

GlobeScan-SustainAbility Survey

2023 Sustainability Leaders

June 2023



Contents

Introduction	page 3
Survey Methodology	4

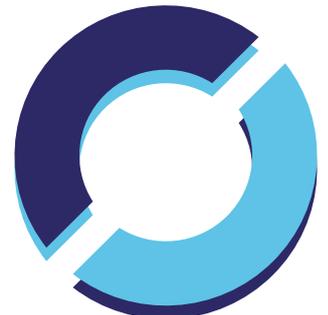
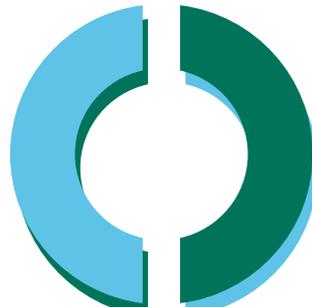
Key Findings	page 5
Interpreting the 2023 Results	6

Urgency of Sustainable Development Challenges	page 7
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Breakthrough Sustainability Developments	page 10
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NGO Leaders	page 15
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Corporate Leaders	page 21
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Introduction

The sustainability landscape has undergone dramatic change over the past year, let alone since the first version of the GlobeScan / SustainAbility survey was conducted in 1997. At the mid-point of 2023, the global economy is still feeling the ripple effects of the COVID-19 pandemic, the war in Ukraine continues changing geopolitical perspectives, and backlash against sustainability and ESG is gaining traction, all complicating progress on the creation of a more sustainable global economy and society. Even so, the efforts of governments, companies, and other actors demonstrates the determination of sustainability leaders to achieve this goal.

This GlobeScan / SustainAbility Institute by ERM survey captures the perceptions of hundreds of sustainability experts globally on which organizations are sustainability leaders. As in previous versions, the survey asked participants to identify the companies, non-governmental organizations (NGOs), and governments they perceive to be global leaders in advancing the sustainable development agenda as well as the highest priority sustainability issues. The survey was conducted between March 13 and May 7, 2023, and includes responses from over five hundred sustainability experts across more than 60 countries. The survey also asked participants to identify which organizations headquartered in their region were perceived as doing the most to lead the sustainability agenda.

The perceived urgency of most sustainability issues remain on an upward trend, demonstrating the enduring importance of issues such as climate change, biodiversity, and water scarcity. Newly asked or previously lower-priority issues are also gaining traction among sustainability professionals. For example, deforestation was added to this year's survey as a sustainable development challenge and is ranked as the fourth most important.

When asked to identify the most important actions taken over the last year to address sustainable development challenges, respondents overwhelmingly cite legislation as the primary driver in affecting change. The legislative actions referenced the most include the EU Green Deal, European Disclosure Laws, and the Inflation Reduction Act (IRA) in the U.S.

Corporate leadership rankings have remained quite similar over the past few years, but 2023 delivered one major change, with Patagonia now perceived to be the top corporate sustainability leader. The overall top five companies remained the same in this year's survey, albeit in a different order as follows: Patagonia, Unilever, IKEA, Natura &Co, and Microsoft.

There is less variation in which NGOs are perceived as leaders: the World Wildlife Fund (WWF) remains the clear favorite among respondents across all sectors and geographies. NGOs are mostly considered leaders based on their ability to successfully collaborate and engage with stakeholders.

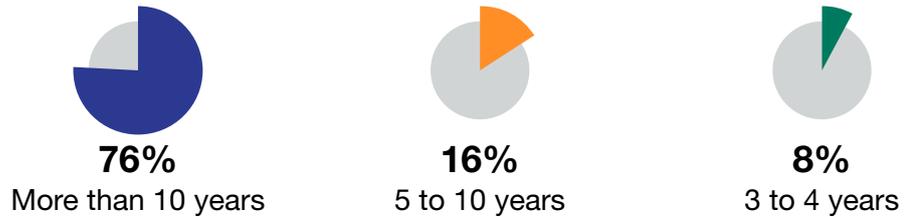
The fluctuation seen in the sustainability landscape in 2023 presents short-term challenges to advancing the sustainability agenda. However, the trends are clear: experts see sustainability issues as long-term high priorities, and companies, governments, and NGOs are taking more and more action to address them. As we look forward to the rest of 2023 and beyond, continued efforts to address these issues will be needed to ensure we meet our collective goal to create a more sustainable world.

Survey Methodology

A total of 520 qualified sustainability experts completed the online questionnaire from March 13 to May 7, 2023. The survey was offered in Arabic, Chinese, French, Portuguese, and Spanish, in addition to English.

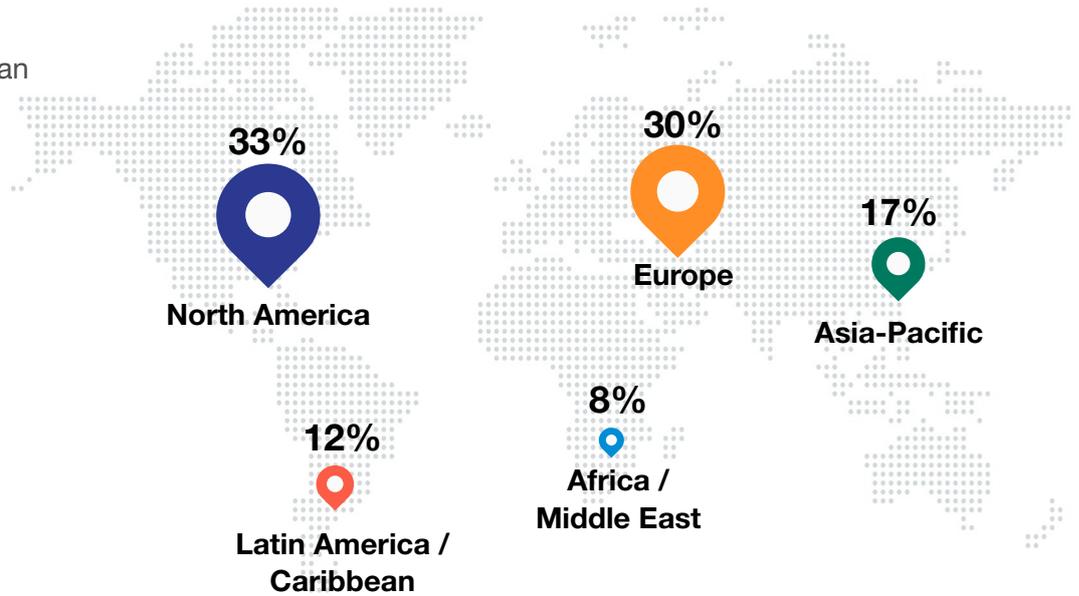
Experience

Respondents have the following experience working on sustainability issues:



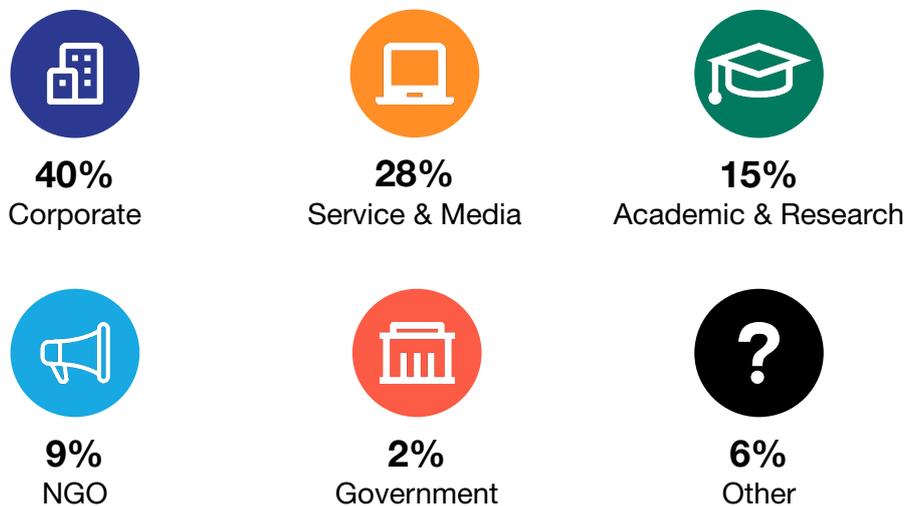
Geography

Experts surveyed span 63 countries in the following regions:



Sectors

Respondents were drawn from the following sectors:



