

SUSTAINABILITY AND THE COVID-19 PANDEMIC

**DRIVER FOR GOOD &
DRIVER FOR BUSINESS PERFORMANCE**



SPEAKERS TODAY



NATALIE LACEY
GLOBAL AFFAIRS
WASHINGTON DC



TRENT ROSS
CORPORATE REPUTATION
WASHINGTON DC

SUSTAINABILITY: LONG TERM RISK MITIGATION



Meeting the needs of stakeholders

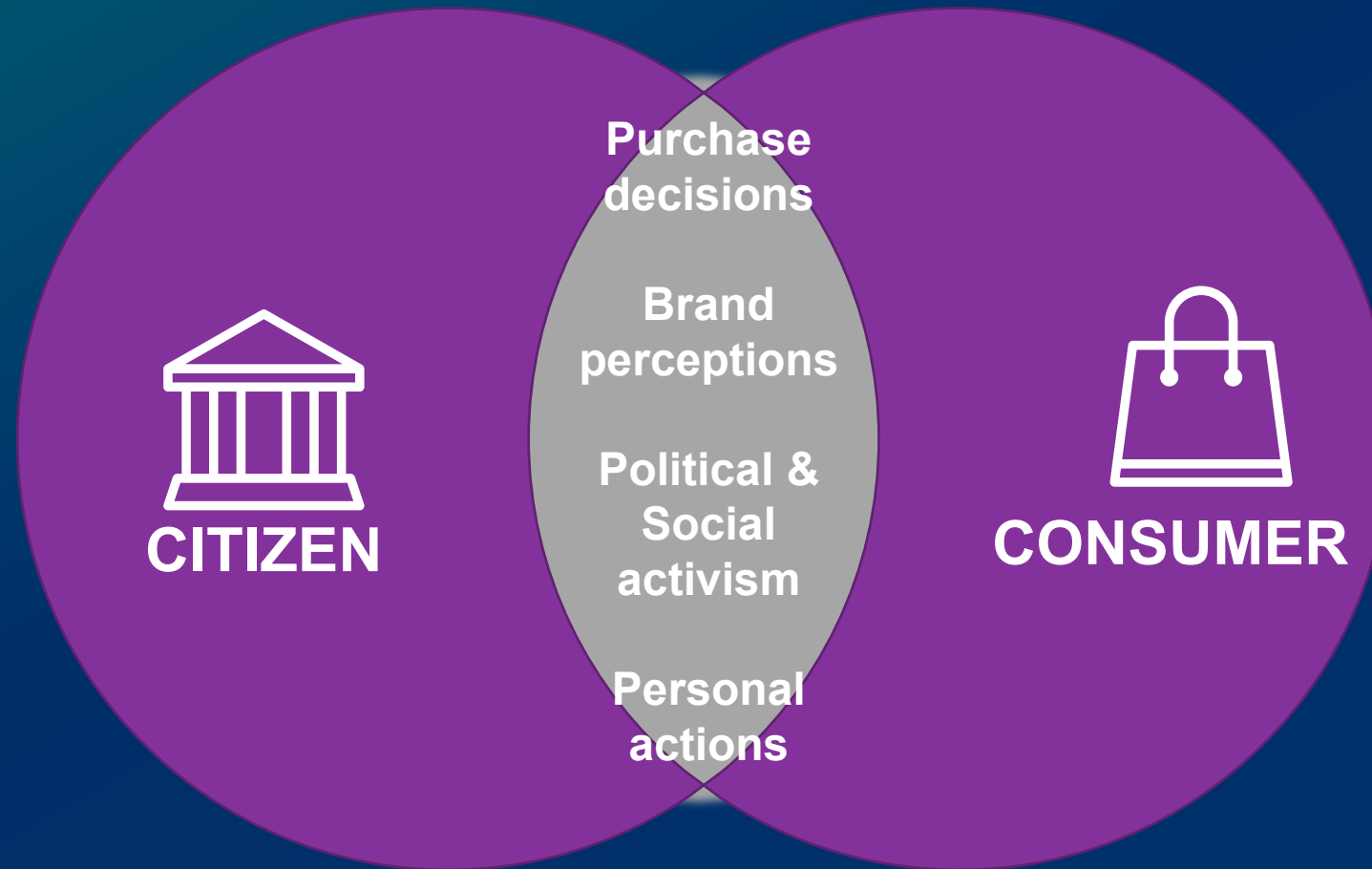
Ever-higher standards demanded by employees, investors, standards, and regulators



Ensuring long-term production capacity

Protecting resources in the face of climate change, depletion of raw materials, pollution

CONVERGENCE OF THE CITIZEN AND THE CONSUMER IN PURCHASE DECISIONS AND REPUTATION.



“Protects What’s Good” Global Brand Strategy

Tetra Pak, Multi-country

BUSINESS ISSUE

Tetra Pak needed to move away from the perception of being a technical B2B company and develop a more appealing brand promise, fit for the future. It is indeed of critical importance to Tetra Pak that the end consumer perceives a greater value when purchasing a product from a brand packaged by Tetra Pak – possibly even wanting to pay more for it. Sustainability was felt to be a potential driver of brand preference. Tetra Pak needed to find a way to express how they are protecting not only the product itself but also the People and the Future through social and environmental responsibility.

IPSOS SOLUTION

Ipsos tested the meaning of the brand promise among consumers and was able to confirm its relevance. Since the implementation of this promise, Ipsos has continuously measured the strength of Tetra Pak’s brand and promise among consumers as well as product brand owners.

IMPACT

Research data shows that Tetra Pak is now the most well known packaging company in the world among consumers and brand owners. Tetra Pak has positive connotations and is perceived as an environmentally conscious company with high quality and functional/convenient packaging.



Impact Of Cocoa Sustainability Investments

Mondelez, Multi-country

BUSINESS ISSUE

Cocoa Life is Mondelez International's global cocoa sustainability program which aims to tackle the complex challenges that cocoa farmers face including climate change, gender inequality, poverty and child labour. By 2025, all Mondelez International's chocolate brands will source their cocoa through Cocoa Life, so it is essential that the impact of the program be measured, verified, and reported on by an independent organisation.

IPSOS SOLUTION

Ipsos evaluates Cocoa Life based on the program's global Key Performance Indicators (KPIs). Impact assessments are based on a longitudinal panel study that is statistically representative of Cocoa Life participants. The panel includes community leaders, community members, cocoa farmers, co-ops, and other Cocoa Life program stakeholders. Ipsos produces a yearly report for each country of origin: Ghana, Cote d'Ivoire, Indonesia, Dominican Republic, India and Brazil.

IMPACT

Mondelez International released Cocoa Life's 2018 Annual Report which, thanks to Ipsos data, could show positive results from the first six years of the program's implementation: e.g. Cocoa Life farm yields are typically above national averages (+15% in Ghana vs. non-Cocoa Life farms); Savings and loans groups are increasing community members' savings buffers (+24% in Ghana). Currently, Mondelez International sources 43% of its cocoa needs for its chocolate brands through Cocoa Life. The company intends to include Toblerone and Lacta Milka, Côte d'Or and Cadbury Dairy Milk chocolate brands in the program by 2025.



