

Integrating Sustainability Into Brand Strategy

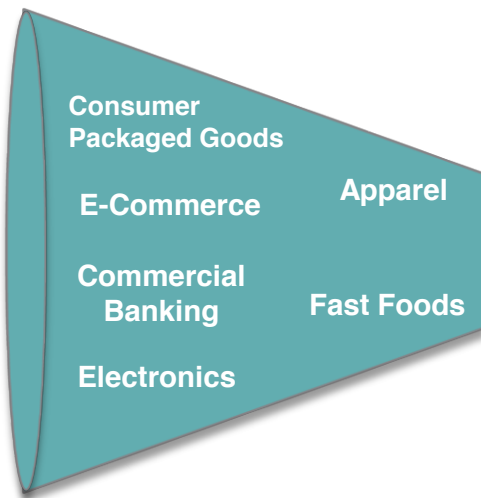
A comparative study of global consumer-facing industry leaders

June 2015

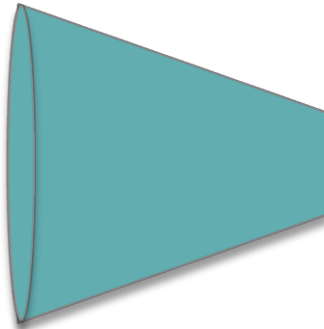
We researched sustainability champions to understand how industry leaders integrate sustainability into branding

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

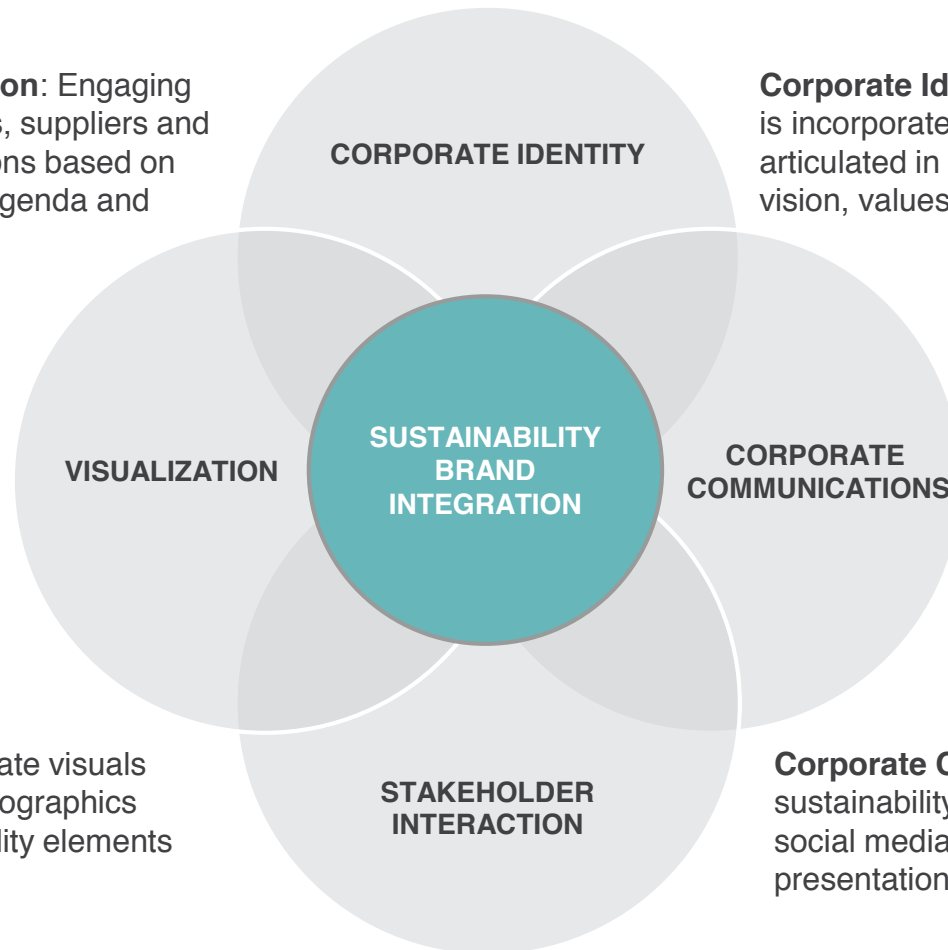


Progressive companies appear to apply 4 principal strategies in incorporating sustainability into their brands

