

# 2023 Edelman Trust Barometer

Global Report

## ESG, Woke Capitalism and the Importance of Building Trust



# 2023 Edelman Trust Barometer

## Methodology

### Annual online survey in its 23rd year

Fieldwork conducted: Nov 1 – Nov 28, 2022

# 28

Countries

# 32,000+

Respondents

# 1,150+/-

Respondents per country\*\*

Argentina	Colombia	Ireland	Mexico	S. Korea	UAE
Australia	France	Italy	Nigeria	Spain	UK
Brazil	Germany	Japan	Saudi Arabia	*Sweden	U.S.
Canada	India	Kenya	Singapore	Thailand	
China	Indonesia	Malaysia	S. Africa	The Netherlands	

Russia, part of the Edelman Trust Barometer from 2007 to 2022, was not included in this wave

\*\*The sample size varies by country from 1,082 to 1,500.

27-market global data margin of error: General population +/- 0.6 percentage points (n=31,171)

### Global averages

These vary based on the number of countries surveyed each year:

**GLOBAL 27**

\*To protect the stability of the global average, Sweden will not be included in the average until there are at least two years of recent data

**GLOBAL 25** Excludes China and Thailand

The sensitive nature of the question prevented this data from being collected in these countries

### Statistical significance

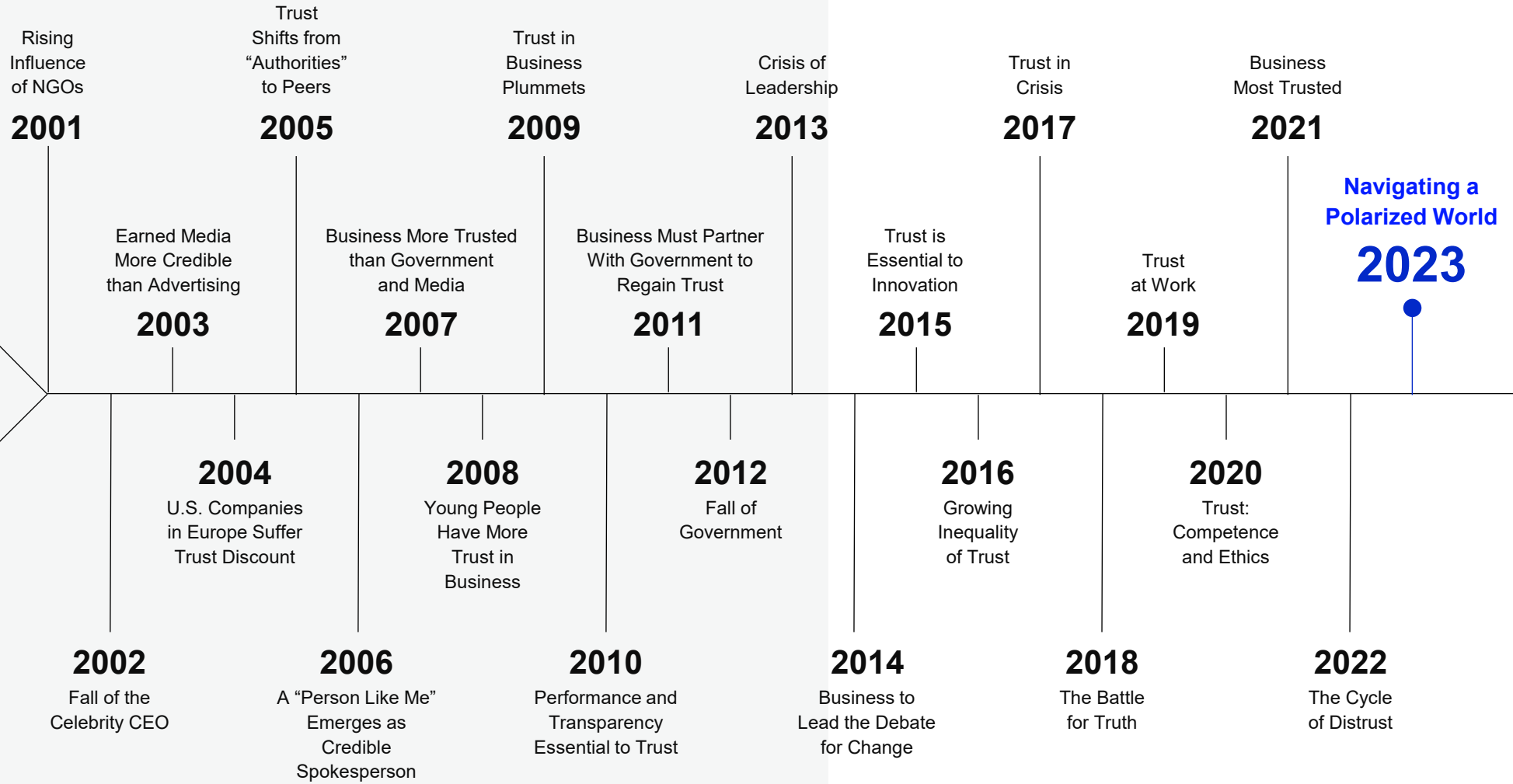
● — 0 — ● **Significant change**

All indicated year-over-year significant changes were determined using a t-test set at a 99%+ confidence level

For more details on global averages and country-specific methodology, please refer to the Technical Appendix



# 23 Years of Trust



# Four Forces That Lead To Polarization

## Economic Anxieties



Economic optimism is collapsing around the world, with 24 of 28 countries seeing all-time lows in the number of people who think their families will be better off in five years.

## Institutional Imbalance



Business is now the sole institution seen as competent and ethical; government is viewed as unethical and incompetent. Business is under pressure to step into the void left by government.

## Mass-Class Divide



People in the top quartile of income live in a different trust reality than those in the bottom quartile, with 20+ point gaps in Thailand, the United States, and Saudi Arabia.

## The Battle for Truth



A shared media environment has given way to echo chambers, making it harder to collaboratively solve problems. Media is not trusted, with especially low trust in social media.