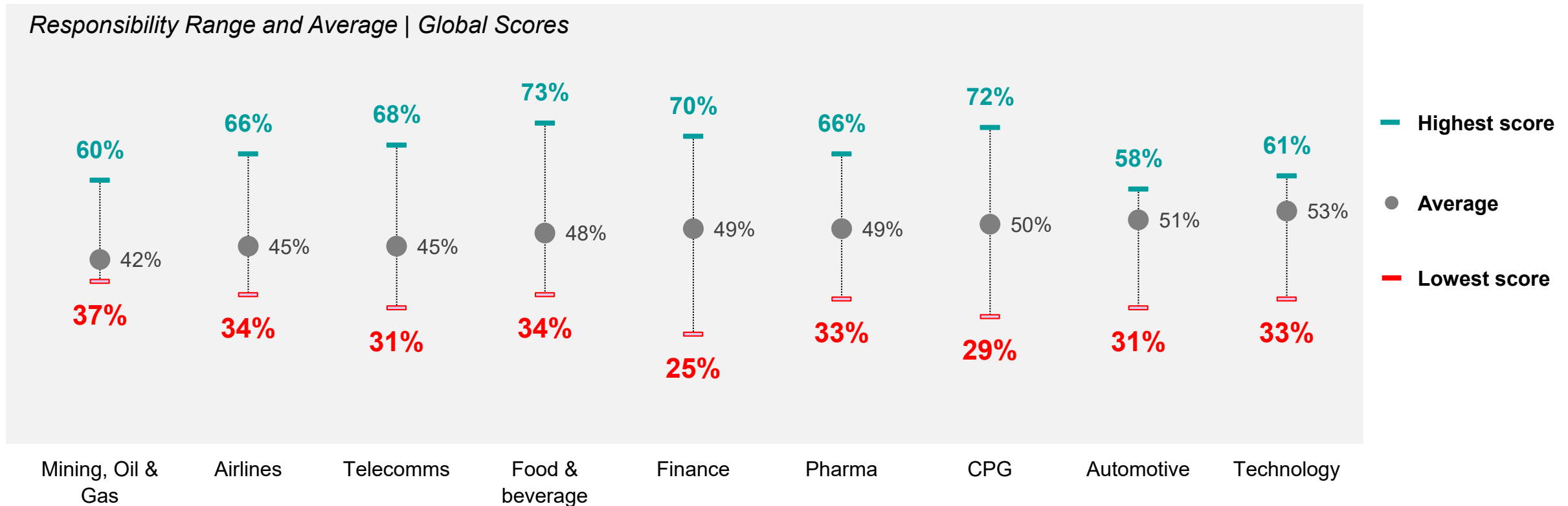
Mondelez
International



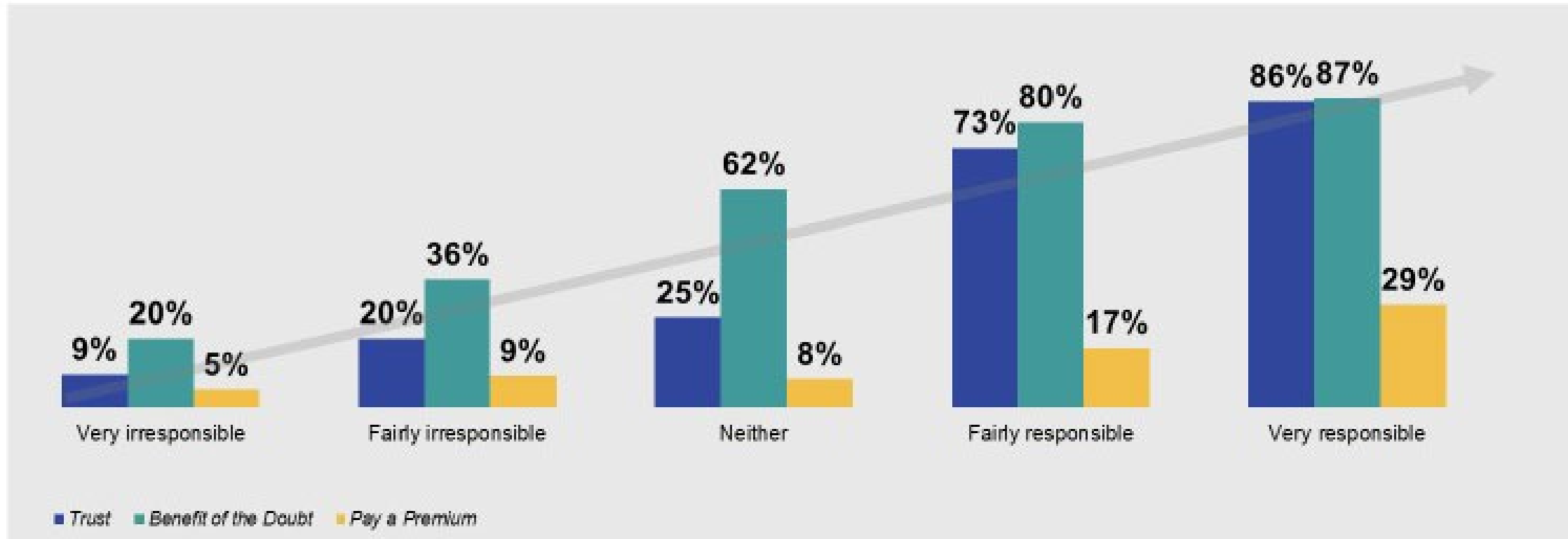
Assess risks & opportunities

PERCEPTIONS OF RESPONSIBILITY VARY TREMENDOUSLY BY INDUSTRY

Even companies in poorly regarded industries have a chance to stand out

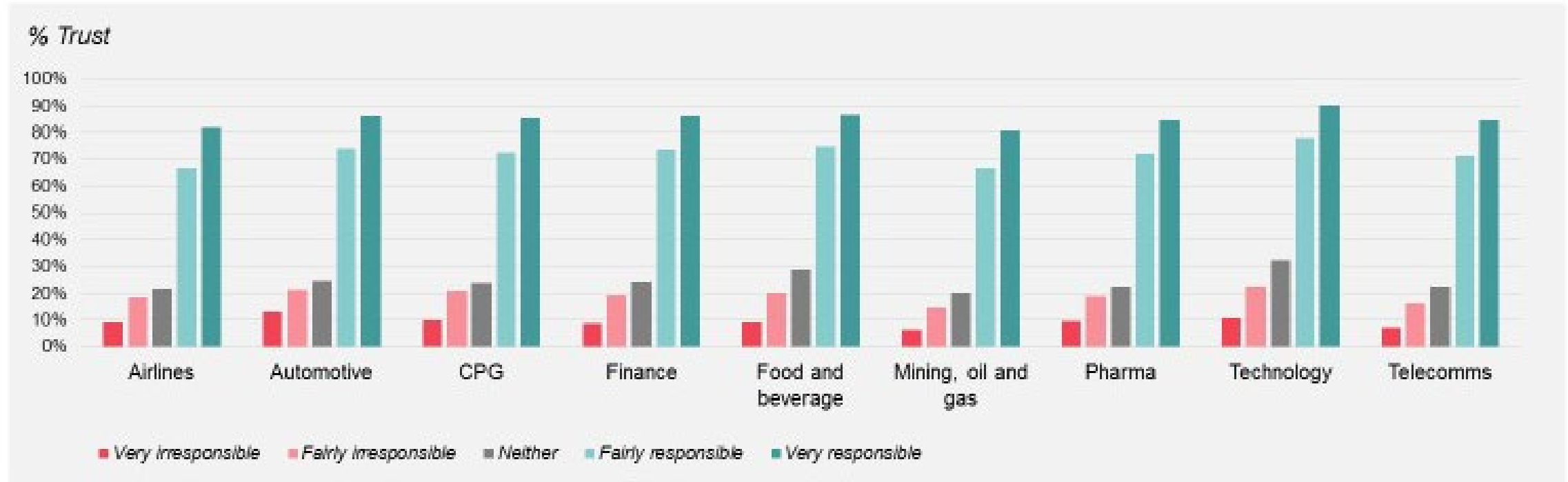


COMPANIES PERCEIVED AS RESPONSIBLE ENJOY HIGHER LEVELS OF TRUST AND GREATER BENEFIT OF THE DOUBT



THE RELATIONSHIP BETWEEN RESPONSIBILITY AND TRUST HOLDS TRUE ACROSS INDUSTRIES

Neutral attitudes on responsibility are not sufficient to create trust; positive trust requires a positive level of corporate responsibility



WHAT DRIVES PERCEPTIONS OF CORPORATE RESPONSIBILITY?

Drivers of corporate responsibility vary considerably by industry

A one size fits all approach to corporate responsibility does not work, each industry (and company) must match their actions to their underlying equities.

It is much more important for the finance industry to treat people fairly (for instance) while technology and telecommunications/internet companies must focus on transparency and supply chains as well as treating customers fairly.

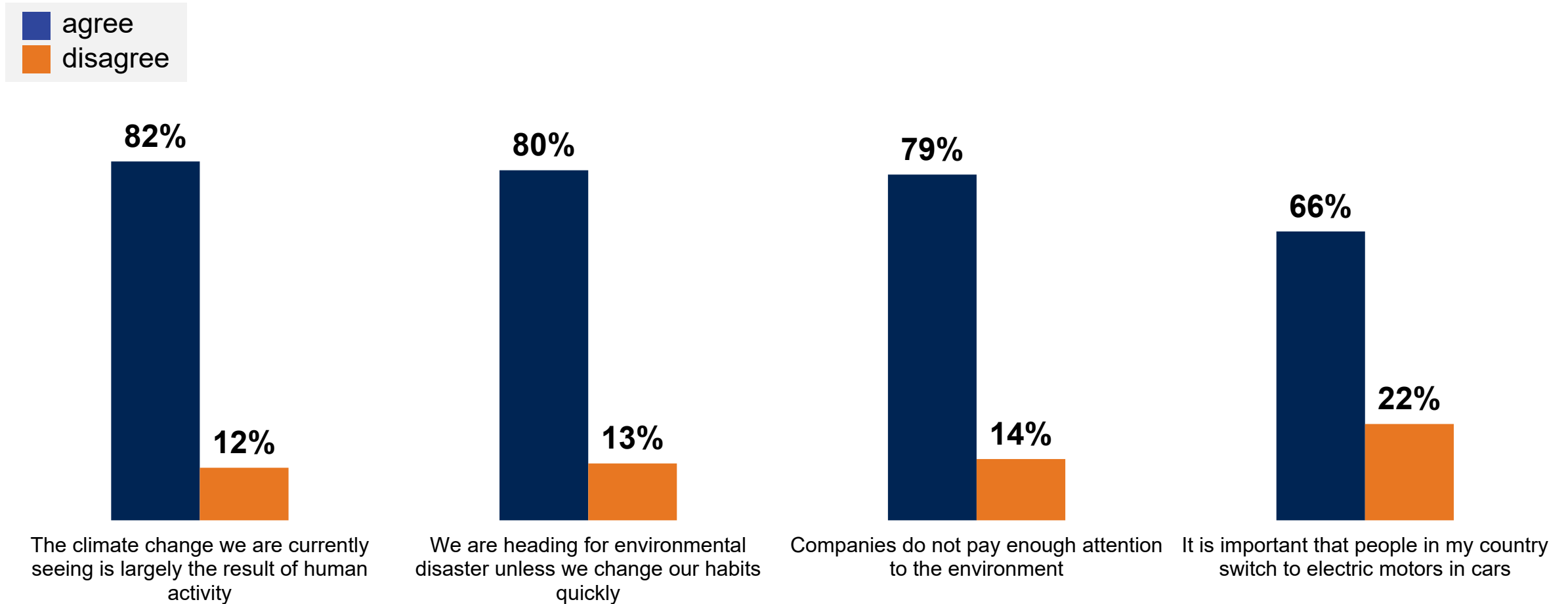
	Airlines	Automotive	CPG	Finance	Food & Bev	Mining, Oil and Gas	Pharma	Tech	Telecoms
Caring for the environment	0.44	0.56	0.65	0.43	0.60	0.58	0.62	0.51	0.51
Having a positive impact on society	0.44	0.49	0.56	0.58	0.58	0.52	0.58	0.55	0.55
Has ethical supply chains	0.42	0.55	0.51	0.49	0.56	0.56	0.55	0.59	0.59
Treating customers fairly	0.47	0.52	0.45	0.63	0.49	0.43	0.47	0.61	0.61
Being open about their business operations	0.42	0.44	0.47	0.55	0.55	0.53	0.44	0.63	0.63
Encouraging the responsible use/consumption of their products	0.39	0.52	0.53	0.45	0.55	0.45	0.56	0.53	0.53
Treating employees fairly	0.54	0.44	0.47	0.44	0.49	0.40	0.47	0.46	0.46
Contributing to the economy of this country	0.22	0.27	0.23	0.29	0.23	0.19	0.27	0.33	0.33

