



Sustainability and Brand Value: A perspective

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Corporate Sustainability Drivers

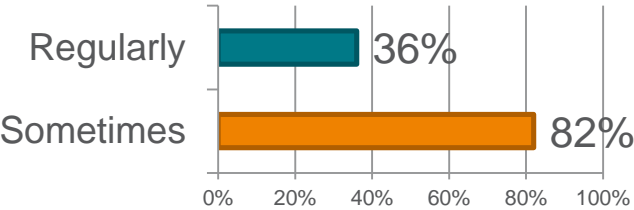
There are many stakeholders and forces compelling businesses to move toward sustainability...



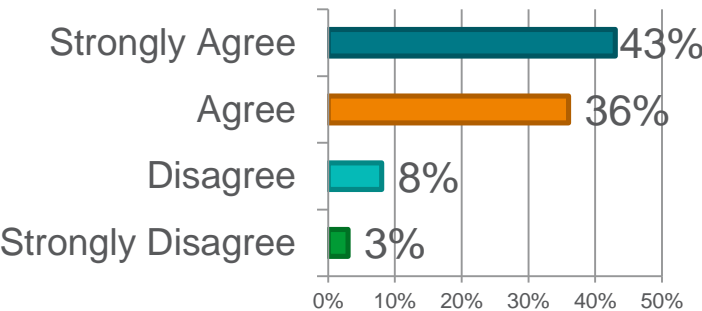
... ensuring longevity of business and thereby driving Brand Value

Consumer Perceptions

How often do you buy green products



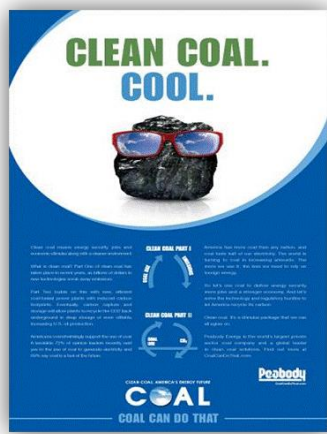
Companies should be mindful of the environment



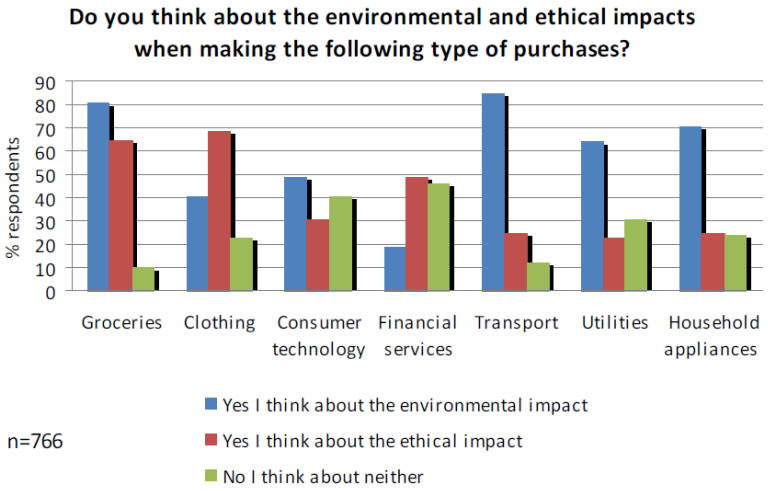
Buying patterns and behaviors



Ecolabelling



Greenwashing



Influencing the “Triple Bottom Line”

CEO opinion: by the numbers

107 CEOs in the
Consumer Goods
industry, from
46 countries

98%

98% of consumer goods CEOs believe that sustainability issues will be critical to the future success of their business.

97%

97% of consumer goods CEOs believe that sustainability issues should be fully integrated into the strategy and operations of a company.

79%

79% of consumer goods CEOs cite 'brand, trust and reputation' as one of the top three factors driving them to take action on sustainability issues.

79%

79% of consumer goods CEOs identify consumers as the most important stakeholder group that will impact the way they manage societal expectations.

51%

51% of consumer goods CEOs cite complexity of implementation across functions as the most significant barrier to embedding sustainability.

92%

92% of consumer goods CEOs believe that companies should integrate sustainability through their supply chain; only 59% believe that their company has.

75%

75% of consumer goods CEOs see 'accurate valuation by investors' of sustainability as important to reaching a tipping point in sustainability.

64%

64% of consumer goods CEOs see education as the global development issue most critical to address for the future success of their business.

94%

94% of consumer goods CEOs report that their company will employ new technologies to address sustainability issues over the next five years.

