

The Purpose Action Gap



The Business
Imperative
of ESG

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Introduction

For the last few years, purpose has dominated marketing conversations and has become an important aspiration for thousands of brands. In a rapidly changing post-COVID world, where so much has shifted in the last 12 months, it is one of those ideals that is at a critical moment.

It's time for brands to ally their ideals with pragmatism. Recent research from Barkley, in collaboration with Jefferies, provides some valuable hints on what it will take to make that happen. And since we conducted this research twice — both

pre- and post-COVID — we discovered shifts in thinking from both brand and consumer values: The gap between what they believe and how they are acting on such beliefs is narrowing particularly when brands make sustainability accessible and affordable.

What does that mean for you?

It's time to commit to purpose and sustainability as an organization.

Consumers (and investors) are expecting you to.

The methodology

Part A:

Consumer studies 2019 + 2021

Our learning is based on two different studies of around 2,500 consumers each year. One study in Q4 2019 and the other in Q1 2021. The survey was conducted in the United States. Data was weighted to U.S. Census percentages on gender, age, race/ethnicity, income and region.

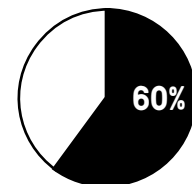
Part B:

2021 Business study

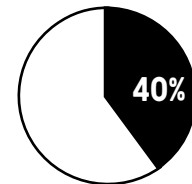
In 2021, we also partnered with Jefferies to sample 125 large consumer companies to hear what business leaders in these companies thought about the role of ESG reporting and action within their companies and sector.

We triangulated responses from both studies to draw insights and conclusions about how and what will happen next.

Job role

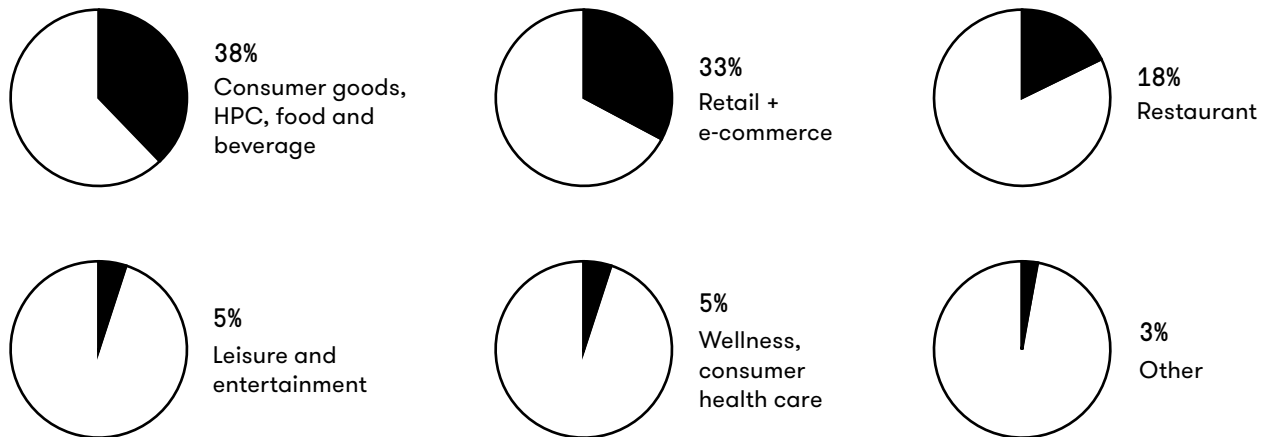


Investor relations



Executives/ management

Industry type



Company type





95%

of consumers who say ESG is as important or more important than 12 months ago.

Purpose is no longer optional

The principle behind purpose is easy to understand and without controversy: brands should stand for something greater than just making money. Who's against that? (Our research suggests that 5% of consumers might be, or at least don't care. Everyone else loves the idea.)

The drive for purpose as a guiding force has become so pervasive that measurement of its outcomes has become institutionalized with a corporate acronym: ESG, standing for Environmental, Social and Governance. It's about reporting non-financial metrics across these ESG factors as a guide for making the world a healthier, safer and more equal place. Research suggests that companies that do so are more successful in the long term.

No longer is corporate responsibility confined to sponsoring a good cause like breast cancer research. It's become embedded in company cultures — from how you treat your employees, to the products and services you make, to how you tell your story to consumers.

Marketers are increasingly seizing on purpose as a tool for building more powerful brand narratives. When your brand stands for something more, people see that and rally around you.

But there's a problem: purpose is still more theory than action.

That's because at every level, you will find gaps between what people say they believe and what they do. When we say every level, we mean it. From the boardrooms of the Fortune 500 to the kitchen tables of the ordinary consumer, purpose is still more an ideal than a reality.

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Part One

The consumer



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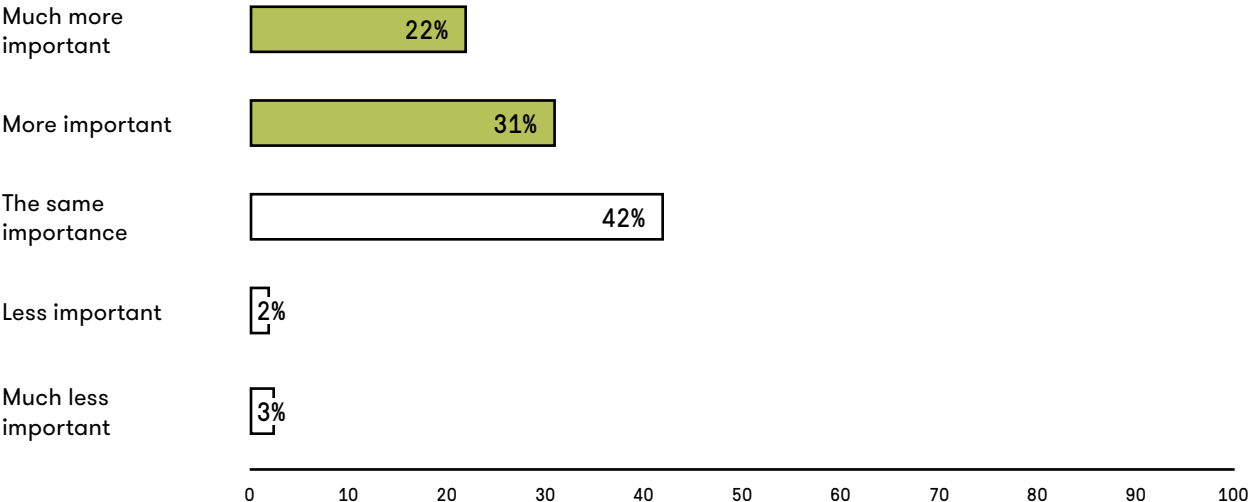
29 Demographic unity

ESG matters more to consumers post pandemic

Going into 2021, our expectation was that corporate sustainability and purpose-led business action might take a back seat to more pressing concerns. Instead, what we saw was that brands acting

sustainably are even more important to consumers now than before the pandemic.

We asked consumers how important ESG issues are today versus 12 months ago.

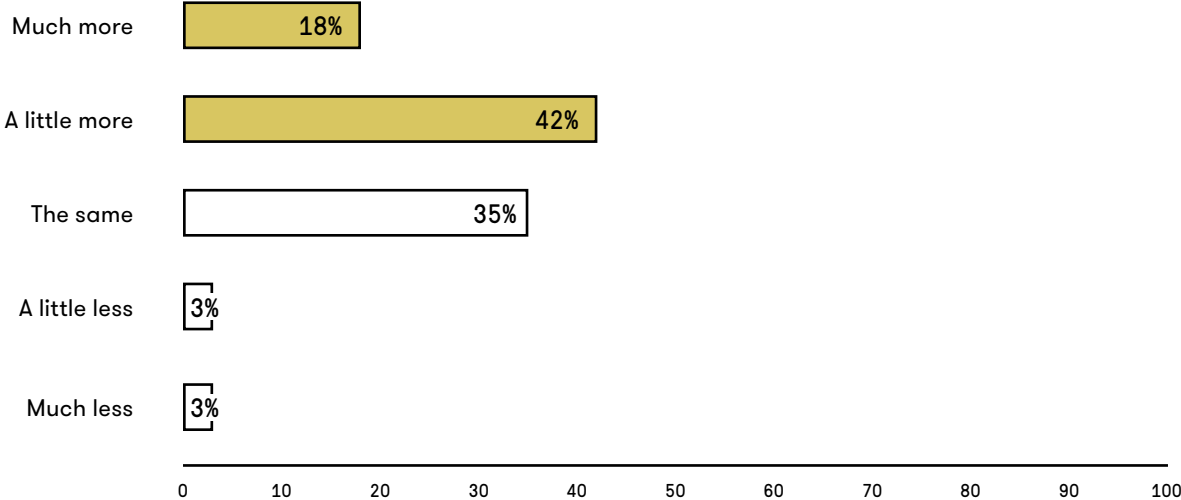


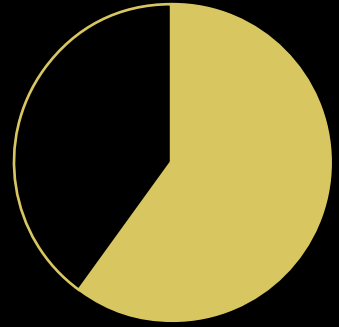


53%

of consumers say
ESG is more or much
more important than
12 months ago.

Not only are ESG issues more important to consumers, they also say they are willing to pay more to support environmentally and socially responsible brands.





60%

of consumers say
they are willing
to pay more for
sustainable brands.

Buying from brands with values adds to consumers' self identity.

The results from this study definitely suggest that consumers are using brands to support issues and causes they care about, but also to signal to themselves and others who they are and what they care about.

73%

said they are more likely to support a brand that takes a stand on the issues they care about

65%

said supporting companies that take a stand on the issues they care about is how they show support for the issues

75%

said that the brand acting environmentally or socially responsible was part of the reason they recommended them

In our study, 75% of consumers who had recommended a brand to a friend or family member in the past 6 months did so because the brand was acting in an environmentally or socially responsible way. The correlation

between values and word of mouth speaks to action on ESG as a way for brands to differentiate themselves in conversations consumers are having with one another.



The ESG-Action Gap is narrowing.



Consumers say ESG is important and it can influence their behavior and self-identity, but there is sometimes a gap between what they believe and how they behave.

Consumers don't always choose the more sustainable brand. Sustainability alone can't make up for a poor customer experience, poor quality or a lack of availability. But sustainability has the most impact when consumers are choosing between two or more products or services that are not well-differentiated on other issues.

While 77% say that having purpose and a positive impact on the world is important, only 48% say that they chose a brand over

a competitor in the past 30 days because the brand was more sustainable. Now, we say "only" 48% because it's less than 80%, but it's still a significant number. Almost half of consumers say they are choosing brands because of sustainability issues, and the number seems to be growing. In 2019, only 33% said they chose a brand over a competitor because of ESG, so 48% is not only a decent number of consumers in its own right, it also represents a significant increase in ESG importance post pandemic.