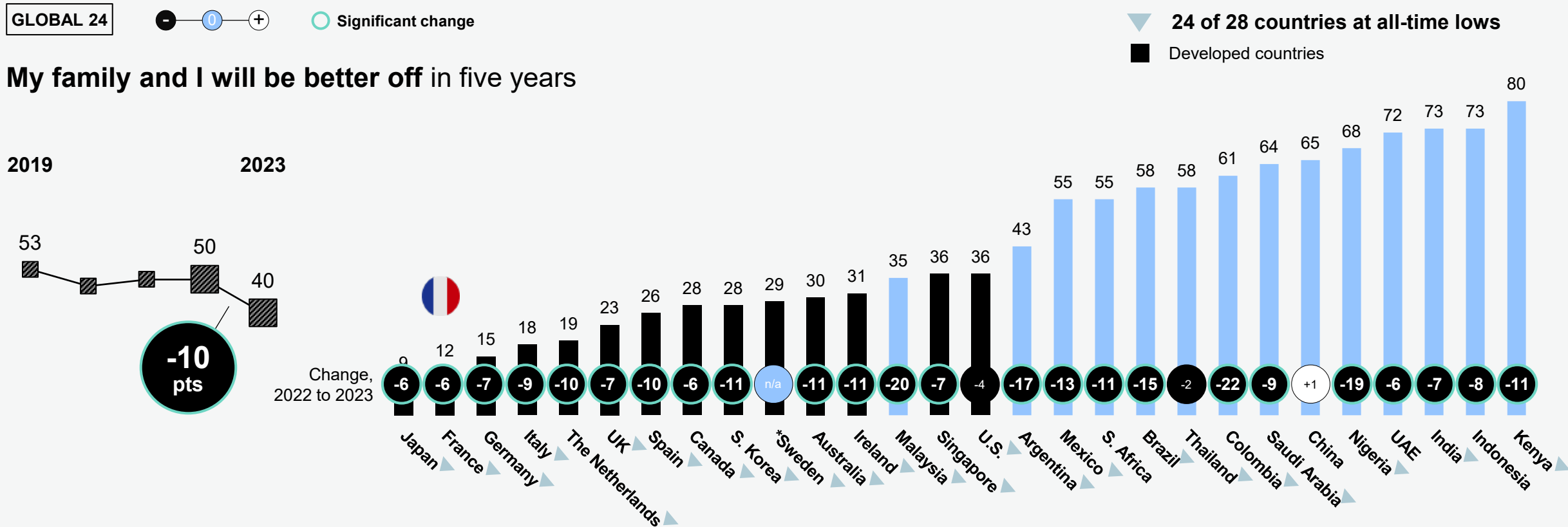


# Facing Economic Fears Without a Trust Safety Net



# Economic Optimism Collapses

Percent who say

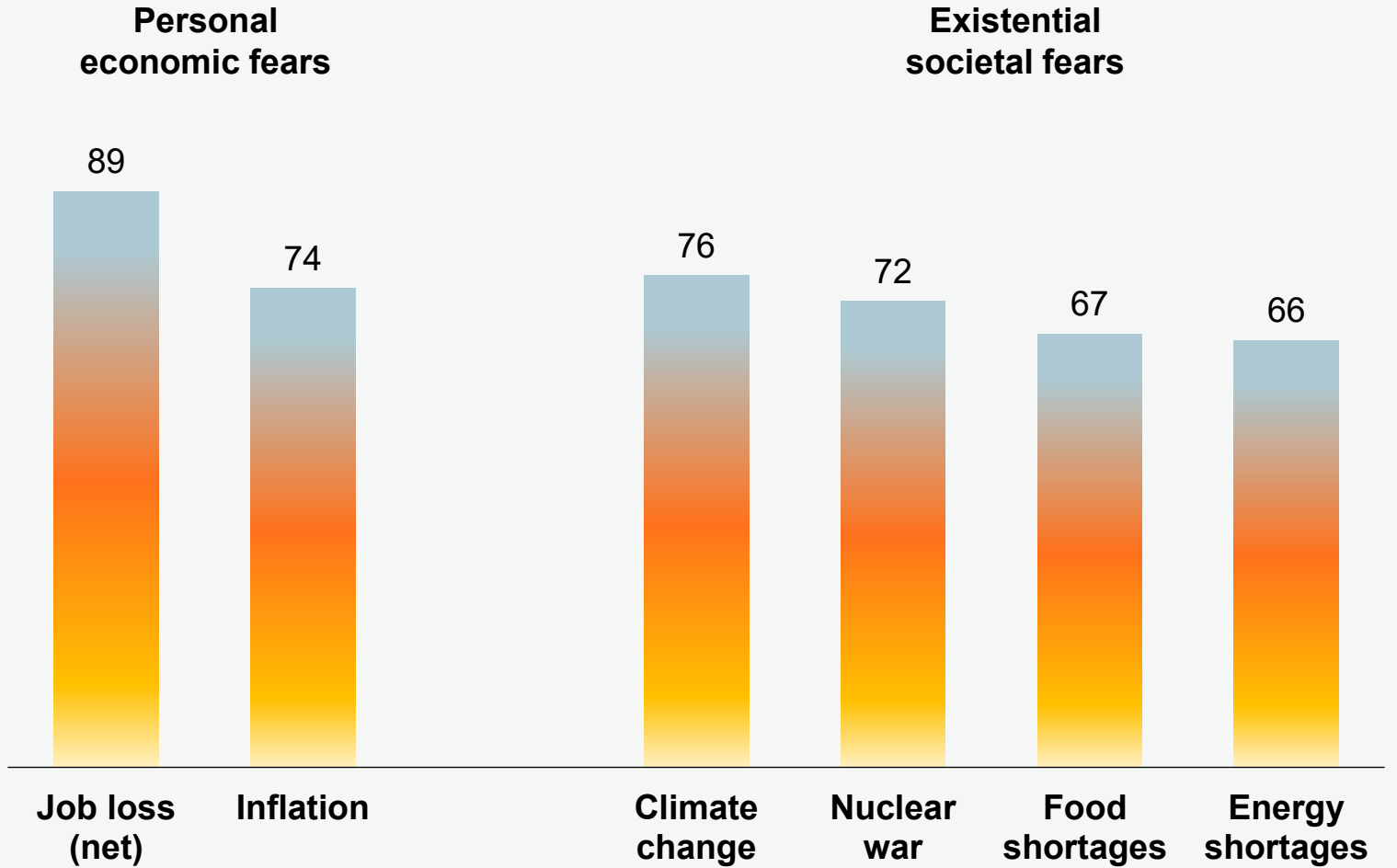


2023 Edelman Trust Barometer. CNG\_FUT. Thinking about the economic prospects for yourself and your family, how do you think you and your family will be doing in five years' time? 5-point scale; top 2 box, better off. General population, 24-mkt avg. \*Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



# Personal Anxieties On Par With Existential Fears

Percent who worry about ...



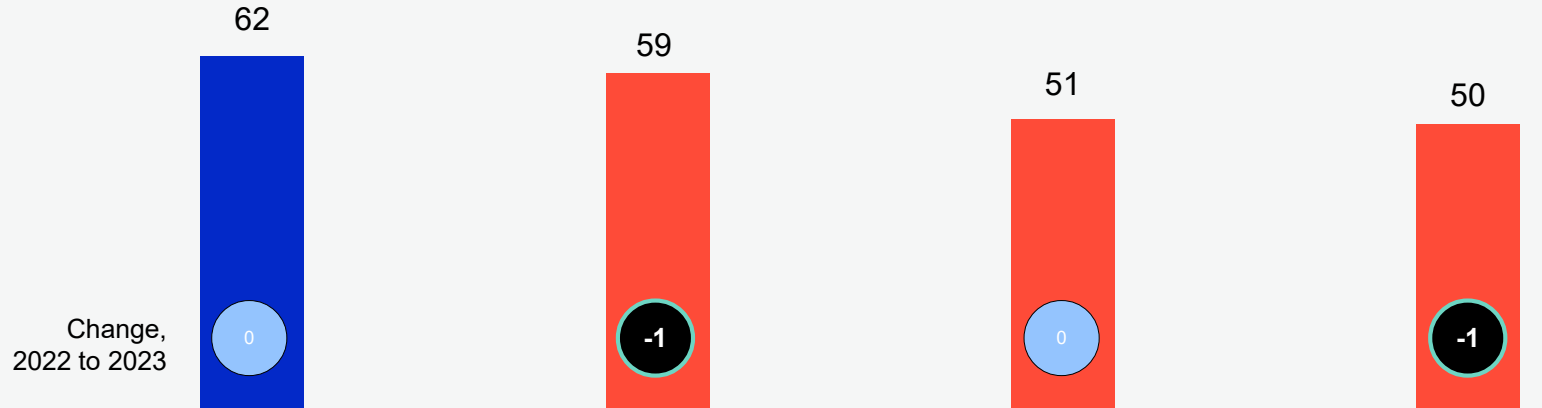
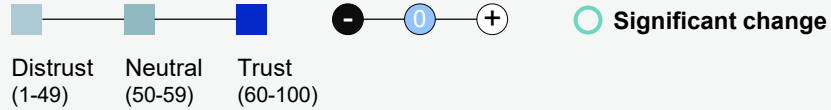
2023 Edelman Trust Barometer. POP\_EMO. Some people say they worry about many things while others say they have few concerns. We are interested in what you worry about. Specifically, how much do you worry about each of the following? 9-point scale; top 4 box, worry. Some attributes asked of half of the sample. General population, 27-mkt avg. Job loss asked of those who are an employee of an organization (Q43/1). Job loss is a net of attributes 1-3, 5, and 22-24.



