

# HOW MULTINATIONAL CORPORATIONS CAN LEAD THE WAY ON SUSTAINABILITY

An essential guide for companies trying to gauge the priorities of consumers.

An Ipsos Point of View

By Jason McGrath and Trent Ross

GAME CHANGERS



What societal issues do people want companies to address? A recent Ipsos global survey addressed the question, one of increasing urgency as companies look to project and demonstrate values important to consumers around the world.

Multinational corporations (MNCs) have the ability and the responsibility to “do good” in the world.

Ipsos research finds they can make their corporate social responsibility (CSR) engagements a win-win by ensuring the engagements are authentic, credible and effective.

For a longer discourse on the below model, [please see Ipsos’ white paper.](#)

### Getting Responsibility Right



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A big piece of the credibility factor above is **aligning with external realities**, meaning alignment with stakeholders when it comes to societal priorities. Many MNCs are currently aligning themselves with the UN Sustainability Development Goals (UNSDGs),

but our past research has shown that many stakeholders—citizen-consumers in particular—are not familiar with the UNSDGs or what the goals are trying to accomplish.



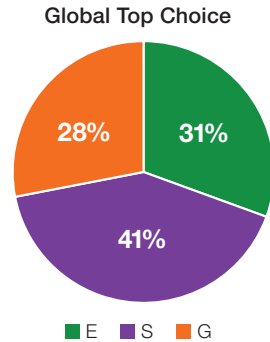
In order to provide MNCs with a better understanding of the priorities of the global citizen-consumer base, while still roughly aligning with the UNSDGs, Ipsos Corporate Reputation fielded a global study

in March 2021 that simplifies the UNSDG focus areas into three areas: Environmental, Societal and Governance.

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

Improving society is the top priority for multi-national companies among consumers globally in March 2021. The proportion picking each item as their top choice provides more variation than calculating the mean.

|          |   |              |
|----------|---|--------------|
| <b>E</b> | <b>Protecting the environment:</b> including protecting and caring for our natural environment, focusing on waste and pollution, resource depletion, greenhouse gas emission, deforestation, and climate change.  | <b>2.0</b>   |
| <b>S</b> | <b>Improving society:</b> including treatment of employees & diversity, working conditions, including child labor and slavery, local communities. Seeks explicitly to fund projects or institutions that will serve poor and underserved communities globally, and health and safety. | <b>1.8</b>   |
| <b>G</b> | <b>Practicing good governance:</b> including tax strategy, executive remuneration, donations and political lobbying, corruption and bribery, board diversity, and structure.  | <b>2.2</b>   |
|          |   | <b>MEANS</b> |



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The study was conducted online among citizen-consumers in 28 countries with either 1,000 or 500 interviews per country.

Ipsos fielded a global survey to gauge the priorities of citizen-consumers. The study defined the terms based on earlier qualitative research (see chart above). People were asked to rank priorities for multi-national companies based on these definitions. Improving society received by far the most number one votes, but surprisingly, environment and governance are essentially tied for second.

- “Society” receives a majority of top picks in Spain, Poland, Japan and Korea; and a plurality of the top picks in all but four markets. As such, improving society is broadly the top priority of consumers around the world.

- Surprisingly, only in Germany and China is “environment” the top priority. China, several European countries, Brazil, Colombia, and Canada place a higher value on environment than the global average of 31%. The United States and a mix of other markets place a lower value on the environment than the global average.
- Governance is the top concern for MNCs in Malaysia and South Africa. The ranking of governance is well above the global average in Russia, Hungary, Saudi Arabia, Argentina, Peru, Turkey, and India.

