BEYOND PERCEPTION
The True Market Power of Reputation

UK REPUTATION VALUATION REPORT 2025

echo

REPUTATION DIVIDEND

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PREFACE

Reputation is no longer intangible - it's investable

In today's capital markets, **reputation is no longer a soft metric - it's a hard asset.** In 2025, nearly a third of shareholder value in leading UK and US companies is directly attributable to reputation. Yet, not all companies are harnessing its full potential. Some are climbing, others coasting, and many are falling behind, **quietly leaking value they don't even realise they've earned.**

This report reveals where value is being created, where it's at risk, and what sets the leaders apart. The data is clear: **Neglecting to monitor and manage reputation can quietly erode market confidence regardless of operational performance.** The market is watching not just what you deliver, but how you are perceived to deliver it.

But there is a way up. We provide not just a diagnosis, but a roadmap highlighting the key drivers that investors reward and the specific levers that boards and leadership teams can pull to turn reputation into actual returns.

This view isn't theoretical. Over the last 15 years, Reputation Dividend has developed the leading model for quantifying the financial value of corporate reputation. Now, as part of Echo Research, that analytical depth is matched with sector expertise, stakeholder intelligence, and media insight to help leaders not just understand reputation, but act on it.

From boardrooms to investor briefings, **senior executives consistently endorse this approach** as essential to unlocking the true value of corporate reputation. As reputation moves from the margins to the mainstream, their message is clear: **Reputation counts.**

Now is the time to ask:
What's your Reputation Contribution?
What money are you leaving on the table?
And more importantly – what will you do about it?

Methodology

This report is grounded in the **Reputation Dividend valuation model**, which applies robust statistical analysis to isolate and quantify the impact of corporate reputation on market capitalisation. Leveraging consensus financial data and long-standing executive perception surveys - Britain's Most Admired Companies (BMAC) and Fortune's Most Admired Companies (FMAC) - the model uses stepwise regression techniques to determine the proportion of shareholder value attributable to nine core dimensions of reputation. By combining financial metrics such as EBITDA, EPS, and dividend yield with C-suite stakeholder assessments, the methodology distinguishes between tangible performance indicators and intangible reputational capital. Now housed within Echo Research, the model benefits from expanded capabilities in stakeholder insight, media intelligence, and strategic advisory ensuring a comprehensive and actionable approach.

The result is a replicable, evidence-based framework that enables companies and investors to identify where reputation is driving value, where it is under-leveraged, and how it can be strategically optimised to enhance returns.

See the Appendix for further details.

FOREWORD

Reputation counts: How £billions in market cap have been won & lost

In today's high-stakes global marketplace, reputation is no longer an abstract concept or soft metric - it is one of the most valuable assets a company can possess. The evidence is unequivocal: reputation shapes investor confidence, stakeholder loyalty, customer engagement, and ultimately, market performance. And in volatile times, it is often the reputational strength of a business that determines whether it weathers a storm or gets swept away by it.

This is why the work of Reputation Dividend has never been more vital. Since 2009, Reputation Dividend has served as a leading authority on the financial impact of corporate reputation.
Its rigorous, evidence-based methodology has quantified the tangible contribution of reputation to shareholder value across the FTSE and beyond. It has brought clarity to one of the most intangible elements of business performance, enabling companies to view reputation not as a communications issue, but as a core driver of capital value.

For more than 15 years, we have charted the rise - and in some cases, the fall - of reputation's role in corporate performance.
The findings are both eye-opening and instructive. At times, up to 38% of a company's market capitalisation has been directly attributable to its reputation. Strong reputations deliver higher returns, lower cost of capital, and greater resilience in times of crisis. Weak reputations, by contrast, extract a hidden cost, draining value, eroding trust, and increasing vulnerability.

This report continues that depth of insight.
It reflects a world where measuring reputation must go beyond online sentiment or brand awareness. Echo Research has led the way in evolving the discipline through stakeholder perception analysis, financial correlation modelling, and competitive benchmarking. Together, these tools enable businesses to contextualise, manage and anticipate reputational risk, unlocking hidden value, and helping them to make smarter, faster decisions with confidence.

There is a perennial debate over whether reputation is an input (a driver of behaviour and value) or an output (a reflection of past performance and perception). In truth, it is both. This dual role is acknowledged throughout the report: reputation can shape outcomes by influencing stakeholder decisions, while also reflecting how effectively an organisation has delivered on its promises. Addressing this dynamic early helps frame reputation not just as a passive measure of image, but as a living asset that influences and is influenced by corporate action.

For boards and C-suite leaders, this isn't just an exercise in communications - it's about competitiveness, resilience, and long-term value creation. Reputation Dividend has given us a language and a framework to understand how trust pays, how it fluctuates, how it can be earned or lost over time, and leveraged further ahead.

This is not the future of reputation management. It is the now. And as this 2025 edition of The UK Reputation Valuation Report confirms, reputation truly counts.

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Reputation Dividend has proven to be one of the most insightful and valuable services I've encountered in my career. It translates reputation into concrete economic terms that senior executives can act on - aligning corporate communications with shareholder value. Echo's work provides rare clarity in a space that's often opaque, making it an indispensable tool for strategic decision-making at the highest levels.

Raymond C. Jordan, Global Corporate Affairs
(Pfizer, Johnson & Johnson, Amgen, Moderna)

1. C-SUITE BRIEF

Trust pays: the 15+ year rise (and fall) of corporate Reputation Value

From the global financial crisis to Brexit and COVID-19, the FTSE 350 has endured waves of disruption. Through each inflection point, corporate reputation has proven itself as a powerful lever of enterprise value - contributing up to 38% of market capitalisation at its peak. In 2025, reputation remains a critical strategic asset, accounting for 29% of company value, or £730 billion across the FTSE 350.

Key insights from the 2025 study:

1. **Reputation as a driver of valuation:** Reputation has contributed between 20% and 38% of marketcap across the last 17 years. In 2025, its impact translates to £730 billion of the FTSE 350's value, highlighting its ongoing materiality.

2. **Macro events have amplified the role of reputation 2010–2014:** Post-crisis investment in innovation and ESG lifted Reputation Contribution to 34.6%. **2016–2019:** Amid Brexit uncertainty, reputation peaked at 37.5%, reinforcing investor confidence in the companies' ability to deliver. **2020 (COVID-19):** A drop to 22.8%, followed by a rebound as leadership credibility and adaptability came to the fore. **2022–2025:** Reputation Contribution stabilises at around 28–30% as firms embed reputation management into core strategy.

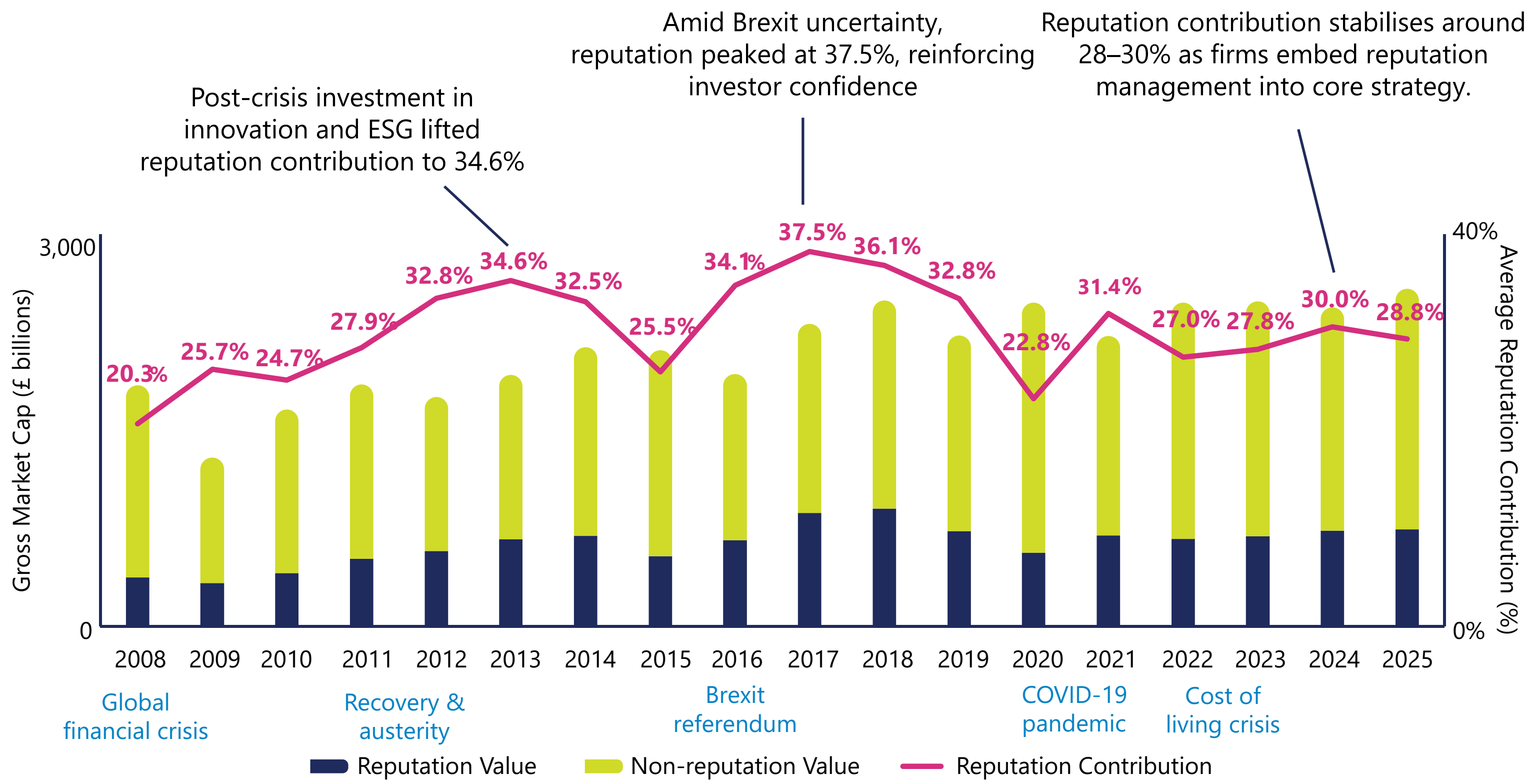
3. **Strategic levers for value creation:** Corporates that proactively communicate their strategy, act on their promises, and lead transparently, build resilience and attract investment. Reputation buffers downside risk and accelerates recovery in volatile environments. Those who invested early in corporate responsibility and stakeholder trust consistently outperformed peers during shocks.