Key Findings

- ▶ **Concern about almost all sustainability challenges remains consistently high.** Experts rate most issues as increasingly urgent. While concern regarding climate change is slightly down, it remains the most pressing challenge according to respondents. Deforestation was included in the survey for the first time in 2023 and ranks among the top five most urgent issues. Other issues ranking consistently high in urgency include biodiversity loss, water scarcity, poverty, food security, and water pollution.
- ▶ **Experts identify new sustainability legislation, improved disclosure standards, and the COP15 biodiversity agreement as the most significant catalysts for the sustainability agenda over the last year.** Legislation such as the U.S. Inflation Reduction Act, the EU Corporate Sustainability Reporting Directive (CSRD) rules on disclosure coming into force, and the EU Green Deal are cited as positive legislative developments in the realm of sustainability. Other significant developments recognized include the increasing quality and use of sustainability disclosure and reporting standards, the Kunming-Montréal Global Biodiversity Framework, sustainable action and commitment by businesses, and increased green and sustainable investing.
- ▶ **World Wildlife Fund remains the most widely recognized NGO** for its contribution to sustainable development. Greenpeace continues to be the second most recognized. Professionals in the Corporate and Service & Media sectors and those based in North America and Latin America are more likely to see World Wildlife Fund as a sustainability leader than respondents from other sectors and regions. Collaborations and stakeholder engagement most drive recognized leadership among NGOs, much more so than activism and advocacy.
- ▶ **Patagonia has overtaken Unilever as the top-ranked corporate sustainability leader.** The top companies (those mentioned by at least 4% of experts) in 2023, in order, are: Patagonia, Unilever, IKEA, Natura &Co, Microsoft, Interface, Ørsted, Danone, Google, Nestlé, and Schneider Electric.
- ▶ **Sustainable business models and evidence of impact and action are the strongest drivers of recognized corporate leadership.** Experts increasingly prioritize tangible impact and action along with placing sustainability at the very core of the business model as the most important reasons they recognize companies as leaders.
- ▶ **Experts highlight an increasingly diverse range of regional corporate sustainability leaders.** When asked specifically about corporate leaders headquartered in their own regions, experts in Africa and Middle East (Safaricom), Europe (Unilever), Latin America (Natura &Co), and North America (Patagonia) identify dominant individual regional leaders, whereas experts in Asia-Pacific cite a greater variety of leading companies including Mahindra & Mahindra, Tata, and City Developments Ltd.



Interpreting the 2023 Results

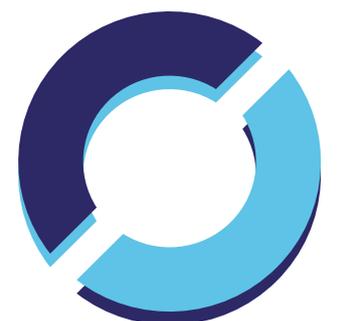
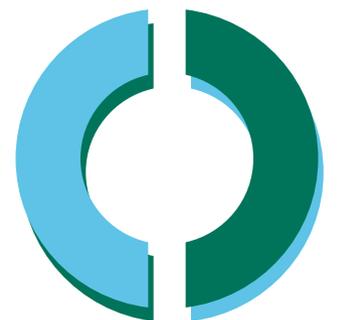
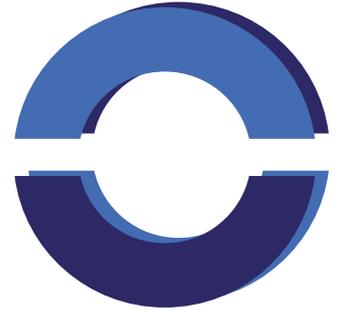
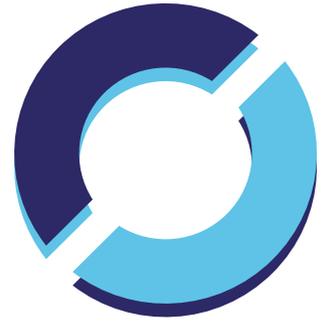
Sustainability experts confirm that the urgency of the climate and nature crisis that we are facing remains critical. Recent breakthroughs acknowledged by survey respondents include a range of legislative initiatives along with several disclosure frameworks, pushing compliance to the forefront of the sustainability agenda.

However, this year's results show that recognized sustainability leadership increasingly requires rising beyond compliance and developing new business models with sustainability at their core while also demonstrating tangible impacts. Transformative leadership – as shown by Patagonia changing its ownership model to benefit the common good – may be what is now truly required to break through as a recognized corporate sustainability leader.

For NGOs, our 2023 results show that collaborations and stakeholder engagement most drive recognized leadership, much more so than activism and advocacy – suggesting the importance of NGOs acting as convenors and collaborators to most effectively advance the sustainability agenda.



Urgency of Sustainable Development Challenges



Climate, Biodiversity, Water, and Deforestation Are Seen as the Most Urgent Sustainability Challenges

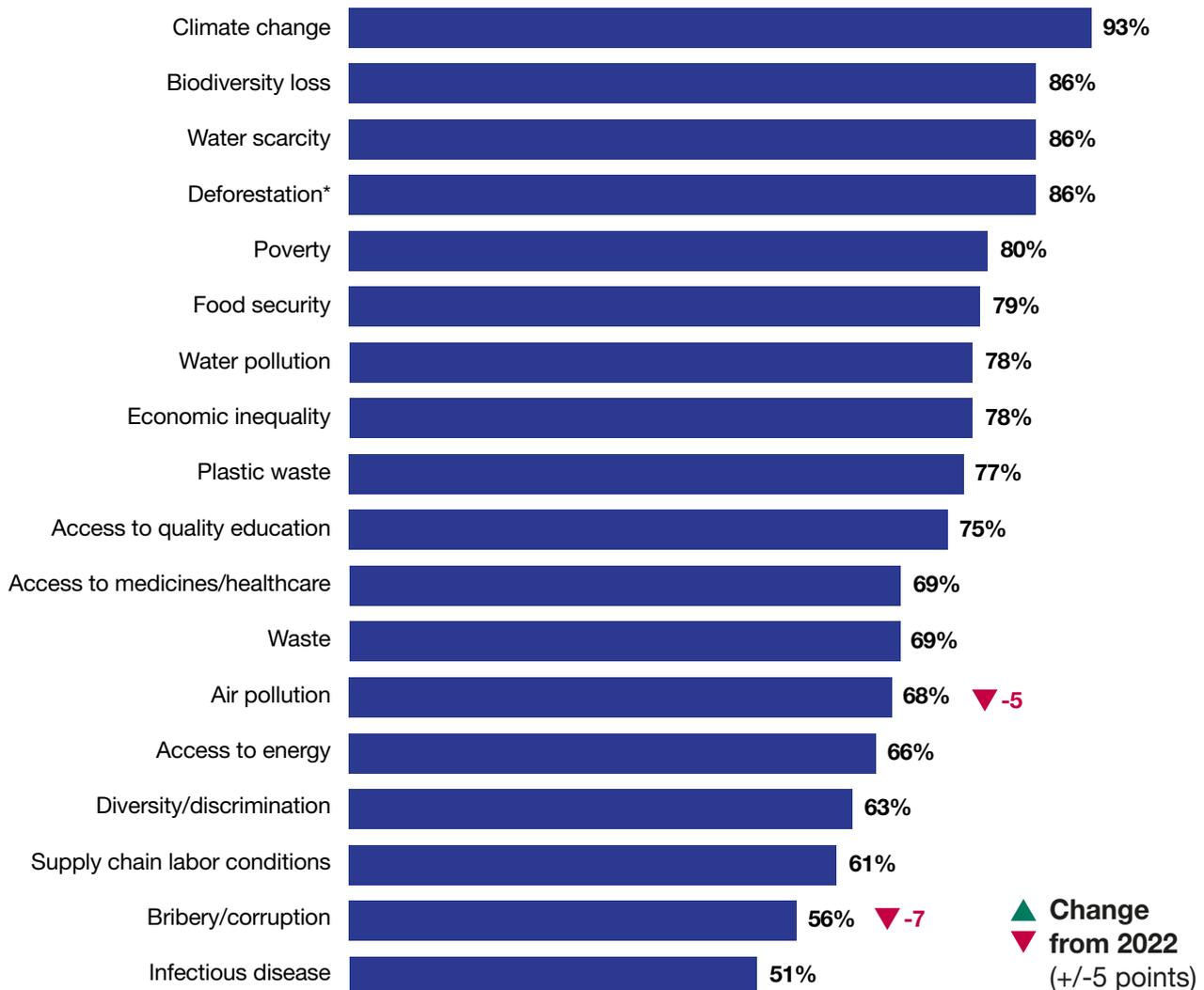
The perceived urgency of climate change among experts still surpasses other challenges, emphasizing the prominence of climate change as most urgent among a host of sustainability challenges followed by the closely related issues of biodiversity loss, water scarcity, and deforestation. Other issues are rated similarly compared to the past year, although perceived urgency has decreased for air pollution and corruption.



