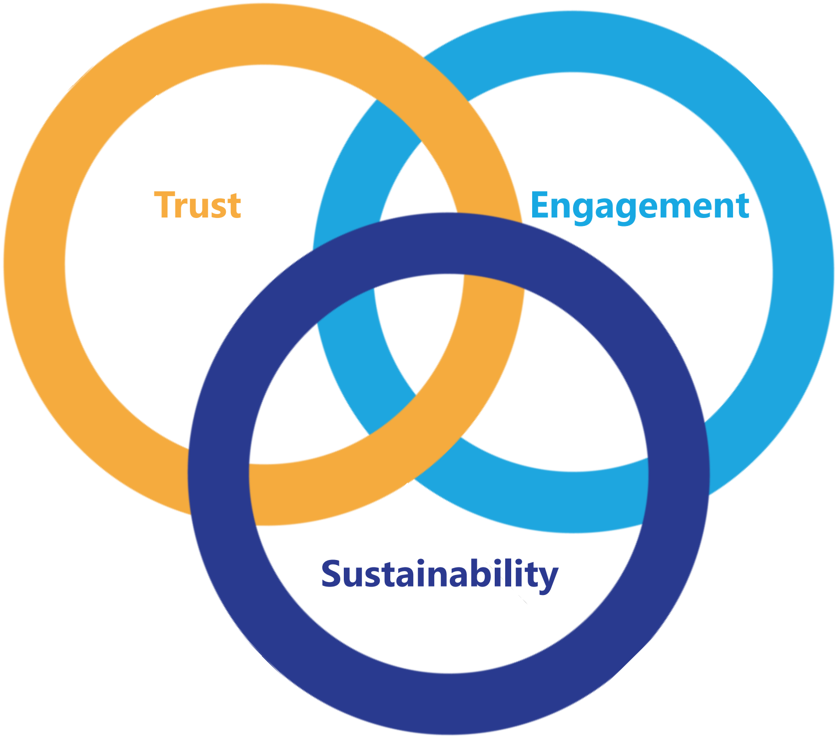


Exploring key dynamics

Closing trust gaps

Engaging challenged consumers

Building sustainability leadership



Closing trust gaps

Driving Forces → Today → Where next?

Slow progress against SDGs – climate to poverty

Conflicted NGO-corporate relations

Anti-greenwashing legislation

AI (mis)information and less fact checking

Challenged trust

Doom and gloom spiral

Retreat from the challenges of engaging outside the organization, burning bridges and spiraling down into further lost trust and opportunity

OR

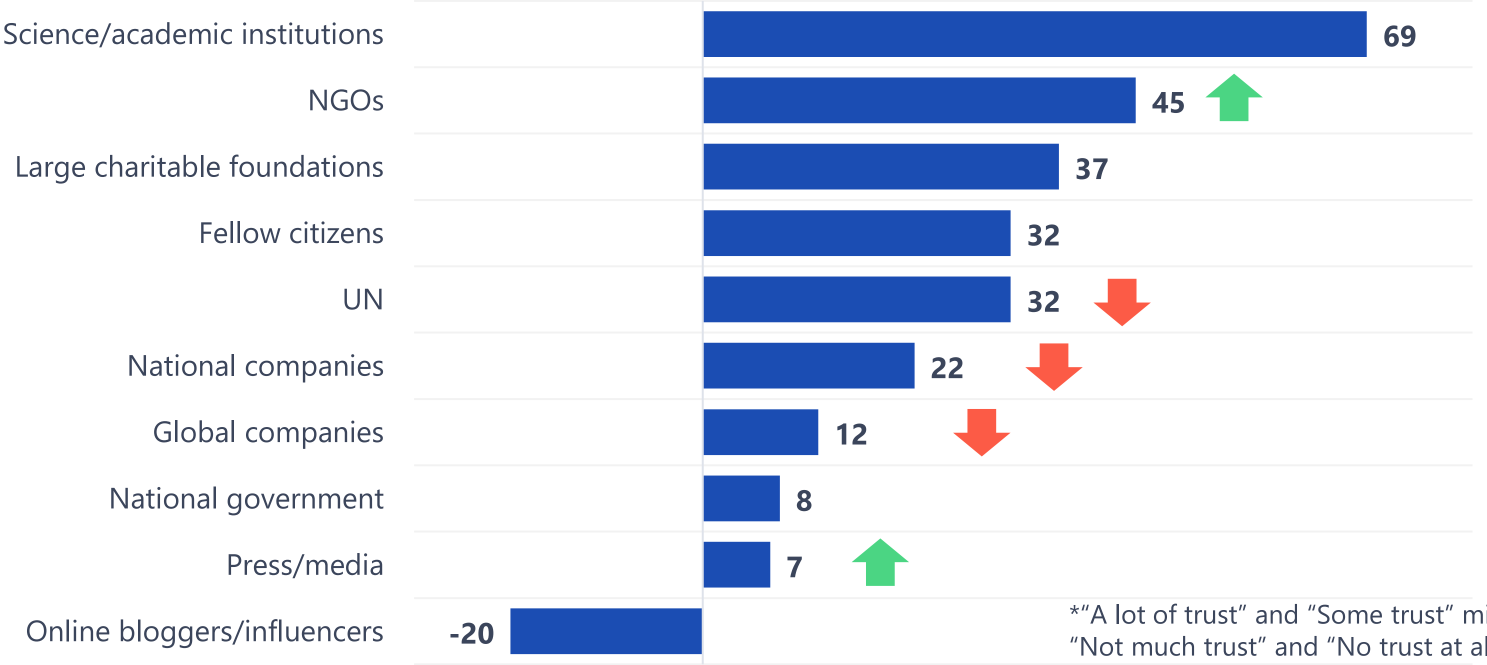
Urgent hopeful opportunity

Engage with key stakeholders to demonstrate and build on progress and find shared solutions to structural challenges that no one organization on its own can fix or escape

Global companies are less trusted by the global public than most other institutions – and trust has fallen in the last year, while trust in NGOs has risen