77%

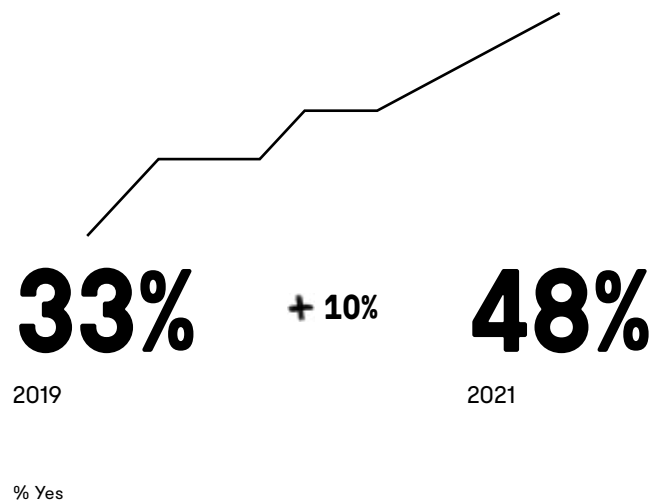
Agreed it is important to live a life of purpose and improve my impact on the world. (% agree/strongly agree)



48%

In the past 30 days, have chosen to shop or purchase from a company or brand over a competitor because it behaved in a more socially and environmentally responsible way. (% Yes)

But it's more important than it was before. In the past 30 days, have you chosen to shop or purchase from a company or brand over a competitor because it behaved in a more socially and environmentally responsible way?



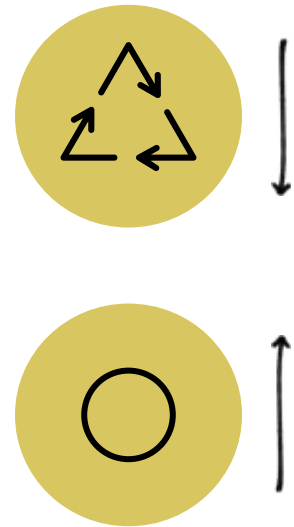
Consumer sustainable behaviors

Consumers say sustainability is important, but how does it show up in their daily lives? Recycling is the number one activity most Americans consistently engage in. This is not surprising, as waste is a very tangible and physical experience for a consumer. It's a good reminder for brands that if your packaging or product is not recyclable, it's likely to be a frustrating experience for consumers who regularly engage in this behavior.

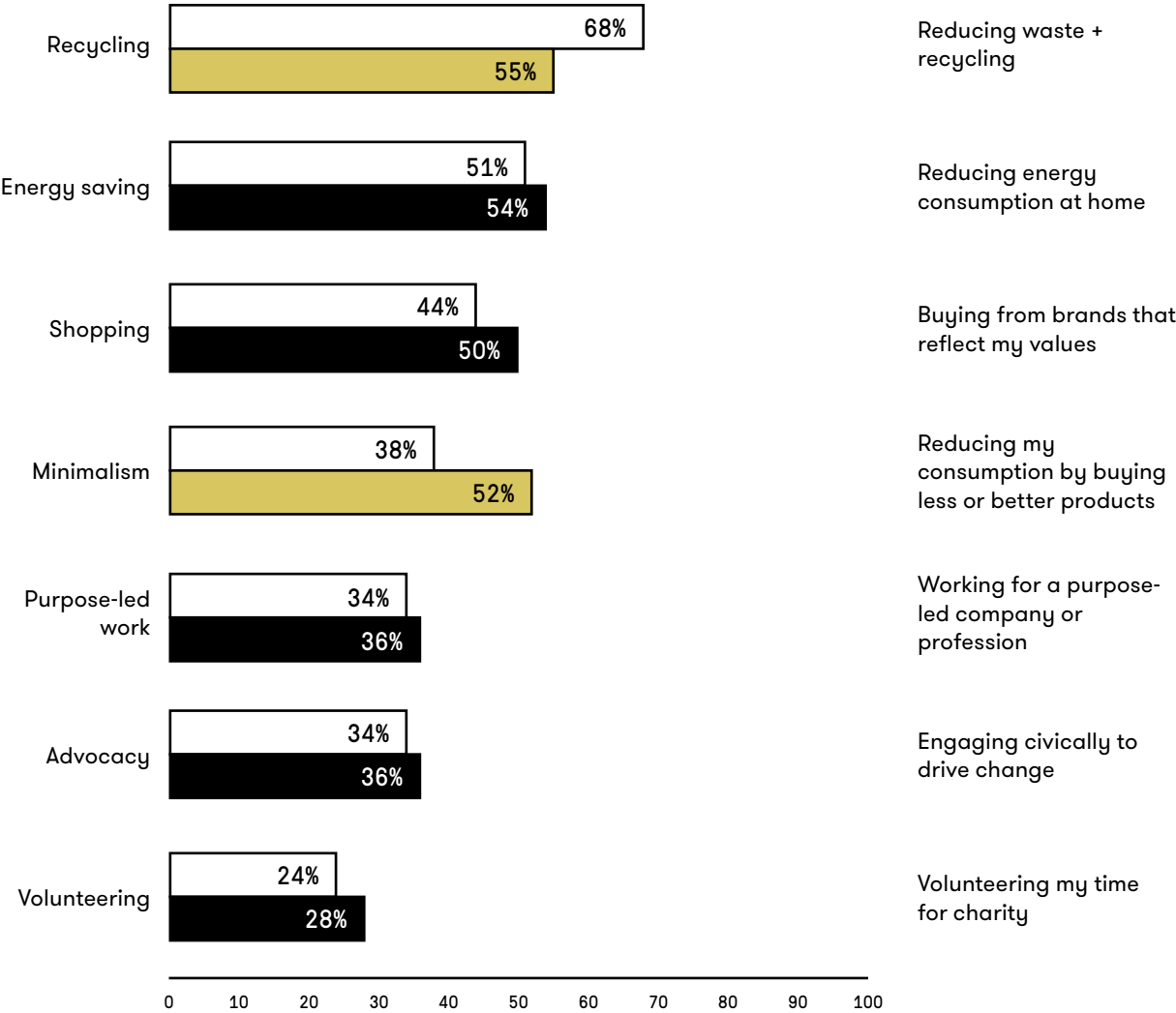
However, what is really significant is minimalism, up 40% since 2019. Consumers report that one of the ways they live sustainably is in buying less stuff or buying more long-lasting products. The rise of minimalism

corresponds to a drop in reported recycling behaviors — which stands to reason that if you buy less stuff, you have less waste. It's likely another by-product of the pandemic, where people may have been unable to physically visit a store or perhaps didn't want to. However, it dovetails with the rise in culture of minimalist influencers, capsule collections and zero-waste trends, so our prediction is that this will continue. The implication for brands is that you will need to further justify value and/or quality to stay in future shoppers' baskets.

How consistently do you engage in the following behaviors?



Consumer sustainable behaviors



○ 2019 ● 2020



Economic instability



Public health



Climate change



Discrimination



Human rights

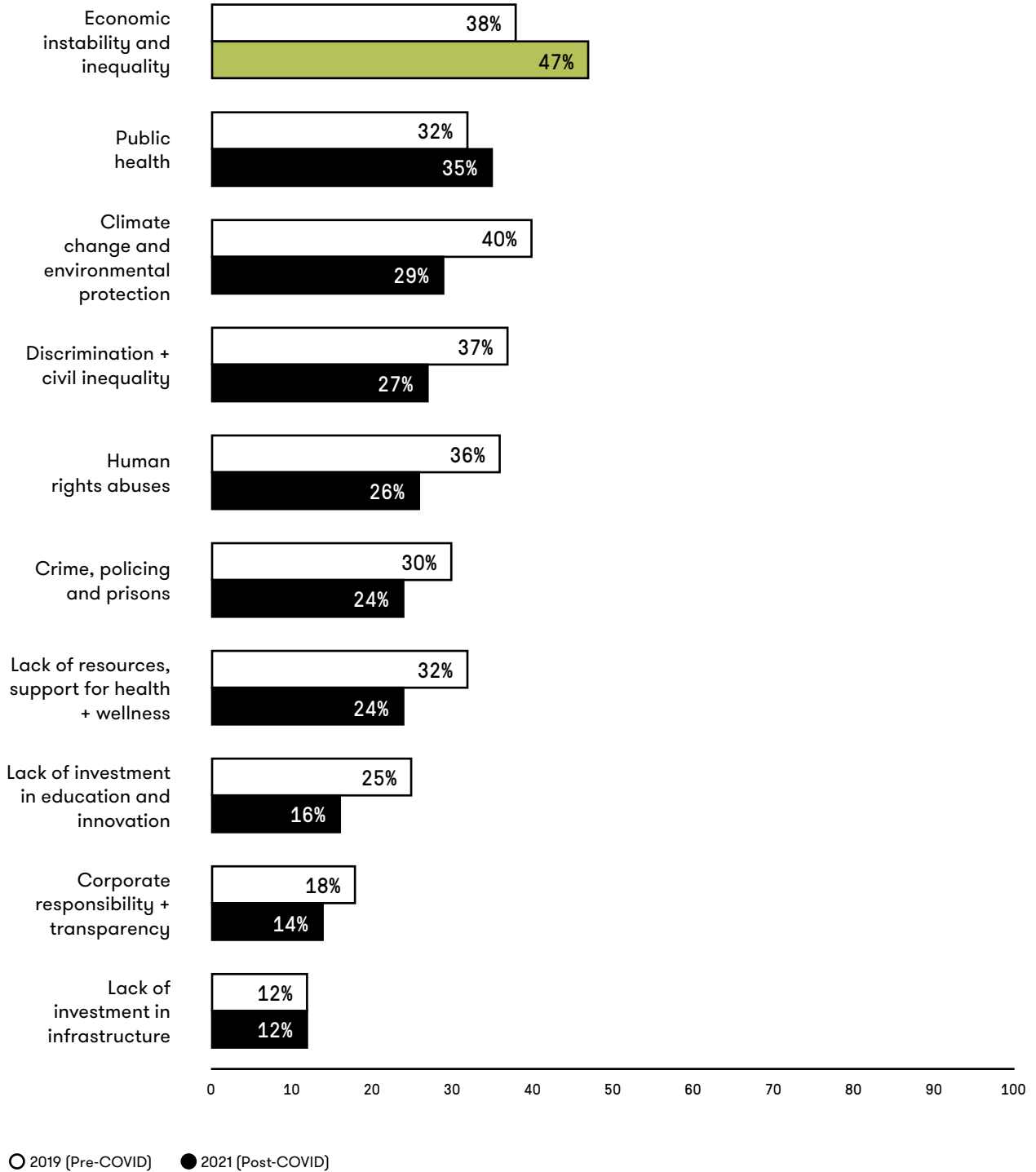
What are the most important issues

We are all profoundly influenced by what's happening in culture. And it's perhaps no surprise that, in the wake of a global pandemic, what matters most to consumers is economic instability and public health.

But back in 2019, the most important issue was climate change. The news was all about Greta Thunberg and there was a huge growth in consumer activism. Although this issue may have slipped in importance since our previous study, climate change remains one of the top three issues. Discrimination and civil rights ranked high in our wave 1 study and its importance only increased after the events of 2020.

The implication for business is two-fold – the importance of issues is ever-changing and your best bet to keeping pace with the speed of culture is to be prepared. To understand your impacts across the value chain of your business and respond to stakeholder concerns before it hits the headlines.

