

empauer
a Selerant company

The State of Sustainability

Empauer Sustainability Survey 2018

Introduction

We're delighted to present the findings of the Empauer Global Sustainability Survey.

The survey captures the optimism of industry, championing sustainability driven by consumer demand with the support of willing leaders tempered by commercial realities.

Yet the enthusiastic embrace of ambitious sustainability goals masks some more fundamental questions about companies commitment to the cause and how they are prioritized.

Surprisingly, over half of the respondents fail to formally measure sustainability and environmental impacts despite the majority claiming that their company outperforms the industry.

The survey found a lack of knowledge about measurement tools. Misconceptions about the costs, resources, training and which ones to use all contributed to the problem.

We hope this report challenges some perceptions and encourages companies to think more deeply about how they act to deliver a more sustainable future.

Finally, we wish to thank all of the survey participants and invite you to share the findings freely among your peers to reflect upon about your sustainability program and identify areas for future development.



Victor Barichello
Director, Empauer

For the past decade we have been in a unique position to see the definition of sustainability evolve and creep into multiple industries. What began as a buzzword, slowly became a business practice. We've watched how our packaging clients have responded to growing demand from consumers and retailers alike. Those who understood the long-term value to the environment, as well as their bottom line, were ahead of the curve as demand increased. What they have also taught us is that some of the smallest changes can yield the biggest results. However, in recent years we have also seen the conversation unfortunately fade.

With a keen understanding of both the economic and environmental benefits, we felt it was important to reinvigorate the discussion. This survey reinforces its significance across the globe while simultaneously shining light again on the need for further dialogue. We are honored for the opportunity to help bring this perspective to the industry at large and hope it helps inspire further change.



Simona Georgescu
President, Adduco Communications

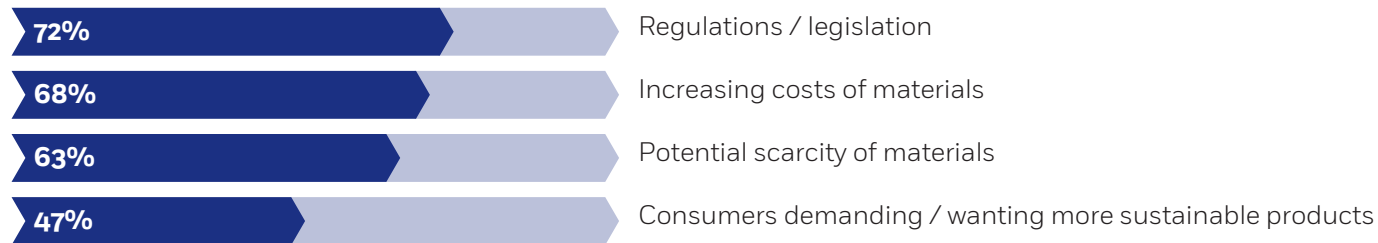
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Regulations and costs drive sustainable solutions

The survey highlights that business will act on sustainability issues if either forced or compelled to by legislation or, if financial benefits are identified and cost savings are realised.

Q: What do you consider as the main drivers of sustainability?



Product development professionals believe regulation / legislation (77%) is the greatest driver of a sustainability programme but sales and marketing executives are less convinced ranking it the lowest. Sustainability professionals agree that regulation and legislative change, and the potential scarcity of material shapes the sustainability agenda.

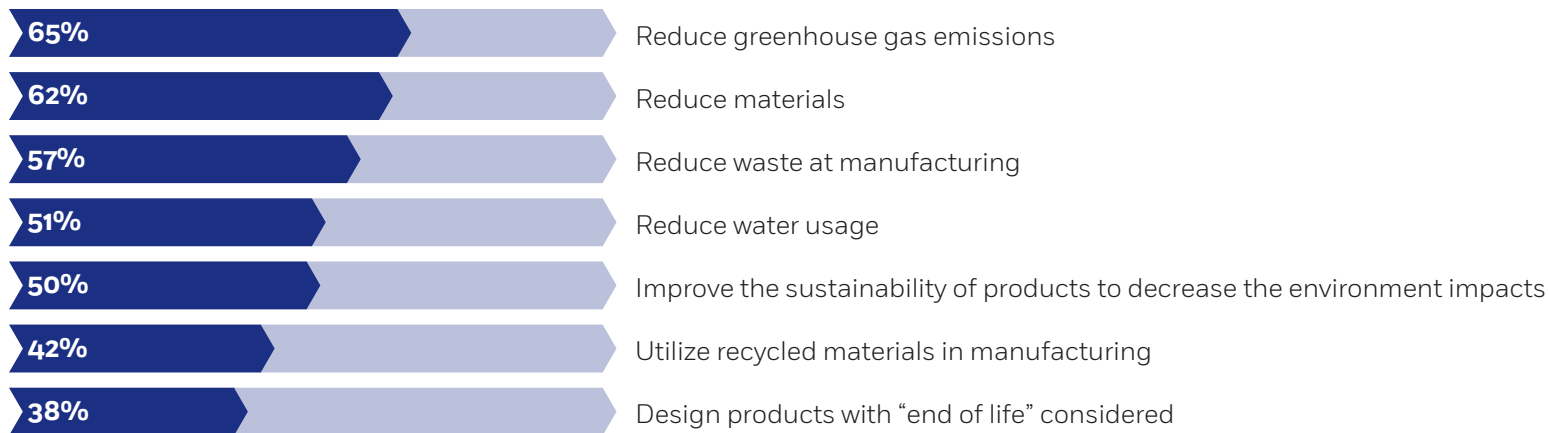
Recycled content, designing for end of life not a priority

Greenhouse gas reduction topped our survey as the most important matter companies address, signaling industry is focused to reduce emissions in line with the ambition of the Paris Agreement on climate change.

50% of respondents identified improving the sustainability of products in the design phase as a goal.

While legislators around the world move against plastics and regulate to tackle waste our survey shows industry isn't prioritizing recycling or designing for end of life.

Q: What are your company's sustainability goals?

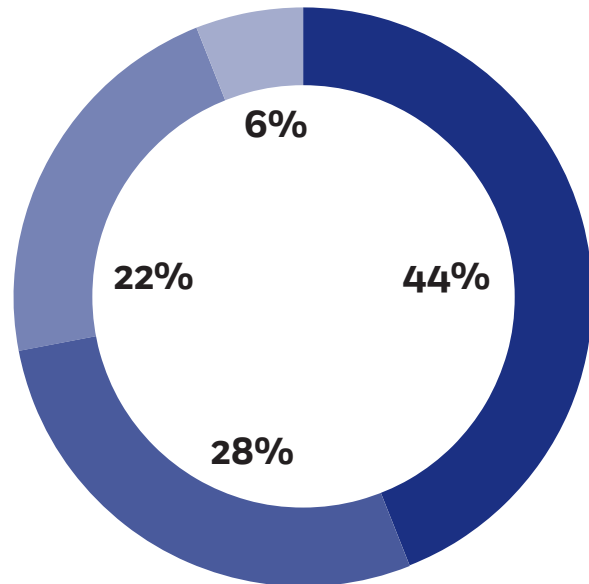


Less than 40% confirmed they design with end of life in mind.

