

ESG ACROSS BORDERS: THE CULTURAL CONTEXT

July 2023

**IPSOS
VIEWS
ESG SERIES**



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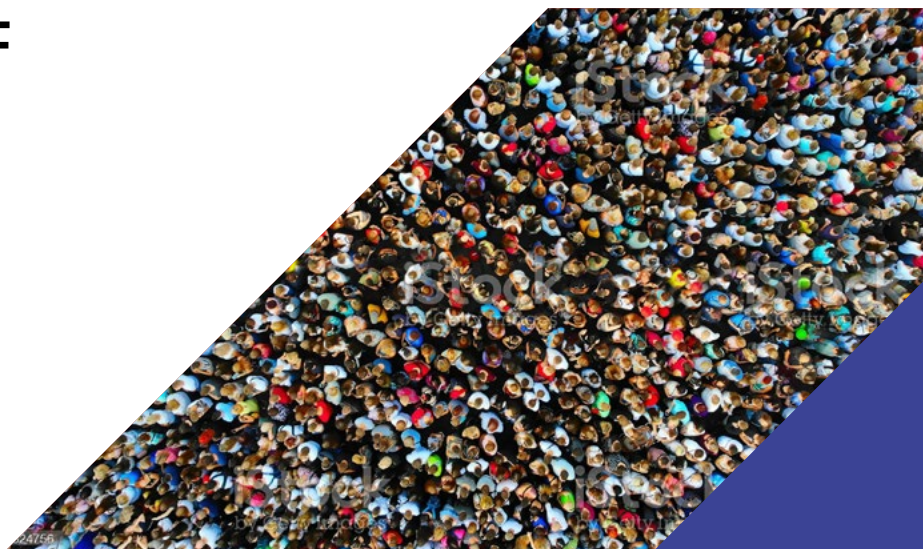
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FOREWORD



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Environmental. Social. Governance. The domain of ESG stretches across a broad range of themes that are just as complex as they are far-reaching. To truly understand how society is evolving on ESG, we need to go really deep. A superficial understanding of the subject is unlikely to be enough. These are, after all, some of the most pressing and urgent challenges facing our world today. And further complicating matters, many ESG topics are interconnected, making it difficult to look at them in isolation. Like the Academy Award-winning film, it can feel like Everything Everywhere All at Once.



Developing programmes, services, policies, and strategies that are fit for purpose and which will help an organisation or government body to operate more sustainably in the long term is no easy task. Each country has its own idiosyncrasies, grounded in history, context, language, and culture. Just because an approach works in one place does not mean it will be a success elsewhere.

We took this as the impetus for this report. Our goal was to take a look at what ESG means for people around the world, from the perspective of their day-to-day lives. Our exploration takes us through their (often competing) priorities. It looks at the language people use, and how they relate to the larger topic at hand. It examines their expectations of businesses and institutions. It explores how individuals can be inspired and encouraged to take positive action. And it raises questions about how we can better understand, communicate, and innovate.

Everything Everywhere All at Once. ESG is an overwhelming topic, full of nuance and differing opinions, with high expectations from citizens around the world, and many opportunities to get it right (and wrong). Taking action on ESG initiatives is increasingly becoming a necessity—one that starts with having an informed view on how society thinks.

We hope this report provides ideas, information, and inspiration to help you develop your thinking. As you read, you will note that we have provided details of the resources and references we found useful in bringing together this report. Let us know what you think, and where we should go next. We look forward to joining you on your journey.

“Each country has its own idiosyncrasies, grounded in history, context, language, and culture. Just because an approach works in one place does not mean it will be a success elsewhere.”



KEY LEARNINGS

Vocabulary matters

Among the global public, the term “sustainability” has a much stronger association with environmental topics than social or governance topics, carrying different specific connotations in different countries. Organisations and government bodies must clearly define what they mean in their ESG communications.

People expect governments to lead the way in reducing inequality

Which groups of society are perceived to be facing the most unequal or unfair treatment varies dramatically from one country to another. But across all countries surveyed, there is a widespread agreement that governments are primarily responsible for reducing inequality.

The fight against climate change is seen as a group effort

Globally, there is a shared sense that all countries will need to work together in order to fully tackle climate change. But some countries feel they are being asked to sacrifice too much.

Culture is key

Three cultural dimensions shape people’s attitudes, perceptions and behaviours towards ESG topics. Firstly, whether their culture’s relationship with nature is more one of conquest or one of co-existence. Secondly, their perceptions about who has the best agency to drive impact and make a difference. And thirdly, whether they prioritise benefits for the world at large or benefits to their personal lives and the lives of people around them.



“SUSTAINABILITY”: ARE WE ALL ON THE SAME PAGE?



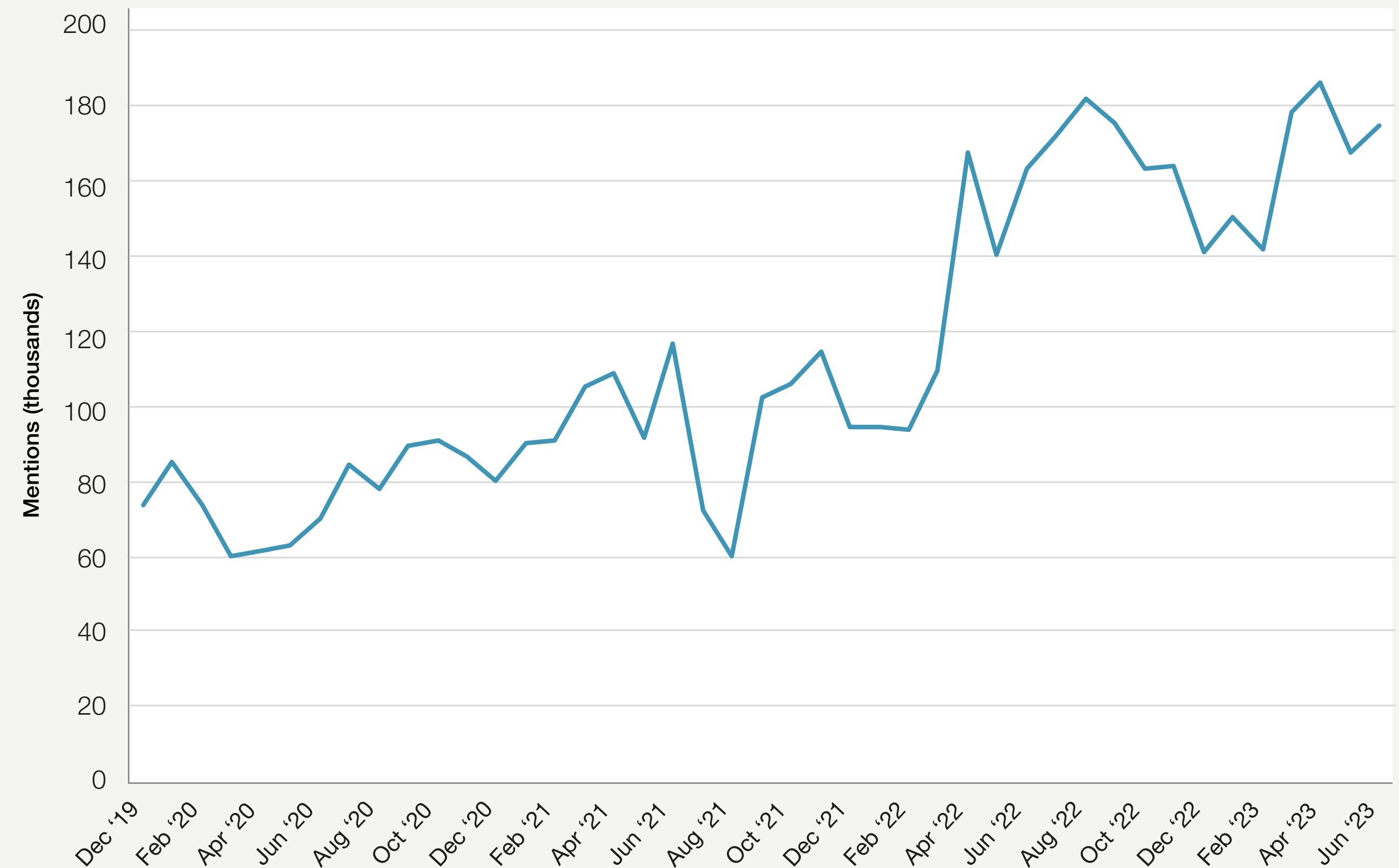
“SUSTAINABILITY”: ARE WE ALL ON THE SAME PAGE?

“Sustainability” is a term that has rapidly been incorporated into everyday business language, often as an overarching term to encompass ESG (or Environment, Social, and Governance). It broadly focuses on delivering **prosperity** with consideration of **people** and **planet**.¹

A look at the frequency of mentions of this term on social media also suggests that the expression is increasingly being used in online conversations (Figure 1).

But do we really understand what people mean when they use this word, and does it hold the same meaning for everyone?

Fig. 1 – Mentions of #sustainability (English speaking markets)



Source: Ipsos Synthesio, Global English, 1st December 2019 – 31st June 2023.



What does “sustainability” mean to people across the world and in different contexts?

What we asked:

We asked people across 34 countries which of 14 topics – broadly based on the UN’s Sustainable Development Goals (SDGs) – they most associate with the word “sustainability”.

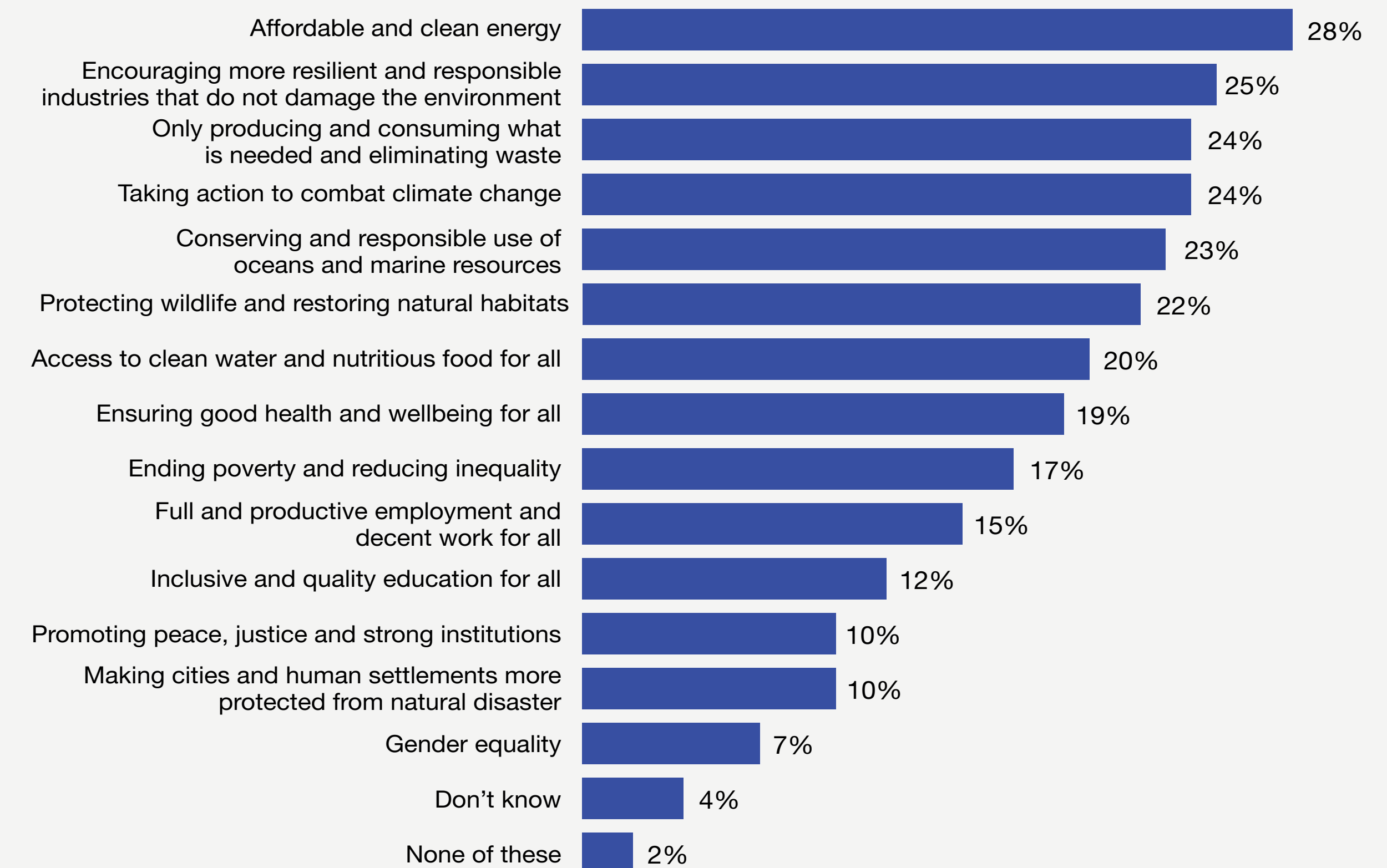
What we learned: Environment is primary

Environmental themes dominate, with energy, environmental damage, waste and climate change proving to be the four most strongly associated topics. “Affordable and clean energy” comes top, with almost a third (28%) choosing it as one of the topics they most associate with “sustainability” (Figure 2).

Indeed the top six associations with the term sustainability all cover “E” topics, with “accessing clean water and nutritious food” and “ensuring good health and wellbeing” for all ranking 7th and 8th (Figure 2).

Fig. 2 – Associations with the term “sustainability”

Q. Which of the following topics, if any, do you most associate with the word “sustainability”? Please select the top three.



Source: Ipsos Global Advisor

Base: 22,528 online adults aged 16-74 across 34 countries, 26th August - 9th September 2022.



Even further down the list are more social issues like poverty, inequality, productive employment, inclusivity, education, peace and justice, with gender equality having the lowest association of all. So we see that, at a top-line level, environment related topics are more clearly linked to the term “sustainability” than social issues.

What is being discussed when #sustainability is used?

When we look at what people are saying online, we see again that the public associate the term “sustainability” more strongly with environmental issues than with social or governance issues. We carried out topic modelling of online conversations relating to the use of “#sustainability” drawn from three months of all English language content over summer 2022.² By curating a list of over 100 topics down to 34 macro topics that describe online conversation (shown in Figure 3), we could see that water, climate change and packaging feature strongly.

Fig. 3 – #Sustainability – key conversation topics



Source: Ipsos Synthesio, analysis on key topics with #sustainability. Data collected from June - August 2022.



However, both Sustainability in Business and ESG Initiatives are also very prominent, suggesting that conversations do move beyond E for environment – as we see in the 34-country quantitative analysis.

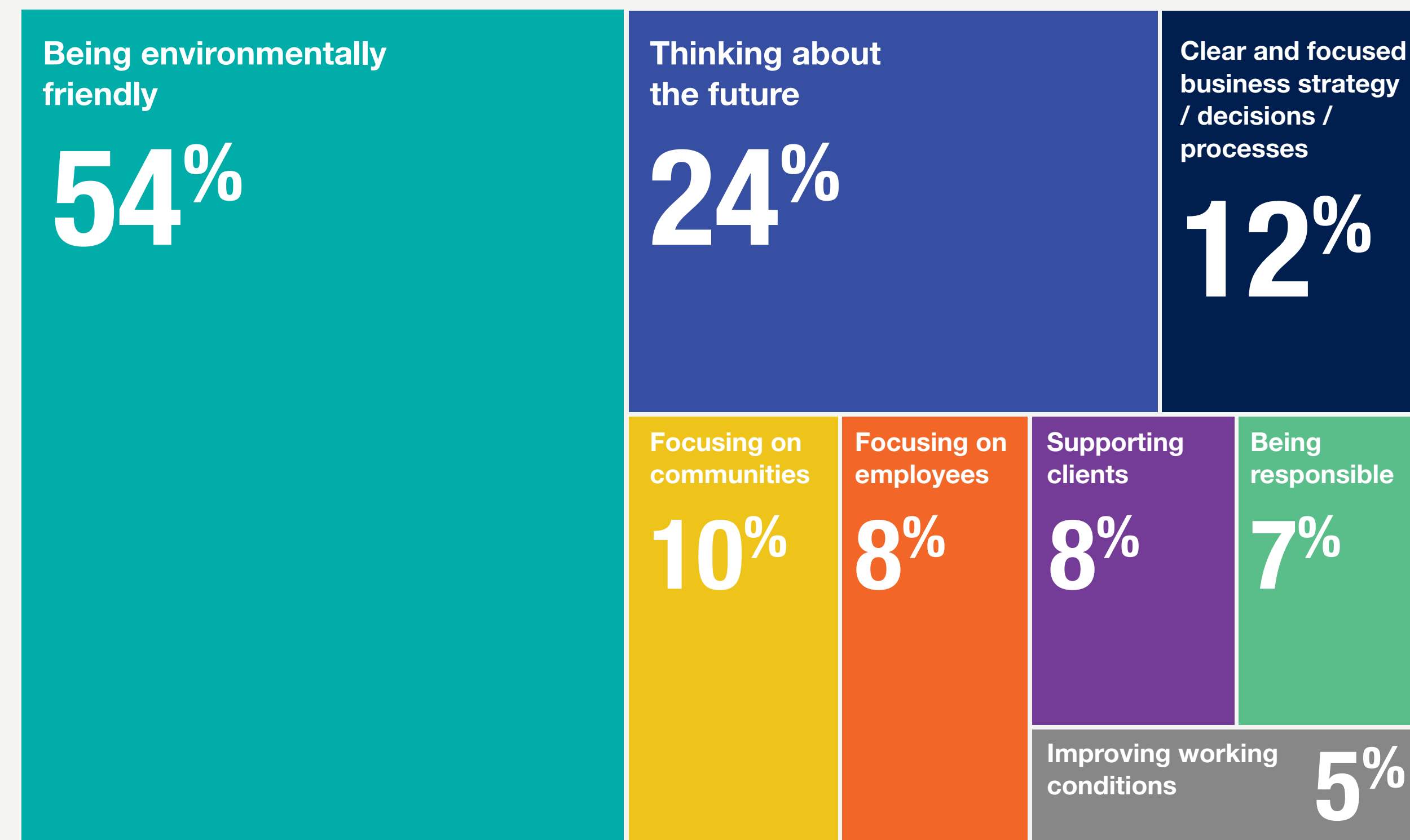
And how do employees interpret sustainability?