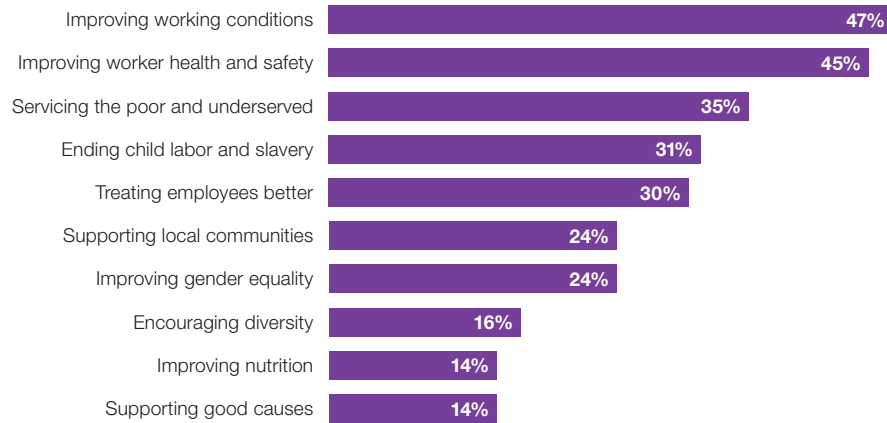


The next step was to break down the broad topics into their constituent elements and establish a priority ranking. People rated simplified versions of the UNSDGs as well as other issues.

When it comes to societal concerns, citizen-consumers want multinational companies to improve

working conditions and worker health and safety first. These areas are top choices in nearly all the 28 countries surveyed. Citizen-consumers then want companies to address broader concerns like servicing the poor and ending child labor and slavery.

**When it comes to improving society, which two or three of the following do you believe is most important for multi-national companies to address?**



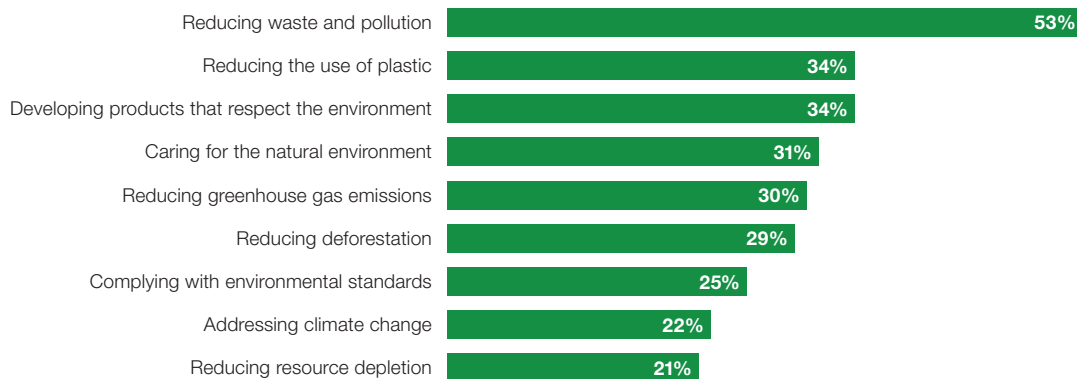
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■ Global Top 3

When it comes to environmental concerns, reducing waste and pollution is a far hotter topic than climate change. In fact, climate change is near the bottom of the list of concerns (though reducing greenhouse gases is a higher concern). Reducing waste and pollution is a top choice in nearly all of the 28 markets.

Reducing the use of plastic, developing more environmental products, overall caring for the environment, and reducing greenhouse gas emissions are other leading actions that companies can take.

**When it comes to protecting the environment, which two or three of the following do you believe is most important for multi-national companies to address?**



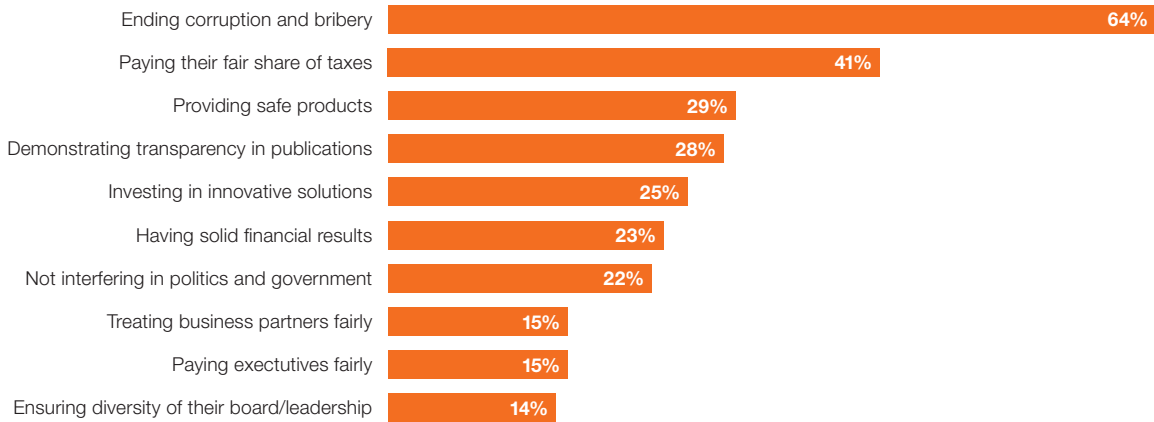
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■ Global Top 3