Part-time commitment to sustainability

Respondents signaled a lukewarm commitment to addressing sustainability with only 44% employing full time in-house resources to focus on the issue. More than 20% surveyed had no sustainability resource in their business.

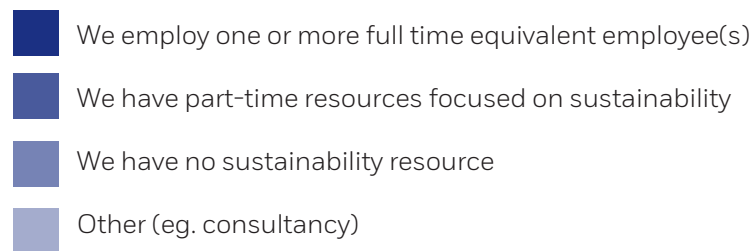
Q: Does your organization have the necessary internal staff and skills to determine the sustainability of your activities?



Rhetoric not matched by reality, research

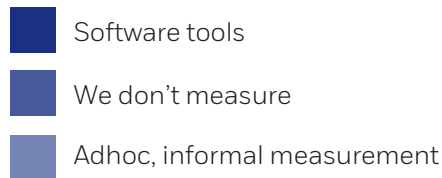
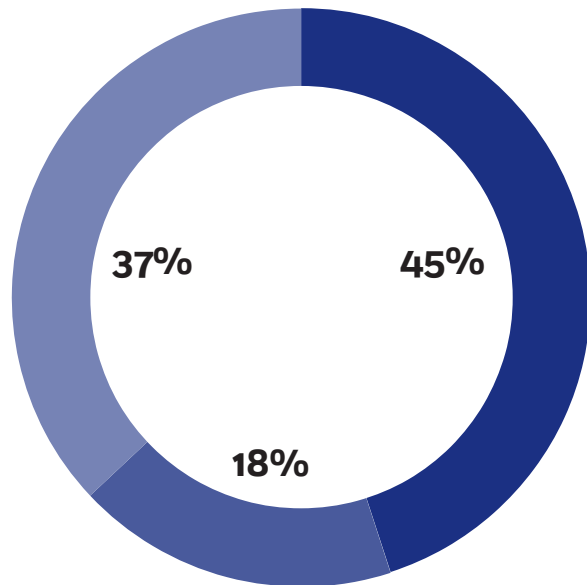
Respondents in almost every sector believe their company outperforms their industry in sustainability and their activity to tackle the challenges industry faces.

The exception to this were automotive and pharmaceuticals which have the buy-in across their organizations from C-suite executives down to operational teams.



Measurement mismatch stymies comparative studies and true accountability

Q: How do you assess the environmental impacts of your business and track progress towards sustainability goals?



Over half of the companies surveyed (55%) have an ad-hoc, informal or no measurement of sustainability goals.

Only 45% have software tools to provide reliable and consistent measurement of performance.

These findings come as the majority of companies surveyed believe they are outperforming industry. This is despite less than half formally measuring results and only one-third benchmarking against competitors.

The lack of reliable and consistent reporting makes measurement of industry performance challenging, especially when more than half do not have access to professional measurement tools.

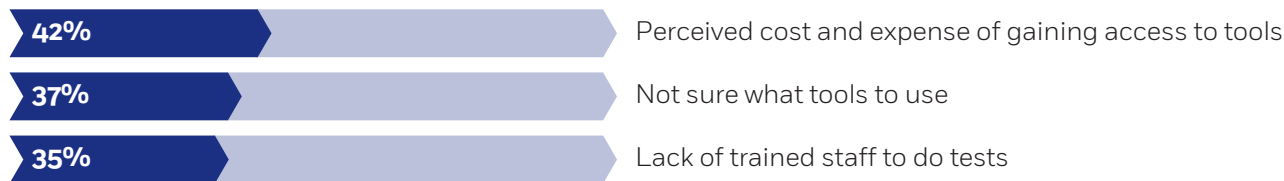
Industry must commit to tools, training

Despite companies citing a strong commitment to sustainability the survey reveals a different picture. This was evidenced by the lack of full-time internal resources and the reliance on ad-hoc activities.

More than one-third of respondents claimed the lack of trained staff (35%) or knowledge of tools (37%) were the reason why their company did not use specialist tools to measure environmental impacts.

42% claimed the perceived cost to access tools was a barrier.

Q: What do you believe to be the reason why your company does not use specialist tools to measure the environmental impacts of its activities?



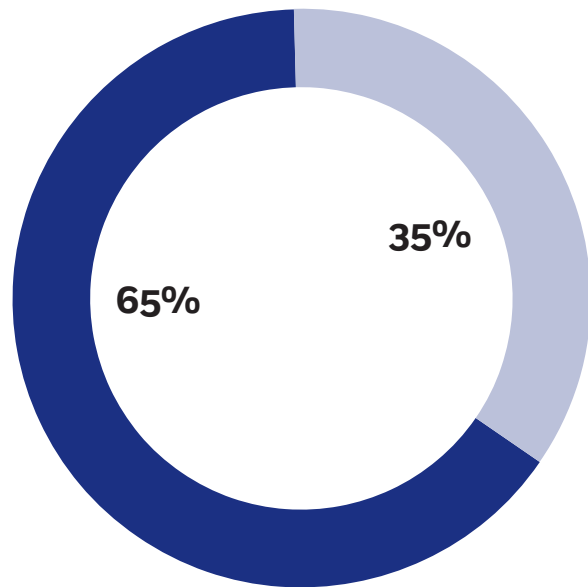
Leading organizations have implemented cost effective global platforms, that integrate with existing internal product management processes, which develop and empower staff to drive sustainability outcomes for the organization.

For more information how to achieve these contact Empauer at info@empauer.com or +61 3 9020 7295.

One-third of SMEs reluctant to report on environmental performance

Over one-third of companies (35%) surveyed don't report their environmental performance with over half citing lack of legislative requirements or commercial pressure as the cause.

Q: Does your company report its environmental performance?



- Report environmental performance
- Do not report environmental performance

Q: Why doesn't your company report on environmental performance?



Q: How does your company report environmental performance?



Internal targets beat out market benchmarks

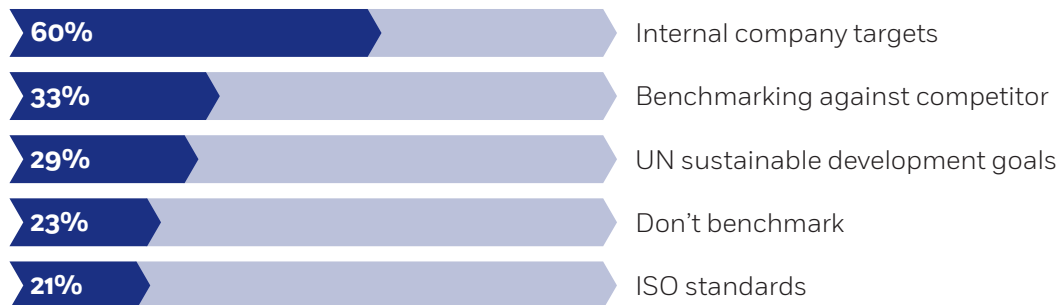
Benchmarking environmental progress remains a challenge for business with little sign of an agreed methodology or metric.