Trust in Institutions

Net Trust,* Average of 31 Countries, 2024, Arrows reflect change of 3% or more



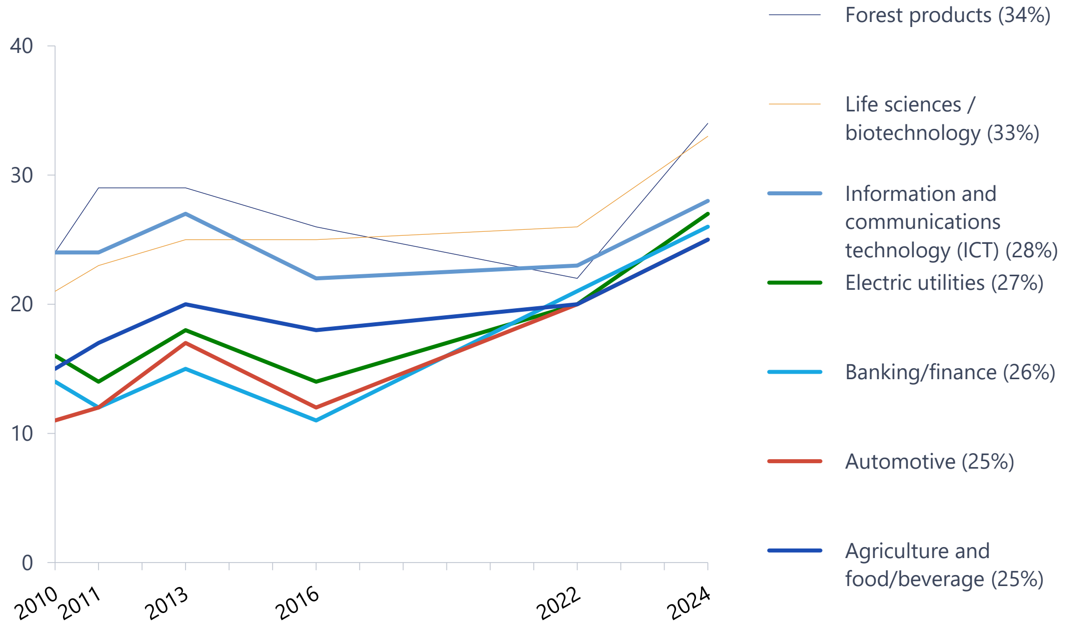
*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

GlobeScan, Radar 2024, 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...?

Sustainability experts also rate performance of companies relatively low – but they see significant progress among most top performing industries

Industry performance at managing the transition to sustainable development

Sustainability Experts, Global, 2024



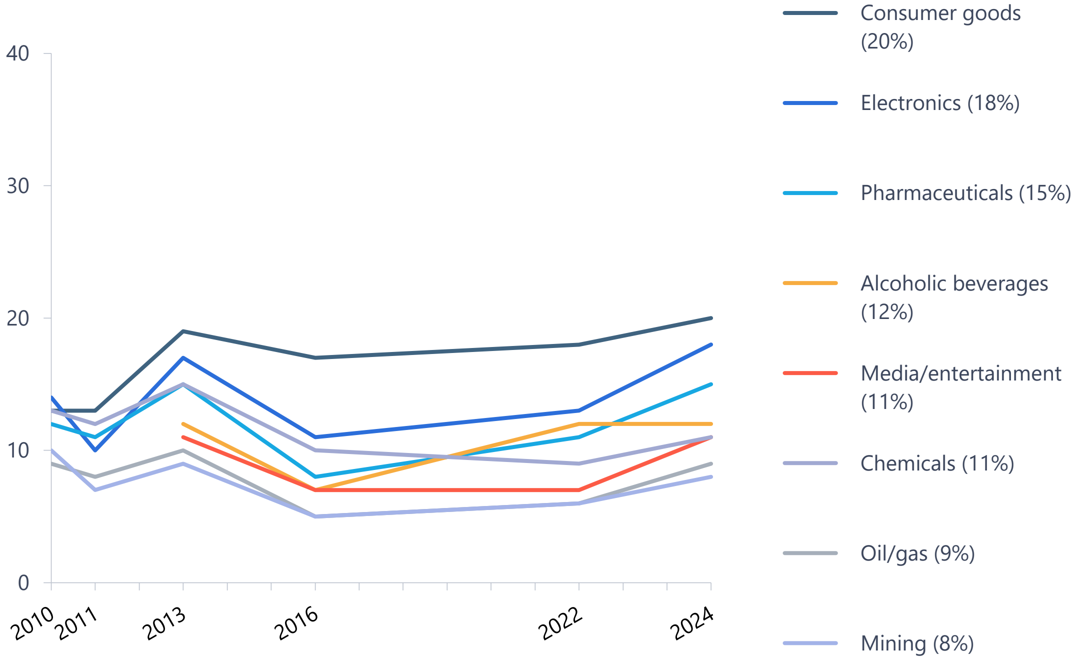
- Experts have a greater understanding of both the challenges and realities – and how much progress is being achieved even beneath the headlines and missed ambitious targets

GlobeScan & ERM Sustainability Institute , Global Sustainability Leaders Survey 2024, Q. Please rate how well each of the following industry sectors is managing its transition to sustainable development in your country or region. PLEASE USE A SCALE OF 1 TO 5 WHERE 1 MEANS "POOR" AND 5 MEANS "EXCELLENT

Even lower performing industries have been rated as demonstrating more progress recently

Industry performance at managing the transition to sustainable development

Sustainability Experts, Global, 2024



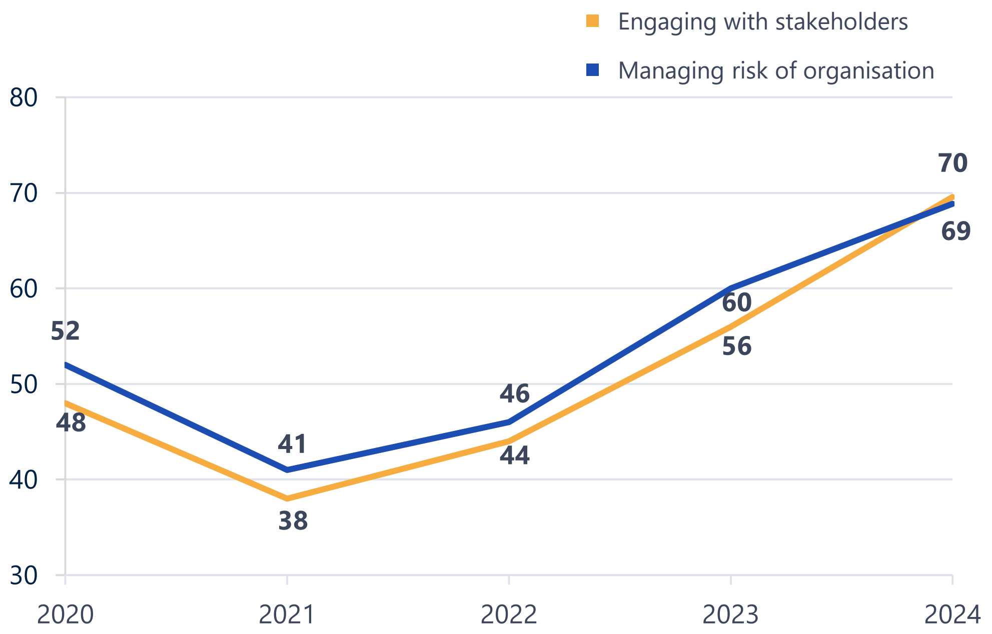
- Though there is some progress, these trust levels are stubbornly low – as tensions rise, there is a risk these industries are increasingly blamed

