

Measuring the Growing Importance of Sustainability for Lifestyle Brand Consumers: Introducing the Stifel Sustainable Brands Index

Summary

This note features a Stifel proprietary survey of more than 11,000 consumers across the U.S., U.K., Germany, France, Italy, and China that shows broad market agreement -- Consumers view it important for brands to act sustainably and care more about the sustainability of brands that they buy than they did a year ago. In the U.S., more than 4 of 5 active/casual lifestyle brand purchasers view it important for brands to act sustainably and 2 of 3 will pay a premium for brands with leading sustainability practices. Brands will continue to compete on innovation, product quality, customer experience, and value, but sustainability is an important decision factor between brands. We expect sustainability will prove a source of competitive separation for leading brands in coming years and brands that are under-invested will be left behind. With this, we are launching the Stifel Sustainable Lifestyle Brands Index that ranks brands based on U.S. active/casual lifestyle brand category consumer perception of brand sustainability practices.

Key Points

Brief background: Stifel commissioned a survey of 11,536 consumers aged 18-55 in the U.S., UK, Germany, France, Italy, and China to understand consumer attitudes and expectations for brands around environmental sustainability, ethical business practices, and social sustainability. The survey oversamples category purchasers of athletic and casual lifestyle brands, for comparison to the general population and across regions. With the survey results, we are introducing the Stifel Sustainable Brand Index that ranks brands based on U.S. consumer perception of brand sustainability practices. See Appendix A for details on survey methodology and Appendix B for the Stifel Sustainable Lifestyle Brands index methodology.

More than 4 of 5 U.S. Athletic/Casual Lifestyle Brand Purchasers view it important for brands to act sustainably and 2 of 3 will pay a premium for brands with leading sustainability practices. We believe consumer appreciation for sustainable brands is reaching an inflection point. Consumers of active and casual lifestyle brands are informed, aware, and interested in brand sustainability practices:

- 3 of 5 active/casual lifestyle brand consumers actively look for information about a brand's sustainability practices
- 3 of 4 active/casual lifestyle brand consumers consider sustainability when choosing between brands
- 2 of 3 active/casual lifestyle brand consumers are willing to pay more for brands that offer leading sustainable practices,
- 1 of 3 active/casual lifestyle brand consumers indicated a willingness to pay a premium of 10% or greater.

Brands will continue to compete on innovation, product quality, customer experience, and price, but sustainability is an important decision factor and, we expect, will prove a source of competitive separation for leading brands that excel in all areas.

Concern for sustainability is a global phenomenon though views on Environmental and Social Sustainability are the most polarized in the U.S. Consumer survey results in both the U.S. and international markets show broad and increasing consumer interest in brand sustainability. More than 7 of 10 active/casual lifestyle brand consumers in each of the 6 markets surveyed report caring more about the sustainability of products they buy than they did a year ago. While the importance of brand sustainability to the US consumer ranks middle of the pack for the 6 countries surveyed (below that of Italy, the UK, and Germany but above that of France and China), the US general population has the highest percentage of consumers who view it "not that important" or "not important at all" for brands to operate in an Environmental Sustainable (17%) or Social Sustainability way (19%).

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Top brand sustainability priorities for U.S. consumer are ethical business practices and race/gender equality. The survey polls consumer views on a range of sustainability factors and priorities across three main categories:

- **Ethical Business Practices** – More than 9 of 10 active/casual brand consumers view this “very important” (60%) or “somewhat important” (34%)
- **Environmental Sustainability** – Nearly 9 of 10 of active/casual brand consumers view this “very important” (45%) or “somewhat important” (43%)
- **Social Sustainability** – More than 8 of 10 active/casual brand consumers view this “very important” (42%) or “somewhat important” (44%)

The top priorities viewed as “very important” to active/casual brand category purchasers are Ethical business practices including 1) fair pay and benefits for workers (60%), 2) protecting international worker health, safety and human rights (50%), and 3) ensuring brands pay their fair share in taxes (50%). Social Sustainability priorities viewed as “very important” are 1) supporting racial equality (48%), 2) supporting gender equality (45%), and practicing diverse and equitable hiring (43%). Environmental Sustainability priorities viewed as “very important” include 1) Protecting local ecosystems (43%), and 2) minimizing plastic waste (41%).

Younger, urban, and more affluent U.S. consumers and high-value active/casual category consumers are more sustainability conscious. The U.S. active/casual brand consumers who identify as most sustainably conscious are more likely to be young (25-34), male, have a bachelor's or post graduate degree, and be more affluent (household income \$100k+). Sustainably responsible consumers are also more likely to identify as liberal and live in the Western US. Notably, consumers with active hobbies and those who spend more on outdoor apparel and sporting/recreational equipment are more likely to purchase new brands and opt for more expensive brands based on their sustainability practices.

The Stifel Sustainable Lifestyle Brands Index ranks brands based on U.S. active/casual brand consumer perception of brand sustainability practices. Newer brands that have staked the brand identity on matters of corporate responsibility and environmental sustainability (Bombas, Allbirds, Rothy's, and YETI) scored exceptionally well in the Index, indicating effective messaging with the category purchasers in the U.S. The Index also highlights the evolved sustainability practices and effective communication of leading outdoor brands (Patagonia, The North Face, and Columbia) as well as European athletic lifestyle brands with advanced sustainability initiatives (adidas and Puma).

The Stifel Sustainable Brands Survey illustrates the importance of sustainability in the purchase decision making process.

In the U.S., 83% of Athletic/Casual Lifestyle Brand Purchasers view brands acting sustainably as important, and two-thirds would pay more for brands that offer leading sustainability practices.

Consumer appreciation for sustainable brands is reaching an inflection point. Results from surveying 4,756 U.S. athletic and casual lifestyle brands purchasers aged 18-55 demonstrates awareness of sustainability factors, and an increasing emphasis of sustainability in personal values and buying behavior.

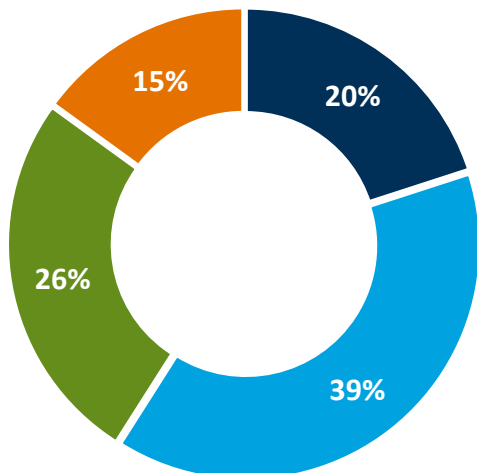
The empowered and connected consumer is armed with more available information about products and brands than ever before. The purchase consideration journey for most consumers incorporates more factors than ever before (including sustainability) and data shows sustainability is critical to a purchase decision for some.

Among U.S. active/lifestyle brand category purchasers:

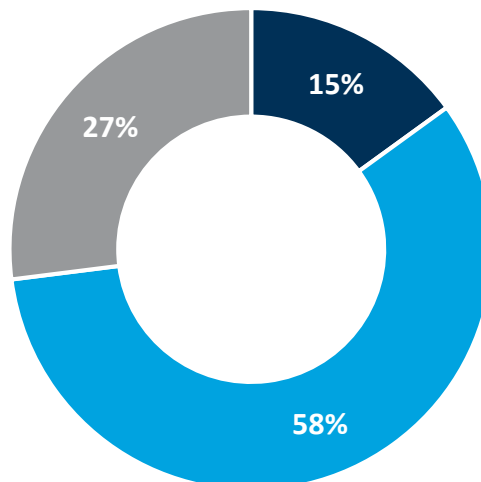
- 83% responded that brands acting sustainably is important to them (39% “very important” and 44% “somewhat important”).
- 73% consider sustainability in some capacity when choosing between brands
- 15% of category consumers will only purchase for a brand they consider sustainable or have matching values (see charts below):

Q (left): How often do you look for information about a brand's sustainability practices when deciding whether to buy a product from that brand?

Q (right): When choosing between different brands, to what degree does sustainability factor into your decision-making?



- Very often
- Somewhat often
- Not that often
- Not at all often



- I only buy from brands that I consider sustainable or match my values
- I consider sustainability alongside other factors when choosing between brands
- I rarely consider sustainability when choosing between brands

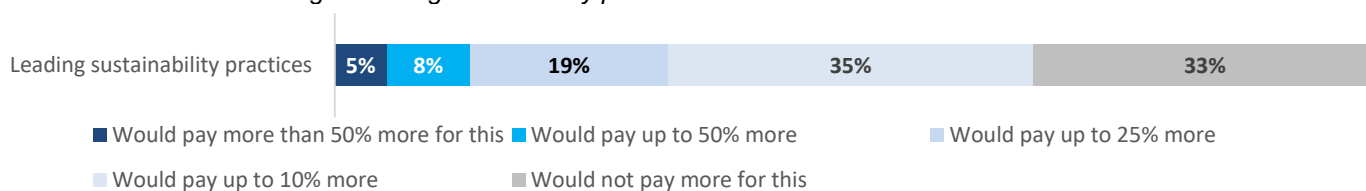
Source: Stifel Research

Among U.S. active/lifestyle brand category purchasers:

- Two-thirds are willing to pay more for brands that offer leading sustainable practices (see chart below),
- 32% indicated a willingness to pay 10% or more
- We measure the weighted average willingness to pay premium at 11%
- Meaningfully, 58% of respondents indicated an interest in buying fewer products for the sake of sustainability,

Data suggests a consumer shift in the price/quantity equation towards purchasing fewer higher priced products.

