



Brands continue to advance sustainability

As we enter a new decade, there is encouraging evidence that companies are fully committed to sustainability. Brands are becoming change agents for sustainability and advancing efforts to curb climate change, protect the environment and ensure human health.

Sustainability is a growing priority

For eleven years now, Business for Social Responsibility (BSR) and GlobeScan has released the State of Sustainable Business Report. Results reveal that sustainability is a growing priority for businesses.

Companies are...

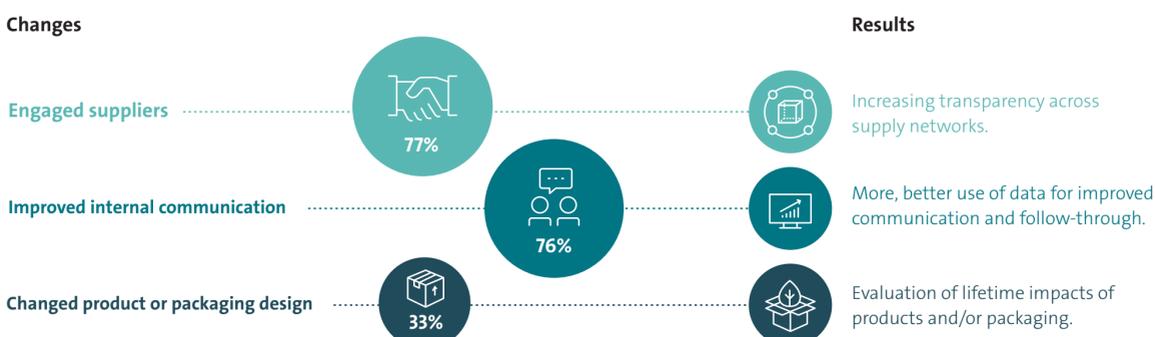
<p>... using sustainable development goals (SDGs) to set performance targets.</p> <p>48%</p> <p>responded that they used UN SDGs to help set performance targets in 2019. This is compared with under 20% that was using SDGs in 2016.</p>	<p>... striving for supply chain transparency.</p> <p>Nearly three-quarters</p> <p>of companies are applying new technologies or innovative approaches to address supply chain sustainability.</p>	<p>... making sustainability a top priority.</p> <p>30%</p> <p>of companies ranked sustainability as a top 3 corporate priority in 2019, compared with only 15% in 2015.</p>
---	---	---

Companies are gaining traction

For four years now, the Sustainability Consortium Thesis Sustainability Index has been tracking more than 1,000 manufacturers. In short, product manufacturers' scores have surged over 30% since 2016, indicating that brands are becoming change agents for sustainability and advancing efforts to curb climate change and protect the environment.



Those companies that improved performance reported the following changes:



Key areas of maximum traction

Other data points echo the study's findings that companies are gaining traction in several key areas.

Supply chain transparency	Cybersecurity	Circularity	Sustainability
Supply chain transparency is critical to improving sustainability performance and to truly understanding lifecycle impacts of a product from conception through disposal.	Cybersecurity enables secure operational tracking and compliance to achieve desired sustainability and transparency objectives, as well as reduce potential for catastrophic cyberattacks.	A new but quickly-emerging term, circularity is understood to be pivotal to halting climate change and understanding true and comprehensive environmental impact.	No longer a siloed department or individual, sustainability is now a consideration and priority for all departments across the organization.
32%	45%	30%	63%
of companies reported having high visibility into their supply networks with another 35% reporting moderate visibility. Supply chain transparency rated second in a list of 10 critical priorities ¹ .	of companies surveyed have completed efforts to strengthen network security in their supply chains. Another 38% are still in progress ² .	of executives said their companies are adopting circular practices, while 77% said they expect to implement or align incentives around circularity targets within the next 5 years ³ .	of executives surveyed said sustainability is now aligned and integrated with their corporate purpose ⁴ .

Ways to continue the momentum

Advancements are to be applauded, but there is much more to be done to take immediate action to reduce waste, conserve resources, halt climate change and salvage the planet. Brands can continue to champion sustainability with these strategic actions.

<p>Accelerate transparency with digitization</p> <p>While issues like cybersecurity loom, technology holds great promise for advancing sustainability by providing transparency, actionable insight and tracking and reporting capabilities. Companies are on the cusp of the digital transformation, deploying technologies that will give them true insight and a basis for taking quicker, more aggressive action for sustainability.</p>	<p>AI could double economic growth rates in 2035 and could increase labor productivity by up to 40%⁵</p>
<p>95%</p> <p>of respondents saw circularity as a positive development for their business and 42% "strongly agreed" about its advantages.⁶</p>	<p>Pursuing circularity as a sustainability business imperative</p> <p>Circularity considers businesses' and products' comprehensive environmental impact across the entire lifecycle, from materials extraction or resourcing through manufacture/fabrication, use and disposal. By shifting to circular products, business models and economies, companies move a step closer to true environmental impact.</p>
<p>Incorporate sustainability into innovation process</p> <p>Once evaluated after products were developed, sustainability criteria are increasingly considered during product development as a critical, key feature. By incorporating sustainable design in the innovation phase, companies demonstrate their commitment to circularity and superior environmental performance.</p>	<p>59%</p> <p>of respondents from a UL survey indicated that desire to increase sustainability contributions was a driver of innovation.⁷</p>
<p>2/3</p> <p>of businesses surveyed indicated that their customers are demanding that they procure a certain percentage of their electricity from renewable resources and a rising portion (72%) actively publicize their sourcing of renewables.⁸</p>	<p>Advance the importance of clean energy</p> <p>The transition to use of clean energy is essential to taking bold action to halt climate change and save the planet. From diversifying their energy sources to needing energy with a heightened attention of needless energy use, companies are taking action to pursue clean energy.</p>

Explore more ways that companies can champion sustainability on [UL.com/Insights/SustainableBusiness](https://www.ul.com/Insights/SustainableBusiness).

Sources
 1 – Understanding Supply Chain Transparency Bloomberg Next and UL results, December 2018.
 2 – Understanding Supply Chain Transparency Bloomberg Next and UL results, December 2018.
 3 – Newsweek Vantage, "Circularity comes of age," January 2019.
 4 – BSR/GlobeScan, "State of Sustainable Business," 2019.
 5 – Sustainability Trends 2019.
 6 – Newsweek Vantage, "Circularity comes of age," January 2019.
 7 – UL GLG Innovation and Safety Surveys, 2018.
 8 – "Deloitte, "Energy management: Balancing climate, cost, and choice," June 2019.