# Business Only Trusted Institution

Percent trust

GLOBAL 27



**Least-trusting countries for each institution**

Spain	49
Japan	47
S. Korea	38

*Sweden	44
Germany	41
Japan	38

Japan	33
S. Africa	22
Argentina	20

UK	37
Japan	34
S. Korea	27

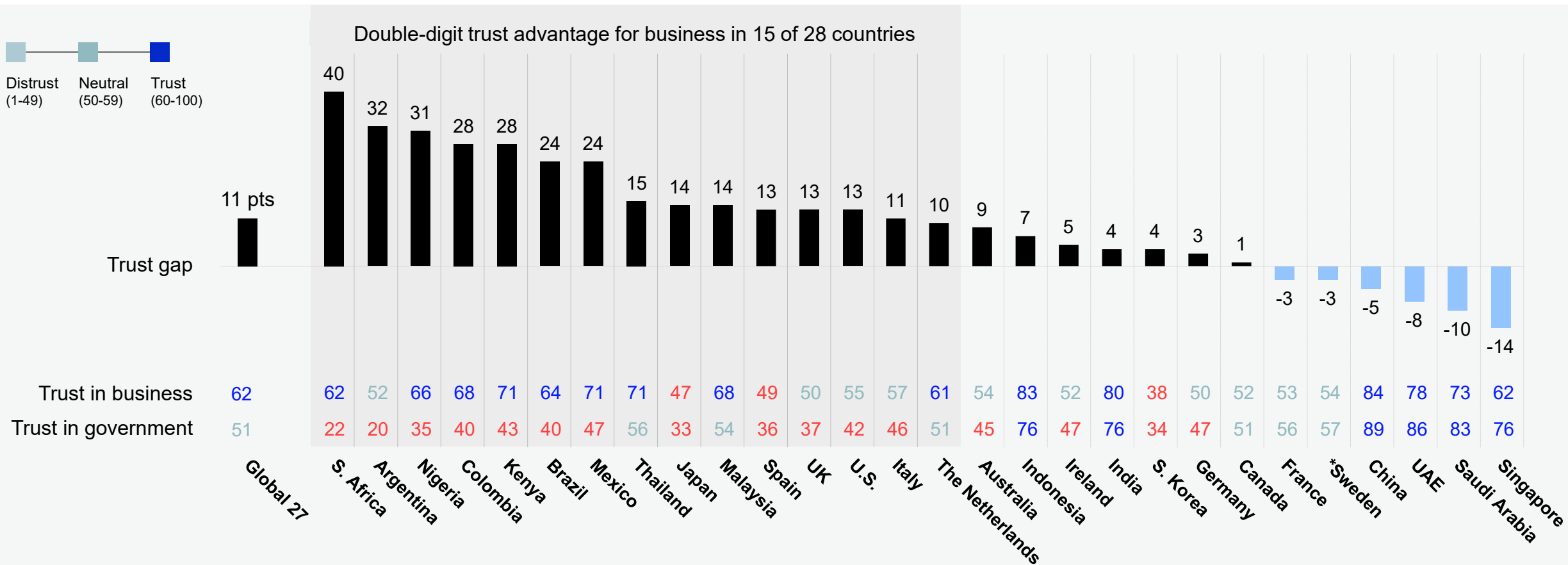
2023 Edelman Trust Barometer. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. \*Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.





# Institutions Out of Balance: Government Far Less Trusted than Business

Percent trust, and the percentage-point difference between trust in business vs government



2023 Edelman Trust Barometer. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. \*Sweden is not included in the global average.



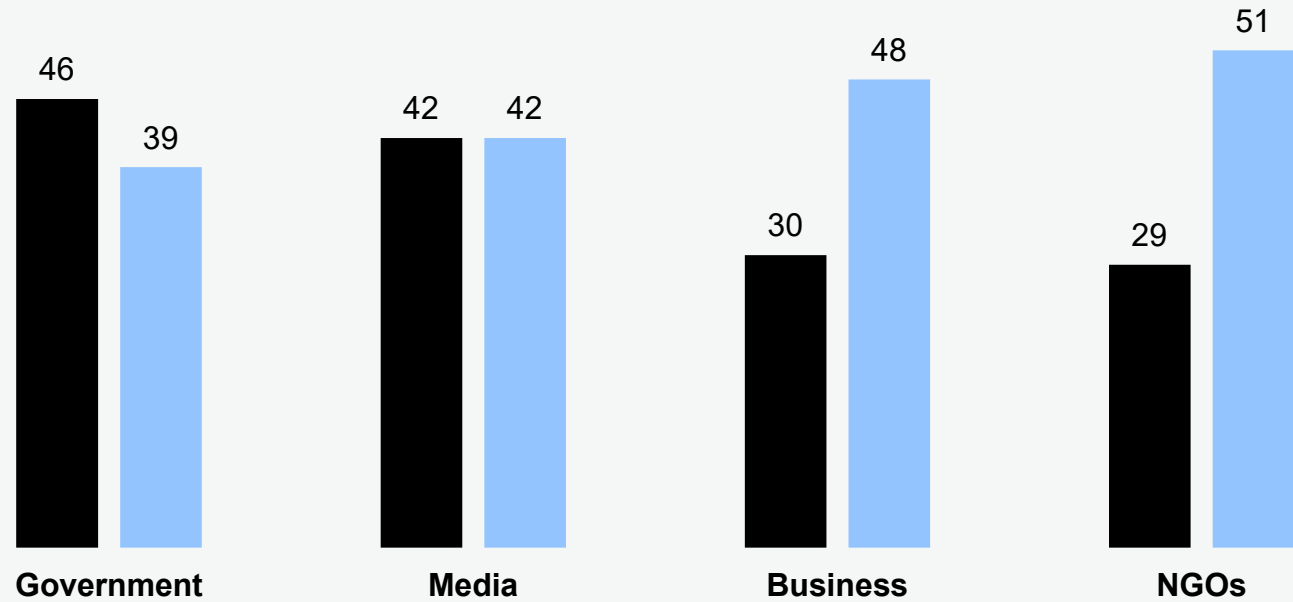
# Government and Media Fuel Cycle of Distrust, Seen as Sources of Misleading Information

Percent who say

GLOBAL 25 Excludes China and Thailand

These institutions are

a source of **false or misleading** information
  a reliable source of **trustworthy** information

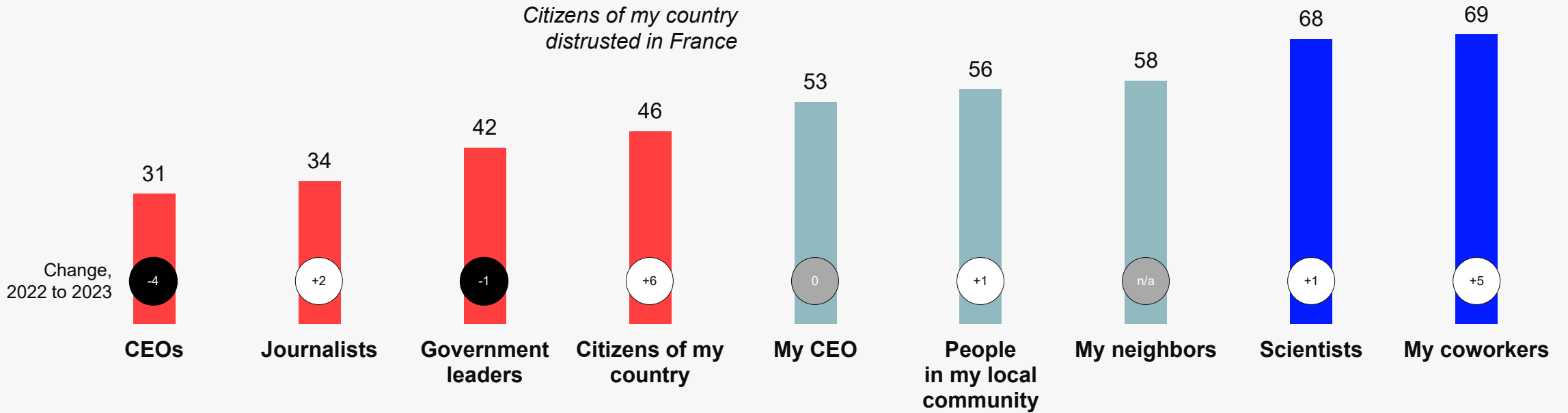
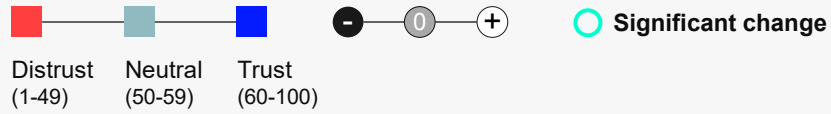


2023 Edelman Trust Barometer. [INS]\_PER\_DIM. In thinking about why you do or do not trust [institution], please specify where you think they fall on the scale between the two opposing descriptions. 11-point scale; top 5 box, positive; bottom 5 box, negative. Media and NGOs shown to half of the sample. General population, 25-mkt avg. Data not collected in China and Thailand.