Taking a third perspective (beyond survey and online conversations), we asked employees what they thought “sustainability” meant when it is used in an organisational context.³ While organisations use “sustainability” to refer to ESG in its broadest state, our research shows that employees have a narrower understanding of the term. Once again environment dominates, with a majority of responses referring to being environmentally friendly.

A quarter of responses associate the term with thinking about the future, with approximately one in 10 mentioning clear and focused business strategy. Social associations, such as looking after communities, focusing on employees and supporting clients, follow behind.

Fig. 4 – Meaning of sustainability for employees

Q. When you hear the term sustainability used in an organisation, what does this mean to you?*



Source: Ipsos Karian and Box online survey.

Base: 8,407 responses from employees at four Financial Services firms head-quartered in the UK and Ireland, collected between October and November 2022

*As an open-text question, responses were analysed and coded into themes, the top of which are reported here. Themes don't sum 100% as some comments mentioned several themes.



This latest analysis is restricted to the Financial Services sector; our sense is that this view could be common across many sectors.

A global average hiding regional differences

Associations with the term “sustainability” vary greatly across the world (see Figure 5 over page). This is likely driven by the very different political, environmental, and social backdrops in each country, as well as the particular cultural context.

On average globally, almost a quarter (24%) associate sustainability with “only producing and consuming what is needed and eliminating waste”. But this global average is held up notably by stronger associations across European countries like Romania, Hungary (both 36%), Great Britain (35%), Italy, Ireland and France (34% each).

At the same time, while only 15% across 34 countries associate “full and productive employment and decent work for all” with sustainability. This rises to almost three in 10 in Argentina and Peru (both 29%) and to almost four in



Fig. 5 – Associations with the term “sustainability” by country

Q. Which of the following topics, if any, do you most associate with the word “sustainability”? Please select the top three.

	TOT	ARG	AUS	BEL	BRA	CAN	CHL	CHN	COL	GER	ESP	FRA	GB	HUN	IDN	IRE	ISR	IND	ITA	JAP	KOR	MEX	MAL	NLD	PER	POL	ROU	SAU	SWE	SGP	THA	TUR	US	UAE	RSA
Affordable and clean energy	28%	21%	35%	33%	31%	28%	28%	27%	28%	23%	36%	29%	31%	35%	21%	34%	31%	24%	40%	13%	24%	28%	19%	35%	18%	25%	31%	26%	23%	35%	25%	28%	29%	25%	30%
Encouraging more resilient and responsible industries that do not damage the environment	25%	27%	25%	16%	22%	20%	37%	38%	33%	12%	28%	17%	25%	38%	30%	22%	20%	27%	18%	24%	35%	33%	24%	24%	29%	29%	24%	17%	18%	25%	24%	32%	19%	13%	19%
Only producing and consuming what is needed and eliminating waste	24%	13%	32%	32%	30%	27%	16%	15%	15%	32%	29%	34%	35%	36%	10%	34%	15%	18%	34%	24%	29%	18%	16%	30%	11%	27%	36%	17%	25%	28%	14%	21%	29%	14%	21%
Taking action to combat climate change	24%	20%	24%	25%	21%	20%	25%	30%	28%	26%	32%	31%	26%	29%	21%	28%	17%	16%	31%	17%	35%	25%	14%	28%	17%	30%	21%	16%	28%	31%	12%	29%	20%	21%	21%
Conserving and responsible use of oceans and marine resources	23%	18%	30%	23%	20%	25%	28%	35%	22%	34%	27%	28%	30%	17%	29%	26%	14%	15%	22%	18%	22%	22%	17%	21%	24%	19%	18%	17%	24%	29%	18%	20%	24%	18%	19%
Protecting wildlife and restoring natural habitats	22%	29%	27%	23%	24%	25%	27%	29%	26%	34%	21%	26%	28%	17%	18%	28%	14%	22%	21%	11%	15%	25%	21%	20%	25%	23%	16%	14%	25%	24%	16%	9%	23%	16%	22%
Access to clean water and nutritious food for all	20%	24%	18%	22%	23%	23%	18%	15%	18%	22%	15%	16%	16%	24%	23%	18%	27%	19%	15%	16%	15%	24%	18%	19%	19%	21%	21%	14%	28%	17%	14%	22%	23%	22%	29%
Ensuring good health and wellbeing for all	19%	27%	12%	18%	20%	14%	20%	14%	20%	9%	14%	15%	10%	18%	25%	13%	26%	24%	18%	16%	17%	22%	27%	17%	28%	14%	23%	22%	18%	19%	19%	21%	16%	24%	21%
Ending poverty and reducing inequality	17%	24%	9%	15%	18%	13%	14%	17%	16%	11%	14%	13%	10%	17%	27%	10%	25%	15%	13%	14%	17%	16%	26%	11%	19%	15%	16%	21%	15%	11%	35%	21%	12%	19%	27%
Full and productive employment and decent work for all	15%	29%	8%	10%	17%	9%	15%	16%	24%	8%	12%	9%	8%	9%	37%	10%	16%	20%	15%	9%	20%	23%	15%	8%	29%	15%	15%	12%	10%	11%	21%	17%	12%	13%	20%
Inclusive and quality education for all	12%	16%	7%	9%	16%	6%	11%	13%	14%	6%	8%	6%	6%	11%	15%	8%	20%	16%	9%	9%	9%	14%	17%	4%	21%	9%	15%	29%	5%	6%	21%	17%	6%	24%	10%
Promoting peace, justice and strong institutions	10%	10%	6%	7%	9%	6%	7%	15%	10%	8%	7%	7%	6%	6%	14%	8%	8%	15%	8%	9%	7%	8%	21%	5%	9%	10%	8%	12%	9%	10%	14%	16%	7%	15%	11%
Making cities and human settlements more protected from natural disaster	10%	4%	8%	7%	10%	5%	6%	20%	7%	7%	9%	8%	7%	5%	12%	8%	10%	17%	10%	6%	14%	7%	19%	6%	7%	7%	10%	14%	7%	11%	13%	12%	7%	15%	11%
Gender equality	7%	5%	4%	5%	5%	4%	4%	10%	5%	3%	6%	4%	5%	3%	4%	7%	7%	17%	6%	10%	8%	5%	5%	2%	7%	11%	6%	15%	10%	6%	18%	7%	7%	10%	15%

Source: Ipsos Global Advisor

Base: 22,528 online adults aged 16-74 across 34 countries, 26th August - 9th September 2022.



10 in Indonesia (37%). And linkage to “inclusive and quality education for all” is much higher in Saudi Arabia (29%) and the United Arab Emirates (24%) than the global average of 12%.

Of 34 countries, Malaysia has the most accurate understanding of the word “sustainability”, with environmental, social and governance issues all appearing in the top five topics most strongly associated with the term.

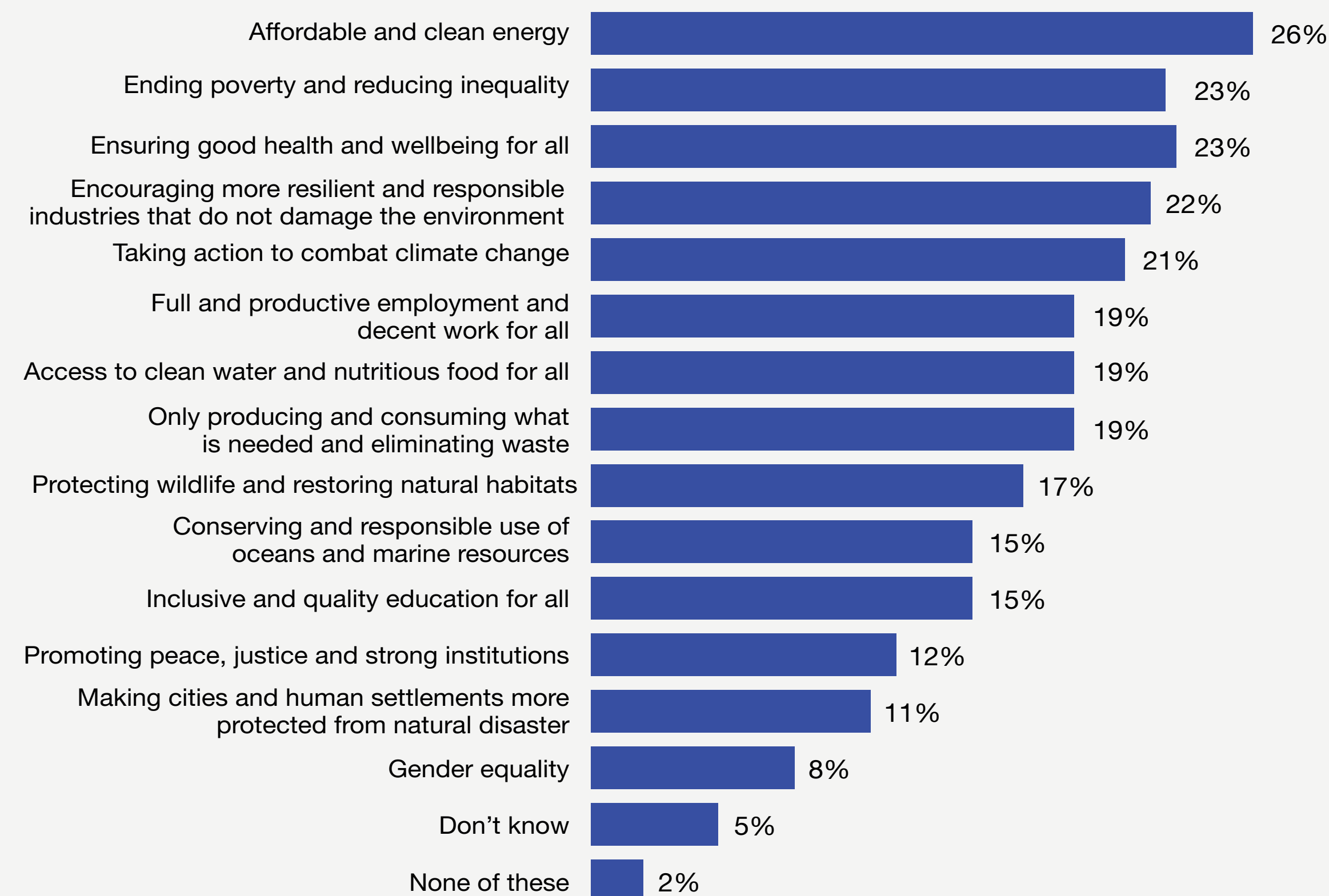
What's the priority?

Although when the public hear the word “sustainability” they are more likely to think of environmental topics, their actual priorities spread more evenly across E and S.

When we gave citizens from across 34 countries a list of sustainability topics and asked which issue they most want their country to prioritise, providing “affordable and clean energy” came number one (26%). The focus then switches to core social topics, with “ending poverty and reducing inequality” and “ensuring good health and wellbeing for all” completing citizens’ top three priorities (both 23%) (Figure 6).

Fig. 6 – What citizens want their country to prioritise: a spread across E and S

Q. When it comes to sustainability, which of the following things are most important for your country to address? Please select the top three.



Source: Ipsos Global Advisor

Base: 22,528 online adults aged 16-74 across 34 countries, 26th August - 9th September 2022.



This aligns with what we see in Ipsos' What Worries the World survey:⁴ people are most likely to focus on very social concerns that impact them day-to-day rather than on environmental issues which can sometimes feel more remote. However as may be expected, the two social issues of poverty & inequality and good health/wellbeing for all are not as widely prioritised in developed economies as they are in developing economies.

The global focus then switches back to tackling climate change, which comes in as the fourth priority – hardly surprising given that one in two globally tell us climate change has already had a severe effect in the area where they live.⁵

Across the 34 countries, “full and productive employment and decent work for all” is the fifth most important topic that the global public think their country should focus on (chosen by 19%), but this is noticeably more important for citizens in Argentina (37%), Indonesia (36%) and Peru (30%).

Fig. 7 – What citizens want business to prioritise

Top Concerns



Q: When it comes to the role of multi-national companies in corporate responsibility how important are each of the following areas?

Please rank the below areas where 1 is most important and 3 is least important

29% **43%** **28%**



Protecting the Environment
including protecting and caring for our natural environment



Improving Society
including treatment of employees & diversity, working conditions



Practicing good Governance
including tax strategy, executive remuneration

Source: IGRM Survey

Base: 19,000 online adults aged 16-74 across 27 countries, April 2023



When it comes to desired action to create a sustainable future, it is important to note the more balanced spread between environmental and social issues. This echoes what we have seen in our research elsewhere: when citizens are asked about the role of multi-national companies in corporate responsibility, they assign relatively equal priority to environmental, social and governance (ESG) topics – although the most recent data shows that the weight has shifted to focus more on the ‘S’ of improving society.⁶

Considering the strength of their association with the term “sustainability”, issues relating to nature are relatively low among the priorities that citizens want their country to address. That said, “protecting wildlife and restoring natural habitats” remains more of a priority for Australia (27%), Germany (26%), China (24%), and Great Britain (23%), compared with a global country average of 17%. Interestingly, work with EDF ⁷ shows that citizens from Australia, Germany, and Great Britain are among the least

likely across 30 markets to take part in protests to combat climate change (which directly impacts these habitats). Perhaps an air of the ‘say-do’ or perhaps ‘say-care enough’ gap?

“ Citizens assign relatively equal priority to environmental, social and governance (ESG) topics. ”



Fig. 8 – What citizens want their country to focus on

Q. When it comes to sustainability, which of the following things are most important for your country to address? Please select the top three.