Top consumer-identified issues in 2019 and 2021¹



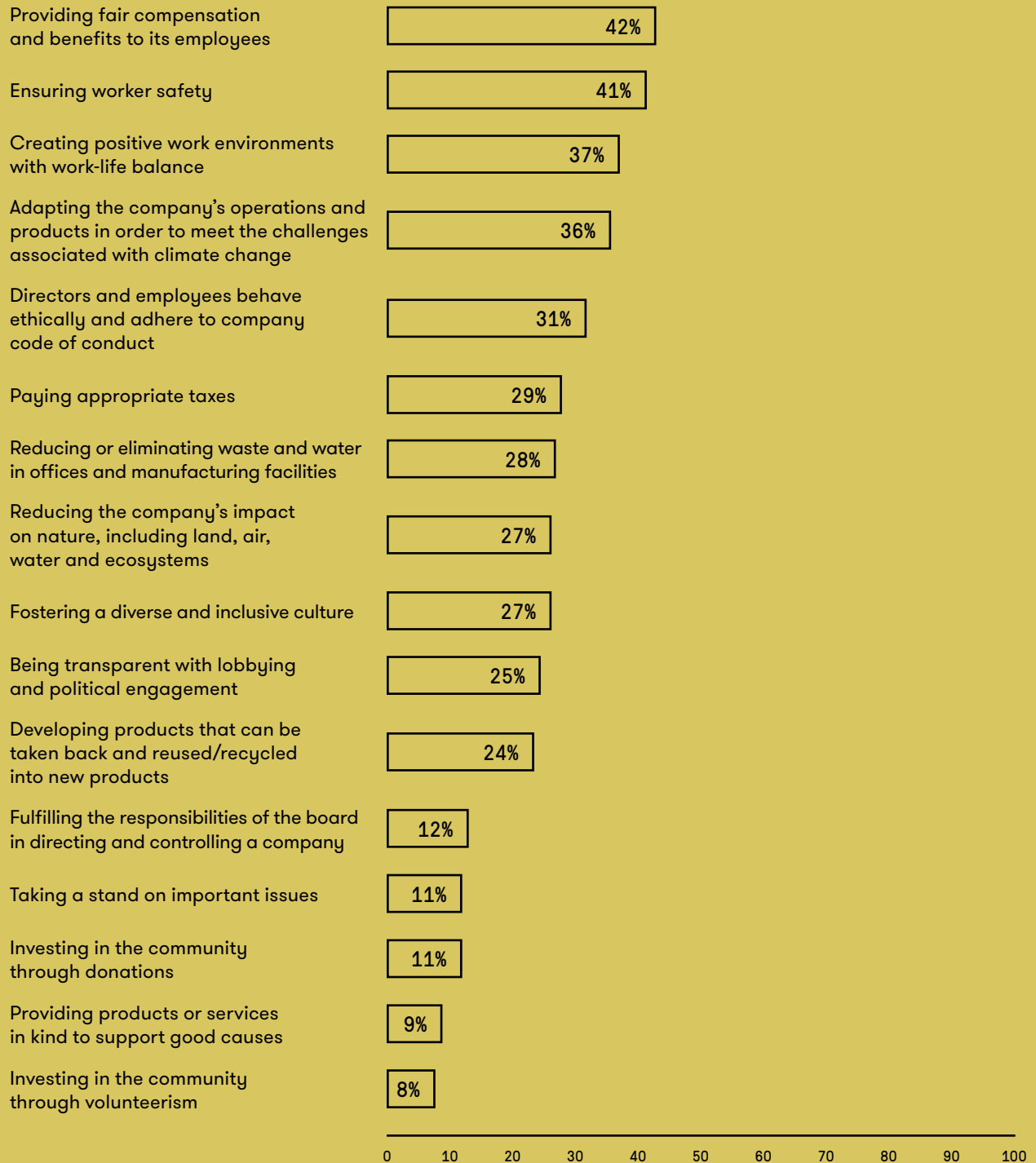


What do consumers believe companies should focus on?

We also asked consumers to consider what they felt businesses should focus on, and unsurprisingly, their top priorities for companies are about people and issues they can personally

relate to. Think improving worker conditions – including paying people fairly, ensuring work safety and creating positive work cultures. Climate change comes in close, in fourth place.

Top issues companies should focus on, identified by consumers²



5% of consumers opted for none of these.

The generation gap

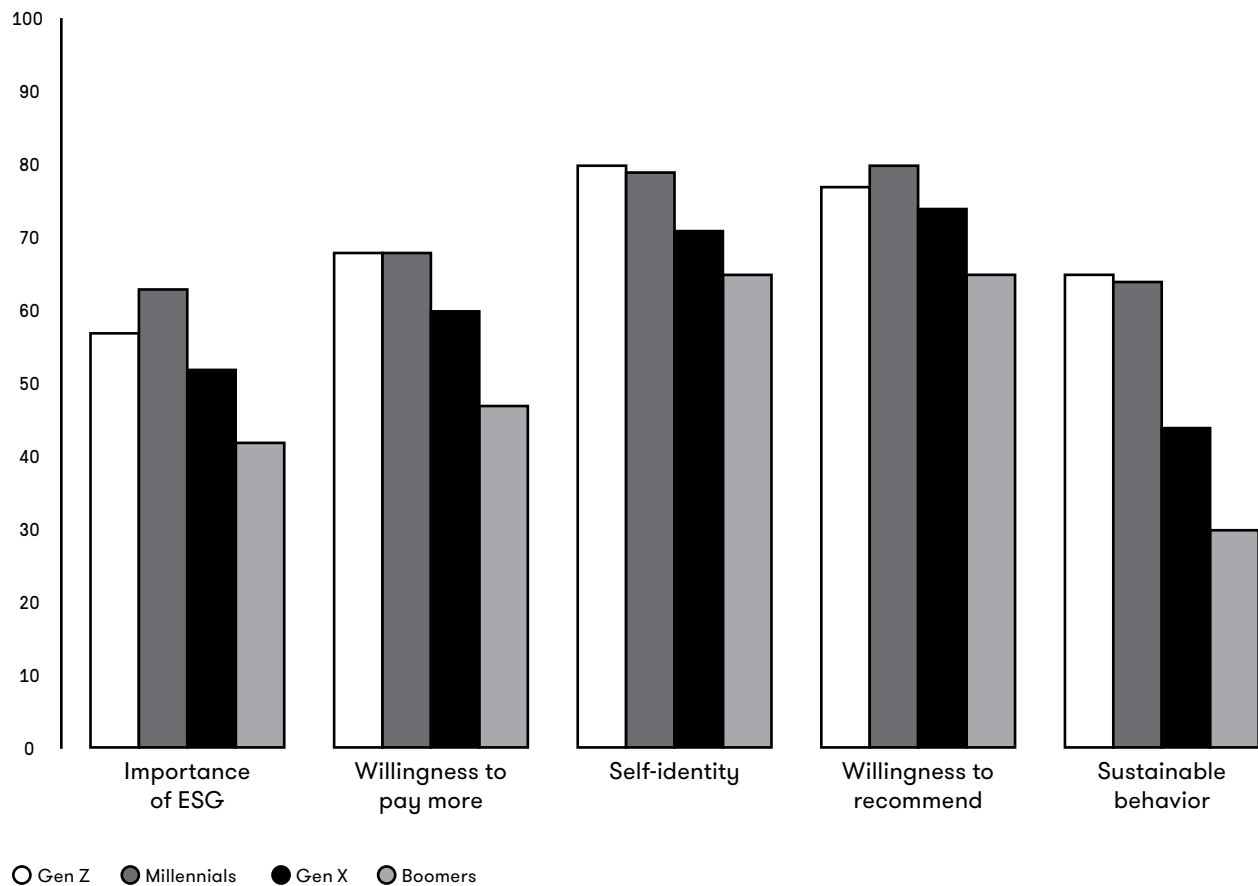
We consistently see across all measures that living sustainably matters more for younger generations than it does for older. However, it's important to note

that values and actions across all generations are growing, while only a quarter of boomers said they chose a more sustainable product over another in 2019,

this rises to almost a third by 2021. The implications of these results is that it's in a company's long-term interest to factor in strategic approaches to ESG as the demographics

of employees and consumers shift younger. Yet in doing so, the risks of alienating older generations is diminishing year over year.

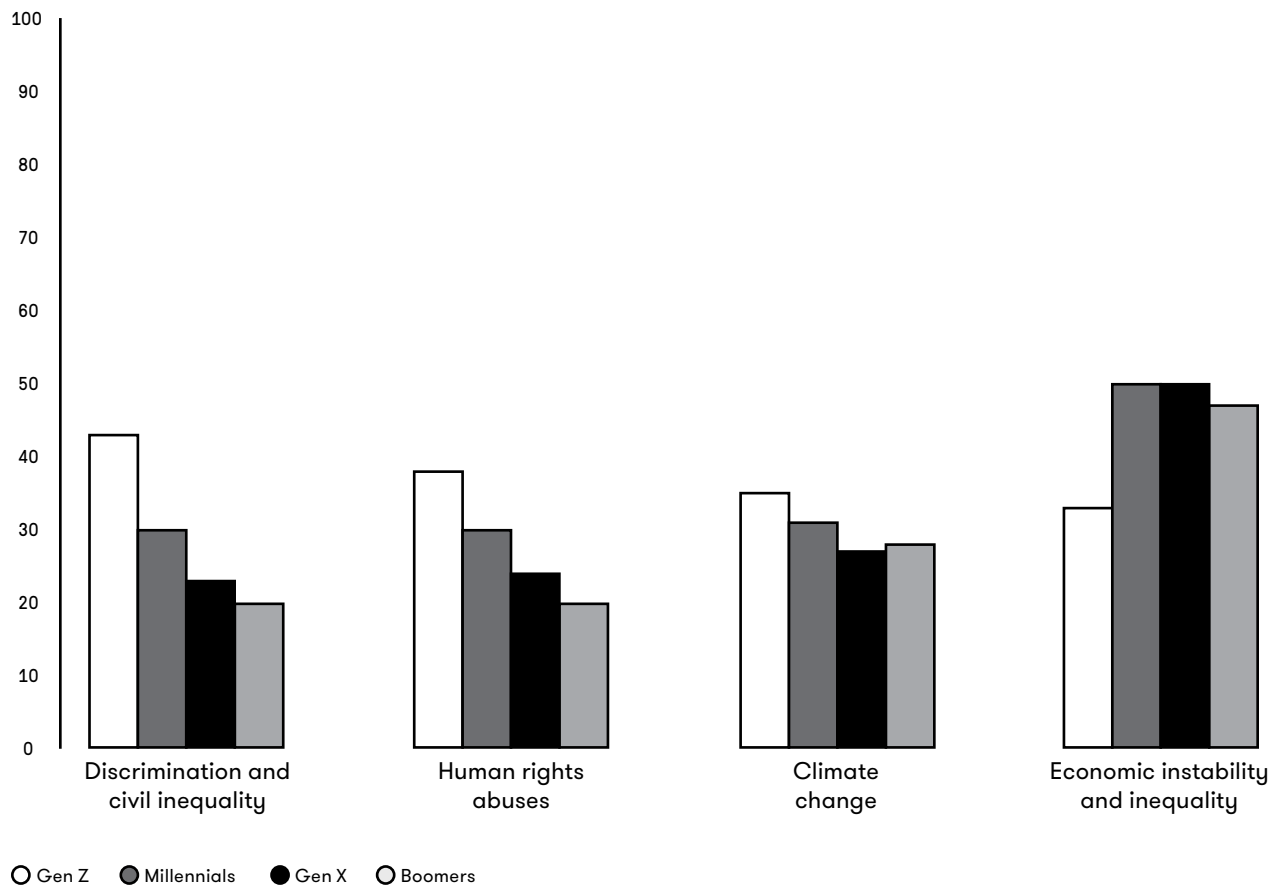
Sustainable values and behaviors - the generation gap index³



There is a divergence on the importance of issues, which is likely reflective of life stages. The top four issues for Gen Z are more systemic

challenges, such as civil rights, human rights and climate change, while older generations are more worried about economic instability.

