

Oxford-GlobeScan
**Global Corporate
Affairs Survey**
2022 Survey Report



Contents

1. Introduction

This is the third annual Oxford-GlobeScan Global Corporate Affairs Survey Report which provides an updated overview of opinions, trends, and challenges through the lens of Corporate Affairs practitioners. This report captures the views and insights of 221 senior professionals who were surveyed in March of 2022 on issues and themes of relevance to the function. The survey took place against the backdrop of the Russian invasion of Ukraine.

The University of Oxford and GlobeScan formalised a partnership in 2019 to deliver enhanced insight into the roles, responsibilities, challenges, opportunities, and themes facing leading global Corporate Affairs professionals around the world. The primary purpose of the partnership is to generate valuable research findings for organisations, senior executives, and Corporate Affairs leaders through a regular 'pulse' of novel, timely, and data-driven insights about the evolution of the Corporate Affairs agenda.

Oxford University's Saïd Business School is home to the Corporate Affairs Academy ('the Academy'). Each year, the Academy invites leaders from the Corporate Affairs, corporate responsibility, corporate communications, community engagement, and investor relations functions of major corporations around the world to spend time discussing critical trends, themes, and insights of relevance to organisational stakeholder engagement. By way of example, over the last three years discussion threads have emerged around organisational purpose, stakeholder engagement, corporate activism, and advocacy. In the first 11 years since its founding in 2011, the Academy has hosted over 150 leading professionals from Asia, Australasia, China, Russia, Europe, the Middle East, Africa, Scandinavia, and the Americas. Each year the Academy publishes a summary of its discussions in a white paper, copies of which are available through the Corporate Affairs Academy website.

GlobeScan, a global insights and advisory consultancy, was established in 1987 and has offices in Cape Town, Hong Kong, London, Paris, San Francisco, São Paulo, Mumbai, and Toronto. GlobeScan works at the intersection of brand purpose, sustainability, and trust.

They partner with leading businesses, NGOs, and governmental organizations to deliver insights that guide decision-making and build strategies that contribute to a sustainable and equitable world. In 2016, GlobeScan launched a platform of research and engagement amongst leading Corporate Affairs directors, providing deep insight and expertise on the issues and trends affecting the Corporate Affairs and corporate communications functions globally.



2. Executive summary

The key findings of this year's survey are as follows:

- Geopolitical risk and uncertainty has become the number one Corporate Affairs priority since last year's results, no doubt in response not only to the war in Ukraine, but also to the rise of populism globally. On a list of priorities being tracked during the past three years, geopolitical risk and related uncertainty has overtaken the climate agenda in terms of importance and immediacy to act, at least in the short term. Last year's most significant risk, ESG, is second this year with supply chain issues the next most pressing priority. Pandemic concerns have fallen from last year's second place to 11th.
- Despite the unsurprising and fast rise of geopolitical concerns, the inexorable growth of ESG as a major focus for Corporate Affairs around the world continues as stakeholders of all descriptions further embed their engagement with companies as business broadly adapts to a 'living with the virus' world. It is no surprise then that climate change, inequality, and net zero are the most pressing areas of concern.

With the increasing number and pace of issues affecting organisations globally, Corporate Affairs has found itself ever more centrally placed to help make sense of a complex environment. This is reflected by the fact that when asked about activities that have become a more or less prominent part of the role compared to three years ago, the majority of Corporate Affairs professionals say that capturing the social context in which business operates is paramount. This would seem to be an important milestone in the evolution of the function, taking it further into the realms of strategy and leadership.

- There has been an increase in attention paid to political populism around the world and to a growing trend toward polarisation within society. In an effort

to address this, Corporate Affairs professionals increasingly believe there is a role for companies in political advocacy, both broadly and within their own organisations, with an increase in this view compared to one year ago. By far, the main corporate advocacy areas planned for the coming year are centred on environmental and social topics.

- However, with this increase in political engagement can come accusations of greenwashing. This risk is rising and predominantly results from a lack of solid metrics and proof points. The Corporate Affairs function is aware of this and reports investing more effort in governance around ESG activities.
- Corporate purpose is now a mainstream issue and topic of debate. But there are many challenges to overcome to truly embed the ethos it demands. The most significant challenges that Corporate Affairs faces in enabling the delivery of purpose and commitments to society includes organisational complexity, lack of an integrated and enterprise-wide plan, and insufficient measurability.
- The way in which the Corporate Affairs function has addressed the complex and wide-reaching impacts of COVID-19 and the war in Ukraine has highlighted fundamental strengths both in short-term crisis management and in providing context and analysis for decision making. This year's survey highlights these areas of strength. Best practice in addressing such agendas includes a focus on integrated activities, risk and reputation management, purpose, and stakeholder engagement in order to ensure successful Corporate Affairs leadership.