	TOT	ARG	AUS	BEL	BRA	CAN	CHL	CHN	COL	GER	ESP	FRA	GB	HUN	IDN	IRE	ISR	IND	ITA	JAP	KOR	MEX	MAL	NLD	PER	POL	ROU	SAU	SWE	SGP	THA	TUR	US	UAE	RSA
Affordable and clean energy	26%	17%	36%	31%	26%	27%	25%	23%	23%	27%	32%	22%	36%	36%	18%	39%	28%	23%	37%	15%	22%	23%	13%	40%	13%	33%	26%	26%	29%	29%	21%	27%	26%	24%	28%
Ending poverty and reducing inequality	23%	34%	14%	20%	26%	17%	20%	24%	25%	16%	19%	15%	17%	30%	36%	19%	32%	23%	17%	21%	27%	23%	30%	18%	27%	18%	24%	22%	18%	14%	35%	29%	18%	26%	35%
Ensuring good health and wellbeing for all	23%	27%	17%	22%	27%	22%	25%	21%	24%	14%	20%	17%	19%	25%	35%	21%	31%	23%	23%	21%	14%	25%	29%	23%	36%	14%	24%	22%	24%	23%	20%	24%	19%	20%	21%
Encouraging more resilient and responsible industries that do not damage the environment	22%	22%	22%	15%	21%	20%	29%	29%	26%	12%	24%	15%	22%	25%	28%	24%	19%	22%	18%	17%	34%	29%	19%	23%	26%	23%	23%	19%	20%	25%	20%	27%	17%	17%	17%
Taking action to combat climate change	21%	18%	27%	18%	18%	21%	25%	26%	22%	25%	26%	27%	25%	19%	16%	24%	12%	17%	29%	18%	35%	21%	14%	28%	13%	28%	18%	14%	22%	30%	10%	23%	23%	15%	17%
Full and productive employment and decent work for all	19%	37%	12%	13%	22%	11%	22%	21%	25%	9%	22%	11%	15%	10%	36%	16%	18%	22%	25%	14%	31%	26%	15%	7%	30%	20%	17%	13%	16%	17%	22%	23%	15%	14%	31%
Access to clean water and nutritious food for all	19%	20%	17%	17%	23%	26%	17%	17%	21%	18%	14%	14%	15%	25%	18%	21%	21%	21%	13%	13%	10%	27%	20%	21%	20%	21%	21%	15%	18%	20%	13%	17%	28%	22%	32%
Only producing and consuming what is needed and eliminating waste	19%	9%	26%	23%	19%	19%	12%	16%	12%	26%	22%	26%	26%	23%	11%	25%	12%	18%	26%	20%	21%	12%	16%	23%	9%	23%	27%	13%	19%	25%	12%	22%	20%	18%	13%
Protecting wildlife and restoring natural habitats	17%	18%	27%	17%	19%	20%	21%	24%	23%	26%	18%	18%	23%	11%	13%	18%	8%	19%	14%	7%	12%	19%	21%	13%	21%	19%	15%	12%	21%	18%	14%	8%	21%	15%	17%
Conserving and responsible use of oceans and marine resources	15%	9%	21%	10%	17%	15%	21%	24%	19%	20%	19%	16%	18%	5%	22%	16%	9%	16%	15%	14%	18%	17%	16%	11%	19%	10%	11%	16%	19%	17%	15%	13%	17%	11%	12%
Inclusive and quality education for all	15%	20%	7%	11%	17%	6%	15%	20%	21%	8%	11%	8%	7%	14%	20%	8%	26%	16%	13%	11%	11%	16%	23%	7%	25%	9%	18%	26%	9%	8%	23%	22%	8%	25%	18%
Promoting peace, justice and strong institutions	12%	14%	6%	6%	8%	9%	13%	18%	15%	10%	10%	6%	8%	9%	16%	9%	10%	17%	11%	12%	12%	12%	26%	7%	15%	14%	10%	14%	12%	13%	19%	20%	10%	16%	14%
Making cities and human settlements more protected from natural disaster	11%	5%	11%	11%	12%	6%	6%	21%	8%	8%	9%	10%	7%	6%	11%	8%	9%	16%	13%	9%	17%	8%	17%	6%	10%	10%	1%	14%	7%	10%	14%	13%	7%	15%	11%
Gender equality	8%	6%	5%	7%	4%	6%	8%	8%	5%	4%	11%	5%	5%	4%	5%	8%	7%	18%	9%	9%	9%	3%	6%	3%	7%	9%	5%	13%	12%	8%	17%	11%	7%	9%	18%

Source: Ipsos Global Advisor

Base: 22,528 online adults aged 16-74 across 34 countries, 26th August - 9th September 2022.



“The top five issues that global citizens think it’s most important for their country to address indicates a need to give parallel priority to both social and environmental issues.”

In summary...

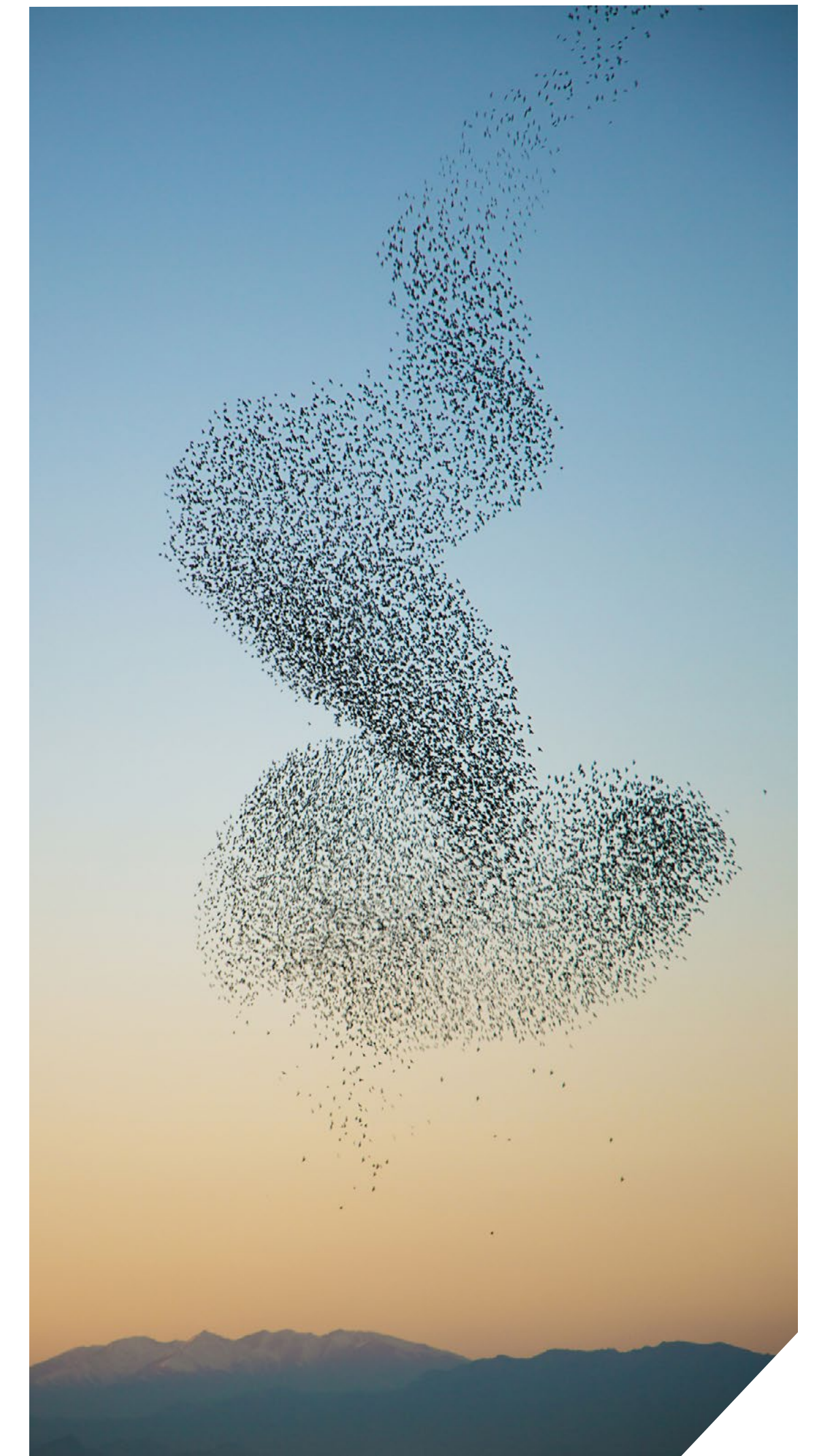
So the public think of “sustainability” as more linked to environmental action – clean energy, limiting damage to the environment, only producing and consuming what is needed, acting to combat climate change, and conserving and restoring natural habitats and oceans.

Vocabulary matters: although “sustainability” is often used interchangeably with “ESG” in business language, it is understood differently by the global public, carrying different specific connotations in different countries. Organisations and businesses must be clear about what they mean in their communications.

But when it comes to acting, issues around society come to the fore. The range of topics making up the top five issues that global citizens consider most important for their country to address indicates a need to give parallel priority to both social and environmental issues.

This is even more clearly the case when we consider citizens’ expectations of multi-national companies. There is a clear need to consider all elements of E, S and G – particularly the ‘S’ which encompasses diversity and inclusivity, working conditions, supporting initiatives that will serve the poor and underserved, as well as health and safety.

As climate change progresses, environmental and social issues will become irrevocably intertwined. As this becomes more evident, awareness will build that our ability to thrive on this planet will be dependent on the need for us to value and bring together all human resources across the globe to ensure a positive and prosperous future.⁸ But will this happen quickly enough?





THE KALEIDOSCOPE OF EQUALITY



THE KALEIDOSCOPE OF EQUALITY

“India’s low score is not indicative of an indifference towards having access to the same opportunities – rather it is a result of not wanting to choose between equal opportunities and equal quality of life.”

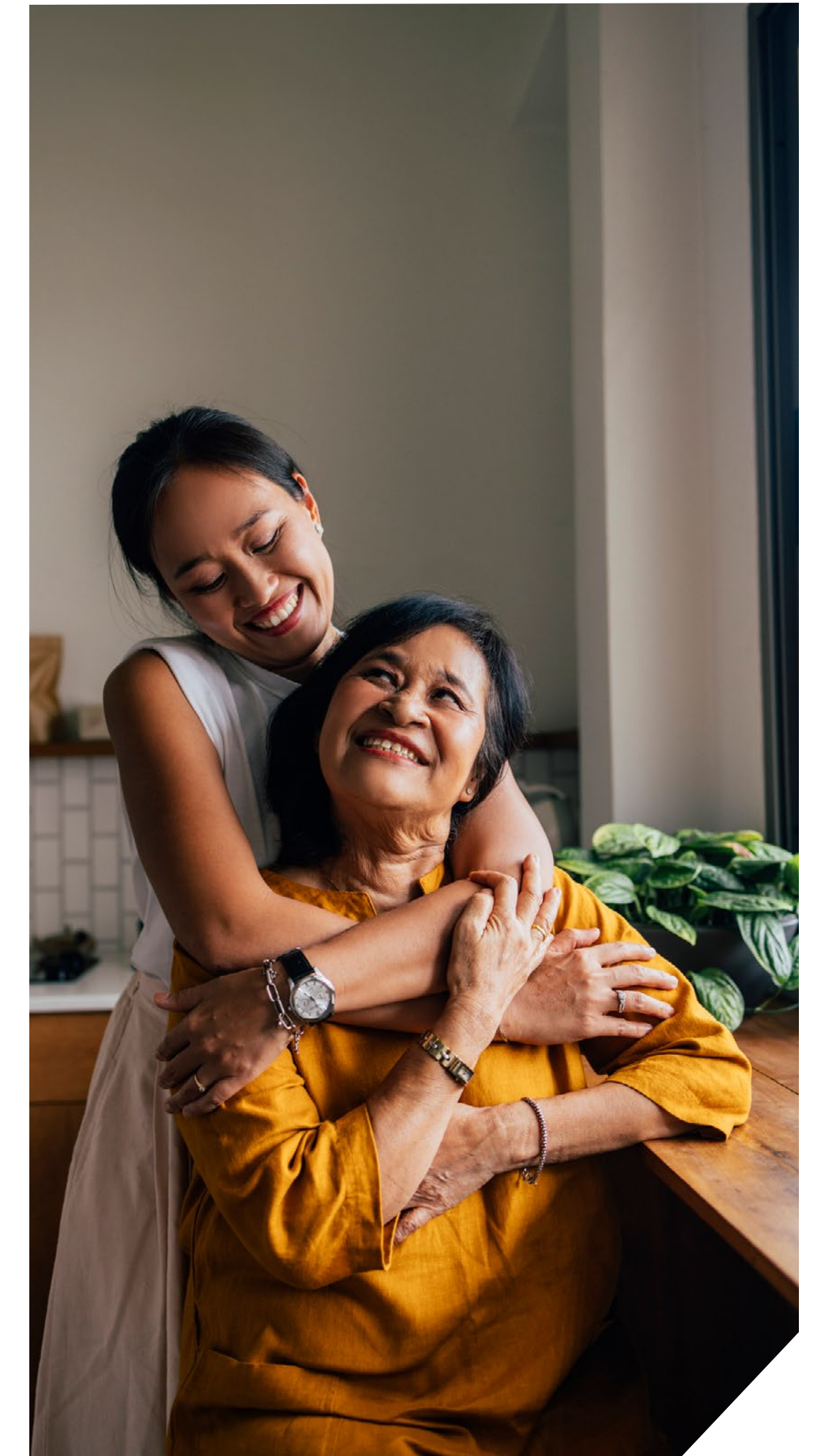
On average across 33 countries, more than half of citizens (52%) say that inequality is important when considered amongst all other problems facing their country, with only 8% saying it’s not important. But how does country and context affect what people imagine a fair society to be? And what should we target in the pursuit of equality?

What does a fair society look like?

We asked people to make a choice – is a fair society one in which everyone is given the same opportunities? Or one in which everyone enjoys the same quality of life?

Globally, few people are particularly taken with the idea of equal outcomes in and of itself. Just one in five people globally (18%) think this is a more accurate definition than having access to the same opportunities, with support only varying by 12pts (reaching a high of 23% in Turkey, Switzerland and India and a low of 11% in Portugal).

Conversely, having the same opportunities is a view which receives much greater support, with almost one in two globally (46%) selecting this as the definition of a fair society. While this opinion is particularly strong in Portugal (68%), Peru (61%) and Poland (58%), there is a 47pt difference between the top and the bottom of the country rankings, with support falling to just 21% in India.





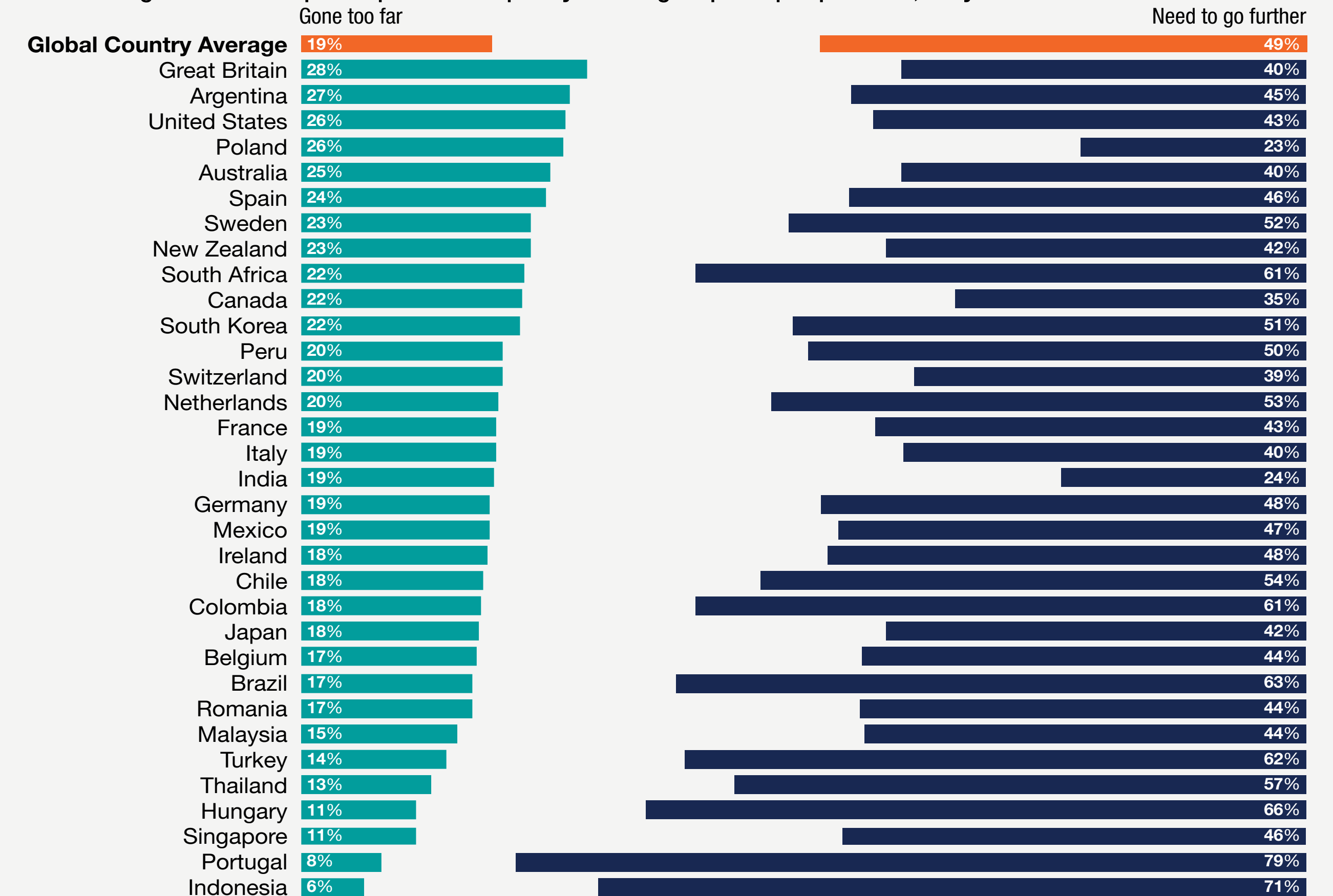
However, India's low score is not indicative of an indifference towards having access to the same opportunities – rather it is a result of not wanting to choose between equal opportunities and equal quality of life. While countries like Poland and Portugal have an easier time choosing between the two, elsewhere citizens refuse to give up on one to have the other. More than a third say that equal outcomes and equal opportunities are as important as each other to the definition of a fair society in Thailand (41%), India (38%), Brazil (37%), Malaysia (36%), South Africa and Australia (both 35%).

Have we gone far enough?

Globally, there is agreement that more work needs to be done. In 32 out of 33 countries surveyed, more people agree that we need to go further to promote equality for all groups of people than say we have gone too far (49% vs 19% on average respectively). Poland is the outlier, with more than one in four saying we've gone too far (26% vs 23% who say we need to go further).

Fig. 9 – Is the job done?

