Integrating Sustainability Into Brand Strategy
A comparative study of global consumer-facing industry leaders
June 2015
We researched sustainability champions to understand how industry leaders integrate sustainability into branding

COMPANY SELECTION PROCESS

I. Identify major consumer-facing industries

II. Identify the top sustainability leaders from each industry

III. Choose 1 top company from each industry that most effectively communicates sustainability programs

We researched global consumer-facing industries to understand trends relating to how companies integrate sustainability into branding and communications:
- Multinational companies with well-known brands were considered
- Companies selling “environmental” products/services were excluded

We identified sustainability leaders from corporate sustainability rankings:
- Corporate Knights Global 100
- Forbes Most Sustainable Companies
- Sustainable Brands
- The Guardian Sustainable Businesses list

We researched internal and external information sources:
- Company websites
- Sustainability micro-sites
- Sustainability reports
- External articles
- Interviews
- News about companies and sustainability initiatives
Progressive companies appear to apply 4 principal strategies in incorporating sustainability into their brands

**BRAND SUSTAINABILITY INTEGRATION FRAMEWORK**

**Stakeholder Interaction**: Engaging employees, customers, suppliers and community organizations based on shared sustainability agenda and aspirations

**Corporate Identity**: Sustainability language is incorporated into corporate identity and articulated in company descriptions, mission, vision, values and principles

**Visualization**: Corporate visuals including logos and infographics incorporate sustainability elements

**Corporate Communications**: Integrate sustainability into website and print content, social media, advertising and company presentations
Industry leaders incorporate sustainability values and concepts into their core business and brand identity

<table>
<thead>
<tr>
<th>Industry</th>
<th>CPG</th>
<th>E-Commerce</th>
<th>Apparel</th>
<th>Fast Foods</th>
<th>Electronics</th>
<th>Commercial Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overarching statements: Mission, Vision, Values and Principles</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
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<td>✔️</td>
</tr>
<tr>
<td>Company description / About Us page incorporates sustainability</td>
<td>✔️</td>
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<td>✔️</td>
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</tr>
<tr>
<td>Company tagline (explicit or implicit sustainability language)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
</tr>
<tr>
<td>Separate sustainability brand tagline</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sustainability/initiatives mentioned in company history</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Detailed available history of sustainability journey</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sustainability plan is branded and promoted</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Company sustainability policies are promoted</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Company sustainability reports easily accessible and promoted online</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sustainability thought leadership (publications, reports)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sub-branding (sustainability featured in sub-brands/operations)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Country brands (sustainability featured in separate country sites)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Company facilities and approach to resource use reflects sustainability</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

Source: Quinn & Partners, Strandberg Consulting analysis.
Organizations are embedding sustainability into corporate identities, including the company purpose and guiding principles

### EXAMPLES OF SUSTAINABILITY LANGUAGE INTEGRATED INTO OVERARCHING COMPANY STATEMENTS

<table>
<thead>
<tr>
<th>Company</th>
<th>Purpose</th>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unilever</td>
<td>To make sustainable living commonplace.</td>
<td>Double the size of the business, whilst reducing our environmental footprint and increasing our positive social impact.</td>
</tr>
<tr>
<td>eBay Inc</td>
<td>Creating opportunities and enabling others to win while making a positive social impact</td>
<td>Double the size of the business, whilst reducing our environmental footprint and increasing our positive social impact.</td>
</tr>
<tr>
<td>Samsung</td>
<td>Creating opportunities and enabling others to win while making a positive social impact</td>
<td>Double the size of the business, whilst reducing our environmental footprint and increasing our positive social impact.</td>
</tr>
</tbody>
</table>