# Institutional Leaders Distrusted

Percent trust, in France



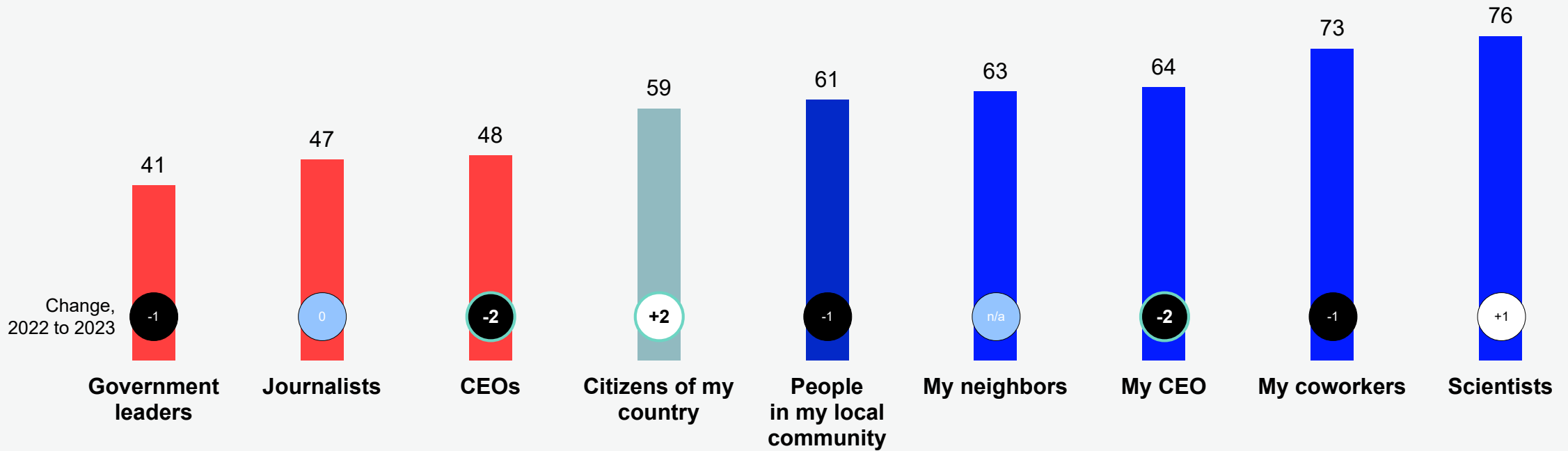
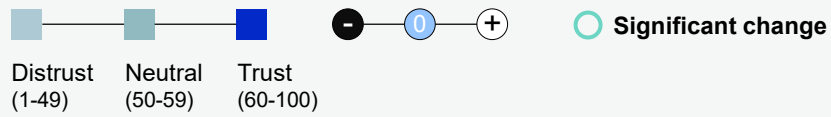
2023 Edelman Trust Barometer. TRU\_PEP. Below is a list of groups of people. For each one, please indicate how much you trust that group of people to do what is right. 9-point scale; top 4 box, trust. Some attributes asked of half of the sample. General population, France. "My coworkers" and "my CEO" only shown to those who are an employee of an organization (Q43/1). Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



# Institutional Leaders Distrusted

Percent trust

GLOBAL 27



2023 Edelman Trust Barometer. TRU\_PEP. Below is a list of groups of people. For each one, please indicate how much you trust that group of people to do what is right. 9-point scale; top 4 box, trust. Some attributes asked of half of the sample. General population, 27-mkt avg. "My coworkers" and "my CEO" only shown to those who are an employee of an organization (Q43/1). Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



# Great Expectations, Heightened Risk for Business



# Consumers and Employees Pressure Business to Stand Up for Them

Percent who say

2022 Edelman Trust Barometer Special Report:  
The New Cascade of Influence

I buy or advocate for brands based on my beliefs and values

GLOBAL 14

63%

2022 Edelman Trust Barometer Special Report:  
Trust In the Workplace

Having societal impact is a strong expectation or deal breaker when considering a job (avg)

GLOBAL 7

Among employees

69%

- Business reflects my values
- Has a greater purpose
- Meaningful work that shapes society
- Opportunities to address social problems
- Stops specific business practices if employees object
- CEO addresses controversial issues I care about

2022 Edelman Trust Barometer Special Report: The New Cascade of Influence. Belief-driven consumers. General population, 14-mkt avg. Please see the Technical Appendix for full explanation of how belief-driven consumers were measured. 2022 Edelman Trust Barometer Special Report: Trust in the Workplace. EMP\_IMP. When considering an organization as a potential place of employment, how important is each of the following to you in deciding whether or not you would accept a job offer there? 3-point scale; top 2 box, important. 7-mkt avg. All data is filtered to be among employees who work for an organization or corporation (Q43/1). "Societal impact" is an average of attributes 12-17.



# Want More Societal Engagement from Business, Not Less

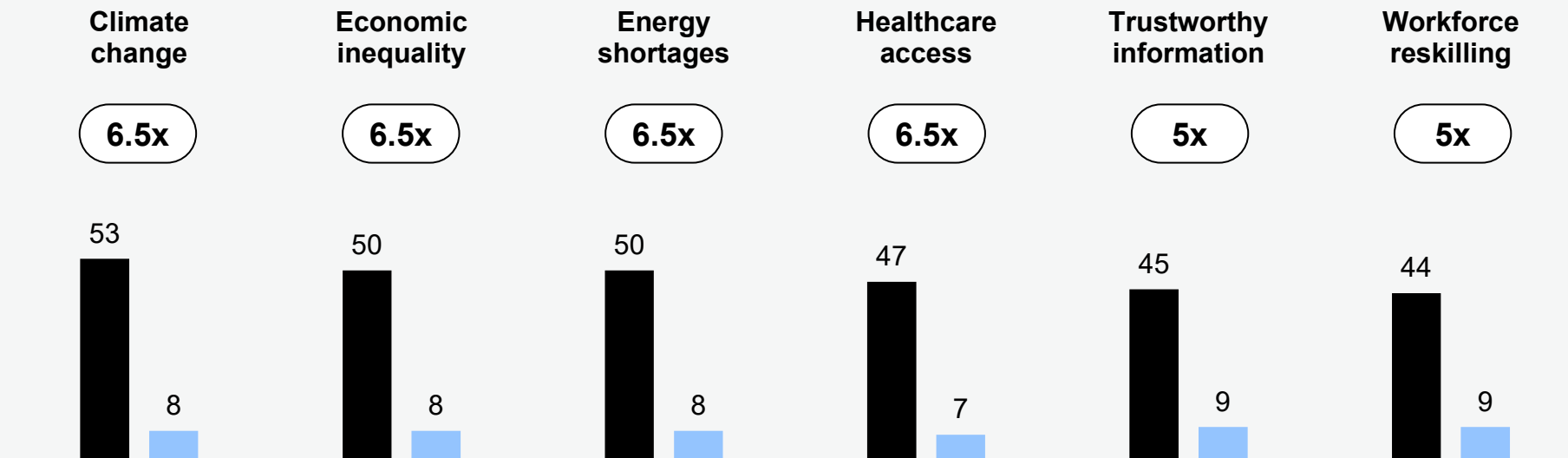
Percent who say

GLOBAL 27

On addressing each **societal issue**, business is

■ not doing enough    ■ overstepping

Multiplier  
not doing enough vs overstepping



2023 Edelman Trust Barometer. BUS\_BND. Think about business as an institution, and its current level of engagement in addressing societal needs and issues. When it comes to each of the following areas, please indicate if you think business is going too far and overstepping what it should be doing, is doing just the right amount in regard to this activity, or is not going far enough in its actions and should be doing more. 3-point scale; code 3, "not doing enough"; code 1, "overstepping". General population, 27-mkt avg. The multipliers are rounded to the nearest .5.



# CEOs Most Expected To Act on Employees, Climate, and Discrimination

Percent who say

I expect CEOs to take a public stand on this issue:

GLOBAL 27

Treatment of employees

89

Climate change

82

Discrimination

80

Wealth gap

77

Immigration

72





# Navigating a Polarized World

**1**

## Business must continue to lead

As the most trusted institution, business holds the mantle of greater expectation and responsibility. Leverage your comparative advantage to inform debate and deliver solutions across climate, diversity and inclusion, and skill training.

**2**

## Collaborate with government

The best results come when business and government work together, not independently. Build consensus and collaborate on policies and standards to deliver results that push us toward a more just, secure, and thriving society.

**3**

## Restore economic optimism

A grim economic view is both a driver and outcome of polarization. Invest in fair compensation, training, and local communities to address the mass-class divide and the cycle of polarization.