GlobeScan & ERM Sustainability Institute, Global Sustainability Leaders Survey 2024, Q. Please rate how well each of the following industry sectors is managing its transition to sustainable development in your country or region. PLEASE USE A SCALE OF 1 TO 5 WHERE 1 MEANS “POOR” AND 5 MEANS “EXCELLENT

Scaling up engagement and risk management: increasingly central to Corporate Affairs

Evolution of Roles in the Corporate Affairs Function: Most Dynamic Responsibilities

6+7 on a 7-point Scale, 2020–2024



- In a contested landscape, companies cannot rely on broadcast to land message.
- This does not mean trying to please all stakeholders equally, but reviewing what forms of engagement work best
- It also means taking a more strategic approach to collaboration when many organizations are in a growing number of collaborations. Which truly deliver long-term impact, not just short-term positive announcements?

GlobeScan & Oxford Saïd Business School, Global Corporate Affairs Survey 2024, Q11. In thinking of each of the following activities that may be part of your professional responsibilities, would you say that they have become a more or less prominent part of your role compared with three years ago? (2020: *n*=200; 2021: *n*=212; 2022: *n*=221; 2023: *n*=103–104; 2024: *n*=115–122)

Identify critical drivers of trust with consumers: Environmental and social responsibility and transparency

Radar

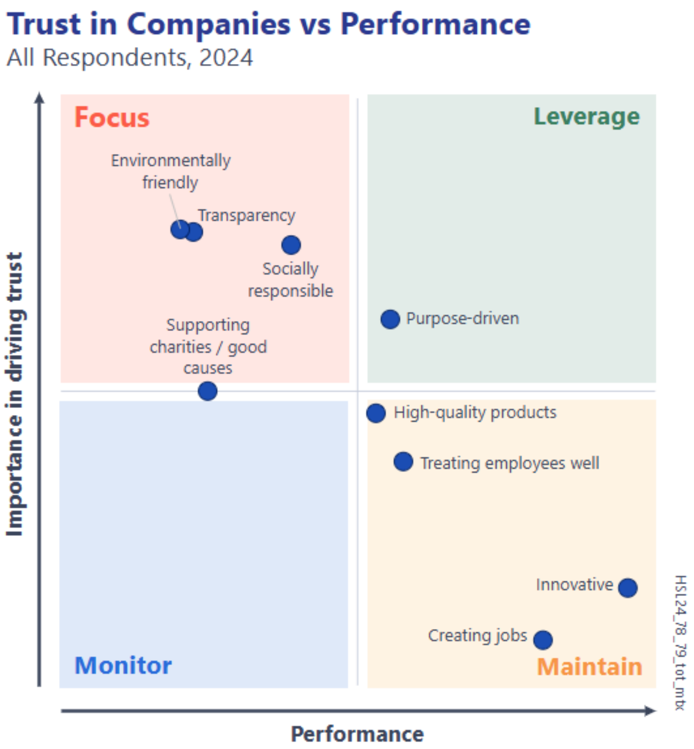
Drivers of Trust in Companies, 31 Country average

Priorities to grow

- Demonstrating clear environmental and social benefits
- Open/honest communication is ***equally essential*** so people understand and believe

Tactical support

- Good causes that are beyond the core of the business can help change perceptions, but have limited impact on their own



Good foundations:

- Being ‘purpose driven’ is appealing, but often too vague to fundamentally change trust

Core expectations

- These aspects are minimum expectations of business – they do not transform trust

GlobeScan, Radar 2024,. T79. In your opinion, how well does the company you mentioned perform in each of the following areas? Subsample: Those Who Have Recently Heard/Read about a Large Company, Average of 31 Countries, 2024

GlobeScan

What can organisations do to close this trust gap?

- Assess state of stakeholder trust and identify the critical drivers of trust for the organization to transform current trust perceptions amongst key opinion formers, consumers and citizens

- Identify how to collaborate with trusted leaders (e.g., NGOs and scientists) and those with finance and scale (e.g., business) in the mode of critical friends, so both benefit and neither are undermined

- Scale up engagement efforts with key stakeholder groups to sustain positive momentum

Engaging challenged consumers

Driving Forces → Today → Where next?

Slow progress against SDGs – climate to poverty

Intense cost of living pressures

Polarization around issues in some markets

Greenwashing fears shrink consumer comms

Challenged consumers

Doom and gloom spiral

Drop efforts to engage consumers & citizens, failing to ever build the appetite, understanding and market.

OR

Urgent hopeful opportunity

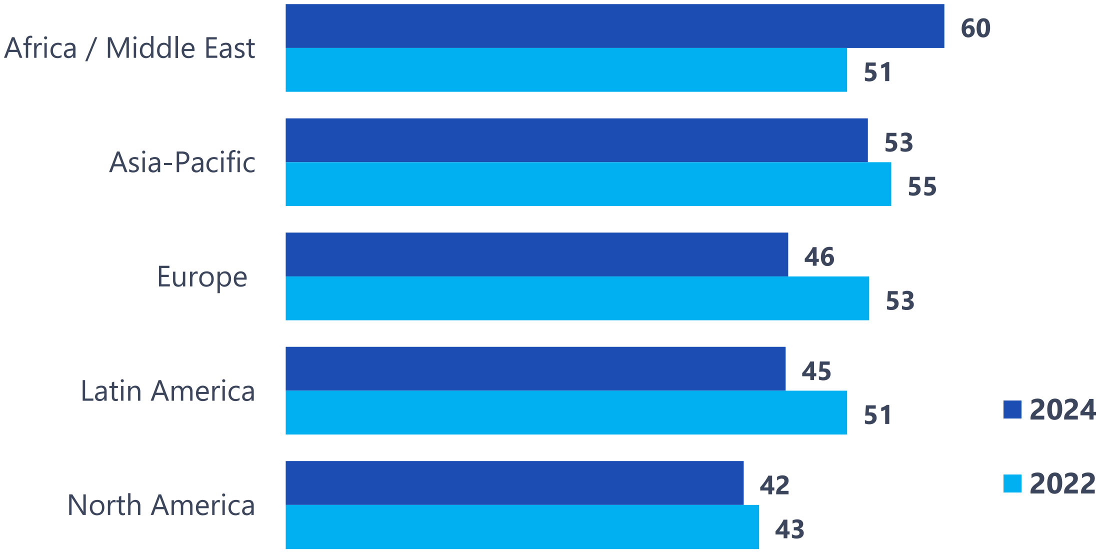
Communicate and demonstrate that progress is possible, with a sharper focus on the benefits for individuals.