Considering society’s numerous sustainable development challenges, please rate the urgency of each of the following:

Please use a scale of 1 to 5 where 1 means “not urgent at all” and 5 means “very urgent.”

% of Experts, “Urgent” (4+5), 2022–2023



*Not asked in previous years

Perceived Urgency of Top Issues Remains High

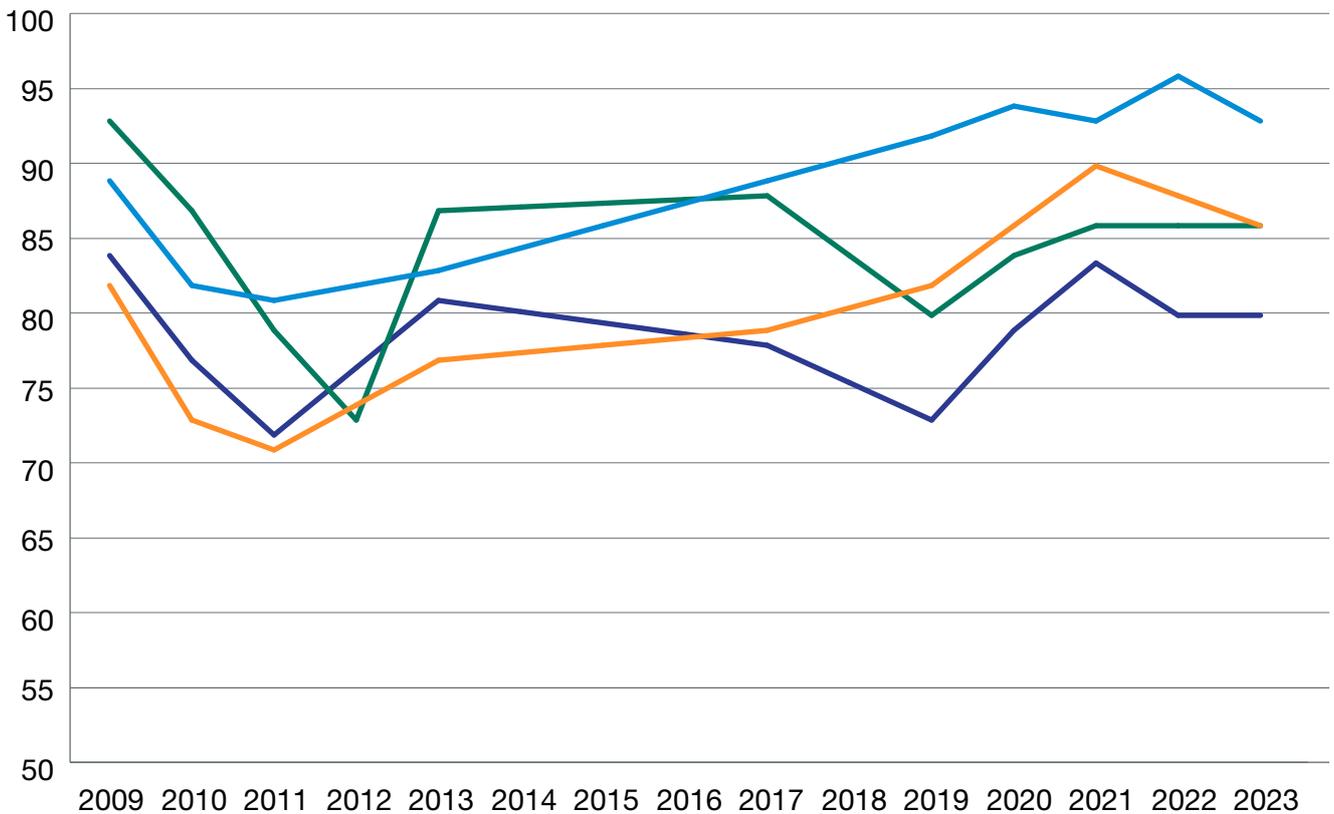
The perceived urgency of climate change and biodiversity loss has mostly increased over the past decade. Water scarcity and biodiversity loss have become equally urgent according to experts.



Considering society’s numerous sustainable development challenges, please rate the urgency of each of the following:

Please use a scale of 1 to 5 where 1 means “not urgent at all” and 5 means “very urgent.”

% of Experts, “Urgent” (4+5), 2009-2023



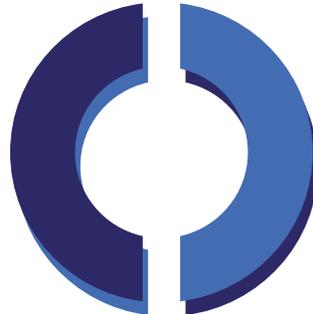
— Climate change (93%)

— Water scarcity (86%)

— Biodiversity loss (86%)

— Poverty (80%)

Breakthrough Sustainability Developments



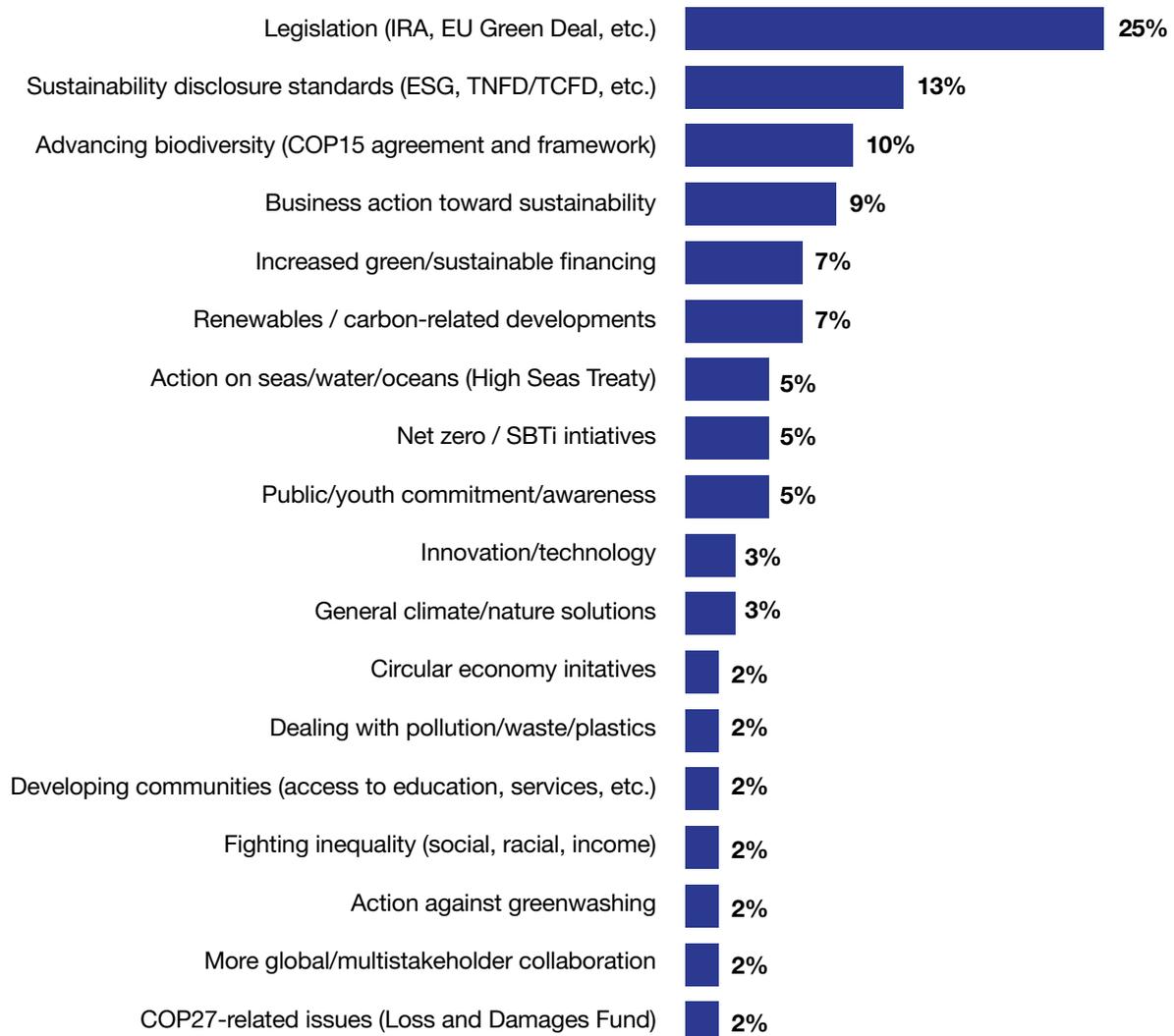
Range of New Legislation Is Viewed by Experts as the Most Significant Recent Sustainability Breakthrough

Legislative action by governments such as the Inflation Reduction Act in the U.S. and EU Green Deal is the type of positive action or development related to the sustainability agenda in the past 12 months that is most mentioned by experts. The standardization and normalization of climate- and sustainability-related disclosures, such as the climate disclosure rule proposed by the SEC in the U.S. or the CSRD in the EU, is also hailed as a pivotal sustainability development along with the COP15 framework advancing biodiversity.