More than one in five of those surveyed have no benchmarking. Only 21% identified ISO standards as a benchmark, while 29% use the UN Sustainable Development Goals as their north star.

Benchmarking against competitors was favoured by one-third of respondents.

The favoured approach was the benchmark against internal targets.

Q: How do you benchmark your environmental progress?



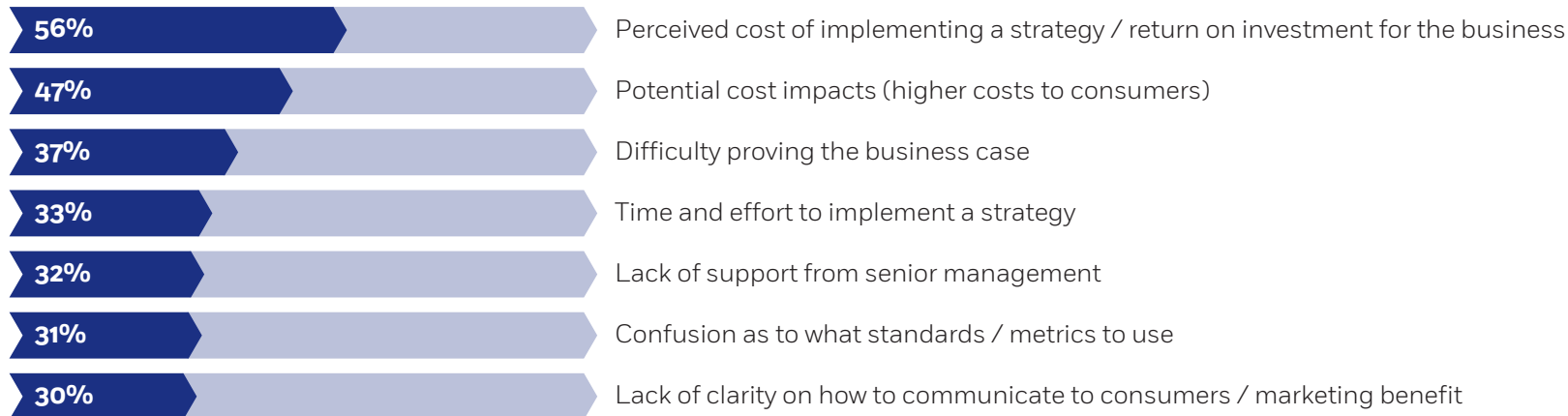
Cost burdens barrier to progress

Opinion is split on the barriers to implementing a sustainability strategy, but all agree cost is a major factor.

Product designers (74%) and supply chain professionals (68%) were the most likely to express concern about potential cost impacts (higher costs to consumers) as hurdles for advancing a sustainability programme, with sustainability professionals citing the same concerns.

C-suite and Board Members surveyed identified the increasing cost of materials (72%) as their primary concern.

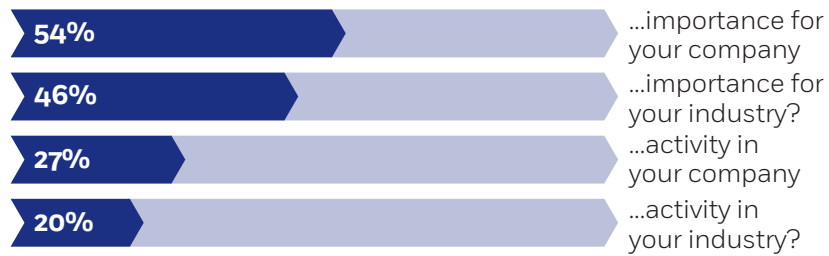
Q: What do you believe may be a barrier to implementing a sustainability strategy for your business?



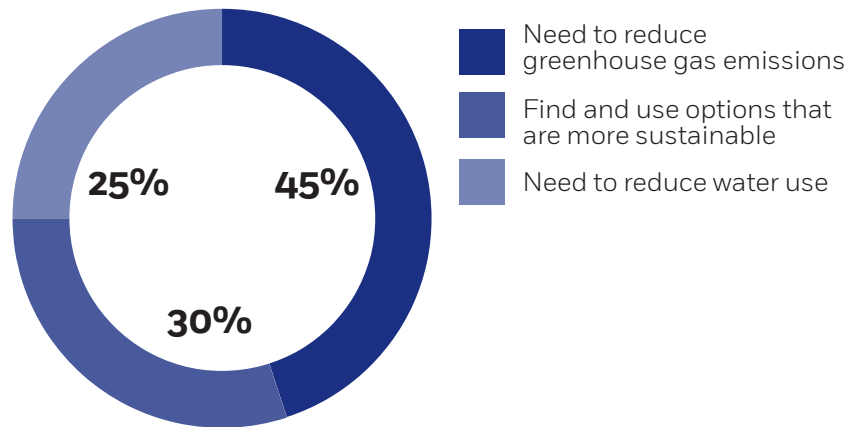
Spotlight on: Apparel

The apparel industry believes that it has the significant barriers to implementing a sustainability strategy, but receives a high level of senior management support.

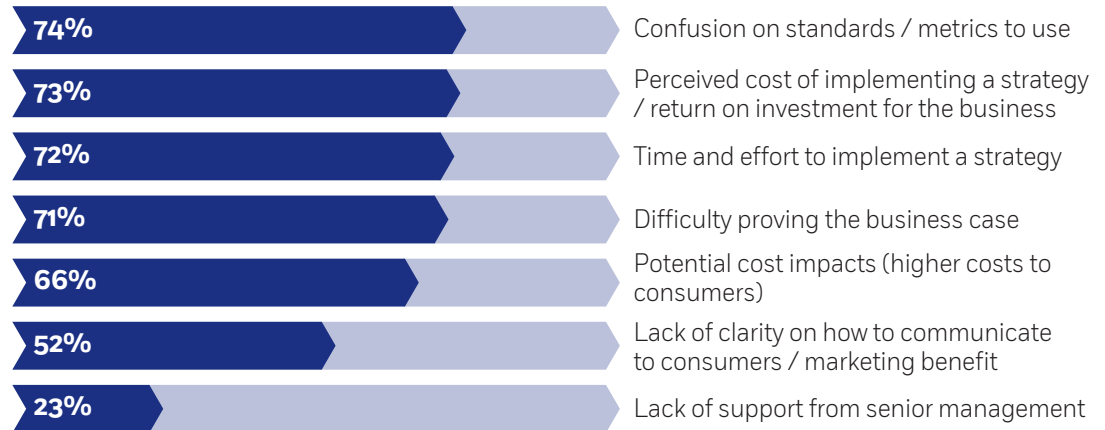
Q: How do you rate sustainability...