In this challenging context, self-reported purchases of environmentally friendly products have fallen since 2022 in all regions except Africa and the Middle East

Healthy & Sustainable Living

Have Purchased A Sustainable Product in Past Month

"Yes," by Region, 2022–2024



- The global picture can be helpful for overall strategy – but can obscure major differences across markets.
- Other markets can learn from countries in Africa and the Middle East on how to sustain the enthusiasm. Part comes from less greenhushing retreat.

GlobeScan, Health and Sustainable Living 2024. Q44. Have you bought an environmentally friendly product in the past month?

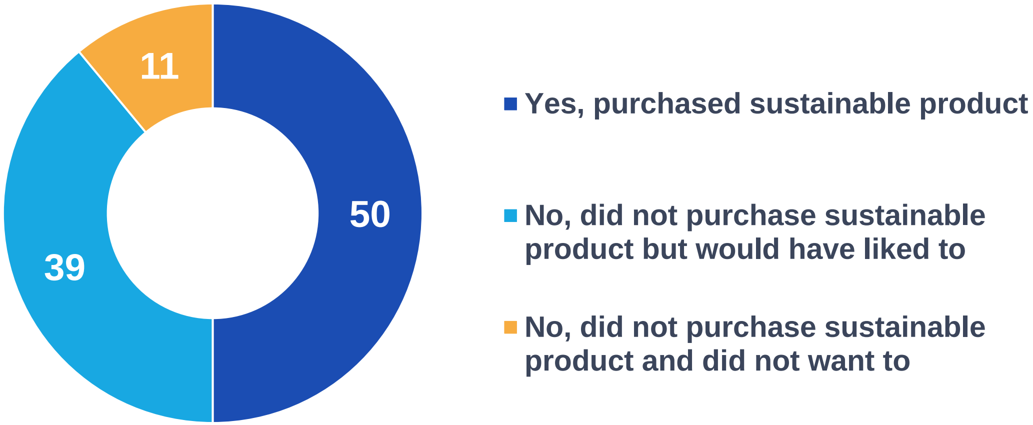
GlobeScan

This is not because people do not want to buy sustainably or have 'moved on'

Healthy & Sustainable Living

Environmentally Friendly Product Purchase in Past Month

Average of 31 markets (%), 2024



- Too often people feel they cannot afford these products, or struggle to justify it when the impact is not clear

GlobeScan, Healthy and Sustainable Living 2024. Q44. Have you bought an environmentally friendly product in the past month?

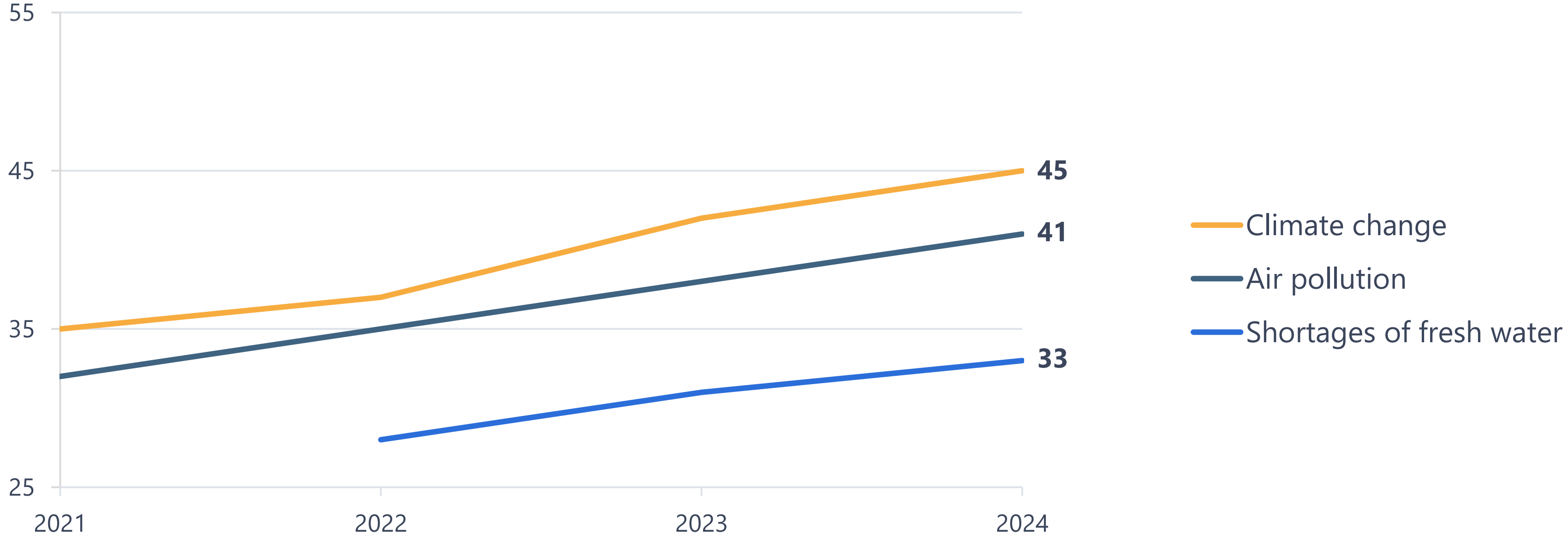
GlobeScan

Indeed, people are increasingly affected by environmental challenges across the world – they feel the challenges that need fixing

Healthy & Sustainable Living

Extent Personally Affected by Climate Change, Air Pollution and Water Shortages

"Greatly Affected," Average of 26 Countries,* 2020–2024



*For consistent tracking, this chart does not include Colombia, Egypt, Netherlands, Peru, and Portugal as these markets were not surveyed in 2020.