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

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






Organizations are embedding sustainability into corporate identities, including the company purpose and guiding principles

EXAMPLES OF SUSTAINABILITY LANGUAGE INTEGRATED INTO OVERARCHING COMPANY STATEMENTS

	<p>Purpose: To make <u>sustainable living commonplace</u>.</p> <p>Vision: Double the size of the business, whilst <u>reducing our environmental footprint</u> and increasing our positive social impact.</p>
	<p>Purpose: Creating opportunities and enabling others to win while making a <u>positive social impact</u></p> <p>Mission: eBay connects a diverse and passionate community of individual buyers and sellers as well as small businesses</p>
	<p>Company Tagline: Making a better world</p> <p>Mission: Through innovative, reliable products and services; talented people; a <u>responsible approach to business and global citizenship</u>; and collaboration with our partners and customers, Samsung is taking the world in imaginative new directions.</p>

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

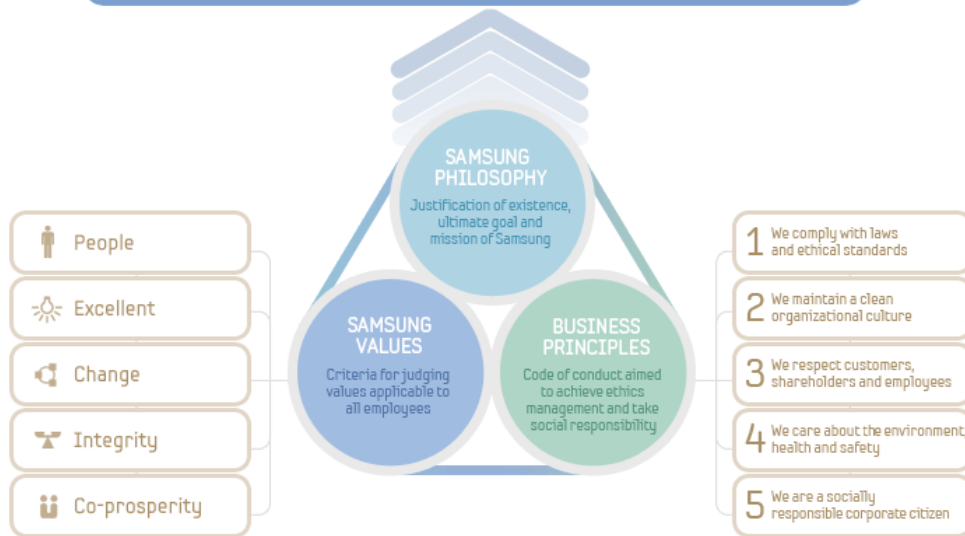
	<p>Corporate governance guiding Principles: Our guests, Restaurant Owners, and our corporate team are dedicated to <u>making a true difference for individuals, our communities and the planet</u>.</p>
	<p>Guiding sustainability Principles: We are a global organization that is <u>socially and environmentally responsible</u>, that embraces creativity and diversity, and this is financially rewarding to our employees and shareholders.</p>
	<p>Approach to Corporate Responsibility: Our first <u>responsibility is to our customers</u>. 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 <u>economic well-being and economic growth</u> of Canada and Canadians by creating not only employment but careers. We create a supportive workplace that welcomes individuals from diverse communities. And we <u>promote conservation and the protection of our environment</u>.</p>



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

"We will devote our human resources and technology to create superior products and services thereby contributing to a better global society."



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.