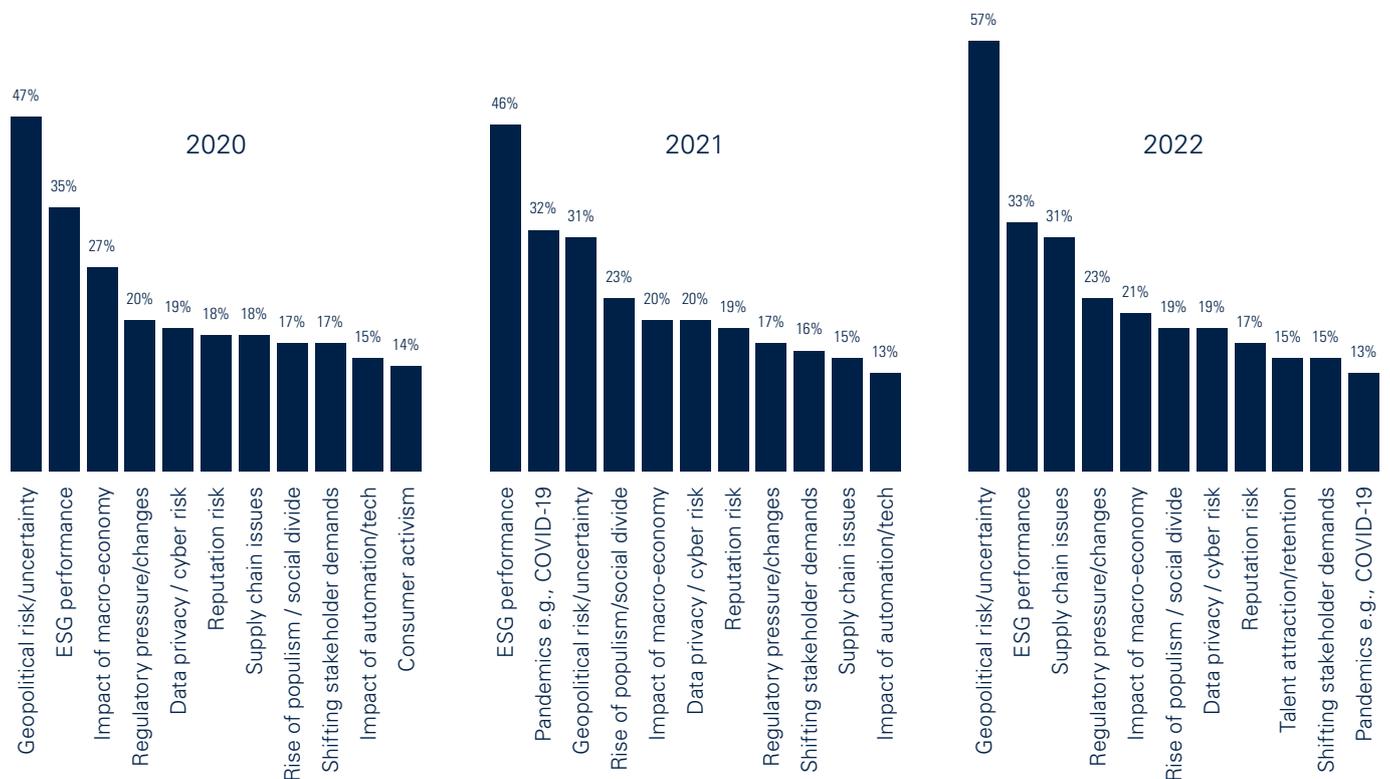
3. Global issues and risk

Just as this year's survey went into field, the Russian invasion of Ukraine took place. Later in this report we look at specific responses to that occurrence, but its short-term impact and future ramifications were no doubt at the forefront of respondents' minds when they were asked for their views on the most pressing risks that businesses are likely to face globally over the next two years.

As a result, the invasion has driven geopolitical risk and uncertainty to the top of overall concerns (57%),

overtaking the climate agenda in terms of importance and immediacy to act, at least in the short term (i.e., in the next two years). ESG is second (33%) and supply chain issues are the next most pressing (31%). Pandemic concerns have fallen from second place in 2021 to 11th place this year. The Oxford-GlobeScan team has been tracking an extensive list of potential risks year-on-year. A full breakdown can be seen in Figure 1.

Figure 1
Short-term risks to global business as identified by Corporate Affairs professionals
Ranked 1st, 2nd, or 3rd out of a possible 20 issues



Q1.1. Selecting from the list below, in which areas do you see the most pressing risks to global businesses over the next two years? Please select the top FIVE from the list below in order of most pressing. (2022: n=221; 2021: n=228; 2020: n=202)

Within this general picture, there are regional variations in the top three concerns, with only Asia-Pacific fully reflecting the global order.

With geographic proximity to the war in Ukraine, Europe sees geopolitical risk as its top concern (64%) with supply chain issues marginally ahead of ESG in second place as businesses there place a premium on addressing likely disruptions over the next two years. Businesses in North America also place geopolitical risk (59%) and supply chain issues (49%) ahead of ESG performance (37%) for similar reasons. For Latin American companies, reputation risk is elevated to second place at 32 percent, pushing ESG out of the top three.

In Africa, ESG and geopolitical risks are tied for first place at 42 percent as efforts to address poverty come

under strain, with regulatory pressures following (36%) and just outside the top three, Asia-Pacific sees the rise of populism and social division as a growing risk (25%).

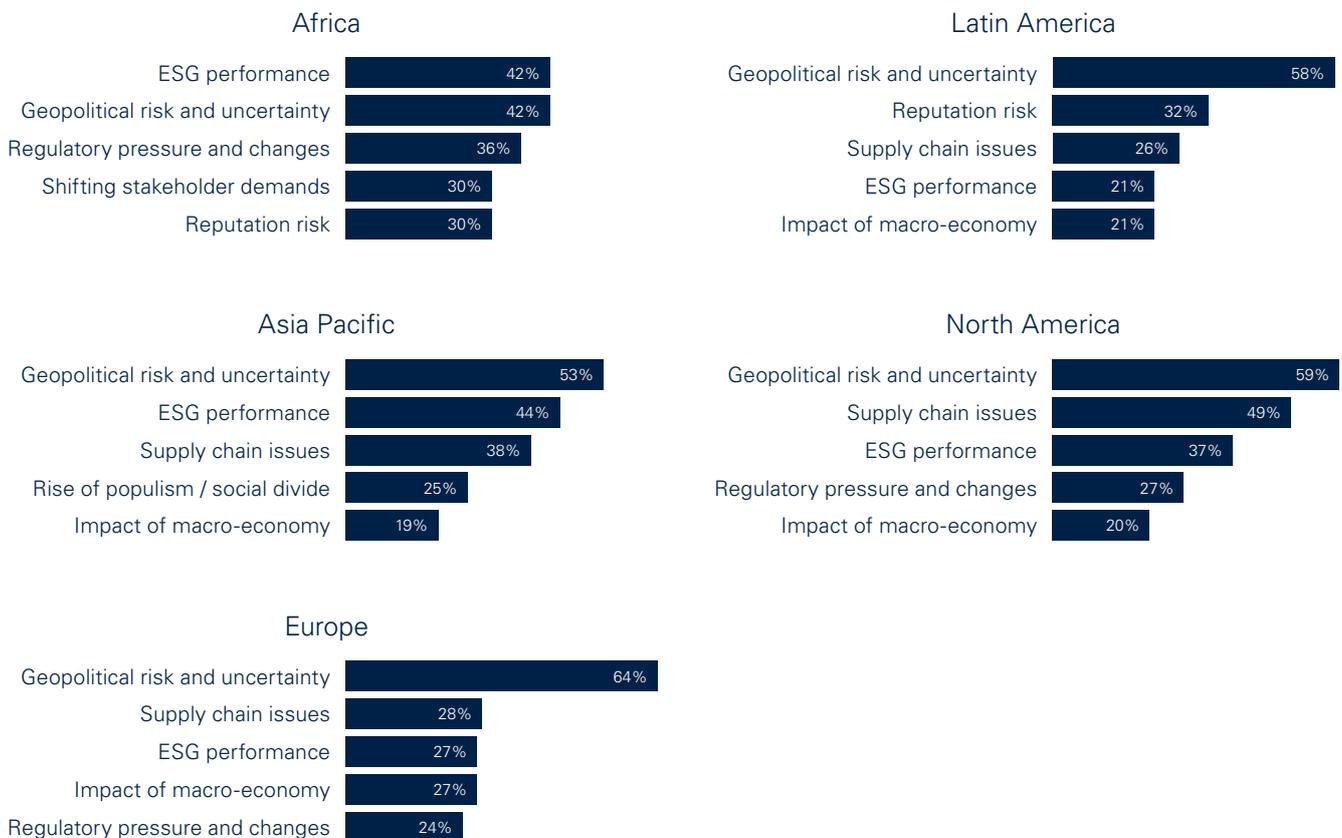
In sectoral terms, the highest levels of concern around geopolitical risk and uncertainty are seen in consumer products/retail (67%) and energy, extractives, and manufacturing (63%), with worries connected to issues of market access resulting from the war in Ukraine.