GlobeScan, Healthy and Sustainable Living 2024. T2. How much are you personally affected by each of the following? – Climate change or global warming

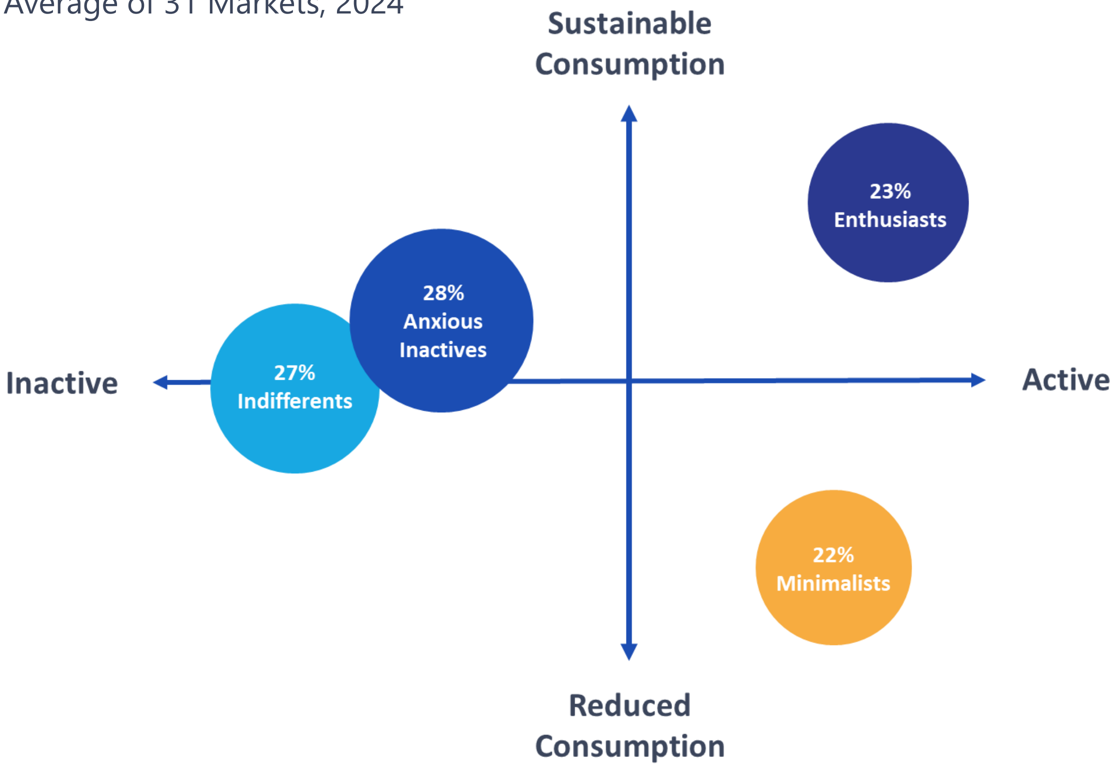
GlobeScan

There's no "one size fits all": Focus on understanding who your target consumers are

Healthy & Sustainable Living

Segmentation Based on Environmental Attitudes

Average of 31 Markets, 2024



Each group can be reached by leading not just with sustainability, but how sustainability can meet their core needs:

- Enthusiasts – show how sustainable products help them access new and different experiences
- Minimalists – show how sustainability can help simplify and save time or money
- Anxious Inactives – help them overcome their anxiety and guilt by showing the simple steps that can make them feel better
- Indifferents – don't lead with sustainability – put quality or cost saving at the front

 GlobeScan, Healthy and Sustainable Living 2024,

To close this gap, brands need to meet people where they are and make the benefits to them clearer

Help people adapt to the new challenges they face

Tap into the audiences that are already acting

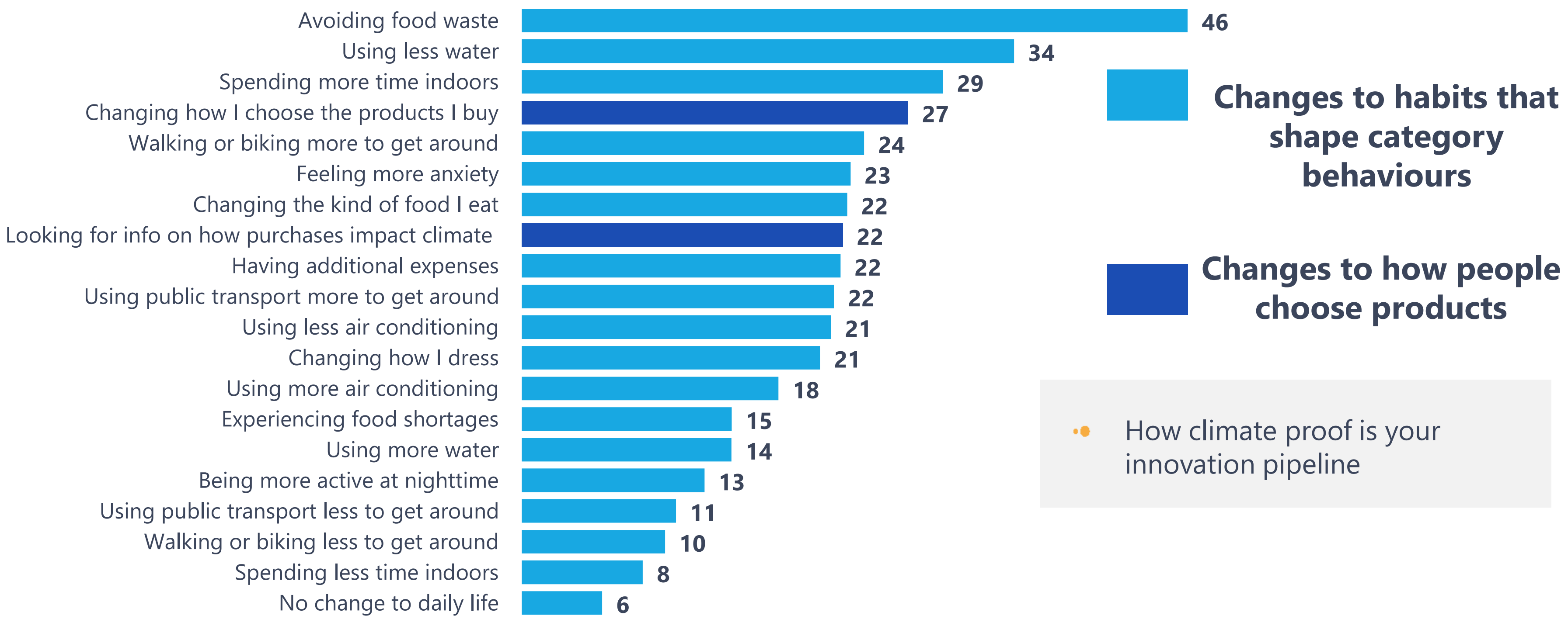
Reignite optimism, joy and hope

Adapt to new challenges: with lifestyles changing, so too do consumer needs, creating innovation opportunities

Healthy & Sustainable Living

Impact of Climate Change on Daily Life

Subsample: Those Who Are Greatly/Moderately Affected by Climate Change, Average of 31 Markets, 2024



How climate proof is your innovation pipeline

 GlobeScan, Healthy and Sustainable Living 2024, Q65. How has extreme weather due to climate change changed the way you live your daily life? *Please choose all that apply.*