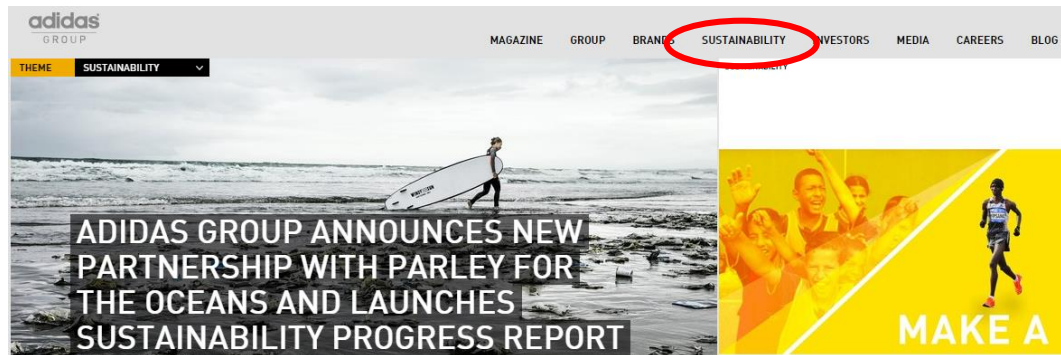


Leading companies feature their sustainability initiatives and reports on main pages alongside other important company information

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

MAGAZINE GROUP BRANDS **SUSTAINABILITY** INVESTORS MEDIA CAREERS BLOG

THEME SUSTAINABILITY

ADIDAS GROUP ANNOUNCES NEW PARTNERSHIP WITH PARLEY FOR THE OCEANS AND LAUNCHES SUSTAINABILITY PROGRESS REPORT

MAKE A

TIM HORTONS HAS A LINK TO SUSTAINABILITY MICRO-SITE ON MAIN PAGE



TIMHORTONS.COM

TIM HORTON CHILDREN'S FOUNDATION

COFFEE MENU PROMOS & FUN FIND TIMS

SHOP TIM C

BMO HAS A FIXED SIDE PANEL WITH LINKS TO ALL REPORTS INCLUDING INVESTOR, FINANCIAL AND SUSTAINABILITY REPORTS



Market Watch

As of 15:16 ET, Tuesday June 9, 2015

	Last	Change
BMO TSX	74.89	0.61▲
BMO NYSE	60.70	0.79▲
TSX Comp	14,825.45	82.12▲
DJIA	17,779.96	13.41▲

Contact

Contact Investor Relations

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM







Quick Info & Resources

- Q2 15 Corporate Fact Sheet
- Q2 15 Investor Presentation
- Latest Quarterly Results
- Corporate Governance
- Dividend Information
- Corporate Responsibility Report
- Environmental, Social and Governance Report and Public Accountability Statement
- Shareholder Engagement Policy
- BMO's shareholder Dividend Reinvestment Plan (DRIP Plan)

FTSE4Good Index Series reflect the performance of socially responsible equities.



Sustainability messaging is integrated across all types of corporate communications

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



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*



"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*



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

*Herbert Hainer
CEO Adidas Group*





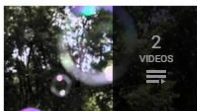

"Samsung is sharply aware of the growing environmental impact associated with the sourcing, manufacturing, use and disposal of our products. Therefore, it emphasizes its 'Green Management philosophy' internally and externally."

*Oh - Hyun Kwon
CEO Samsung Electronics*

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

Created playlists

	Samsung CSR: Medical Aid Samsung CSR: Lusaka Province, Zambia View full playlist (1 video)	1:52
	Samsung CSR: Volunteer Effort Samsung CSR: Manzanillo, Mexico Samsung CSR: Lusaka Province, Zambia View full playlist (2 videos)	1:43 1:52
	Samsung CSR: Environment Samsung CSR: Mangroves Samsung CSR: West Salem, Oregon View full playlist (2 videos)	0:59 2:32
	Samsung CSR: Education Samsung Corporate Social Responsibility: Bringing Technology Resources to Re... Samsung CSR: Bringing Technology Resources to Remote Areas of Brazil (Kore... Samsung CSR: Introducing the Internet to Disadvantaged African Youth (Korean ... View full playlist (10 videos)	3:17 3:17 4:33