Implications for leaders:

- Treat reputation as a measurable and monetisable asset; ensure it is tracked, reported, and integrated into performance frameworks
- Build and protect reputation capital like any other strategic asset
- Encourage cross-functional collaboration across all business teams – including executive boards - from communications, risk, HR, strategy, sustainability and investor relations
- Elevate reputation from a risk concern to a driver of growth, differentiation, and market confidence.

In a world increasingly shaped by transparency and complexity, the winners will be those who lead with trust, act with clarity, and invest with purpose. Reputation is no longer intangible - it is a cornerstone of corporate value.

UK Reputation Value and Contribution: 2008-2025



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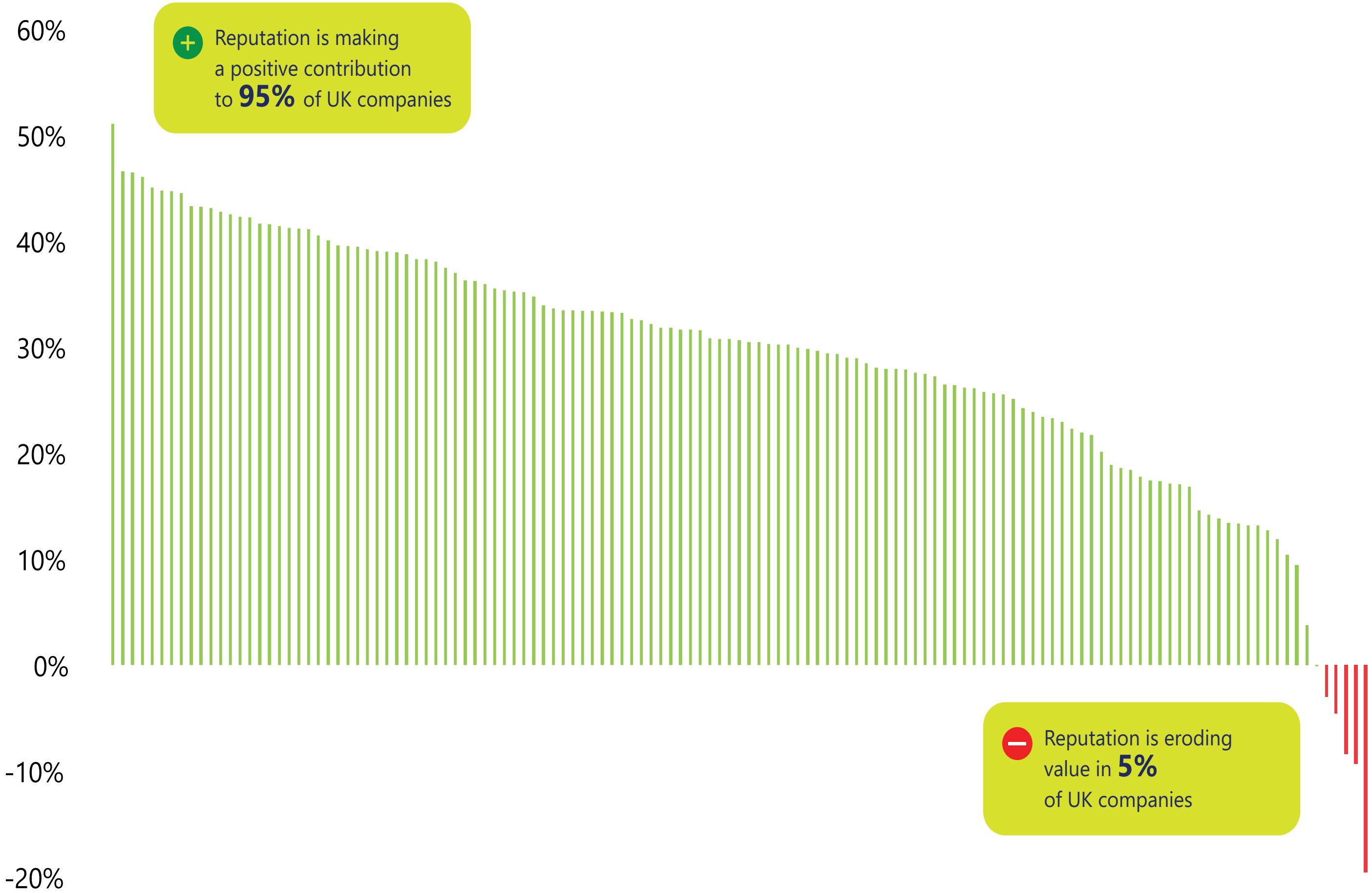
Echo's Reputation Dividend service is widely recognised as a gold standard in our profession. For over two decades, it has equipped senior leaders with the insight to quantify and communicate the value of corporate reputation in financial and strategic terms. Backed by rigorous analysis and deep expertise, it enables organisations to link intangible assets like brand, trust, and goodwill directly to stakeholder impact and shareholder value. As someone who has observed its evolution and impact first-hand, I can say with confidence that Reputation Dividend is an essential tool for any company seeking to lead with reputation in today's complex business environment.

Roger Bolton, former CEO, Arthur W. Page Society

2. SHAREHOLDER VALUE & REPUTATION'S EXPANDING ROLE

Reputation in 2025 - the headlines

Reputation Contribution 2025



Corporate reputation is now a critical financial driver for UK companies, not just a communication concern.

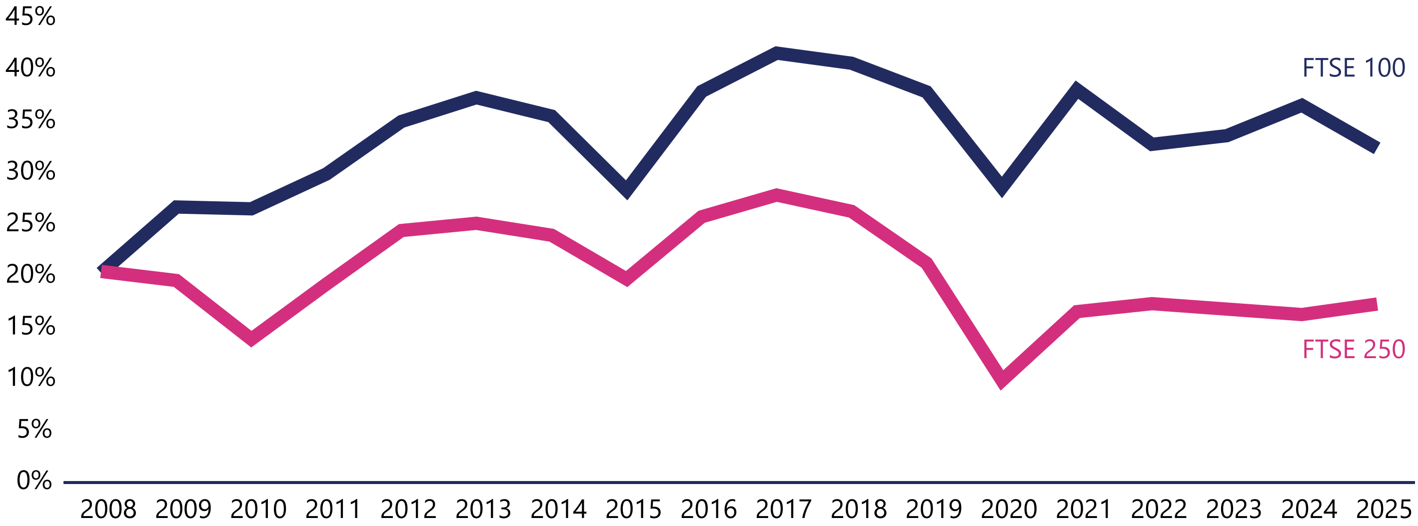
Despite market challenges, **95% of FTSE 350 companies** are realising positive returns from reputation, collectively generating **£730 billion** in shareholder value - an **£11 billion increase** on the previous year. This marks a notable uptick in reputational effectiveness, signalling stronger alignment between corporate behaviour, stakeholder expectations, and investor confidence.