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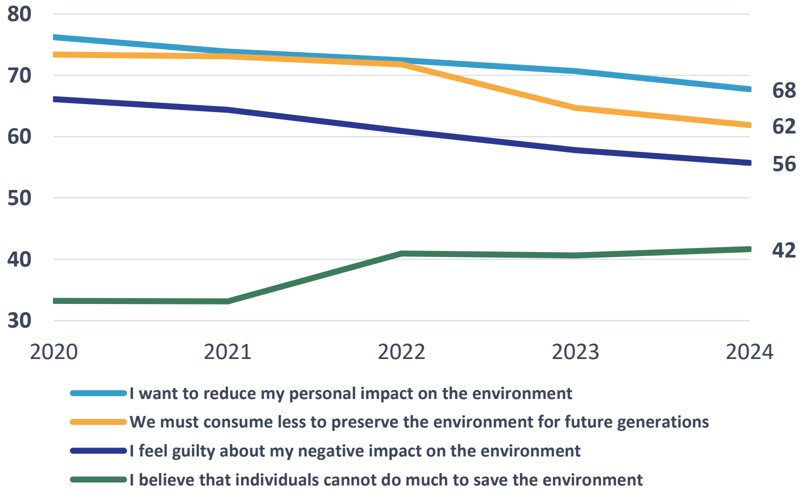
Tap into audiences already acting

Don't expect young people to solve all the problems

Environmental Attitudes

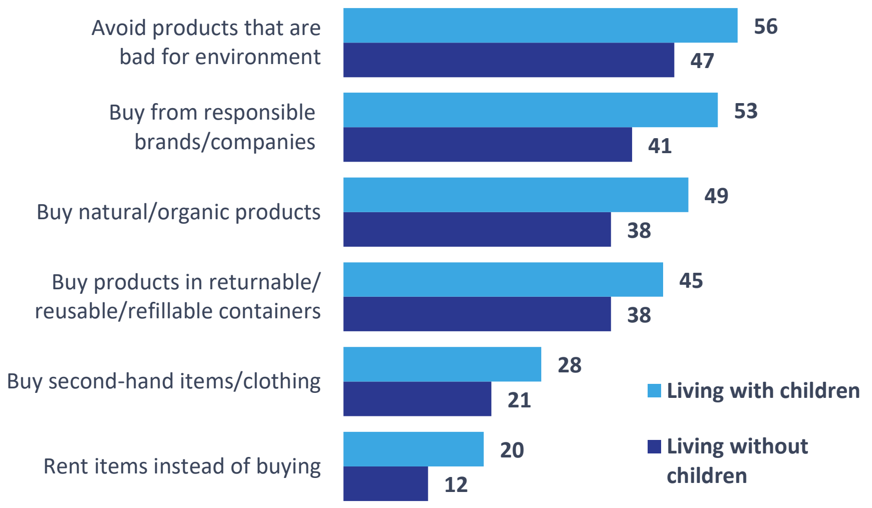
"Strongly" and "Somewhat Agree," Ages 18–24, Average of 31 Markets, 2020–2024



Tap into the ambition and action of families with children

Frequency of Sustainable Behaviors

"Most" and "All of the Time," Average of 31 Markets (%), 2024

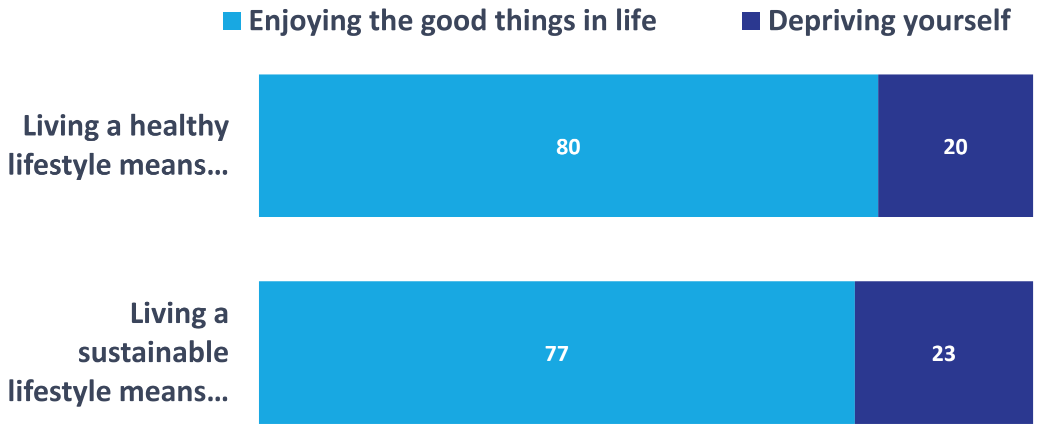


GlobeScan, Healthy and Sustainable Living 2024, Q6. Please indicate whether you strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree or strongly disagree with each of the following statements; Q4. Now we would like you to answer a few questions about what you do in your everyday life. Please indicate how often you do each of the following.

Reignite optimism, joy and hope: people believe sustainable lifestyles are better

Are Healthy and Sustainable Lifestyles Seen as Enjoyable or Restrictive?

Average of 31 Markets (%), 2024



- Emphasise the positive change created, not just the damage avoided
- Create a positive vision of hope, not a defensive greenhushing that drains confidence

 GlobeScan, Healthy and Sustainable Living 2024, Q68, 69. Which of the following is closest to your opinion?

Building sustainability leadership

Driving Forces → Today → Where next?

Driving Forces

- Geopolitical challenges to sustainability agenda
- Growing compliance requirements
- Slow progress on targets industry have set
- Backlash against over-claims on ESG & Purpose

Today

Challenged leadership

Where next?

Doom and gloom spiral

Become purely reactive to legislation, minimize commitments and wait to see what happens next.