For ESG performance, concerns are most visible in the food, agriculture, and forestry (46%) and energy, extractives, and manufacturing (44%) sectors.

Supply chain issues are of particular importance to NGOs (50%) and are also felt keenly in food, agriculture, and forestry (38%) and consumer products/retail (37%).

Figure 2
Short-term risks to business as identified across regions

Ranked 1st, 2nd, or 3rd out of a possible 20 issues, by region



Q1.1. Selecting from the list below, in which areas do you see the most pressing risks to global businesses over the next two years? Please select the top FIVE from the list below in order of most pressing. (Africa: n=33; Asia Pacific: n=32; Europe: n= 88; Latin America: 19; North America: 49)

Outside the main top three issues, the impact of regulatory pressure and changes to business environment rank highest for those in ICT and media entertainment (35%) while financial and professional services are most concerned about data privacy/cyber risk (33%), and the agriculture/forestry industry ranks talent attraction and retention highest (19%).

Pandemic recovery and ESG

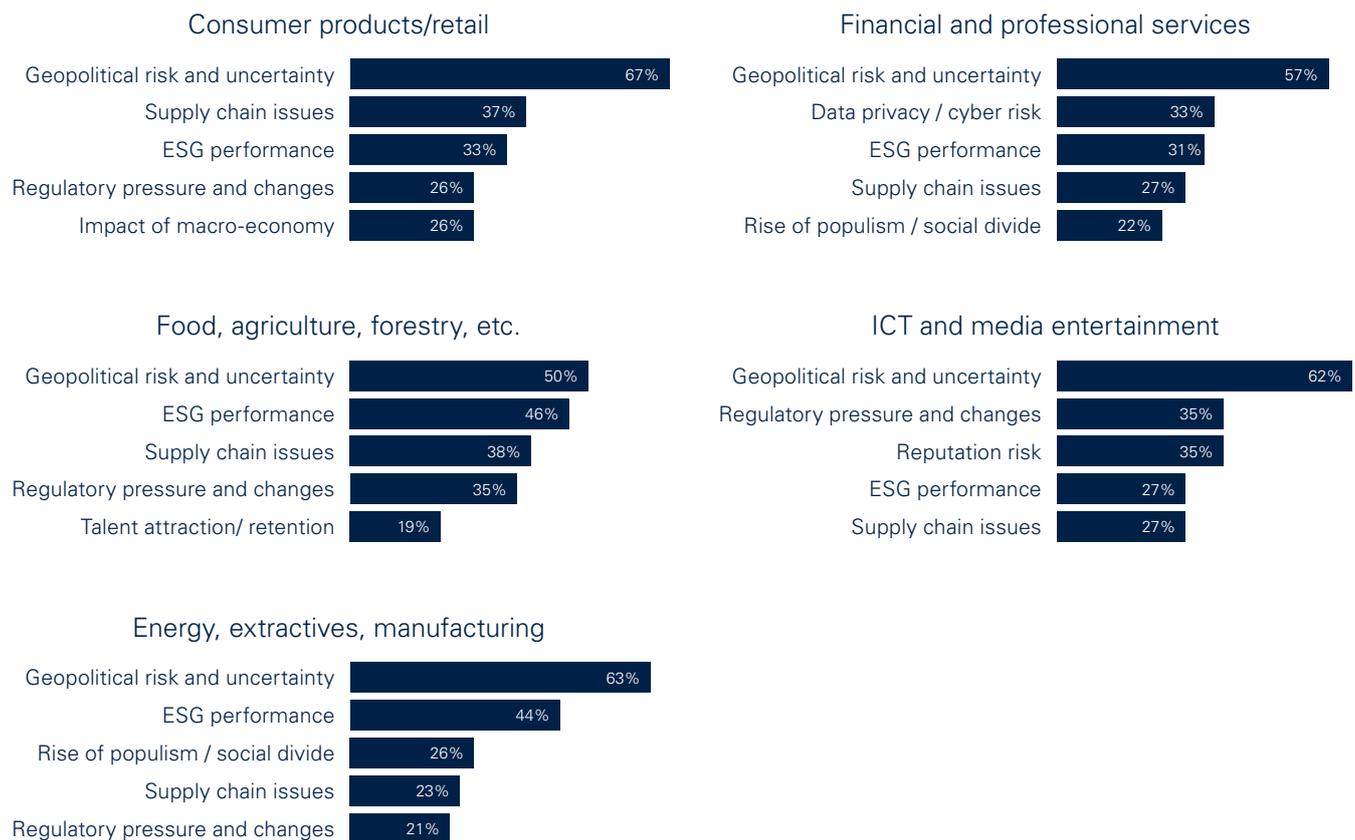
It is worth noting that risks around the global COVID-19 pandemic have fallen substantially – from 32 percent last year to 13 percent this year. As business broadly

adapts to a 'living with the virus' world, the initial crisis-led approach to its impact has broadened out into planning for the medium to long term, reflected by particularly low scores in Latin America (5%) and in the energy, extractives, and manufacturing sector (2%).

Although falling to second position this year, ESG performance clearly remains a major area of concern. Within this, climate change remains the stand-out ESG risk, with inequality and net zero the joint second most pressing areas of concern.

Figure 3
Short-term risks to business across main sectors

Ranked 1st, 2nd, or 3rd out of a possible 20 issues, by sector



Q1.1. Selecting from the list below, in which areas do you see the most pressing risks to global businesses over the next two years? Please select the top FIVE from the list below in order of most pressing. (Consumer products/retail: $n=27$; Food, agriculture, forestry, etc. $n=26$; Energy, extractives, manufacturing: $n=43$; Financial and professional services: $n=51$; ICT and media entertainment

4. Evolution of the Corporate Affairs function

By necessity, the Corporate Affairs function of every company responds at pace to changes in the macro environment in which it operates, and the 2022 Oxford-GlobeScan Corporate Affairs Survey reflects the ever-changing environment and the response of Corporate Affairs practitioners quite clearly.

However, there is a discernible longer-term evolution reflected in the study. When asked about activities that have become a more or less prominent part of the role compared to three years ago, 56 percent say that capturing the social context in which the business operates has increasingly come to the fore

for a majority of Corporate Affairs professionals. This was followed by addressing climate change risk (51%) and increasing internal communications efforts (49%). Findings clearly reflect the continued importance being placed on addressing ESG issues in all its guises and with all stakeholders.

Noteworthy areas outside of this top three include supporting senior leadership – a new addition to the list – which is the fourth most prominent activity at 48 percent, and prioritising stakeholders as well as assessing their opinions and expectations.

Figure 4
Evolution of Corporate Affairs function – activities gaining greater prominence

Top-2 box scores on a 7-point scale



Q11. In thinking of each of the following activities that may be part of your professional responsibilities, would you say that they have become a more or less prominent part of your role compared with three years ago? (n=221)

Regionally, increasing efforts around internal communication is most prominent in Africa (79%), while in Asia-Pacific, capturing and understanding their social context is more prominent (66%). Addressing

climate change risk is the most prominent activity for Corporate Affairs professionals in Europe (49%) and North America (53%).