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



Government Action, Advancing Biodiversity per the COP15 Agreement, and the Prevalence of Climate-related Disclosures Are Viewed as the Top Developments across Most Sectors and Regions

The most significant positive developments of the sustainability agenda recognized by experts are consistent across different sectors and countries, highlighting the breadth of their impact – however, there are some noticeable differences. NGOs and academia underscore the importance of increased sustainability-driven investments. African / Middle Eastern experts are more climate-focused, prioritizing carbon-related developments while experts within Latin America and Asia-Pacific stress the significance of business taking action and committing to sustainability.



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, Excellent (4+5), by Sector, 2023

	Most positively viewed development	2nd most positively viewed development	3rd most positively viewed development
NGO	21% Legislation	15% Advancing biodiversity (COP15 agreement and framework)	11% Increased green/sustainable financing; Renewables / carbon-related developments
Academic & Research	31% Legislation	10% Business action toward sustainability	9% Advancing biodiversity (COP15 agreement and framework); Increased green/sustainable financing
Corporate	23% Legislation	16% Sustainability disclosure standards	10% Advancing biodiversity (COP15 agreement and framework)
Service & Media	29% Legislation	15% Sustainability disclosure standards	10% Advancing biodiversity (COP15 agreement and framework)

Government sector was not included in this analysis due to small sample size.

Q

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, Excellent (4+5), by Region, 2023

	Most positively viewed development	2nd most positively viewed development	3rd most positively viewed development
Africa / Middle East	12% Renewables / carbon-related developments	10% Advancing biodiversity (COP15 agreement and framework)	7% Legislation; Public commitment; Increased green/sustainable financing; Innovation; Sustainability disclosure standards
Asia-Pacific	14% Legislation; Business action toward sustainability	11% Sustainability disclosure standards	10% Renewables / carbon-related developments
Europe	30% Legislation	19% Sustainability disclosure standards	13% Advancing biodiversity (COP15 agreement and framework)
Latin America / Caribbean	20% Legislation	15% Business action toward sustainability	11% Increased green/sustainable financing; Advancing biodiversity (COP15 agreement and framework)
North America	31% Legislation	13% Sustainability disclosure standards	9% Advancing biodiversity (COP15 agreement and framework)

Recent Positive Sustainability Developments: Quotes from Experts

Below we share some verbatim quotes from respondents around the world on the most significant positive action or development they have observed over the past 12 months.

Legislation

“In the U.S., it’s the Inflation Reduction Act with the amount of federal funding that will be made available to fund infrastructure and clean energy transition. These incentives will be transformative.”

USA

“Release of the EU Green Guide draft Enforcements of the UCPD on sustainability claims (national level).”

The Netherlands

“New federal legislation focused on waste, water, and sanitation; Federal Government: Practical Guide for Urban Solid Waste Concessions; Investments and international partnerships.”

Brazil

Sustainability disclosure standards

“ISSB and TNFD frameworks. Carbon pricing mechanisms and nature-based solutions have come to the forefront of most discussions.”

Malaysia

“There are several relevant initiatives. From my closest field of analysis and research, it is possible to mention the IFRS initiatives to achieve norms or standards of sustainability and links.”

Argentina

“The emerging standardization of non-financial reporting through the ISSB, EU CRSD, and SEC.”

UK

Advancing biodiversity (COP15 framework)

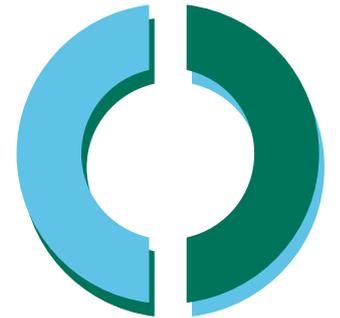
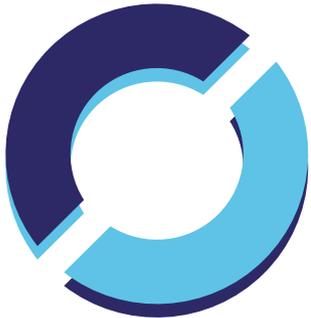
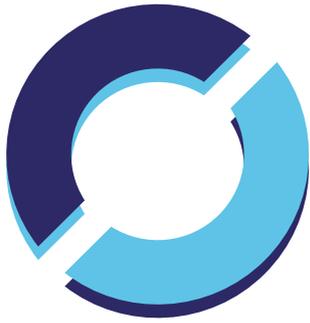
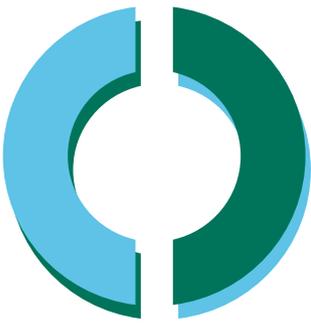
“Adoption of the Global Biodiversity Framework at COP15, including Target 15.”

Switzerland

“Elevation and inclusion of biodiversity conversation, TNFD, and other ecosystem-driven conversation as part of the wider agenda and bigger climate action.”

USA

NGO Leaders



World Wildlife Fund Is Most Recognized by Experts for Sustainability Leadership

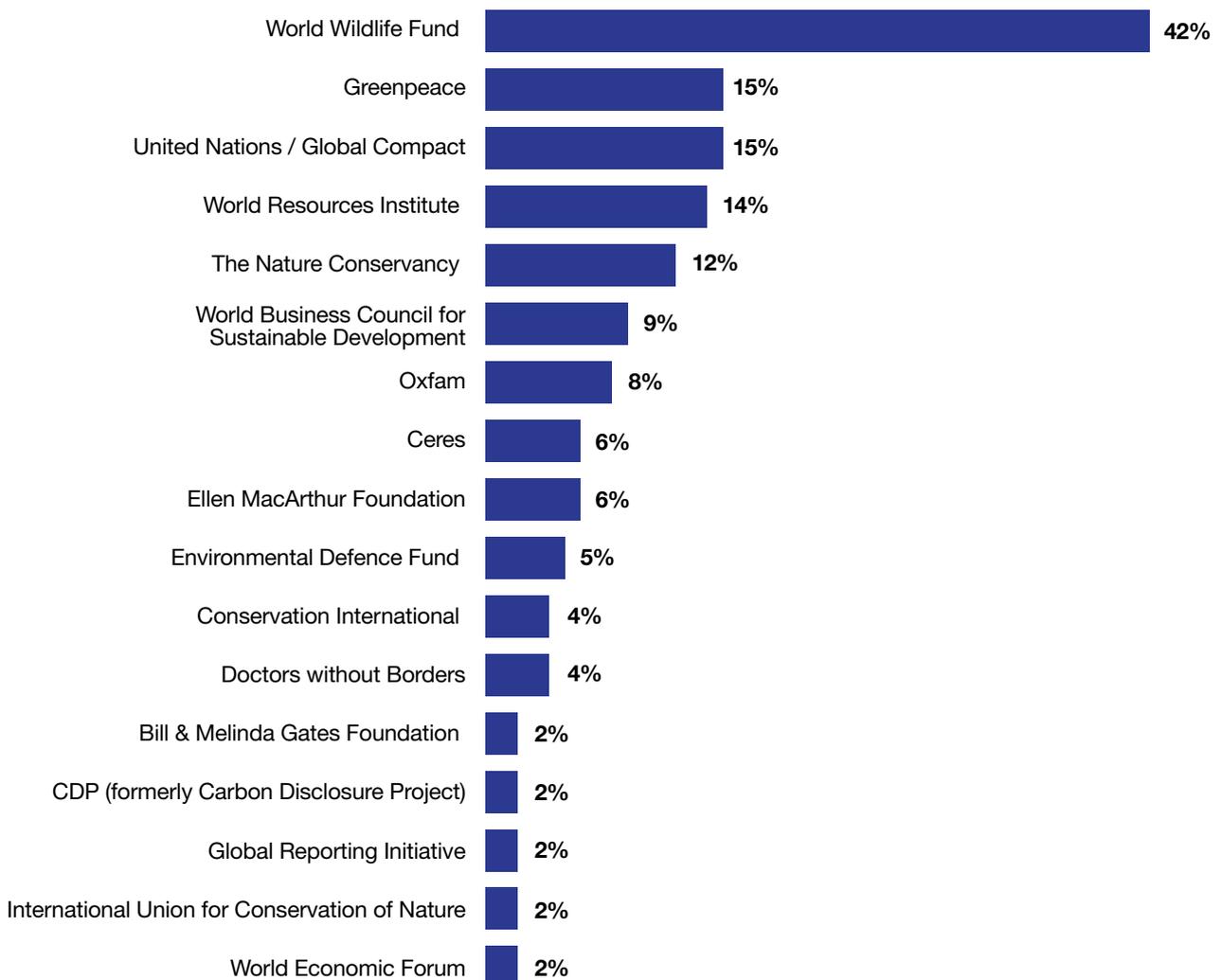
Four in ten sustainability experts recognize the World Wildlife Fund as an NGO leader in sustainable development, followed by Greenpeace, the United Nations, and World Resources Institute.