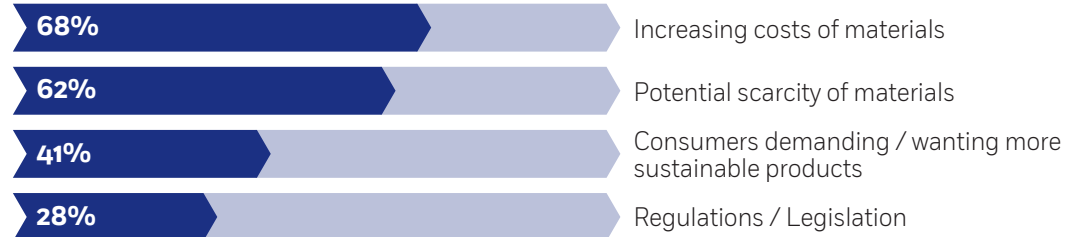
Q: What do you believe is the biggest environmental issue industry faces?



Q: What do you believe may be a barrier to implementing a sustainability strategy for your business?



Q: What do you consider as the main drivers of sustainability?



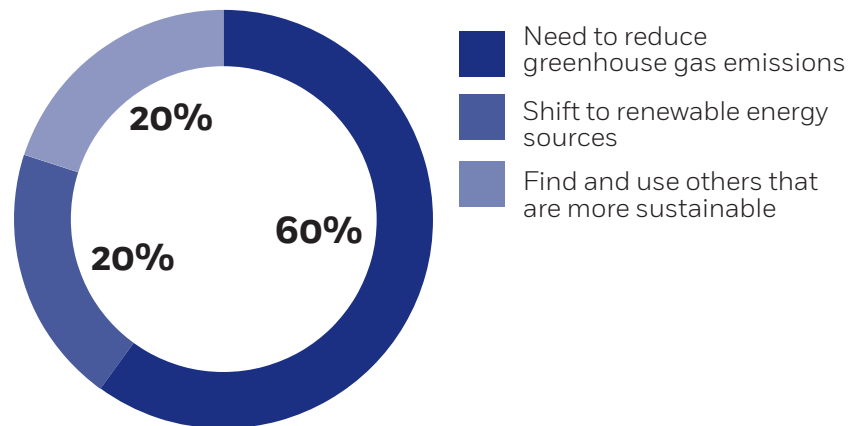
Spotlight on: Automotive

The automotive sector is at the forefront of thinking about sustainability, enjoying support from senior management with low barriers to implementing a strategy.

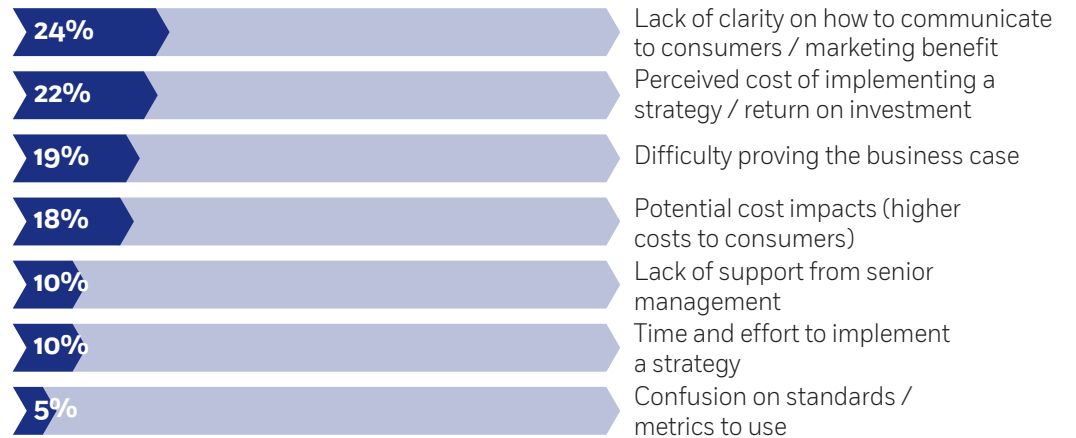
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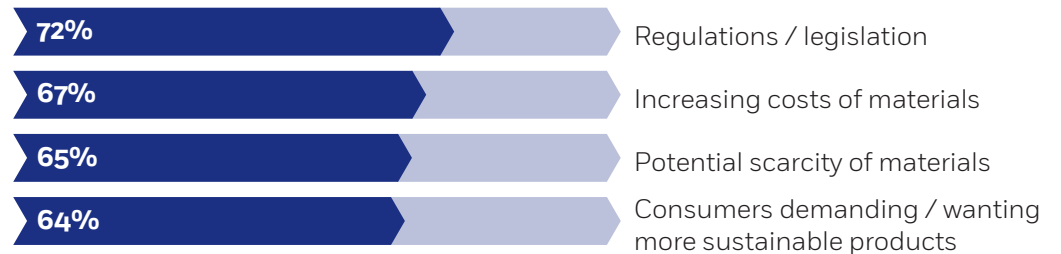
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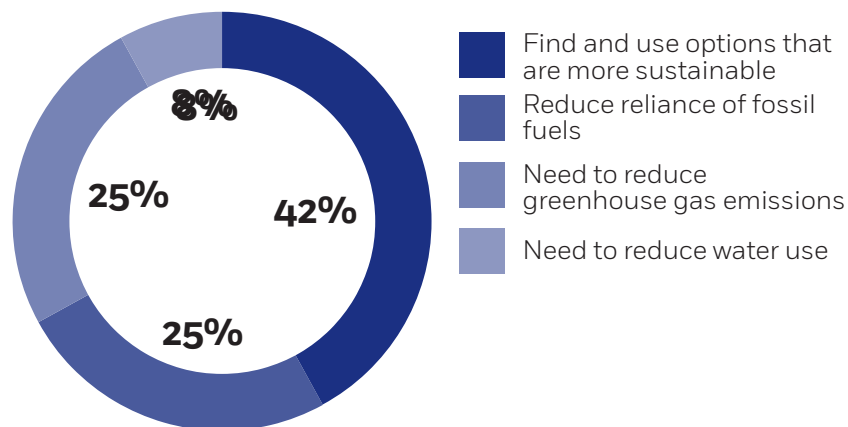
Spotlight on: Consumer Products

The consumer products sector regards cost impacts and the difficulty proving the business case for sustainability as their highest barriers.