Figure 5
Evolution of Corporate Affairs function – activities gaining greater prominence across regions

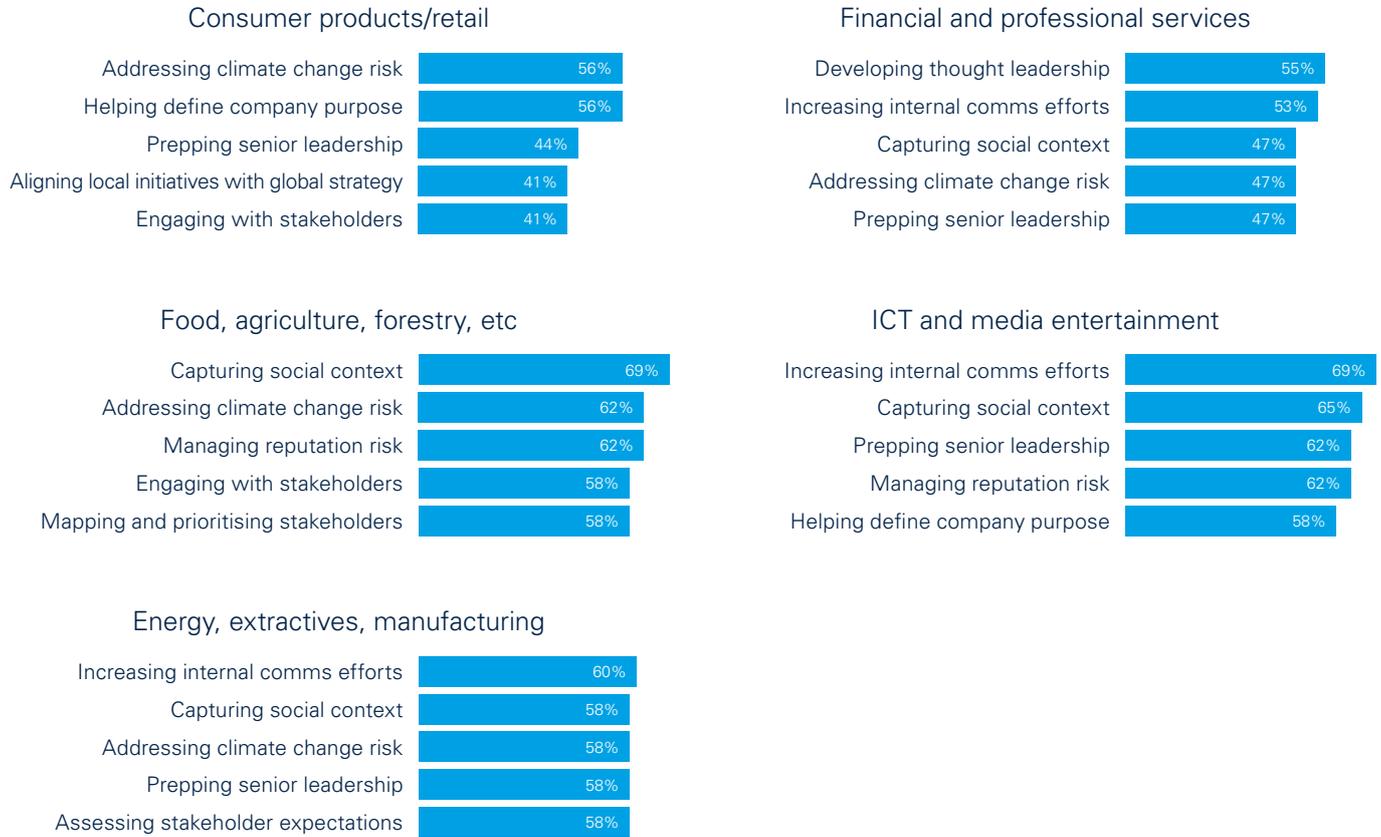
Top-2 box scores on a 7-point scale



Q11. In thinking of each of the following activities that may be part of your professional responsibilities, would you say that they have become a more or less prominent part of your role compared with three years ago? (n=221)

By sector, capturing social context is most prominent in food, agriculture, and forestry (69%) and second most prominent in ICT and media entertainment (65%) and in the energy and extractives sector (58%). The consumer products and retail sector identifies

addressing climate change risk as their most prominent activity (56%), while the financial services sector bucked the trend and will instead focus on developing thought leadership activities.

Figure 6**Evolution of Corporate Affairs function – activities gaining greater prominence across sectors***Top-2 box scores on a 7-point scale*

Q11. In thinking of each of the following activities that may be part of your professional responsibilities, would you say that they have become a more or less prominent part of your role compared with three years ago? (n=221)

4.1 Crisis management

Over the past two years, the Corporate Affairs function has been central to the response of business in addressing the issues brought about by the impact of the global pandemic and accelerating concerns around climate change and geopolitical instability, with the war in Ukraine being the most recent event. The early stages of response in each case have required a short-term, enterprise-wide crisis approach, so this year we have probed the readiness of the function to address these types of issues.

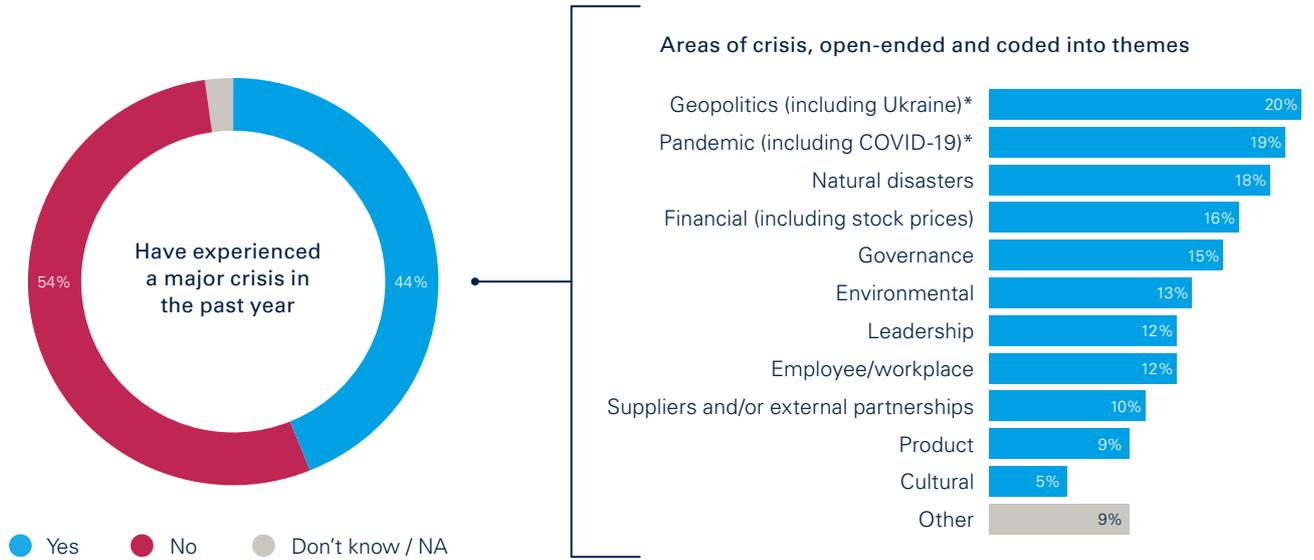
Asked whether their organisation had experienced a major crisis in the last year, 44 percent of respondents say they had. Of the 44 percent reporting that they experienced a major crisis, a geopolitical-related crisis was mentioned by 20 percent, followed by crises related to the pandemic (19%) and natural disasters

(18%). Financial or stock price-related crises and issues around governance rounded out the five most-mentioned areas as causes of the crisis they faced.