On the downside, **5% of companies are eroding value,** wiping out **£9 billion** through reputational damage - an increase of **£4 billion** compared to 2024. These losses typically stem from perceptions of poor crisis handling, weak governance, or seeming failure to align with evolving societal expectations.

Overall, reputation now accounts for **29% of market capitalisation on average,** reinforcing its centrality to business performance. While this is a slight dip (-1%) year-on-year, it remains consistently high, and reflective of the sectoral shifts and geopolitical tensions affecting public trust.

Cracks at the top: global uncertainty weighing down FTSE 100

Reputation Contribution FTSE 100 & 250: 2008-2025



These shifts can be further emphasised when looking at the contribution of both the FTSE 100 and FTSE 250 over time. After years of steady gains, as at 2025, the FTSE 100 is now showing signs of reputational strain - **a reflection of mounting pressures from trade tensions, tariffs, and geopolitical risk.** As global giants feel the heat, the FTSE 250 holds steadier, shielded by its domestic focus. The divergence is more than data - it’s a strategic warning.

The widening gap between reputation builders and laggards suggests that **the cost of neglect is rising** - and so is the return on proactive, stakeholder-aligned leadership. As business environments grow more transparent and high-risk, the companies that treat reputation as a core business strategy - rather than a reactive PR function - will be those that continue to win shareholder trust and long-term value, resilience and investor appeal.

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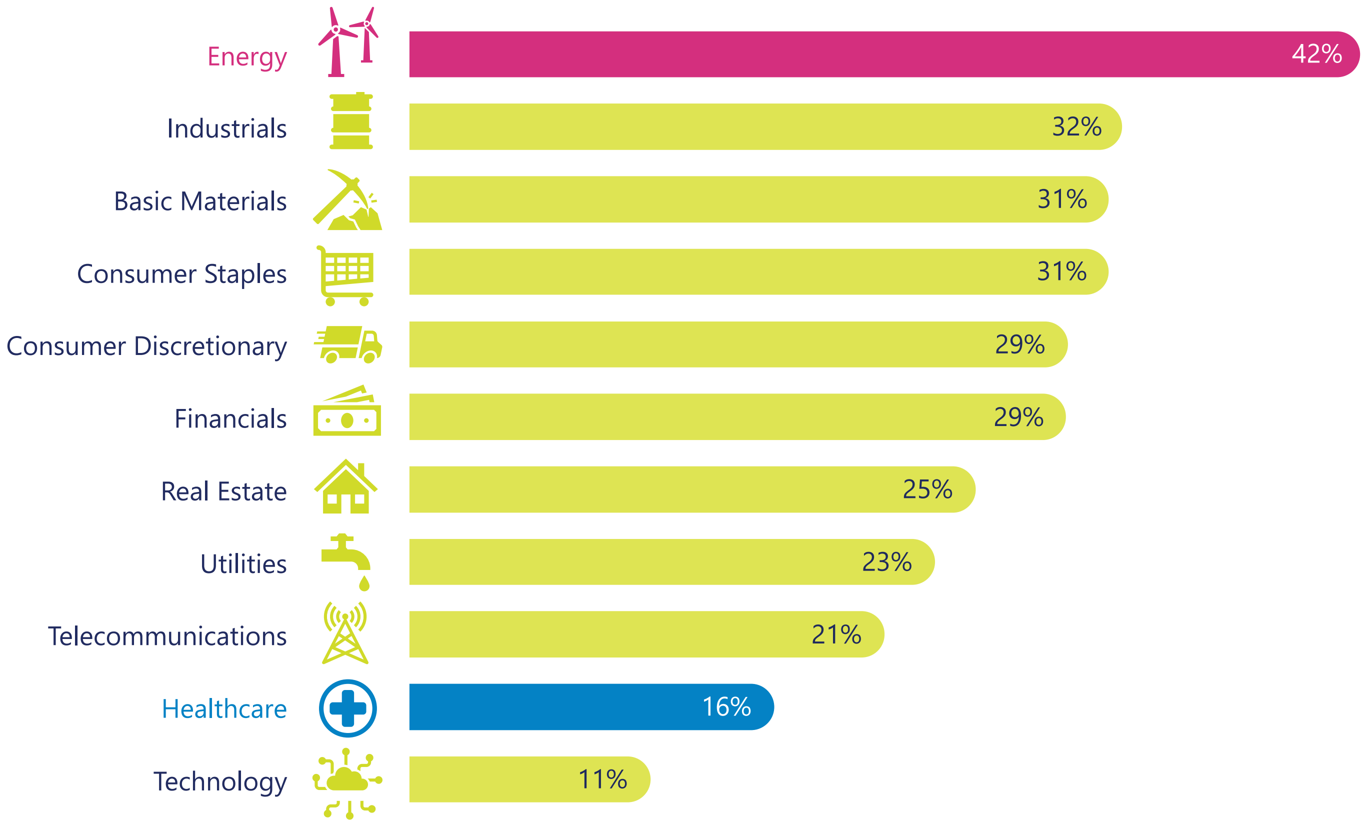
For over 25 years, Reputation Dividend has been recognised across the corporate communications profession as a trusted, high-value service. Delivered by Echo Research, it has become synonymous with innovation, strategic insight, and credibility. In a field as specialised and demanding as corporate reputation analysis, senior executives from Fortune 500 CEOs to government directors consistently rely on Reputation Dividend for its rigorous, bespoke analysis and actionable intelligence. It is not just well known; it is widely respected as a benchmark for quality in our profession.

Professor James S O'Rourke IV, Mendoza College of Business, University of Notre Dame

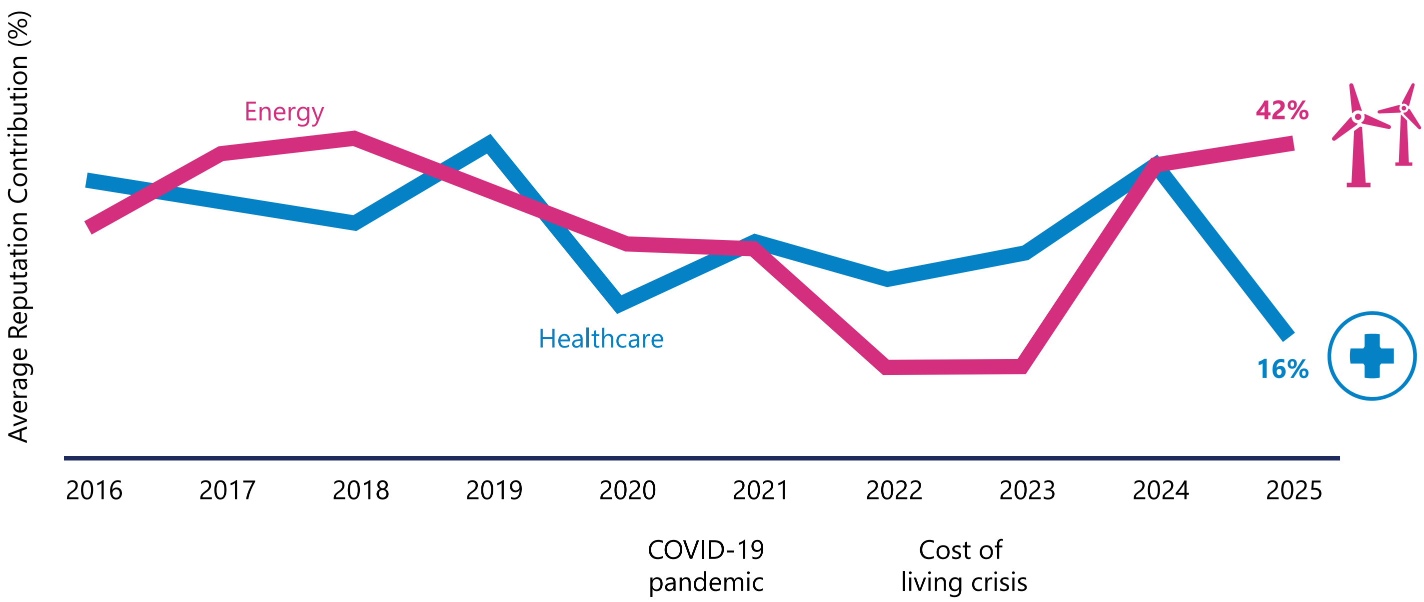
3. SECTOR TRENDS

Energy leads in the new age of volatility

Reputation Contribution by sector 2025



Reputation Contribution by sector: 2016-2025



Energy: Leading sector at 42% Reputation Contribution, rebounding strongly post-COVID