Q: Thinking specifically about shopping with active/casual lifestyle apparel brands, how much more (if at all) would you pay for brands that offer the following? Leading sustainability practices

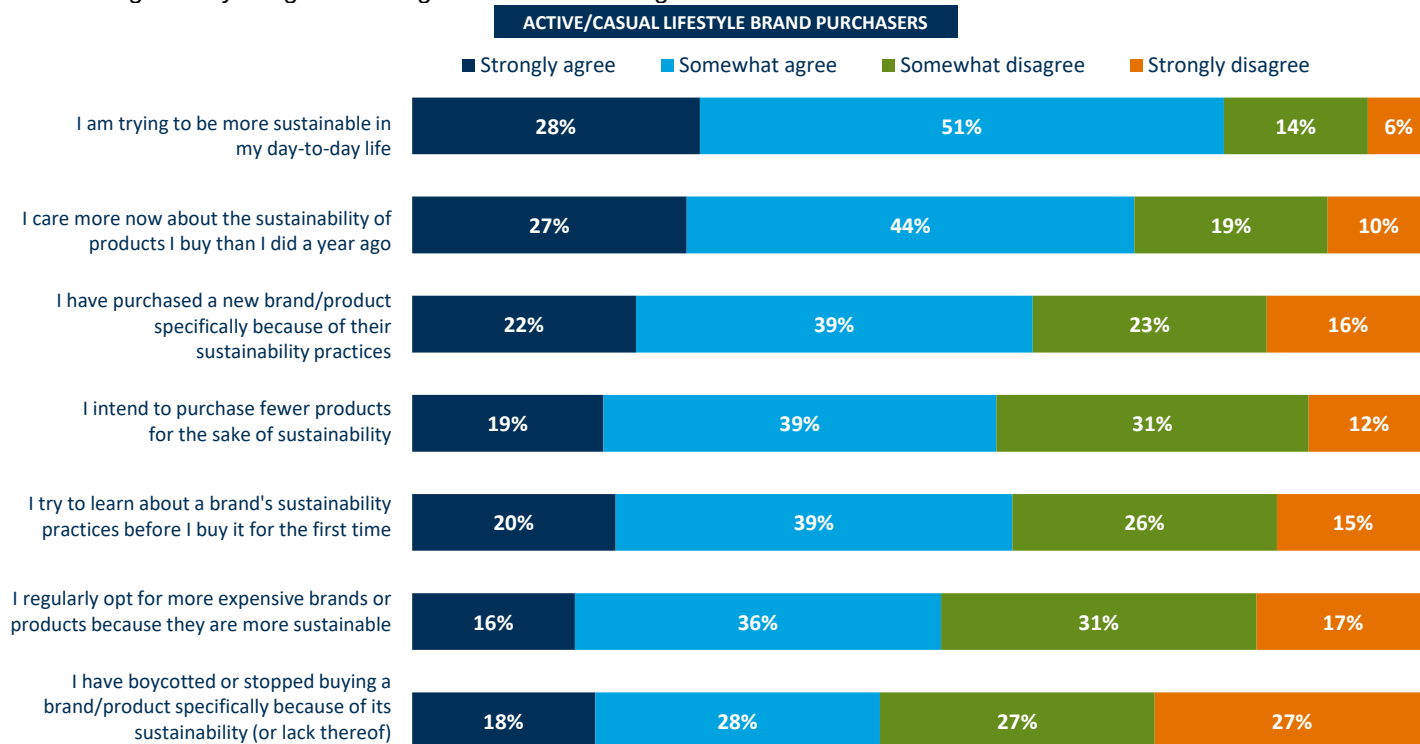


Source: Stifel Research

A majority of category purchasers hold sustainable values.

- 79% are trying to be more sustainable in their day-to-day life, and
- 71% report caring more about buying sustainable products than a year ago.

Q: To what degree do you agree or disagree with the following statements?

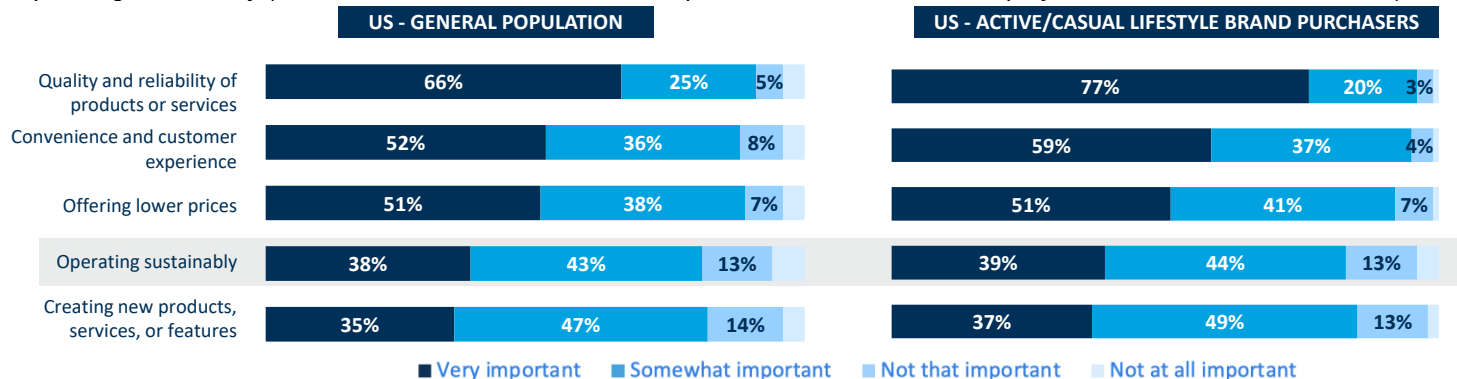


Source: Stifel Research

Sustainability is an important consideration for brand identity and, we believe, can be a differentiator. Sustainability does not, however, excuse brands and products from being competitive on product quality, customer experience, and price (see chart below).

Increasing emphasis on sustainability underscores the importance for brands to define and communicate sustainability initiatives to an attentive consumer set.

Q: Broadly, how important is it to you that brands focus on the following? Note: Operating Sustainably was presented as: "Operating sustainably (i.e., with focused attention to their impact on the environment, employees/workers, and communities)"



Source: Stifel Research

A holistic view of brand sustainability shows the importance of ethical business.

Among U.S. active/lifestyle brand category purchasers:

- 60% view ethical business practices as “very important,”
- 45% view environmental sustainability as “very important,” and
- 42% view social sustainability as “very important.”

For the purpose of the survey, we categorize sustainability into three defined categories:

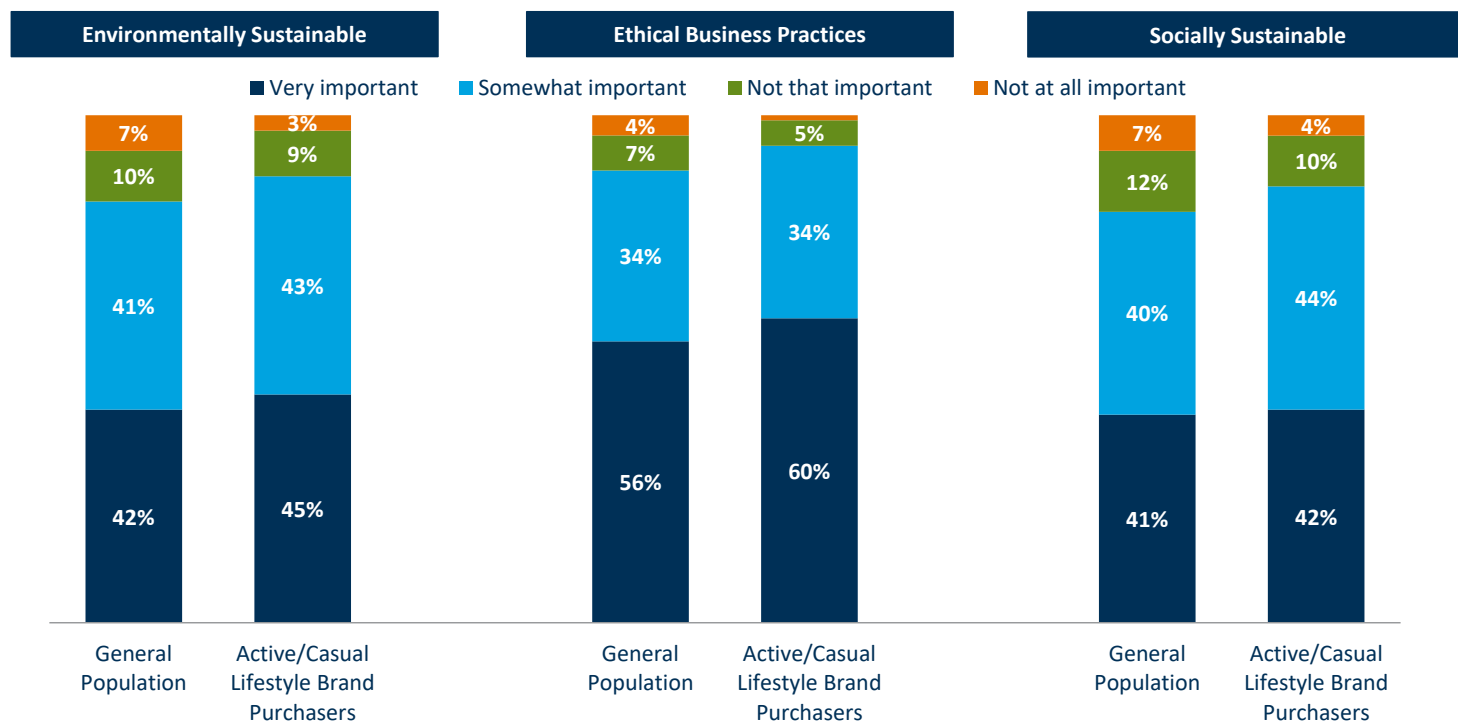
Environmental sustainability refers to environmentally responsible business operations, such as cutting carbon emissions, using renewable or recyclable materials, preventing pollution, using less packaging, using less energy and water, etc.

