

PUBLICIS SAPIENT EXECUTIVE SUSTAINABILITY RESEARCH SURVEY



Partnering with



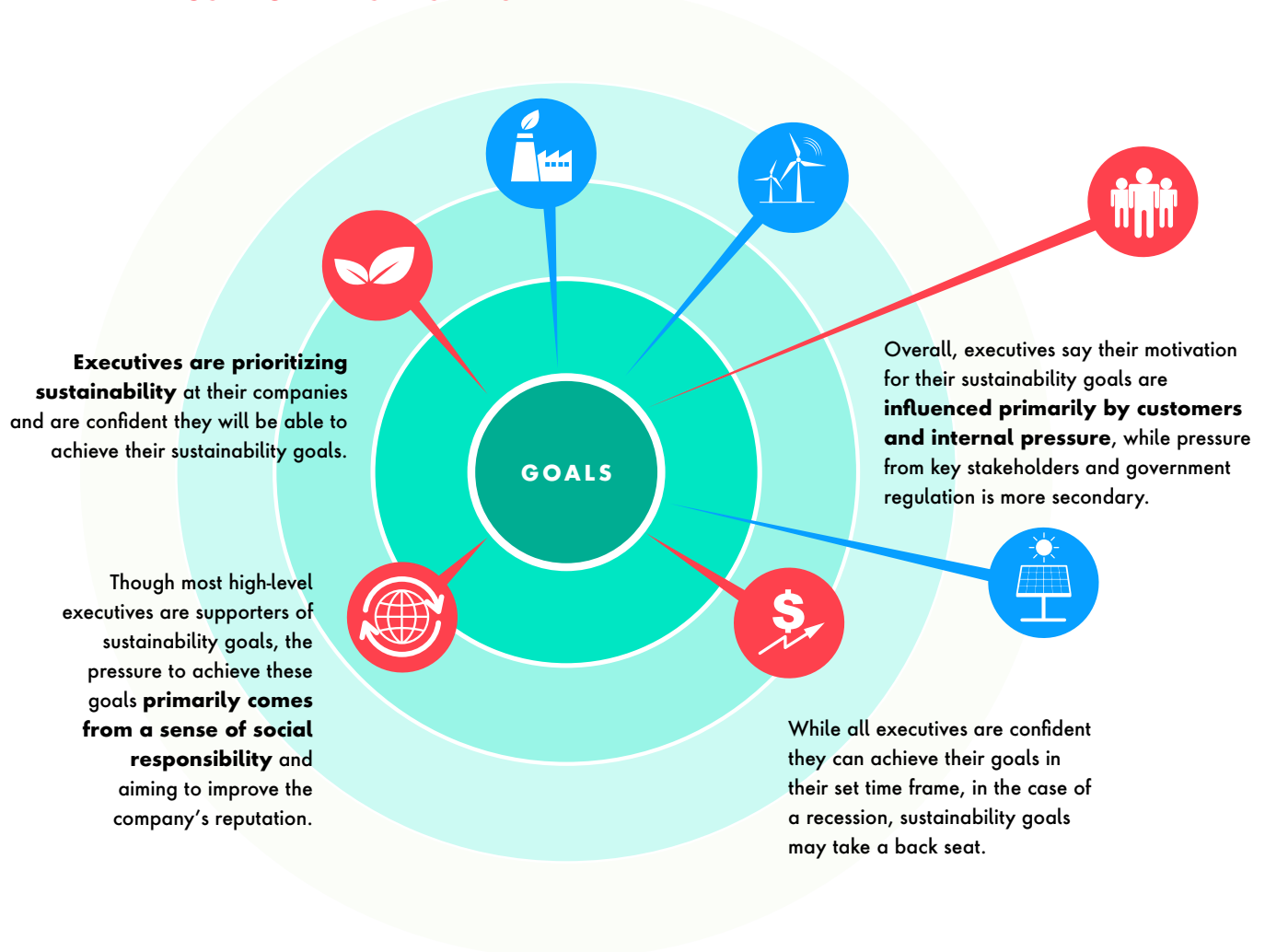
Microsoft

Executives have a positive outlook on the future of their sustainability goals, with all respondents believing they will achieve their sustainability goals within their set timeframe.

As the world continues to recover from a global pandemic and people begin to understand the new normal, we can all start to think about what is next. While not a new issue, sustainability is one place where businesses can focus on improving their practices. But how can sustainability fit into a companies' overall strategy?