Which specific NGOs do you think are leaders in advancing sustainable development?

Please enter a maximum of three NGOs in the spaces provided.

% of Experts, Unprompted, Total Mentions, 2023



World Wildlife Fund Continues to Dominate Recognized NGO Leadership

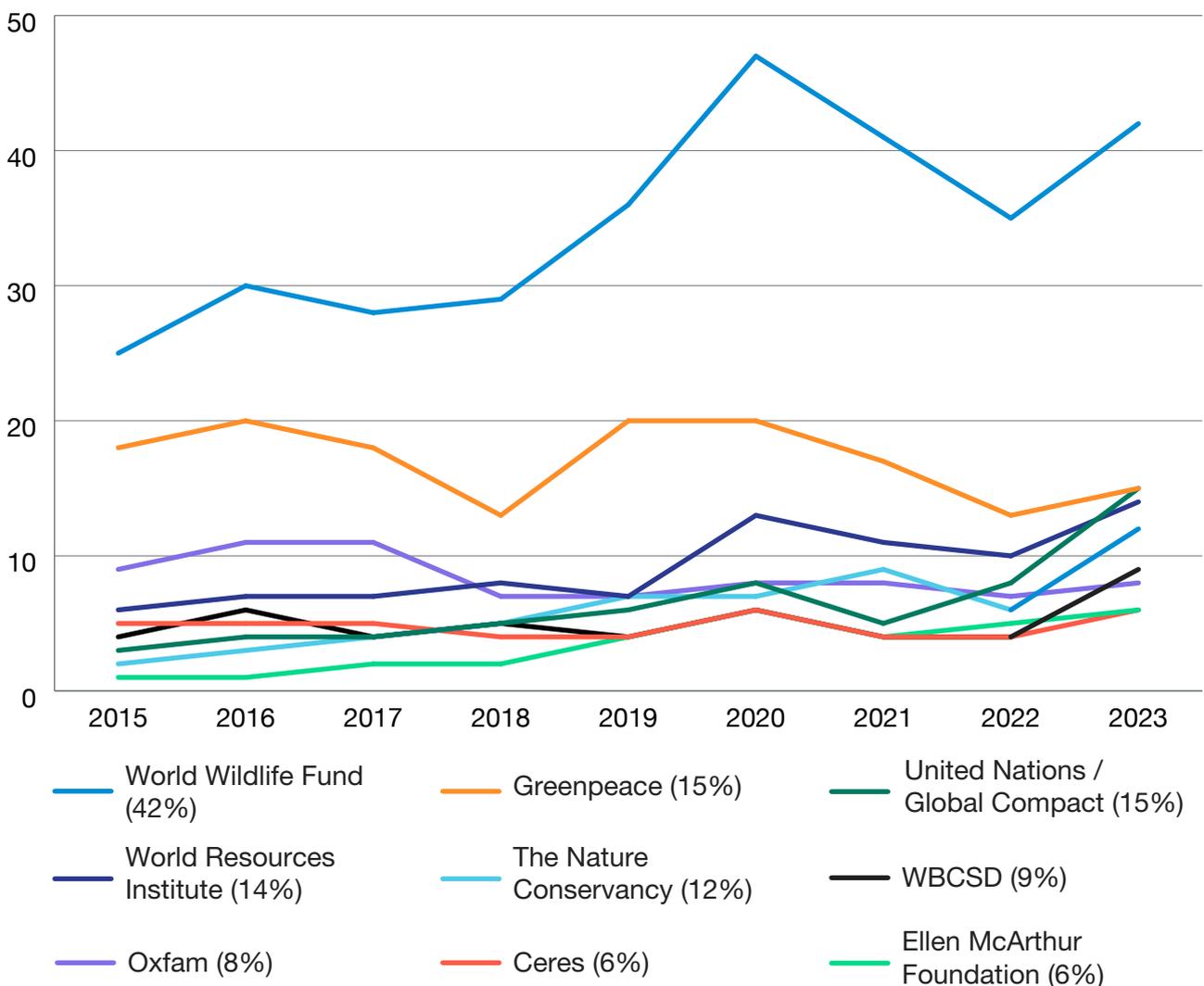
World Wildlife Fund continues to receive far more recognition for its leadership on sustainability by experts than any other organization. The overall group of most-recognized NGOs has remained relatively consistent since 2015.



Which specific NGOs do you think are leaders in advancing sustainable development?

Please enter a maximum of three NGOs in the spaces provided.

% of Experts, Unprompted, Total Mentions, 2015–2023



Experts in All Sectors and Regions Recognize World Wildlife Fund as a Leader

World Wildlife Fund continues to be consistently recognized as the leading NGO by experts in all sectors and from all parts of the world. It is, however, more often mentioned among for-profit sustainability professionals in the Service & Media and Corporate sectors and among those based in the Americas.



Which specific NGOs do you think are leaders in advancing sustainable development?

Please enter a maximum of three NGOs in the spaces provided.

% of Experts, by Sector and Region, Unprompted, Total Mentions, 2023

	NGO	Academic & Research	Corporate	Service & Media	Africa / Middle East	Asia-Pacific	Europe	Latin America / Caribbean	North America
World Wildlife Fund	36%	38%	46%	44%	29%	39%	41%	48%	45%
Greenpeace	11%	22%	14%	14%	15%	18%	17%	15%	11%
United Nations / Global Compact	15%	13%	19%	10%	17%	22%	12%	8%	16%
World Resources Institute	19%	14%	14%	17%	7%	8%	11%	21%	20%
The Nature Conservancy	4%	13%	15%	8%	2%	5%	5%	34%	15%
WBCSD	13%	6%	8%	10%	2%	10%	9%	7%	10%
Oxfam	11%	8%	9%	8%	10%	9%	12%	8%	5%
Ceres	4%	4%	6%	6%	5%	6%	1%	2%	11%
Ellen McArthur Foundation	2%	1%	8%	8%	7%	1%	10%	5%	4%
Environmental Defense Fund	4%	4%	6%	7%	0%	1%	1%	5%	12%
Conservation International	6%	0%	6%	4%	10%	2%	2%	8%	5%

Government sector was not included in this analysis due to small sample size.