**4**

## Advocate for the truth

Business has an essential role to play in the information ecosystem. Be a source of reliable information, promote civil discourse, and hold false information sources accountable through corrective messaging, reinvestment, and other action.



# Today's US ESG Landscape Has Two Sides with Common Critiques

## It is Easy to Get Stuck in the Middle

### ESG Proponents

#### LACK OF DATA, RIGOR

- Who's monitoring?
- Who holds the accountability?

#### BIASED

- Corporate influence
- "Greenwashing" and "Issue washing"

#### IMPACT IS AMBIGUOUS

- Commitments like Net Zero lack credibility
- Stakeholders are deceived and manipulated

### ESG Pragmatists



### ESG Critics

#### LACK OF DATA, RIGOR

- Criteria is heterogenous
- ESG ratings as an example are ambiguous

#### BIASED

- Driven by left-wing political agenda
- Anti-business and "woke"

#### IMPACT IS AMBIGUOUS

- Misallocates capital, lowers shareholder returns
- Punishes job creation, targets specific industries, e.g., oil and gas

# BEFORE THE BACKLASH: CRITICAL NEW DYNAMICS FOR BUILDING TRUST WITH INVESTORS

1

**Building ESG trust with investors is an uphill battle**

*Investors are skeptical of ESG disclosures and commitments and foresee an increase in ESG-related litigation.*

2

**Investors are pushing for climate action**

*A Net Zero plan is an investor expectation.*

3

**Investors see value in the empowered employee**

*Employee activism signals a healthy workplace culture.*

4

**Traditional investors are engaging in activist tactics**

*Investors proactively approach activists to effect change at companies.*

5

**Retail investors are emerging as the next disruptor**

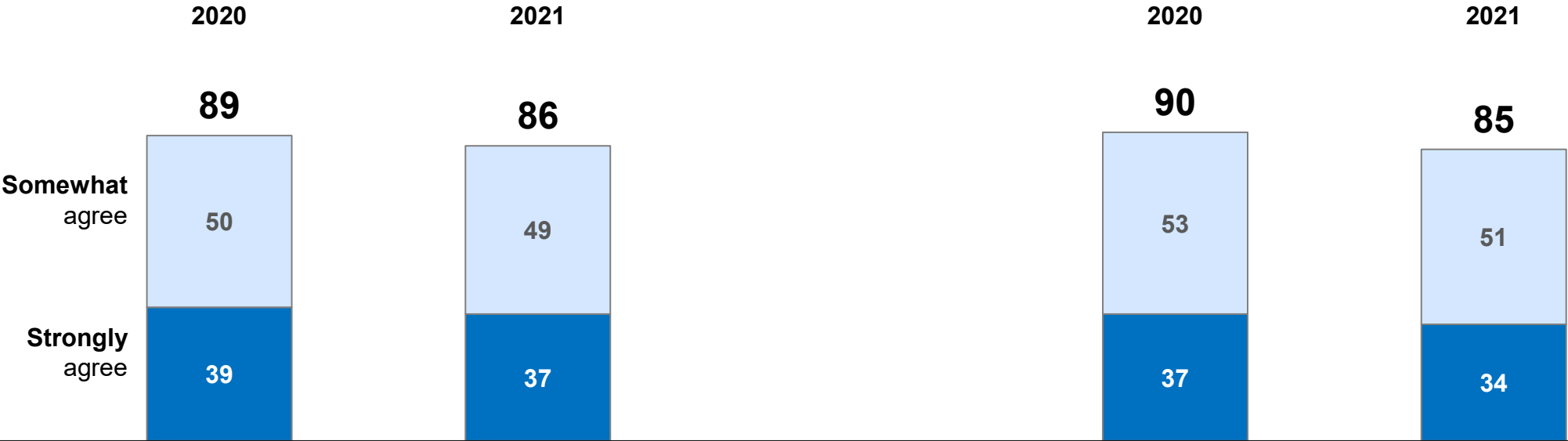
*Retail investor-focused online communities influence investment decisions.*

# STRONG ESG PERFORMANCE DESERVES A PREMIUM

Percent who agree, Global 6

A company with strong ESG performance **deserves a premium valuation** to its share price

Companies that prioritize ESG integration **represent better opportunities for long-term returns** than those who do not