Which of the following do you think are the biggest problems facing society today?



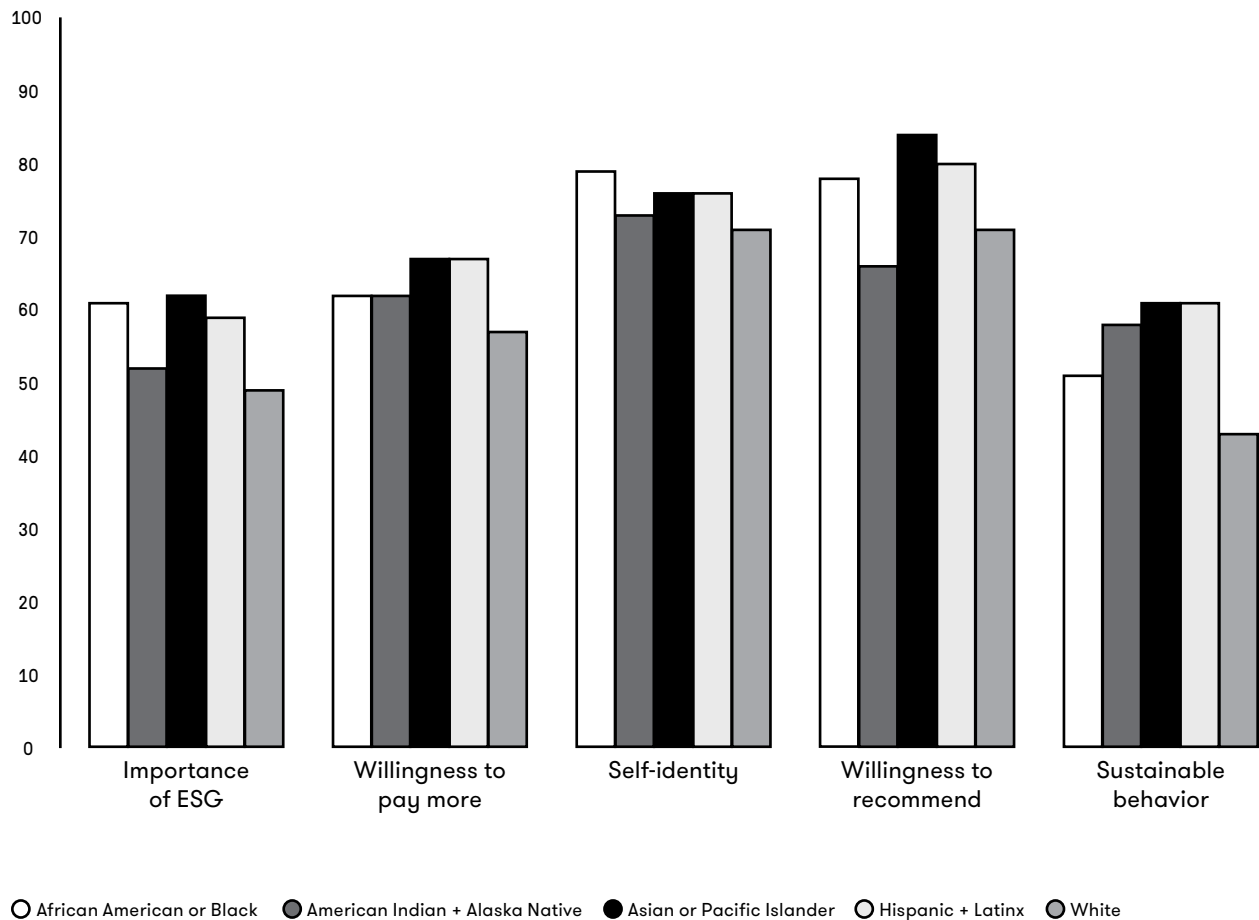
The race gap

Sustainable beliefs and behaviors are stronger among non-white communities. Hispanic, African American, Asian and Native Americans say ESG values are more important to them and they are willing to pay more for those brands that reflect those values. They are also more likely to boycott your brand if you don't support the issues

they care about. As U.S. demographics shift to not just younger, but a more racially diverse audience, businesses that fail to shift with them risk losing out.

While the pandemic shone a light on pre-existing racial inequities across housing, workplace and healthcare, the deaths

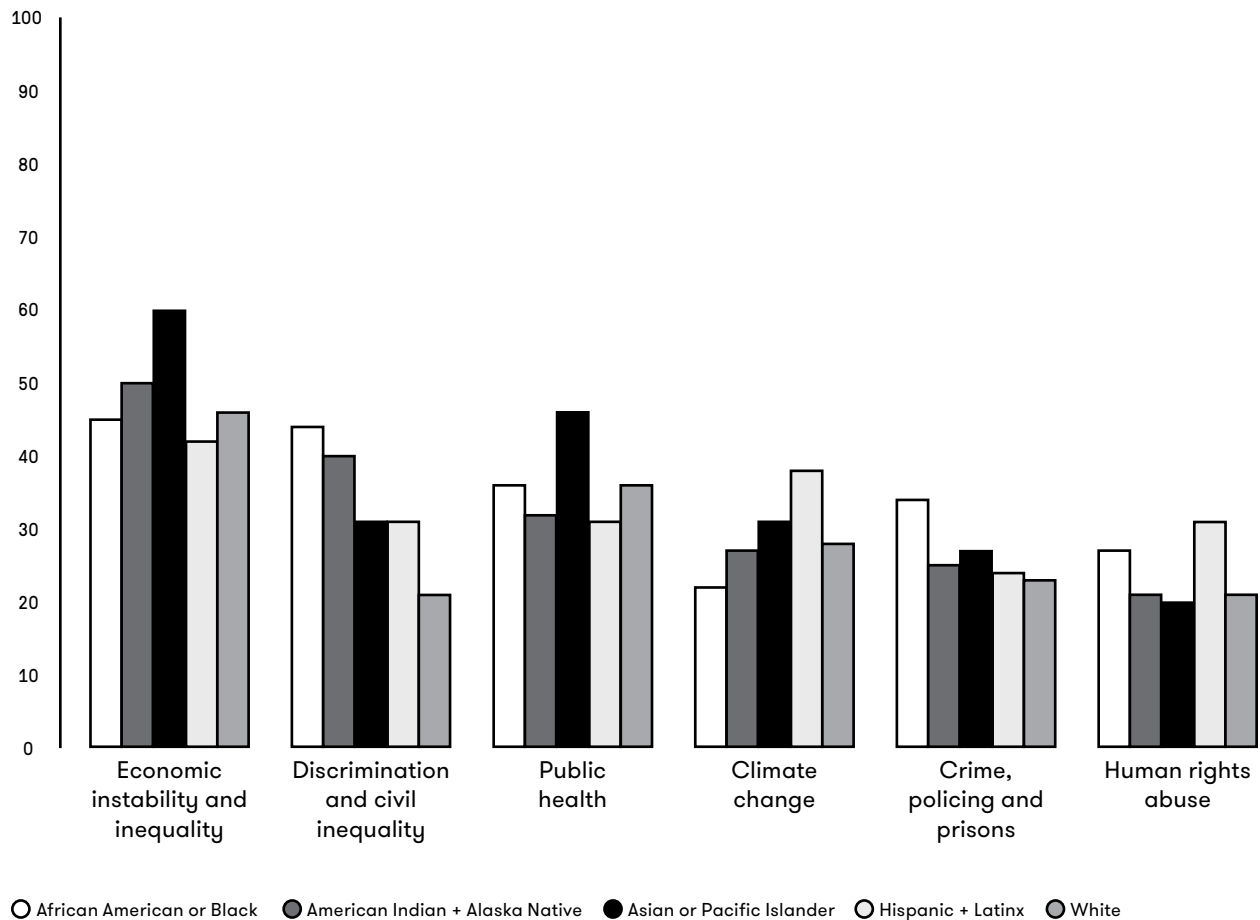
Sustainable values and behaviors - the racial gap index⁴



of George Floyd and Breonna Taylor put inequities in criminal justice into the mainstream. Social justice campaigners responded by encouraging people to advocate but also to support businesses in affected communities. The connection and commitment between values and consumer behavior have no doubt been boosted by these calls to action.

In 2021, we saw heavy campaign pressure against businesses that were silent in the wake of restrictive voting legislation in Georgia. The implication for business is this: stand on the wrong side of some of these issues and stand to lose business from ethnic groups in the future.

What are the top issues facing society today?