Healthcare: Sharp fall to 16%, potentially due to concerns around R&D and pipeline

Technology: Volatile but climbs back to 11%, underlining faith in the future

Financials: Consistent performance around 29%, with less volatility in the last five years

Consumer Discretionary: A gradual upward trend reaching 29%, indicating improvement in market confidence

The **COVID-19** pandemic clearly disrupted Reputation Value across all sectors, with visible dips between **2020 and 2021.**

From commodity to cornerstone: Energy's elevated role amid global instability

As geopolitical risk surges - from escalating Middle East tensions to the fragility of global trade routes - the energy sector has cemented its position not just as a critical infrastructure provider, but as a strategic pillar of economic continuity. This has profoundly strengthened its Reputation Contribution to marketcap, now the highest among all UK sectors at 42%. In an age where 'politics now drives economics', investors are increasingly valuing energy companies for their resilience and national relevance.

Reputation as a hedge against chaos

With market models straining under the weight of political shocks, corporate reputation has become a key proxy for reliability, leadership and long-term value. Energy firms that demonstrate operational integrity, geopolitical navigation, and forward-facing transition plans (e.g. renewables, hydrogen, carbon capture) are rewarded reputationally - and thus financially. The energy sector's outsized reputation dividend reflects this investor calculus.

Shocks reframed: from price risk to reputation signal

While oil price volatility - as seen with rising tensions in the Middle East - still poses risk, the economic narrative has shifted. Decades of reduced 'oil intensity' in GDP mean shocks don't reverberate as they once did. Instead, the reputational strength of energy firms that manage through crises, assure continuity, and lead responsibly has become a core value driver. Energy companies are no longer seen purely as part of the problem, but as part of the strategic solution.

The importance of commanding trust in a fragmented world

Energy's surging Reputation Contribution isn't just about market exposure, it's about earned authority. In a world disoriented by unpredictability, the energy sector's clarity of mission, infrastructure leadership, and regulatory engagement make it an important anchor point for institutional trust. As such, its reputation contributes not only to its own marketcap, but increasingly, to systemic market stability.

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What makes Echo's Reputation Dividend offer so valuable is its ability to translate complex reputation dynamics into language that commands attention at the executive and board level - grounded, data-driven, and clearly linked to business performance. That clarity has proven essential in sharpening messaging and aligning stakeholders around the factors that matter most to corporate reputation, whether they be drivers or disruptors.

Brooke Clarke, Global Communications and Corporate Affairs Leader (Jungbunzlauer, Shire, Hikma)

4. LEADERS & LEAPERS

Trust under pressure, growth on display: global players dominate on Reputation Contribution

UK leaders by Reputation Contribution 2025

	Top 10 companies	Reputation Contribution
1	Shell	51.0%
2	bp	46.6%
3	RioTinto	46.5%
4	TESCO	46.0%
5	BAE SYSTEMS	45.0%
6	Unilever	44.8%
7	RELX	44.7%
8	NEXT	44.5%
9	Harbour Energy	43.2%
10	Berkeley Group	43.2%

Shell leads the FTSE 350 with the highest overall Reputation Contribution at 51.0%, translating to a £80.1 billion valuation.

BP follows closely at 46.6%, and Rio Tinto at 46.5%

Unilever stands out with a significant Reputation Value of £50.8 billion, despite a notable -5.4% drop in contribution.

RELX shows impressive year-on-year growth (+7.1%), climbing to 44.7% Reputation Contribution, and generating £32.3 billion in value.

Harbour Energy climbs into the top 10 at +43.2% (up 14.1%) albeit with a smaller absolute value (£1.6 billion).

Most top-tier companies saw declines in Reputation Contribution, indicating increased reputational volatility or recalibration. Energy and extractives (Shell, BP, Rio Tinto) dominate the upper end of the reputation spectrum, underscoring the sector's strategic and societal importance in 2025.

Despite some year-on-year declines, the absolute values remain high, demonstrating resilience and enduring trust among stakeholders. Growth stories like RELX and Harbour Energy indicate that focused investment in brand, stakeholder engagement, and clarity of purpose can yield strong reputational dividends.

Movers and shakers – notable shifts in 2025

Top 3 risers in Reputation Contribution % (change vs 2024)

1st	itv	35.9% (+39.0%)
2nd	HAMMERSON	13.4% (+36.4%)
3rd	FUTURE	30.7% (+26.2%)

Top 3 risers in Reputation Value £ (change vs 2024)

1st	Rolls-Royce	£21.8 bn (+£13.4 bn)
2nd	RELX	£32.3 bn (+£9.6 bn)
3rd	Carnival Corporation & PLC	£7.8 bn (+£4.1 bn)

Biggest year-on-year increases in Reputation Contribution:

ITV leads with a **+39.0% jump** to 35.9% Reputation Contribution.

Hammerson follows with **+36.4%** (up to 13.4%), and **Future** with **+26.2%** (up to 30.7%).

Biggest year-on-year increases in Reputation Value:

Rolls-Royce sees a **£13.4 billion gain**, bringing its total **Reputation Value to £21.8 billion**.

RELX adds £9.6 billion (now at **£32.3 billion**), further confirming its breakout year.

Carnival gains £4.1 billion, rising to **£7.8 billion.**

These year-on-year shifts point to the dynamism of reputation and how momentum - positive or negative - can rapidly reshape market perceptions and value attribution. **Rolls-Royce's leap in value** highlights how a strategic reputation rebound linked to delivering on its major restructuring programme can drive greater resilience and market confidence. **ITV and Hammerson's dramatic reputation gains** signal effective brand repositioning and/or crisis recovery, particularly amid shifting consumer or investor expectations. While traditional giants like Shell and BP still anchor the Reputation Value leaderboard, **momentum and agility matter.** Companies investing in significant transformation, stakeholder alignment, purpose-led strategy, and long-term brand equity are rapidly closing the gap, demonstrating that **reputation is not just earned over decades, but actively shaped year by year.**

Decade of distinction: the UK’s most valuable corporate reputational leaders

UK leaders by Reputation Contribution: 2016-2025

2025

Company	RC %
Shell	51.0%
BP	46.6%
Rio Tinto	46.5%
Tesco	46.0%
BAE Systems	45.0%
Unilever	44.8%
RELX	44.7%
Next	44.5%
Harbour Energy	43.2%
Berkeley Group	43.2%

2024

Company	RC %
Shell	53.7%
AstraZeneca	53.3%
BP	50.5%
Diageo	50.2%
Unilever	50.2%
Ashtead Group	50.2%
Tesco	48.3%
Next	46.6%
BAE Systems	46.3%
Rio Tinto	46.1%

2023

Company	RC %
Unilever	46.5%
Anglo American	45.8%
JD Sports	45.6%
AstraZeneca	45.5%
Shell	44.5%
Diageo	43.9%
BAE Systems	43.4%
RELX	43.2%
Next	42.7%
Barratt Developments	42.6%

2022

Company	RC %
Anglo American	47.6%
Ashtead Group	46.2%
BHP Group	46.1%
Diageo	46.0%
Unilever	45.5%
Tesco	44.0%
BP	43.9%
AstraZeneca	43.6%
Experian	43.0%
Shell	43.0%

2021

Company	RC %
Unilever	56.6%
AstraZeneca	53.9%
Halma	53.2%
Ashtead Group	53.0%
GSK	52.5%
JD Sports	51.7%
Diageo	51.2%
BHP Group	50.6%
Berkeley Group	49.9%
Experian	49.3%

2020

Company	RC %
Shell	55.3%
BP	51.4%
Unilever	50.5%
Diageo	49.2%
BHP Group	48.1%
Anglo American	45.4%
Compass Group	44.7%
Associated British Foods	43.5%
GSK	43.2%
Ashtead Group	43.2%

