

# TABLE OF CONTENTS

Background & Objectives 4

Executive Summary 5

Detailed Findings: General Population 6

Detailed Findings: Retail Investors 13

Methodology 17

# BACKGROUND & OBJECTIVES

G&S Business Communications is a firm with expertise in sustainability consulting, corporate social responsibility (CSR) and analysis of environmental, social and governance (ESG) factors. G&S specializes in the advanced manufacturing, agribusiness and food, clean technology and energy, financial and business services, and home and building solutions markets.

G&S commissioned the eighth annual G&S Sense & Sustainability® Study conducted online in August 2017 by YouGov Plc among 1,158 U.S. adults ages 18 and older.

The research focuses on public perceptions of CSR and environmental stewardship, along with opinions about retail investing decisions, specifically:



Familiarity with business practices related to environmental and social responsibility



Business actions that contribute to a positive reputation for sustainability



Sources for information about companies' environmental and social responsibility initiatives



Impact of environmental, social and governance (ESG) factors in personal investing decisions

## EXECUTIVE SUMMARY

- AMERICANS BELIEVE THE PUBLIC AND
  GOVERNMENT EACH BEAR THE GREATEST
  RESPONSIBILITY FOR KEEPING SOCIETY AND
  NATURE SAFE ALONG THE SUPPLY CHAIN.
- IN COMPARING RESULTS BEFORE AND AFTER THE 2016 U.S. PRESIDENTIAL ELECTION, THERE ARE SIGNS THAT PERCEPTIONS MAY BE CHANGING ABOUT WHICH GROUPS HAVE BURDENS OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITY.
- COMPANIES THAT SUPPORT ECONOMIC
  GROWTH AND ECOLOGICAL CONSERVATION ARE
  VIEWED MOST FAVORABLY IN TERMS
  OF SUSTAINABILITY EFFORTS.

- FOR THE FOURTH CONSECUTIVE YEAR, THE NEWS MEDIA REMAINS THE TOP SOURCE FOR AMERICANS TO LEARN ABOUT THE SUSTAINABILITY EFFORTS OF BUSINESSES.
- PASSIVITY IS DEEPENING AS FEWER AMERICANS
  SEEK INFORMATION ABOUT WHAT BUSINESSES
  ARE DOING TO CONTRIBUTE POSITIVELY.
- PERSONAL INVESTORS WHO EXAMINE
  CORPORATE RESPONSIBILITY ARE
  SIGNIFICANTLY INFLUENCED BY FACTORS
  AFFECTING BUSINESS RELATIONSHIPS
  RATHER THAN BRAND ATTRIBUTES.



AMERICANS BELIEVE THE PUBLIC AND GOVERNMENT EACH BEAR THE GREATEST RESPONSIBILITY FOR KEEPING SOCIETY AND NATURE SAFE ALONG THE SUPPLY CHAIN.

Results were based on a selection of specific groups and how frequently they were ranked in the top three spots. When asked to rank certain groups according to their degree of responsibility for protecting the well-being of people and natural resources within the economic process, more than half of Americans pointed to the government (52 percent) and the general public (52 percent) as one of the most significant actors. The next most frequently identified are suppliers that provide ingredients, parts or processes used in goods and services purchased by customers (46 percent).

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AFTER THE 2016 U.S. PRESIDENTIAL ELECTION,
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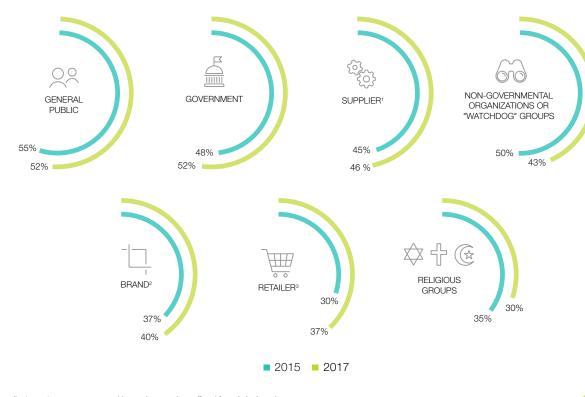
Results were based on a selection of specific groups and how frequently they were ranked in the top three spots. The largest gains were among Americans who believe the greatest responsibility rests with retailers (37 percent in 2017 vs. 30 percent in 2015) and government (52 percent in 2017 vs. 48 percent in 2015). In contrast, there was a notable decline among Americans who ranked non-governmental or "watchdog" organizations (43 percent in 2017 vs. 50 percent in 2015) and religious groups (30 percent in 2017 vs. 35 percent in 2015) as those holding the most responsibility.