Q. Thinking about attempts to promote equality for all groups of people in ..., do you think that overall:



Source: Ipsos Equalities Index 2023

Base: 26,259 online adults aged 16-74 across 33 countries, 17 February – 3 March, 2023



Nevertheless, the view that attempts to promote equality have gone too far is not negligible, holding particular strength in Great Britain (28%), Argentina (27%), the US and Poland (both 26%).

In contrast, fewer than one in 10 agree that efforts have gone too far in Indonesia (6%) and Portugal (8%), both countries also leading the way in their acknowledgement that more needs to be done.

Who's the priority?

Globally, people with physical disabilities are seen as the group facing the most unfair or unequal treatment (chosen by 33% of people on average). They are followed by women (26%), and people with mental health conditions (25%), but the picture varies considerably by country (see Figure 10).

Women don't make the top three everywhere

While more than one in four globally think women face some of the most discrimination in their country, concern is notably lower in certain places. In Japan, for instance, only 15% consider women to be the group facing most unequal treatment – but Japan's culture leads to a complex relationship with gender equality. Despite sitting in 125th of 146 countries for gender equality,⁹ in a survey of 27 countries, people in Japan – both men and women – were the least likely to say that achieving gender equality is important to them personally. Read more about how the cultural, institutional and societal context drives ambivalence towards gender inequality in Japan [here](#).

LGB people are a priority in LATAM

On average globally just under one in four (24%) say that lesbians, gay men and bisexual people face the most discrimination, but this rises to 42% in Poland and 40% in Brazil where they also rank top as the group facing

**Fig. 10 – Q: Which of these groups of people, if any, do you think most experience unequal or unfair treatment in ... today?**

	TOT	ARG	AUS	BEL	BRA	CAN	CHL	COL	GER	ESP	FRA	GB	HUN	IDN	IRE	IND	ITA	JAP	KOR	MEX	MAL	NLD	PER	POL	POR	ROU	SWE	SGP	THA	TUR	US	RSA
People with physical disabilities	33%	38%	34%	34%	38%	24%	37%	38%	39%	28%	42%	29%	20%	41%	30%	26%	29%	26%	41%	43%	29%	34%	42%	32%	46%	52%	31%	29%	32%	26%	23%	30%
Women	26%	24%	25%	23%	39%	20%	29%	29%	33%	32%	36%	22%	19%	23%	26%	30%	30%	15%	21%	34%	19%	20%	26%	22%	27%	20%	28%	11%	14%	51%	23%	42%
People with mental health conditions	25%	27%	30%	23%	23%	31%	28%	16%	28%	28%	20%	27%	18%	32%	37%	20%	16%	18%	16%	19%	20%	24%	21%	20%	38%	26%	31%	32%	20%	18%	24%	24%
LGB	24%	23%	17%	23%	40%	14%	31%	34%	24%	27%	26%	20%	28%	26%	20%	13%	30%	23%	19%	35%	15%	21%	35%	42%	28%	22%	20%	23%	18%	24%	25%	28%
People from minority ethnic groups	23%	10%	22%	21%	32%	29%	17%	25%	19%	19%	20%	28%	23%	38%	30%	17%	15%	7%	9%	30%	22%	35%	33%	12%	24%	17%	28%	22%	24%	11%	34%	30%
Trans and non-binary	22%	23%	22%	20%	30%	21%	25%	27%	20%	29%	22%	24%	21%	22%	25%	20%	23%	22%	17%	22%	11%	23%	23%	35%	26%	14%	25%	22%	20%	20%	29%	19%
Immigrants	22%	18%	25%	32%	12%	26%	28%	23%	19%	31%	30%	30%	10%	7%	36%	18%	27%	13%	13%	25%	17%	30%	26%	15%	30%	12%	28%	21%	17%	11%	28%	30%
People who are neurodivergent	20%	26%	24%	16%	25%	15%	30%	14%	17%	21%	21%	22%	24%	19%	24%	8%	14%	14%	23%	21%	19%	17%	25%	16%	25%	31%	23%	27%	27%	9%	15%	11%
People of specific religions	12%	5%	12%	12%	20%	13%	6%	9%	9%	8%	13%	12%	5%	40%	11%	26%	6%	4%	5%	7%	19%	8%	5%	11%	6%	6%	17%	10%	8%	16%	19%	14%
Senior citizens	11%	11%	6%	10%	8%	9%	8%	14%	7%	11%	11%	8%	13%	4%	11%	13%	17%	6%	14%	9%	10%	15%	8%	9%	16%	16%	10%	8%	9%	25%	7%	17%
Young adults	11%	11%	6%	10%	8%	9%	8%	14%	7%	11%	11%	8%	13%	4%	11%	13%	17%	6%	14%	9%	10%	15%	8%	9%	16%	16%	10%	8%	9%	25%	7%	17%
Men	6%	5%	11%	4%	3%	8%	3%	4%	4%	11%	4%	9%	4%	3%	6%	12%	5%	6%	10%	5%	6%	5%	4%	4%	3%	6%	6%	5%	5%	8%	9%	14%

Source: Ipsos Equalities Index 2023**Base:** 26,259 adults aged 16-74 across 33 countries, 17 February – 3 March, 2023



most inequality. This view is more prevalent across Latin America generally, with Latin American countries making up five of the six countries most likely to pick lesbians, gay men and bisexuals as the groups facing most unequal treatment – Brazil 40%, Peru (35%), Mexico (both 35%), Colombia (34%) and Chile (31%).

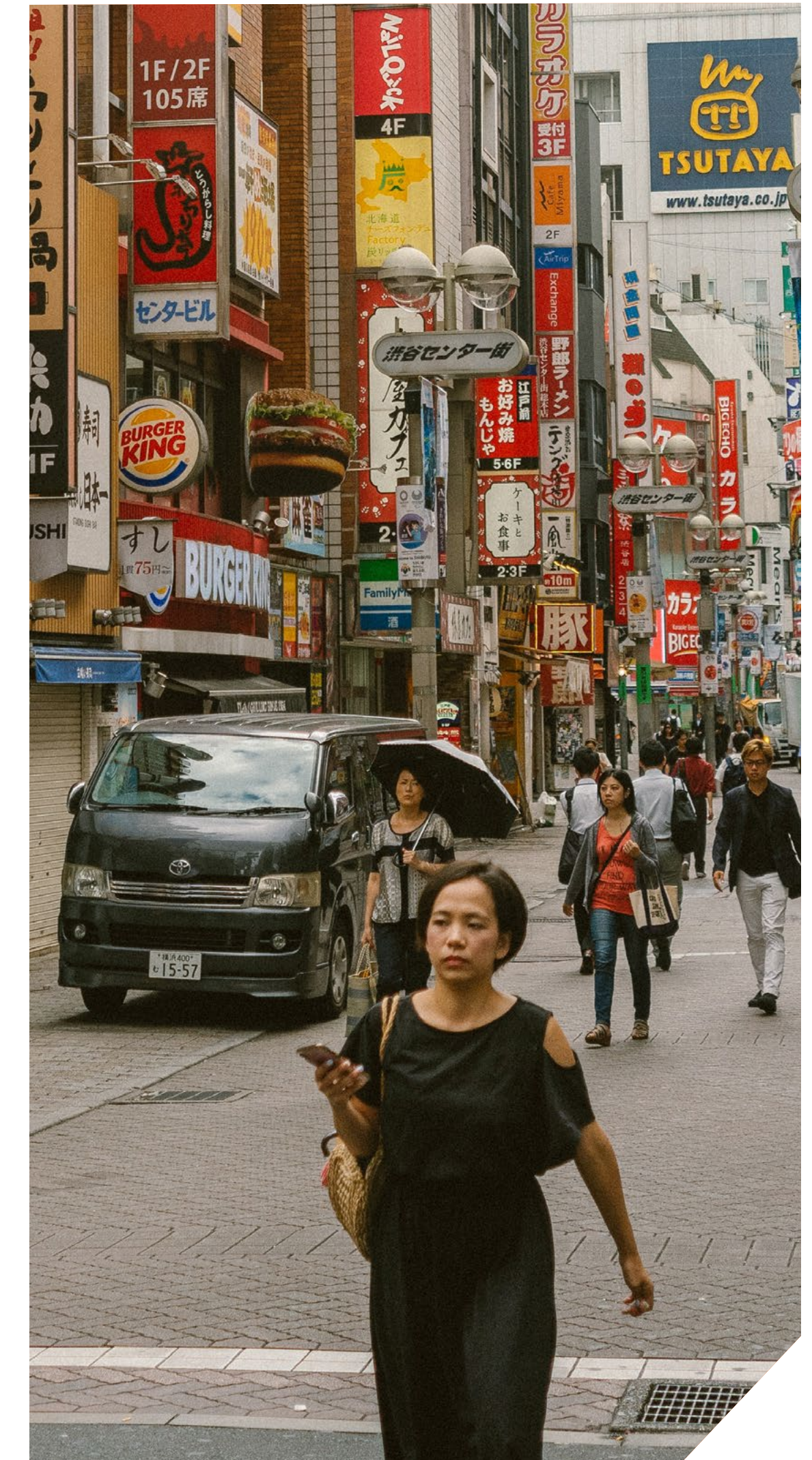
The more you see the more you care?

We see a positive correlation between the ethnic diversity of a country – measured through ethnic fractionalisation i.e., the probability that two randomly drawn individuals from a country belong to two different ethnic groups¹⁰ – and the proportion of people who say that minority ethnic groups face the most inequality. More ethnically homogenous countries like South Korea or Japan are much less likely to see minority ethnic groups as those facing most inequality (9% and 7%, respectively), while the contrary is true of more diverse countries like Indonesia (38%) and Peru (33%).

“ We see a positive correlation between the ethnic diversity of a country and the proportion of people who say that minority ethnic groups face the most inequality. ”

There are some outliers though. The comparatively homogenous country of the Netherlands places minority ethnic groups at the top of the list of groups who most face unequal treatment, coming second in the global rankings with 35%.

Meanwhile, the heterogenous country of India ranks comparatively low (17% choose minority ethnic groups). Instead, greater unfair treatment is perceived as a result of religious membership. Over one in four Indians (26%) select people of specific religions as the group who face





the most unequal treatment in India, ranking joint-second and 14pts above the global country average. People of specific religious groups also come joint-second in Indonesia (40%, 28pts above the global country average).

Concern and contradiction

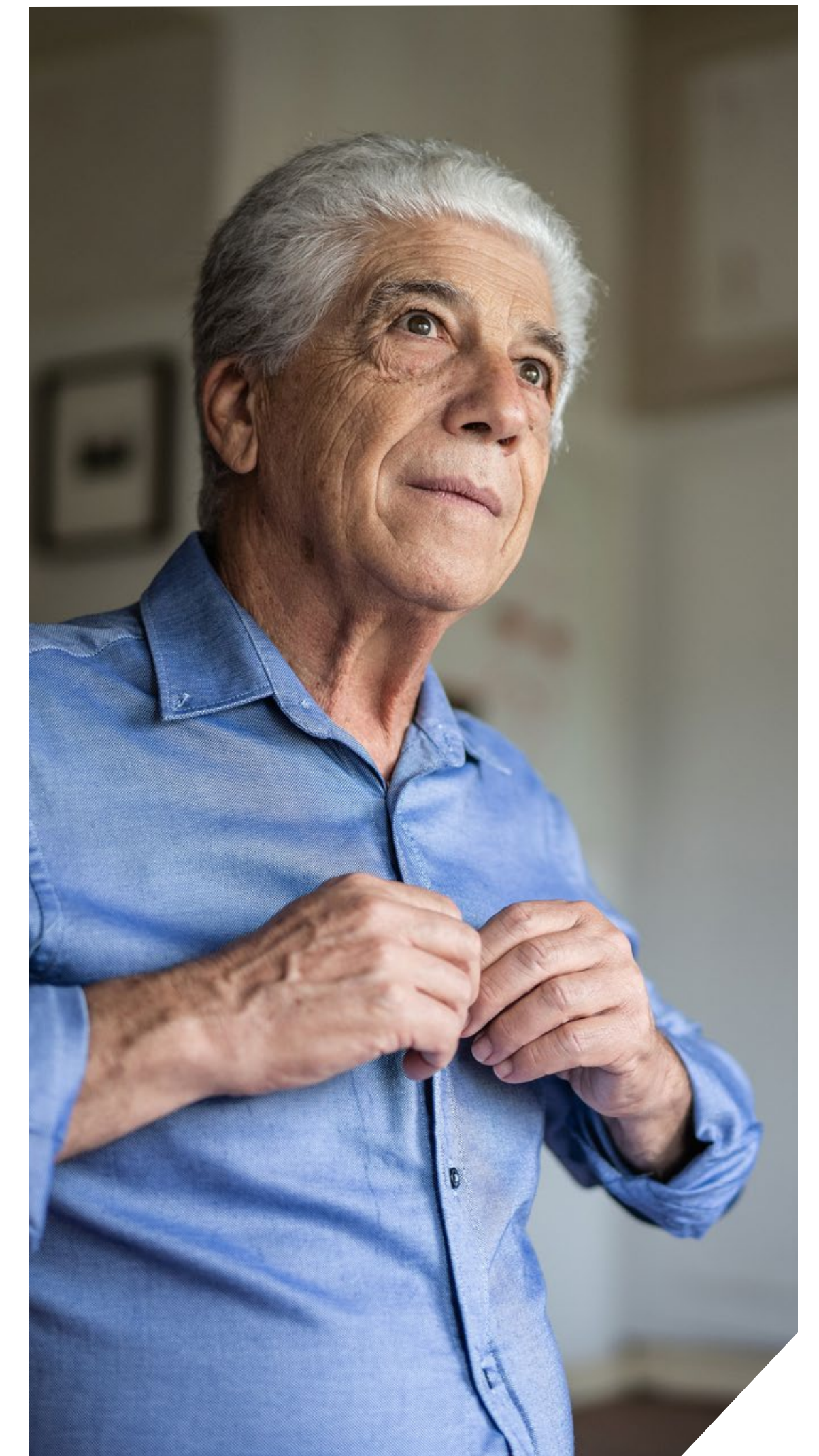
In Britain, the picture differs once again, with Britons perceiving immigrants as the group facing the most unequal treatment (30% vs global country average of 22%). Immigrants are also the #2 and #3 groups facing most unequal treatment in Belgium (32%) and the Netherlands (30%) respectively. This points to complex attitudes towards immigration, as people in each of these countries also cite immigration control as the fifth most worrying issue facing their country.

The old and the young

Turkey stands out for several reasons. First, for its higher-than-average agreement that women face unequal treatment (25pts higher than the global average). Second, for its perception of the old and the young. Senior citizens and young adults rank joint-third in Turkey as groups facing the most unequal treatment, chosen by one in four (25%, 14pts above the global average), suggesting that age-based discrimination is seen as particularly prominent in Turkey.

How should we move forwards?

In each of the 30 countries surveyed, people are most likely to say that the government is the entity primarily responsible for taking action to reduce inequality. Six in 10 (66%) agree with this on average globally, rising to almost eight in 10 in Romania (79%). Only in the US (48%) and India (40%) does a majority not hold this view.





On the global scale, government sits 40pts ahead of the entity ranking second: the media (26%). The media is seen to play a particularly important role in Indonesia (38%), Peru (37%), South Africa and South Korea (both 34%).

This points to an opportunity globally – but in these countries especially – for brands to improve engagement by [inclusive representation in their advertising](#). And we can see from our research that in addition to contributing towards a better society, positive representations in ads also lead to [positive business outcomes](#).

Brands must be cognisant of these country and cultural differences in order to be empathetic with their positioning. They must take differing priorities and concerns into account in order to ensure that local executions of products and communications are sensitive, driving inclusivity in an authentic way.





THE CLIMATE OF CLIMATE CHANGE OPINION



THE CLIMATE OF CLIMATE CHANGE OPINION

“The science on climate change is acknowledged. And the world’s leaders are – at least in their public statements – committed to acting. But what about public attitudes and behaviour?”

This year’s COP 28 in Dubai will see leaders gather to “seize the moment”, with a stated aim to put the world on the right track for meeting the goals and ambitions of the Paris Climate Agreement.

At the heart of the meeting is the advent of a “Global Stocktake”, which will assess progress since the 2015 agreement. A mission which is made even more urgent in the wake of the recent announcement that the world is now set to breach the 1.5C limit, at least temporarily.

The science on climate change is acknowledged these days. And the world’s leaders are – at least in their public statements – committed to acting. But what about public attitudes and behaviour?

In the spirit of this report, we’ve been exploring what we can learn by looking at the climate of public opinion through the lens of different contexts and countries. Here we present our own “Global Opinion Stocktake” using our annual 26-country [Earth Day survey](#) as a guide.





#1: Businesses and governments need to act.

Otherwise they will be failing their customers, employees and future generations. Six in 10 share these sentiments, and their views are broadly consistent across countries.

#2: We – as individuals – need to play our part.

Some 70% say that, if everyone made small changes in their everyday lives, this could make a big difference in tackling climate change. Most countries reject the idea that “climate change is beyond our control, it’s too late to do anything about it”.

#3: People aren’t 100% clear about the main causes of global warming.