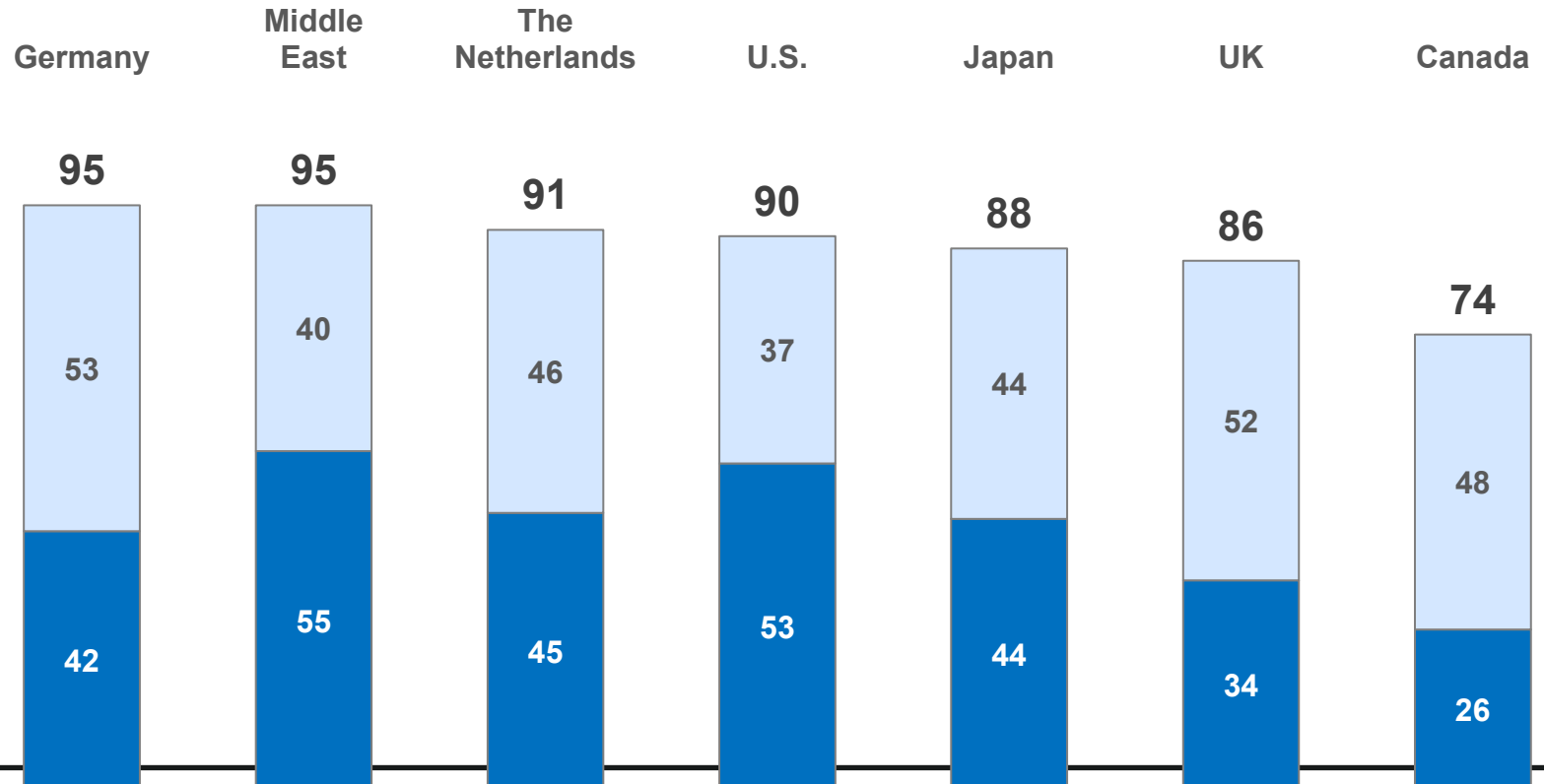
# INVESTORS SCRUTINIZE ESG AS MUCH AS OPERATIONAL AND FINANCIAL FACTORS

Percent of investors who agree

I subject ESG to the same scrutiny as operational and financial considerations

Global 7

**88%**



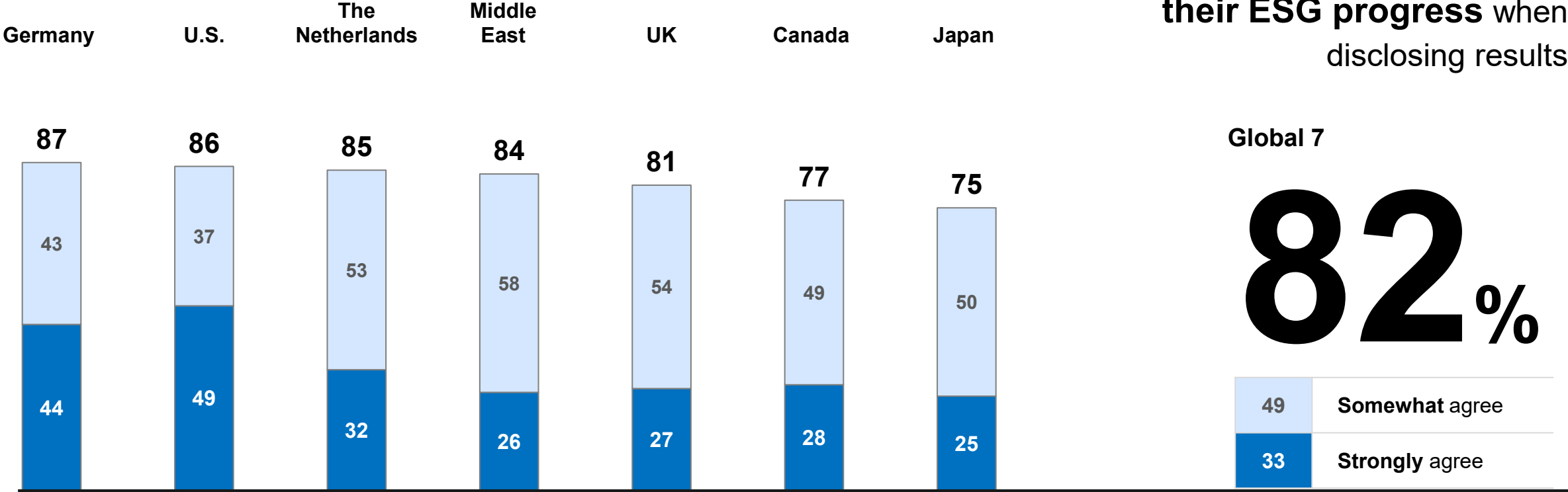
2021 Edelman Trust Barometer Special Report: Institutional Investors. Q7. Please indicate the extent to which you agree or disagree with the following statements regarding shareholder activism? Showing T2B Agree and T1B Strongly Agree.

Base: 7-Market Global Average n=700; United States n=100; Canada n=100; Japan n=100; Germany n=100; Netherlands n=100; United Kingdom n=100; Middle East n=100

# INVESTORS QUESTION ACCURACY OF ESG DISCLOSURES

Percent of investors who agree

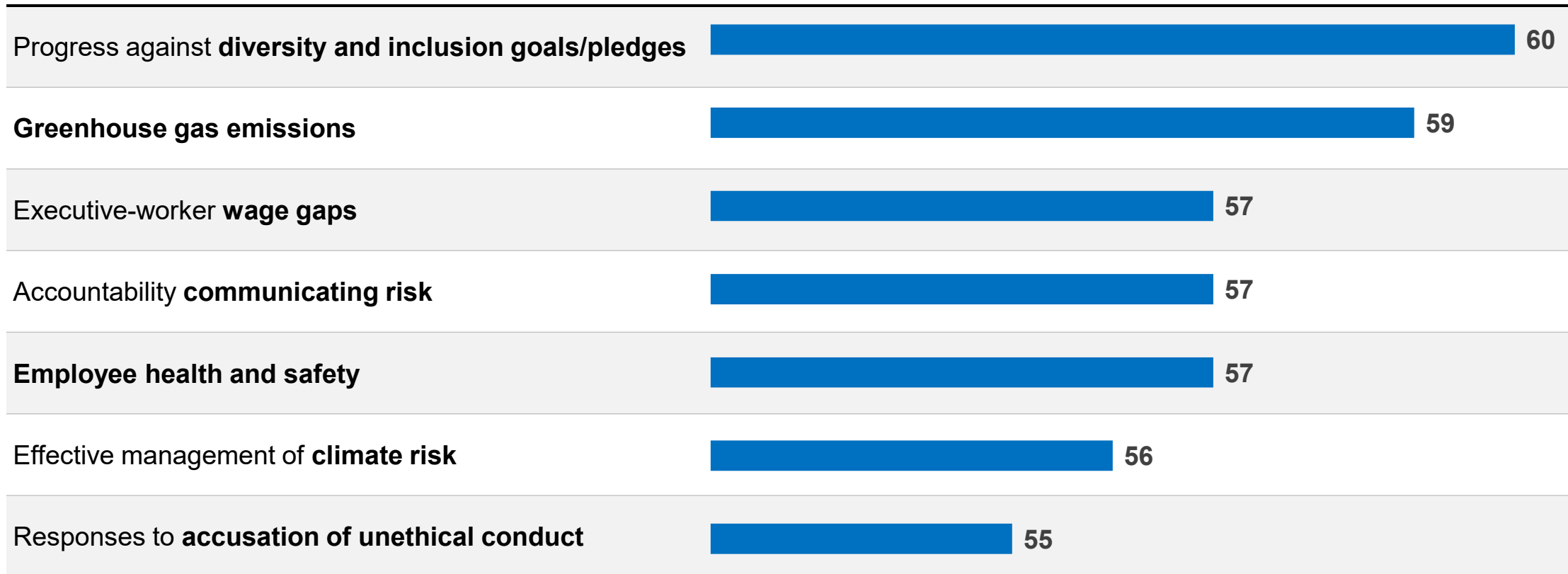
Companies frequently **overstate or exaggerate their ESG progress** when disclosing results



2021 Edelman Trust Barometer Special Report: Institutional Investors. Q23\_1: Now please think about the adequacy and accountability of ESG corporate disclosures made by companies. To what extent do you agree or disagree with the following statements? Showing Somewhat Agree, Agree T2B and Strongly Agree T1B. 7-Market Global Average n=700; United States n=100, Germany n=100, Middle East n=100, Japan n=100, Netherlands n=100, UK n=100, Canada n=100

# GREATEST INVESTOR DOUBTS AROUND DE&I AND CLIMATE CHANGE DISCLOSURES

Percent of investors who lack full confidence in the accuracy of ESG information that companies disclose to them on each of the following topics, Global 7