Organisations in Europe and Asia-Pacific are significantly more likely to have experienced a major crisis in the past year than the average. The food, agriculture, and forestry sector reported by far the greatest number of crises.

How well prepared do our Corporate Affairs respondents feel? The majority say they run crisis exercises with senior management, although those in North America are the least likely to do so compared to companies in other regions. Most run these once or twice a year and use a combination of in-house and consultancy resources to carry them out.

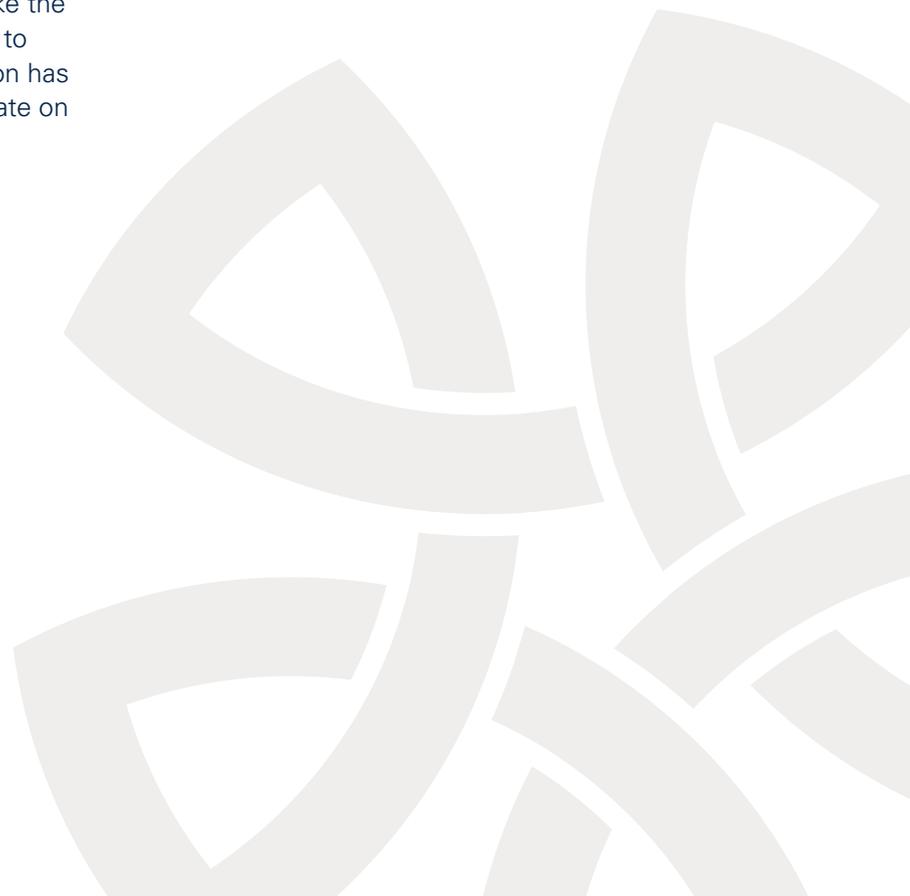
Figure 7
Prevalence and focus of major crises in past 12 months



Q26.1. Has your organisation experienced a major crisis in the last year? (n=221); Q26.2 To which area(s) was this crisis related? (n=97)
(Subsample: asked only to those who say their organisation experienced a major crisis in the last year); *Previously counted as 'other', recoded

4.2 Longer-term impact of the COVID-19 pandemic

There is growing agreement that the COVID-19 pandemic has increased the scope and influence of the Corporate Affairs function, with 57 percent reporting greater access to the CEO and 48 percent seeing their own company looking to the function to take the lead in co-ordinating enterprise-wide responses to the pandemic. As predicted last year, the function has been proven to have pivoted rapidly to concentrate on a more internal, culture-support focus.



5. The rise of populism, advocacy, and activism

There has been an increasing amount of attention paid to political populism around the world and to a growing trend toward polarisation within society. For the third year running, these risks have grown, with 49 percent expressing this as a risk to business generally and 33 percent saying populism and polarisation is a risk to respondents' own companies. Latin American companies in particular say they feel both of these risks strongly.

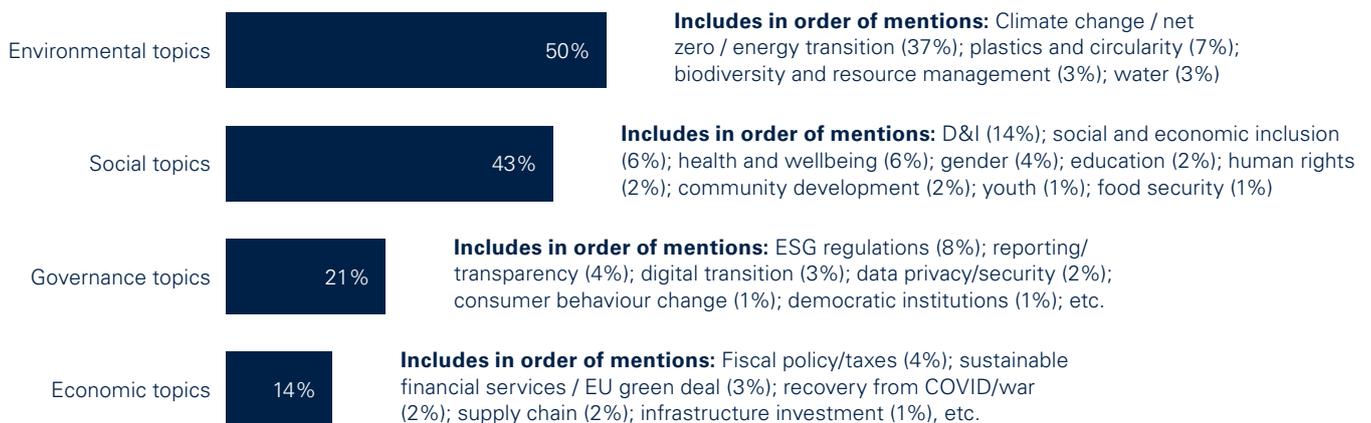
To address this, Corporate Affairs professionals increasingly believe there is a role for companies in political advocacy. Fifty-one percent of respondents believe that companies have a role to play in taking a public position and advocating on issues, and when asked about their own organisations, the survey shows that 45 percent of companies profess a strong appetite

to take a more activist stance. Those in Europe (55%) continue to believe their own company has a role to play in political advocacy, while globally, over half of those in the consumer products/retail sector agree that their organisation has a role to play (56%).