VIEWS PRE-PANDEMIC



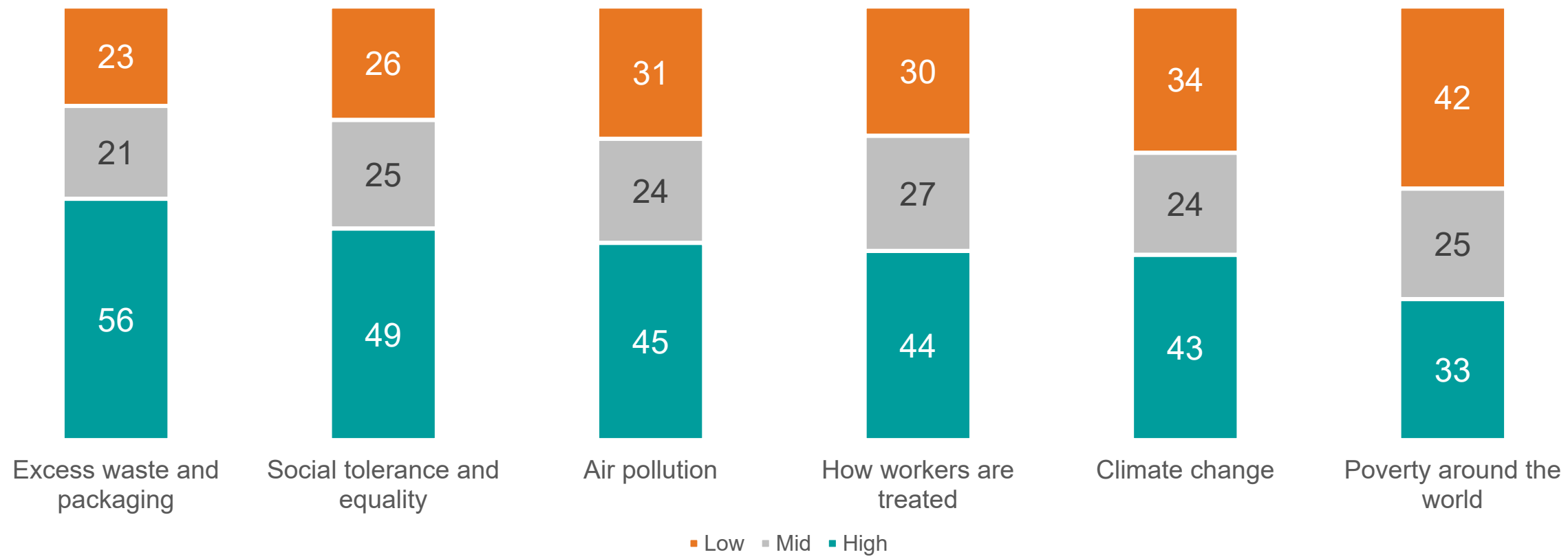
WIDESPREAD AGREEMENT ON THE BASICS

Climate emergency: key statements



SENSE OF EMPOWERMENT AROUND WASTE LESS SO ON GLOBAL ISSUES OF POVERTY

Perception of Impact of “People like you”



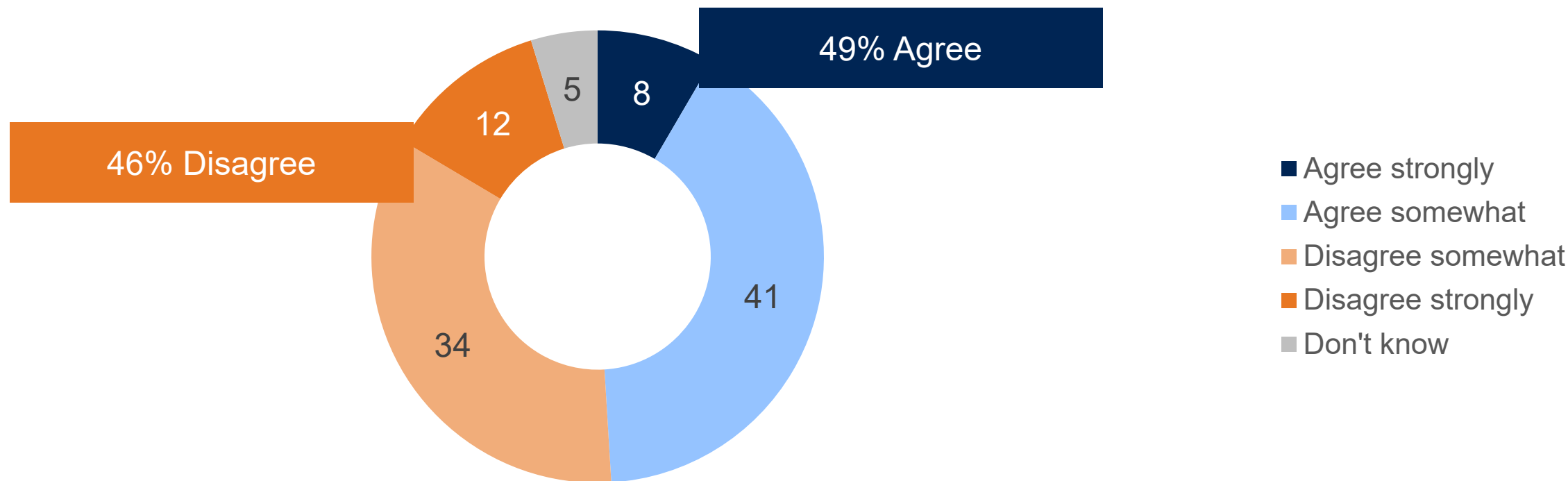
Source: Global Advisor – all countries (fob 2020)

Thinking about day to day behaviors, on a scale from ‘1’ to ‘10’, where ‘1’ means not at all and ‘10’ means a great deal, how much do you feel that the combined actions of people like you can impact each of the following ?



CITIZENS ARE SPLIT ON WHETHER LIVING SUSTAINABLY IS PRACTICAL

IN THEORY, I WANT TO LIVE MORE SUSTAINABLY BUT IT IS SIMPLY NOT PRACTICAL.



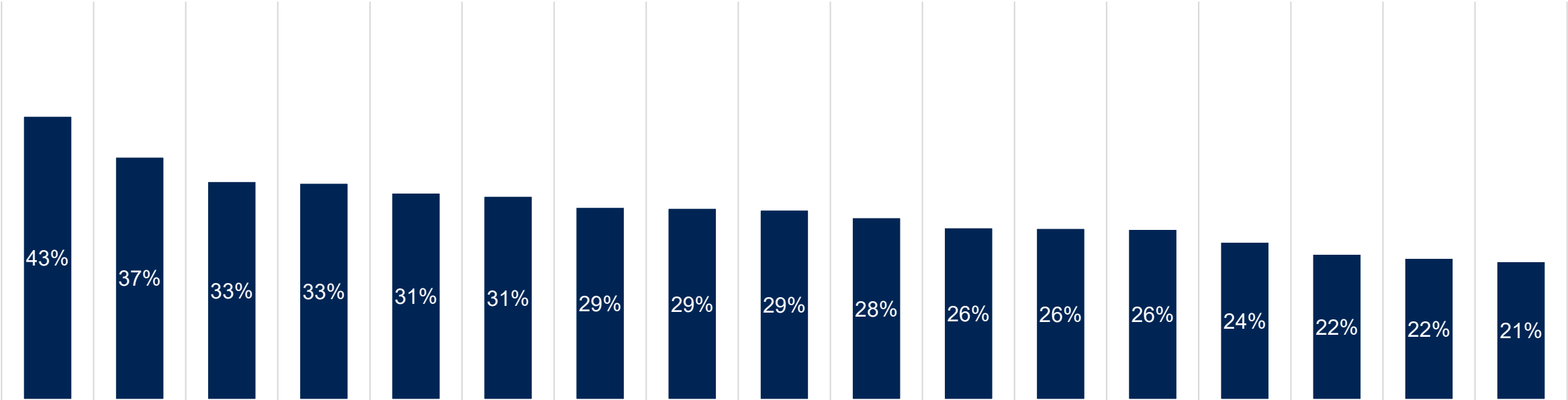
Source: Global Advisor (US only); Feb 2020

Please rate whether you agree (strongly or somewhat) or disagree (strongly or somewhat) with the following statements concerning sustainability and how you think about it.

MODERATE DISCRIMINATION AMONG COMPANIES AND THEIR SDG ACTIVITY

RATING ON COMMITMENT TO UN SUSTAINABILITY GOALS

■ High



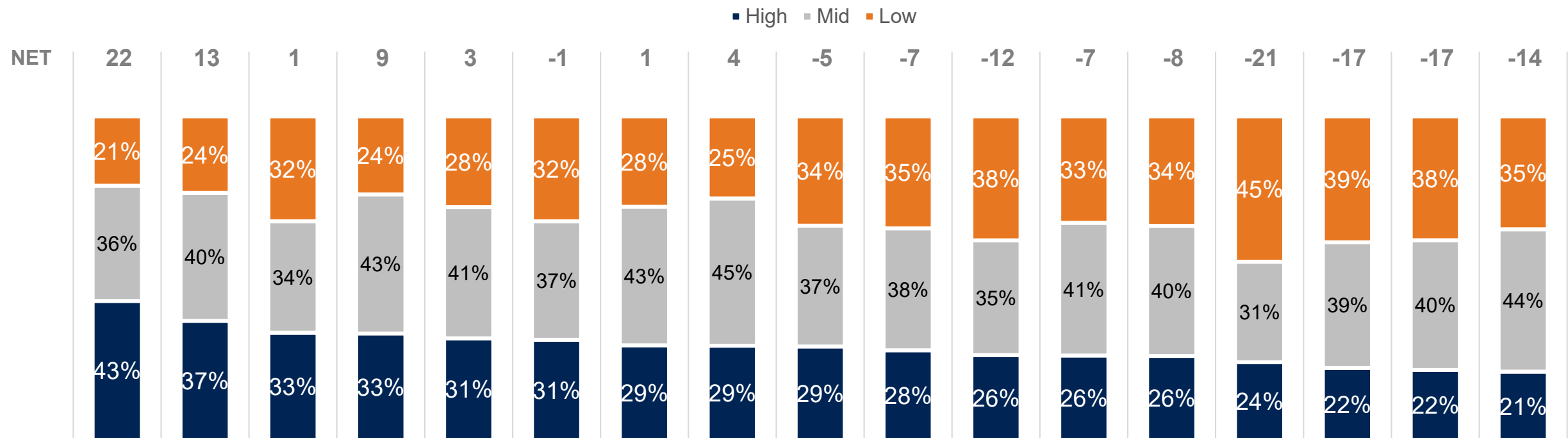
Company specific / not shown due to confidentiality