Ethical business practices refers to fair and principled business operations, such as fair labor standards, paying employees fair wages and benefits, international sourcing from places that treat workers fairly, fair trade, promoting worker health, safety, and human rights, etc.

Social sustainability refers to good community stewardship, such as promoting diversity and inclusion efforts, community engagement, local investment and development, philanthropy and charity, volunteerism, helping traditionally un-employed or underserved groups, etc.

The following figure shows the importance to consumers in sustainability categories for the U.S. general population and active/lifestyle brand category purchasers. Active/casual lifestyle brand consumers have more concern for sustainability than the general population. Even in the general population, more than half of respondents view ethical business practices as “very important,” vs. less than half who view environmental and social sustainability as “very important.” Nearly all category purchasers view sustainable practices to be at least somewhat important, including 96% for ethical business practices, 88% for environmental sustainability, and 86% for social sustainability.

Q: How important is it to you that brands operate [in an environmentally sustainable way / with ethical business practices / in a socially sustainable way]?



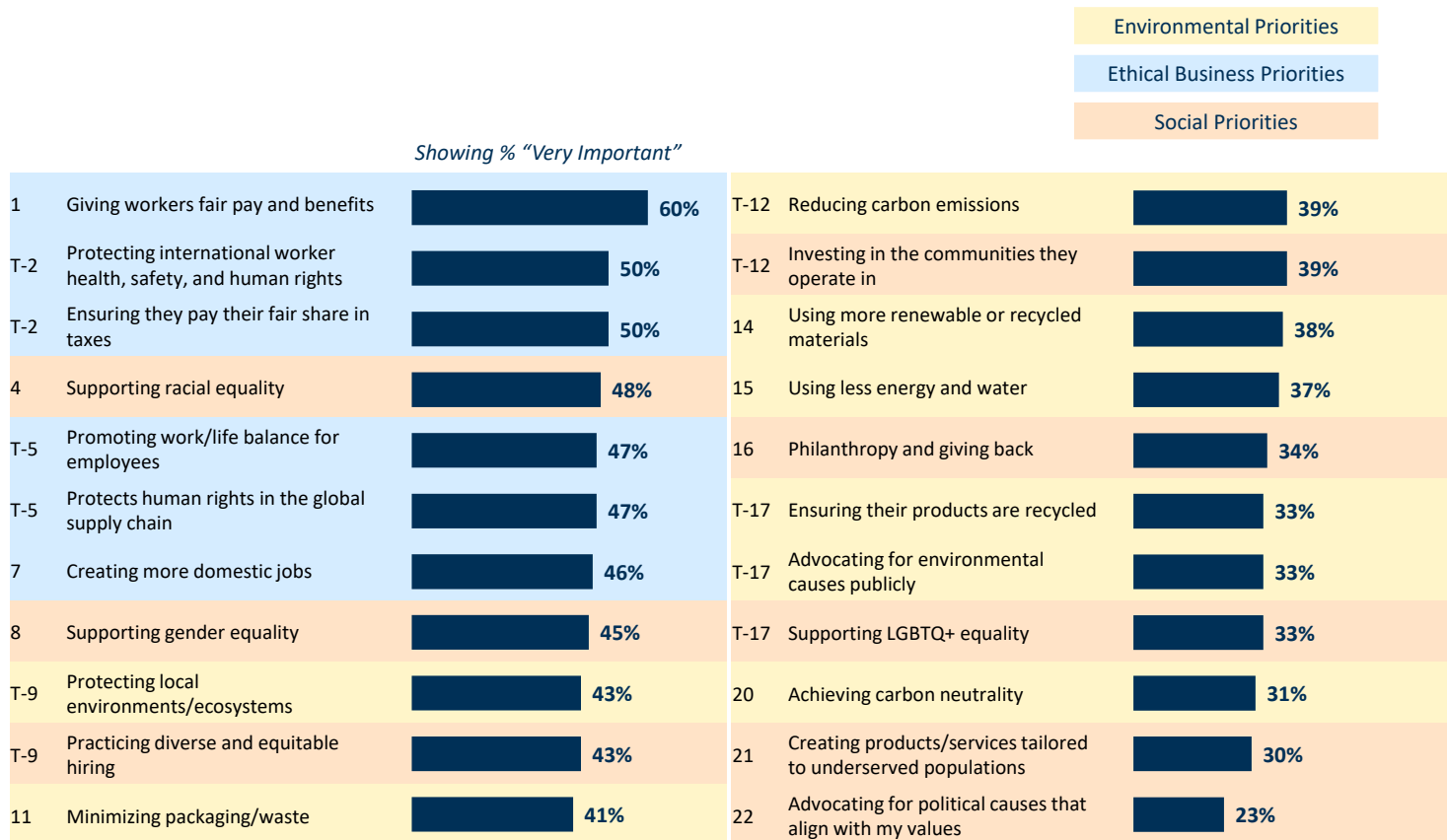
Source: Stifel Research

Sustainability priorities emphasize fair dealings with employees, and workers throughout the supply chain. Six out of the top 7 sustainability priorities fall under the ethical business practices umbrella.

Among U.S. active/lifestyle brand category purchasers the top priorities viewed as “very important” purchasers are:

- Ethical business practices including:
 - fair pay and benefits for workers (60%),
 - protecting international worker health, safety and human rights (50%), and
 - ensuring brands pay their fair share in taxes (50%).
- Social Sustainability priorities including :
 - supporting racial equality (48%),
 - supporting gender equality (45%), and
 - practicing diverse and equitable hiring (43%).
- Environmental Sustainability priorities including:
 - Protecting local ecosystems (43%), and
 - minimizing plastic waste (41%).

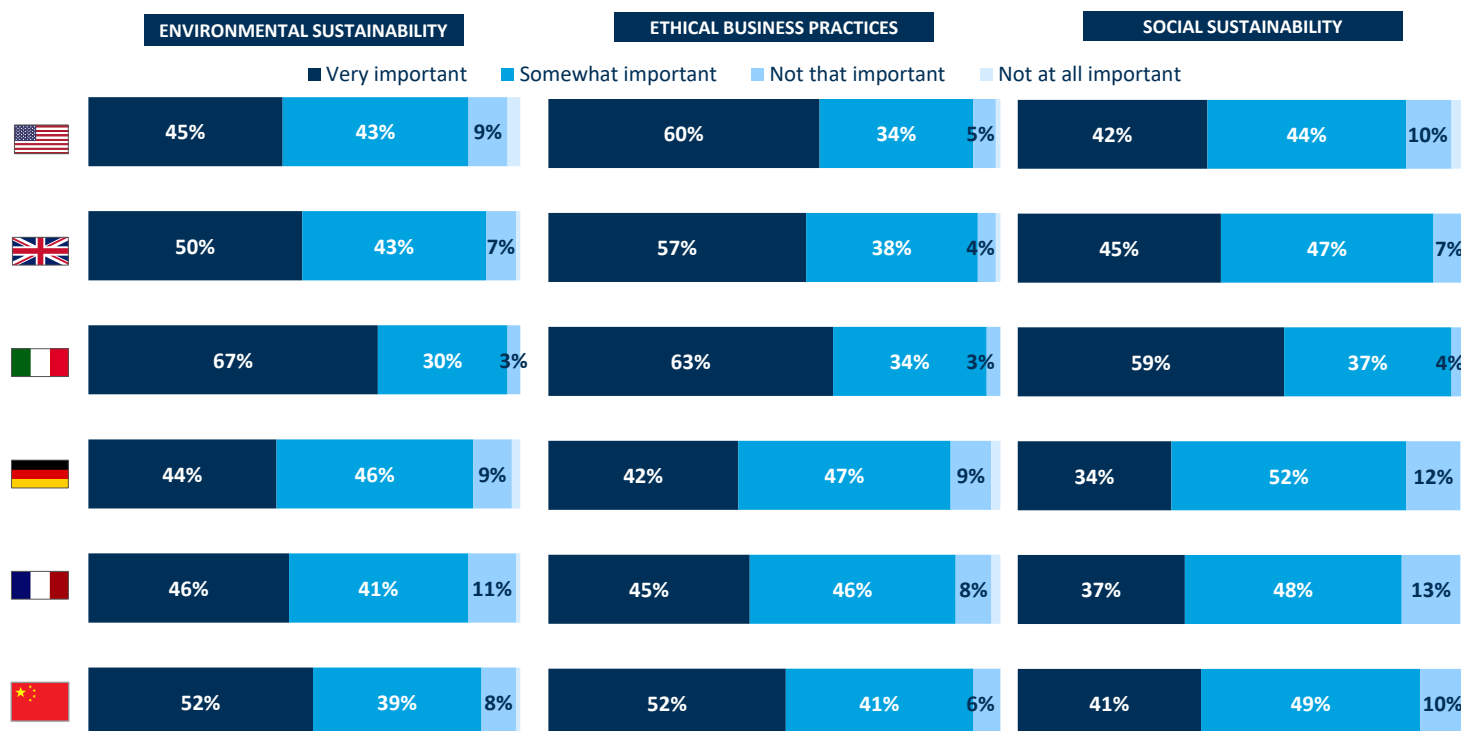
Q: How important is it to you that brands focus on the following?



