

## Edelman survey unveils the critical dynamics for businesses to build trust among UK investors

- 87% of UK investors believe companies are not disclosing enough ESG information; 85% are in favour of mandatory ESG disclosures
- 71% of UK investors believe employee activism within a company is indicative of a healthy workplace culture, good leadership and/or highly engaged workforce
- 85% of UK investors agree that WallStreetBets and other online communities influence their investment decisions, and 87% think they can create false markets
- 81% of UK investors believe companies have a duty to take a public stand on social issues

**17 November 2021, London, U.K.,** – Edelman today announced the findings of its fifth annual **Edelman Trust Barometer Special Report: Institutional Investors**, identifying the pivotal issues shaping global investment criteria and highlighting how companies can build trust with the investment community. The proprietary research is based on a survey of 700 institutional investors globally, including 100 participants in the UK.

The 2021 survey explores the key factors shaping investment decisions and evolving perspectives around Environmental, Social and Governance (ESG), climate change, shareholder activism, and the retail investment landscape following the meme stock phenomenon that took off earlier this year. The key finding this year is that while ESG remains a critical factor in investment decisions, UK investors lack trust in the data being shared by companies and are demanding more information as a result.

“This year’s survey demonstrates the continued shift in investor priorities and increasing demands being placed on companies in order to maintain trust,” said Iain Dey, Managing Director of Edelman Smithfield. “While ESG remains a central focus, the data tells us that investors are paying closer attention to what companies are doing, not just saying – simply disclosing standard ESG metrics is no longer enough.”

“Beyond ESG, the disruptive elements we have seen over the past 12 months are here to stay, with the way individuals interact with companies continuing to evolve. Stakeholder and employee activism is on the rise, and welcomed by investors, while retail investors are challenging the traditional way of investing, with emerging online platforms adding new elements to the market. Understanding and adjusting to these new dynamics will be critical for companies that want to build and maintain trust in a fast evolving market.”

Notable highlights from the 2021 UK findings of the Edelman Trust Barometer Special Report: Institutional Investors include:

- **UK investors are distrustful of company ESG data and want more and better disclosure.** 81% of UK investors surveyed stated they believe companies overstate or exaggerate ESG progress when disclosing results. Consequently, investors are becoming more demanding about the data being shared, with 85% of UK investors stating they are in favour of mandatory ESG disclosure, and that the government should do more to enforce ESG compliance.
- **Investors want more to be done about climate change.** 83% of UK investors surveyed believe that companies with a clear net zero plan deserve a premium. And for those that don’t have a clear plan in place already, 91% of investors surveyed in the UK state they expect all companies they invest in to establish and communicate such a plan in the next 12 months.
- **The role of employees in building investor trust has gained importance.** 78% of UK investors surveyed stated they analyse company culture across factors including DE&I activity, employee retention and workplace flexibility. Investors are also more welcoming of employee activism, with 71% of those surveyed in the UK saying they see this as a sign of a healthy workplace culture.
- **Investors are interested in a more collaborative approach to shareholder activism.** 88% of UK investors stated an interest in an activist approach to investing. However, of those surveyed, 64% would prefer a

collaborative approach such as asking to meet management, and 85% stating they are looking at moderate measures such as submitting ESG proposals and nominating new candidates to the board.

- **Retail investors are disrupting the investment landscape.** 85% of UK investors surveyed stated that WallStreetBets and other online communities influence their investment decisions. However, there is a growing concern among those surveyed about the impact to markets, with 87% of UK investors saying they believe these online communities can create false markets and more than three in four stated they believe meme stocks represent a targeted attack against institutional investors.
- **Companies are still expected to speak out on social issues,** with 71% of investors surveyed in the UK believing that in the current environment, companies should take a stand over social issues, even if they do not directly impact their business.

The full report is available [here](#).

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### **Notes to editors**

#### **Methodology**

The survey was conducted between 11 August to 3 September, 2021.

The sample of 700 professionals came from seven markets: US, UK, Canada, Germany, Japan, the Middle East and the Netherlands. 100 professionals were polled in each market.

34% of respondents held the title of Financial Analyst; 34% were Chief Investment Officers; 14% were Portfolio Managers; 6% were Directors of Research; 8% were Investment Stewards; and 4% were Buy-Side Analysts.

30% of respondents listed their primary investment style as growth; 25% described themselves as value investors; 12% ran industry-specific funds; 12% were hedge fund investors; 8% were GARP; 8% were quantitative or tracker fund investors; 5% were activists.

68% of those polled work for organisations with assets under management in excess of \$1billion.

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