Source: Global Advisor Feb 2020 – US data only

On a scale from '1' to '10', where 1 means not committed at all and 10 means fully committed, how committed are each of the following companies or brands to the UN Sustainability Goals? Low = 1 to 4; Mid = 5,6 High = 7 to 10

MODERATE DISCRIMINATION AMONG COMPANIES AND THEIR SDG ACTIVITY

RATING ON COMMITMENT TO UN SUSTAINABILITY GOALS



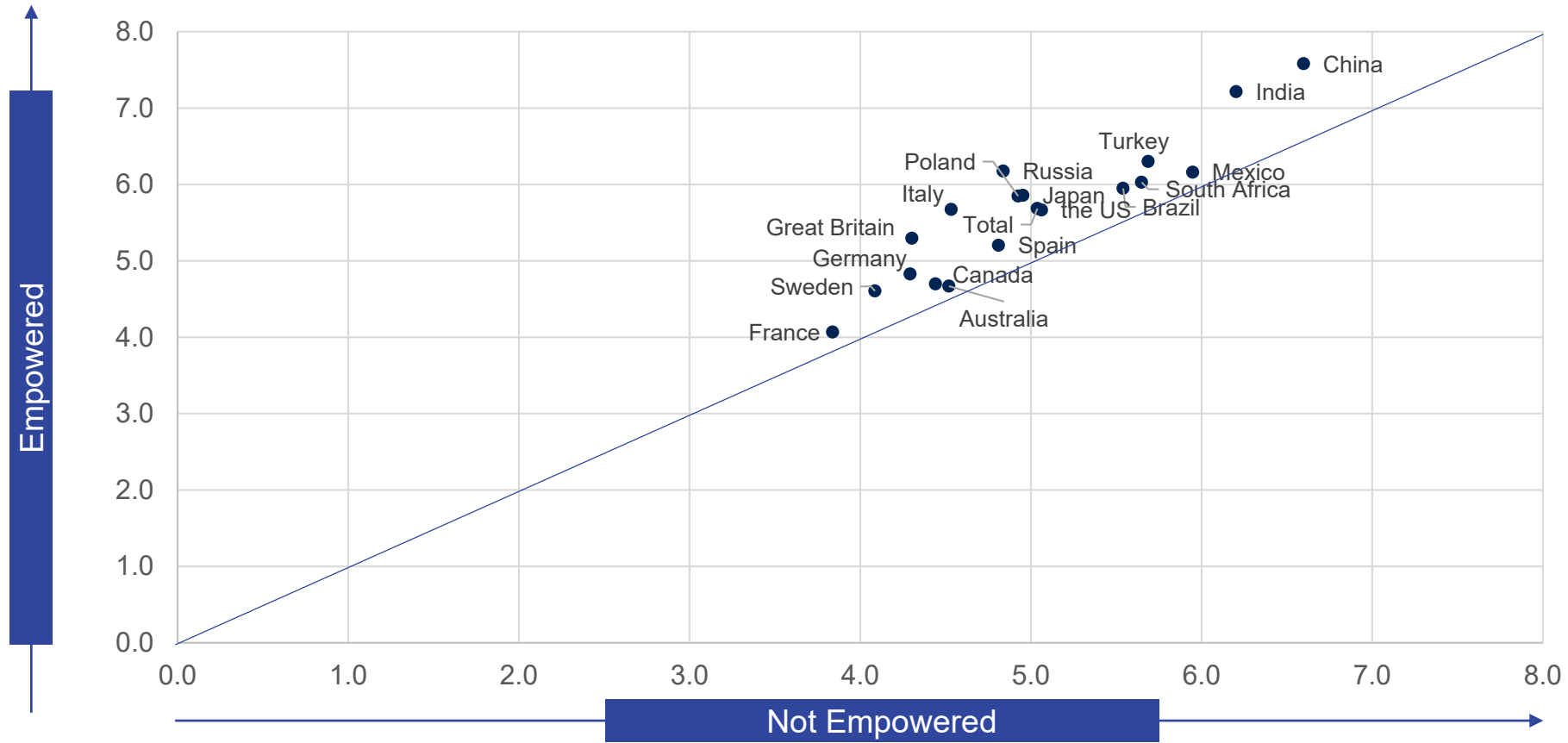
Company specific / not shown due to confidentiality

Source: Global Advisor Feb 2020

On a scale from ‘1’ to ‘10’, where 1 means not committed at all and 10 means fully committed, how committed are each of the following companies or brands to the UN Sustainability Goals? Low = 1 to 4; Mid = 5,6 High = 7 to 10