Source: Stifel Research

Surveyed consumers in international markets show similar broad interest in brand sustainability importance, though the importance of the three classifications of brand sustainability varies by country.

- Matters of sustainability are “very important” to between one-third and two-thirds of category purchasers in each of the tracked countries (see figure below).
 - Italian category consumers are the most concerned with brand attention to sustainability across the three dimensions



Source: Stifel Research

Italy had the highest percentage of category purchasers respond that sustainability matters were “very important” out of all surveyed countries. Out of the Active/Casual Lifestyle Brand Purchasers in Italy, 45% were considered Sustainably Conscious Consumers. Environmental sustainability was very important to 67%, ethical business practices were very important to 63%, and social sustainability was very important to 59% of category consumers.

China survey responses showed lower levels of emphasis on sustainability measures, though was the only emerging market country surveyed. Out of the Active/Casual Lifestyle Brand Purchasers in China, 36% were considered Sustainably Conscious Consumers. Environmental sustainability and ethical business practices were viewed equally important, followed by social sustainability. Relative to the U.S., Chinese category consumers place greater emphasis on advocating for environmental causes publicly and reducing carbon emissions, and lower emphasis on protecting human rights in the global supply chain and investing in the communities brands operate in.

German category purchasers showed the greatest willingness to pay more for leading sustainability practices, with 76% indicating comfort in paying more. Out of the Active/Casual Lifestyle Brand Purchasers in Germany, 45% were considered Sustainably Conscious Consumers. Prioritization of sustainability factors in Germany was largely inline with the U.S. There was somewhat lower emphasis on social sustainability matters such as practicing diverse/equitable hiring, supporting racial equality and investing in the communities they operate in, and greater emphasis on environmental sustainability like reducing carbon emissions and ensuring products are recycled.

France has the highest number of Sustainability Conscious Consumers out of the 6 surveyed countries. Out of the Active/Casual Lifestyle Brand Purchasers in France, 49% were considered Sustainably Conscious Consumers; these consumers tend to be male, higher income, and have greater educational attainment. Environmental sustainability is relatively more important, with ensuring products are recycled, reducing carbon emissions, using less energy and water, and advocating for environmental causes each more important to category purchasers. Ensuring brands pay their fair share in taxes and fair and equitable hiring were less important to French category purchasers than those in the U.S.

UK responses most closely approximated those of the U.S. Out of the Active/Casual Lifestyle Brand Purchasers in the UK, 48% were considered Sustainably Conscious Consumers. Ethical business practices were the most important form of sustainability to UK category purchasers, followed by environmental sustainability, and then social responsibility – this is the same ranked prioritization demonstrated by U.S. survey responses. UK category respondents care more about minimizing waste/packaging and reducing carbon emissions, and less about creating domestic jobs and investing in communities they operate in compared to U.S. category purchasers.

*Q: How important is it to you that brands focus on the following?
Showing percent of genpop that answer “Very Important”*

	US	UK	Italy	Germany	France	China
Giving workers fair pay and benefits	53%	55%	59%	50%	43%	48%
Ensuring they pay their fair share in taxes	46%	53%	53%	42%	35%	42%
Supporting racial equality	46%	44%	55%	37%	41%	46%
Protecting international worker health, safety, and human rights	45%	45%	65%	44%	46%	44%
Creating more domestic jobs	44%	38%	59%	37%	39%	42%
Protects human rights in the global supply chain	42%	45%	56%	42%	44%	33%
Supporting gender equality	42%	41%	53%	34%	42%	45%
Protecting local environments/ecosystems	41%	41%	58%	43%	44%	58%
Promoting work/life balance for employees	41%	41%	53%	35%	38%	40%
Practicing diverse and equitable hiring	40%	35%	48%	28%	32%	37%
Investing in the communities they operate in	38%	32%	44%	25%	26%	24%
Minimizing packaging/waste	37%	48%	58%	47%	46%	46%
Using more renewable or recycled materials	36%	43%	54%	39%	40%	42%
Using less energy and water	34%	38%	53%	40%	42%	47%
Supporting LGBTQ+ equality	34%	30%	38%	23%	28%	22%
Reducing carbon emissions	33%	42%	58%	40%	40%	48%
Philanthropy and giving back	32%	26%	26%	19%	22%	32%
Ensuring their products are recycled	31%	39%	55%	38%	39%	35%
Achieving carbon neutrality	31%	35%	52%	37%	33%	34%
Creating products/services tailored to underserved populations	30%	27%	42%	28%	30%	29%
Advocating for environmental causes publicly	29%	31%	44%	29%	34%	45%
Advocating for political causes that align with my values	24%	21%	24%	14%	19%	36%

NB: Blue shading indicates top 6 priorities and orange shading bottom 6 priorities in each market.

Source: Stifel Research

Comparing active/lifestyle brand category purchasers views to that of the general population

- Environmental Sustainability is of greater importance for category purchasers than to the general population in the U.S., U.K. France, and Italy but either of equal or lesser importance to category purchasers in Germany and China
- Social Sustainability is of greater importance for category purchasers than to the general population in the U.S., U.K. France, and Italy but either of equal or lesser importance to category purchasers in Germany and China

Among the general population, data shows views on Environmental and Social responsibility are most polarized in the U.S.

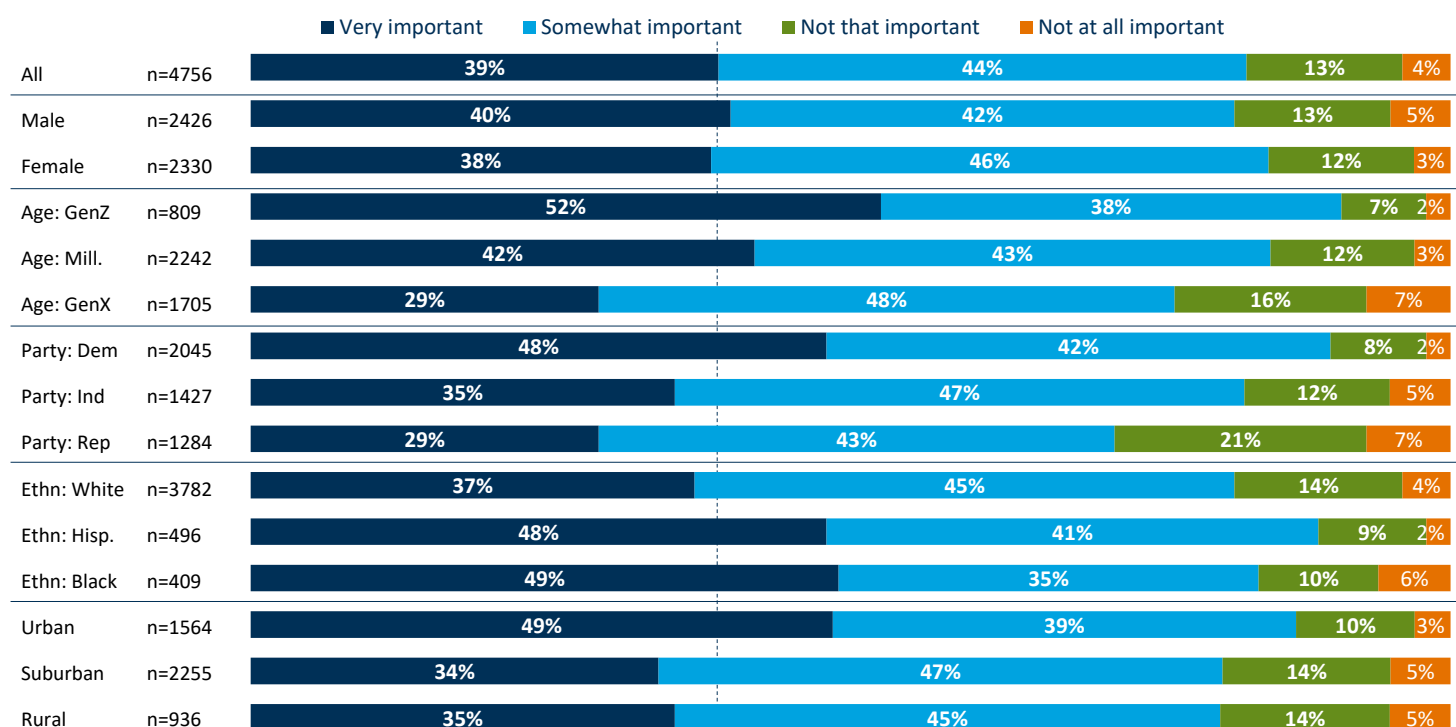
- the U.S. general population has the highest percentage of consumers who view it “not that important” or “not important at all” for brands to operate in an Environmental Sustainable (17%) or Social Sustainability way (19%).
 - Environmental Sustainable – “Not that important” (10%) or “not important at all” (7%) vs. the average for the 5 other countries at (7.6%) and (1.4%) respectively
 - Social Sustainable – “Not that important” (12%) or “not important at all” (7%) vs. the average for the 5 other countries at (9.4%) and (1.6%) respectively

U.S. consumers who care most about sustainability tend to be younger, more left-leaning, and racially diverse. Geographically, urban consumers and consumers in the west are more sustainably concerned than those in other areas and consumers with active recreational pursuits who spend more in the active/lifestyle categories.

Among U.S. active/lifestyle brand category purchasers:

- 52% of Gen Z and 42% of Millennial consumers believe it “very important” for brands to operate sustainably, compared to just 29% for Gen X.
- Those with Democrat political ideology viewed brands operating sustainably to be “very important” more frequently (48%) than Independents (35%) or Republicans (29%).
- Key ethnicity reads indicated higher importance of sustainability for Black and Hispanic category purchasers (49% and 48% “very important,” respectively) compared to White category purchasers (37% “very important”).
- Neighborhood breakdown showed 49% of Urban consumers view sustainable brands as “very important” compared to 34% for Suburban and 35% for Rural category purchasers. See the following chart for detailed responses by demographic.