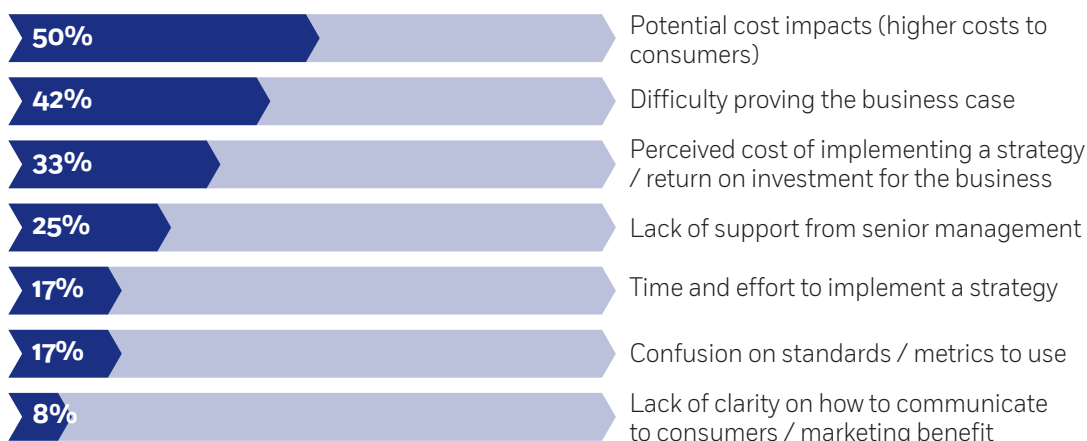
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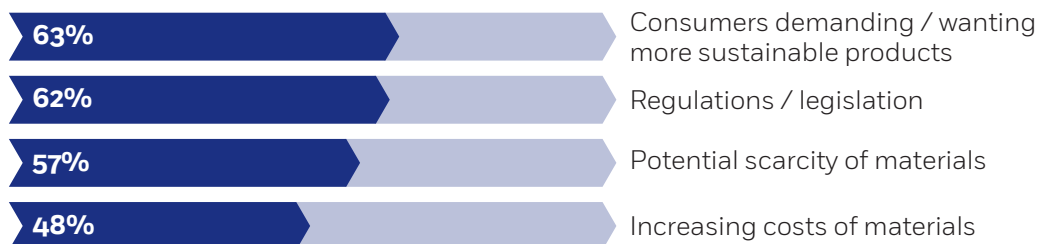
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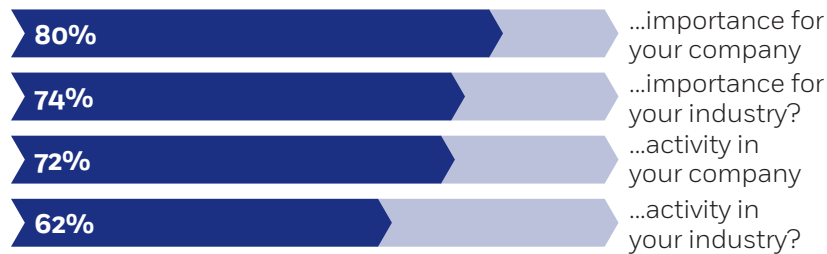
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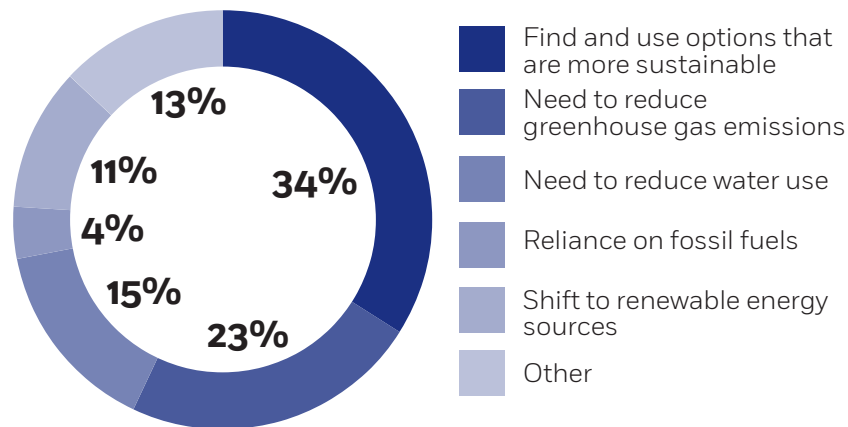
Spotlight on: Food & Beverages

Consumer demand is regarded as a major driver by the food and beverage sector in dealing with their sustainability issues, and well supported in its endeavours by management.

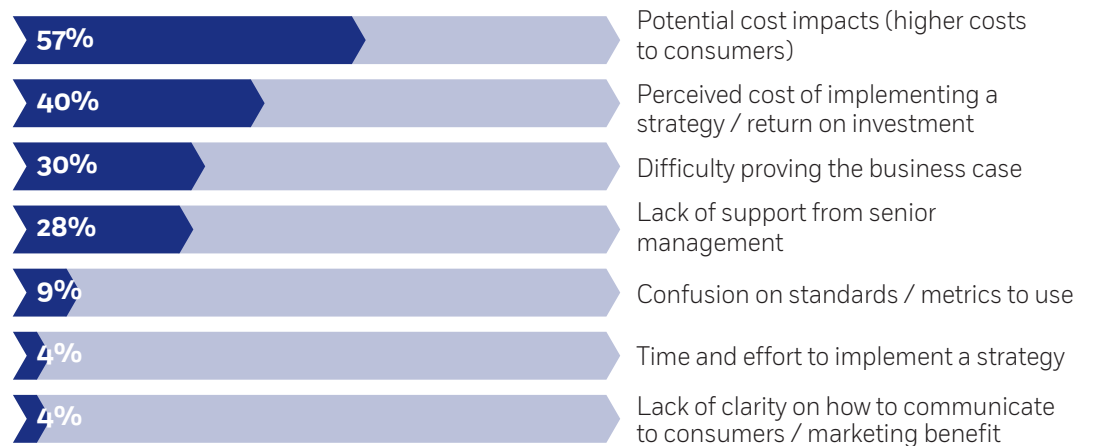
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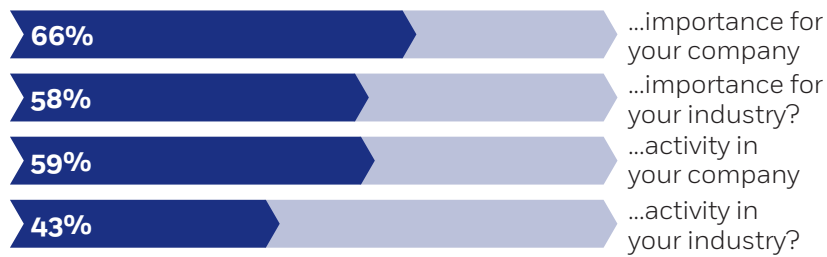
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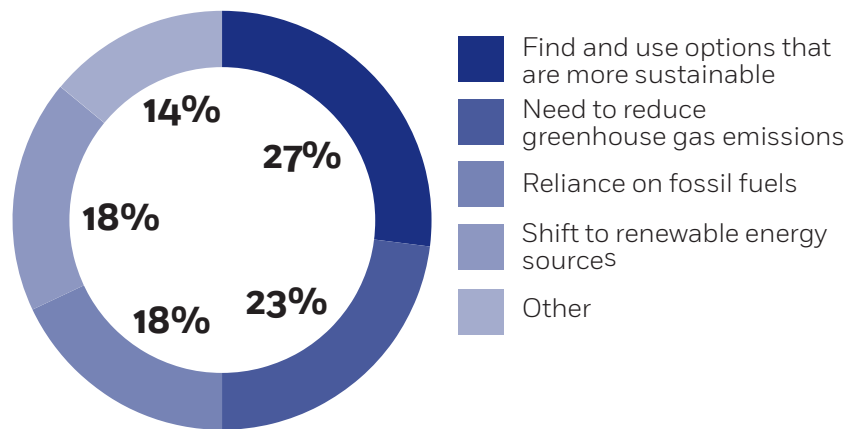
Spotlight on: Packaging

Within packaging consumer demand is regarded as the least important driver of sustainability, adhering to regulations is more important, while the biggest barrier was lack of support from senior management.