2019

Company	RC %
Diageo	56.4%
Unilever	54.4%
Reckitt Benckiser	53.9%
Shell	53.8%
GSK	53.5%
AstraZeneca	53.2%
BHP Billiton	52.3%
RELX	49.7%
Experian	48.9%
Croda International	48.6%

2018

Company	RC %
Unilever	56.3%
Shell	55.0%
Diageo	50.5%
GSK	50.4%
Berkeley Group	50.2%
BP	50.0%
Rio Tinto	48.3%
BHP Billiton	48.2%
AstraZeneca	47.4%
RELX	46.3%

2017

Company	RC %
Shell	57.1%
Unilever	55.9%
Berkeley Group	50.4%
BHP Billiton	50.2%
GSK	49.7%
Diageo	49.6%
Reckitt Benckiser	49.4%
BP	49.3%
AstraZeneca	49.0%
Experian	48.7%

2016

Company	RC %
Unilever	52.9%
Shell	50.4%
Reckitt Benckiser	47.0%
Johnson Matthey	46.5%
AstraZeneca	46.4%
easyJet	45.7%
Sky	45.7%
BHP Billiton	44.7%
Shire	44.5%
National Grid	44.4%

Over the past decade, a core group of companies has consistently appeared among the UK's top performers for Reputation Contribution, reflecting enduring stakeholder trust and value alignment in their industries. This long view provides a **benchmark of reputational leadership**, illustrating how trust, transparency, and strategic clarity directly influence corporate value.

Top recurring leaders

Unilever stands out as the most consistent performer, leading in four out of ten years, including a peak at 56.6% in 2021. Its sustained presence reflects strong ESG credentials, global brand strength, and corporate responsibility.

Shell has also shown remarkable consistency, topping the rankings in 2017, 2020, 2024, and 2025 - a sign of strategic repositioning around energy transition narratives and stakeholder engagement.

BP appears regularly in the top three, particularly in the 2020s, signalling reputation resilience amid scrutiny over climate strategy and corporate conduct.

Diageo features prominently between 2018–2024, maintaining high scores that reflect consumer trust, brand heritage, and social responsibility initiatives.

Shifts and new entrants

AstraZeneca's rise post-2020 coincides with its high-profile role during the pandemic, sustaining strong rankings with a peak of 53.9% in 2021.

Tech - enabled and retail firms like **JD Sports**, **Tesco**, and **Next** gain momentum in more recent years - evidence of shifting consumer loyalty and recognition of adaptability.
BHP Group, **RELX**, and **Berkeley Group** show consistent performances, indicating solid governance and stakeholder support.

Notable trends

- Reputation leaders reflect not just **financial strength**, but **how well companies align with stakeholder expectations during crises** - pandemics, climate debates, and governance scrutiny.

- The **2024–2025 resurgence** of Shell and BP suggests that traditional sectors are successfully reframing their value through energy transition strategies.

- **The decline of some earlier leaders** (e.g., Reckitt, Johnson Matthey) signals how quickly reputation can be overtaken if innovation or relevance slips.

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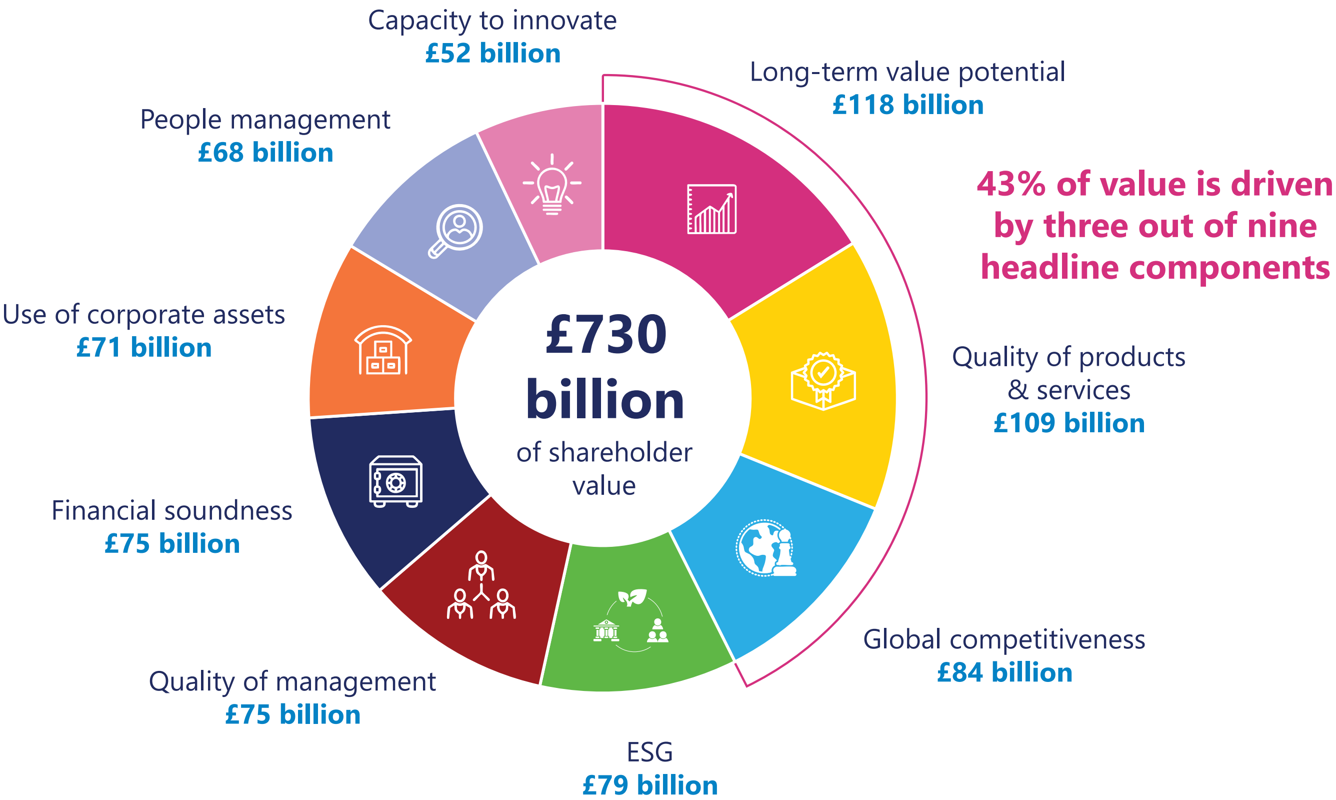
A major obstacle in convincing some senior executives and other leaders to establish a reputation management plan is their haunting perspective that reputation is an intangible asset. Echo's Reputation Dividend demonstrates in the sharpest relief that Reputational Capital can be measured and, therefore, monitored and managed.

Professor John Doorley, co-author with Helio Fred Garcia of 'Reputation Management,' Ed V, and architect of the world's first undergraduate and graduate courses on the subject

5. GROWING REPUTATIONAL ADVANTAGE

Perceptions of long-term value potential continues to be the key driver of Reputation Value

UK drivers of Reputation Value 2025



Top Value Drivers in 2025:

1. **Long-term value potential – £118 billion**
   - While a key driver again this year, we see in its slight decline from previous years that markets are factoring in an element of uncertainty by placing more emphasis on short-to-medium-term delivery and demonstrated outcomes.

2. **Quality of products & services – £109 billion**
   - Coming in as a close second, the continued importance of products/services reflects the importance of consistency, reliability and customer value propositions, reaffirming that delivery matters as much as promise in 2025.

3. **Gaining ground: Quality of management and Financial soundness – £75 billion each -**
   - both rank strongly and equally - indicating that operational discipline and leadership calibre remain core to market trust.

A more evenly distributed reputation equation

It's not just that companies' reputations are valuable, but that what drives or detracts from that value, **matters**. Breaking down the components behind the £730 billion in shareholder value attributed to corporate reputation in 2025, reveals a more balanced spread across multiple dimensions than in previous years. We see this as a sign of reputational maturity and broader investor interest and expectations.

2025 reflects a broadening of the Reputation Value equation. Where once long-term potential dominated, today's stakeholder landscape demands proof, performance, and adaptability. The rise of **product quality and even ESG** contributions point to a market that rewards **action over aspiration**, and **outcomes over intentions.**

Management credibility and financial soundness continue to serve as foundational pillars - without them, long-term value potential is less believable. Overall, this rebalancing tells a story of **heightened accountability:** companies must now deliver across multiple dimensions to maintain their reputational edge.