In all, there is a significant increase in appetite for advocacy among companies compared to one year ago and by far the main corporate advocacy areas planned for the coming year are environmental and social topics. These include climate change / net zero / energy transition and plastics and circularity, DE&I (diversity, equity, and inclusion), social and economic inclusion, and health and wellbeing. Advocating around broad environmental issues (50%) is most often mentioned, followed by social issues (43%) and topics related to governance (21%). See Figure 8 for a breakdown.

Figure 8
Areas of focus for corporate advocacy in next 12 months

Planned advocacy topics, open-ended, total mentions (%)



Q2.4. What topics, if any, is your organisation planning to advocate around in the coming year? (n=221)

5.1 Advocacy and ESG – the dangers of greenwashing

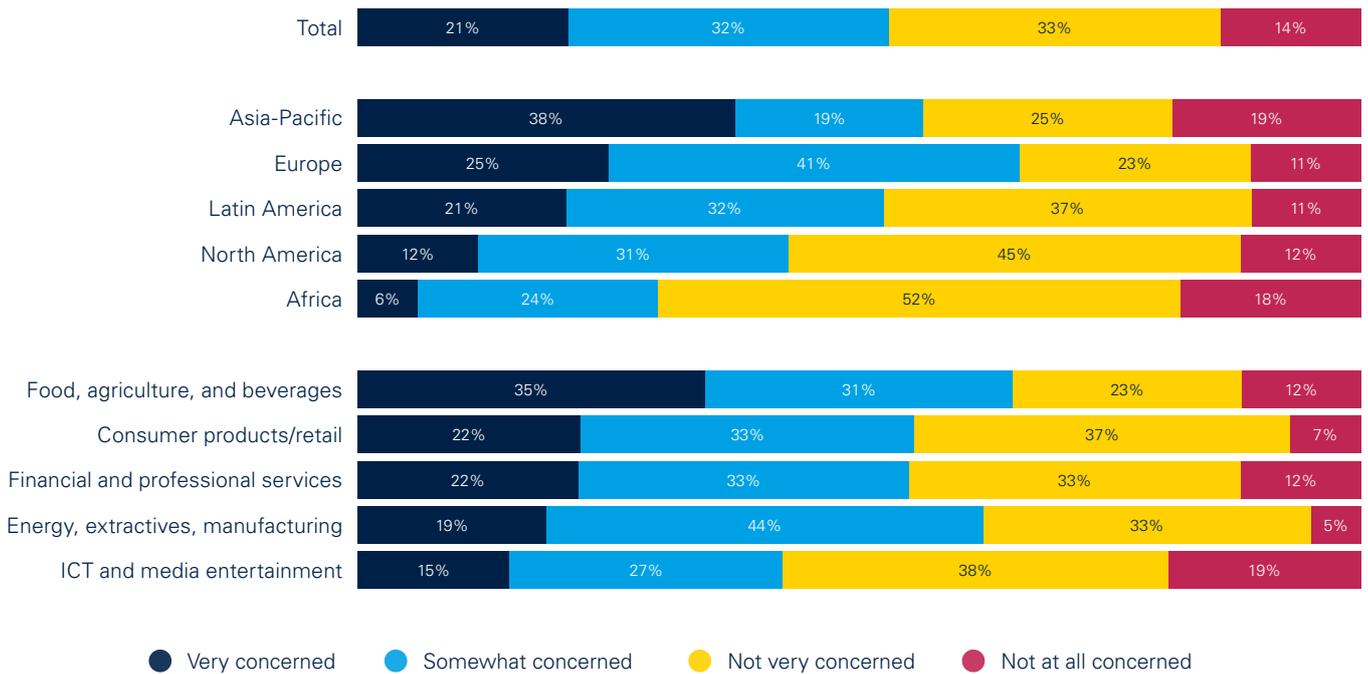
With a more vociferous approach to engaging in environmental and social topics comes increased scrutiny of companies’ own activities. Where there is a perceived disconnect between statements of intent and actual activities, accusations of ‘greenwashing’ soon follow. Around one in five respondents report having been accused of greenwashing in the past, particularly in Europe (32%) and Latin America (21%), and in the consumer products/retail (41%) and food, agriculture, and forestry (38%) sectors.

The main factor leading to greenwashing accusations is a lack of metrics or proof points; only one in four (23%) say it is because of poor ESG performance. But when

such accusations are brought about, 62 percent of companies say they subsequently increased their focus on ESG performance, especially those in Africa, while 30 percent of companies looked to third-party partners to help them communicate about their performance. Conversely, companies in Europe (19%) are more likely than other regions to have responded to these accusations by communicating less about social and environmental issues.

The result is that greenwashing concerns have grown. Europe and Asia-Pacific are the regions most concerned about greenwashing, and food, agricultural, and beverages is the most concerned sector.

Figure 9
Level of concern of being accused of greenwashing across regions and sectors



Q23. How concerned are you about your organisation being accused of greenwashing (that is, over-communicating or exaggerating about social and environmental commitments or performance)? (n=221)

6. Corporate Purpose and leadership

6.1 Purpose

Over the last year, corporate purpose has entered the mainstream debate about the wider strategic objectives and responsibilities that companies should have beyond traditional, linear commercial targets. It is now accepted, and in some countries mandated, that statements of purpose are articulated and communicated widely. But ensuring that these are not mere summations of aspiration but are in fact truly reflective of real, lived experience will become ever more important as this year’s findings show.

All countries and sectors expect a significant strengthening of societal expectations for purposeful leadership in the next three years. Regions reflecting that opinion most strongly are Africa (64%) and Asia-

Pacific (56%). From a sector perspective, the food, agriculture, and beverages sector and the energy, extractives, and manufacturing sector believe this strongly, at 69 percent and 51 percent, respectively.

Seemingly there is a solid base of expectation on which to build meaningful, purpose-driven strategies.

However, there are many challenges to overcome to truly embed this approach. The greatest challenge that Corporate Affairs faces in enabling the delivery of purpose and commitments to society are organisational complexity, lack of an integrated and enterprise-wide plan, insufficient measurability, and a lack of connection to the business.

Figure 10
Challenges facing Corporate Affairs in terms of enabling/delivering on corporate purpose

Top-3 box score on a 10-point scale



Q74. What are the biggest challenges that Corporate Affairs faces in terms of enabling/delivering on corporate purpose / the organisation’s commitments to society? (n=221)

Organisational complexity is seen to be of particular concern in Latin America and Europe, and in financial and professional services.

All regions are concerned about a lack of an integrated plan to deliver on purpose promises, and in terms of sectors, companies in financial and professional services are particularly concerned.