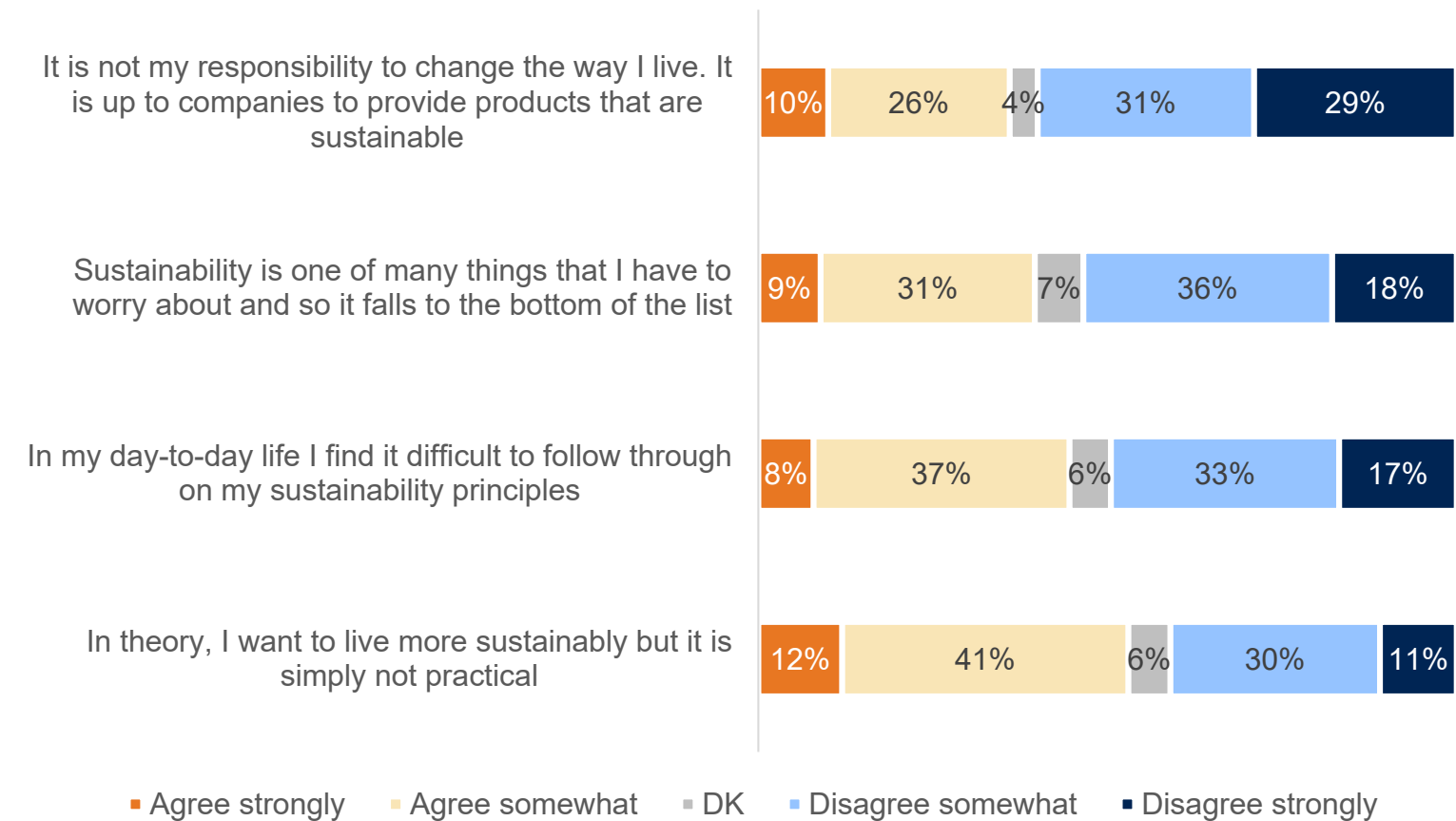
THOSE WHO FEEL EMPOWERED RATE COMPANIES MORE HIGHLY OVERALL

Average Company ratings by empowerment level



SUSTAINABILITY MOTIVATION INDEX

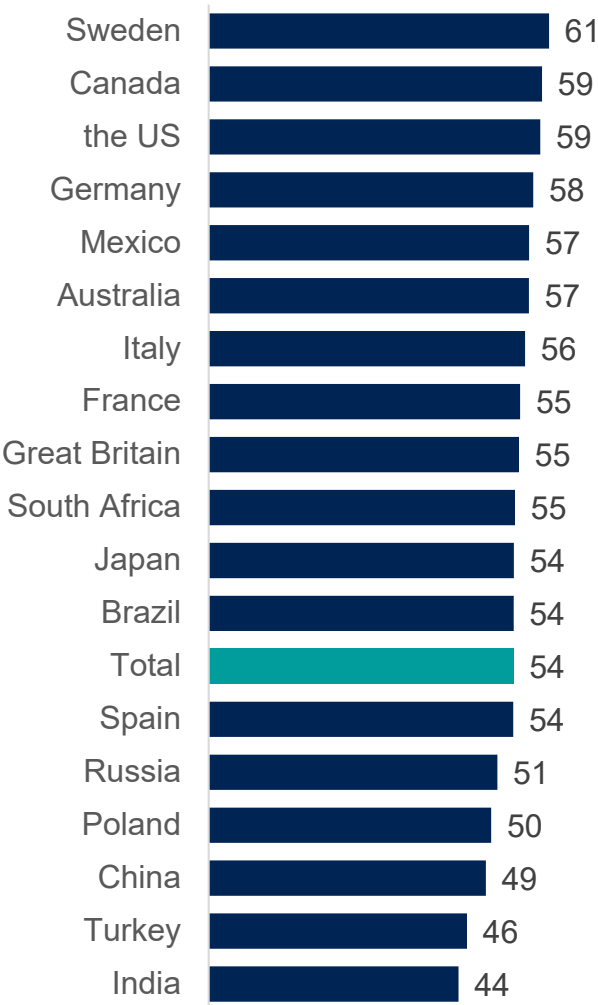
4 Statements Used In Index



Cronbach's Alpha .61

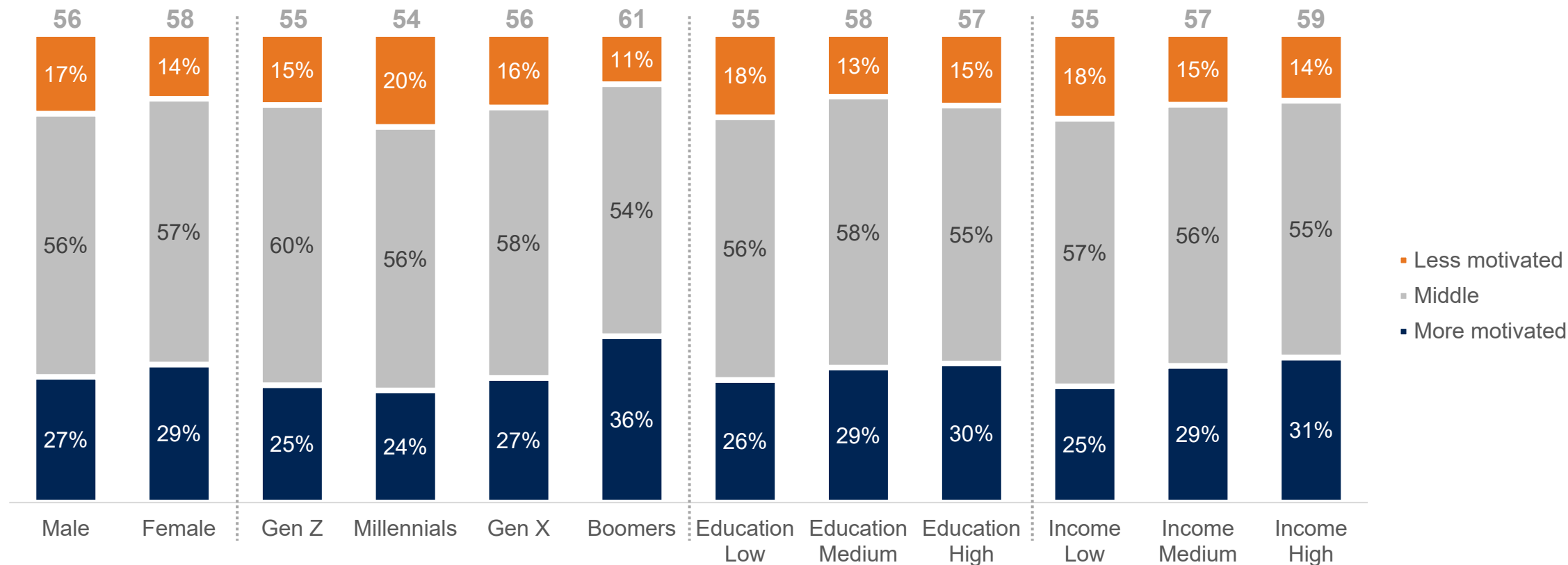
Summed into a 0 to 16 point variable, means then indexed to 0 to 100 for country scores

Motivation Score



MOTIVATION BY DEMOGRAPHICS | DEVELOPED ONLY

Global Motivation Levels



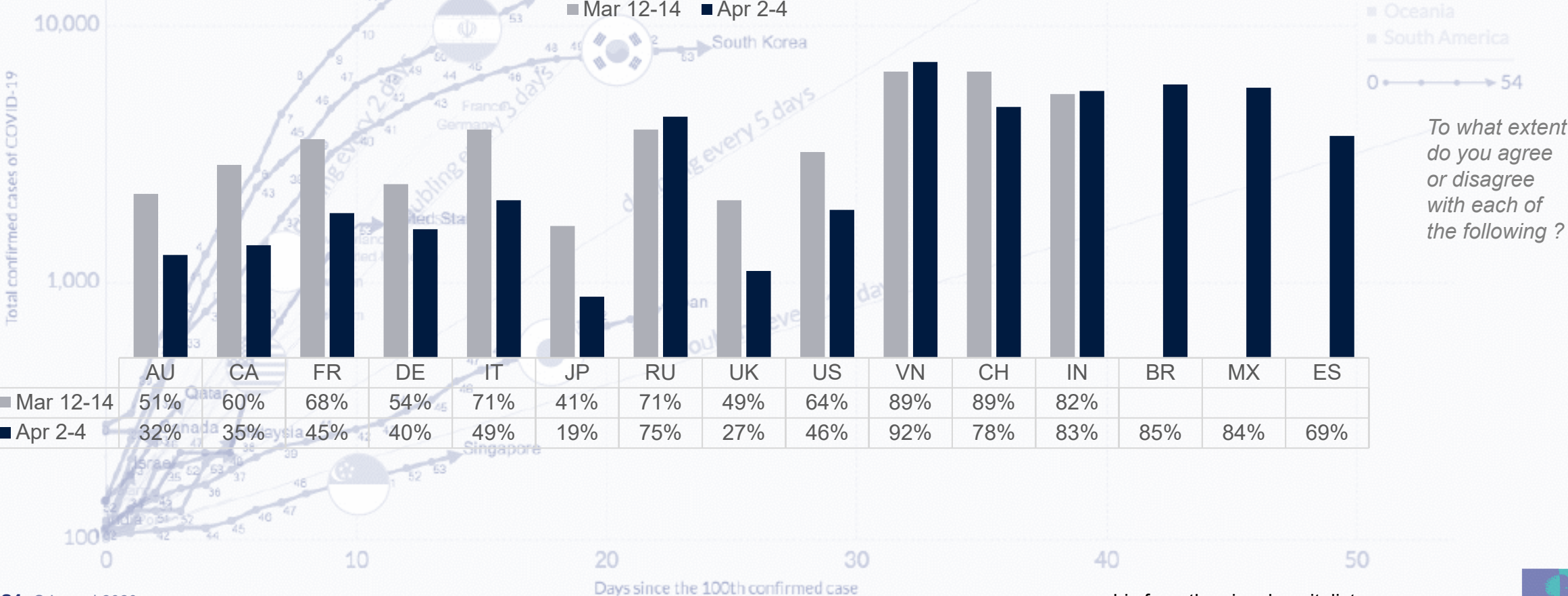
**And now
where are
we?**



THE PERCEPTION THAT THINGS WILL RETURN TO NORMAL IN JUNE, DECLINING IN MOST COUNTRIES EXCEPT RUSSIA

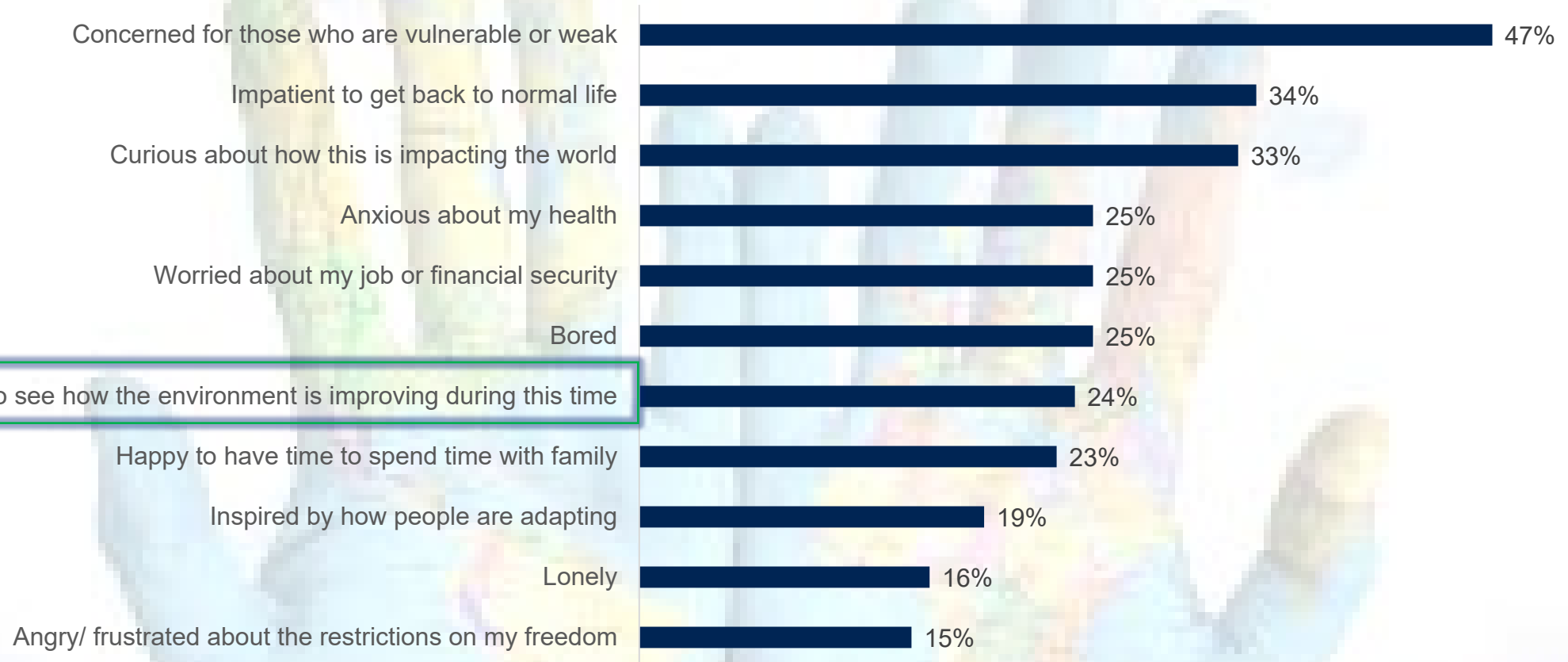
I expect things to return to normal by June