Q: Broadly, how important is it to you that brands focus on the following? Showing % “Operating Sustainably” Note: Operating Sustainably was presented as: “Operating sustainably (i.e., with focused attention to their impact on the environment, employees/workers, and communities)”



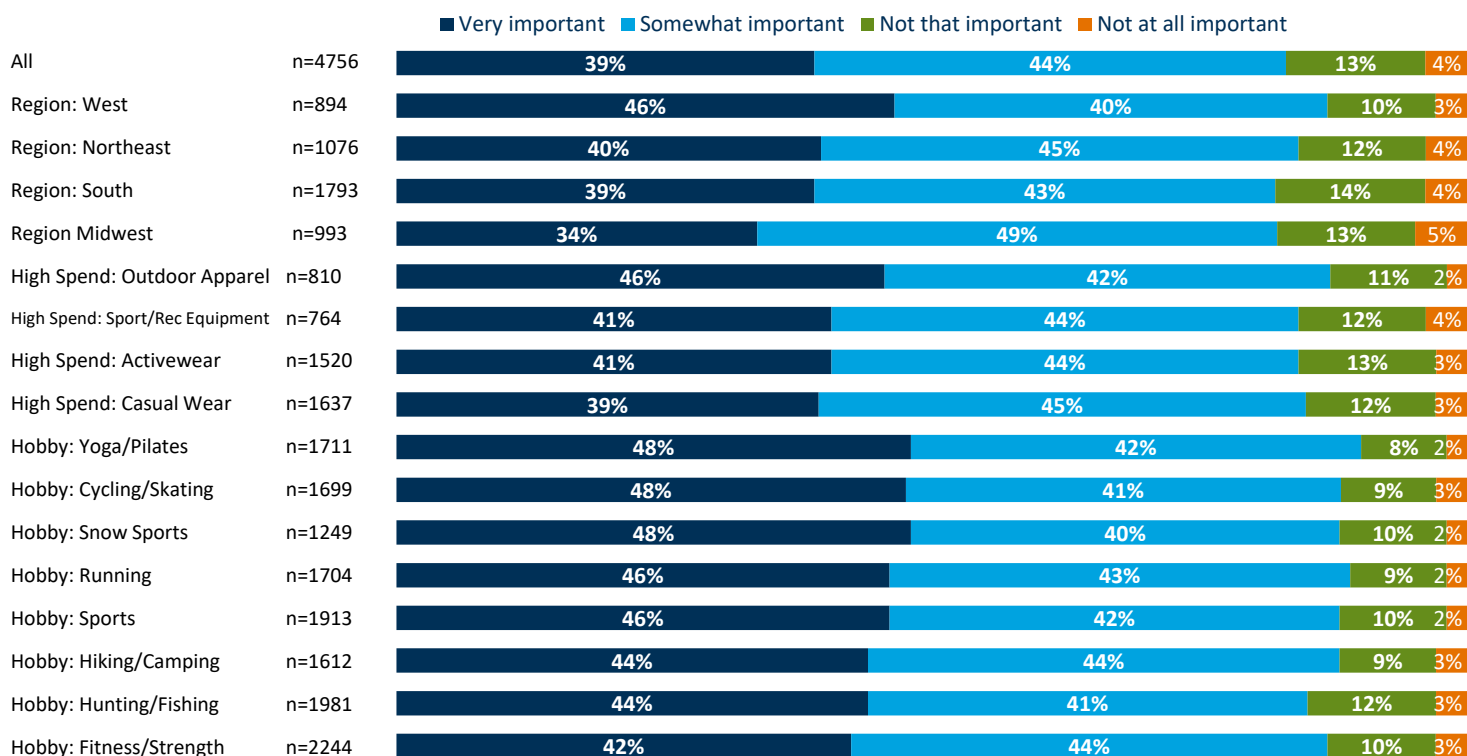
Source: Stifel Research

Among active/lifestyle brand category purchasers:

- Regional appreciation for sustainability skews towards the West (46% “very important”), and was least important in the Midwest (34% “very important”).
- Participation in active or fitness oriented recreational pursuits is related to sustainability-focused values, with brand focus on operating sustainably measuring “very important” to 48% of yoga/pilates, cycling/skating, and snow sports participants.
- Those who spent more than \$200 on outdoor apparel in the last year showed the highest rate of sustainable values (46% very important) amongst high-spending consumers in tracked categories.

The following chart details regional, and behavioral tendencies of U.S. active and casual lifestyle brand purchasers.

Q: Broadly, how important is it to you that brands focus on the following? Showing % “Operating Sustainably” Note: Operating Sustainably was presented as: “Operating sustainably (i.e., with focused attention to their impact on the environment, employees/workers, and communities)”



Source: Stifel Research

With respect to choosing different brands, 73% of category purchasers consider sustainability matters in the decision making process. The demographic and psychographic variances align with the figures above – young, diverse, urban, active consumers are likelier to make purchase decisions on sustainability.

Among active/lifestyle brand category purchasers:

- 15% responded they will only purchase from brands that they consider sustainable, or match their values: standout groups by this measure include:
 - 25% of snow sports participants,
 - 23% of black category purchasers, and
 - 23% of urban category purchasers.

- 32% of category purchasers would pay a premium of 10% more for leading sustainability practices. The demographic and psychographic variance shows the groups with the greatest propensity to pay more for sustainability include:
 - 52% of snow sports participants,
 - 47% of urban residents, and
 - 45% of yoga/pilates participants.

See Appendix H for a full breakdown of willingness to pay a premium for leading sustainability practices.

The Stifel Sustainable Brands Index quantifies and ranks brand sustainability from the perception of the U.S. consumers of active and casual lifestyle brands. New brands with identity staked to corporate responsibility and environmentalism scored exceptionally well in the brand index, indicating effective messaging with the category purchasers in the U.S.

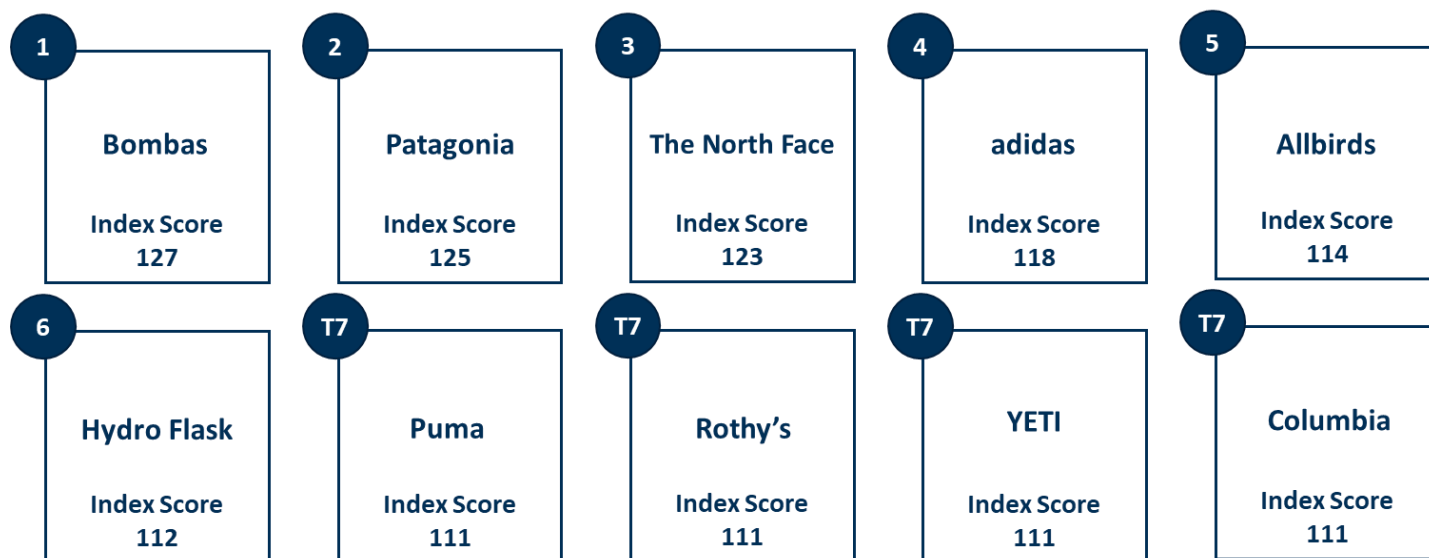
Among the top 10 scoring brands in the Stifel Sustainable Brands Index, we can categorize each brand into one of three groups:

- young brands with identities staked to corporate and environmental sustainability,
- leading outdoor brands, and
- European athletic lifestyle brands with advanced sustainability initiatives.

Upstart brands that champion sustainable attributes are a disruptive force in the athletic and casual lifestyle brand space. The top ranked brands have commonality in that sustainability messaging as central to their brand identity. Bombas, Allbirds, and Rothy's were each founded in the past decade and have excelled in communicating a brand foundation as good corporate citizens and upholding stakeholder interests from a holistic viewpoint. Generally speaking, more established brands with broader brand awareness have not been able to achieve the same consumer appreciation for sustainability effort. We highlight the following brand standouts – see Appendix I for a complete index scoring by category for the top 25 brands.