Food, agriculture, and forestry companies worry the most that purpose is not sufficiently measurable, but these concerns are less prominent in North America and Africa.

Perhaps the most troubling aspect is that companies across the board do not believe that purpose is

connected clearly enough to their business, with one example being in Latin America where companies have particular concerns that commitments in this area are still too tactical and not strategic enough.

Respondents are unanimous that delivering on a well-defined purpose will now be a more significant board agenda item than before, acknowledging that it is still a challenge to ensure that not only is purpose grounded in corporate truth, but that it is a meaningful catalyst every day and for every stakeholder.



7. Corporate Affairs governance and leadership

When looking at their global peer group to assess the leadership focus of the most impactful functions, respondents cite integration, risk and reputation management, purpose, and engagement as key areas for successful Corporate Affairs leadership.

Specific traits exhibited by trend-setting Corporate Affairs teams include the importance of a positive, well-integrated external role, the management of risks, reputation, and trust, and a clear and coherent narrative around purpose and trust.

Figure 11
Factors defining success for Corporate Affairs

Summary of spontaneous feedback



Q9. Why do you say these organisations are leaders in Corporate Affairs? (n=221)

8. Response to the Russian invasion of Ukraine

The timing of this year's research was such that it gave us an opportunity to judge the early impact of the Russian invasion of Ukraine. When asked whether their company had been directly impacted by the situation in Ukraine, over half say that it had, with a further 15% of those not currently impacted believing that it would be soon. Corporate responses vary, but just under half say they have donated money to relief agencies supporting Ukraine, while 43 percent have issued statements about the invasion and 34 percent have either suspended or halted trade with Russian businesses.

Organisations in Europe and North America are the most likely to have been directly impacted by the situation in Ukraine, with 63 percent of European companies reporting that they have been affected. There is a less direct impact for organisations in Africa and Latin America, and companies in these regions as well as in Asia-Pacific are the least likely to have issued a formal response to the situation in Ukraine.

The most important implications of the war in Ukraine for the Corporate Affairs function are cited as those concerning risk assessments of the geopolitical situation, external reputation management, and increasing political advocacy.

As with the response to the COVID-19 pandemic, early reactions to the invasion of Ukraine have again shown the ability of the function to think and act at pace, to provide broader social context for decision making, and to focus its attention on prioritised stakeholders, all at a time when business is striving to use its influence to engage in wider social issues. Combined with the focus on best practise leadership traits mentioned above, the function is well placed for future growth and influence.

Figure 12

'What was initially seen as a political issue has become a business issue. It's given Corporate Affairs a strategic role in influencing business decisions and plans.'

Consumer products/retail, UK

'Providing adequate and material information to support strategic decision making and shaping internal and external communications.'

Consumer products/retail, USA

'Increased complexity in managing external and internal messaging. Also increased time and effort to identify risks and mitigations.'

Heavy manufacturing, South Africa

'Need for even greater understanding of geopolitical dynamics and risks and how to translate these into the business context.'

Pharmaceuticals, UK

'It forces you to challenge your company to not be a spectator but rather to take a stand, even if advocating for quiet diplomacy.'

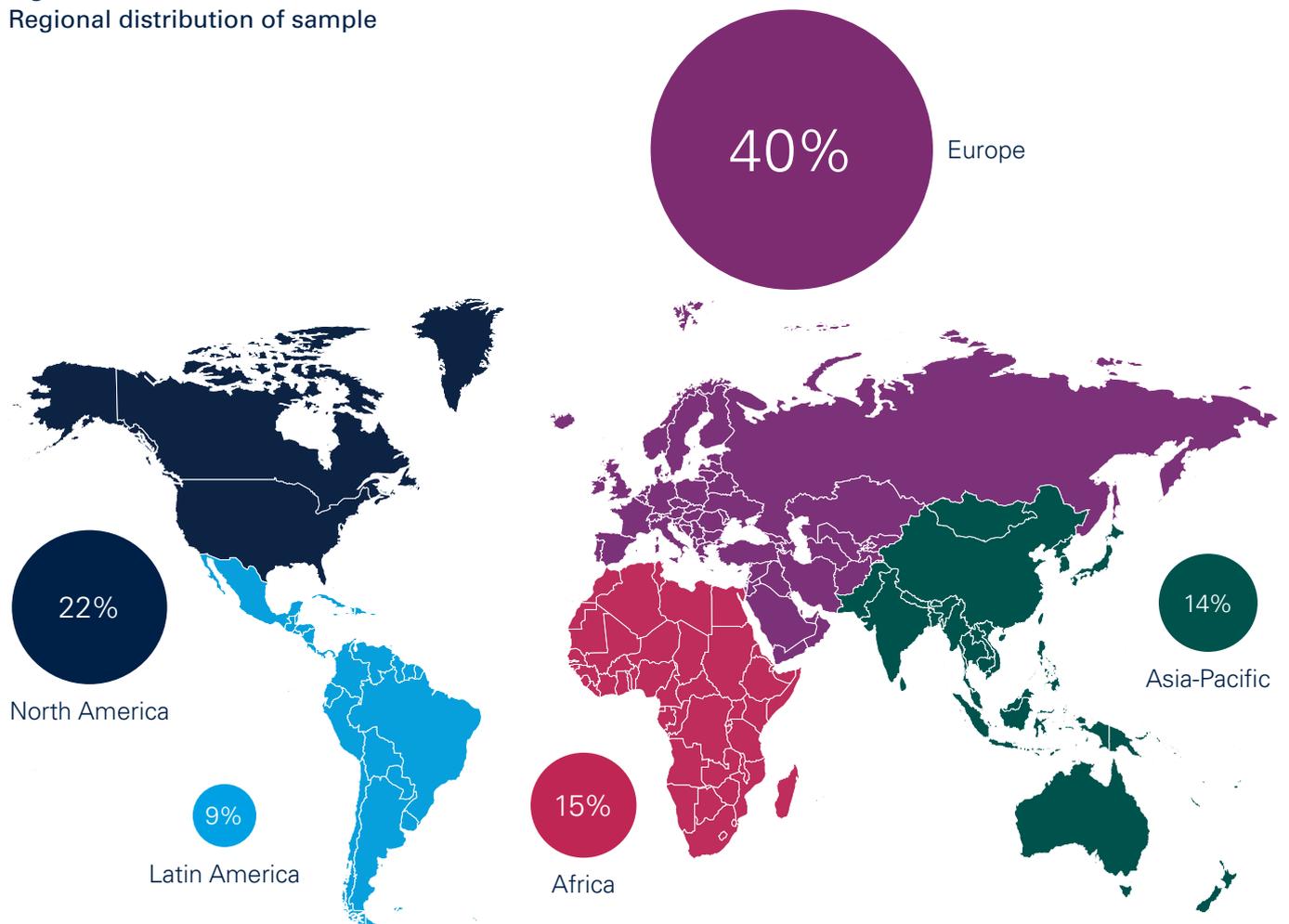
Food and agri, South Africa

9. Respondents and methodology

This is the third annual Oxford-GlobeScan Global Corporate Affairs Survey. It was conducted online between 4th March and 6th April 2022 and the data collected provides a view of evolving sentiment during

the last year. A robust sample of 221 Corporate Affairs, Corporate Communications, and related practitioners participated in the survey.