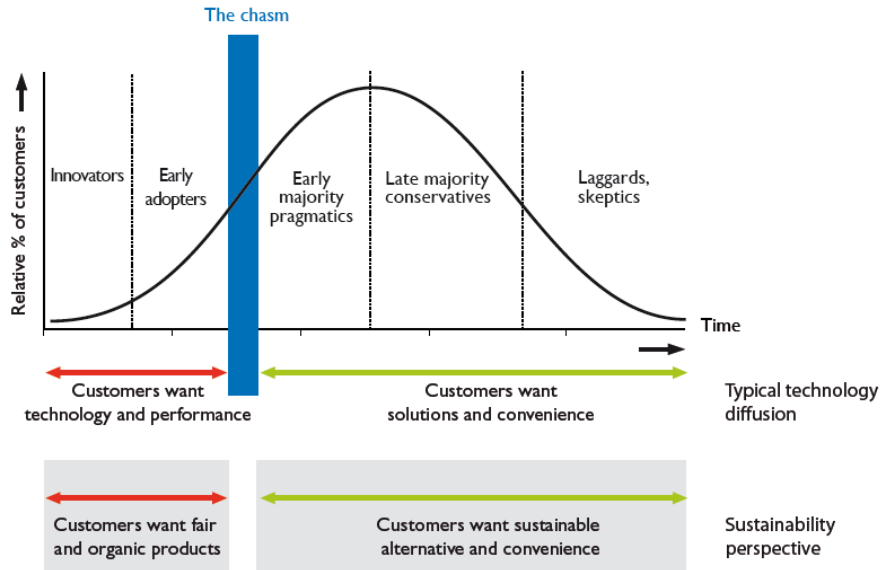


Sustainability is no longer a “Value Add” or a “Feel good factor”



- 37 percent of surveyed executives reporting a profit from their sustainability efforts, a 23 percent rise over last year

Sustainability Drives Innovation



BENEFITS OF Sustainable Design



- STIMULATE INNOVATION
- IMPROVE DESIGN EFFICIENCY
- REDUCE COSTS
- ASSESS MULTIPLE ENVIRONMENTAL IMPACTS
- INCREASE MARKET SHARE
- IMPROVE PRODUCT EFFECTIVENESS



Companies that lead on Sustainability will be Market Makers rather than Market Takers – WEF, 2009

Emerging Trends



Indoor Air Quality

How products can be designed for low chemical emissions, helping create healthier indoor environments



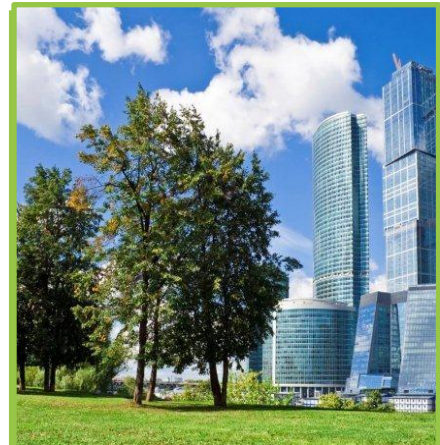
Environmental Product Certification

Helping consumers make better, informed choices



Environmental Product Declaration

Provide transparency to the marketplace by disclosing the full story of a product's environmental, health, and social impacts.



Corporate Sustainability

How does a company's business operations at an enterprise-wide level adhere to environmental best practices.



The Product Mindset Study 2013

UL Global study reveals critical GAPS between Manufacturer and Consumer PRIORITIES

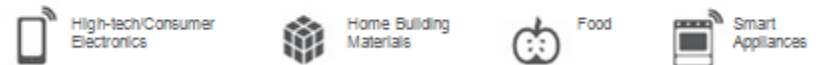


An annual study – 3rd Year



INDUSTRIES

Encompass a broad range of products and usage behaviors from fast-moving consumer goods to durables



THE FUNDAMENTALS

Key considerations focused on the essential or primary drivers of decision making

Quality Performance Innovation Cost Speed to Market/ New features Product Safety Reliability

RISING PRIORITIES

Key considerations focused on the emerging drivers of decisions that are becoming increasingly important

manufacturing Ethical sourcing Outsourcing/Origin Environment friendly
Health impact Traceability Environmental friendly products Transparency

Environment has continued to advance as a priority; however, consumers seem to doubt the intentions of manufacturers in terms of their commitment to environmentally friendly products and manufacturing procedures

Manufacturers and consumers agree:
price is not a barrier, and consumers will
pay more for eco-friendly products...



ENVIRONMENTAL PRODUCT IMPACTS



61% OF MANUFACTURERS
AGREE THE IMPACT TO
THE ENVIRONMENT
IS MORE IMPORTANT THAN
THE IMPACT TO HUMAN HEALTH

VS.



61% OF CONSUMERS AGREE
THE IMPACT TO
HUMAN HEALTH
IS MORE IMPORTANT THAN
THE ENVIRONMENTAL IMPACT



ENVIRONMENTAL MANUFACTURING



90%



OF MANUFACTURERS AGREE THAT
THE ENVIRONMENT IS BECOMING
MORE IMPORTANT

VS.

40%



OF CONSUMERS THINK MANUFACTURERS
ARE **NOT DOING ENOUGH** IN TERMS OF
ENVIRONMENTALLY FRIENDLY MANUFACTURING
PROCEDURES OR PRODUCTS



Impact on human health Vs. Impact to the planet

Insights- India

81% Indian consumers are willing to pay more for environmentally friendly products.

73% of Indian consumers believe that manufacturers use eco-friendly processes

65% Indian manufacturers believe it is profitable today to manufacture environmentally friendly products, which is higher than the global average (55%)



UL's role in this journey



WE will constantly look at perceptions affecting the global trade

thereby helping you prepare for emerging priorities

of your **Customers**





Thank You

www.productmindset.ul.com