Publicis Sapient partnered with Ipsos, the world's third largest insights and analytics firm, to interview high-level executives working at medium to large companies in the agriculture, airlines, energy, manufacturing, midstream, oil & gas, and utilities industries about their opinion on sustainability, how it fits into their companies' strategies, and what are some of the cost benefits and limitations.

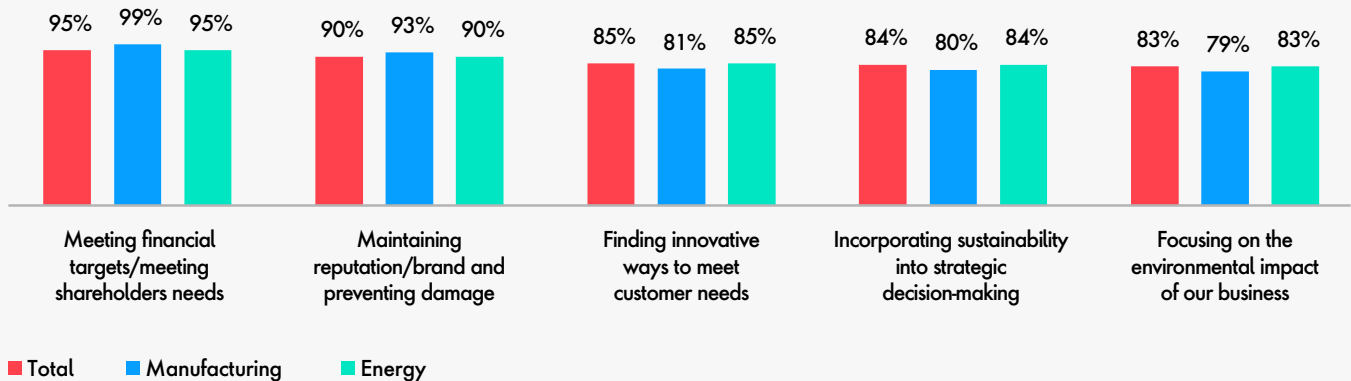
KEY FINDINGS FROM THIS RESEARCH



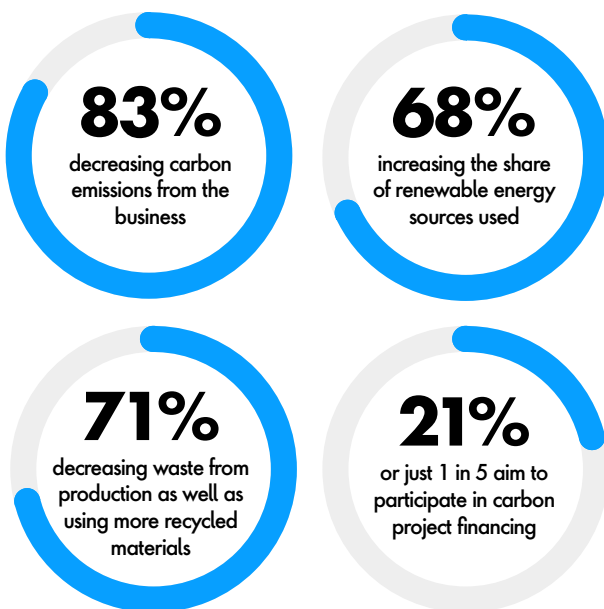
DETAILED FINDINGS

Overall, C-Suite and VP level executives view sustainability as an important aspect of their companies' goals. The majority report that focusing on the environmental impact of their business (83%), incorporating sustainability into strategic decision-making (84%), and focusing on sustainability (78%) are essential or high priority items at their respective companies.

TOP 5 ESSENTIAL/HIGH PRIORITY ITEMS BY INDUSTRY

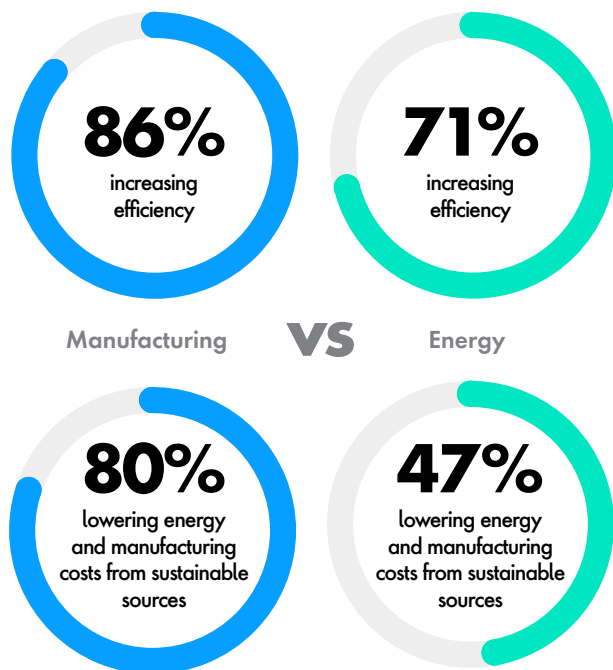


THE TOP SUSTAINABILITY GOALS COMPANIES ARE AIMING TO ACHIEVE ARE:



- Significantly more executives in the manufacturing industry report **decreasing waste from production and using more recycled materials as a sustainability goal** than executives in the energy industry (88% and 57%, respectively). However, energy executives are more focused on participating in voluntary carbon markets or offsets (41%) and participating in carbon project financing (33%) than manufacturers (22% and 11%, respectively).
- Executives say the **primary motivator for these goals is social responsibility and the feeling that is the right thing to do** (76%), followed by ensuring the business can continue to grow (62%) and maintaining or improving their company's public reputation (43%).
- While the majority agree that improving sustainability practices is a good long-term business decision (96%), and that customers will expect them to do so in the next five years (94%), far fewer agree that the pressure to achieve their sustainability goals will drive significant disruption for their business in the next five years (67%).

CORPORATE SUSTAINABILITY FOCUS



While sustainability is rated as a top priority at the moment, executives indicate that in the case of lost earnings or changes in the economic landscape, their sustainability goals may become less important.

- Companies primarily are relying on increased **efficiency** to achieve their sustainability goals (80%). Additionally, about 2 in 3 say they also plan on lowering energy and manufacturing costs from sustainable sources (67%) as well as making changes to their energy or fuel mix (57%).
- A majority of companies have a long-term time frame for their sustainability goals, with about two thirds (61%) planning on achieving their goals in three years or more. Thirty-nine percent plan on achieving their goals within the next one to three years. However, regardless of the time frame set, nearly all executives say it is likely they will achieve their goals within their set time frames.
- Relatedly, most executives also believe they are closer to achieving their sustainability goals than the rest of their industry is (69%) and that they are more committed to their goals than the rest of the industry (81%).
- A majority of respondents believe that their earnings will grow by 5-10% (40%) or less than 5% (43%) from achieving their sustainability goals. However, most are unwilling to trade off more than 5% of their earnings growth in order to achieve those goals (74%). Additionally, the majority of executives say they will not exit a profitable business or divest a profitable asset in the next five years to achieve their sustainability goals (58%).
- 1 in 5 (21%) report that the current inflation rates have made them decrease their sustainability targets and, in the case of an economic downturn, 2 in 5 (43%) say it would make their sustainability goals less important.

Full Annotated Questionnaire

These are the findings of an Ipsos/Publicis Sapient poll conducted between May 17- June 13. For this survey, a sample of 254 adults C-Suite and VP level Executives from a range of medium/large industries from the continental U.S., Alaska, and Hawaii was interviewed online in English. The poll has a credibility interval of plus or minus 7.5 percentage points for all respondents.

Question #1

TO WHAT EXTENT WOULD YOU SAY YOUR COMPANY PRIORITIZES EACH OF THE FOLLOWING?	Summary		Specifics					
	Essential/ high priority Total (N=254)	Low/not a priority	Essential	High priority	Medium priority	Low priority	Not a priority	I don't know
Meeting financial targets/meeting shareholders needs	95%	2%	67%	28%	4%	1%	*	—
Maintaining reputation/brand and preventing damage	90%	2%	51%	39%	8%	2%	*	—
Finding innovative ways to meet customer needs	85%	1%	36%	49%	14%	1%	—	—
Incorporating sustainability into strategic decision-making	84%	2%	32%	52%	15%	2%	—	—
Focusing on the environmental impact of our business	83%	2%	33%	50%	15%	2%	—	*
Staying current with new trends and/or technology	78%	3%	25%	54%	19%	3%	*	—
Focusing on sustainability	78%	2%	28%	50%	20%	2%	—	—
Being agile and adapting quickly to what is going on in the world	77%	2%	28%	49%	21%	2%	*	—
Investing in infrastructure and tools to improve sustainability of the company	71%	2%	23%	48%	26%	2%	*	—
Leading the field with new trends and/or technology	68%	6%	26%	42%	27%	4%	1%	—

Question #2

WHICH OF THE FOLLOWING ARE SUSTAINABILITY GOALS FOR YOUR BUSINESS? PLEASE SELECT ALL THAT APPLY.