% Strongly + Somewhat Agree



ONE IN FOUR INDICATING THAT THEY FEEL HOPEFUL TO SEE THE ENVIRONMENT IMPROVING DURING THIS TIME

US Data, April 6th



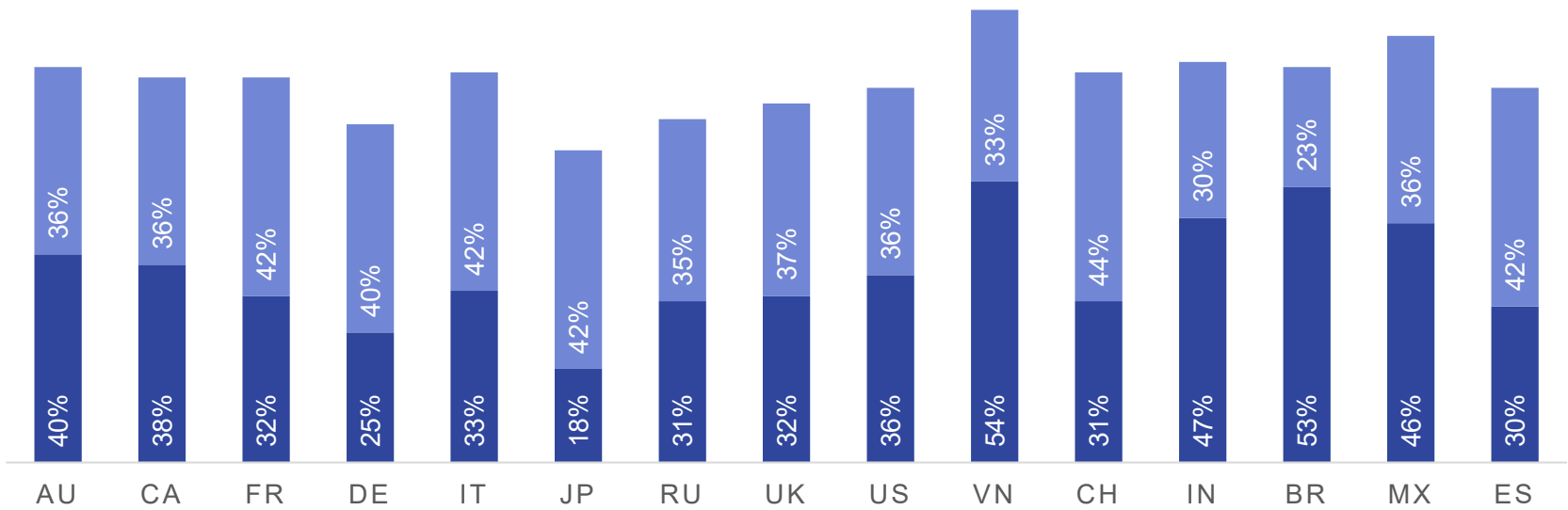
SEVEN IN TEN LIKELY - ONE IN THREE VERY LIKELY – TO MAKE A MOVE TO SHOP LOCAL

I will shop closer to home and support local businesses

% VERY + SOMEWHAT LIKELY

Global data, April 4th

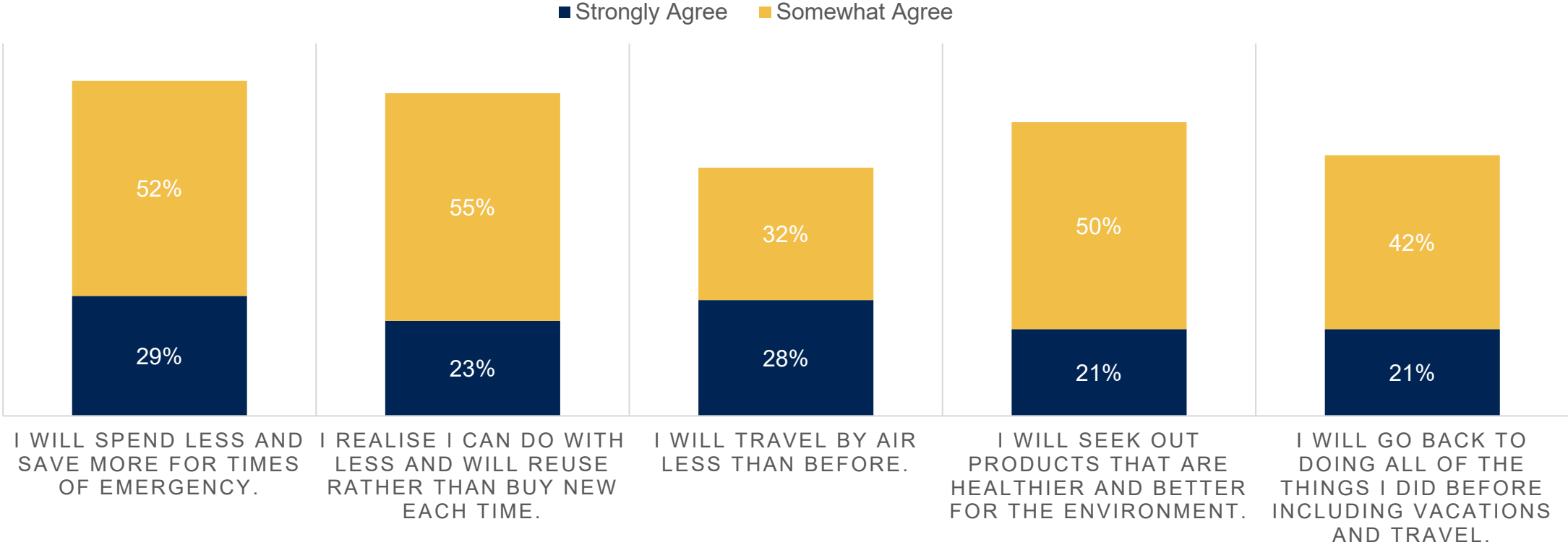
■ % Very likely ■ % Somewhat Likely



How likely or unlikely do you think each of the following are to occur as a result of the Coronavirus or COVID-19?

PEOPLE REPORT CHANGES IN SOME BEHAVIOURS, BUT ALSO A RETURN TO VACATIONS AND TRAVEL.