Collaboration and Stakeholder Engagement Drive NGO Leadership

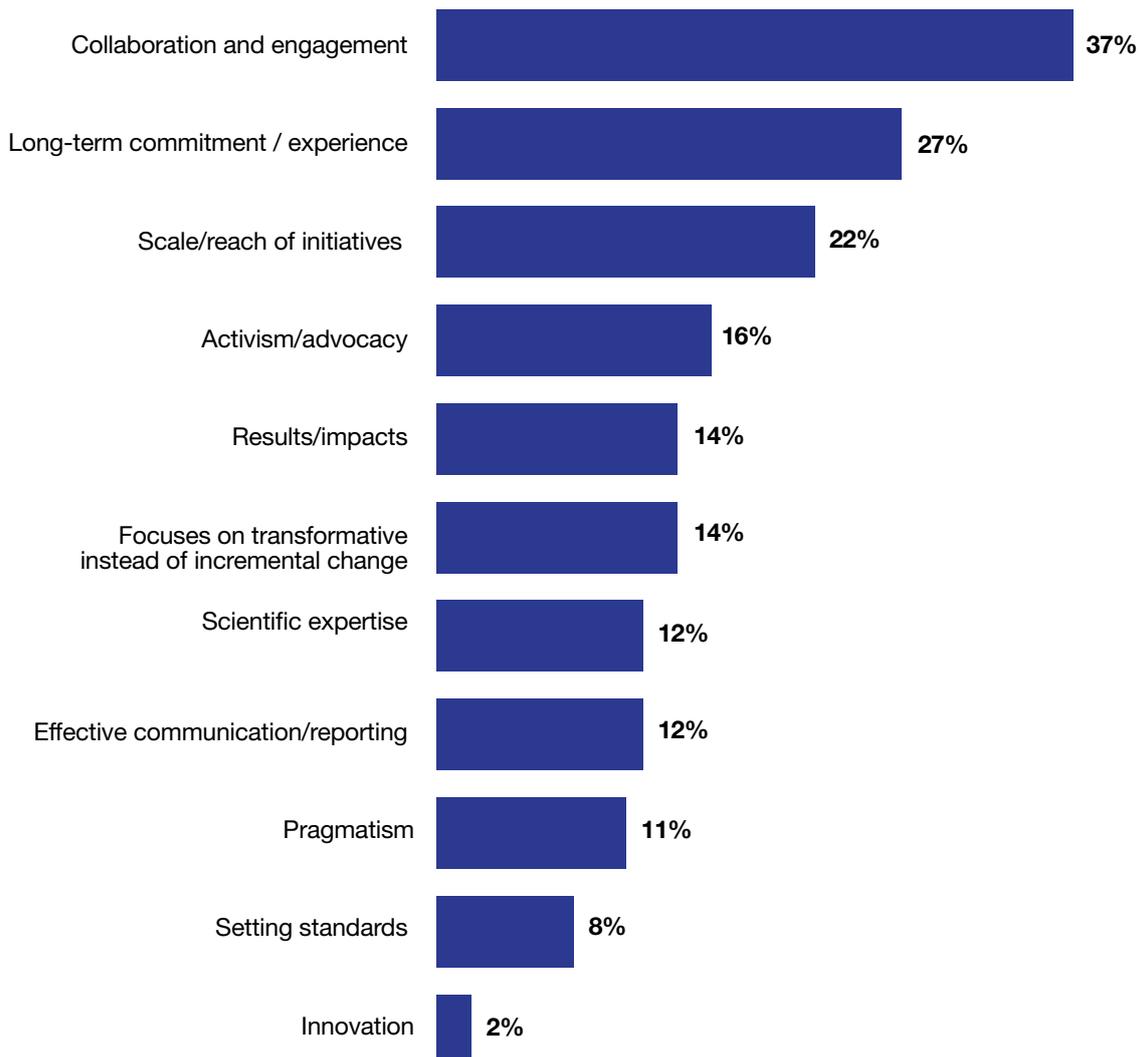
According to experts, collaboration and stakeholder engagement is the top reason for recognized NGO leadership in sustainable development. NGOs' long-term commitment and the scale and reach of initiatives are also among the defining aspects of leadership underscored by experts.



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



Scale and Reach of Initiatives Is a Top Driver of NGO Leadership among Experts in Asia-Pacific and Latin America / Caribbean

While collaboration and stakeholder engagement remains one of the three most important reasons for recognized NGO leadership in sustainable development among surveyed experts in all sectors and regions, those based in Asia-Pacific and Latin America / Caribbean are more likely to cite scale and reach of initiatives. NGOs' long-term commitment is the top driver cited by experts in the NGO sector and those based in Europe.



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

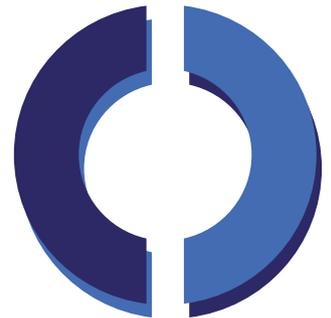
Please choose up to two from the list below.

% of Experts, by Sector and Region, Total Mentions, 2023

	Most important driver	2nd most important driver	3rd most important driver
NGO	47% Long-term commitment / experience	27% Scale/reach of initiatives	20% Collaboration and engagement; Setting standards
Academic & Research	34% Collaboration and engagement	24% Long-term commitment / experience	21% Activism / advocacy
Corporate	41% Collaboration and engagement	27% Scale/reach of initiatives	23% Long-term commitment / experience
Service & Media	40% Collaboration and engagement	25% Long-term commitment / experience	21% Effective communication / reporting
Africa / Middle East	35% Collaboration and engagement	29% Setting standards	24% Long-term commitment / experience; Results / impacts
Asia-Pacific	34% Scale/reach of initiatives	28% Collaboration and engagement	22% Long-term commitment / experience
Europe	28% Long-term commitment / experience	26% Activism/advocacy	22% Collaboration and engagement
Latin America / Caribbean	60% Scale / reach of initiatives	45% Long-term commitment / experience	40% Collaboration and engagement
North America	56% Collaboration and engagement	25% Long-term commitment / experience	20% Focuses on transformative instead of incremental change

Government sector was not included in this analysis due to small sample size.

Corporate Leaders



Patagonia, Followed by Unilever, IKEA, and Natura &Co Are the Companies Most Recognized for Their Sustainability Leadership

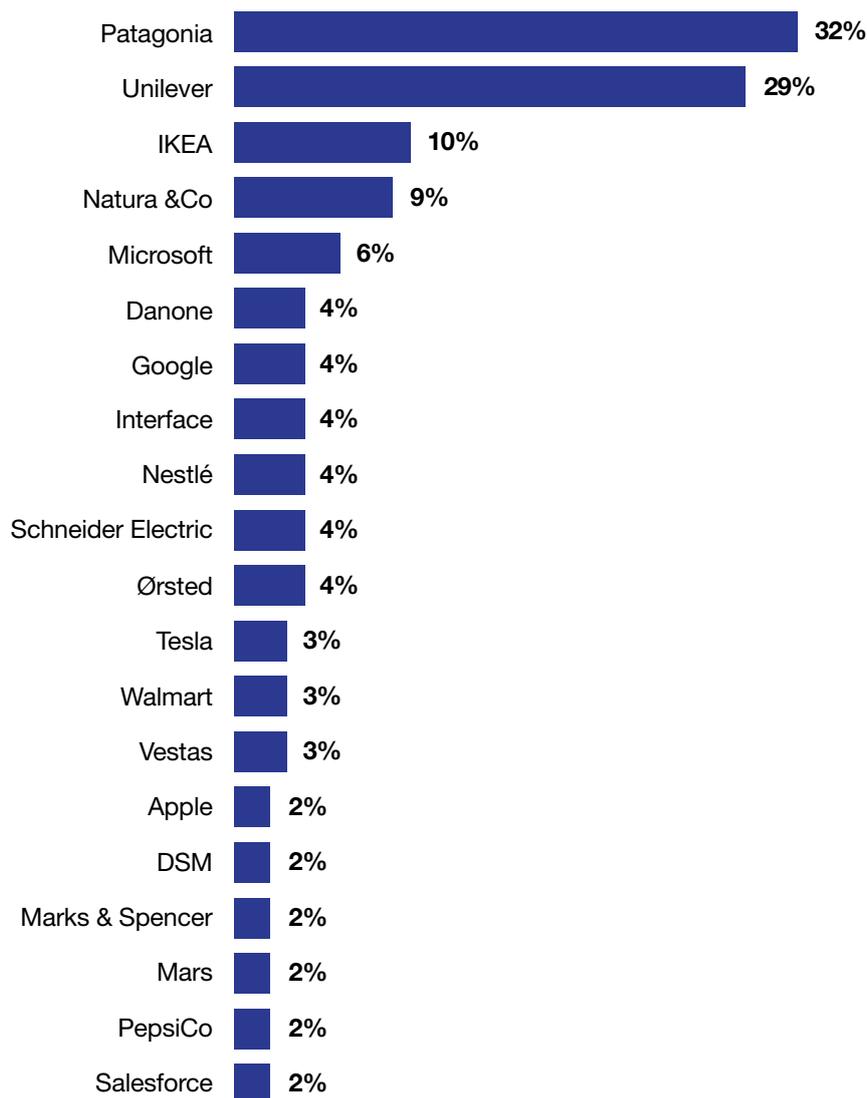
For the first time in this survey, Patagonia is the company most recognized by sustainability professionals for their work on sustainability, dethroning Unilever who had enjoyed the top spot for over a decade. IKEA, Natura &Co, and Microsoft round out the top five, maintaining their status from the past year.