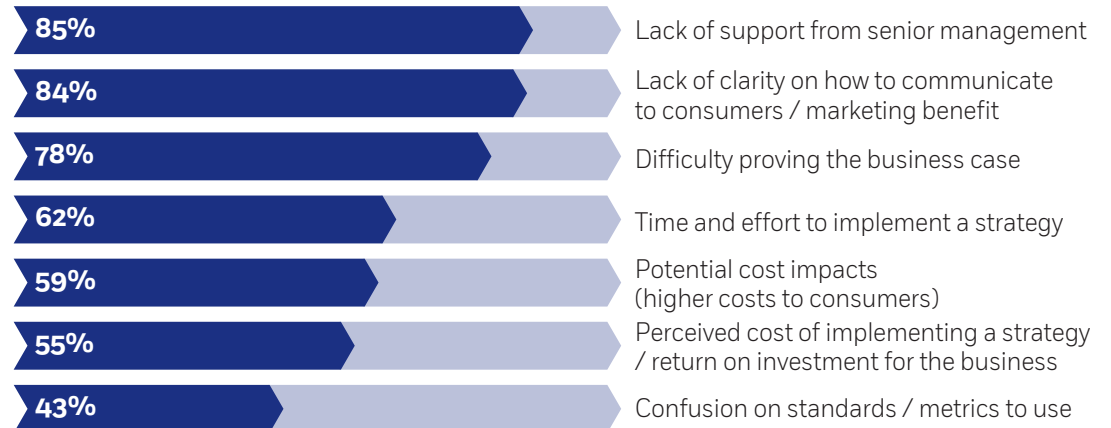
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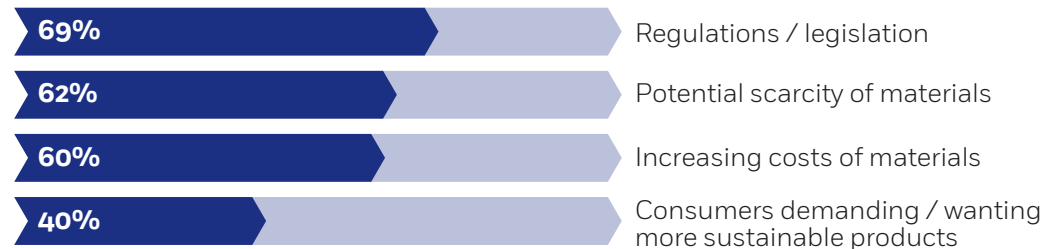
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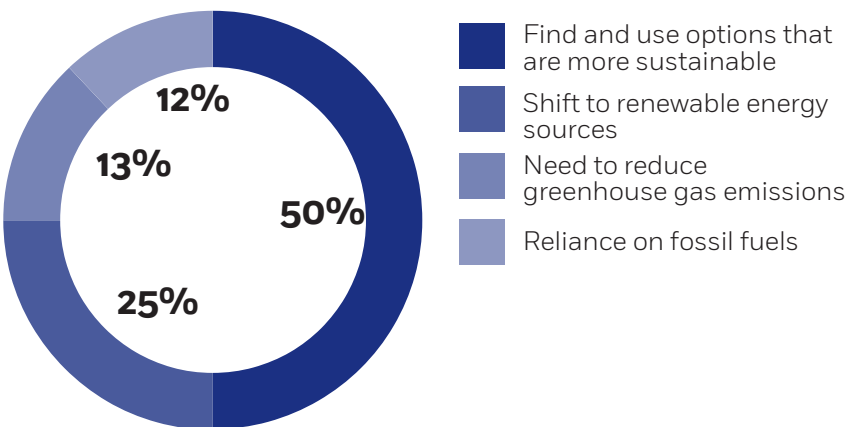
Spotlight on: Pharmaceuticals

Across the pharmaceutical industry the barriers to implementing a sustainability strategy are low. This is complemented by a high rating of key drives to attain sustainability.

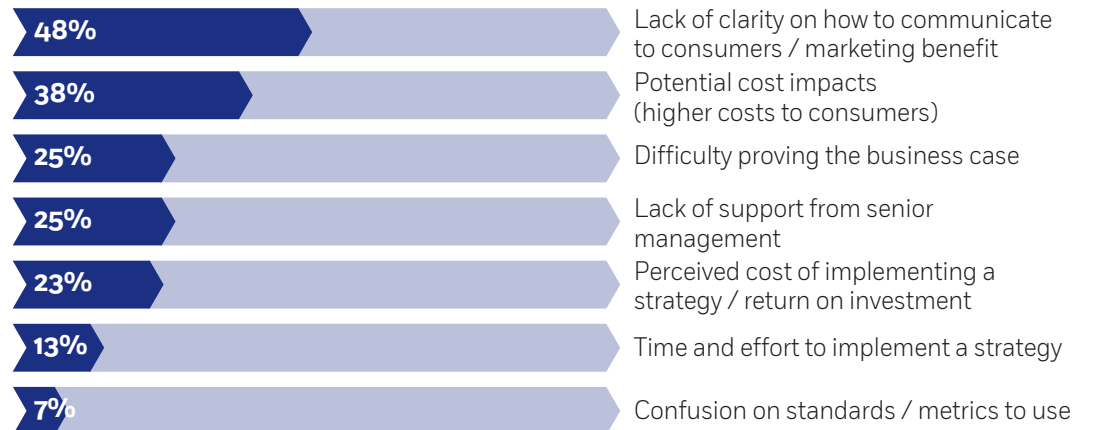
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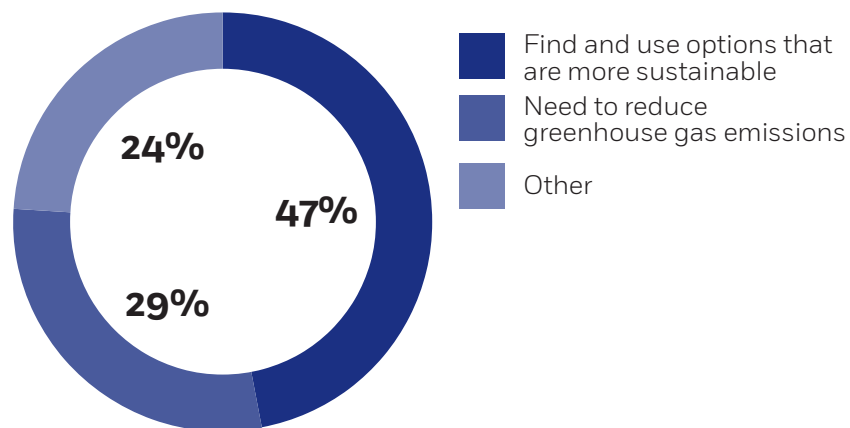
Spotlight on: Retail

The retail sector is committed to stocking sustainable products, but is concerned about the possible price impacts to their customers and their business. Consumer demand was considered the lowest driver of sustainability (32%).