US Data, April 6th



BUT SEEING CONTRADICTIONS

US Data, April 6th

Will go back to doing all the things I did before

Will NOT go back to doing all the things I did before

Will travel less by air than before

37%

23%

Will NOT travel less by air than before

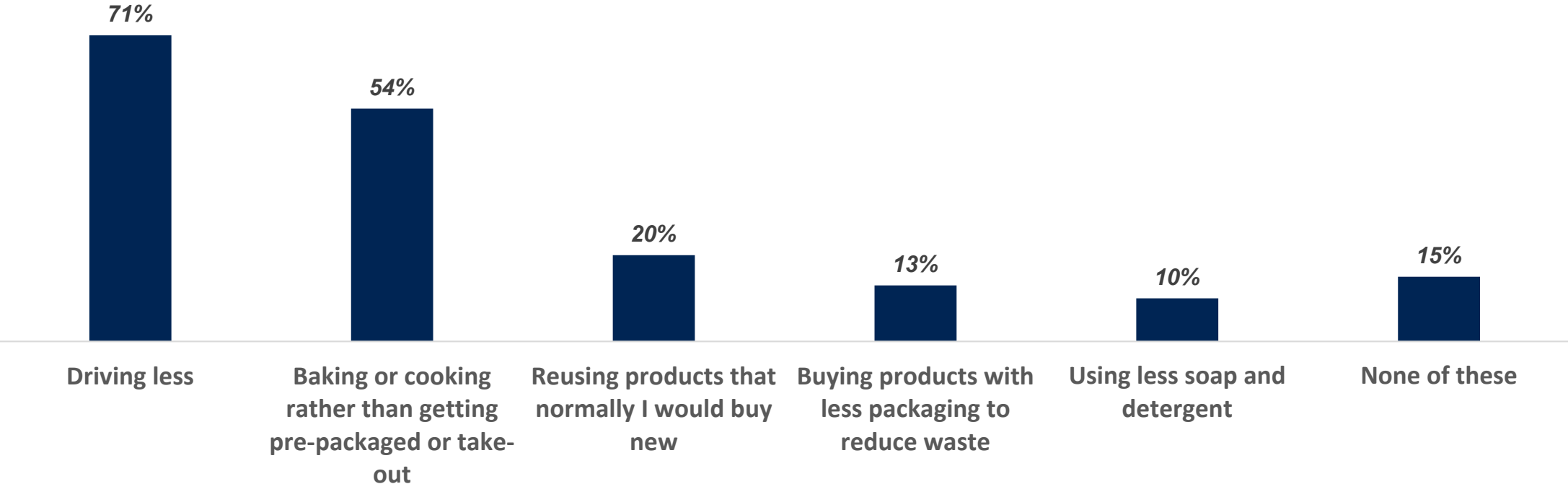
29%

11%

RELATIVELY LOW ENGAGEMENT ON SUSTAINABLE BEHAVIOURS

US Data, April 6th

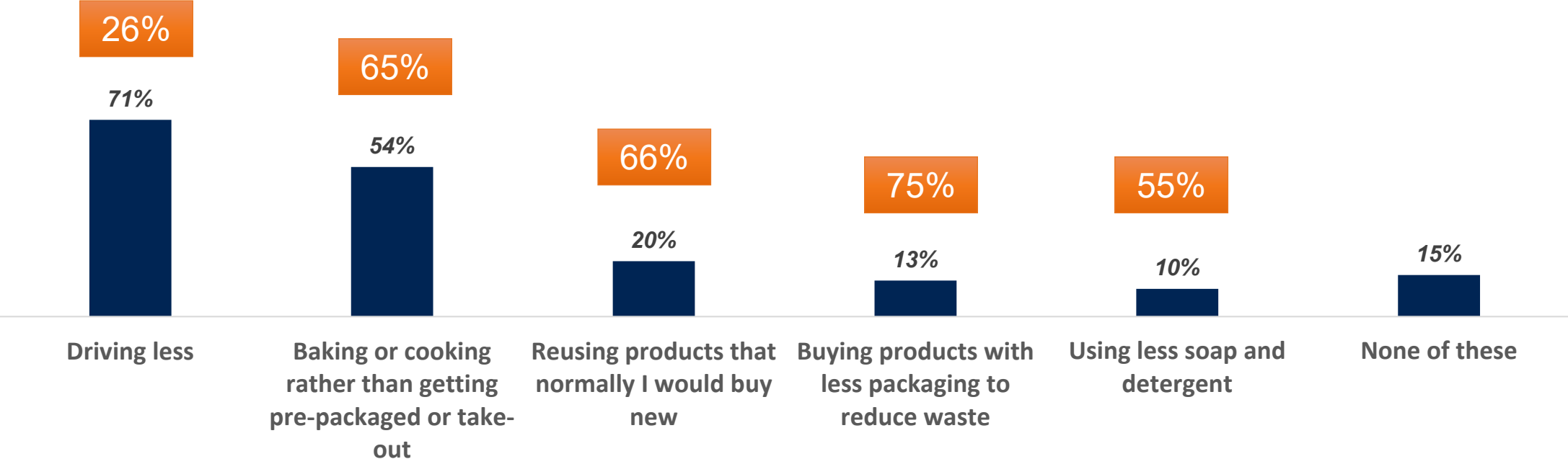
Are you doing this during these times of crisis?



TWO IN THREE INDICATE THEY WILL CONTINUE REUSE AND BUYING PRODUCTS WITH LESS PACKAGING.

US Data, April 6th

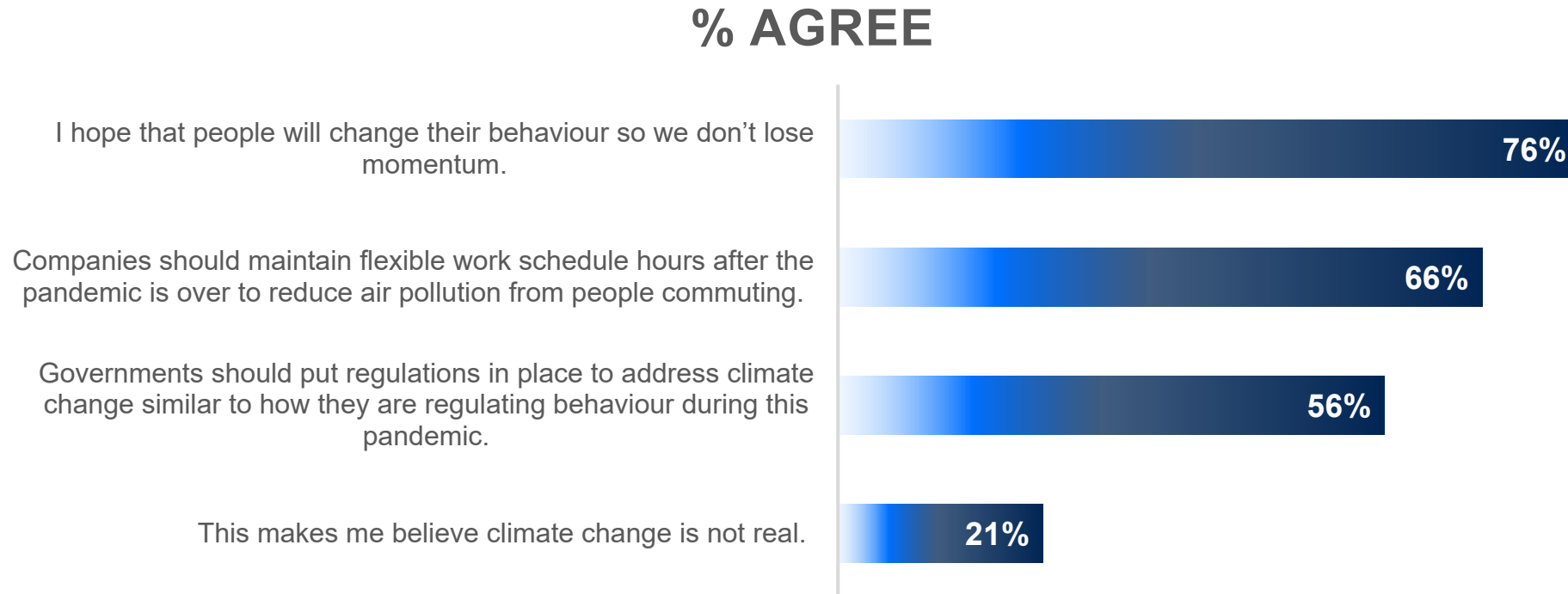
Are you doing this during these times of crisis?
+ will continue to do after the pandemic



A HOPEFUL PUBLIC

There have been recent news stories about noticeable drop in air pollution, cleaner waters and other climate changes while there are restrictions on travel and activity.

US Data, April 6th

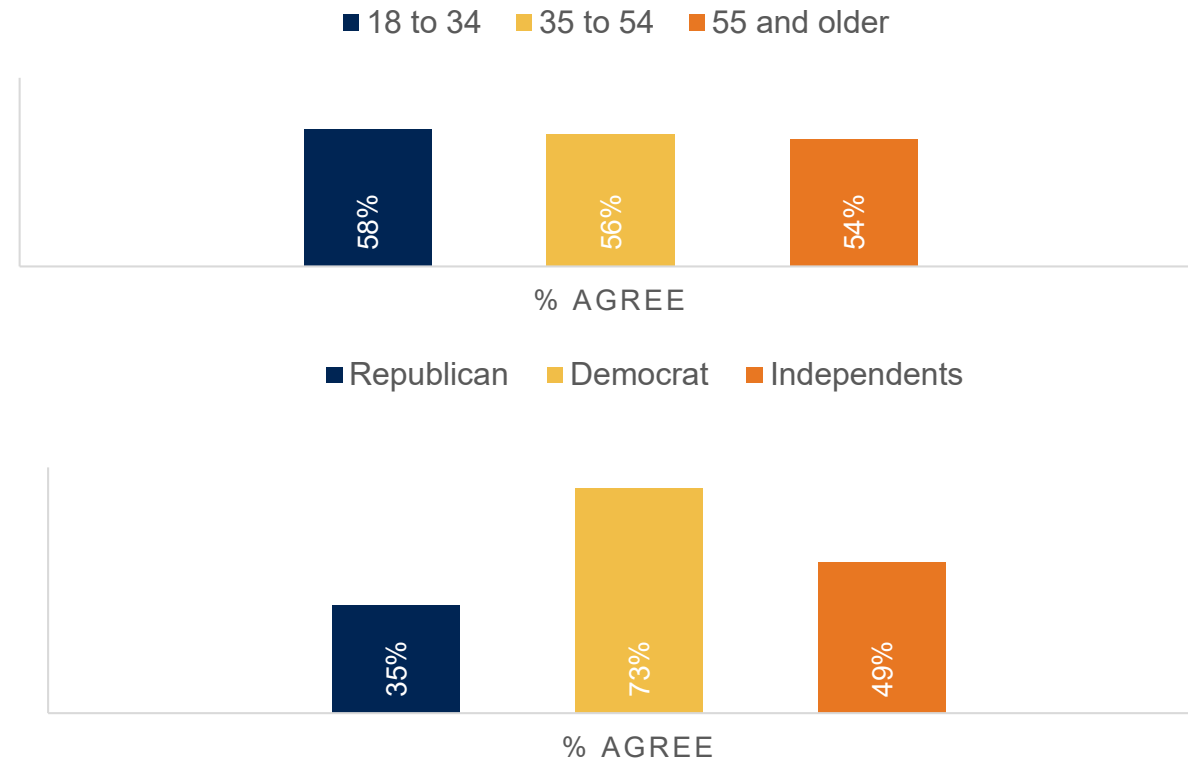


REGULATION HAS MIXED VIEWS

There have been recent news stories about noticeable drop in air pollution, cleaner waters and other climate changes while there are restrictions on travel and activity.

Governments should put regulations in place to address climate change similar to how they are regulating behaviour during this pandemic.

US Data, April 6th



EVEN DURING A PANDEMIC, CONSUMERS WORRY ABOUT CLIMATE CHANGE AND WANT TO HEAR WHAT COMPANIES ARE DOING TO ADDRESS IT

"My most important concerns are the climate crisis, the wildlife crisis, and the environmental degradation this country seems intent on."

- Ipsos Syndicated Community Member

"What they are doing to save the planet."

- Ipsos Syndicated Community Member

"What they are actually doing to save and take care of our environment."

- Ipsos Syndicated Community Member

"Sustainable, sourcing locally, contributing to their communities"

- Ipsos Syndicated Community Member



Source: US Syndicated Community (Fresh Lab) COVID-19 Discussion Boards

IN SOCIAL CONVERSATION RELATED TO COVID-19, POLLUTION AND RECYCLING COME UP LINKED TO DEALING WITH THE VIRUS

In conversation related to COVID-19 this past month, we see more mentions of Air Pollution and Recycling than about Food Delivery and Takeout.