- **Bombas** - #1 ranked brand – was founded in 2013 as a sock company with a one pair purchased = one pair donated mission to benefit the homeless. The brand has since expanded the category breadth to offer underwear and basic apparel with inclusive brand messaging. Bombas scored highest amongst all brands in ethical business practices and social sustainability, and fourth in environmental sustainability.
- **Allbirds** - #4 ranked brand – was founded in 2016 as a footwear brand committed to reducing environmental impact and differentiates the brand and product through the use of renewable materials, disclosure of the carbon footprint of each product, and an objective to not just offset the carbon but eventually become climate positive.
- **Rothy's** – tied for #7 ranked brand – was founded in 2012 as a fashion company that incorporated sustainable materials and processes into manufacturing and recycling programs for end of life products.
- Additionally, **Hydro Flask** (#6 ranked brand) and **YETI** (ticker YETI, Hold, \$87.48; #7 ranked brand) were each founded in the past 20 years and offer premium drinkware to help eliminate single use plastic, among other products.

SUSTAINABLE BRANDS INDEX – TOP SCORING BRANDS



Source: Stifel Research

Outdoor brands scored among the top brands, reflecting shared values with the environmental and socially conscious core consumer base. Consumers of outdoor apparel stand out as sustainably conscious and indicate a willingness to pay a premium for leading sustainability practices. Unsurprisingly, established outdoor brands that have championed environmental matters ranked among the most sustainable brands in the eyes of the U.S. category purchasers. Patagonia ranked #2, and has long been a leader in environmental activism, including the formation of the Sustainable Apparel Coalition. The North Face (ticker VFC,

Hold, \$76.61) was the highest ranking brand of any of our brands under the Sports & Lifestyle Brands coverage universe, and the 130 index score for environmental sustainability was the highest brand score for any of the three categories. Columbia (ticker COLM, Buy, \$102.06) also rounded out the top 10 in a four-way tie for the #7 rank.

European athletic lifestyle brands with advanced sustainability initiatives, adidas and Puma, both ranked in the top 10 in the Stifel Sustainable Brands Index. Consumers recognized adidas (#4) particularly for social sustainability, in which the brand ranked second behind only Bombas. Among numerous other programs to help underserved communities, the brand has committed in the U.S. for new hires to be 30% black or Latino people. Puma (tied for #6) likewise scored well with U.S. category consumers for social sustainability (#8) and ethical business practices (#7).

APPENDIX A: Survey Methodology

Stifel commissioned a survey of n=11,536 online interviews through Morning Consult among General Population adults ages 18-55 and Active/Casual Lifestyle Brand Purchasers ages 18-55 in the US, UK, Italy, Germany, France, and China from April 16 – 25, 2021. Sampling included approximately n=1,000 General Population adults in each market, and an oversample of Active/Casual Lifestyle Brand Purchasers in each market.

General Population adults and Active/Casual Lifestyle Brand Purchasers were separately sampled and weighted to be demographically representative for their age groups according to published population statistics for age, gender, region, education, race, and income in the US, and age, gender, region, and education in the UK, Italy, Germany, France, and China.

Active/Casual Lifestyle Brand Purchasers are defined as those who purchased at least one of the following types of brands within the past 6 months: Athletic or activewear clothing or footwear brands; casual lifestyle clothing or footwear brands; outdoor clothing or footwear brands (i.e., for hiking, skiing, etc.); or sporting goods or outdoor recreation equipment brands.

Market	Gen Pop Survey N	Gen Pop Margin of Error	ACLBP Survey N	ACLBP Margin of Error
US	N=1,009	+/- 3%	N=4,756	+/- 1%
UK	N=1,010	+/- 3%	N=1,060	+/- 3%
Italy	N=1,000	+/- 3%	N=1,067	+/- 3%
Germany	N=1,000	+/- 3%	N=1,009	+/- 3%
France	N=1,000	+/- 3%	N=1,020	+/- 3%
China	N=1,000	+/- 3%	N=1,103	+/- 3%

Source: Stifel Research

The margins of error provided above apply for the full sample size of the audience; margins of error are larger for any demographic subgroups.

APPENDIX B: Stifel Sustainable Lifestyle Brands Index Methodology

Stifel and Morning Consult measured sustainability ratings for 50 active/casual lifestyle brands with leading sustainability practices among n=4,756 Active/Casual Lifestyle Brand Purchasers in the US. Active/casual lifestyle brands were measured according to three metrics of sustainability: environmental sustainability, ethical business practices, and social sustainability.

Each survey respondent saw a randomly selected list of 35 of our 50 brands and indicated their level of familiarity for each brand. Then, for each sustainability metric, respondents rated brand performance on a four-point scale, or could elect to say they had no opinion on that brand for the given sustainability metric. Respondents only rated sustainability performance for the brands they previously indicated they were familiar with.

Environmental Sustainability: *In general, how good of a job do you think each of the following companies are doing with regards to environmental sustainability?*

Ethical Business Practices: *In general, how good of a job do you think each of the following companies are doing with regards to ethical business practices?*

Social Sustainability: *In general, how good of a job do you think each of the following companies are doing with regards to social sustainability?*

Step 1: Calculations for each brand focus on those who selected a response on our four-point scale, excluding those who selected “Don’t know / No Opinion” - In this way, brands are only graded by those who have an opinion on their sustainability for a given metric.

Step 2: Calculate raw scores for each brand by adding value for positive ratings and subtracting value for negative ratings “Excellent” and “Poor” were given twice the weight of “Good” and “Just fair” to ensure more polarized views were reflected in the scores.

Step 3: Convert raw scores to index scores, where the average score for each metric is indexed to 100. This ensures our three metrics are uniform, and scores can be compared across metrics to evaluate relative performance.

1) Excellent	+ 2x % Excellent	$\frac{\text{Brand A Raw Score}}{\text{Avg. Metric Raw Score}} = \text{Brand A Index Score}$
2) Good	+ 1x % Good	
3) Just fair	- 1x % Just fair	
4) Poor	- 2x % Poor	
5) Don't know / no opinion		

Then, we computed our aggregate **Stifel Sustainable Lifestyle Brand Index Score** by averaging the three metric index scores for each brand.



Source: Stifel Research

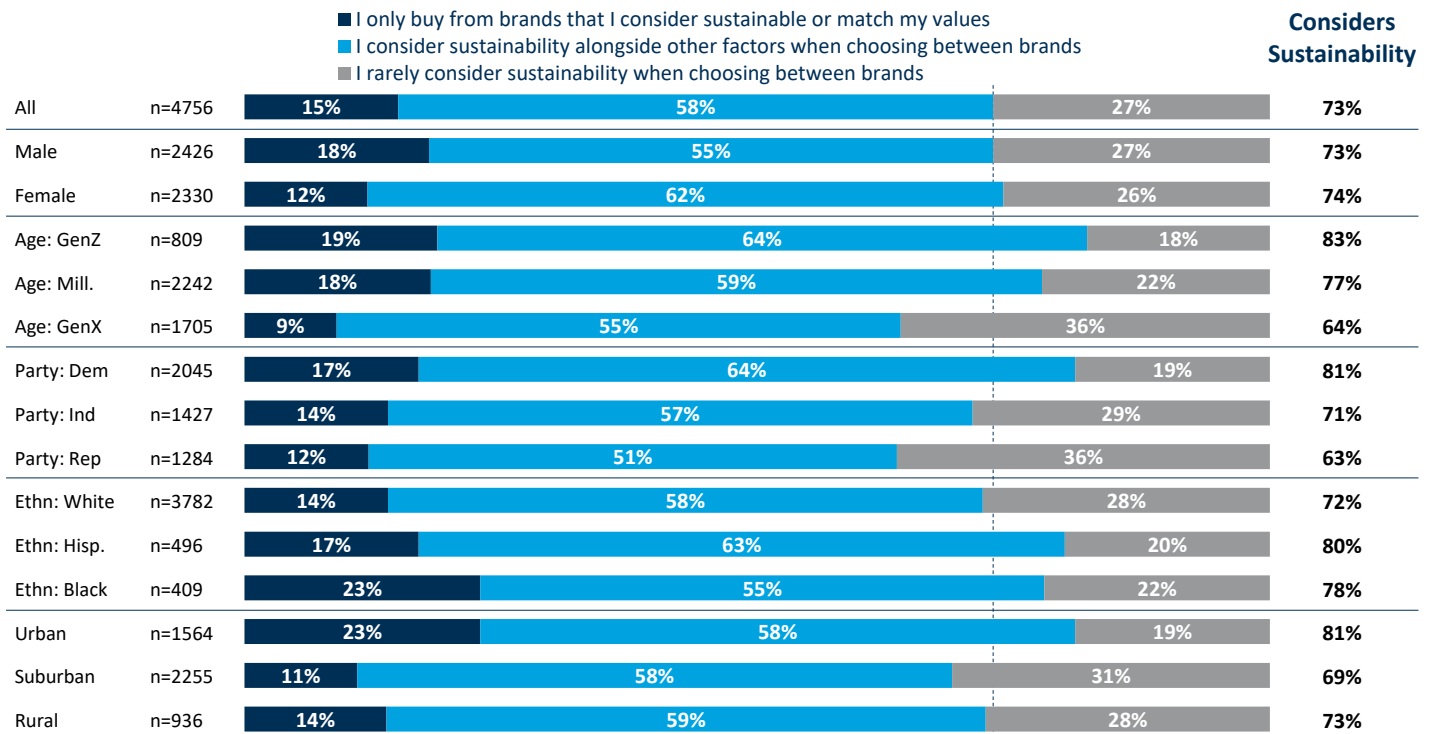
Brands included:

Adidas	Carhartt	Jordan	prAna	Sperry
Allbirds	Champion	Keen Footwear	Puma	The North Face
Arcteryx	Columbia	Lee	Ralph Lauren	Timberland
Asics	Converse	Levi's	Reebok	Tommy Hilfiger
Athleta	Crocs	lululemon	Rhone	UGG
Birkenstock	Dick's Sporting Goods	Merrell	Rothy's	Under Armour
Bombas	Duluth Trading	New Balance	Salomon	Vans
Brooks	Hanes	NIKE	Saucony	Vuori
Calvin Klein	Hoka One One	On Running	Skechers	Wrangler
Canada Goose	HydroFlask	Patagonia	Smartwool	YETI

Source: Stifel Research

APPENDIX C: Role of sustainability in the purchase decision amongst U.S. Active/Casual Lifestyle Brand Purchasers

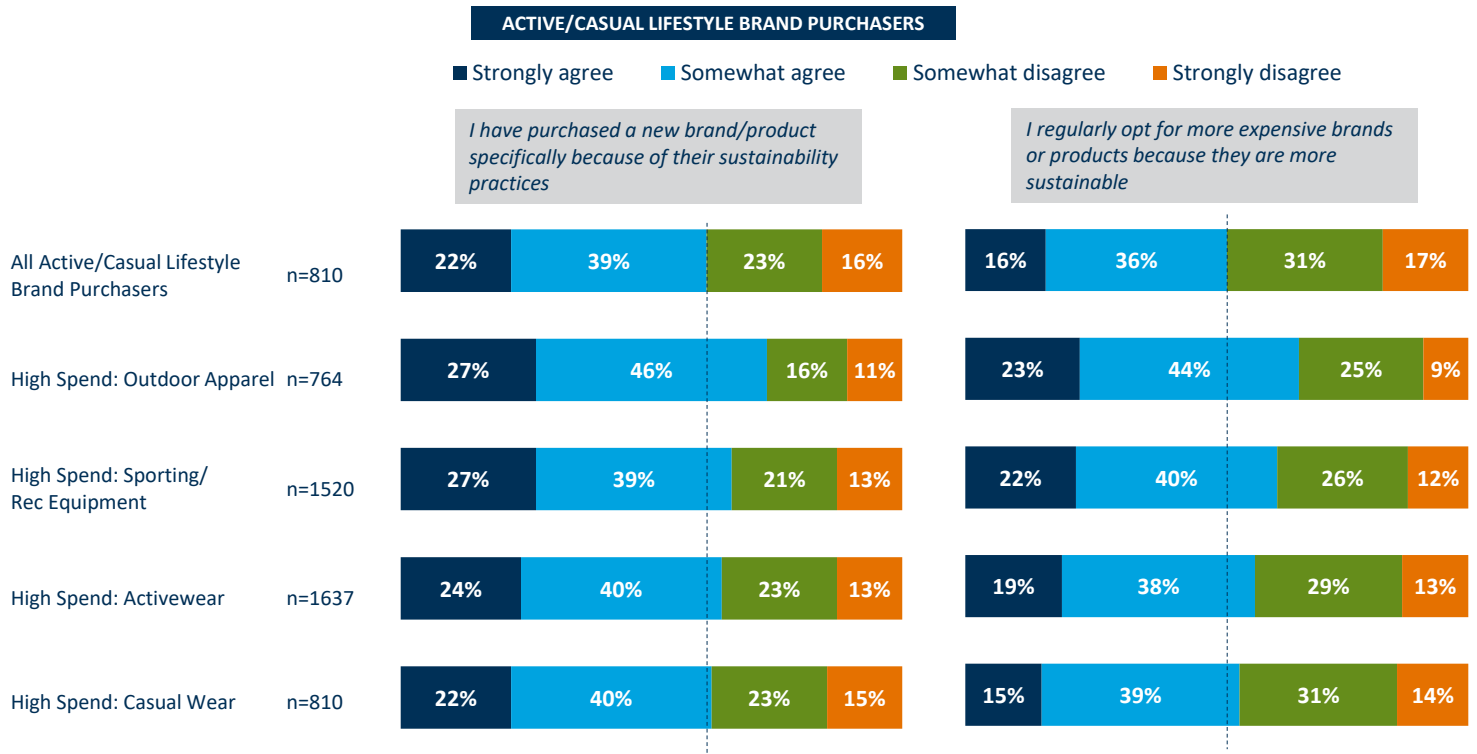
Q: When choosing between different brands, to what degree does sustainability factor into your decision-making?



Source: Stifel Research

APPENDIX D: Outdoor Apparel purchasers are a core demographic for appreciating the sustainability practices of brands and purchasing more expensive brands or products because of sustainability:

Q: To what degree do you agree or disagree with the following statements?

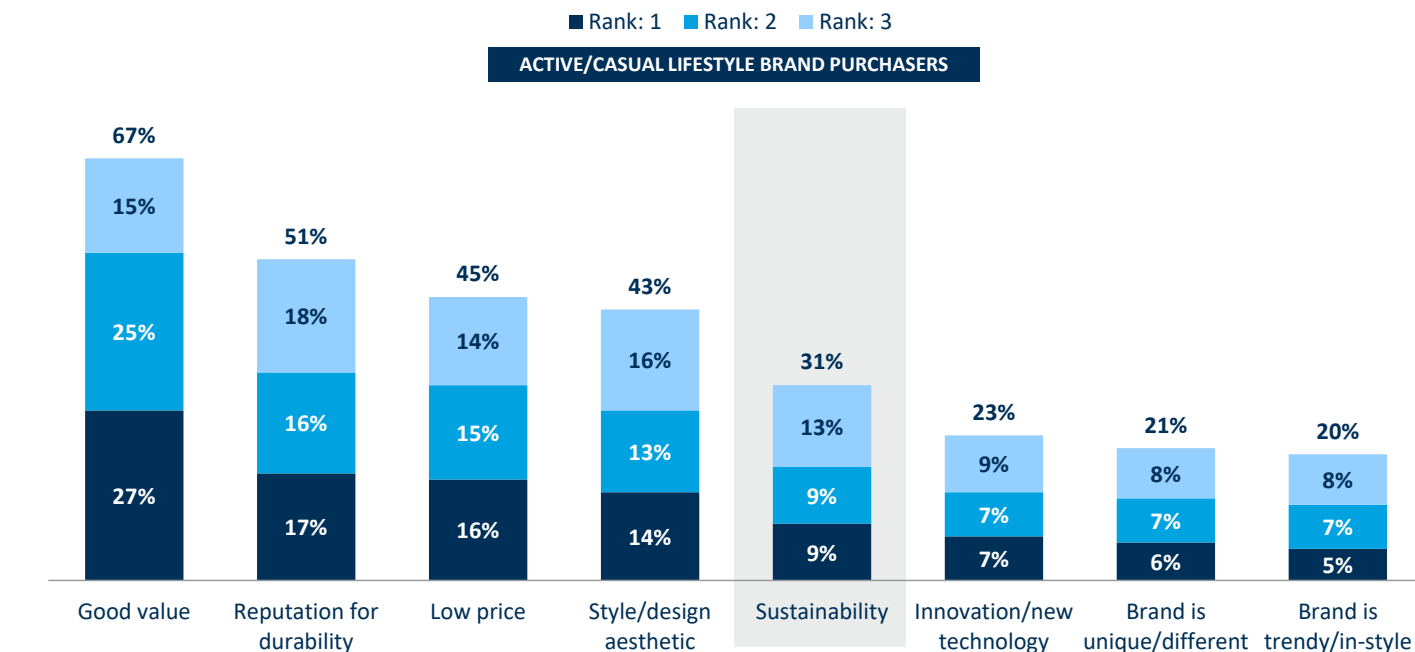


Source: Stifel Research

APPENDIX E: Sustainability as a purchasing priority for U.S. category purchasers

Q: Now, we would like you to think specifically about shopping for active/casual lifestyle brands. By this, we mean brands focused on athletic, outdoor, or casual lifestyle clothing, footwear and accessories. How important are each of the following to you when making purchase decisions with these types of brands? Please rank them from most important (1) to least important (8).