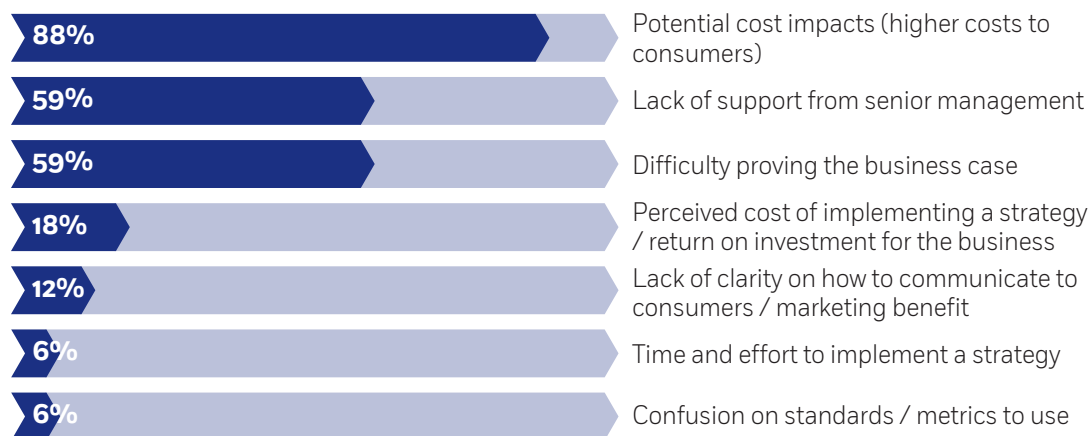
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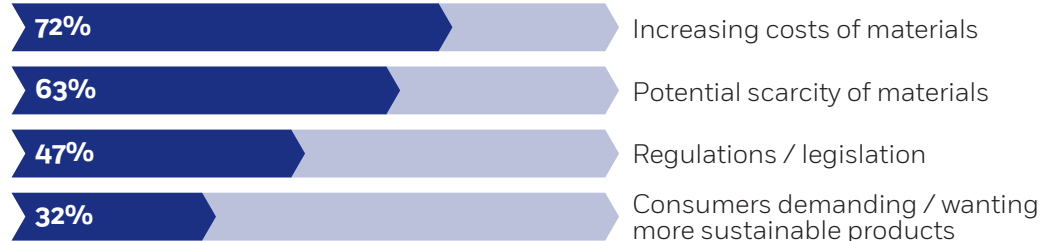
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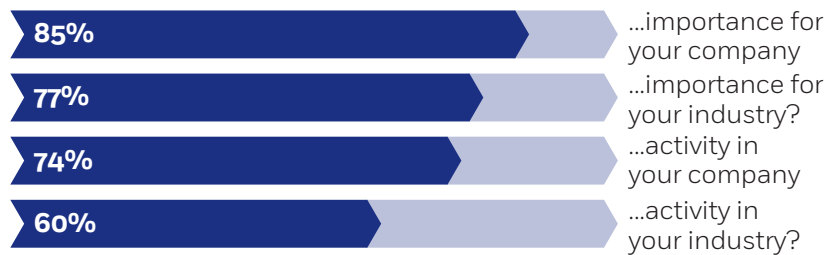
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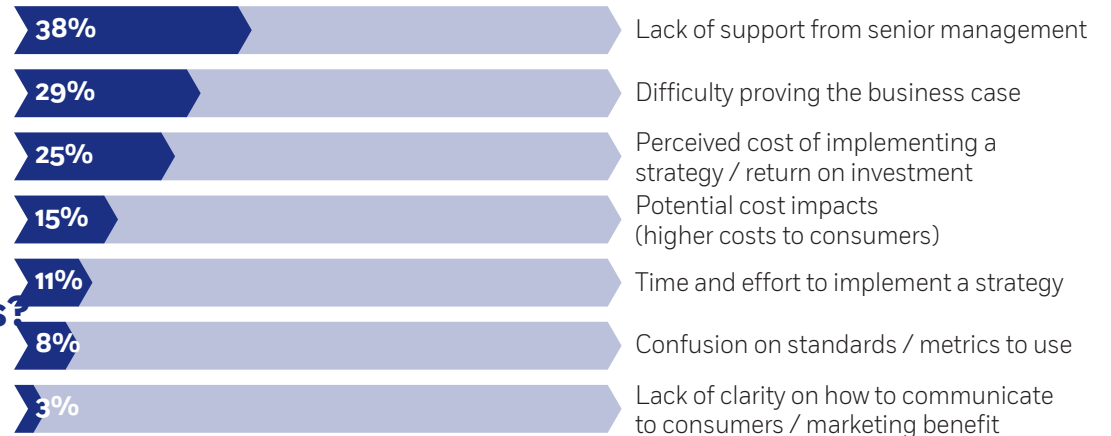
Spotlight on: Services

The services sector enjoys low barriers in the implementation of a sustainability strategy, with regulations regarded as the main driver for the sector.

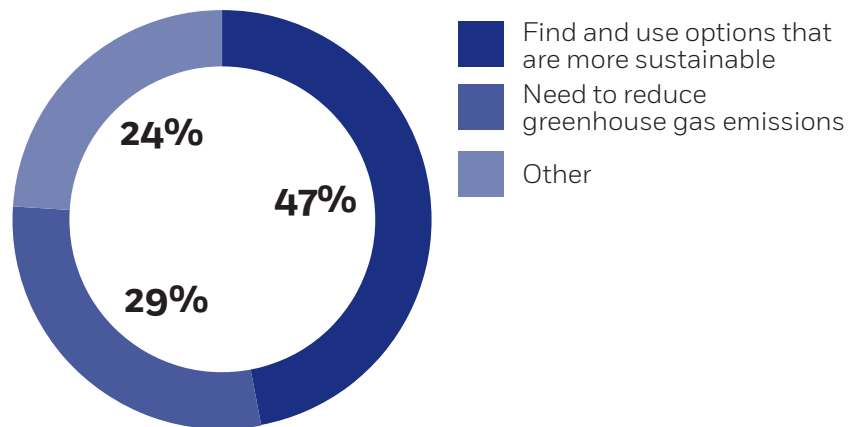
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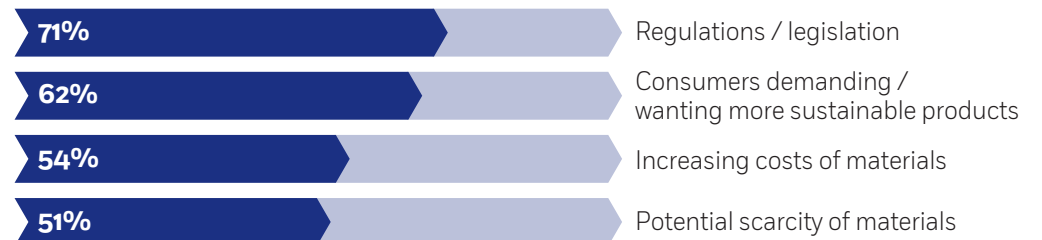
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Outperforming or overestimating?

Our sentiment research revealed businesses in every sector believe they lead their industry both in the value they place on sustainability and the level of activity in their business.

Q: How do you rate the level of importance of sustainability for your company?

Q: How do you rate the level of importance of sustainability for your industry?