# MOST INVESTORS DON'T BELIEVE COMPANIES WILL ACHIEVE THEIR ESG COMMITMENTS

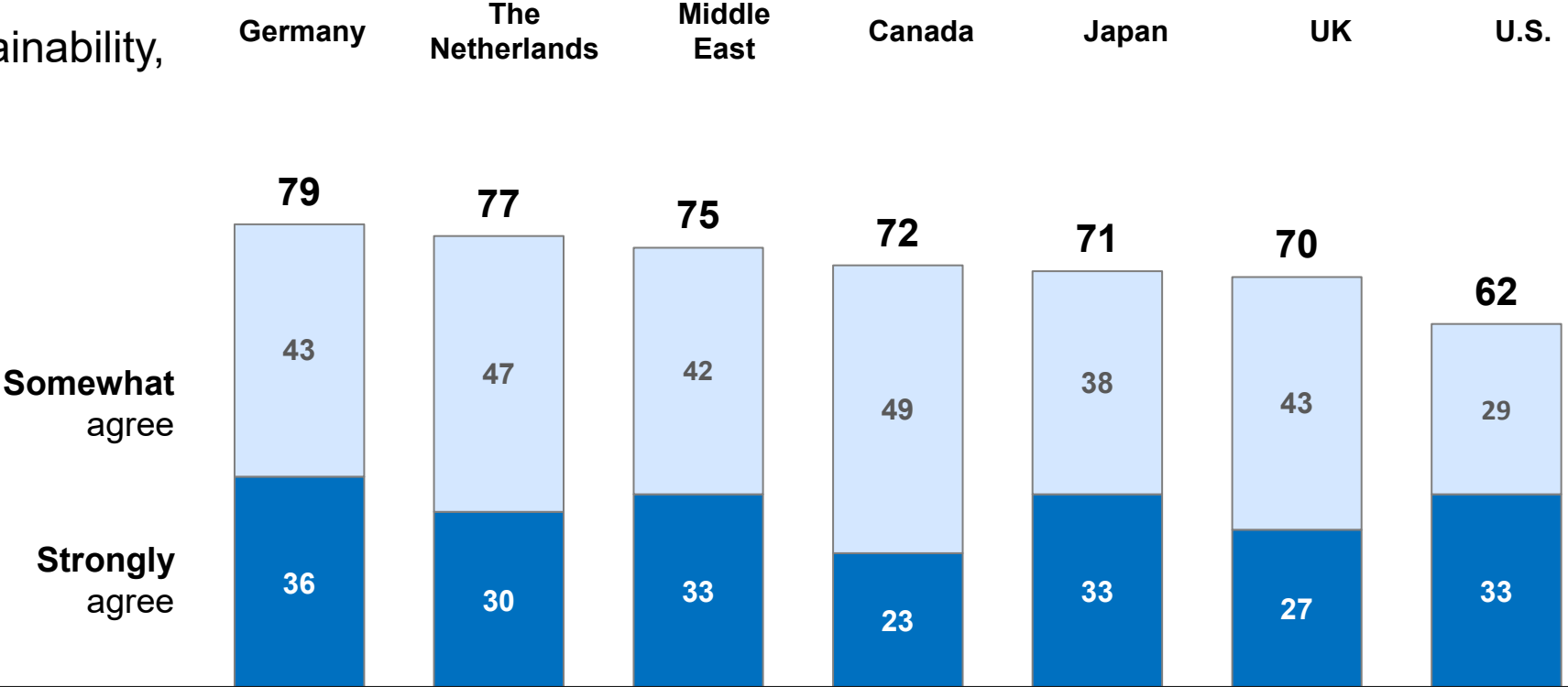
Percent of investors who agree

I do not trust companies to **achieve** their stated sustainability, ESG or DEI commitments

Global 7

**72%**

42	Somewhat agree
31	Strongly agree



2021 Edelman Trust Barometer Special Report: Institutional Investors. Q14: Please indicate the extent to which you agree or disagree with the following statements regarding ESG/socially responsible investing (tracking). Showing Agree T2B and Strongly Agree T1B. 7-Market Global Average n=700; United States n=100, Germany n=100, Middle East n=100, Japan n=100, Netherlands n=100, UK n=100, Canada n=100



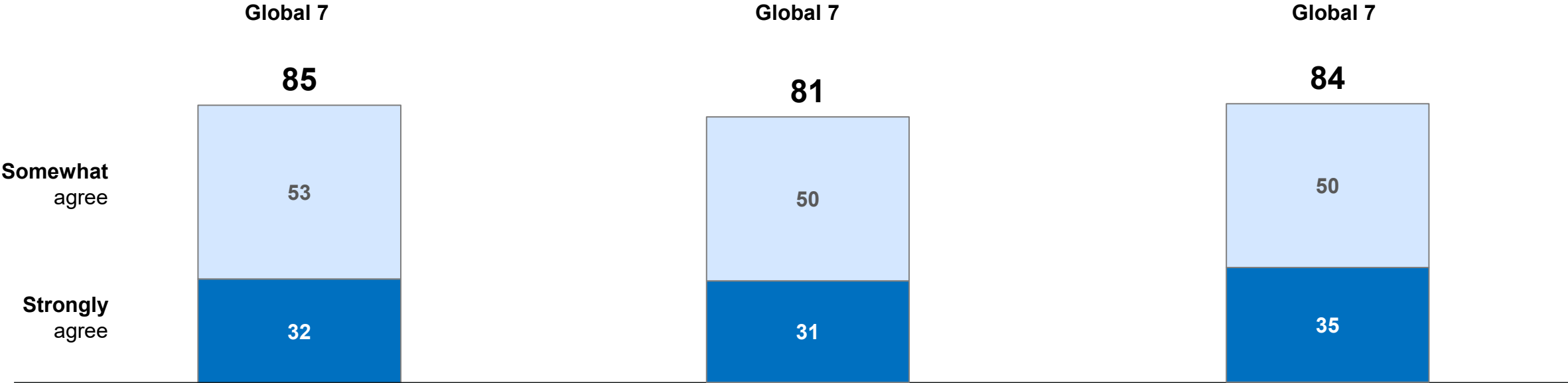
# MOST INVESTORS IN FAVOR OF MANDATORY ESG DISCLOSURES AND DESIRE MORE INFORMATION

Percent of investors who agree

I am in favour of **mandatory ESG disclosure**

Companies are **not disclosing enough** ESG information

The **government** should apply more pressure to **enforce ESG compliance**



# INVESTORS ON THE LOOKOUT FOR ESG UNDERPERFORMANCE AND GREENWASHING

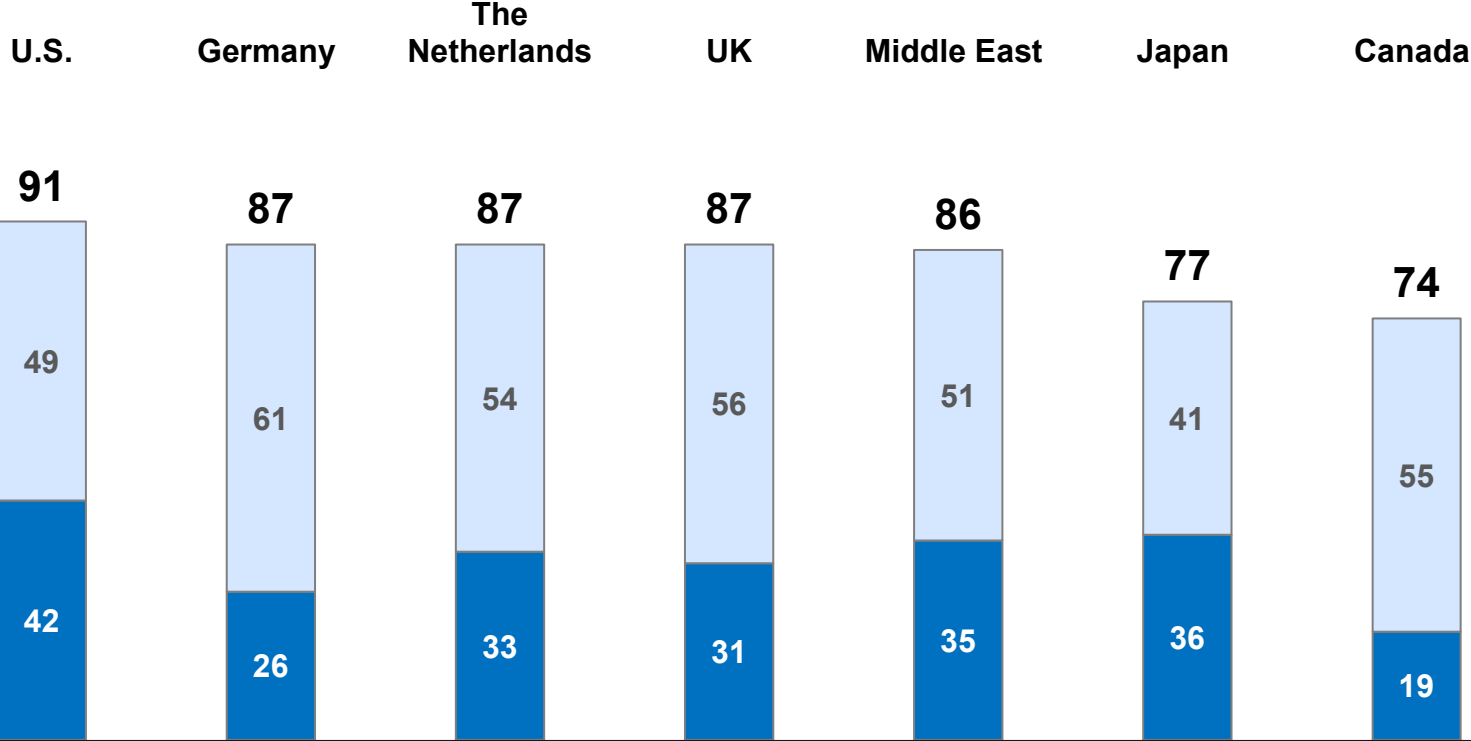
Percent of investors who agree

I specifically look for instances when **companies do not deliver** on their ESG disclosures and promises

Global 7

# 84%

52	Somewhat agree
32	Strongly agree



2021 Edelman Trust Barometer Special Report: Institutional Investors. Q23\_1: Now please think about the adequacy and accountability of ESG corporate disclosures made by companies. To what extent do you agree or disagree with the following statements? Showing Agree T2B and Strongly Agree T1B. 7-Market Global Average n=700; United States n=100, Germany n=100, Middle East n=100, Japan n=100, Netherlands n=100, UK n=100, Canada n=100.