Greater emphasis is currently placed on products that deplete the ozone layer, rather than activities that are actually much more polluting, namely the challenges associated with industry, transport and deforestation.

#4: And we are even less clear about what will really make a difference.

Our latest Perils of Perception work gives people a list of ways that they could change their behaviours to reduce global greenhouse gas emissions and their individual carbon footprint. “Living car free” ranks in 8th position, according to the global public. In reality, it’s actually the number 1 most impactful action they could take, out of the 13 options that were present.

More positively, we are seeing signs of greater understanding of the issues at hand. For example, misperceptions that recycling is the most effective way we as individuals can act are less widespread than they were. It may be that the recent focus on fuel scarcity, against the backdrop of rising energy prices and the geopolitical implications of the war in Ukraine, have helped us become a little more knowledgeable on these issues.

Take the Perils of Perception Quiz

[Earth Day 2023 – The Perils of Perception | Ipsos](#)

62%

agree that if individuals do not act now to combat climate change, they will be failing future generations.

58%

agree that if businesses do not act now to combat climate change, they will be failing their employees and customers.

61%

agree that if their country’s government does not act now to combat climate change, it will be failing the people of their country.



#5: Views are by no means the same everywhere....

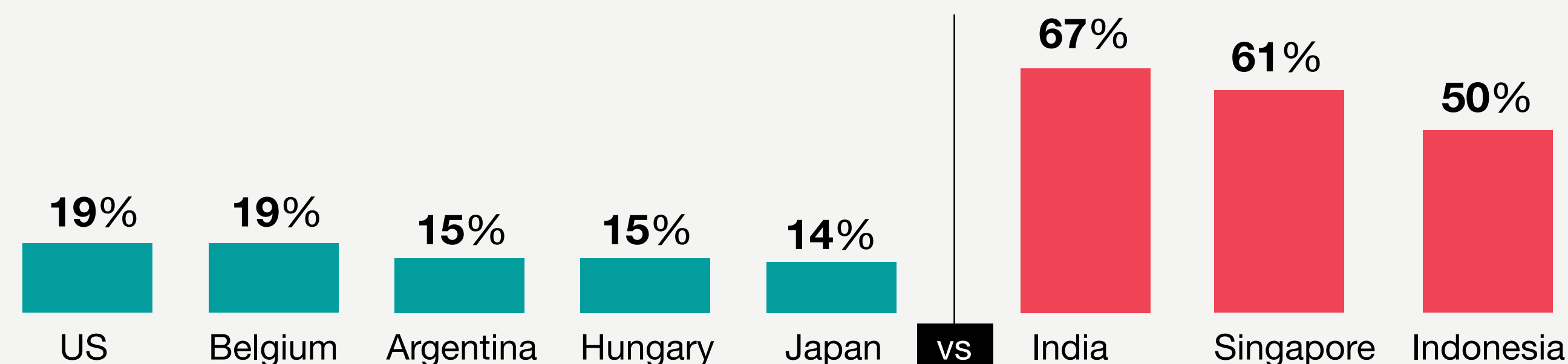
Take, for example the question of whether my country's government "has a clear plan in place for how government, businesses and people themselves are going to work together to tackle climate change". Scepticism reigns in the US, Belgium, Argentina, Hungary, and Japan. Five very different countries, in different parts of the world, and each with a different history when it comes to governance systems and political culture. The prevailing mood in India, Singapore and Indonesia could not be more different.

#6: Messages may need to be tailored to a particular context.

When we ask people "what would encourage you to take more action?", we see some interesting nuances by country. "Seeing friends, family and neighbors/neighbours making changes to their behavior/behaviour" is singled out by 24% on average globally, but this rises to 36% in South Africa and 34% in Turkey. Similarly, "seeing the impact of

climate-driven weather events in other countries around the world" is ranked number 4 across the 26 countries surveyed, but joint #1 in Japan. Meanwhile, "seeing the impact of climate-driven weather-events in my country" is one of the top motivations for taking action in Australia, India, Indonesia, Malaysia and Thailand, as well as Japan. A reminder that, in many parts of the world, the impacts of climate change are now increasingly real and visible. (See our chapter on [cultural transferability](#) for more on how the language and context of ESG varies by country).

Fig. 11 – % saying my government has a clear plan



Source: Ipsos Earth Day 2023

Base: 21,231 online adults aged 16-74, interviewed 20 Jan – 3 March 2023



#7: Concern and focus appears to be slipping.

As we note at the outset, people feel there is an imperative to act, but there's less urgency than a year ago. We see 10-point falls in the proportions of people saying "if governments/businesses/individuals don't act now they will be letting everyone down" pretty much across the board.

“In many parts of the world, the impacts of climate change are now increasingly real and visible.”

Fig. 12 – Urgent yes... but do we need to act right now?

Q. To what extent do you agree or disagree with the following? (% agree)

● 2021 ● 2022 ● 2023

If individuals like me do not act now to combat climate change, we will be failing future generations



If businesses like me do not act now to combat climate change, they will be failing their employees and customers



If ...'s government does not act now to combat climate change, it will be failing the people of ...



Source: Ipsos Earth Day 2023

Base: 21,231 online adults under the age of 75, interviewed 20 Jan – 3 March 2023; 2022: 22,033 online adults under the age of 75, interviewed 18 Feb – 4 Mar 2022; 2021: 20,511 online adults under the age of 75, interviewed 19 Feb – 5 Mar 2021



Australia consistently ranks as one of the countries most concerned about climate change in our What Worries the World survey.

For more see the [Ipsos in Australia Climate Change report](#)

An additional note of caution comes from our review of the country-level data for five of the world's biggest and/or richest economies, who therefore contribute to a significant proportion of harmful emissions. The US, Germany, Switzerland, South Korea, and Japan consistently lie at the lower end of the spectrum when it comes to how important it is for a collective effort to be happening right now.

Fig. 13 – 29-country ranking
(based on % agree that X should act now)

	GOVT	BUSINESS	PEOPLE
US	24	23	27
GERMANY	26	27	26
SWITZERLAND	27	26	38
SOUTH KOREA	28	28	25
JAPAN	29	29	29

Source: Ipsos Earth Day 2023

Base: 21,231 online adults aged 16-74
interviewed 20 Jan – 3 March 2023



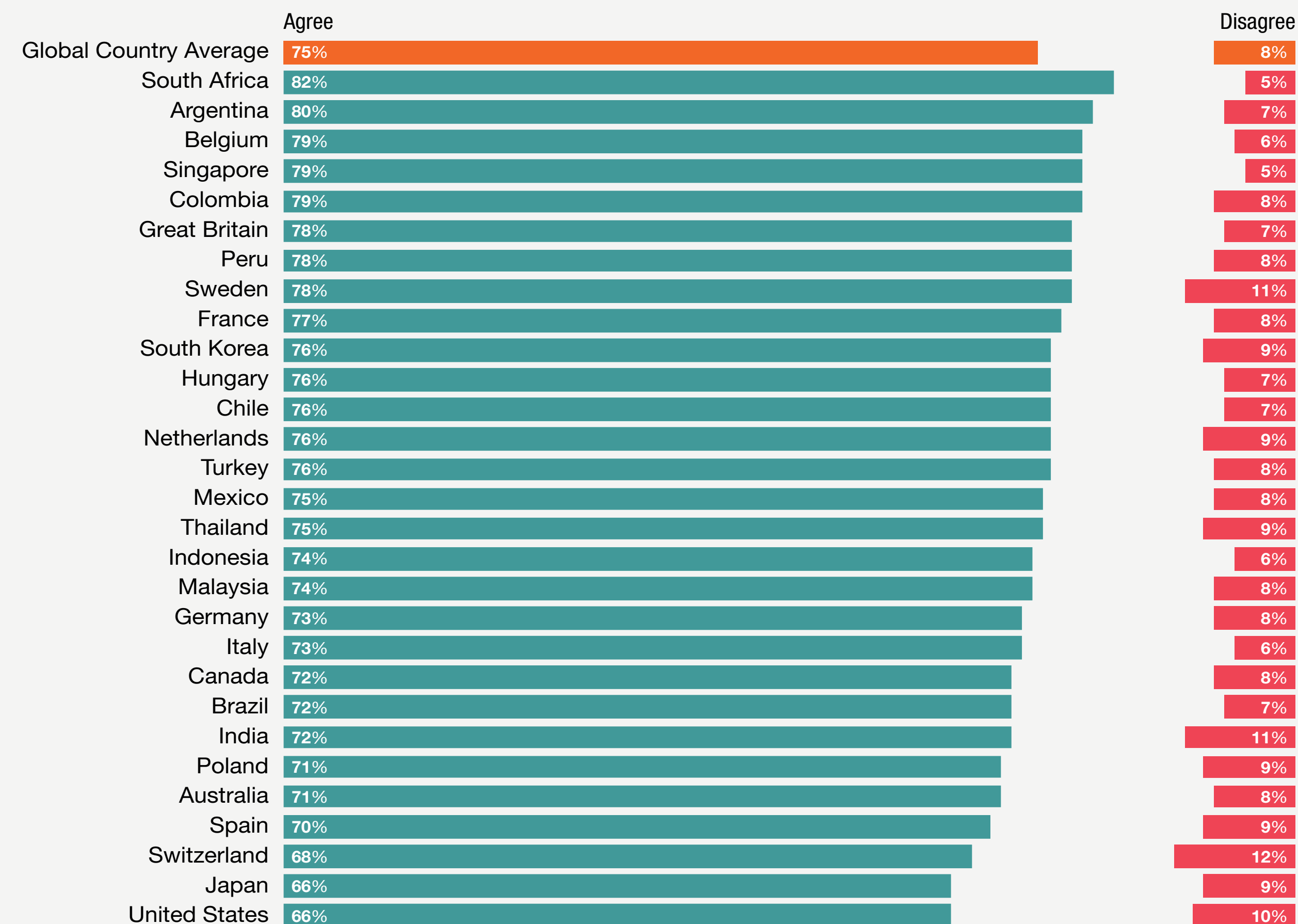
#8: But we can still do this, can't we?

This sense that, given all the other pressures that governments, business and society are currently facing, we can afford to take our foot off the accelerator, is clearly concerning. But there is at least acknowledgment that those who are most responsible should pay, that everyone taking action can make a difference and that it will require us all to pull together. One of the biggest areas of consensus is this shared sense among the public that all countries need to collaborate if we are to fully tackle climate change (Figure 14).

But one of the biggest questions arising from our Stocktake comes from the question of whether some countries are being asked to sacrifice too much when it comes to tackling climate change. Our review just covers the public opinion data but, as Figure 15 shows, it is difficult to identify simple patterns such as more developed economies having one perspective and emerging markets having another. Take Sweden, for

Fig. 14 – Consensus on need for collaboration

Q. We can't fully tackle climate change unless all countries work together



Source: Ipsos Earth Day 2023

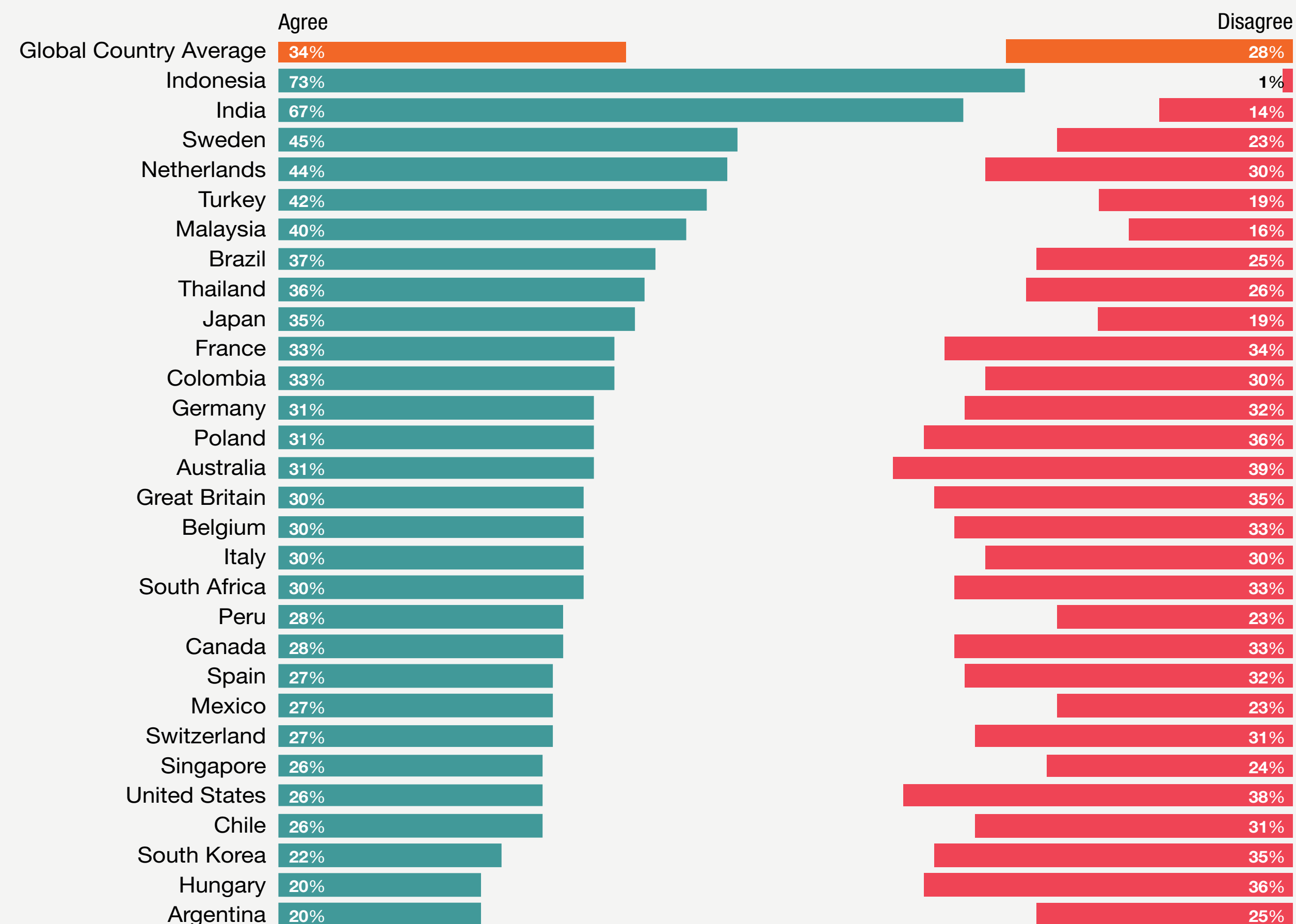
Base: 21,231 online adults aged 16-74 interviewed 20 Jan – 3 March 2023.

example. It's a country that is seen as a leader when it comes to renewable energy, but which has [also been criticised](#) for new policies that are projected to raise emissions in the run-up to 2030.

As they prepare for the Dubai COP summit, our leaders may wish to take solace and even inspiration from one 35-year journey the world has been through. The impact of a depleting ozone layer has been almost totally reversed since the Montreal Protocol was signed in 1987. With concerted action, over a period of time, it shows that we – government, businesses and individuals – can turn things around.

Fig. 15 – Who is bearing the burden?

Q. My country is being asked to sacrifice too much in order to tackle climate change



Source: Ipsos Earth Day 2023

Base: 21,231 online adults aged 16-74 interviewed 20 Jan – 3 March 2023.



APPLYING CULTURAL TRANSFERABILITY ANALYSIS TO ESG





APPLYING CULTURAL TRANSFERABILITY ANALYSIS TO ESG?

“Cultures are unconscious: It is “what remains when you have forgotten everything”. This makes it a challenge for researchers.”

Understanding the cultures of the world is not easy, for three reasons:

1. **Cultures are unconscious:** It is “what remains when you have forgotten everything”. This makes it a challenge for researchers.
2. **Cultures are in constant evolution:** A previously minor element can become central over time.
3. **Cultures are local** and can be very different from one country to another – and even between ethnic groups within the same country.

For this report, we wanted to gain a better understanding of how cultural differences contribute to different awareness and priorities of ESG topics. So we carried out a curation exercise across a wealth of knowledge and information available – including Ipsos global survey reports, Ipsos Flair country deep dive reports, as well as secondary research examining particularities about our





case study countries. We also worked with local market champions, who are both cultural experts and ESG champions, and who provided us with bottom-up insights.

Three cultural dimensions

Studying the patterns, history of practices, types of ESG initiatives, popular sentiments and political policy, we identified three cultural dimensions that are shaping attitudes, perceptions and behaviour around ESG in the local markets. Our analysis points to a huge variance in how the priorities land within ESG and what is likely to drive investment into ESG related initiatives.

1. Relationship with nature

This surrounds how each culture sees the juxtaposition of humans with nature.