EXAMPLES OF ONLINE BLOGS AND FORA USED TO ENGAGE CUSTOMERS AND PROMOTE INFORMATION

samsungvillage

Sharing Samsung News and Perspectives

5 Innovative Ideas by School Students to Solve Local Challenges Through Technology

May 4, 2015 at 2:06 AM | Permalink 1 Comment

Samsung Electronics Supports Habitat for Humanity's Work in Zambia

May 22, 2015 at 4:35 AM | Permalink 0 Comment


WELCOME TO THE ADIDAS GROUP BLOG

Find out more about the blog's objective in detail or read our blog guidelines.

44 This blog's objective is to give you personal insights into our business in sports.

ABOUT THE BLOG

BLOG GUIDELINES



Hunt for the pump

Ben Bakewell

Creating truly remarkable Social Media experiences to stand out [...]

Social media marketing has matured. ... but, sorry to burst your bubble, posting messages wishing your fans "Happy Forest random, made up holiday here!" no longer makes the cut for engaging your audience. Not that it ever really did [...]

In 449 1 21 5 0

LATEST COMMENTS

UNKNOWNIDEAS:
Great post! Thanks for sharing this nice information with us.
Applying the "Low Waist" approach to a running shoe - 2 COMMENTS

JAY:
Fantastic to see how you brought this together and delivered it. Well done!
How to improve without breaking with tradition: the adidas Y-3 tennis collection - 1 COMMENT

MICHAEL S FROM COLINGRINE:
I like your article a lot! Mental strength is absolutely the only way to win. If you want to really win [...]

Finding inspiration in the mental strength of a professional climber - 2 COMMENTS

MOST POPULAR



Leaders use sustainability as a strategy to engage employees and collaborate with customers and community organizations

						
Industry	Consumer Packaged Goods	E-Commerce	Apparel	Fast Foods	Electronics	Commercial Banking
Employees – sustainability language used in recruitment material/videos	✓		✓	✓	✓	✓
Employees – workplace engagement includes community giving and involvement	✓	✓	✓	✓	✓	✓
Employees – support programs to start grass-roots sustainability initiatives	✓	✓	✓			
Employees – multiple health & safety / training & development programs	✓	✓	✓	✓	✓	✓
Employees – awards and recognition	✓	✓	✓	✓	✓	
Customers – tools to educate customers about product/service	✓	✓	✓	✓	✓	✓
Customers – offer sustainable solutions (life-cycle analysis, green alternatives, etc)	✓	✓	✓		✓	
Communities – events, fund-raising, local program sponsorships	✓		✓	✓	✓	✓
Other stakeholders – supply chain partnerships with industry organizations	✓	✓	✓	✓	✓	
Other stakeholders – strategic partnerships align with non-profit causes/NGOs	✓	✓	✓	✓	✓	✓

Companies use sustainability as a means to build employee loyalty and community brand



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.**



GIVE TEAM
ebay inc FOUNDATION

Employees in Arizona **DONATED 520 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 at Uttarakhand.

A total of **USD \$7,000 WAS DONATED**



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

Social and team building events

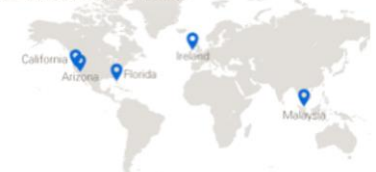
Company-wide philanthropy groups and organizing committees

Rewards for showing initiative or extraordinary performance

POPULAR ACTIONS TAKEN BY EMPLOYEES

- Unplug cell phone charger when not using it
- Recycle something at work
- Donate items to a local shelter or charity
- Contribute to a fundraiser or event hosted by a GIVE team

TOP 5 MOST ACTIVE TEAMS



70%
"ON THE JOB" DEVELOPMENT

20%
DEVELOPMENT THROUGH RELATIONSHIPS, NETWORKING & FEEDBACK

10%
DEVELOPMENT THROUGH FORMAL LEARNING (TRAINING, COURSES, BOOKS, ETC.)

