

FROM OBLIGATION TO OPPORTUNITY

**Three Steps to
Ensuring Sustainability
Drives Growth**





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In boardrooms across the globe, the conversation around sustainability has fundamentally shifted. What was once a peripheral concern, a matter of compliance or corporate philanthropy, has now become a central pillar of long-term business strategy. Our work at Ipsos has shown that this evolution is no longer just about managing risk or reputation; it's about unlocking new avenues for growth, innovation, and deeper customer connection.

However, the path to transforming sustainability initiatives into tangible business value is often fraught with challenges. Many companies have struggled to move beyond well-intentioned gestures to create programs that resonate with consumers, inspire employees, and deliver measurable returns.

The key lies in a strategic, three-step approach: first, building a solid foundation by deeply understanding the consumer landscape; second, designing authentic and inclusive programs that create genuine value; and third, implementing robust measurement systems to track impact and fuel a cycle of continuous improvement.

STEP 1

Understanding Your Consumer Landscape

The foundation of any effective sustainability strategy that aims to drive growth is understanding its role in consumer decision-making. While a significant number of consumers express a desire for sustainable products, their purchasing behavior is more complex. Even though studies show that some consumers will state a willingness to pay more for sustainably sourced goods, there is also a well-documented "intention-action" gap, where stated ethical and environmental preferences don't always translate into behaviour at the checkout counter.

At Ipsos we recognize that "sustainability sells, but not on its own." For the majority of consumers, sustainability functions as a powerful co-benefit rather than the primary driver of a purchase. It can also be a 'deal breaker' when two options are being considered. People remain motivated to purchase by traditional factors like price, quality, and convenience. Therefore, the most successful sustainability messages are those that connect environmental or social benefits to personal gains, such as health, safety, or cost savings.

To bridge this gap, companies must move beyond a one-size-fits-all approach. At Ipsos we have identified 5 distinct ESG consumer segments, from highly engaged "Activists" to the uninterested "Disengaged Distancers."



However, the greatest opportunity for growth lies with the "ESG middle ground"—a significant portion of the market that is open to sustainable choices but needs to be convinced of the personal value and educated as to the steps they can take to make a difference. These consumers want to do what's best for the planet but still prioritize things like convenience and cost.

Targeting this middle ground requires clear, relatable communication that avoids confusing jargon. When sustainability claims are not linked to personal relevance, they often fail to influence behavior. By framing sustainability in terms that matter to the individual, companies can make it an accessible and compelling part of their value proposition, turning passive interest into active purchasing and enhanced brand value.

STEP 2

Build Authentic and Inclusive Programs That Drive Value

With a solid understanding of the consumer landscape, the next step is to build sustainability programs that are authentic, credible, and deeply integrated into the business. It is paramount that the CSO and CMO functions are closely aligned because there is no room for confusion in an era of heightened scrutiny and political polarization. Authenticity is paramount. Initiatives that appear disconnected from a company's core operations risk being dismissed as "greenwashing" or performative activism.

Authentic sustainability programs are:

- **Pertinent:** They are directly relevant to the company's industry, brand, products, and business model.
- **Credible:** They are supported by transparent actions, measurable data, and clear reporting.
- **Effective:** They deliver real-world impact rather than just symbolic gestures.

When sustainability is woven into the fabric of a company's operations, from supply chain management to product innovation, it becomes a natural extension of the brand's purpose. This integration not only builds trust but also serves as a powerful catalyst for innovation, pushing companies to develop new solutions that can open new markets and revenue streams.



Furthermore, the most impactful sustainability programs are designed with inclusion and accessibility at their core. Brands that authentically represent diverse communities are not only perceived more favorably but also build stronger customer loyalty.

This principle extends beyond marketing. Accessibility represents a large untapped market that companies often fail to reach due to homepages that have accessibility failures. By prioritizing web accessibility, companies can expand their reach, improve user experience for everyone, and advance social equity, turning a moral imperative into a competitive advantage.

STEP 3

Measure Impact and Amplify Results for Long-Term Growth

The final step is to measure the impact of sustainability initiatives and communicate the results effectively. Regulatory frameworks across the globe require companies to provide detailed, audited disclosures on their ESG performance. However, the true value of measurement extends far beyond compliance. It is a strategic tool that provides the insights needed to refine programs, allocate resources effectively, and demonstrate the business case for sustainability. Effective measurement involves setting clear objectives, establishing baseline metrics, and tracking both short-term business KPIs and long-term indicators of social and environmental impact.

Leading organizations are creating a "virtuous cycle of improvement." They use data and insights from their sustainability program evaluations to inform strategic decisions, drive innovation, and enhance operational efficiency. This requires integrating sustainability metrics into core business functions and creating governance structures that hold leadership accountable for both financial and non-financial performance.

Communicating this impact is just as crucial. The story of a company's sustainability journey must be clear, compelling, and relevant to stakeholders, especially consumers. This means focusing on tangible achievements, using accessible language, and being transparent about both successes and challenges.



By making the impact of sustainability clear and relatable, companies can build deep, lasting trust and differentiate themselves in a crowded marketplace.

In conclusion, the journey to making sustainability a driver of growth is a strategic endeavor that demands commitment, insight, and a willingness to integrate purpose into every facet of the business. By understanding the motivations of consumers, building authentic and inclusive programs, and rigorously measuring and communicating impact, companies can move beyond obligation to seize the immense opportunities of a sustainable future.

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