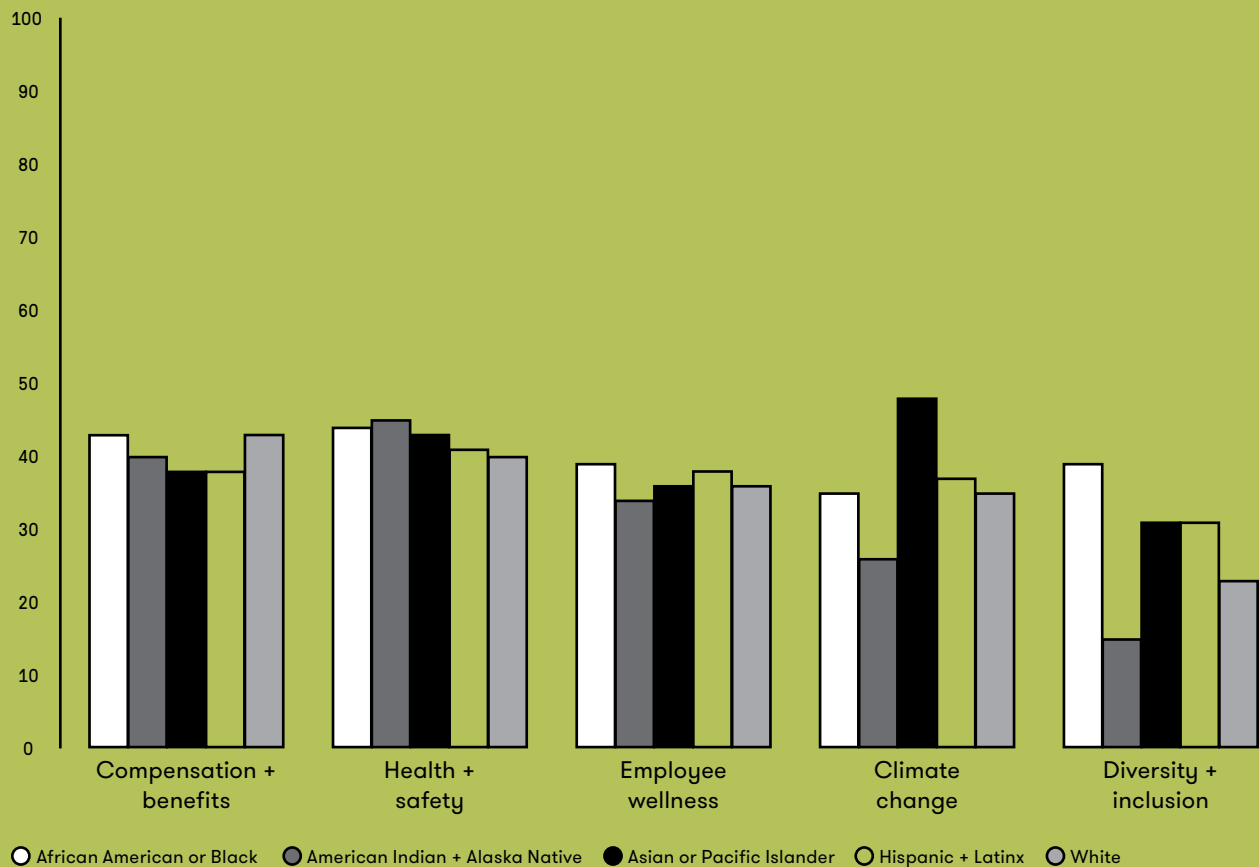


All races agree economic instability is a top issue. African Americans or Blacks are equally as concerned about economic instability and discrimination and civil inequality. Opinion divides when it comes to the ranking of other relevant issues. For African Americans or Blacks, Native Americans + Alaska Natives, discrimination and civil inequality is the second most important issue. For Hispanic + Latinx, climate change ranks next.

When it comes to what companies should focus on, there is broad consensus across all racial groups that companies should prioritize the well-being of workers, but there are two

key outliers on issue prioritization across groups. The first is diversity and inclusion: 39% of African American or Black consumers compared to 23% of white consumers believe this should be a key focus for companies. Asian or Pacific Islander consumers are also an outlier, with 48% believing that companies should focus on climate change ahead of worker rights. These findings are relevant for businesses trying to attract and retain a more diverse workforce. It's worth understanding that a) action on ESG values is likely more important for ethnic groups than it is for white employees and b) the issues that matter will be different by culture.

What are the top issues for companies to focus on?

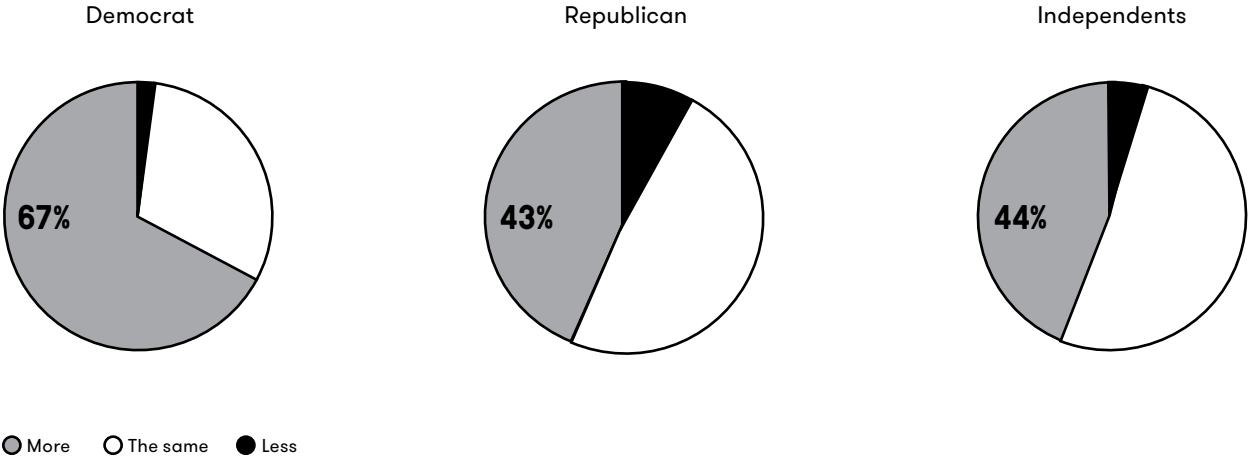


Demographic unity

ESG is growing in importance to all Americans, irrespective of how much they earn or who they vote for. While we might disagree about how to solve social and environmental problems and who should pay for it, we do agree that change for good is needed.

Respondents from all political parties say ESG are important factors when choosing brands. However, Democrats were significantly more likely to say it is more or much more important than it was 12 months ago.

How important are ESG issues in deciding which brands to buy versus 12 months ago?

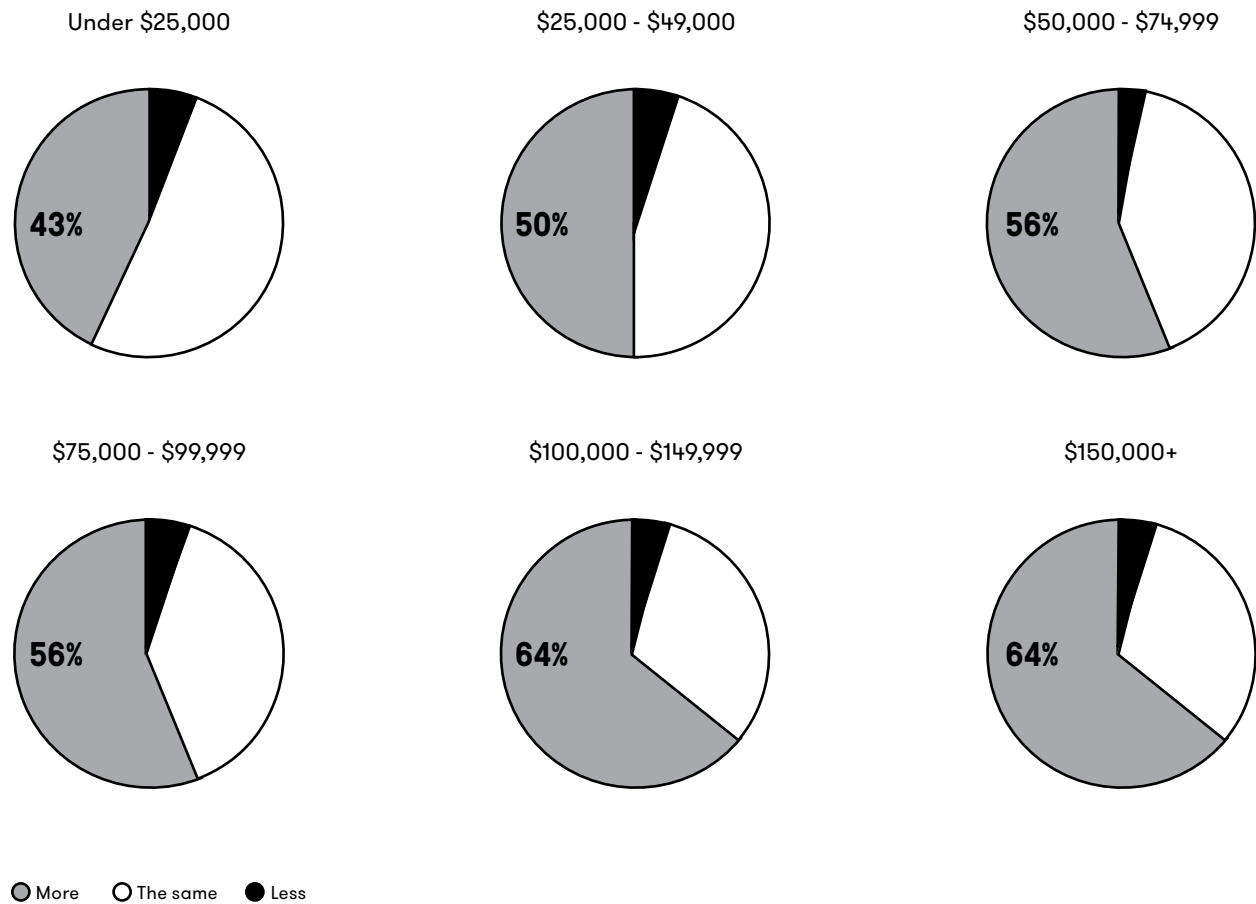


View by political party. Results indicate 'more' or 'much more important'.

All respondents say ESG are important when choosing brands, but those with incomes higher than \$50,000 are more likely to say it is more or much more important to factor ESG issues in deciding which brands to buy versus 12 months ago.

This stands to reason that more affluent consumers will find values-based purchasing more attainable; however, this data shows there is a desire across all incomes and opportunities for brands across all price points.

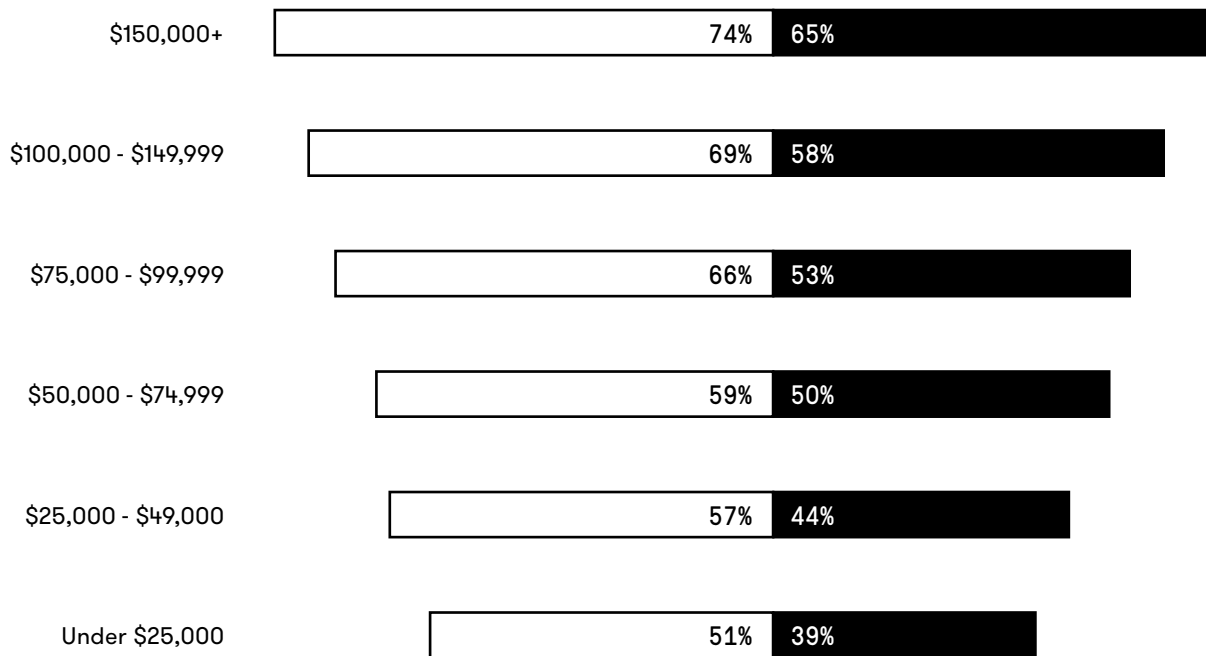
How important are ESG issues in deciding which brands to buy versus 12 months ago?