- **Conquest:** Many of the western, developed cultures have a common history of having conquered nature to

drive their early progress – whether it be conquering frontiers, taming wilderness or even an outdoor culture and lifestyle. Many also have history of conquest over indigenous populations – these days seeking to remedy this with affirmative action. And in some of the countries bestowed with natural bounty (e.g. Australia or Canada), the commercial pressures of extractivism contribute to this sense of mastery. The approach to ESG therefore is an interventionist one, almost as if to say, “we created the problem and now we will fix it.” (e.g. US, Australia)

- **Co-existence:** Many of the affiliative, even tribal cultures view nature with some reverence. Nature is seen as some form of bestowal of goodness and richness, to be treated with respect and care. There is a belief of interconnectedness with nature, characterised by rituals of worship and celebration. Many of these cultures also have sustainable indigenous habits surrounding the use of natural/ bio-degradable materials, conservation and reducing



waste, and collective responsibility for welfare and community support for their people. We also see many of these cultures resort to extractivism for commercial purposes, justifying it as another permissible bounty of nature. It is when they see symptoms of this bounty being compromised that there is active concern about the finiteness of natural resources. This was the case in Brazil, when unprecedented wildfires brought so much smoke to São Paulo that the sun was completely blocked out and the city was plunged into almost night-like darkness. More than all discourse, this spurred investment into ESG priorities for Brazilians. There is a compensatory approach to ESG – of appeasement and worship – to seek continued benevolence and abundance of nature. (e.g. India, Brazil, Indonesia)

2. Responsibility

Perceptions about who has the best agency to drive impact and make a difference.

- **Individual/personal:** Individualistic cultures take on a personal onus to make a difference in any small way, believing it is as much a matter of choice as it is a duty. Some of this also comes from a sense of guilt for past excesses with nature, a need to undo the wrong for the future generations. The importance for personal conviction is also high, with a need to be seen to ‘live’ the beliefs and action. Most of these cultures recognise the growing finiteness of resources, adopting behaviours of conservation and even sacrifice. This also results in a strong sense of guilt – tension arises when there is clash with aspirations, personal growth/success, lifestyle (e.g. having kids, holiday travel, owning cars) especially among Gen Z (US, Europe), declining birth rates (most developed countries), consumer choice apps to pick only sustainable brands (e.g. Australia).

“ Most of these cultures recognise the growing finiteness of resources, adopting behaviours of conservation and even sacrifice. This also results in a strong sense of guilt – tension arises when there is a clash with aspirations, personal growth/success, lifestyle. ”



- **Institution:** Collective cultures however, view any action as the prime responsibility of institutions. There is strong association of the environmental discourse with western/developed countries – and a feeling that some of the obsession with environment/climate is alarmist and impractical. With the high clutter of ESG messaging, these cultures are well aware of the need to be more mindful of the environment. But they also see the benefit of progress from modernisation and extractivism and value the livelihood and prosperity it brings to more people. And in this context, it helps to delegate the responsibility of the more urgent imperatives to the institutions. These cultures believe that to make true impact, there is a need for collective action, individuals being seen to have limited agency. An example of how this works is in the adoption of the European standards of pollution control and limiting emissions for the automotive sector. Compliance here is seen as not only being kinder to the environment but also as a way of making their manufacture acceptable for developed export markets – aiming for not just eco prudence but also commercial benefit. They therefore look to the

government and business to lead the way. There is a strong implication for partnerships with business and policy action from government (e.g. Clean India Mission or the Sustainable Development tracker in Brazil).

3. Rewards

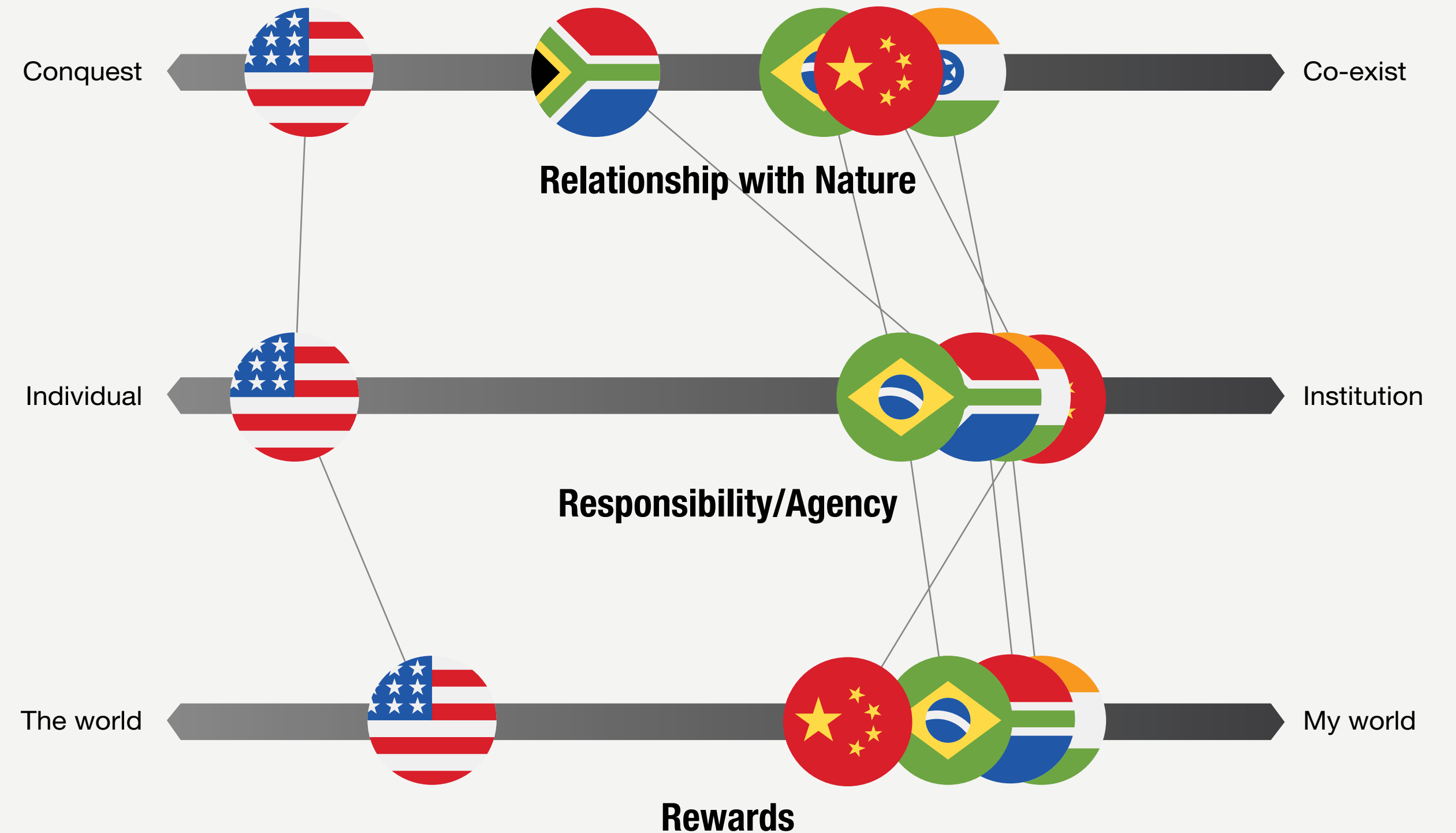
This surrounds the kind of benefits that successfully motivate action on ESG.

- **Benefiting the world (long-term benefits):** Among the more developed, western and individualistic countries, the need to act is driven by benefits that they may or may not see in their lifetime – but that will improve the world and leave it in a better state for future generations. This assuages a sense of duty and responsibility with a strong skew to the environmental – mainly around issues like global warming, climate change and resource conservation. All of this needs conviction and commitment to long-term benefits, which are rarely experienced immediately and personally. (e.g. US, many European countries, Australia)



- Benefiting my world (short-term benefits):** Among the developing countries, there is a need to ‘catch-up’ economically with the developed countries, with what they believe as their own full potential. So giving up immediate benefits for an unseen future purpose feels impractical and also unfair. They see developed countries having extracted all such benefits before deciding to ‘reform’ themselves, putting the developing markets at an unfair disadvantage. Bigger problems around poverty, access to healthcare, and livelihood feel more urgent, and not to be sacrificed for environmental action. There is also a lot of emphasis on the social collateral of some of the environmental action – where human issues are seen as equal or even more important than environmental issues. Motivation to adopt ESG practices in these cultures is spurred only when they see benefit in a more immediate and personal experience – improving **my** world rather than **the** world. When ESG benefits also mean benefits that impact a person’s life, their health/wellbeing, their family or the people around them, they are more motivating and effective. For instance, in India several

Fig. 16 – How countries compare



Source: Ipsos



studies conducted to introduce water-saving products on homecare always get rejected for concerns on functional efficacy. (e.g. most emerging economies, China – where the impact is on personal health).

The following cultural analysis is a synthesis of all this research. Mapping our case study countries on to these three dimensions illustrates the need to take a unique, tailored approach to advancing ESG topics within each country (Figure 16 previous page).

We also see cultural differences emerge through the choice of language people use to speak about ESG in each country (Figure 17).

Fig. 17 – ESG language differs across countries





Foreword

All on the Same Page?

Equality Kaleidoscope

Climate of Climate Change

Cultural Transferability

US

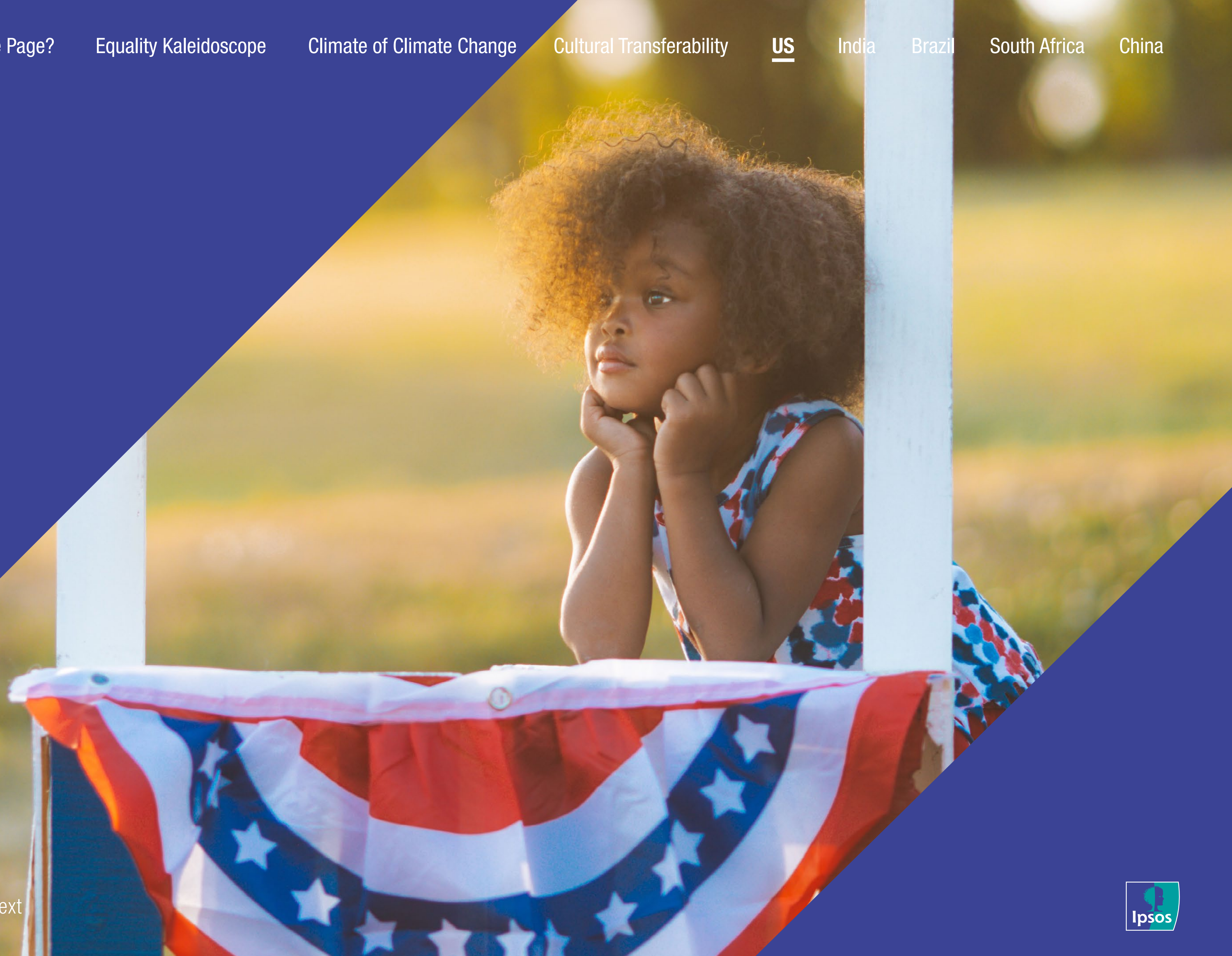
India

Brazil

South Africa

China

US





US

Activism Consumerism Success Frontiers

Wilderness



If we examine the culture of ESG in the US, we can see a culture of activism, originating from a culture of conquest over nature: conquering frontiers, taming the wilderness... The individual takes on a very clear role in terms of owning responsibility, and when it comes to rewards, there is a willingness – even a sacrifice to some extent – to forgo immediate returns for a better future.

Much of the emphasis around ESG is linked to consumerism and the need to flaunt success, very much part of the US social culture, which also means that there is a lot more focus on brand choices and consumer behaviour.

Polarisation

Survey results from the US indicating Americans' level of sustainability concern and attitudes towards ESG themes may not provide a clear picture, due to a high degree of fragmentation and a polarisation of views. But start to break down the data and a vast number of differing views emerge – indicative of a highly diverse culture.





The growing dominance of diversity and inclusion and other social sustainability themes in US society have all added an emphasis on individual activism. People are now increasingly aware of issues of inclusivity and are not shy to speak out when they see any kind of discrimination.

But deep political polarisation in the US has resulted in the three pillars of E, S and G taking on partisan tones. Diversity and inclusivity initiatives especially have faced a backlash from some corners. For some in US society, views around social equality, for example, are seen to challenge the very ethos of American values and the country's national character. As for many other issues in the US, ESG has become a red vs blue, or a Republican vs Democrat issue.

As the US has a federal political structure, driven by different political leadership within different states, polarised views on ESG means the country is made up of a patchwork of policies and regulations. Americans

in different states do not experience the same kind of policies and regulations which results in inconsistent access to, and support for, ESG measures – not to mention anti-ESG legislation even cropping up in some (Republican-controlled) states.¹¹

Individual responsibility

When it comes to ESG responsibility, the US's highly individualistic culture creates a strong sense of individual ownership. It's up to individuals rather than institutions to take action. But again, polarised views result in a vast array of action. Among one section of society, ESG issues invoke feelings of passion, earnestness and commitment. But there is also a significant chunk of the population for whom sustainability threats are either not a concern, not an immediate problem, or a largely overblown issue¹² – and who react with outrage to certain ESG measures, which are perceived to threaten their very American way of life.





However, whether it's forest fires on the West Coast, unseasonal snow or flooding, the growing incidence of natural calamities makes it increasingly difficult to deny the impact of climate change. When we spoke to our local experts in the US, almost everyone knew of someone, someone's family, or someone's home having been affected by some of these disasters. Two-thirds of Americans now say that unusual weather for the season has become more frequent (67%) and more intense (60%) in their area compared to 10 years ago.¹³

Individual action also drives much of the adoption of sustainable practices. This happens through word of mouth, advocacy, the building of knowledge and awareness, and often through consumer choices. More and more people are willing to reject brands that do not prove their sustainability credentials. Like many ESG topics in the US however, views here are again polarised:

a slim majority say instead that they want companies to stay out of social (52% agree) and political issues (58% agree).¹⁴

All the same, there remains a positive 'shaming' culture, with individuals calling out people who they see openly transgressing ESG expectations, and in a way, educating them. This is especially true of younger Americans, who have higher levels of awareness, education and knowledge about sustainability and less fragmentation in their views. They often lead the reform of older generations e.g. their parents' generation. For example, one of our experts spoke about how, when she told her daughter that they're planning to have a holiday in Hawaii, her daughter was outraged and said they shouldn't be going to Hawaii – it's a state where they treat their indigenous population poorly. Suddenly, something that wasn't even in the set of ESG considerations became a topic as a result of the Gen Z daughter educating her Boomer parent.

“ My daughter was like ‘noooo’ when I told her we were planning a holiday in Hawaii. She was like ‘... do you know how they treat their indigenous people?’ ”

Local market expert



Successful brand campaigns

There is a lot of ESG activity within the US market, with successful brand campaigns focusing on themes of reuse, thrift and responsible consumption. One of our experts spoke about how, even for something as personal and important as weddings, we now see a growing trend of buying pre-loved wedding gowns and also people donating their own gowns after their wedding. Zero plastic has almost become a norm now, and more and more we see brands talking about things like ethical sourcing, renewable energy sources and so on.