Which specific companies do you think are leaders in integrating sustainability into their business strategy?

Please enter a maximum of three companies in the spaces provided.

% of Experts, Unprompted, Total Mentions, 2023



Patagonia Overtakes Unilever as the Most Recognized Sustainability Leader

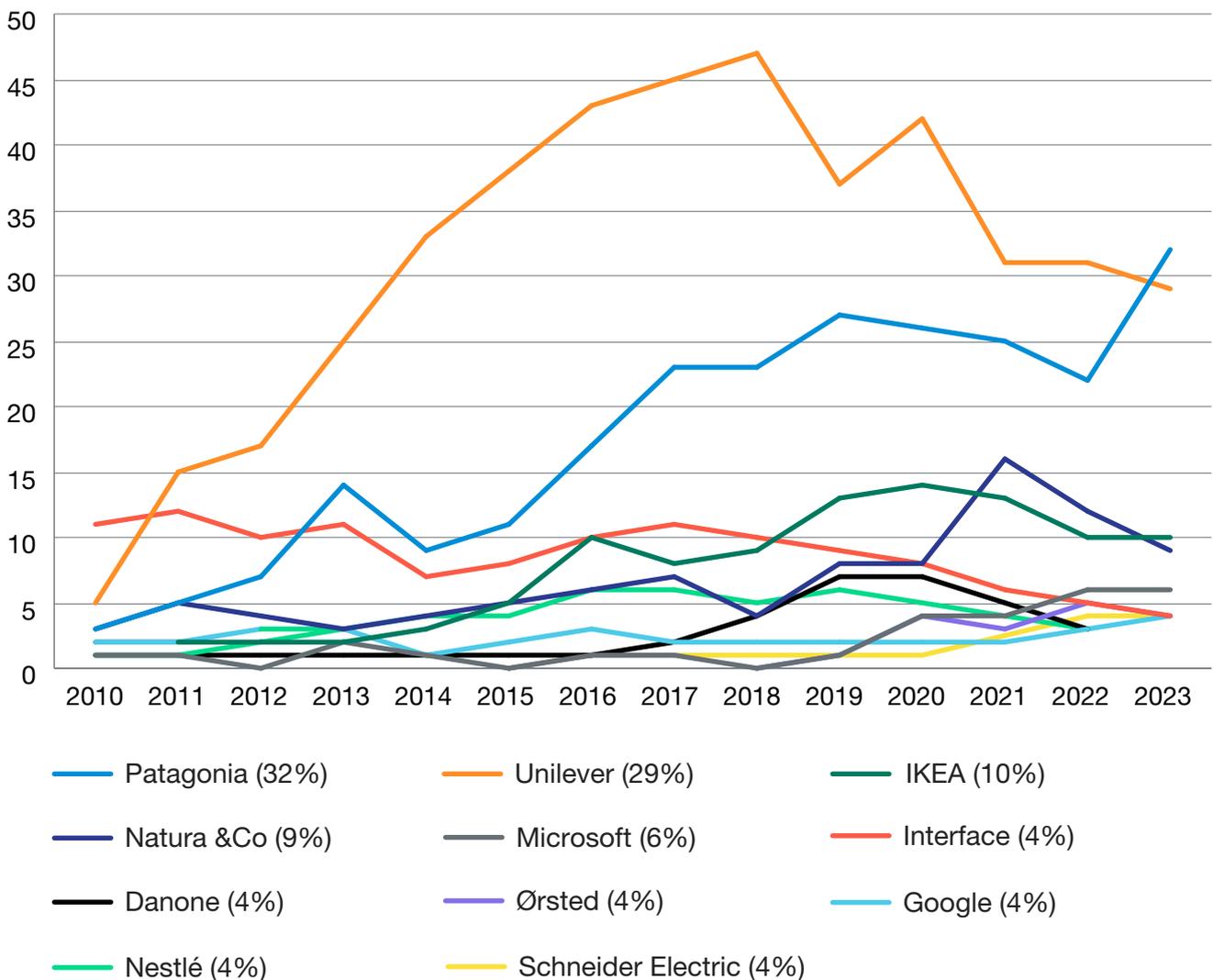
After transferring ownership of the company to a trust that seeks to address climate change and protect nature in 2022, Patagonia has seen a remarkable rise in recognition as a sustainability leader. For the first time, Patagonia has surpassed Unilever after consistently remaining in second place over the past decade. In contrast, the proportion of sustainability experts selecting Unilever as a sustainability leader remains relatively stable after a marked drop in 2021. Technology and energy companies like Microsoft, Ørsted, Google, and Schneider Electric have been gaining traction over the past few years.



What specific companies do you think are leaders in integrating sustainability into their business strategy?

Please enter a maximum of three companies in the spaces provided.

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



Recognized Leadership Is Increasingly Driven by Integration, Impact and Innovation

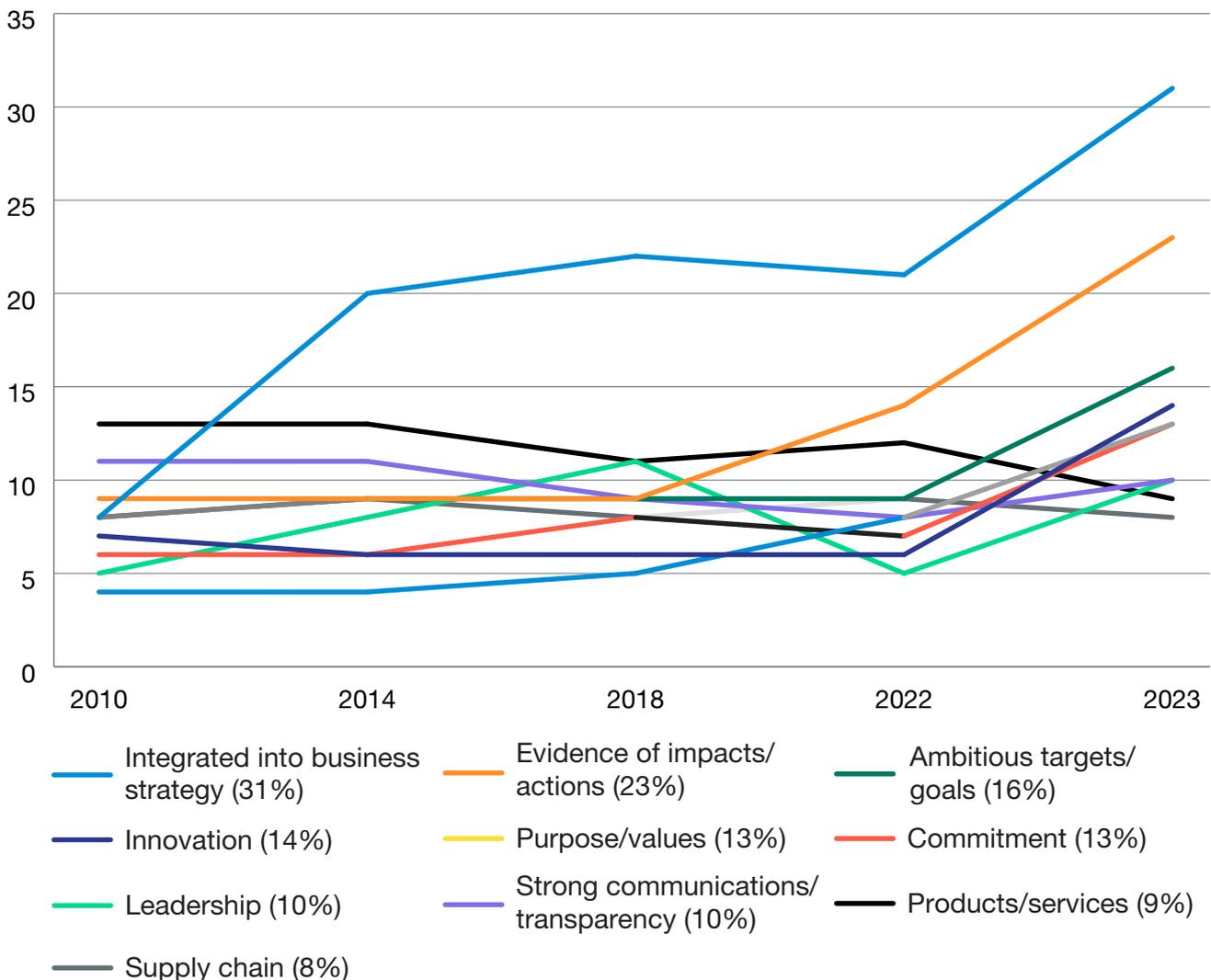
Experts increasingly champion companies putting sustainability at the core of their business model and also continue to increasingly recognize the importance of verifiable results and outcomes. Other drivers of recognized leadership that are increasingly mentioned include setting ambitious targets, being purpose-driven, innovating, and showing long-term commitment. Mentions of leadership have also picked back up again after dropping in 2022.