	Total
Decreasing our carbon emissions from our business	83%
Decreasing waste from production and/or using more recycled materials	71%
Increasing share of renewable energy sources used	68%
Helping our customers decrease their carbon emissions	55%
Helping or requiring decreased carbon emissions from our suppliers	52%
Participating in voluntary carbon markets or carbon offsets	35%
Improving access to our services among underserved communities	26%
Participating in carbon project financing	21%
Other	6%
None of the above	—

Question #3

WHAT ARE THE PRIMARY REASONS YOU WANT TO ACHIEVE THESE SUSTAINABILITY GOALS? PLEASE SELECT UP TO THREE RESPONSES.

	Total
Social responsibility/it is the right thing to do	76%
Ensuring the business can continue to grow in the future	62%
Maintain or improved public reputation	43%
To comply with regulations	36%
Maintain or increase customer base	25%
Pressure from key stakeholders	17%
Opportunities for new investors	16%
Maintain or increased profits	16%
Other	1%
None of the above	—

Question #4

HOW IS YOUR COMPANY PLANNING ON ACHIEVING ITS SUSTAINABILITY GOALS? PLEASE SELECT ALL THAT APPLY.

	Total
Increased efficiency	80%
Lowering energy & manufacturing costs from sustainable sources	67%
Changes to energy or fuel mix	57%
Carbon offsets	40%
New business creation	37%
Asset/business divestitures	24%
Other	6%
None of the above	—

Question #5

IN WHAT TIME FRAME DOES YOUR COMPANY PLAN TO ACHIEVE A SIGNIFICANT PORTION OF YOUR SUSTAINABILITY GOALS?	Total
In the long term (3+ years)	61%
In the short term (1-3 years)	39%

Question #6

HOW LIKELY DO YOU THINK IT IS THAT YOUR COMPANY WILL ACHIEVE ITS GOALS IN THAT TIME FRAME?	Among those with short term time frame	Among those with long term time frame
	Total (N=98)	Total (N=156)
Very likely	52%	48%
Somewhat likely	48%	49%
Not very likely	-	3%
Not at all likely	-	-
Likely	100%	97%
Not likely	-	3%

Question #7

NOW CONSIDER YOUR SUSTAINABILITY GOALS RELATIVE TO YOUR COMPETITORS. HOW CLOSE DO YOU BELIEVE YOU ARE TO ACHIEVING YOUR SUSTAINABILITY GOALS COMPARED TO THE REST OF THE INDUSTRIES' GOALS?	Total
Much closer	22%
Somewhat closer	47%
Somewhat further	21%
Much further	4%
Don't know	6%
Closer	69%
Further	26%

Question #8

AGAIN CONSIDERING YOUR SUSTAINABILITY GOALS RELATIVE TO YOUR COMPETITORS, HOW COMMITTED TO YOUR SUSTAINABILITY GOALS DO YOU BELIEVE YOUR COMPANY IS RELATIVE TO THE REST OF YOUR INDUSTRY?	Total
Much more committed	31%
Somewhat more committed	50%
No difference	13%
Somewhat less committed	4%
Much less committed	*
Don't know	2%
More committed	81%
Less committed	4%

Question #9

HOW WOULD YOU RATE THE SPONSORSHIP AND ENGAGEMENT OF EXECUTIVE LEADERS IN YOUR SUSTAINABILITY GOALS?

	Supporter	Enthusiast	Critic	Neutral	N/A (Not a position at my company)
Chief Executive Officer (CEO)	63%	34%	2%	2%	—
Chief Financial Officer (CFO)	51%	29%	5%	15%	*
Chief Human Resources Officer (CHRO)	43%	34%	2%	18%	3%
Chief Operating Officer (COO)	53%	29%	3%	6%	9%
Chief Technology Officer	42%	32%	5%	15%	7%

Question #10

DO ANY OF THE FOLLOWING STATEMENTS APPLY TO YOUR COMPANY?

	Yes	No	Don't Know
Sustainability is incorporated into strategic decision making	95%	5%	—
Sustainability is incorporated into capital investment	78%	12%	10%
Executive performance metrics are tied to meeting or exceeding corporate sustainability goals	63%	26%	11%
Sustainability is calculated into return-on-investment capital	48%	35%	18%

Question #11

HOW IMPORTANT, IF AT ALL, ARE YOUR COMPANY'S SUSTAINABILITY GOALS TO THE FOLLOWING GROUPS?