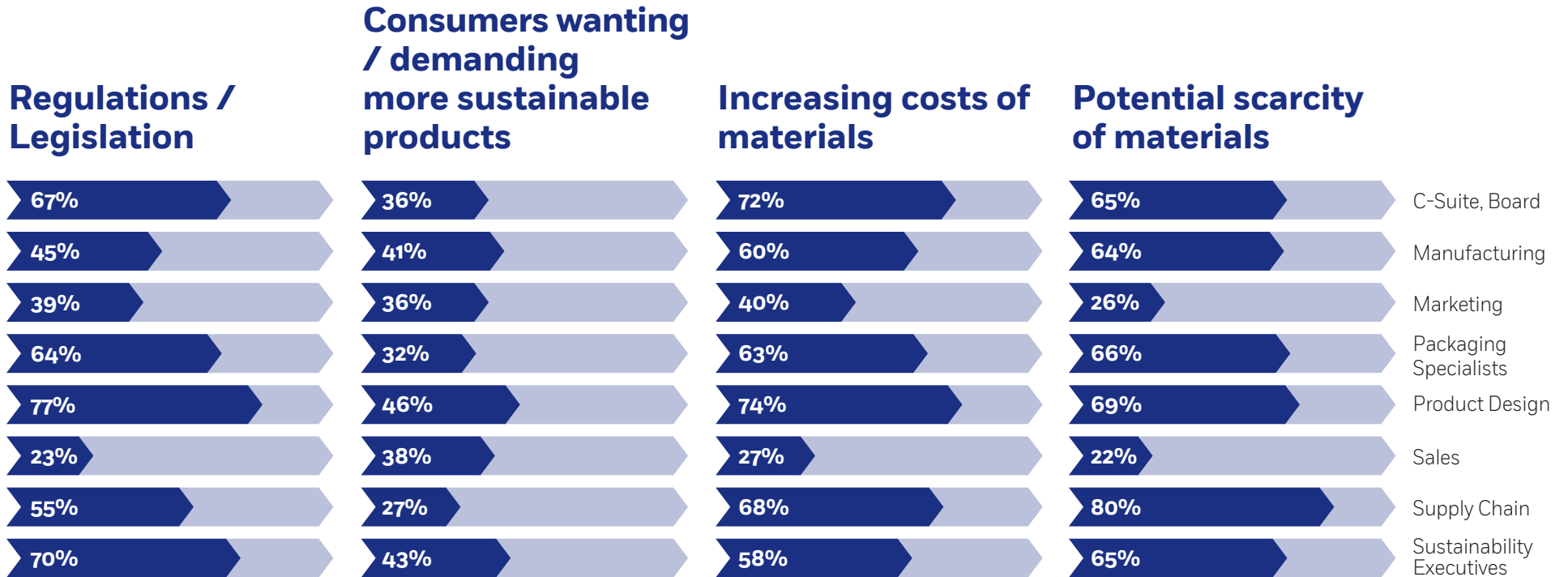
Q: How do you rate the level of activity of sustainability in your company?

Q: How do you rate the level of activity of sustainability in your industry?



Sustainability drivers by role

Marketing and sales professionals were least engaged across the board on sustainability issues.



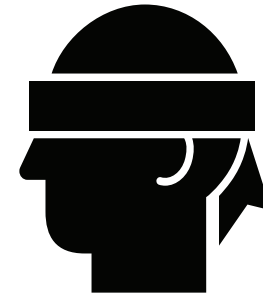
Key Findings



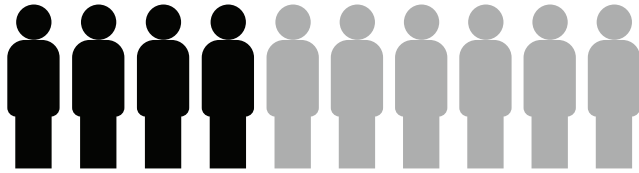
55% of companies have an adhoc, informal or no measurement of their sustainability goals



56% identify cost or challenges quantifying the ROI for business as barriers to greater progress



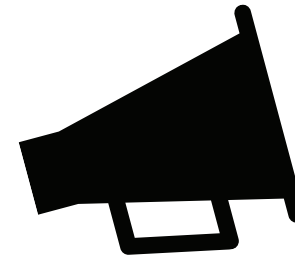
More than 20% do not benchmark environmental progress



44% of companies have a dedicated full time sustainability staff.



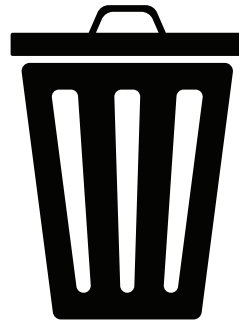
Respondents agree consumers drive demand for sustainable solutions



Barely two-thirds of those surveyed publish progress towards sustainability goals



65% of companies cite reducing greenhouse gas emissions as a sustainability goal



Less than 40% confirmed they design with end of life in mind



Most businesses believe they outperform industry in commitment to sustainability

Methodology

The Empauer Sustainability Survey was conducted between November 2017 - February 2018.

Participants were drawn from around the world across various industries and professionals that were engaged with the sustainability sector. These included C-suite executives, product designers, marketers, manufacturers and academia.

The survey of over 1000 had representation from every continent broken down as follows Europe 47%, Australia 22%, North America 19%, Asia 7%, South America 3%, Africa 2%.

Invitations were extended via survey partners and via industry associations and LinkedIn.

Participants were invited to contribute confidentially.

Acknowledgments

Empauer gratefully acknowledges the support of the individuals and companies who participated in the global sustainability survey.



ADDUCO
COMMUNICATIONS




Australian
Circular Fashion



We also wish to thank our presentation partners the Australian Institute of Packaging, Australian Circular Fashion, Adduco Communications and ReThink Sustainability.

The survey results are made freely available to all participants and may be reused or published with consent.

Presenting Partners

Empauer

Empauer is a specialist business consultancy, with a team of experts across international offices, to meet sustainability services needs. Our aim is to realize and enable opportunities throughout business, be they environmental or financial. We understand that sustainability means different things to different companies. To achieve sustainability and business goals, we invest the time to actively listen and engage, matching requirements with the necessary expertise. Empauer is client focused, partnering with clients to find solutions that enhance sustainability performance and profit. Our approach is not to offer "out of a box" solutions, but to build and implement something that clients need.

Adduco Communications

Adduco is a full-service communications firm specializing in marketing, public relations and business development services for both business to business and business to consumer companies.

Whether you are a start-up or multinational company, we offer customized programs to meet varying needs and budgets.

Industries served: packaging, graphic arts, design, printing, personal care, food & beverage, travel, hospitality, fashion, health & fitness, engineering, government and non-profits to name a few.

Selerant

Founded in 1990, Selerant is a leading global provider of processed-based product lifecycle management (PLM) software and consulting services within three core manufacturing segments: Food & Beverages, Personal Care/ Pharmaceuticals and Specialty Chemicals.

Selerant provides business process analysis, system design, technical expertise, implementation, training and support services through our world-class professional services organization.

With primary operating regions in the USA, Italy and China, and offices around the world, Selerant has a large global presence to meet the needs of customers.



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