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



Drivers of Corporate Sustainability Leadership: Quotes from Experts

Below we share some verbatim quotes from respondents around the world on reasons why they name a specific company as a leader in sustainability.

Integrated into business strategy

“Completely changed business and financial model to fund climate change initiatives.”

Canada

“Their sustainability goals/strategy are interrelated to business strategy/goals.”

The Netherlands

“Sustainability integrated into company products and culture.”

Macau SAR

Evidence of impact and action

“Commitments and actions (technologies, services, initiatives) focused on improving the footprint of the value chain (especially in animal proteins).”

Brazil

“They have proven that responsible sustainable development can create value for a profit-driven SME.”

Ghana

“Increased the amount of its agricultural raw materials that are sustainably sourced from 14 percent to 62 percent.”

Hong Kong

Ambitious targets and goals

“Accurate reporting, measurable goals, and ambitious targets.”

India

“Bold goals and substantive action across the full spectrum of ESG.”

USA

Drivers of Recognized Corporate Leadership Are Largely Consistent across Sectors and Regions

Placing sustainability at the core of business models and strategy is the top reason experts across most sectors and regions cite for naming a leading company, followed by proven impact. Ambitious targets, purpose, commitment, and innovation are also mentioned as top drivers of leadership across all sectors and regions.



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, by Sector and Region, Unprompted, Total Mentions, 2023

	Most important driver	2nd most important driver	3rd most important driver
NGO	28% Integrated into business strategy	23% Evidence of impacts/actions	19% Ambitious targets/goals; Supply chain; Innovation
Academic & Research	23% Integrated into business strategy	22% Evidence of impacts/actions	14% Innovation
Corporate	34% Integrated into business strategy	25% Evidence of impacts/actions	18% Ambitious targets/goals
Service & Media	33% Integrated into business strategy	22% Evidence of impacts/actions	17% Ambitious targets/goals; Purpose/values
Africa / Middle East	32% Evidence of impacts/actions	17% Ambitious targets/goals	15% Integrated into business strategy; Commitment
Asia-Pacific	27% Integrated into business strategy	17% Evidence of impacts/actions	16% Ambitious targets/goals; Leadership
Europe	39% Integrated into business strategy	19% Evidence of impacts/actions	17% Ambitious targets/goals
Latin America / Caribbean	33% Integrated into business strategy	26% Evidence of impacts/actions; Purpose/values	23% Ambitious targets/goals; Commitment
North America	28% Integrated into business strategy	27% Evidence of impacts/actions	18% Innovation

Government sector was not included in this analysis due to small sample size.

A Wide Range of Corporate Sustainability Leadership Is Present at Regional Level

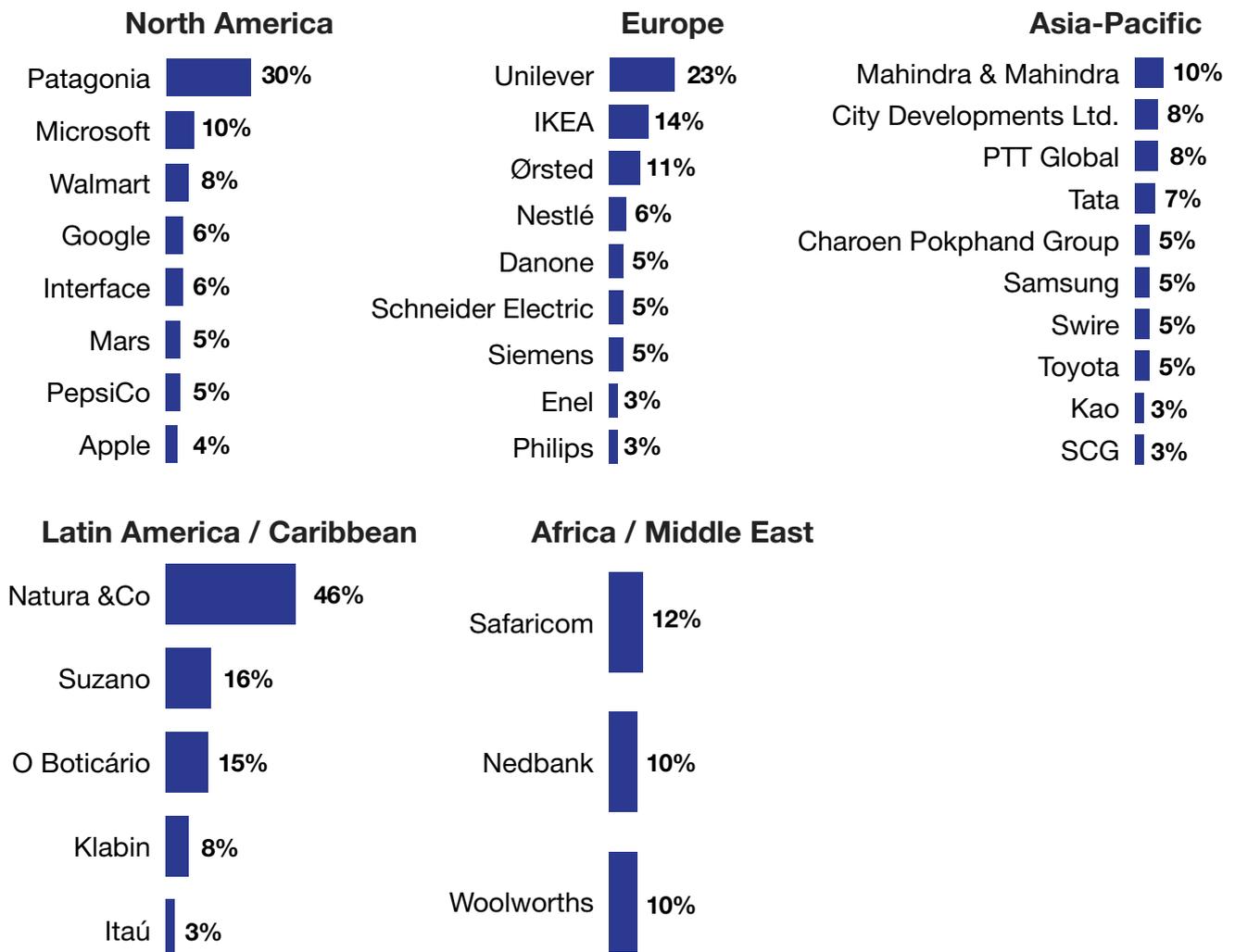
When experts are asked to identify sustainability leaders among companies headquartered in their regions, a few clear regionally recognized leaders emerge. Almost half of surveyed experts in Latin America / Caribbean point to Natura &Co, while in Africa / Middle East, Safaricom, Nedbank, and Woolworths stand out as regional frontrunners. Mahindra & Mahindra, City Developments Ltd, PTT Global, and Tata are most recognized in Asia-Pacific, while Unilever and IKEA continue to top the rankings in Europe. Patagonia stands out as the most recognized corporate sustainability leader among North American experts.



Which companies headquartered specifically in [region where respondent is based] do you think are leaders in integrating sustainability into their business strategy?

Please enter up to three responses.

% of Experts in Each Region, Unprompted, Total Mentions, 2023





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