

NBCUniversal

Sustainability

HOW BRANDS AND CONSUMERS ARE ADDRESSING
TODAY'S CHALLENGES FOR A HEALTHIER PLANET TOMORROW

SUSTAINABILITY:
**Meeting today's
needs without
compromising
future generations.**
The environment,
society, & economy
are intertwined to
achieve this.



The Quest for Environmental Sustainability

While most consumers and businesses alike say they want to be better shepherds to the environment, what does that actually mean? And how do they make it happen?

While there are innumerable ways brands are attempting to be better corporate citizens, we **focus this deck specifically on lessening environmental impact and becoming more environmentally sustainable.**



→ 2002

→ TODAY →

*Sustainability was
only relevant to*

20%

of the U.S. Population¹



93%

of the U.S. Population

**engages in at least
one sustainable practice**

(recycling, shopping locally, avoiding single-use disposable items, buying from brands w/ fair labor practices, etc.)²



There is near universal agreement
across multiple audiences that

Something Must be Done

89%

of Institutional Investors

state sustainability is
an important consideration¹

75%

of Americans

support the US' participation in international
efforts to reduce climate change²



But sustainability is puzzling. Let's consider broccoli.



ORGANIC



CONVENTIONAL

While many assume that organic is more sustainable, the reality is that **both impact the environment more or less the same.**

Positive for the Environment



- Less aggressive pesticides

- Likely grown across the US

74%

of Americans don't know how to identify sustainable products

Negative for the Environment



- More land required to get same yield, leading to increased run-off
- Low supply in US, likely imported (additional gas, etc.)

- Exhausts the land faster
- More aggressive pesticides and fertilizers, leading to run-off

And it kind of makes sense, **it's confusing.**

Sustainability

Four Trends that will hold true in 2022/23

01.

Inflation fuels plant power

Vegan proteins have spiked in sales as cheaper, more environmentally alternatives

Marketing Implications

Convey sustainable benefits of a brand beyond simple price considerations

02.

Push to integrate into company culture

Consumers and employees are quick to spot green-washing. Expect sustainability to be tied to company values & retention efforts

Marketing Implications

Interconnected campaigns across brands and CSR

03.

Increased regulatory pressure

Governments likely to follow the EU, enforcing companies to disclose emissions

Marketing Implications

Expect businesses to hold their partners and suppliers more accountable

04.

Consumers want the most, will act the least

Even with a desire to act sustainably, consumers are hesitant to make changes that significantly alter their lifestyles

Marketing Implications

As inflation saps consumer spending, sustainable brands better demonstrate their value proposition

MARKETING
IMPLICATIONS:
**What does
sustainability
mean for different
brands & people?**

Restaurant



Multicultural



Auto



Consumer



FOCUS ON: Restaurant



BRANDS LEANING IN:



Global aim to reduce emissions 36% by 2030



10% of officers' incentive bonus is tied to progress toward achieving ESG goals



Pledged to make all packaging compostable and recyclable by 2025; menu innovations promote meatless eating.

HOW THE CATEGORY IS EVOLVING:

“Diners are increasingly conscious of where their food comes from, the impact it has on our global ecosystem, and more mindful of “greenwashing.” But supply chain issues, price sensitivity and demand for delivery make it harder than ever for restaurants to act in a sustainable fashion. Brands that truly have sustainable behaviors embedded throughout their organization will begin telling this story more broadly in market to connect with these diners and drive a return on these investments.”



Adam Daniele

VP CLIENT STRATEGY - RESTAURANT

FOCUS ON:

The rise of the multicultural eco-friendly consumer



HOW MULTICULTURAL CONSUMERS ARE LEANING IN

53%

Multiculturals are leaders in environmental consciousness, as 53% identify themselves as more environmentally conscious than others

57%

Almost 6 in 10 (57%) of Multicultural consumers are more likely to purchase from brands that support causes they care about

59%

59% of Multiculturals will pay more for a product that has been deemed safe for the environment

HOW MULTICULTURAL CONSUMERS ARE THINKING ABOUT SUSTAINABILITY:

“Concern about the climate crisis is reaching a boiling point with consumers, especially Multiculturals, becoming more sensitive to the societal and environmental impact of their purchase decisions. In a political climate that’s failing to meet consumer needs, many are ‘voting with their dollars’ to support brands that engage in sustainable business practices and align with their beliefs. Companies must respond and position themselves as leaders on the issue of sustainability.”



Ellen Falb-Newmark
VP, CLIENT ADVOCACY



BRANDS LEANING IN:



By 2035, aims to have eliminated all tailpipe emissions from new light duty vehicles and by 2040, carbon neutral in global products and operations



Albeit a result of the VW emissions settlement, it has been one of the few - if the only charging brand - to advertise on behalf of EVs. Their network does not require a subscription and offers maximum charging kW



By 2025, aims to have 25% of plastics be bio-based or from recycled materials and by 2040, net-zero through direct and indirect emissions

HOW THE CATEGORY IS EVOLVING:

"The Automotive industry's work to achieve environmental sustainability is a catalyst for change impacting not only the industry, but also society. Many companies have partnered with the [Science Based Targets Initiative \(SBTi\)](#), establishing targets and milestones to become net-zero emissions producers. Through such collaborations, the industry is committing to goals impacting their full ecosystem. When you think about it, the electric vehicle is really the consumer-facing demonstration of the industry's sustainability efforts. Those vehicles - consumer and commercial – are the mechanism in which the auto industry is shifting our society towards a more sustainable future."



Megan Ryan

VP CLIENT STRATEGY - AUTOMOTIVE



BRANDS HAVE AN OPPORTUNITY TO EDUCATE:

**NEARLY
7 in 10**

consumers find sustainable living to be challenging, and half feel that the pandemic has made it even more difficult

**ONLY
4 in 10**

consumers consider living sustainably to be a top personal priority

**ONLY
1 in 4**

consumers say they are very knowledgeable about the sustainability efforts of companies they shop from

**OVER
Half**

of consumers would pay more for a sustainable brand – and this is even higher among key multicultural, LGBTQ+ and Parent cohorts

HOW CONSUMERS ARE EVOLVING:

“There exists a real lack of knowledge among US consumers around sustainability, as well as perceived challenges around living sustainably. A newly released Mintel study shows that this confusion around sustainability is consistent across all consumers regardless of HH income and education. Brands have an opportunity to provide greater education on the topic – consumers’ expectation for brands to deliver on sustainability practices is high and they will go out of their way to support the brands that live up to this. With the current climate around inflation being of utmost importance in consumers’ minds, brands should consider ways to appeal to those personal concerns impacting their wallets and quality of life.”



Dana Sparber

VP, INSIGHTS & RESEARCH
- CULTURAL INTELLIGENCE

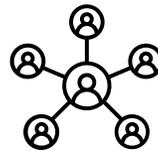
SO WHAT CAN BE DONE?

How brands and consumers alike can live more in synch with the environment



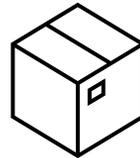
The Footprint

Focus attention on environmental footprint, not just carbon. It considers *both* greenhouse gasses plus ways other choices impact the environment



Everyone's Doing It

The easiest way to build momentum? Leverage a behavioral economics trick and showcase the ways in which consumers and brands are already being sustainable



The Packaging

Half of all consumers are most aware of sustainable solutions around packaging, so it's a good place to start



Be Transparent

Consumers prefer brands that are trying but committed over brands that market without meaningful contributions

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Thank You

FOR MORE INFORMATION, PLEASE REACH OUT:

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