### EXAMPLES OF SUSTAINABILITY SUB-BRANDING BUILT INTO GUIDING PRINCIPLES AND CORE VALUES

<table>
<thead>
<tr>
<th>Company</th>
<th>Corporate governance guiding Principles</th>
<th>Guiding sustainability Principles</th>
<th>Approach to Corporate Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Hortons</td>
<td>Our guests, Restaurant Owners, and our corporate team are dedicated to making a true difference for individuals, our communities and the planet.</td>
<td>We are a global organization that is socially and environmentally responsible, that embraces creativity and diversity, and this is financially rewarding to our employees and shareholders.</td>
<td>Our first responsibility is to our customers. We are committed to providing accessible, affordable banking and relevant products and services that make sense. As a responsible corporate citizen, we support financial literacy. We contribute to the economic well-being and economic growth of Canada and Canadians by creating not only employment but careers. We create a supportive workplace that welcomes individuals from diverse communities. And we promote conservation and the protection of our environment.</td>
</tr>
<tr>
<td>Adidas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMO</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

http://www.ebayinc.com/who_we_are/one_company
Visionaries tie sustainability to future growth strategies, with goals to solve environmental and social issues while growing financial returns.

**Examples of Strategic Plans with Integrated Social, Environmental and Economic Objectives**

**Samsung Vision 2020**

Samsung set clear and direct guiding principles to approach the creation of new products and technologies that will fuel future financial growth while inspiring communities and creating a better world.

**Unilever Sustainability Living Plan**

Unilever made a plan to double the size of their business while reducing the environmental footprint of their products by half and improving the health/well-being of more than a billion people. The company plans to use sustainability to drive future business opportunities.

Leading companies feature their sustainability initiatives and reports on main pages alongside other important company information.

**Samsung Displays Rotating Banners on ‘About Us’ Page with Links to Sustainability Micro-Site**

- Samsung’s Contributions, Committed to Social Responsibility
- Samsung in Our Life, Bettering Everyday Experiences
- Samsung Creates Possibilities, A Corporation of Discovery

**Adidas Features Fixed Sustainability Tab on All Company Pages**

Adidas Group announces new partnership with Parley for the Oceans and launches sustainability progress report.

**Tim Hortons Has a Link to Sustainability Micro-Site on Main Page**

http://www.samsung.com/ca/aboutsamsung/
http://www.bmo.com/home/about/banking/corporate-governance

**BMO Has a Fixed Side Panel with Links to All Reports Including Investor, Financial and Sustainability Reports**

- Market Watch
- Contact
- Quick Info & Resources
- FTSE4Good Index Series

In Collaboration with Rebeca Sam
## CORPORATE COMMUNICATIONS: RESEARCH SUMMARY

**Sustainability messaging is integrated across all types of corporate communications**

<table>
<thead>
<tr>
<th>Industry</th>
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<th>Commercial Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main consumer-facing website includes sustainability or has CSR-related tab (different from holding group corporate website)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability micro site has detailed information about sustainability strategies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Advertising of sustainability awards/promoting corporate sustainability initiatives</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sustainability mentioned in the annual report</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Investors – investor fact books and presentations include sustainability concepts</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>CEO or senior level advocate</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Speeches and interviews with CEO or senior sustainability executive</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sustainability concepts in product / service advertisements</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Social media (Facebook, Twitter, LinkedIn, YouTube)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Videos</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Externally published magazines/newsletters</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>News and news feeds (including company blogs and internal newsletters)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Press releases and media kids include sustainability concepts</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Quinn & Partners, Strandberg Consulting analysis
CORPORATE COMMUNICATIONS: CEO ADVOCATE

A CEO advocate is important in building awareness and credibility of sustainability commitments

“The core purpose of eBay has a lot of social innovation in it. And it has environmental innovation. If you just think of what the eBay marketplace itself does, it helps extend the life of goods. And Pierre didn’t use green terms when he founded the company, but there’s no doubt that social innovation is deeply ingrained in our core purpose.”

John Donahoe
CEO of eBay

“Implementing environmental performance across our value chain is an important step to deliver sustainable operations over the long term.”

Herbert Hainer
CEO Adidas Group

“Business is here to serve society. We need to find a way to do so in a sustainable and more equitable way not only with resources but also with business models that are sustainable and generate reasonable returns.”

Paul Polman
CEO Unilever

“Samsung is sharply aware of the growing environmental impact associated with the sourcing, manufacturing, use and disposal of our products. Therefore, it emphasizes its ‘Green Management philosophy’ internally and externally.”