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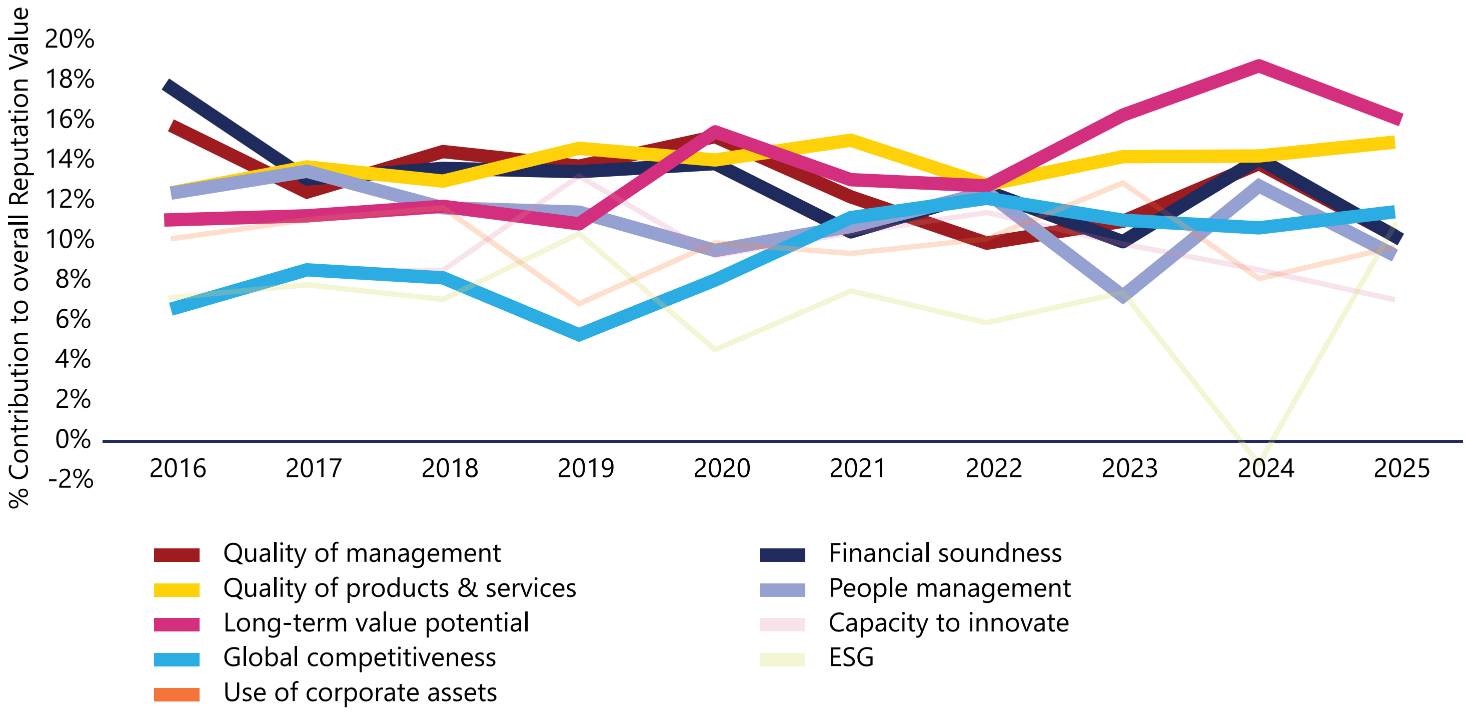
I've long understood that reputation isn't a soft metric - it's a solid business multiplier. Reputation Dividend gave us the tools to quantify and communicate in a language senior executives and the C-suite understand. It helped shift reputation from a reactive communications function to a proactive driver of strategy and performance. What sets Echo's work apart is its ability to bring analytical rigour to something often seen as intangible. Quantifying the financial value of reputation is a game changer.

Elaine McCrimmon, Global Corporate Affairs Leader (formerly AB InBev)

6. SHIFTING PRIORITIES IN REPUTATION VALUE DRIVERS

Enduring role of Quality of Products & Services and Long-term Value Potential in shaping investor trust

UK drivers of Reputation Value: 2016-2025



Putting the various factors that have contributed to corporate reputation into perspective, the last decade shows a **broadening of reputation expectations**.
It reveals both consistency in some core pillars and notable volatility in others. What was once dominated by product quality and value potential now includes a **multi-dimensional profile** of leadership, ethics, innovation, and adaptability.

Consistently high drivers:

Quality of products & services and **Long-term value potential** have remained among the most influential drivers throughout, reflecting their enduring role in shaping investor and stakeholder trust.

Financial soundness has also maintained a strong presence, particularly peaking in years of economic instability - an anchor for confidence.

What's gained ground:

Quality of management has trended upward in recent years, hitting its highest levels in 2024 and 2025. This reflects growing market emphasis on credible leadership amid crisis response, restructuring, and strategic clarity.

Global competitiveness has seen steady growth, likely linked to post-Brexit recalibrations and increasing scrutiny of international market positioning.

What's been volatile:

People management (Talent attraction & retention) peaked during the COVID recovery period (2020–2022) but has declined slightly since.

ESG's evolving Contribution to Reputation Value

The proportion of overall reputation value attributed to ESG (Environmental, Social, and Governance) has shown **significant volatility over the past decade**, highlighting both its strategic importance and the complex, sometimes polarised, context in which ESG now operates.

From a relatively steady influence between 2016 and 2023 (averaging around **7%**), ESG's contribution in the UK market dipped sharply into negative territory in 2024 (-1.1%) - a striking reversal likely driven by growing scepticism, accusations of greenwashing, ESG fatigue, and political pushback. However, the strong rebound to 10.8% in 2025 suggests a market reappraisal of ESG's true value, particularly when underpinned by tangible, transparent action, transformation and impact - notably de-risking the business, saving costs and/or driving value in the process.

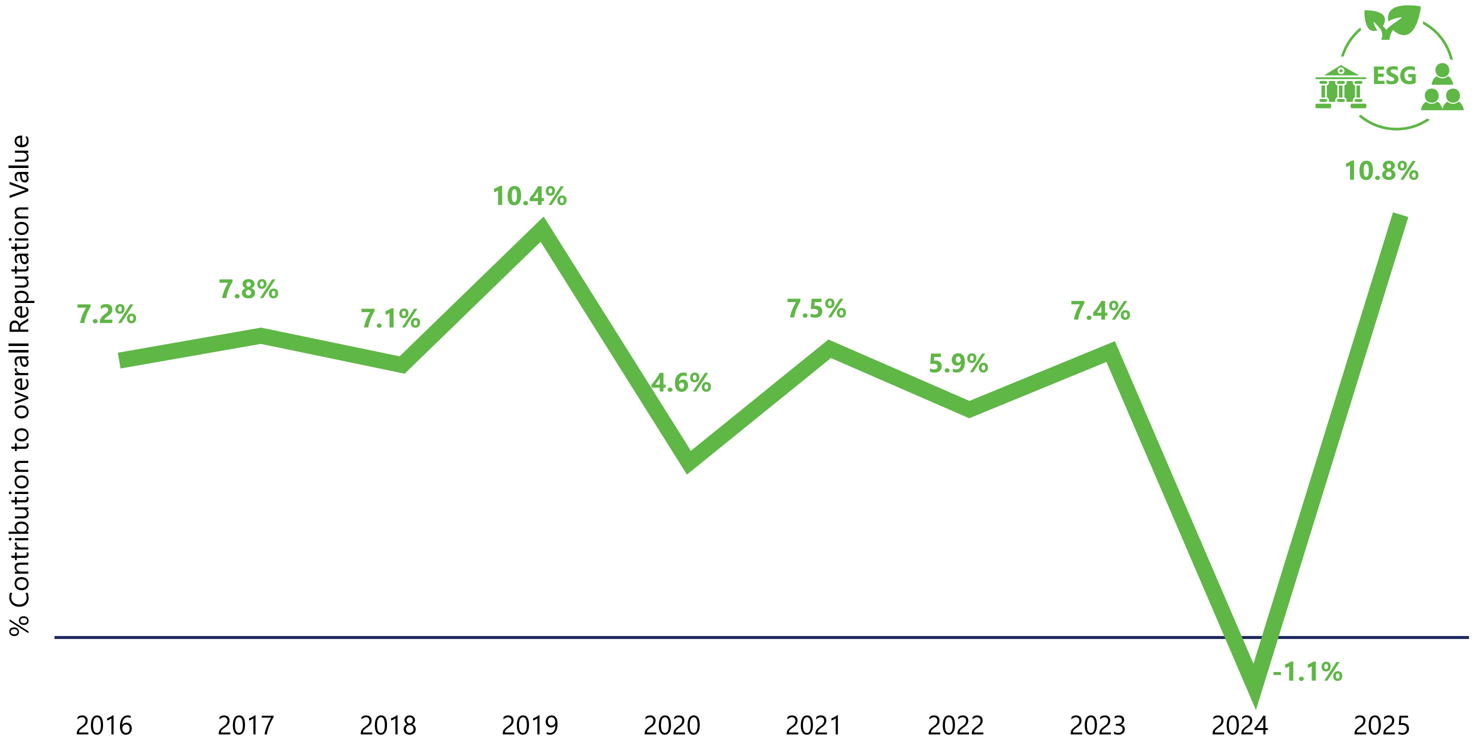
While ESG has indeed become a contested and troubled term, it's essential to differentiate the components:

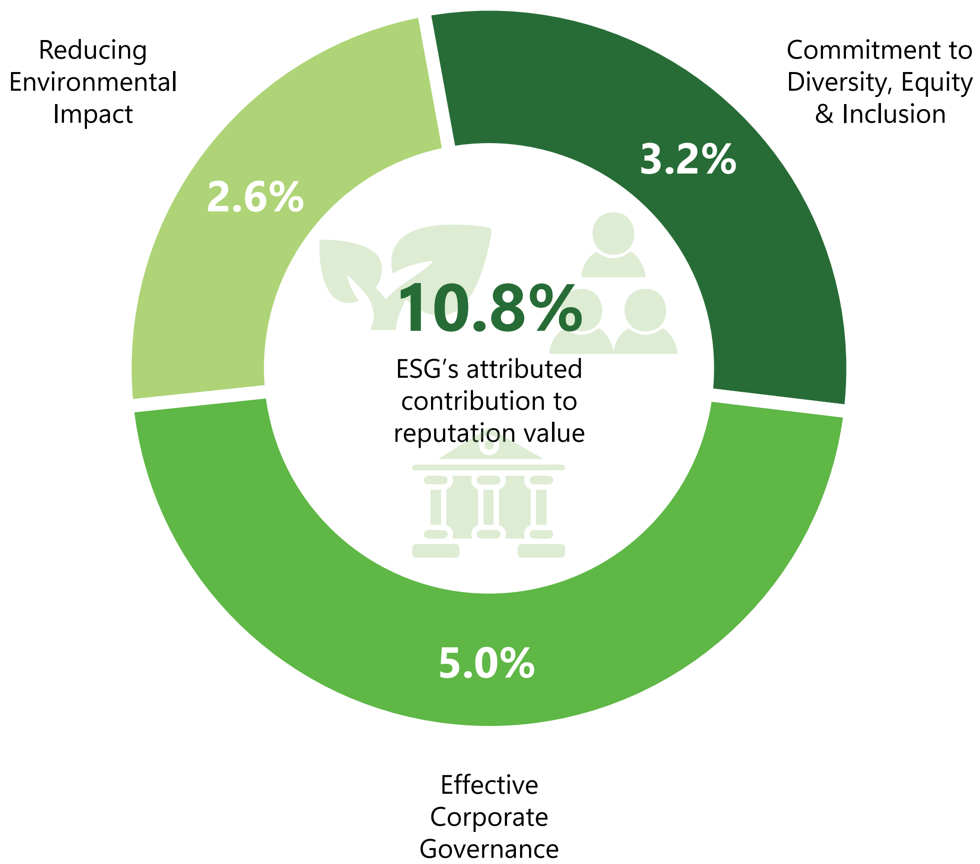
- The '**E**' (Environmental) is becoming increasingly measurable, regulated, and investor-critical, with momentum that appears unstoppable, even in the face of political resistance in some geographies.
- The '**S**' and '**G**' elements can be more easily rolled back, often quietly, as seen in abrupt DEI withdrawals or governance downgrades - yet these remain closely watched by key stakeholders.

The politicisation of ESG - particularly in the US - and trends like greenhushing are, paradoxically, creating a strategic advantage for markets like Asia and parts of Europe, which are accelerating their commitment to climate and environmental action. This divergence in approach is likely to shape capital flows, talent attraction, and supply chain priorities over the coming years.

The term 'ESG' may be bruised, but the underlying expectations, especially around the 'E', are hardening. Stakeholders are looking for real delivery, not rhetoric. With renewed focus on credible ESG delivery and interest in how companies lead, govern, and adapt, the risk of ignoring it is not just reputational loss, but falling behind in the global realignment toward a low-carbon and accountable economy.

Proportion of Reputation Value attributed to ESG: 2016-2025





7. CONTRASTING THE UK AND US

The UK and US share long-term value as the reputational currency – yet differ in how they build it.

UK vs US: 2025 Reputation Value Landscape

	UK 2025	US 2025
Universe	FTSE 350	S&P 500
Reputation Value 2025	GB £730 billion	US $ 13.8 trillion
Reputation Contribution	29%	26%
Weight of top 3 drivers	43%	45%
Dominant driver	Long-term value potential	Long-term value potential
Financial emphasis	Strong	2nd leading driver
Quality of products & services	2nd leading driver	In 6th place
Global competitiveness	3rd leading driver	Lower tier
Innovation	Valued, not dominant	Higher priority
People/Culture	Lower tier	3rd leading driver as core part of value (People + Mgmt)
E+S+G	More influential	Less prominent

In 2025, corporate reputation in the UK is anchored in **financial fundamentals, product quality, and global competitiveness**, reflecting trust in operational delivery and international standing. In contrast, reputation in the US hinges more on **strategic foresight, financial viability, and people-centric leadership** indicating a continued preference for hard performance metrics over other credentials such as ESG.

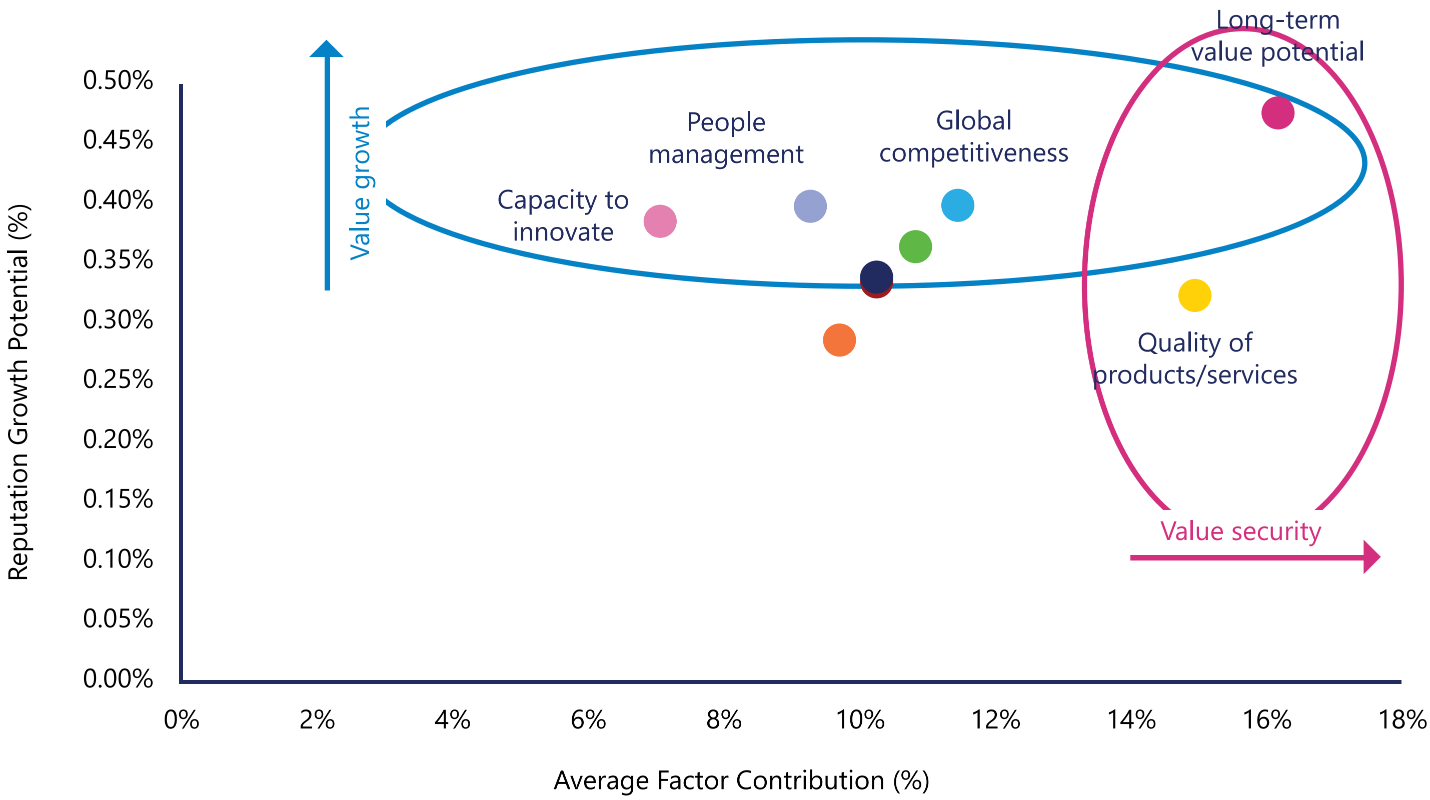
This suggests that for multinational firms, **communication and investor narratives should be tailored to distinct stakeholder priorities:** performance and sustainability in the UK, versus innovation and leadership capability in the US. In both markets, while the emphasis will depend upon sector and individual company, this general overview implies that messaging be tailored to **dominant drivers**. In the **UK**, provide **proof points around global performance and trustworthiness**. **US** stakeholders expect **visionary leadership, employee engagement**, and **proof of future readiness**.