	Summary		Specifics			
	Important	Not Important	Very Important	Somewhat Important	Not very important	Not at all important
Employees	94%	6%	39%	55%	6%	—
Investors	93%	7%	53%	40%	7%	*
Regulators	93%	1%	36%	49%	14%	1%
Customers	92%	8%	47%	45%	8%	—
The General Public	87%	13%	36%	52%	12%	1%

Question #12

WHAT PERCENT EARNINGS (EPS) GROWTH DO YOU ANTICIPATE FROM ACHIEVING YOUR SUSTAINABILITY GOALS?

	Total
0%	9%
Less than 5%	43%
5-10%	40%
Greater than 10%	8%

Question #13

WHAT PERCENT OF EARNINGS GROWTH DO YOU BELIEVE YOUR COMPETITORS WILL GAIN FROM ACHIEVING THEIR SUSTAINABILITY GOALS?

	Total
0%	11%
Less than 5%	62%
5-10%	24%
Greater than 10%	3%

Question #14

WHAT PERCENT OF EARNINGS (EPS) WOULD YOU BE WILLING TO TRADE OFF TO ACHIEVE YOUR SUSTAINABILITY GOALS AT YOUR COMPANY?

	Total
0%	15%
Less than 5%	59%
5-10%	24%
Greater than 10%	2%

Question #15

WHAT PERCENT OF EARNINGS (EPS) DO YOU BELIEVE YOUR COMPETITORS WOULD BE WILLING TO TRADE-OFF TO ACHIEVE THEIR SUSTAINABILITY GOALS?

	Total
0%	20%
Less than 5%	67%
5-10%	12%
Greater than 10%	1%

Question #16

DO YOU EXPECT TO EXIT A PROFITABLE BUSINESS OR DIVEST A PROFITABLE ASSET IN THE COMING FIVE YEARS TO ACHIEVE YOUR SUSTAINABILITY GOALS?	Total
Definitely Yes	8%
Probably Yes	21%
Probably No	41%
Definitely No	17%
Don't know	12%
Yes	30%
No	58%

Question #17

TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?	Summary		Specifics				
	Agree	Disagree	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Don't know
Improving sustainability practices are a good long-term business decision	96%	4%	69%	27%	2%	1%	*
For the good of our planet, it is important that my industry achieve its sustainability goals	95%	5%	66%	29%	4%	1%	*
I believe customers will expect us to improve our sustainability practices over the next five years	94%	6%	59%	44%	6%	—	*
Increased pressure from regulators will force us to improve sustainability in our business over the next five years	87%	11%	41%	45%	9%	2%	2%
The increased pressure from investors over the next five years will help improve sustainability in our business	86%	12%	38%	48%	11%	2%	2%
Improving sustainability practices are a good short-term business decision	81%	19%	21%	52%	15%	4%	*
The pressure to achieve sustainability goals will drive significant disruption in my business in the next five years	67%	31%	24%	43%	25%	6%	2%
The U.S is falling behind the rest of the world on sustainability practices	61%	35%	21%	40%	25%	11%	4%

Question #18

HOW MUCH OF A ROLE, IF ANY, DO YOU EXPECT DIGITAL TRANSFORMATION OF YOUR MARKET(S) TO PLAY IN INCREASING THE SUSTAINABILITY OF YOUR BUSINESS?	Total
No role	2%
Minor role	39%
Major role	59%

Question #19

IN WHAT WAYS, IF ANY, HAS THE RECENT GEOPOLITICAL AND ECONOMIC CLIMATE IMPACTED YOUR SUSTAINABILITY STRATEGY? PLEASE SELECT ALL THAT APPLY.	Total
Influenced us to create more ambitious sustainability targets	36%
The geopolitical situation influenced us to create sustainability goals	26%
Inflation rates made us decrease our sustainability targets	21%
The geopolitical situation has influenced us to defer our sustainability goals	15%
Inflation rates made us increase our sustainability targets	15%
Other	4%
None of the above	31%

Question #20

IN WHAT WAYS, IF ANY, WOULD AN ECONOMIC DOWNTURN OR RECESSION IMPACT THE IMPORTANCE OF ACHIEVING YOUR SUSTAINABILITY GOALS?	Total
Would become much more important	10%
Would become somewhat more important	15%
Would become somewhat less important	32%
Would become much less important	10%
Would have no impact on the importance of our sustainability goals	32%
More important	25%
Less important	43%

Question #21

HOW DO YOU GET MOST OF YOUR NEWS? PLEASE SELECT ALL THAT APPLY.	Total
Online/internet news	79%
Mobile News apps	54%
Social media (Twitter, Facebook)	41%
Television broadcast news	26%
Television cable news	25%
Print newspapers/magazines (and their online versions)	23%
Radio	21%
None of the above	1%

ABOUT THE STUDY

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