### SUPPLY CHAIN RESPONSIBILITY

Please rank each of the following groups according to their degree of responsibility for protecting the well-being of people, communities and the environment throughout the process of supplying goods and services. Please rank from "1" as being the most responsible to "7" being the least responsible. Even if you aren't sure, please provide your best estimate.

#### SUMMARY OF TOP 3 MOST RESPONSIBLE

(How often industries were ranked 1, 2 or 3)



 $<sup>^{\</sup>mbox{\scriptsize 1}}$  e.g., provides ingredients, parts or processes used in goods or services offered for sale by brands

<sup>&</sup>lt;sup>2</sup> e.g., offers completed goods or services for sale to consumers

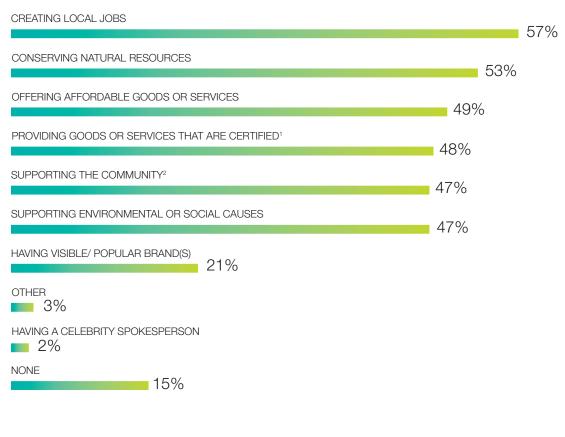
<sup>&</sup>lt;sup>3</sup> i.e., provides a location or platform where goods or services are sold to consumers

COMPANIES THAT SUPPORT ECONOMIC GROWTH AND ECOLOGICAL CONSERVATION ARE VIEWED MOST FAVORABLY IN TERMS OF SUSTAINABILITY EFFORTS.

Creating local jobs (57 percent) and conserving natural resources (53 percent) are the business attributes or activities that are most commonly seen as contributing to a company's positive reputation for sustainability. In contrast, having a celebrity spokesperson promote a company's sustainability work is barely considered as creating a positive impression (2 percent).

## CONTRIBUTORS TO POSITIVE REPUTATIONS

Which of the following business attributes or activities, if any, contribute to a company's positive reputation for sustainability – meaning environmental or social responsibility? Please select all that apply.



<sup>1</sup> e.g., ENERGY STAR, Fair Trade

Multiple responses permitted. 2017 Base: Total Adults (N=1,158).

<sup>&</sup>lt;sup>2</sup> e.g., scholarships, educational programs Multiple responses permitted.

FOR THE FOURTH CONSECUTIVE YEAR, THE NEWS MEDIA REMAINS THE TOP SOURCE FOR AMERICANS TO LEARN ABOUT THE SUSTAINABILITY EFFORTS OF BUSINESSES.

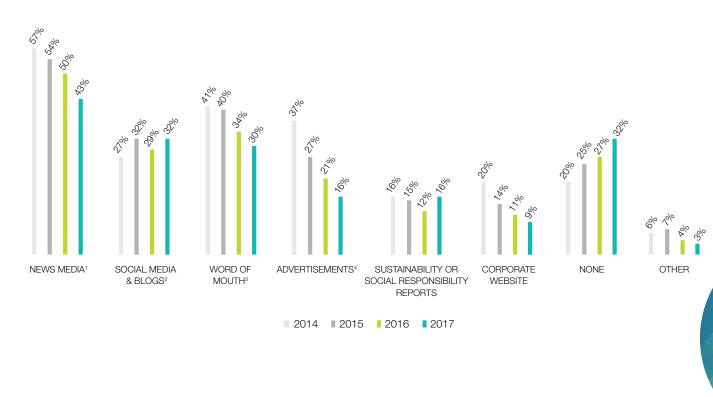
Though the news media is the source Americans most commonly rely on for information about CSR and environmental sustainability, previous studies show a sharp drop in the last four years (57 percent in 2014, 54 percent in 2015, 50 percent in 2016 and 43 percent in 2017).

PASSIVITY IS DEEPENING AS FEWER
AMERICANS SEEK INFORMATION ABOUT
WHAT BUSINESSES ARE DOING TO
CONTRIBUTE POSITIVELY.