View by income. Results indicate 'more' or 'much more important'.

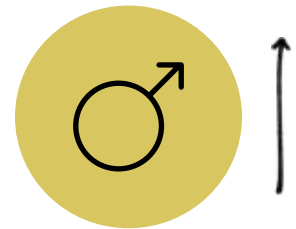
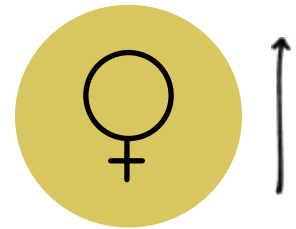
Where the difference can lie is in willingness to pay more and reported behavior. Our research shows that over half of consumers across all income levels are willing to pay more for sustainable goods.

Of course, our ability to follow through and choose a more sustainable product over a competitor is commensurate with rising income levels. But the fact remains, whatever price point, sustainability can provide a price elasticity advantage.

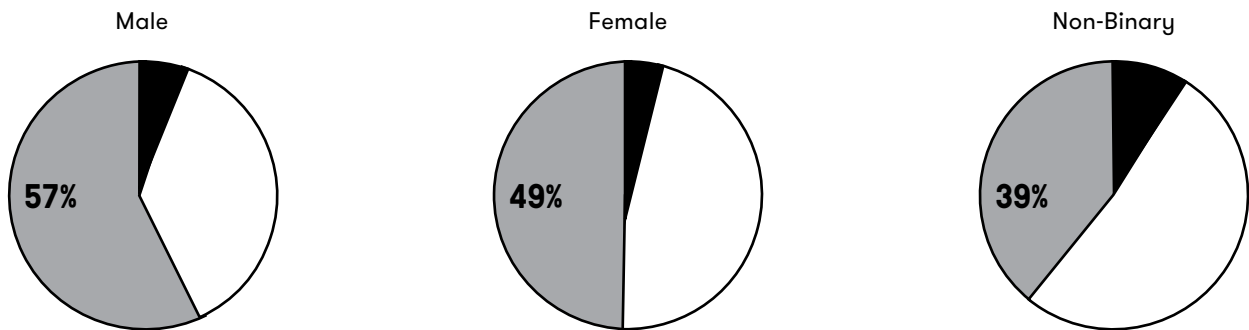


Willingness to pay more Sustainable behavior

Overall, females are most likely to say that ESG is as important or more important. Males have shifted the most, with 57% of males saying it is more or much more important to factor ESG issues into purchasing than it was 12 months ago.



How important are ESG issues in deciding which brands to buy versus 12 months ago?



● More ○ The same ● Less

View by gender. Results indicate 'more' or 'much more important'.

Part Two

Business response



34 Business ESG importance is growing

38 Mapping consumer and business ESG priorities

40 Most relevant industries

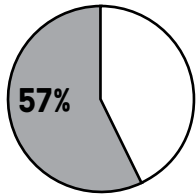
43 Consumers are employees too

48 Communication readiness

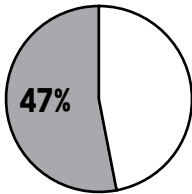
Business ESG importance is growing

98% of businesses say acting on ESG-related issues is more important or much more important than it was 12 months ago. None of the business respondents said it was less important, and only respondents in the leisure + entertainment

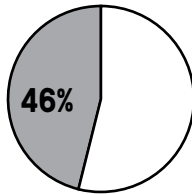
and wellness/consumer health care industries said it was the same importance. The restaurant industry had the highest jump in importance with 57% of respondents in that sector saying ESG is 'much more important' than 12 months ago.



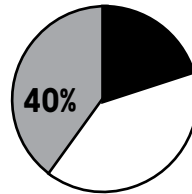
Restaurant



Consumer goods

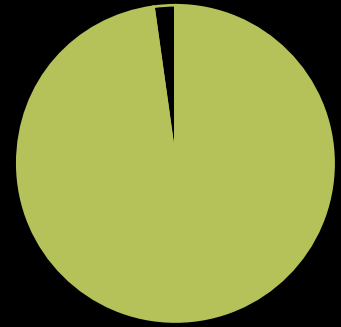


Retail E-commerce



Leisure + Entertainment

● Much More ○ More ● Same

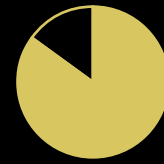


98%

of businesses say acting on ESG-related issues is more important or much more important than it was 12 months ago.

The top issue identified for businesses to focus on was diversity and inclusion — unsurprising, given the rise in awareness on this topic in 2020 and our research taking place the week of the Derek Chauvin trial for the death of George Floyd. When asked to rank their current performance on diversity and inclusion, there is a significant gap between stated importance (85%) versus those who think they are doing an excellent job on this today (20%).

Other gaps of note include performance on environmental programs around climate change, where only 10% of companies highly rate their performance today, and the circular economy³, where only 3% are confident their actions are exemplary.



85%

of companies stated that diversity and inclusion is important to strive for.

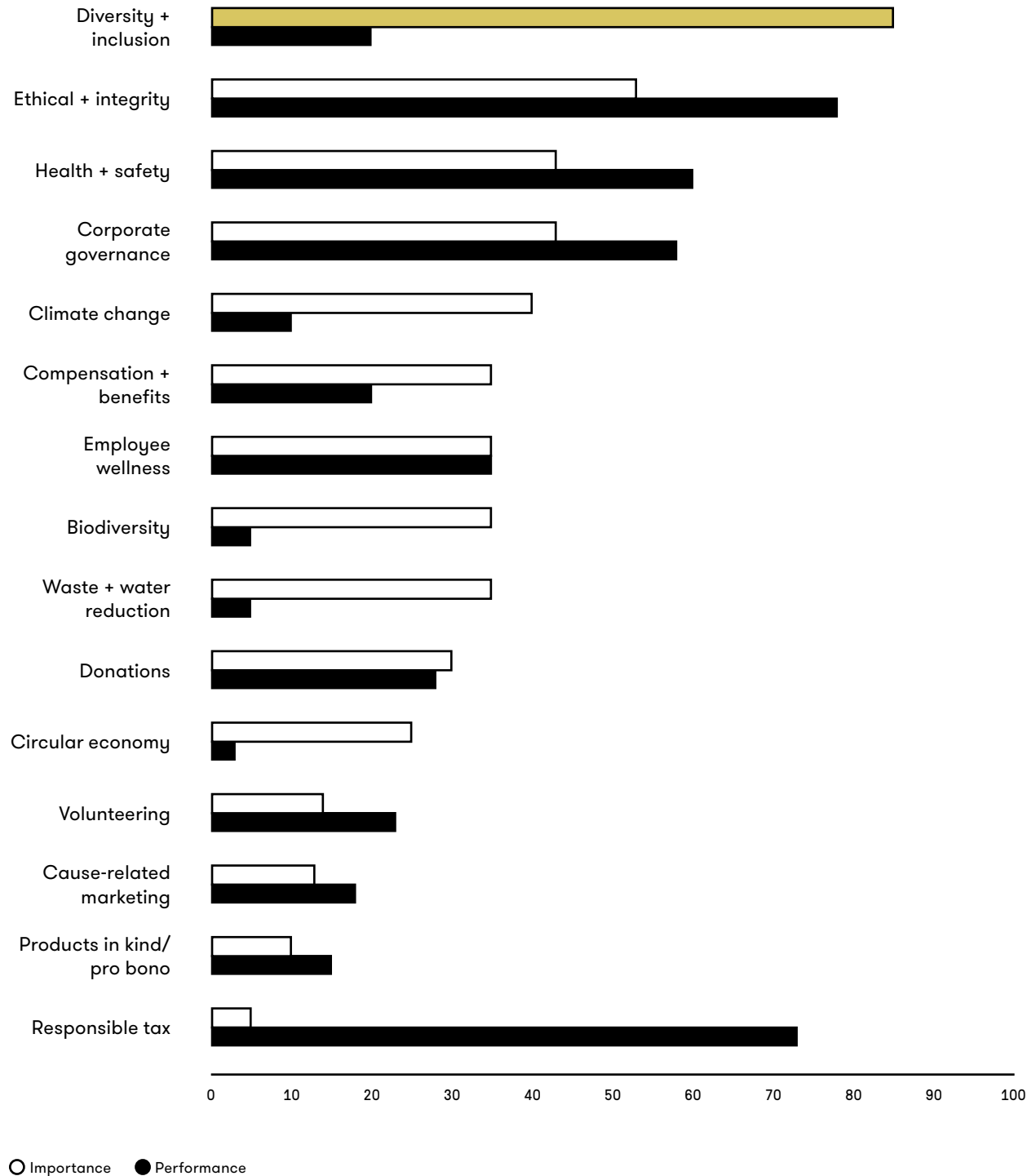


While only

20%

said they're doing an excellent job on implementing this into their companies.

Top issues and rating of current performance on those issues by business



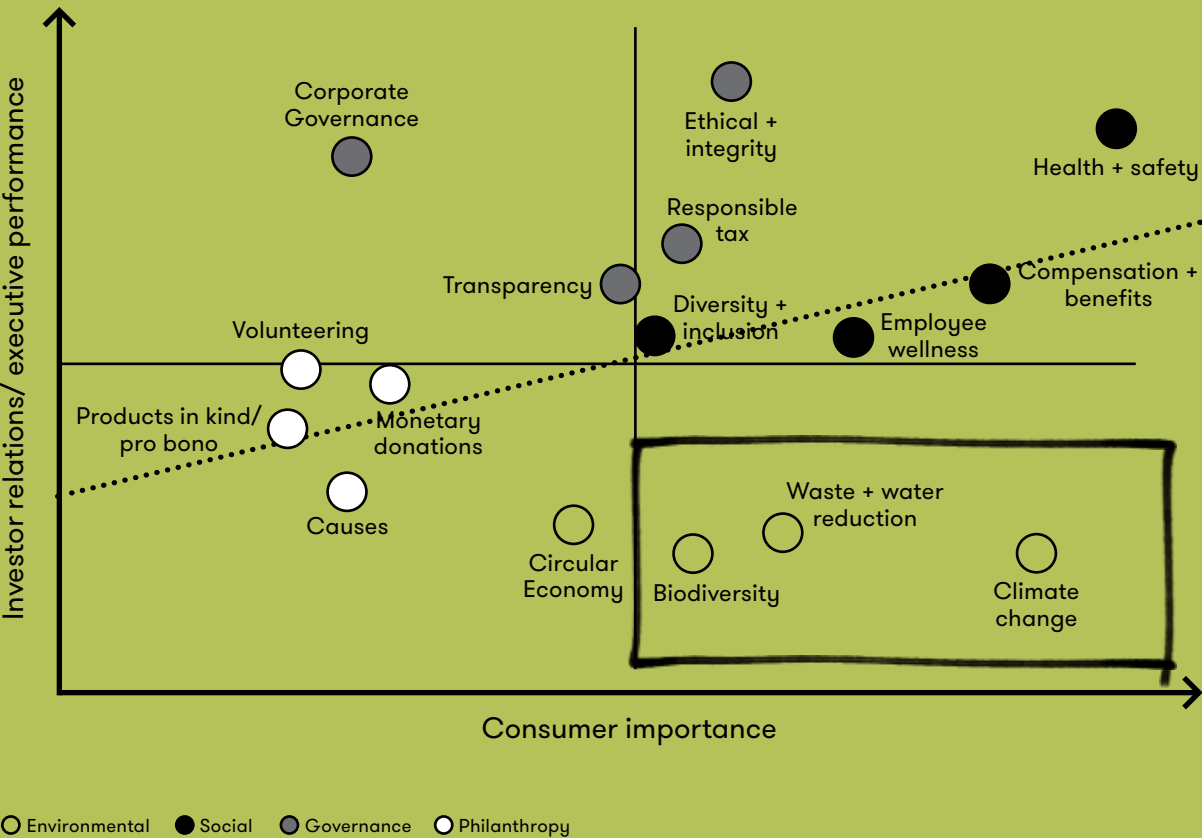
Mapping consumer and business ESG priorities

We asked brands to rate their current performance on ESG issues and plotted their responses against what matters most to consumers. And what we learned is that brands are doing well on the social issues that matter to consumers

but underperforming on environmental issues. So, there's clearly an opportunity for businesses to close this gap in what many are calling the decade of action.