# GOVERNMENT NOT SEEN AS ABLE TO SOLVE SOCIETAL PROBLEMS

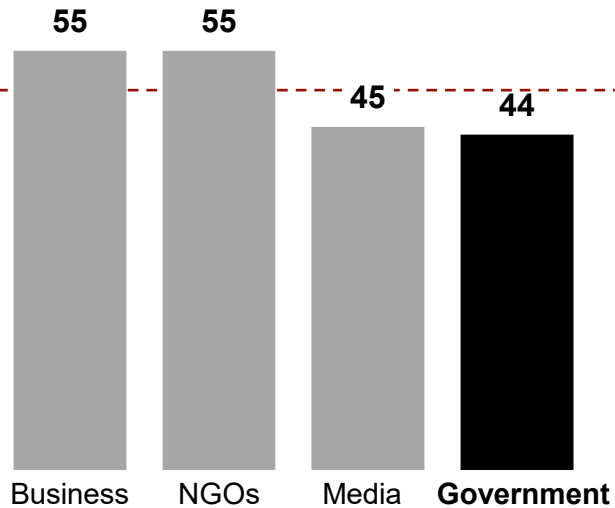
Percent who say each is a strength of institutions

## Take a leadership role

*Coordinate cross-institutional efforts to solve societal problems*

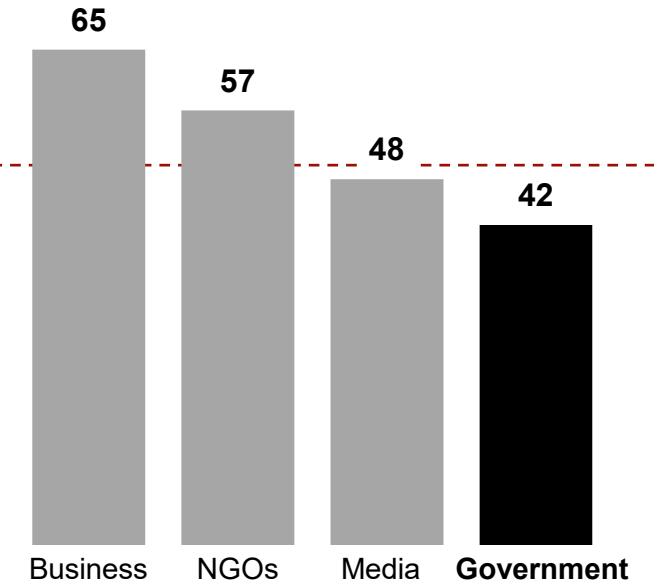
Majority do not see as strength

50%



## Get results

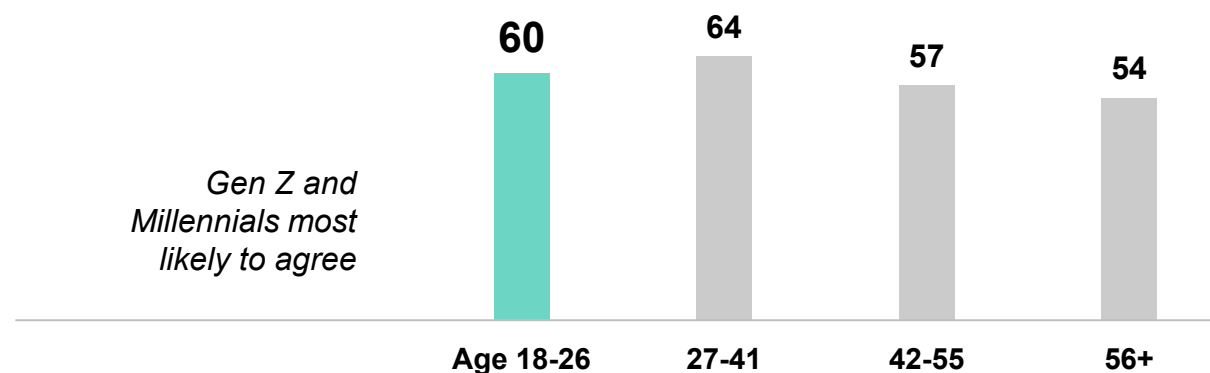
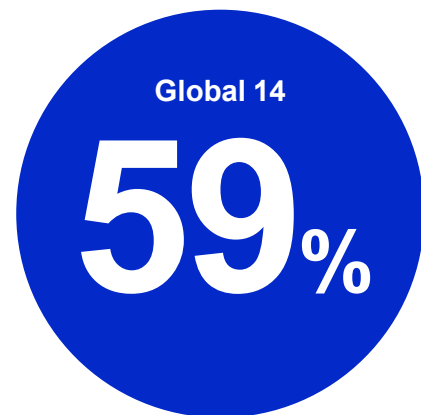
*Successfully execute plans and strategies that yield results*



# GEN Z: IF THEY DON'T TRUST THE COMPANY BEHIND THE BRAND, THEY WILL STOP BUYING

Percent who agree

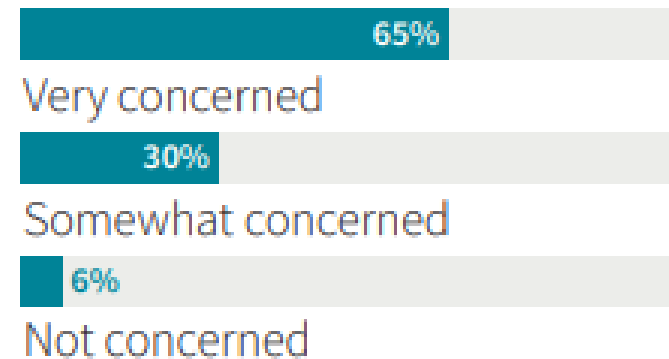
A good reputation may get me to try a product; but **unless I come to trust the company behind the product, I will soon stop buying it**



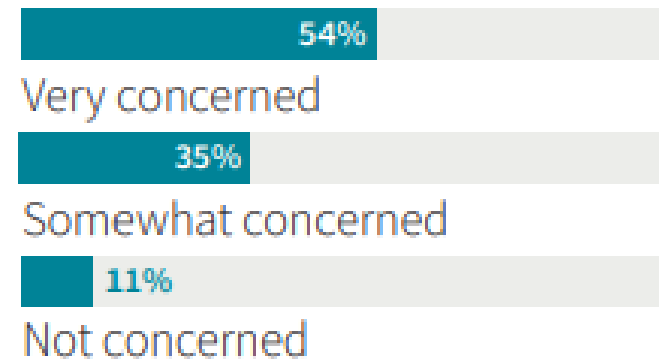
# DESPITE BACKLASH, DEMAND FOR ESG GROWING

How concerned are you about social issues (e.g., workplace diversity, income inequality, workplace conditions)?

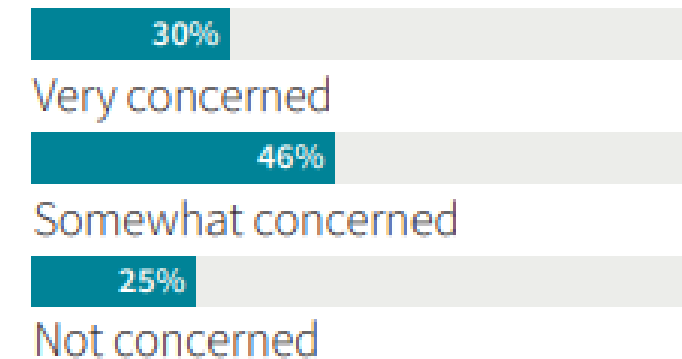
## MILLENNIAL + GEN Z



## GEN X



## BOOMERS +





**Merci.  
Questions?**