Air Pollution

Air pollution is a discussed concern, given higher death risk to Coronavirus patients. There is conversation about improvement of air quality in various parts of the world, including in some of America's biggest cities. Improving environmental health is seen as the bittersweet upside to COVID-19.

"Wow... Earth is recovering - Air pollution is slowing down
- Water pollution is clearing up - Natural wildlife returning home
Coronavirus is Earth's vaccine We're the virus"

"Nature is taking a breath when the rest of us are holding ours." @marinakoren reports on the strange ways the natural world is already feeling the effects of the pandemic."

Recycling

Recycling and reusable items are being discussed in the context of safety. People are sharing ways to make reusable face masks, safely store food bought from the store, and how to clean reusable bags. Medical professionals have been forced to recycle protective gear as a result of supply shortages which comes up as well.

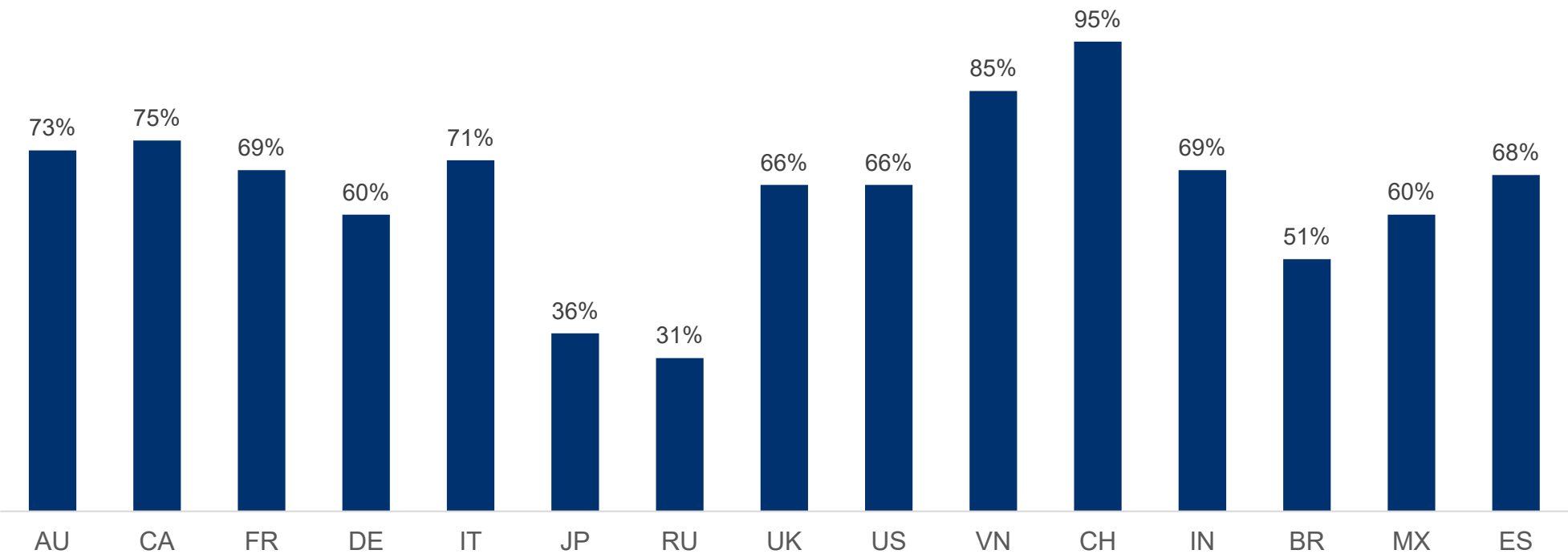
"The only thing needed to make this face mask is fabric! It has a unique pocket that you can choose to add, and because it is made from fabric, it is washable and reusable."

"Are reusable bags risky? Many people use reusable bags as a responsible choice. We do this in my family as well. It's a best practice (even before the times of pandemic) to wash your reusable bags on a regular basis."

BUSINESS SEEN AS PERFORMING WELL IN THE MIDST OF THE CRISIS.

Performance of Businesses in my country

% Very Good + Good Job; April 6th



How good or poor a job is each of the following doing to contain the spread of the virus?

WHAT'S NEXT?

LESSONS FROM CHINA

The epidemic has also promoted changes in social values
People now pay more attention to health and a peaceful life

64% Say COVID-19 has affected their social values

N=1512

Impact of the epidemic on Chinese social values

N=1408



LESSONS FROM CHINA

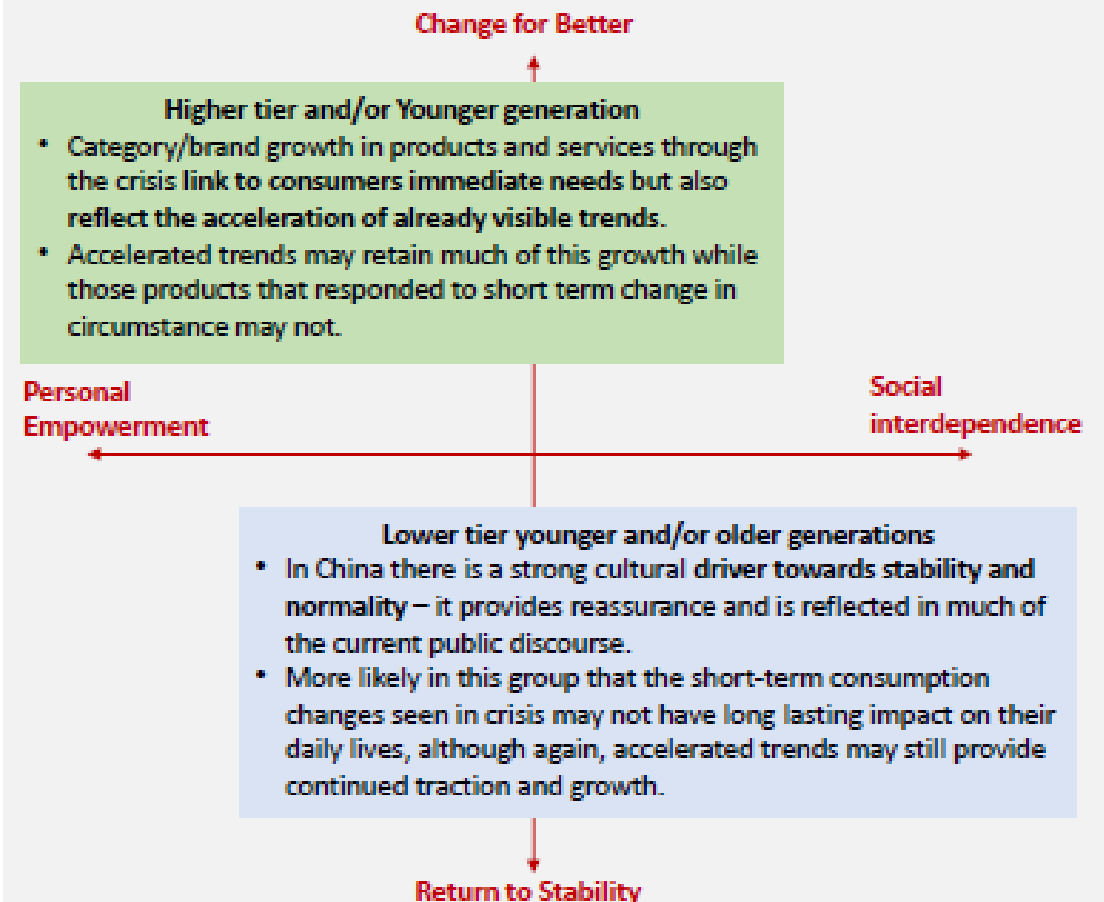
We may see more lasting changes from younger/high tier groups

Who feel more personally empowered, seek betterment and are driven by long term trends, not just short-term need

An existing growth trend that accelerated in the crisis was the growth of dairy products (driven by perceived health and immunity benefits and facilitated by longer life UHT/ambient formats). We may see this lift in consumption gain traction post crisis.

Whereas, hand sanitizers saw huge growth but may not sustain all of this outside of the crisis (aside from cosmetic branded, functional sanitizing gels which may have secured a place in some repertoires by accelerating an existing premiumization trend.)

25 © 2019 Ipsos.



LESSONS FROM CHINA

How closely will Western markets follow the patterns we have seen in China?



GETTING RESPONSIBILITY RIGHT

Authenticity

- ✓ Utilize business know-how to drive change
- ✓ Focus on business value chain
- ✓ In-line with company mission and brand

Credibility

- ✓ Co-creation with partners and interest groups
- ✓ Alignment with external realities

Effectiveness

- ✓ Generate goodwill amongst consumers, employees, and public
- ✓ Create social change
- ✓ Drive business sustainability

WHERE DID THE DATA COME FROM?



Global Polling

Weekly polling in 15 countries on COVID-19

Global Advisor core services

Omnibus services

Ipsos Global Reputation Monitor



Online Community

- Weekly qualitative tracking of consumer behaviors and emotions based on **syndicated** community feedback w/ options for **custom questions** and **fully customized brand studies**. Provides **rich verbatim** and a glimpse into the **dynamic, human experience** in the time of CV-19.



Social Intelligence Analytics

Custom daily or weekly reports using social conversation data about CV-19 in context of specific brand and category OR **syndicated SIA CV-19 social tracking** (w/ option for brand-specific custom insights).

RISE – Reputation Intelligence for Strategic Evaluation – platform for the integration of non-survey and survey data

ADDRESSING THE SUSTAINABILITY BUSINESS ISSUES

IPSOS' TOTAL UNDERSTANDING OF PEOPLE, MARKET, SOCIETY

People act as citizens and as consumers but a behaviour gap with opinions often varying from actions

Markets require a focus on consumer demand, a sustainable supply chain and responsible practices

Society and external forces are at play including regulation, social media, political engagement



THANK YOU

GAME CHANGERS