OR

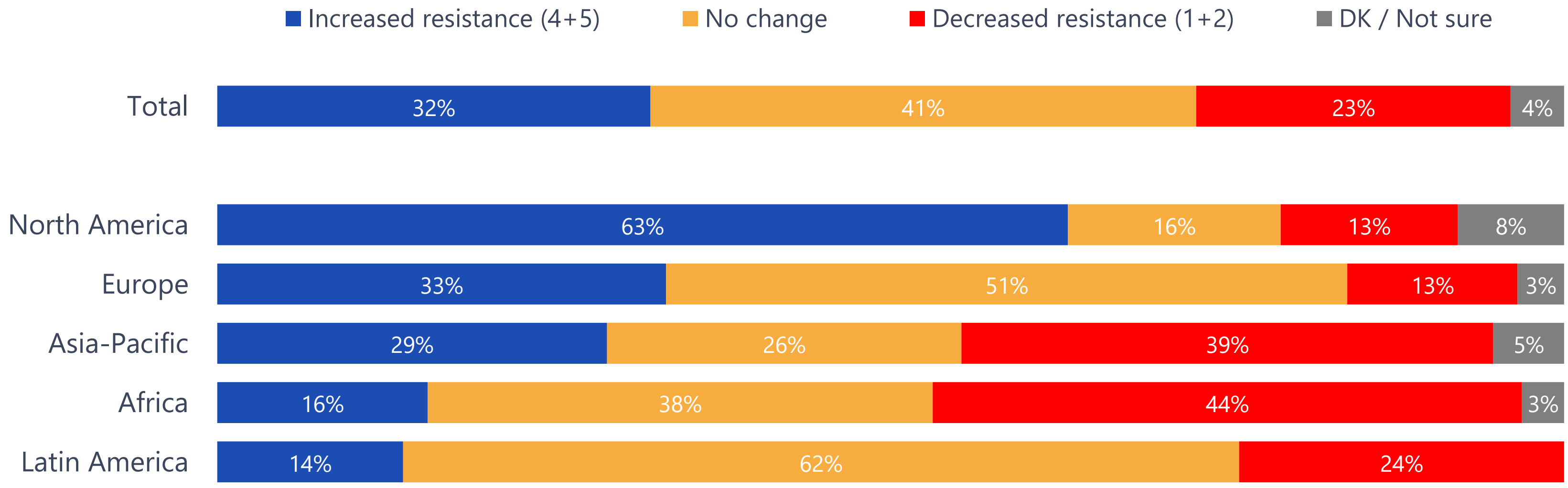
Urgent hopeful opportunity

Seize the challenge to demonstrate value creation through cross-supply chain partnerships and advocating for structural improvements.

The backlash is not as global as it sometimes seems

Seeing More Resistance against ESG in Your Region

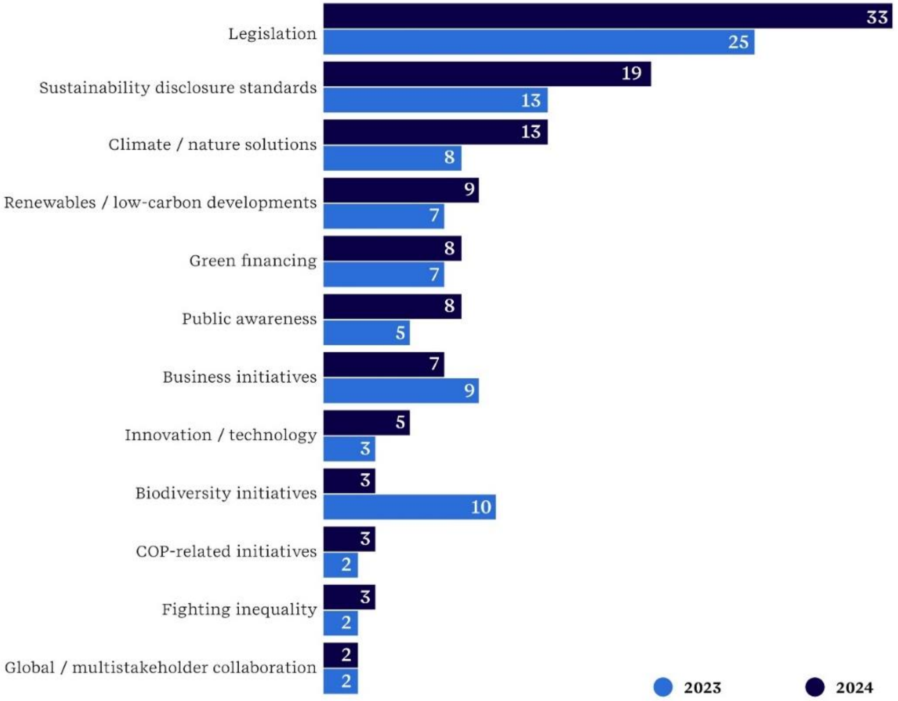
Global Corporate Affairs Experts, 5-point Scale, 2024



GlobeScan & Oxford Saïd Business School, Global Corporate Affairs Survey 2024, Q23.5 Are you seeing more resistance against ESG in your region? (*n*=227)

For many experts, recent progress and leadership at a systems level has been defined by ambitious legislation – though this needs to be well-designed

Most significant positive development on sustainability in past 12 months



% of Experts, Unprompted, 2023–2024

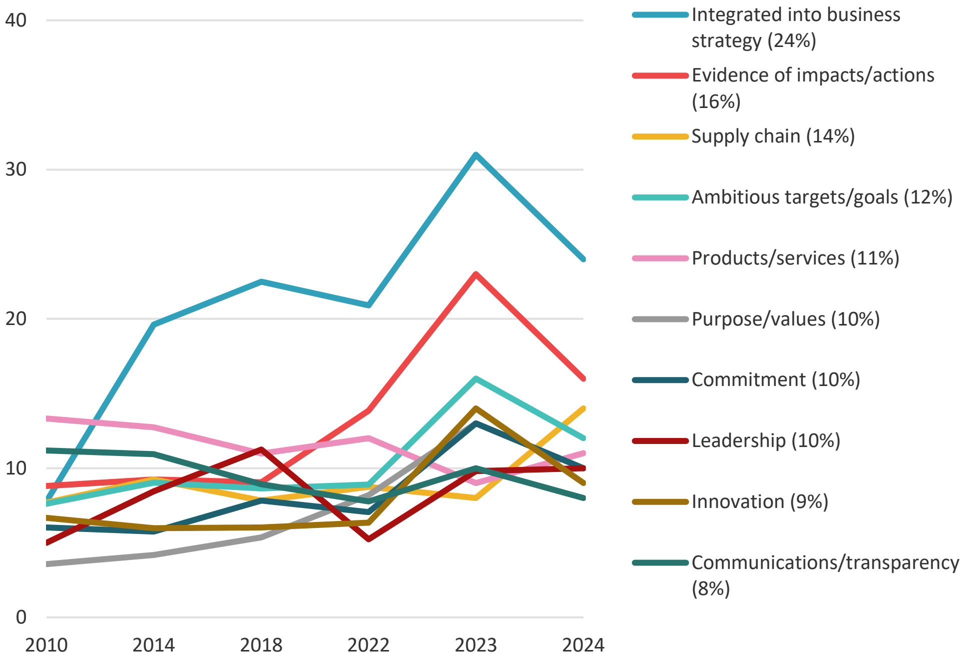
- Legislation and compliance have been seen as a threat to action, but are often the necessary first step
- This is where helping to refine legislation to avoid unintended consequences is vital
- Leadership means bringing that view of the whole value chain impact to the table to create more effective impacts

GlobeScan & ERM Sustainability Institute, Global Sustainability Leaders Survey 2024, 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.