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US

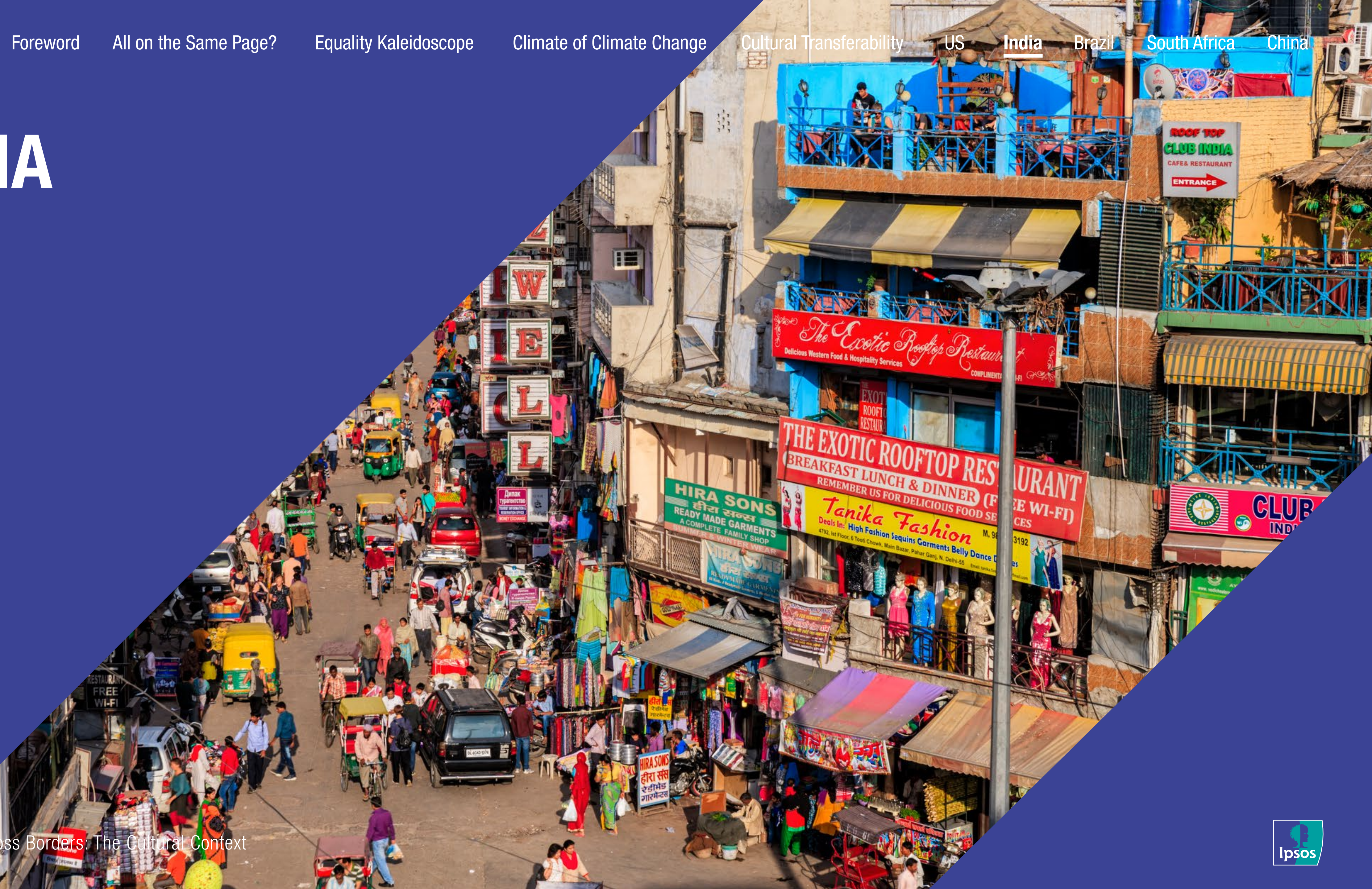
India

Brazil

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INDIA



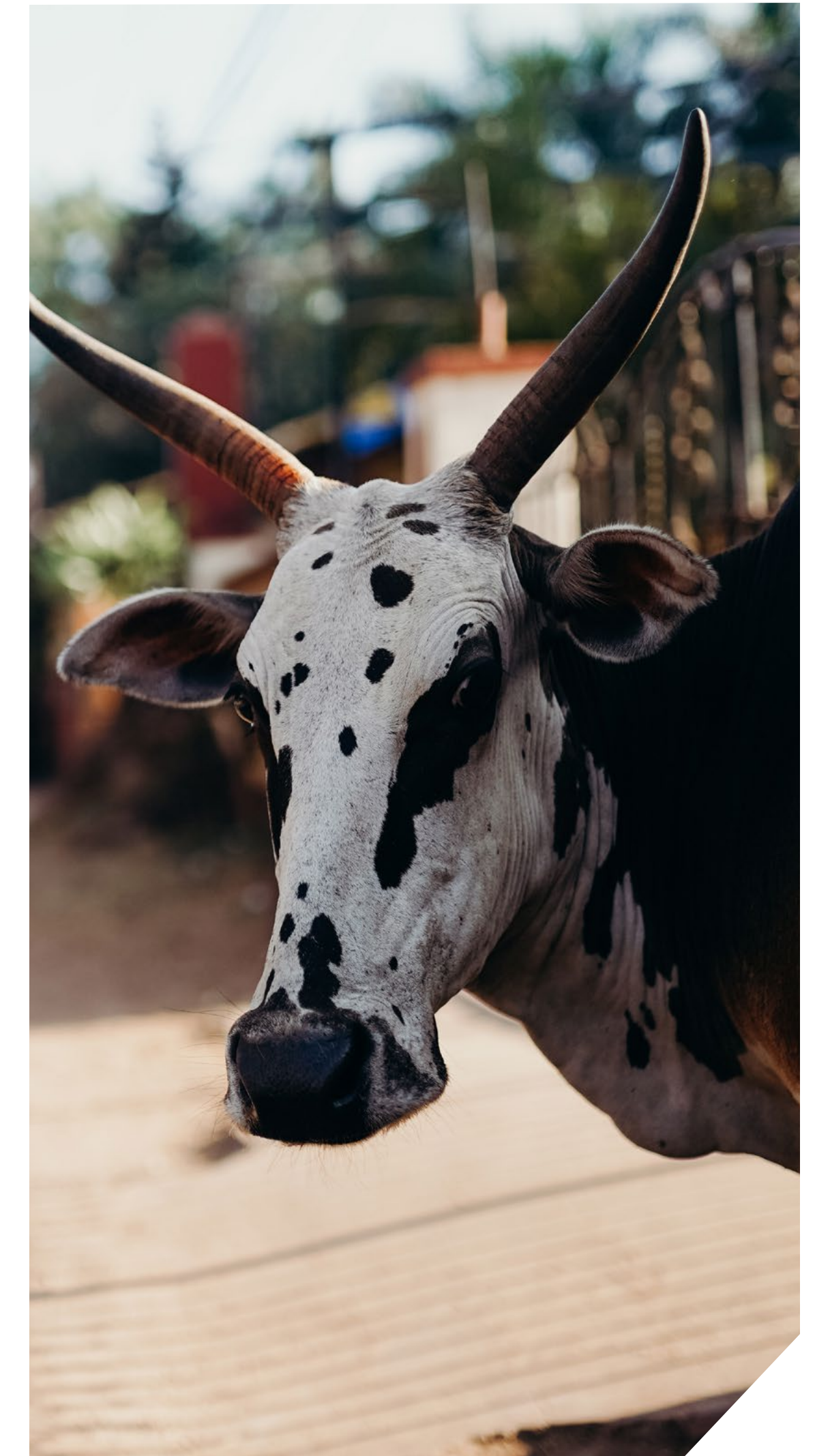


INDIA



Sustainability and ESG in India is linked to values around moderation. India has a culture that has always frowned upon excessive indulgence and there is a strong belief in self-regulation, moderation and balance. As a result of its collectivist culture, ESG in India is about creating access for all. We see an emphasis on themes like co-living, repurposing and reusing items, being kind to things around you – not just people but also plants and animals – non-violence, traditional medicine like ayuverda, and ‘jugaad’: Indian ingenuity, improvising and inventing with limited resources. All of this indicates a strong focus around the human aspects of ESG.

India’s cultural profile is therefore almost the polar opposite of that of the US. When it comes to the country’s relationship with nature, the culture is one of co-existence, appeasement, being at peace in and in harmony with your nature, balancing the good vs the bad.





As India is a collectivist country, when it comes to ownership and responsibility, we see cultural expectations placed on the community, the authority or on institutions to take the lead on ESG initiatives. Indians look to the government – and increasingly also to the business sector to take action.

India is in a period of great economic development, growth and progress, and so there is an unwillingness to compromise or sacrifice that immediate gain for some unseen future benefit. On the “the world – my world” scale, India’s priorities fall distinctly towards short-term and immediate rewards, affecting people’s individual worlds.

Government-led progress

Indians show a high level of confidence in the belief that their government has a plan to address ESG issues and is going about it in the right way. In some sense, this faith in institutions allows Indians not to be overly concerned about ESG issues. Across 29 countries, India has one of the lowest levels of concern when it comes

to social inequality and poverty⁴ implying that the public endorse the economic progress made by the government, alongside its social development efforts.

The government has put in place strong policies to introduce ESG compliance in many sectors e.g. fiscal reporting, financial reporting and also corporate reporting. This echoes the Indian sentiment that there is a clear need for the business sector to be doing more on ESG.

Successful initiatives include the Clean India Mission, investment in renewable sources of energy – which led to an LED bulb transition in the country as a result of a campaign around energy savings – a growing investment in electric vehicles, providing and investing in infrastructure so that everybody has access to water, housing, and health insurance for the poorest. Today, same-sex relationships have been decriminalised and the court is now also evaluating legalising them.

While these initiatives straddle both environmental and social aspects of ESG, they demonstrate the strength of

“Indians show a high level of confidence in the belief that their government has a plan to address ESG issues and is going about it in the right way. In some sense, this faith in institutions allows Indians not to be overly concerned about ESG issues.”



the focus on the S of ESG. There is an acceptance and understanding that there is a human aspect to a lot of the themes around ESG.

Awareness around ESG has also grown, particularly on the environmental side. In many cities, people are actually able to see the alarming increase in pollution levels, through the Pollutant Standards Index (PSI), haze and health issues. This has all now become a part of political rhetoric and urban Indians now expect the government to be able to provide clean, safe air.

ESG habits

Over the past 300 years, India has not been a land of abundance. Instead, it has been characterised by scarcity and controlled access; even in terms of cultural values, frugality is a virtue. This extends to Indians' ESG habits, where the focus is on being resourceful, inventive, not looking at the most expensive solutions for everything, and extending the life of resources by repurposing and reusing them.

These inherent practises are now gathering steam in India. Brands have also ramped up the amount they advertise around ESG, mostly with themes of reuse, repurpose, and not flouting any environmental rules. Neeman's, for instance, have launched a wash and wear shoe as well as the ReLive Knits, shoes made from recycled PET bottles, designed to last longer and be more environmentally friendly. Brands are increasingly launching campaigns which rouse consumers to the potential threats of climate change. Even in categories like beauty, there are increasing claims of ethical sourcing, no nasties, etc.

However, brands risk potential backlash where these ESG measures start challenging cultural beliefs or rituals. For example, many cultural festivals use a lot of water and including water-saving messaging around these festivals may have negative repercussions. Similar risks hold for taking traditional marital rituals and applying these to same-sex couples. Very traditional aspects of Indian culture are a boundary to watch out for when introducing ESG initiatives.





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BRAZIL





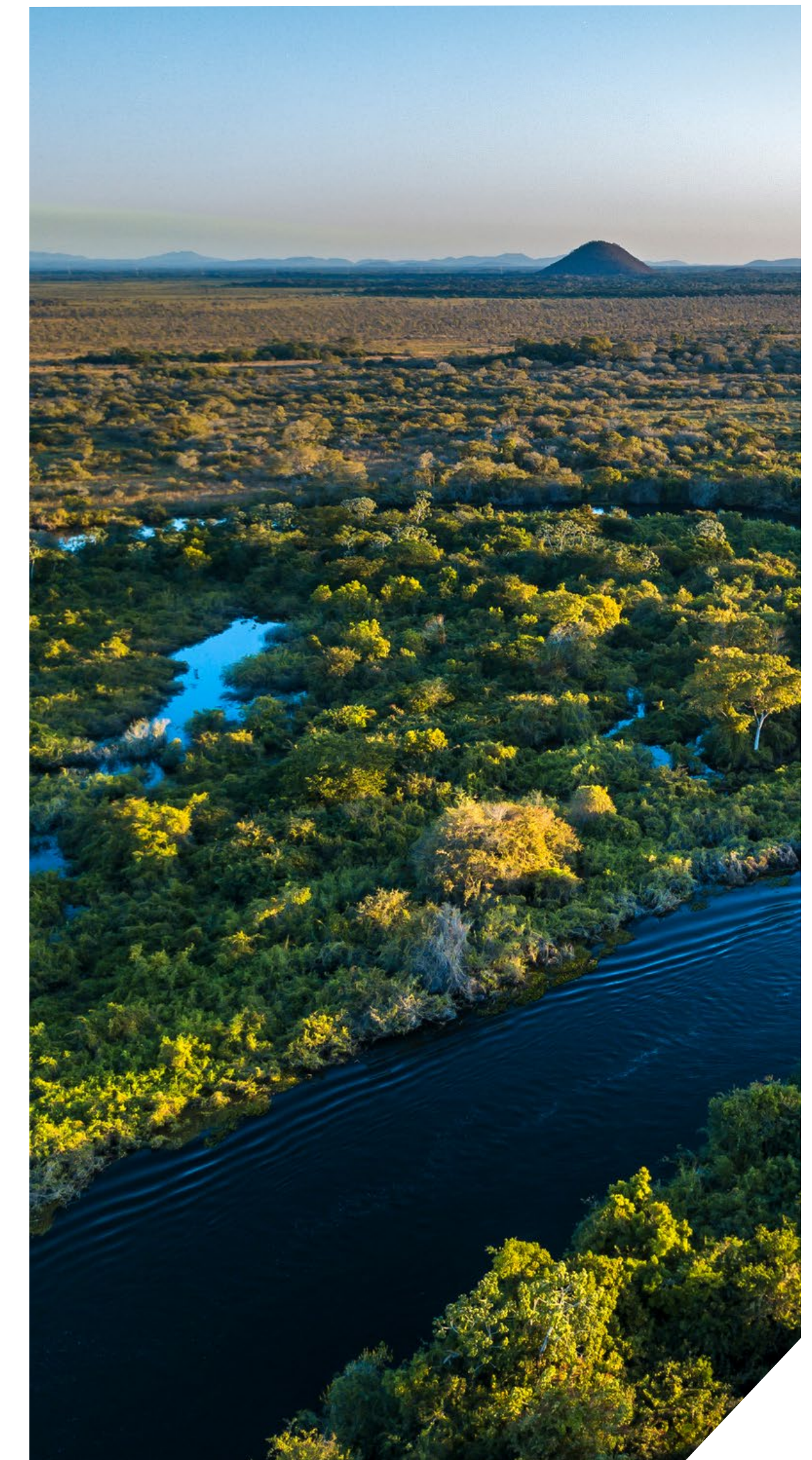
BRAZIL



Let's traverse the globe to Brazil, home to the world's largest rainforest. Brazil has a history of biodiversity, agroforestry and co-living with different cultures, so ESG practices are not entirely new.

While strong trends have begun to emerge around sustainable tourism, this is coupled with a history of extractivism – the hyper-extraction of benefits from nature for commercial gain. Exporting these benefits has resulted in a huge export industry for Brazil. All the same, there is a large sense of gratitude for what nature has provided to the country, and for a long time it has felt like an endless paradise that could not get depleted. However, recent extreme weather events have started building greater and greater urgency around the issue of climate change and loss of biodiversity.

We see this conflict when we plot Brazil on the three cultural ESG dimensions. The country's relationship with





nature is closer to one of co-existence but its history of extractivism brings in an element of conquest and control. In terms of who Brazil sees as responsible for taking the lead on ESG, people look towards institutions and the government for guidance. When it comes to rewards, because Brazil is on the cusp of progress and development, there is a skew towards short-term gains that benefit my world. However, there is a growing acknowledgement that something more needs to be done so that the country's abundance is preserved and the world is restored and repaired for future generations.

Concern about the environment began to increase after there was a general improvement in the living conditions of the average Brazilians (the middle-class boom). But sustainability is still an agenda more adherent to the middle/upper class, with the working class more focused on more urgent day-to-day issues like income, employment, basic sanitation etc. Years of underdevelopment have made the population care less for the environment and more for aspects relating to basic needs. Now a new consensus is emerging and the idea

that preserving the environment is also preserving life is gaining traction.

Across different Ipsos surveys, social inequality and poverty is consistently one of Brazil's top concerns, with climate change ranking nearer to the bottom. This reflects Brazil's collectivist culture and the importance of the S pillar of ESG. More recently, Brazil has also seen a growing focus on G. Brazil's last government was so flagrant in its disregard for even basic ESG compliance and in its apathy to heightened public perceptions of corruption that suddenly even the average person became aware that ESG is no longer an area where neglect is acceptable. There is a minimum level of compliance that everybody needs to meet for ESG measures today to avoid alarming fallouts.