BMO Volunteer Day

Even the odds
Make a difference
BMO Action
Learn Charity
Passion
Contribute
Commitment
Pride
Culture
Change
Volunteer
Helping
Time
Take action
Give back
Improve
the world
around us



A majority of sector leaders have a “signature foundation” that supports local and international charities

EXAMPLES OF FOUNDATIONS AND CAUSES

eBay Foundation



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



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 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

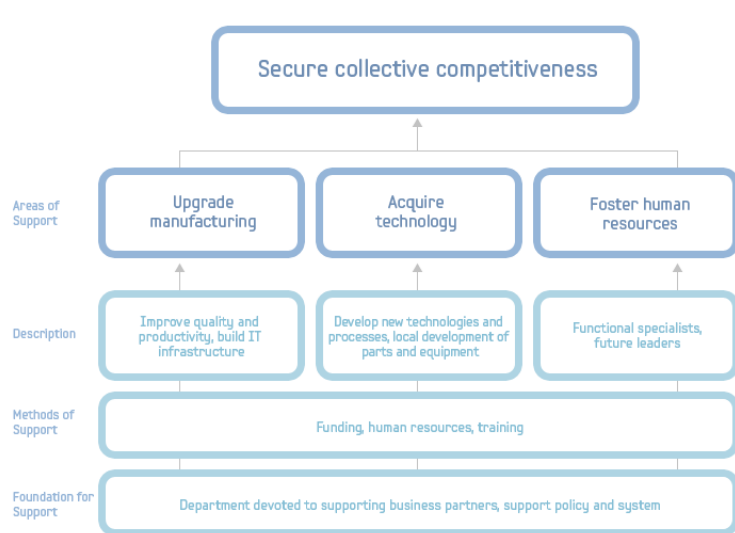


Foundation-sponsored programs provide childcare and senior care of the highest quality, as well as extensive rehabilitation programs that help put marginalized individuals back on the path to self-sufficiency



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

Companies form partnerships to influence their supply chains and align with “causes” relevant to their industries



Eco-Label (Korea)

The Korea Eco-labeling Program started from April 1992. It is a voluntary certification program that endorses eco-products based on good quality and performance, as well as eco-friendliness through their entire life cycle.



LIFETIME NATIONAL COLLECTION
as of January 2015

464,631,328 lbs*

at our numerous locations

(all pounds collected are compliant with federal, state, and local environmentally sound management practices)

SAMSUNG

SAMSUNG SUPPORTS ECO-LABELING LEGISLATION AND ADHERES TO THE RELEVANT LABELS IN EACH OPERATING COUNTRY. THE COMPANY IS COMMITMENT TO ELECTRONIC RECYCLING AND IS ADDRESSING CHILD LABOR IN THE ELECTRONIC GOODS INDUSTRY TOGETHER WITH INDUSTRY PARTICIPANTS.

TIM HORTONS 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.

Tim Hortons.



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.

adidas®
GROUP

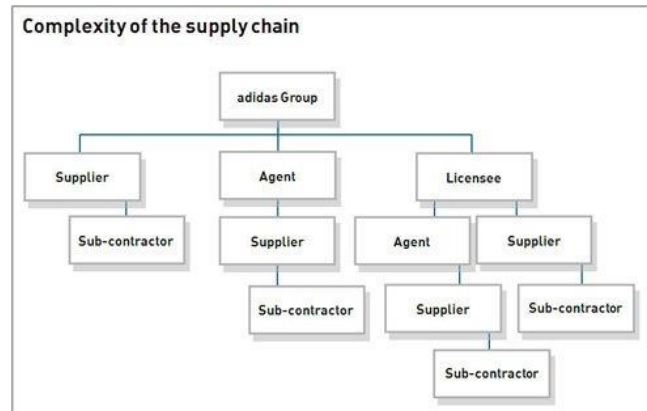


FAIR LABOR ASSOCIATION™







BCI Better Cotton Initiative



Sustainable Apparel Coalition



Benchmarked companies use visuals to draw attention to sustainability attributes and educate audiences about sustainability impacts