There is more alignment on consumer expectation and

business performance on governance issues. And both consumers and businesses rank philanthropy as a lower priority compared to the more core and transformational business opportunities.



Consumers are way
ahead of companies
on how they value
and act on ESG
issues. Fail to
realize that and you
will be left behind.

Most relevant industries

A common misconception is that the oil and gas industry is the one that needs to focus on ESG the most. The data shows that while the sector is top of mind, there is consistent appreciation by consumers in both surveys that all sectors need to up their act on these issues. Unsurprisingly, the top two industries were related to public health. The biggest

increases in 2021 were in packaged foods and goods and fast casual restaurants — reflecting our collective eating habits. Only two categories saw a decrease in importance of tackling ESG in their industry: airlines and banks, perhaps reflecting the lower relevance of travel in the past 12 months or lack of scandal in banking.

Industries where ESG is most important, as defined by consumers

	Wave 1 n=2,312	Wave 2 n=2,472	Difference (percent points)
Oil and gas companies	73%	80%	7%
Pharmaceutical manufacturers	77%	78%	1%
Automobile manufacturers	70%	77%	7%
Packaged foods and goods	69%	75%	6%
Mass merchandisers	71%	75%	4%
Airlines	66%	74%	8%
Pharmacies/drug stores	73%	74%	1%
Automotive services	59%	73%	14%
Fast food restaurant	63%	73%	10%
Grocery store chains	70%	73%	3%

Industries where ESG importance is rising the fastest, as defined by consumers

	Wave 1 n=2,312	Wave 2 n=2,472	Difference (percent points)
Convenience stores	49%	66%	17%
Automotive services	59%	73%	14%
Footwear retailers	54%	65%	11%
Fast food restaurant	63%	73%	10%
Fitness clubs and gyms	52%	62%	10%
Ridesharing companies	55%	65%	10%
Beauty products	61%	70%	9%
Fast casual restaurants	59%	68%	9%
Airlines	66%	74%	8%
Department stores	58%	66%	8%



What most motivates
your company to
engage in ESG?

3.6 Fulfilling our
company purpose

4.4 Retaining and
attracting talent

4.4 Driving brand
growth

4.5 Improving
reputation

4.7 Engaging
employees

6.0 Attracting younger
consumers

6.2 Anticipating regulatory
requirements

6.5 Increasing
stock price

6.6 Reducing
operating cost

8.3 Decreasing price
of capital

Rank 1 is the highest

Consumers are employees too

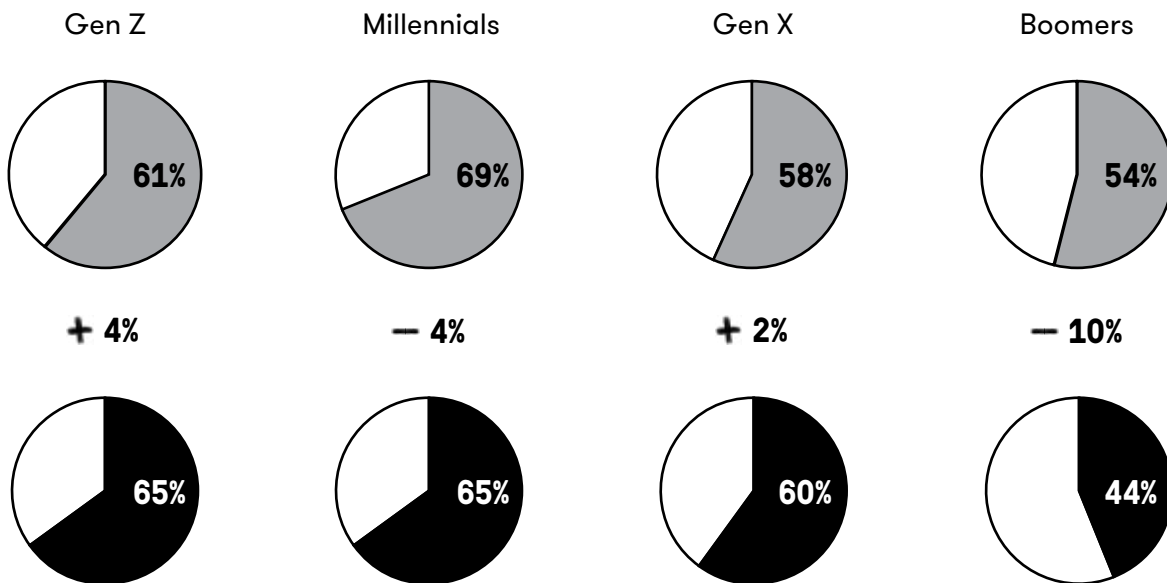
We asked businesses to tell us the key reasons motivating businesses' action on ESG. The responses clearly reflect tangible business benefits around enhanced business performance, but we were interested to note that two of the top five reasons were around people management; retaining and attracting key talent and engaging employees.

We saw consistently across the two data sets that the majority of today's consumers say working for a company that shares their values is important to them. This is much more important for younger consumers than older generations. In fact, our data is showing this is decreasing in importance from boomers, a

factor explained as they may be retiring in more significant numbers now.

But again, there is a significant gap between how important this is to a consumer and how good a job they think their current employer is doing on this.

How important is it for you to work at a company that aligns with your values?



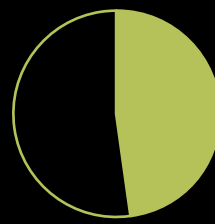
● 2019 ● 2021



58%

How important to you is it that you work at a company that aligns with your personal values.

{Important/very important}



48%

How would you rate the performance of the company you work for on being environmentally and socially responsible?

{Excellent/very good}



If 2019 was the year
of consumer activism,
then 2021 is the year
of investor activism.

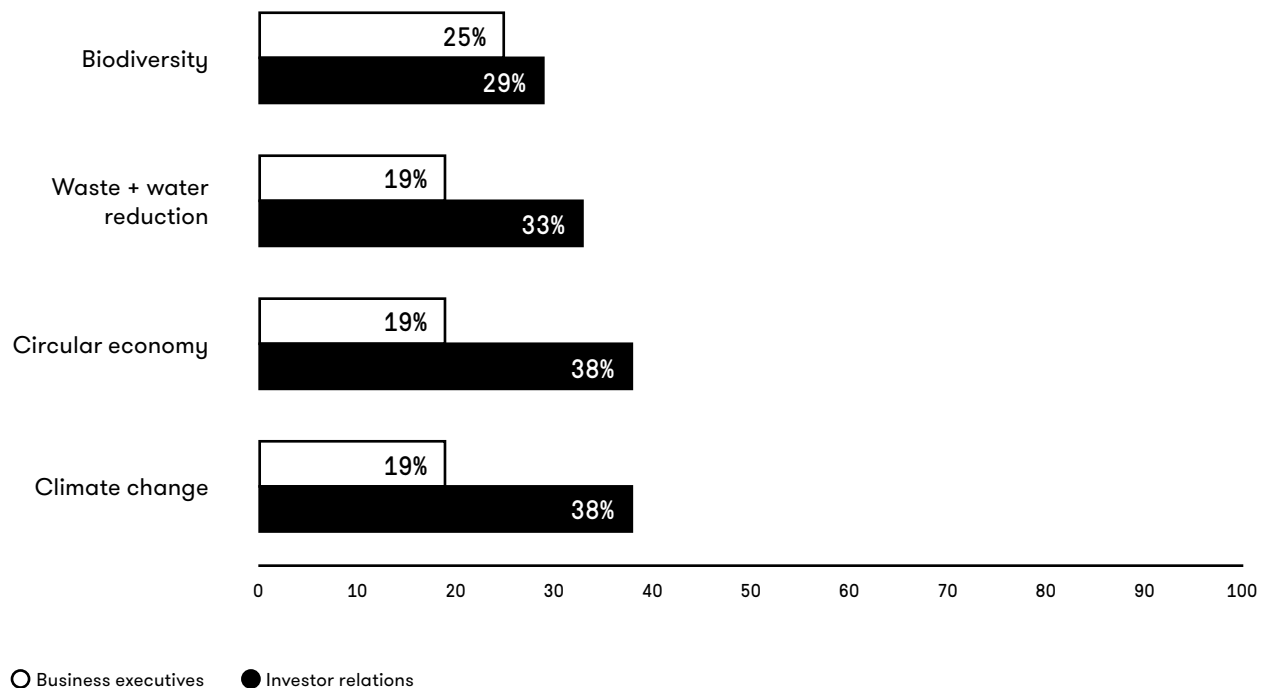
Two big things happened in 2021 on stakeholder activism. Exxon lost two board seats to an activist hedge fund, with the support of Wall Street veterans Blackrock, Vanguard and State Street. Meanwhile in the Netherlands, a court ruled in a landmark case that Shell must reduce its CO₂ emissions by 45% by 2030.

Time will tell just how much these events will change the industry and ESG, but for now, we assume these events, and the events that led to them, have had some impact on the results we see below.

When we separated responses from C-Suite Execs from those with investor relations responsibilities, the investor relations respondents were way more attuned to the importance of environmental issues. Here we see a very significant gap between how important the issue of biodiversity is with investor relations people, indicating perhaps that they are more acutely sensitive to the rise in stakeholder activism on the environment.

But does that mean they're ready to rise to the challenge?

The importance of environmental issues by business role



Communication readiness

Across the board, there is a lack of readiness to communicate on ESG. A third of investor relations say they are not ready to speak to their actions on ESG issues. This rises to 49% of management executives who say they are not ready. And the percentage of companies who say they are not ready to talk goes even higher

when it comes to lack of readiness to talk to consumers. Whether they don't have a story to tell, or they don't know how to tell it, remains to be seen. But what's clear from this study is that consumers are well ahead of companies in how they value and act on ESG issues.