One of our experts from São Paulo spoke about an occasion in the middle of the day in the peak of the summer of 2019, where the sky suddenly darkened and sunlight was eclipsed across the city. This was later revealed to be the side effect of heavy smoke from an

“There is a growing acknowledgement that something more needs to be done so that the country's abundance is preserved and the world is restored and repaired for future generations.”



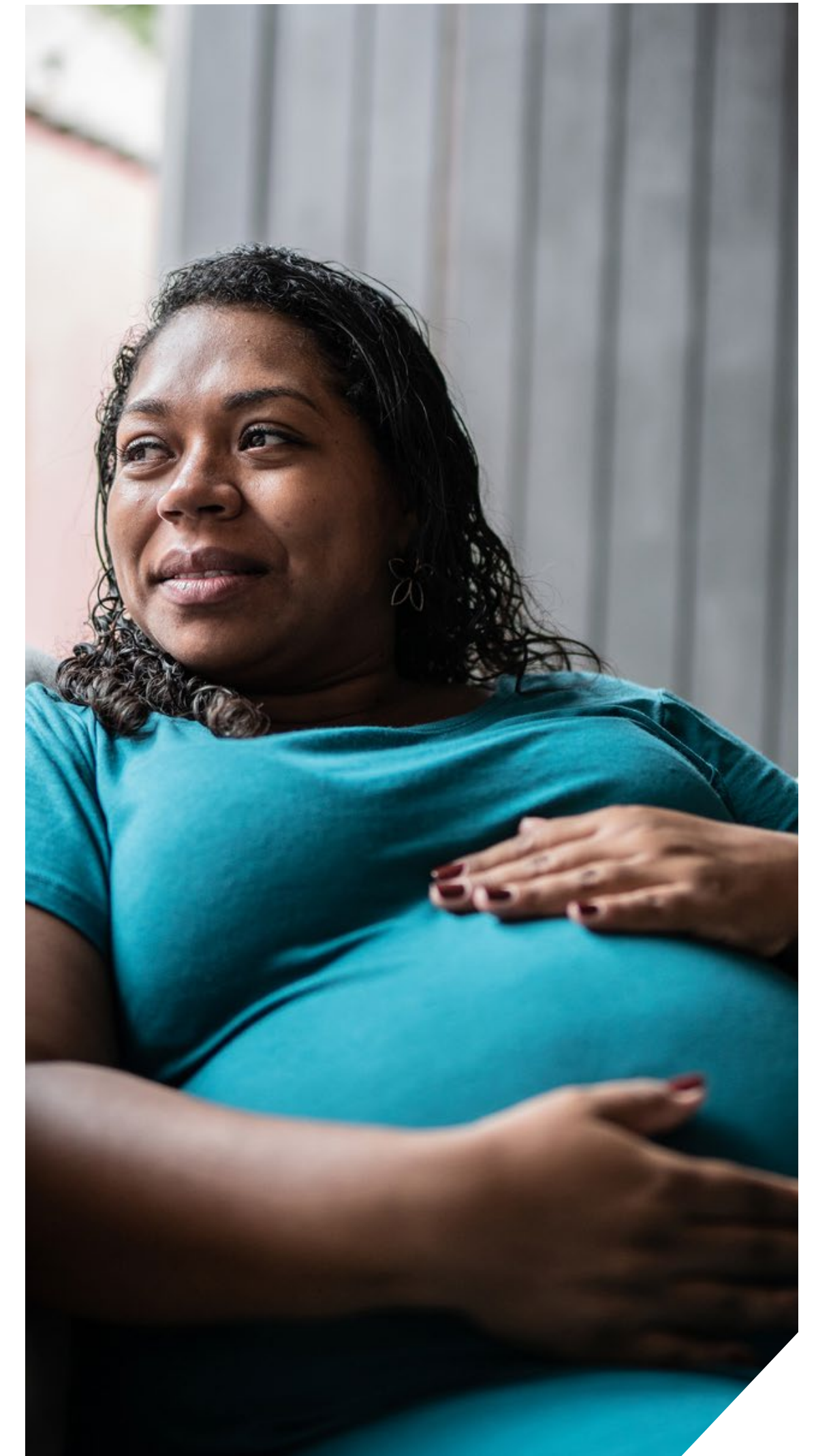
unprecedented number of wildfires burning across the Amazon rainforest thousands of miles away. The event had a symbolic impact on Brazilians and very quickly brought home the pressing reality of extreme climate change, creating an urgency to act.

The Lula government took office last year with optimism and a commitment to strong measures to support sustainability. They have prioritised environment protection over economic growth, engendering more energy and positivity around ESG measures today.

Brazil's history of extractivism has required new and innovative ways to manage conflicting demands. On the one hand, it feels foolish to let go of the huge economic growth linked to exports, which in turn is seen to enable social sustainability. At the same time, the environment must be conserved and protected. As a result, we see growing trends of investment in biofuels and renewable sources of energy. This seems to show that Brazil is putting a balanced focus on each of the three pillars of E

S and G, and a synergy in the way that ESG initiatives are working together. Historically Brazil has been a country of sustainable farming, community support for people, land management – all of that is now coming back into prominence. Since his election in October 2022, President Lula has committed to a net-zero deforestation agenda, annulled a decree that encouraged mining on protected areas, and created a Ministry for Indigenous Peoples.

When it comes to successful ESG brand campaigns in the country, a large proportion skew towards the environment: carbon neutrality, recycling, declaring ethical and sustainable sourcing, preserving biodiversity – even in sectors like mining, which are now investing in sustainable mining practices. But there is also a significant focus on social campaigns encouraging social inclusion and anti-discrimination e.g. supporting single mothers, women and LGBT rights.



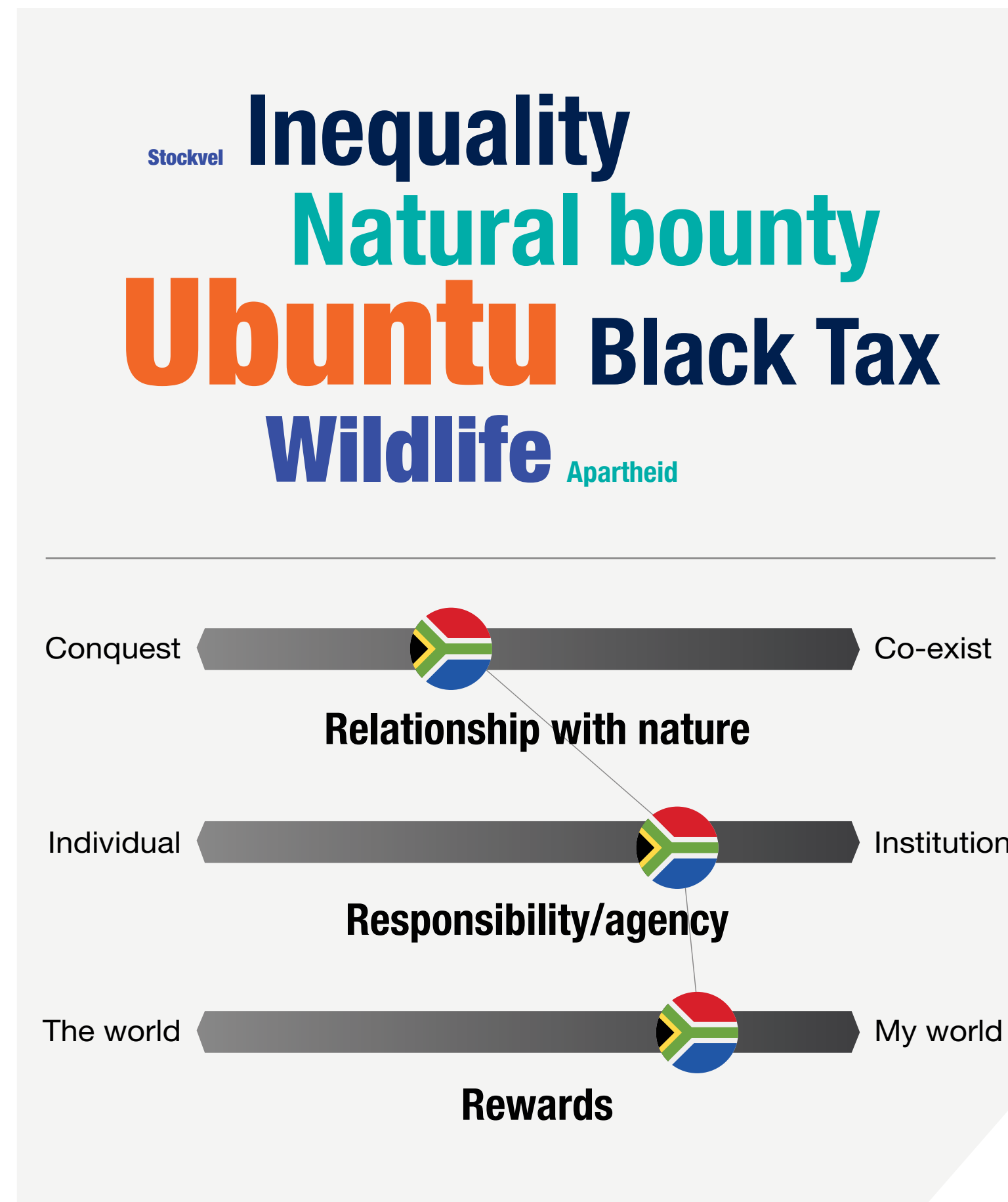


SOUTH AFRICA





SOUTH AFRICA



South Africa is a country with large natural bounty, a history of wildlife, and also one of great inequality – the history of apartheid pervades into everything that South Africans do.

Today, there are mixed trends around sustainability. The Caucasian, non-African relationship with nature was historically characterised by wildlife, hunting and conquest but the local African culture is one of co-existence. South Africa has a strong history of indigenous habits around sustainable farming, but this increasingly conflicts with strands of extractivism.

The Nguni Bantu concept of ‘Ubuntu’ which encapsulates collectivism, community and taking care of each other shapes much of South Africans’ attitudes towards ESG and strengthens the importance placed on the S pillar. Perhaps one unintended consequence of this philosophy is ‘black tax’, a South African term describing the money that Black workers, who have taken their place in the corporate





world, give to parents, siblings or other family members out of a sense of obligation or familial responsibility.

Plotting South Africa on the three ESG cultural dimensions, the country's relationship with nature is closer to conquest than co-existence, a pattern we can trace to colonialism. This is somewhat balanced out by sustainable indigenous habits surrounding nature and farming. In terms of responsibility, there is a very clear reliance on the government and the business sector for guidance, with individuals unwilling to take the lead. And when it comes to rewards, priority is given to short-term benefits, with a reluctance to sacrifice immediate gains for an intangible, unforeseeable future.

Of 29 countries, South Africa is one of most concerned about financial and political corruption⁴ – this is reflected in discourse happening in the country. There is also high concern around poverty and social inequality and about unemployment, which is little surprise given that South Africa has one of the world's high rates of unemployment, especially among young people.¹⁵

South Africans are currently experiencing crippling water shortages, as well as frequent power outages – but this lived experience contrasts the country's abundance of resources and natural bounty. As a result, most South Africans believe they are being cheated on their natural right and that it is corruption, poor governance and poor policies that are leading to these shortages. Concern about resources is less about their finiteness and more about the lack of transparency or accountability in their management. The expectation of government is therefore very high and in some ways absolves the individual of responsibility. Unsurprisingly, South Africa has one of the lowest levels of confidence in their government's plans to tackle ESG issues.

There is awareness among South Africans today of the need to be more critical and to hold businesses to account. We now see examples of younger consumers boycotting brands that are seen to transgress ESG best practices, whether this is around use of plastic or not being transparent or ethical about how materials are sourced.

“South Africans are currently experiencing crippling water shortages, as well as frequent power outages – but this lived experience contrasts the country's abundance of resources and natural bounty.”



Unlike in many other markets, when it comes to how South Africans feel about ESG and nature, we find emotions of optimism, calmness, and a need to reset the balance and co-exist. South Africans therefore respond well to brands that create access for them to do their bit towards this goal, for instance, by offering a depot for depositing recyclable waste. This makes it easy for consumers to participate in sustainable practices and they value the brand taking on the responsibility.

We see increasing adoption of ESG norms across larger industry too. While some of this comes from international demands for compliance, much of it has also evolved naturally from South Africa's own history of socially responsible investing (SRI) during apartheid. We see growing trends of linking CEO pay to ESG performance and sustainability bonds or financing i.e. only supporting investments in companies that have good or best practices around ESG.

Another major trend is an increased focus on ethical sourcing, source traceability, as well as support for local businesses and small enterprises. The S and E pillars have both become highly important, with strong expectations surrounding the G. The biggest priorities for the country surround ending poverty, having access to water and nutritious food and of course, employment.

“Unlike in many other markets, when it comes to how South Africans feel about ESG and nature, we find emotions of optimism, calmness, and a need to reset the balance and co-exist.”





CHINA





CHINA

Confucian
Balance Yin&Yang
entrepreneurism Taoism
TCM Nature festival



China's culture is one of balance, regulation and moderation: yin and yang, Taoism, Confucianism. Traditional Chinese medicine revolves around taking the best of nature and sharing that benefit with people and the surroundings. Many of China's cultural festivals concern nature, whether it's the moon, harvest, water or the seasons. At the same time, there is a strong focus on entrepreneurship and state capitalism, which often works at cross purposes to ESG mandates.

The 1990s and early 2000s – the peak of China's economic development – was a period of unbridled entrepreneurialism. This led to many ESG breaches: contamination, pollution, deforestation, unethical and environmental practices around sourcing and processing. But Chinese people began to see the severe threat to the environment, even to their personal health and safety. The environmental aspect of entrepreneurialism has therefore become an urgent imperative.





In terms of the three drivers that shape the culture of ESG, China's relationship with nature is characterised by co-existence, balance, and a need to be respectful and mindful of how nature is used and engaged with. Because the government is such a big agent and trusted to do its best, and because China is an extremely collectivist society, the Chinese place responsibility to take the lead on addressing ESG issues with institutions – not just the government but also the business and private sector too. When it comes to rewards, there is more of a balanced picture. While there is a slight lean towards prioritising actions that bring a benefit to individuals' immediate community, this is increasingly coupled with an awareness and attention towards the need to be ESG compliant, especially when it comes to personal wellbeing and similar issues. So there is a growing commitment to moving towards longer-term rewards too.

Our segmentation study¹² of consumers and their attitudes towards ESG finds that China has one of the highest proportions of Pragmatists – people who are practical and pragmatic in the way they adopt practices around

ESG into their everyday lives. This is not surprising, as pragmatism is a value strongly embedded in Chinese culture. In looking to address ESG issues, the Chinese prioritise innovative solutions that can be easily adopted which results in a lot of green tech e.g. electric vehicles.

Alibaba's forest campaign is a prime example of success through smart innovation. Alibaba gamified 'green behaviours', awarding Alipay users with 'green energy points' whenever they made low-carbon lifestyle choices e.g. taking public transportation or holding video meetings instead of commuting to the office. The user can see their points building up in the form of a virtual tree growing on their app. Once users have accrued a certain amount of points, the company plants a real tree.

This tapped into the belief that we all need to do something to help the environment, allowing consumers to drive reforestation action and commit to planting trees without having to take on the responsibility. The initiative has been hugely successful, resulting in more than 122 million trees being planted by 2020 and giving people a sense of

“In looking to address ESG issues, the Chinese prioritise innovative solutions that can be easily adopted, which results in a lot of green tech.”



participation, contribution and achievement. This is typical of how the Chinese look for a smart, innovative way, using technology, to address an issue – nothing is unsurmountable.

Historically, there are many practices around the E of ESG. Take traditional farming – China is famous for terrace fields, the canal system, following lunar calendar cycles for farming and planting, the concept of feng shui and harmony with different elements like water, wind, wood, metal, so on and so forth.

To a lesser extent, S has also been important, especially for companies operating in China. In a market with a collectivist tendency, consumers expect brands to act when a major public disaster happens e.g. an earthquake or a flood. International brands will need to take account of these expectations to achieve brand success.

Increasingly, we see a growing skew to health and wellness coming through, especially in the form of holding businesses accountable to ensure that they are doing healthy sourcing and that they are not damaging

the environment in their processes. This has become increasingly important, with consumers willing to pay a premium for brands that have better, safer and healthier sourcing and environmental practices – especially in categories like infant formula or food and beverages. We also see growing trends in social sustainability surrounding the treatment of people in the workplace, labour laws and gender equality.

Although a large economy, China's development has been unevenly distributed and in many regions the living standards are still yet to be improved. Several years ago, the northern province of Hebei put in place a complete ban on the use of coal to heat homes, in an attempt to improve air quality and meet environmental targets.¹⁶ But many villages had not been able to convert to gas, and alternative green energy was simply not ready for less developed areas. Many homes were left without heating in sub-zero temperatures. The incident triggered huge anger among the general public who urged the government to find a better balance between environmental protection and basic living rights. This balance and compromise is another key factor that characterises ESG practices in China.



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