Figure 13
Regional distribution of sample



9.1 Voice of Corporate Affairs practitioners

The realised sample is highly representative of the broader Corporate Affairs function globally. Participants from 23 countries and all main sectors completed the survey.

Figure 14
Sample distribution by sector

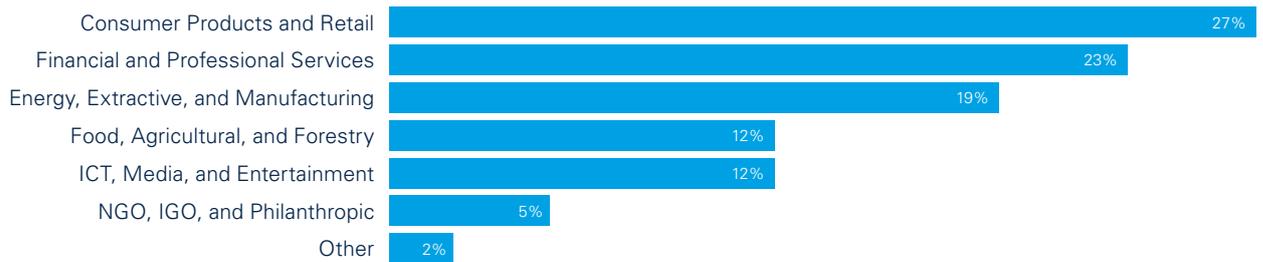


Figure 15
Sample distribution by gender

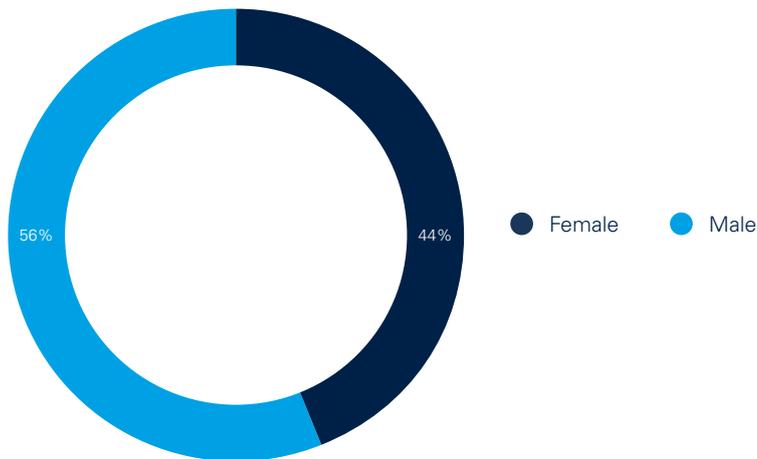
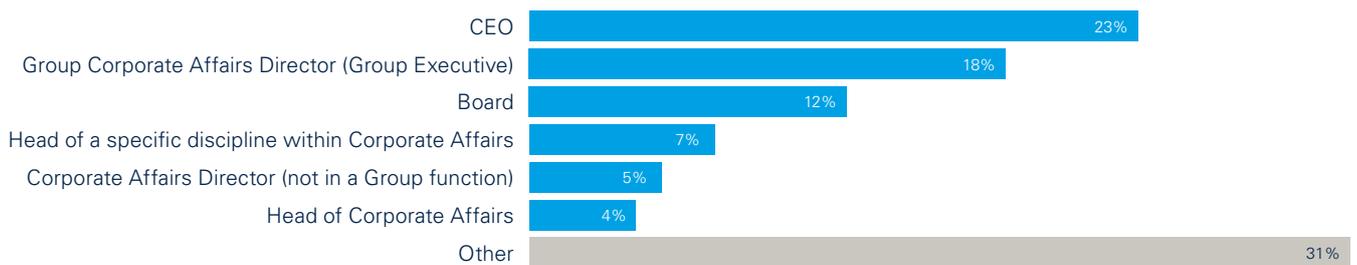


Figure 16
Sample distribution by reporting line



10. The research partners

10.1 The Corporate Affairs Academy, Saïd Business School, University of Oxford

Connecting reputation with strategy and business performance

Informed and strategic Corporate Affairs activity helps create significant business value and prepares organisations to best recover from downside risks and crises. Organisations operating in fast-paced information overload environments are counting on Corporate Affairs professionals to make the judgements that are required to build long-term success.

The Academy focuses on three core, interrelated themes:

- Reputation research, theory, and thinking
- Reputation engagement, trends, and practices
- Professional development as reputation experts; high-value purpose, practices, and resources

The Corporate Affairs Academy is delivered over a number of virtual sessions in the lead-up to a week of on-campus interactive presentations, seminars, and workshops. Each Academy features a dinner at one of Oxford's historic colleges. Attendees benefit from a balance of leading academic research and functional best practices.

www.sbs.oxford.edu/caa

Saïd Business School, University of Oxford
Contributors are:

Rupert Younger,

Director, Oxford University Centre for Corporate Reputation, Programme Director, Corporate Affairs Academy

Stewart Prosser,

Programme Co-Director, Corporate Affairs Academy and Associate Fellow, Saïd Business School

Miriam McGilvray,

Business Development, Executive Development in Reputation and Corporate Affairs

10.2 GlobeScan

A global insights and advisory consultancy working at the intersection of brand purpose, sustainability, and trust. GlobeScan helps decision-makers know their world and create strategies to lead a sustainable and equitable future. Established in 1987 with offices in Cape Town, Hong Kong, London, Paris, San Francisco, São Paulo, Mumbai, and Toronto. In 2016, it launched a platform of research and engagement amongst leading Corporate Affairs Directors, developing deep insight and expertise in the issues and trends affecting the Corporate Affairs and Corporate Communications functions globally.

www.globescan.com

The GlobeScan contributors are:

Chris Coulter,
CEO

Anneke Greyling,
Director Africa

Stacy Rowland,
Director Public Relations and Communications

Robin Miller,
Manager Communications and Digital

Leeam Goss-Layani,
Project Manager



If you would like to discuss anything you have read in this paper, we would love to talk:

Miriam McGilvray

miriam.mcgilvray@sbs.ox.ac.uk

+44 7725 606533

www.sbs.oxford.edu/caa

Anneke Greyling

anneke.greyling@globescan.com

insight@globescan.com

+27 083 777 0161

www.globescan.com/contact

Saïd Business School
University of Oxford
Park End Street
Oxford, OX1 1HP
United Kingdom

[**www.sbs.oxford.edu**](http://www.sbs.oxford.edu)

GlobeScan
145 Front Street e #208
Toronto, Canada

[**www.globescan.com**](http://www.globescan.com)

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