How ready are you to share your ESG actions with consumers?

	Very Ready	Ready	Not Ready
Investor Relations	8%	42%	50%
Executives Management/ VPs	13%	25%	62%

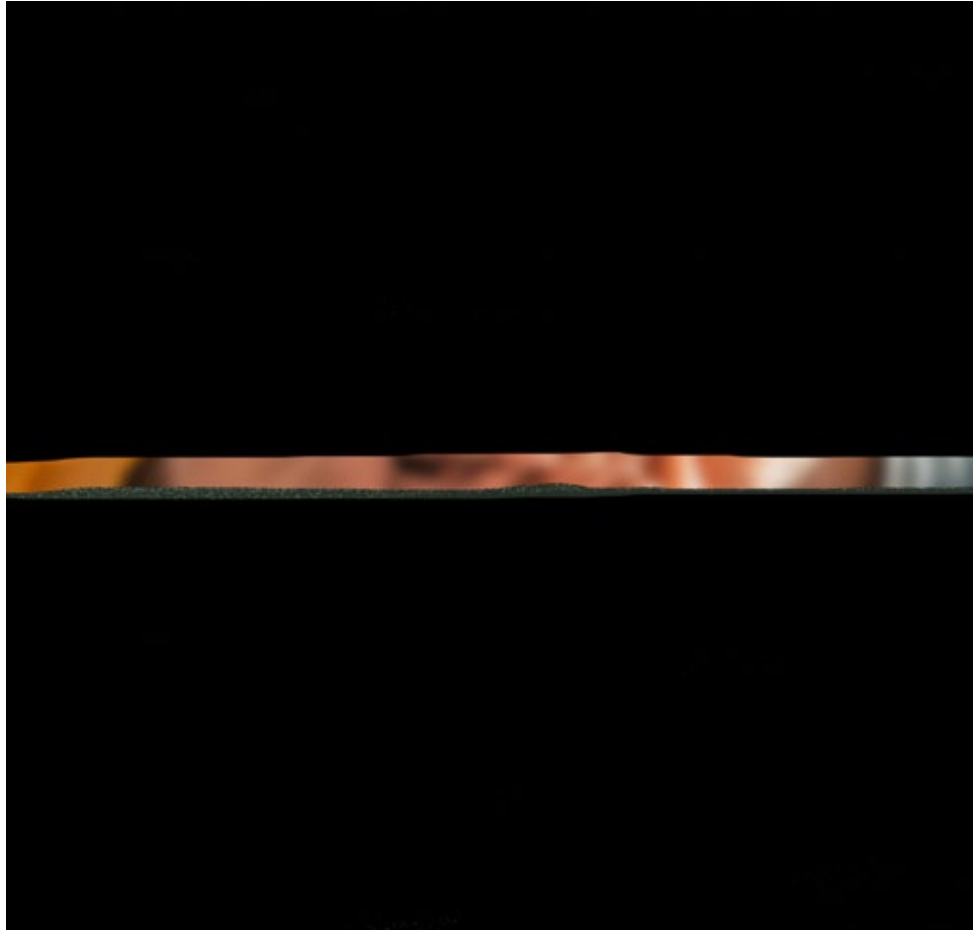
How ready are you to share you ESG actions with investors?

	Very Ready	Ready	Not Ready
Investor Relations	25%	42%	33%
Executives Management/ VPs	13%	38%	49%

Consumers' and investors' expectations on the ESG performance from companies continues to rise, and over half of businesses surveyed admitted that they are simply not ready to meet this groundswell of public demand.

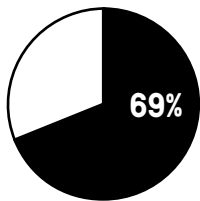
Part Three

So how do we close the gap?

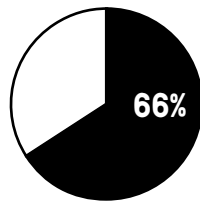


>60%

of consumers not only want business to have a point of view on ESG issues, they also want you to turn talk into action. To take a stand, take action and prove it.



I am more likely to endorse a company or brand for taking a stand if they also take action to operate their company in a socially and/or environmentally responsible way. (% agree/strongly agree)



I am more likely to support a company if they provide proof of their socially and environmentally responsible behavior. (% agree/strongly agree)

Consumers want brands to prove it

The key thing consumers say they are looking for is for brands to substantiate their ESG stories with proof of evidence or impact.

What they are looking for is evidence of impact against goals. The second most important thing they want to see are sustainable products and services. What consumers are

looking for is for you to behave like a whole brand across your whole value chain, from how you treat your people, to the products and services you make, to how you tell your story and everything in between.

Top proof points are the same for consumers and business executives.

	Consumers	Business
Evidence of impact and progress on ESG indicators	33%	38%
Sustainable product and services innovation	24%	28%
CEO-led communication on ESG issues	5%	10%
Disclosure through ESG report	13%	5%
Positive ranking in industry benchmarks or certification, e.g., Dow Jones Sustainability Index or B-Corp Certification	12%	5%
Something else (please specify)	5%	8%
Evidence of participation in multi-stakeholder partnerships, e.g., UN Sustainable Development Goals	5%	5%
Timebound ESG targets and plans	2%	3%

Consumers research brands on ESG ahead of purchase.

While the majority of consumers admit they are still not always sure how to know for sure if a brand is sustainable, that doesn't mean they are not going to try to find out. Over half of younger consumers say they are not afraid to research brands before they buy, to do a background check on brands, if you will. That means they're heading to Google web searches, your company website and social media sites to find the information they're looking for.

50% of Millennial consumers are researching brands before they buy them.

So, you have to ask yourself, has your business done the work? Are you ready to report on progress toward a goal? Is there published information out there that means you will pass a consumer or investor ESG background check? And if not, why not?



68%

of Millennials use Google searches

64% Net



61%

of Gen Z uses company websites

59% Net



43%

of Millennials use social media sites

35% Net

Conclusion

What to do now?





Move beyond ideals
and take action
with impact.

History has shown us how pandemics can be catalysts for profound change. Consider the Black Death that ravaged Europe in the 14th century — Florence in particular. What came next? The Renaissance. The Spanish Flu in 1918 came on the heels of the first World War — and the “Roaring ‘20s” soon followed.

Our prediction is that the aftermath of COVID-19 will be no different. The virus ripped the bandage off global society, laying bare the failings of our crumbling system and our outdated social and economic structures.

This research has shown that people want change and they want it now. They want us to care more for each other, for our planet and for how we govern ourselves in every way — not just politically but in all our public institutions.

This is consistent across age groups, races, genders, political and socio-economic backgrounds. We have seen a dramatic surge forward in consumers who not only say this is what they want, but claim to be already living it — from choosing some brands over others to choosing not to buy at all because of it.

The implications for business and for marketing are profound. Today, too many companies say they are not ready to meet this surge in consumer demand, let alone share their ambitions for the future with investors.

We think this is a once-in-a-century invitation to step beyond strategy into honest storytelling. To engage in ways that connect emotion and passion to action. To stand with your stakeholders to usher in a brighter and better future for consumers and business. But only those who act authentically, living their values, inside and outside the company will be the ones with a story worth telling.

If the past year has taught us anything, it's that if you wait for consumers to tell you what matters, it will be too late. To paraphrase Hemingway, the issues that matter to them change “gradually, then suddenly.” Last year, a virus we didn't see coming and a senseless death caught on camera opened the eyes of millions to long-simmering problems.

The brands that succeed are already looking closely at how their businesses affect people and the planet. They are taking action today. Looking for ways to care more. Reducing their environmental impact to zero and beyond. Maximizing their positive social impact. Showing up in civil society for what they believe in.

ESG is now a business imperative. Is your business ready to close the gap between purpose and action?



There's a lesson here for companies caught in this upheaval: If you fail to see what's coming, you will be left with no time to act and to prove your commitment.

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1 **Most important issues definitions:** Page 23

Economic instability and inequality- (e.g., unemployment, earning a living wage, job security, retirement, wage gap, income disparities, etc.)

- Public health- (e.g., addressing COVID and other public health concerns)
- Climate change and environmental protection- (e.g., global warming, clean energy, recycling, sustainable products and development, etc.)
- Discrimination and civil inequality- (e.g., racism, sexism, homophobia, etc.)
- Human rights abuses- (e.g., human trafficking, child abuse, domestic violence, etc.)
- Crime, policing and prisons- (e.g., guns/gun control, adequate resources, abuse of power, etc.)
- Lack of resources and support for health and wellness- (e.g., hunger, nutrition, obesity, mental health, health insurance affordability, etc.)
- Lack of investment in education and innovation- (e.g., preschool access, K-12 funding, access to higher education, student loan debt, lack of research funding, etc.)
- Corporate responsibility and transparency- (e.g., corruption, political influence, privacy protection, etc.)
- Lack of investment in infrastructure- (e.g., water, roads, bridges, mass transit, internet access, etc.)

2 **Most important issues for companies to tackle definitions:** Page 25

Environment

- Climate change- adapting the company's operations and products in order to meet the challenges associated with climate change.
- Waste + water reduction- reducing or eliminating waste and water in offices and manufacturing facilities.
- Biodiversity- reducing the company's impact on nature, including land, air, water and ecosystems.
- Circular economy- developing products that can be taken back and reused/recycled into new products.

Governance

- Ethical + integrity- Directors and employees behave ethically and adhere to company code of conduct.
- Responsible tax- Pays appropriate taxes.
- Transparency- Being transparent with lobbying and political engagement.
- Corporate- Fulfill the responsibilities of the board in directing and controlling a company.

Philanthropy + community

- Causes- takes a stand on important issues.
- Donations- Invests in the community through donations.
- Products in kind/pro bono- Provides products or services in kind to support good causes.
- Volunteering- Invests in the community through volunteerism.

Social

- Compensation + benefits- Provide fair compensation and benefits to its employees.
- Health + safety- Ensure worker safety.
- Employee wellness- Creates positive work environments with work-life balance.
- Diversity + inclusion- Foster a diverse and inclusive culture.

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3,4 **Generation and race gap full questions:** Page 26 and 28

Importance of ESG - How important to you are the previous Environment, Social and Governance issues in deciding which brands to buy today versus 12 months ago? Results show, 'more important' and 'much more important'.

Willingness to pay more - How much would you be willing to pay for products and services from brands and companies that are more environmentally and socially responsible compared to their competitors?

Self-identity - How much do you agree or disagree with the following statements when it comes to companies taking a stand on important issues? (% agree/strongly agree) I am more likely to support a company or brand that takes a stand on specific issues if it's an issue I care about.

Willingness to recommend - Part A: Have you recommended a brand to a friend or family member in the past six months? Part B: Was the brand acting environmentally or socially responsible part of the reason you recommended them?

Sustainable behavior - In the past 30 days, have you chosen to shop or purchase from a company or brand over a competitor because it was more ethical or acted in a more environmentally or socially responsible way?

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About Barkley®

Barkley is an independent, creative idea company committed to knowing the modern consumer better than anyone because that's the only way to build a whole brand. We do this through three idea centers: strategy, design and activation.

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