Oh – Hyun Kwon
CEO Samsung Electronics

http://fortune.com/2013/04/30/transcript-ebay-ceo-john-donahoe-at-brainstorm-green/
Companies use creative multimedia strategies to promote sustainability content including videos, blogs and fora.

SAMSUNG USES MULTIMEDIA TOOLS INCLUDING A POPULAR YOUTUBE CHANNEL TO COMMUNICATE THE SOCIAL AND ENVIRONMENTAL IMPACTS OF ITS SUSTAINABILITY INITIATIVES. COMPANY RETAINED KOREAN ARTIST TO CREATE A RAP & VIDEO FEATURING THE ANNUAL SUSTAINABILITY PLAN.

Examples of online blogs and fora used to engage customers and promote information:

Samsung Electronics Supports Habitat for Humanity’s Work in Zambia

May 22, 2015 at 4:35 AM | Permalink | 3 Comments

http://blog.adidas-group.com/
Leaders use sustainability as a strategy to engage employees and collaborate with customers and community organizations

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Employees – sustainability language used in recruitment material/videos</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employees – workplace engagement includes community giving and involvement</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employees – support programs to start grass-roots sustainability initiatives</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employees – multiple health &amp; safety / training &amp; development programs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employees – awards and recognition</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Customers – tools to educate customers about product/service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Customers – offer sustainable solutions (life-cycle analysis, green alternatives, etc)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Communities – events, fund-raising, local program sponsorships</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other stakeholders – supply chain partnerships with industry organizations</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other stakeholders – strategic partnerships align with non-profit causes/NGOs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Quinn & Partners, Strandberg Consulting analysis
Companies use sustainability as a means to build employee loyalty and community brand

**STAKEHOLDER INTERACTION: EMPLOYEE ENGAGEMENT**

**ALL BENCHMARK COMPANIES PROVIDE EMPLOYEE PROGRAMS THAT GENERATE SUSTAINABILITY BENEFITS**

- Paid days to volunteer in the community
- Giving programs for corporate charities or donation matching
- Health & safety and professional development training
- Company-wide philanthropy groups and organizing committees
- Rewards for showing initiative or extraordinary performance

**GIVE TEAMS**

38 TOTAL TEAMS
15 NEW TEAMS

Barcelona • Brazil • Denver • Georgia • Italy • Kentucky
Luxembourg • Los Angeles • Malaysia • Netherlands
NYC • Seattle • Singapore • Ukraine • Wisconsin

Through the Summer of Giving campaign, 753 eBay Inc.
employees in Salt Lake City (more than half the office)
**VOLUNTEERED 3,269 HOURS**
with 26 nonprofit organizations.

Pink Tea Party was held at the
PayPal office in Ireland
to support the Irish Cancer
Society. Employees
**RAISED OVER $6,400.**

Employees in Arizona
**DONATED $20 BACKPACKS**
filled with school
supplies to Children
First Academy
and Assistance
League of Phoenix,
Children receiving

The Mumbai, Chennai and
Bangalore offices joined together
to raise funds and support Save
the Children to provide aid to those
affected by the massive floods
in Uttarakhand.
A total of
**$7,000 WAS DONATED**

http://www.ebayinc.com/social-innovation/employee-engagement
https://www.bmo.com/home/about/banking/corporate-responsibility/community/volunteer-day
http://sustainabilityreport.timhortons.com/individuals-employees.html#corp
A majority of sector leaders have a “signature foundation” that supports local and international charities

EXAMPLES OF FOUNDATIONS AND CAUSES

**eBay Foundation**

Since it’s foundation in 1998, the Foundation has donated over $4.3 million to nonprofits globally, focusing on creating economic opportunities and community development.

**Tim Hortons Children’s Foundation**

The Foundation is designed to change the way young people from economically disadvantaged homes think about themselves and the opportunities that exist for them.

**The Reebok Foundation**

The Foundation promotes social and economic equality by funding non-profit organizations that help empower youth to fulfil their potential and lead healthy, happy and active lives.

**Samsung Foundation**

Foundation-sponsored programs provide childcare and senior care of the highest quality, as well as extensive rehabilitation programs that help put marginalized individuals back on the path to self-sufficiency.