Recognized sustainability leadership comes from integration & impact across the value chain – while ambitious targets and purpose trend down

Sustainability Leaders 2024

Why do you think [named company] is a leader in sustainable development?



% of Experts, Unprompted, 2010–2024

- In a more complex landscape, it is harder than before to guarantee leadership through any one tool, but integration and evidence remain as the top features
- This year, supply chain delivery has taken third place – leadership is only practical if it engages the full chain
- Meanwhile purpose and ambitious goals have both dropped down – too often there has been not enough substance behind purpose, or delivery behind goals

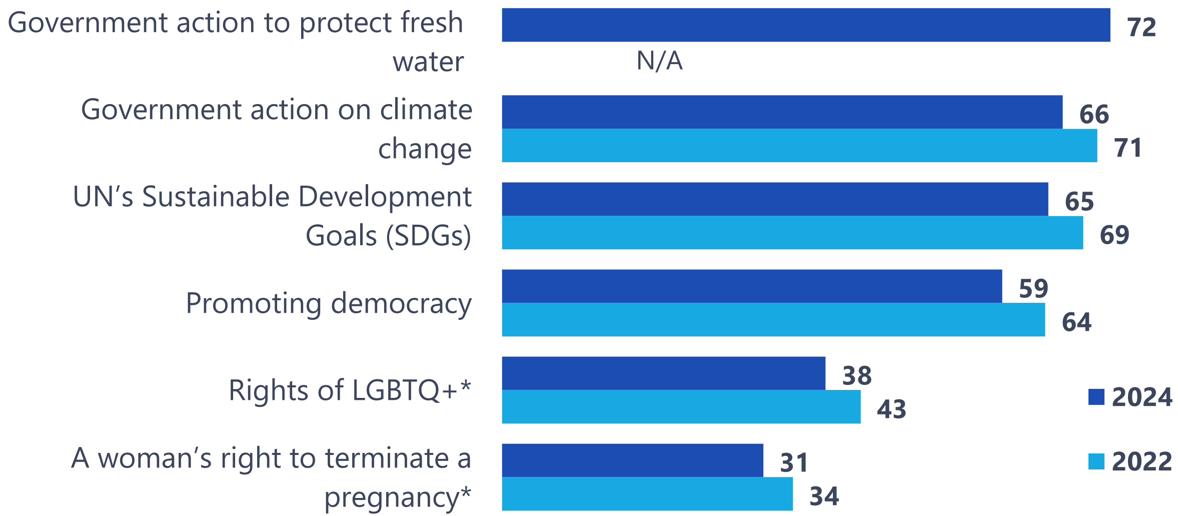
GlobeScan & ERM Sustainability Institute, Global Sustainability Leaders Survey 2024, Why do you think [INSERT COMPANY #1] is a leader in sustainable development?

GlobeScan

The public also expect corporations to advocate more clearly and consistently – while there have been some small decreases, there is no fundamental change

Expectations for Corporate Advocacy

Companies Should Actively Support, Average of 27 Countries, 2022–2024



- In spite of geopolitical tensions, the vast majority want companies to advocate on key subjects of water and climate
- Social questions are more polarizing – this is where companies need to consider carefully their stakeholders before making public commitments. If this is not core to the company, this can be seen as opportunistic communication

*Not asked in Saudi Arabia, Türkiye, Indonesia, and Egypt.

GlobeScan, Radar 2024, T37. Do you think companies should speak out and take sides on the following issues?

Three tensions for organizations to navigate in this fast-changing leadership landscape

Breadth	⟷	Focus
Tick-box compliance	⟷	Integrated value creation
Harness short-term opportunities	⟷	Sustained, strategic planning

Breadth vs Focus

Breadth ⟷ Focus

Breadth

Many stakeholders highlight how interconnected issues are, while some reporting demands e.g. CSRD can encourage companies to disclose an ever longer list of material issues.

Focus

With slow progress and limited resources, more rigorous materiality approaches informed by impact and financial data can be used to double-down on the areas that make most difference.

- Many companies have had to update their targets and goals – some coming under criticism for what is seen as reduced ambition.
- As 2025 is the target year for many goals, we predict this will be a year when many more re-evaluate current and 2030 targets.
- 2025 is critical to learn from recent upsets and work with stakeholders on decisions made – including the benefits of sharper focus and the limits of what is credible internally and externally.

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Tick-box compliance vs Integrated value creation

Tick-box compliance

With growing and competing disclosure requirements, some focus on the bare minimum to avoid draining time and energy.

Integrated value creation

Compliance can take time, but can also drive better understanding within the organization of what is at stake e.g. harder metrics on the link between social/environmental impacts and supply chain resilience

- In our forthcoming shared report on value creation, we looked at the leaders who have sustainability most effectively integrated into their business decision making.
- They are the ones using compliance pressures to improve collaboration and integration across key functions like finance and IT. Leaders consistently are the ones that look for value creation opportunities, not simply defensive risk mitigation.
- Register to hear headline findings on our webinar on 6th February.

Harness short-term opportunities vs Sustained, strategic planning

Harness short-term opportunities

Sustained, strategic planning

ESG investment and purpose-driven business have been important recent shifts, but many stakeholders now feel they over-promised and under-delivered. Is AI next?

Organizations should not ignore the hype cycle of what's changing but should be careful in relying on short term PR wins if the substance is harder to deliver.

- Having a response to every topical question can take a lot of energy to ensure it is sensitively addressed, particularly armed conflict and polarized social questions.
- This does not mean disengaging entirely but prioritizing where to engage based on what is credible and strategically aligned.
- With AI fast developing, keeping a focus on long-term objectives will help experiment without falling victim of a hype cycle.

Conclusion

Key takeouts for 2025

- Close trust gaps by identifying key drivers of trust and recruiting allies, not just among traditional stakeholders
- Create & sustain hopeful messages by focusing on benefits for consumers and innovating for the new challenges they face
- Deliver leadership by harnessing trends like advocacy, compliance and AI to support strategic priorities, not distract

Keep the momentum: stepping back will lose progress, trust and engagement. Use 2025 to secure robust, integrated approaches that are the springboard for the future

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For questions and discussions, please get in touch

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Know your world.
Lead the future.

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We equip companies, NGOs, and governmental organizations with the insights they need to make sense of a rapidly changing world and respond to shifting societal and stakeholder expectations.

We help our clients craft evidence-led strategies that reduce risks and create value for themselves and society.

Our purpose is to co-create a sustainable and equitable future.

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