The 2017 results mark a notable increase in the four-year trend among survey takers who do not use any sources to learn about corporate efforts to promote sustainability (20 percent in 2014, 25 percent in 2015, 27 percent in 2016 and 32 percent in 2017).

## MEDIA SOURCES FOR SUSTAINABILITY & CSR NEWS

Which of the following sources, if any, do you rely on for information about business efforts to promote sustainability – meaning environmental or social responsibility? Please select all that apply.



<sup>&</sup>lt;sup>1</sup> e.g., newspapers, magazines, television, radio, web

Multiple responses permitted. 2014 Base: Total Adults (N=2,039). 2015 Base: Total Adults (N=2,055). 2016 Base: Total Adults (N=2007). 2017 Base: Total Adults (N=1,158).

<sup>&</sup>lt;sup>2</sup> e.g., Facebook, Twitter, LinkedIn, independent blog

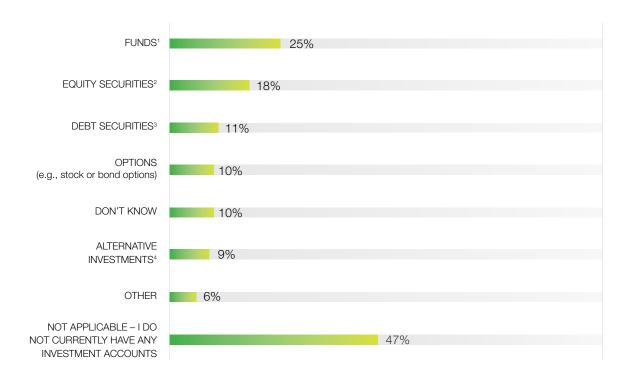
<sup>3</sup> i.e., discussions with family and trusted acquaintances

<sup>&</sup>lt;sup>4</sup> e.g., broadcast, print, web, outdoor, etc.



## RETAIL INVESTING OWNERSHIP

Which, if any, of the following investments do you currently own either directly or through a retirement plan? Please select all that apply.



e.g., stock or bond mutual funds, exchange traded funds (ETFs), hedge funds, etc.

Multiple responses permitted. 2017 Base: Total Adults (N=1,158).

<sup>&</sup>lt;sup>2</sup> e.g., common or preferred stock

<sup>&</sup>lt;sup>3</sup> e.g., corporate or government bonds

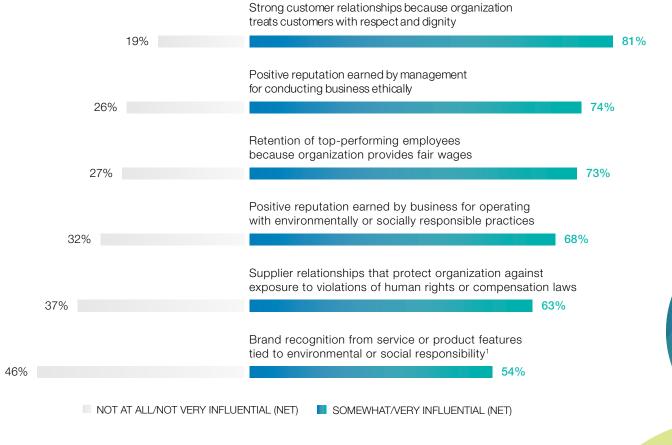
<sup>&</sup>lt;sup>4</sup> e.g., real estate investment trusts [REITs], unit investment funds (UITs), hedge funds, etc.

PERSONAL INVESTORS WHO EXAMINE CORPORATE RESPONSIBILITY ARE SIGNIFICANTLY INFLUENCED BY FACTORS AFFECTING BUSINESS RELATIONSHIPS RATHER THAN BRAND ATTRIBUTES.

When investing, Americans are particularly guided by ESG issues that highlight the business impact on individuals: strong customer relationships rooted in respect (81 percent), positive reputation earned for ethical practices by management (74 percent) and fair wages to retain top talent (73 percent). However, when considering the influence of product features tied to eco-friendliness or social consciousness, retail investors are split about whether these brand traits matter (54 percent) or not (46 percent) in their investing decisions.

### EVALUATING RISK AND RETURN

Thinking about your personal investments...How influential, if at all, are each of the following in your evaluation of the overall risk and return of an investment? Please select one option on each row.



<sup>&</sup>lt;sup>1</sup>e.g., packaging that reduces waste, services that benefit local communities, etc.

2017 Base: Total Adults who indicated they personally invest in stocks, bonds, options and alternative investments (n=482).