**Unilever Foundation**

The Foundation’s mission is to improve quality of life through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition and enhancing self-esteem. Has partnerships with five leading global organizations – Oxfam, Population Services International, Save the Children, UNICEF and the World Food Programme.

http://www.ebayinc.com/social-innovation/ebay-foundation
http://www.samsungfoundation.org/html/eng/
http://www.unilever.ca/aboutus/foundation-2014/
Companies form partnerships to influence their supply chains and align with “causes” relevant to their industries. Companies may choose to partner with like-minded stakeholders to address issues that are central to their missions and business strategies. Examples include Samsung, which supports eco-labeling legislation and adheres to relevant labels, and Tim Hortons, which focuses on sourcing fair trade, ethical, and conflict-free foods including fair trade coffee and sustainable palm oil. The company applies life-cycle analysis to all product waste streams.
Companies form partnerships to influence their supply chains and align with “causes” relevant to their industries (con’t)

EBAY SUPPORTS ENTREPRENEURSHIP IN EMERGING ECONOMIES AND PROMOTES ECOMMERCE AND BUSINESS LITERACY IN DEVELOPING COUNTRIES. THE COMPANY HAS COMMITTED TO SELLING AND PROMOTING GOODS FROM ARTISANS OF THESE COUNTRIES.

ADIDAS FOCUSES ON DRIVING SUSTAINABILITY THROUGH ITS SUPPLY CHAIN: STIPULATES ETHICAL BUSINESS CONDUCT, FAIR LABOR PRACTICES, AND SOURCING OF GREATER SUSTAINABLY-PRODUCED AND HAZARDOUS-FREE MATERIALS, INCLUDING COTTON, POLYESTER AND SPANDEX.
Benchmarked companies use visuals to draw attention to sustainability attributes and educate audiences about sustainability impacts.

### VISUALIZATION: RESEARCH SUMMARY

<table>
<thead>
<tr>
<th>Industry</th>
<th>Consumer Packaged Goods</th>
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<th>Commercial Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logo with sustainability attributes</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separate sustainability logos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Images showcase sustainability aspects (e.g. environment, safety, diversity, industry, people, community)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Colour palette (sustainability and standard brand colour alignment)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Sustainability plan or strategy visualized using infographics</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Graphics to display sustainability facts</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Sustainability processes visualized (e.g. greenhouse gas emissions in product lifecycle)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Graphics or videos showcasing innovation</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

Source: Quinn & Partners, Strandberg Consulting analysis
Companies associate sustainability initiatives with specific colour palettes and imagery, as opposed to integrating sustainability in logos.

Examples of sustainability colors and concepts incorporated into corporate logos and separate sustainability-related logos.

Application of sustainability colors and concepts into product design, advertisements, and promotional campaigns.
Infographics showcase companies ‘walking the talk’, with impacts of initiatives such as energy savings and supply chain innovation

On 31 December 2014, the adidas Group had 53,731 employees versus 53,899 in the previous year, which represents an increase of 8%.

More than 1,000,000 factory workers have been producing goods for the adidas Group globally in 2014.

At the end of 2014, we worked with 1,133 independent factories (including our own factories and those of our licensees) in 61 countries.

The total number of licensees grew by 18% and their supplier factories by 12% to reach 148 facilities.

For suppliers covered by our environmental compliance programme, a steady improvement has been seen across all subcategories of the environmental key performance indicators from 2012 to 2014.

Manufacturing agreements with 13 suppliers were terminated for compliance reasons.

65 warning letters across 13 countries were sent to suppliers.

96% of our global athletic footwear sourcing volume is certified in accordance with ISO 14001 and/or OHSAS 18001.

Our athletic footwear suppliers have reduced the use of VOCs in below the EU guideline of 29 grams per pair of shoes. In 2014, we achieved 17.5 grams of VOCs per pair.

During 2014, 104 factories were either rejected directly after an initial assessment, due to the identification of zero tolerance issues, or were rejected with a second visit.

The adidas Group holds an ISO 9001 matrix certification for 12 of our sites.