Communicating about governance should be straightforward for MNCs. Ending corruption and bribery is by far the greatest governance concern for citizen-consumers, followed by companies

paying their fair share of taxes. These are the top two concerns in nearly every market, with the occasional exception of product safety.

**When it comes to practicing good governance, which two or three of the following do you believe is most important?**



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■ Global Top 3

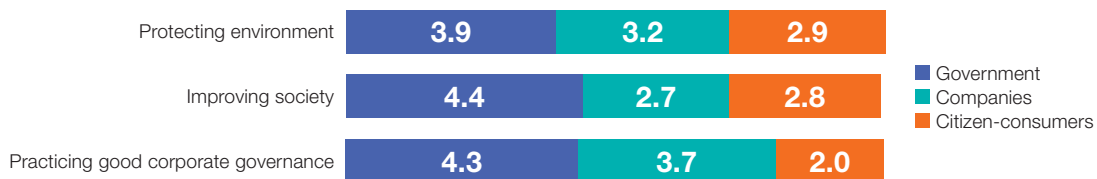
Multinational corporations are not the only actors in this space. Government, corporations and citizen-consumers have a role to play in sustainability. Using our earlier citizen-consumer friendly definitions, Ipsos asked citizen-consumers to allocate points reflecting the responsibility of each of government, companies, and citizen-consumers in addressing ESG issues.

- Overall, citizen-consumers tend to think that the government carries the most responsibility for

each of E, S, and G. However, they assign less prominence to government on the environment, with companies and citizens-consumers splitting the duty.

- When it comes to improving society, the government is seen by far as the most important actor, with companies and citizen-consumers then splitting the rest of the duty.
- Citizen-consumers do not see a role for themselves in corporate governance.

**When it comes to protecting the environment/improving society/practicing good corporate governance, how much responsibility do each of the following have? Assign 10 points across the three.**



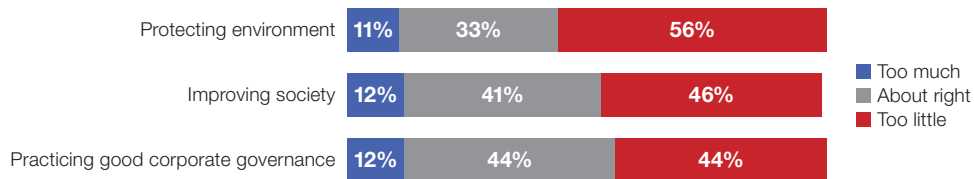
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Not all sustainability actions are undertaken from the perspective of generating reputation and goodwill. Some sustainability actions are necessary to fend off undesirable regulation or publicity. In these cases, the environment moves to the front of the line.

Protecting the environment is the leading area where citizen-consumers call for additional regulation

despite lower overall relevance and the perceived greater role of government. A majority of citizen-consumers globally say there needs to be more regulation of companies when it comes to the environment. The desire to regulate is particularly high in Europe and Latin America.

**For each of the following areas, please indicate whether you think there is too much regulation, about the right amount of regulation, or too little regulation of companies in your country.**



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Companies can best position themselves to do good in the world while doing well for themselves by making sure their efforts are Authentic, Credible, and Effective. While each company will need to tailor their activities based on their purpose, the

needs of their stakeholders and what makes the most difference in the world, the above data should provide global companies with a starting place for understanding what is important to citizen-consumers.





## WHAT'S NEXT

- Broadly, society is the top priority. Within society, citizen-consumers want companies to first address the things that they can control, especially how employees are treated.
- The environment may be a lower concern than society overall, but it is the area that is most ripe for regulatory intervention.
- Governance is clearly a hygiene issue. Overall, governance shares prominence with the environment, but when you dig into specific governance issues, the focus is strongly on ending corruption and paying taxes.

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