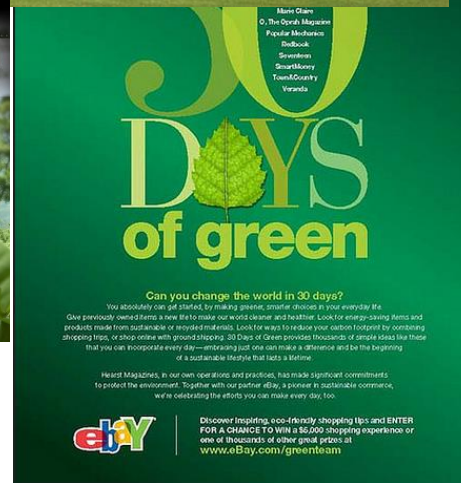
						
Industry	Consumer Packaged Goods	E-Commerce	Apparel	Fast Foods	Electronics	Commercial Banking
Logo with sustainability attributes	✓					
Separate sustainability logos		✓		✓		
Images showcase sustainability aspects (e.g. environment, safety, diversity, industry, people, community)	✓	✓	✓	✓	✓	✓
Colour palette (sustainability and standard brand colour alignment)	✓					
Sustainability plan or strategy visualized using infographics	✓	✓	✓	✓	✓	
Graphics to display sustainability facts	✓	✓	✓	✓	✓	
Sustainability processes visualized (e.g. greenhouse gas emissions in product lifecycle)	✓	✓	✓	✓	✓	✓
Graphics or videos showcasing innovation		✓	✓	✓	✓	

VISUALIZATION: INTEGRATION OF SUSTAINABILITY THEMES IN LOGOS AND COMPANY IMAGES

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

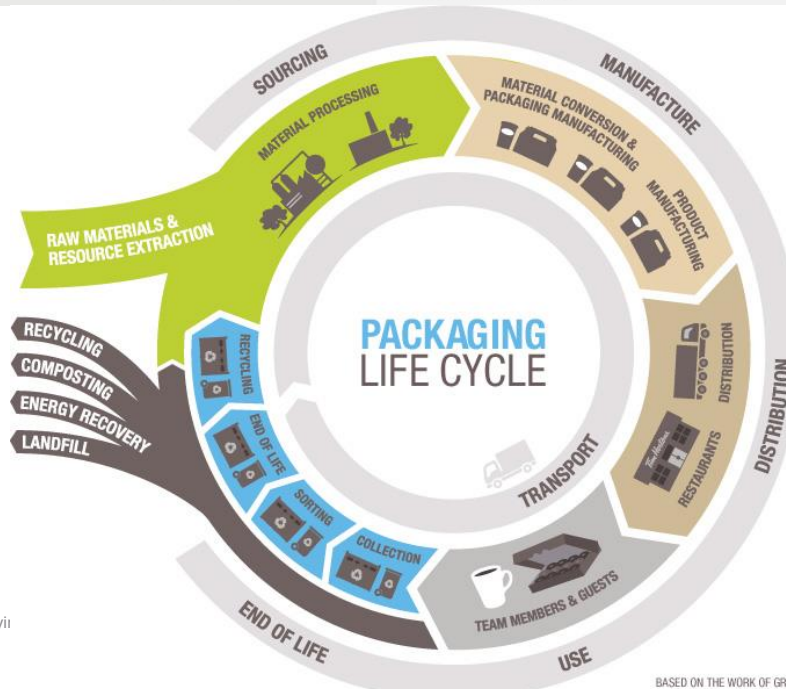
Usually these can be found through a simple google search of company advertisements

Infographics showcase companies 'walking the talk', with impacts of initiatives such as energy savings and supply chain innovation



MAKE A DIFFERENCE / Sustainability Progress Report 2014

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Quinn & Partners

Sustainability strategies for leaders

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