Reputational storytelling should **connect strategy to stakeholder expectations**, not one-size-fits-all, but suitably nuanced. As such, **messaging should align to market-specific expectations**, balancing **performance proof** with **purpose-driven storytelling**.

8. FORWARD-LOOKING MAP FOR REPUTATION INVESTMENT

Reputation as strategic capital: balancing value security and growth for competitive advantage

Overall map for reputation investment



This data, based on the average of all FTSE 350 companies analysed for 2025, offers a valuable visual framework when applied at an individual company level. It helps organisations **understand where to focus their reputation strategy**, depending on whether their priority is **value security** or **value growth**.

Axes and quadrants explained:

- **X-axis – Average Factor Contribution**
  Reflects the current weight of each factor in determining overall Reputation Value.
  Higher = more influential today (value security).
- **Y-axis – Reputation Growth Potential**
  Shows the potential for each factor to drive future increases in Reputation Value.
  Higher = stronger upside (value growth).

- **Top left quadrant: "*Value Growth*" – The Future Builders**
- Factors in this quadrant have *lower current weight but high future upside.* This is where forward-looking organisations should invest now to capture reputational momentum.

- **Bottom right quadrant: "*Value Security*" – The Present Pillars**
- Factors with high current contribution but lower growth potential. These are the **reputation foundations**. They offer predictability and are essential for **maintaining trust and consistency**, but may not differentiate companies in the years ahead unless continually refreshed.

Reputation management as capital allocation

- Balance short-term reliability (security)

with long-term upside (growth).
- Avoid overinvesting in legacy strength while underweighting innovation and talent.
- Use this to challenge internal biases - are you overinvested in product and underinves ed in people?

Reputation portfolio strategy: A dual lens

Dimension	Focus area	C-suite action
Value Security	Long-term potential, Product quality	Guard foundations; maintain performance
Value Growth	Innovation, People, Financial Resilience	Invest early; cultivate differentiation
Strategic Leverage	ESG, Governance, Asset use	Build credibility; elevate emerging drivers

KEY LEADERSHIP TAKEAWAYS

- **Reputation is an asset portfolio**, not a single score - balance it like one.
- **Don't over-index on legacy strengths**. Today's value leaders may not be tomorrow's.
- **Future value lies in innovation and people**, especially as stakeholder expectations evolve.
- **Governance and ESG remain central to sustainable performance**, even if not headline-grabbing.
- While this is the profile of the entire FTSE results combined, **what does your own profile show**? As individual as a thumb print, every company's Reputation Risk Profile is unique to them.
- **Translate intangible strengths into financial language** - frame key drivers as contributors to risk mitigation and long-term value creation. Use data to connect these factors directly to cost of capital, investor confidence, or license to operate.
- **Benchmark and personalise your reputation narrative** and leverage proprietary research among your own buy and sell-side analysts to benchmark your company's unique reputation drivers. What matters most to your shareholders?

With your own benchmarked Reputation Risk Profile consider

1. Are you challenging internal biases and assumptions?
2. What is your reputational value at risk and potential?
3. Which drivers are over-relied on - and which are under-leveraged?
4. As with any significant asset, are you allocating enough internal attention, processes and resources to your key value drivers?
5. What are strategic versus operational and communications issues?
6. How do you compare against your key competitors and peers to secure the reputational advantage?
7. Where should you invest and focus now to maximise reputational upside over the next 3–5 years? This analysis serves as a forward-facing tool to help leaders prioritise investment and focus.
   The best-performing companies in 2025 will be those that **maintain the trust built on foundational factors while actively investing in their unique drivers of Reputation Value.**

READY TO SEE WHERE YOU STAND? CONTACT ECHO FOR A CUSTOM DIAGNOSTIC

This report offers a powerful market-wide view - but it's only the beginning.
Your company's Reputation Contribution is as unique as its strategy, culture, and stakeholder mix. To go deeper, Echo offers a detailed, company-specific diagnostic, benchmarking your reputation performance against peers and sector norms, and identifying the levers that can unlock untapped value. Combined with media intelligence and stakeholder insights, this tailored analysis gives leadership the visibility and confidence to act - whether defending value, building trust, or gaining market edge.

Don't just read the market. Know your place in it. Contact Echo to benchmark yours.

9. APPENDIX:
HOW IT'S DONE

How it's done

Echo Research's **Reputation Dividend methodology** is based on rigorous statistical analysis of publicly available financial data, analysts' consensus forecasts, and individual corporate reputation scores. For the UK, the analysis draws on Britain's Most Admired Companies (BMAC) study, while the equivalent analysis for the United States uses data from Fortune's Most Admired Companies (FMAC). Both datasets are long-established and widely regarded as authoritative, particularly for their focus on professional stakeholder perceptions. The objective of this modelling is to isolate and quantify the contribution of intangible assets - specifically corporate reputation - to a company's market capitalisation. It examines how reputation, alongside financial indicators such as EBITDA, dividends, and earnings per share (EPS), helps to explain variations in stock price performance and investor confidence across sectors.

The methodology is designed to be:

- **Empirically grounded**, based on observable financial and perceptual data,
- **Transparent**, with clearly defined inputs and replicable procedures,
- **Logically robust**, supporting actionable insights for business leaders and boards,
- **Adaptable**, to reflect evolving investor priorities and market conditions.

The modelling framework comprises four key stages:

1. Data Definition and Capture

The analysis focuses on leading publicly listed companies in the UK and US.
For each company, a wide array of financial metrics is collected from established databases such as FactSet and Bloomberg.
These include:

- EBITDA (earnings before interest, tax, depreciation, and amortisation)
- EBIT (earnings before interest and tax)
- EPS (earnings per share)
- Return on Assets
- Dividend Yield
- Beta
- Total Assets and Liabilities
- Stock Liquidity

Reputation data are derived from BMAC and FMAC studies. These surveys collect ratings from C-suite executives and investment professionals across nine key dimensions of corporate reputation:

1. Quality of management
2. Quality of products and services
3. Financial soundness
4. Capacity to Innovate
5. Long-term value potential
6. Ability to attract, develop & retain top talent (People management)
7. Global competitiveness
8. ESG
9. Use of corporate assets

These dimensions are chosen for their relevance to investors and professional stakeholders, as opposed to consumer perception surveys, which are less indicative of stock market performance.

2. Econometric Analysis

At the core of the methodology is a multi-stage econometric approach, primarily employing **cross-sectional stepwise regression analysis.**

- Initial correlation analysis identifies potential predictor variables for market capitalisation.
- Variables with high interdependence are either consolidate or excluded to avoid multicollinearity.
- A refined model is constructed to isolate the impact of each factor - financial and reputational - on market capitalisation.
- Once the overall role of reputation is established, each of the nine reputation dimensions is analysed individually to determine its relative contribution and statistical significance.

This allows for the breakdown of a company's market capitalisation into tangible (financial) and intangible (reputational) components.

3. Company-Level Outputs

The model generates a set of key outputs for each company analysed, enabling strategic insights into the role of corporate reputation:

- **Reputation Contribution**
  The proportion of a company's market capitalisation attributable to its reputation - this is the central metric of Reputation Value.
- **Reputation Risk Profile**
  A breakdown showing how the Reputation Value is distributed across the nine component drivers, revealing strengths and vulnerabilities.
- **Reputation Leverage**
  An estimation of the potential economic return (i.e. marketcap uplift) from strengthening specific areas of reputation.

These metrics help companies assess where reputation is already adding value and where tageted improvements could enhance shareholder returns.

4. Market Behaviour and Strategic Insights

By aggregating company-level data, the methodology also provides a view of reputation trends at the sector and market level. This includes:

- The overall scale and distribution of reputation assets across the market,
- Year-on-year changes in Reputation Contribution,
- Identification of companies gaining or losing reputational value,
- The latent potential for enhancing shareholder value through improved reputation management.

These insights can support investor relations, boardroom strategy, and stakeholder communications by articulating how reputation translates into economic performance.

Reference

For further methodological detail, see:

WORLD ECONOMICS • Vol. 13 • No. 3 • July–September 2012. 61. The Impact of Reputation on Market Value.

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