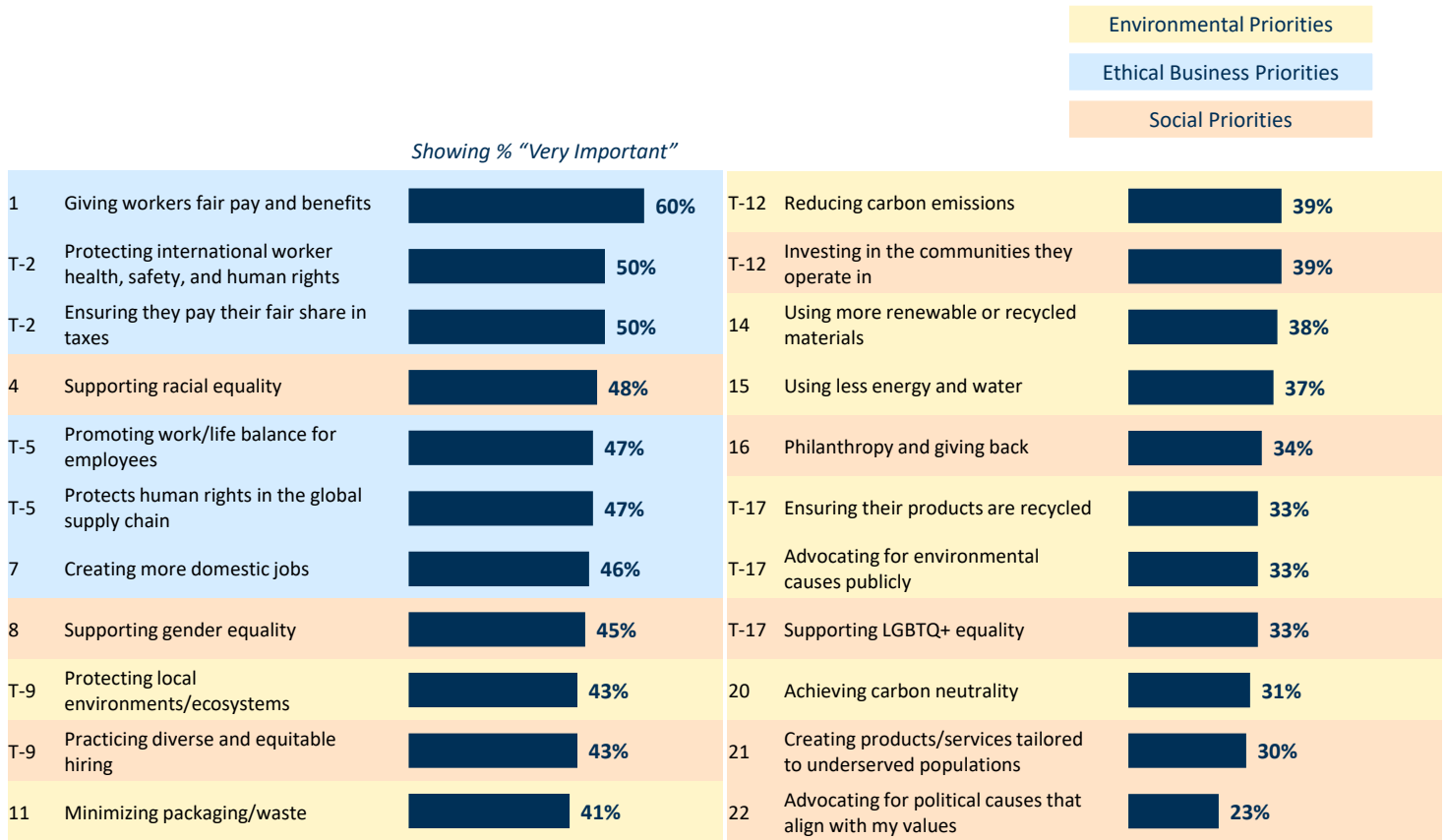
PURCHASING PRIORITIES FOR ACTIVE/CASUAL LIFESTYLE BRANDS



Source: Stifel Research

APPENDIX F: Importance of sustainability factors amongst U.S. Active/Casual Lifestyle Brand Purchasers

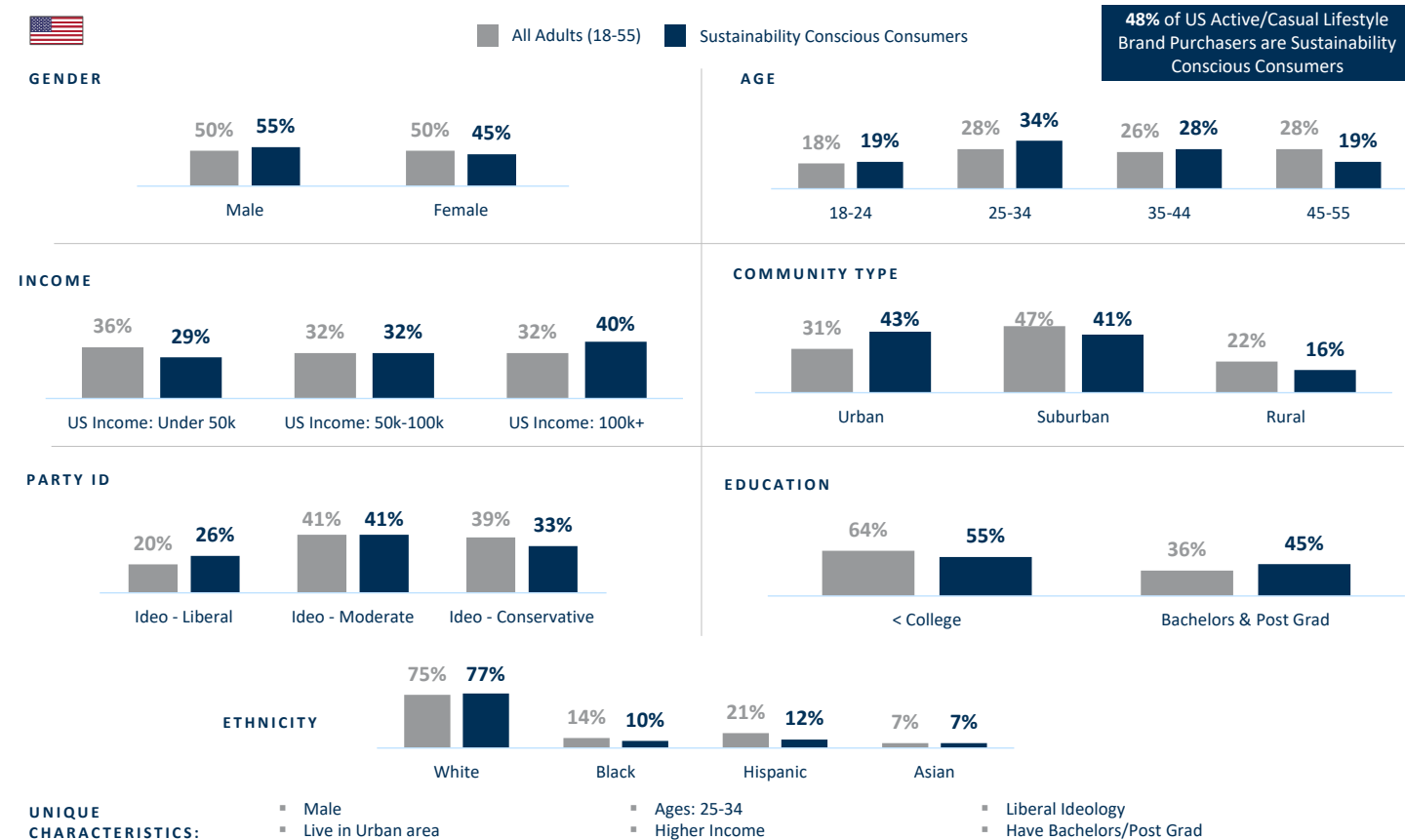
Q: How important is it to you that brands focus on the following?



Source: Stifel Research

APPENDIX G: Profile of the Sustainability Conscious Consumer

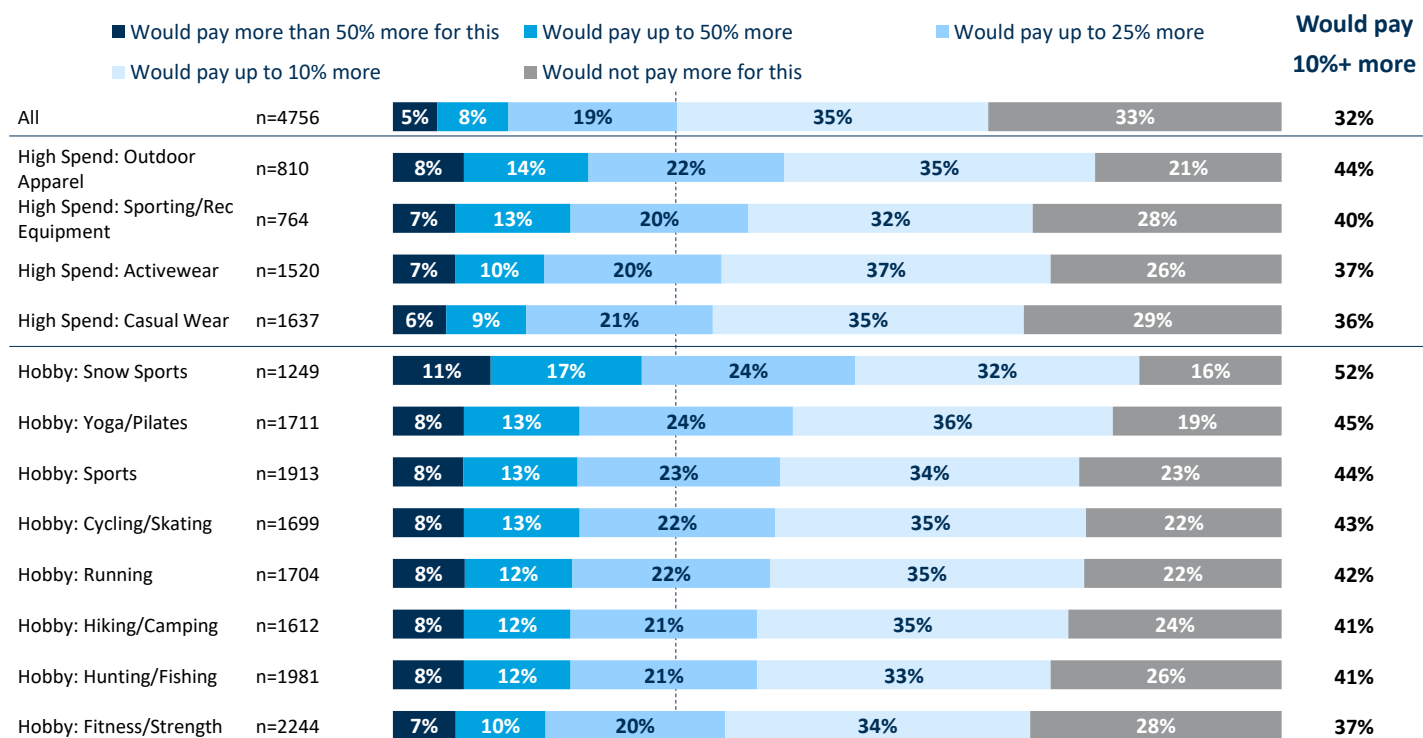
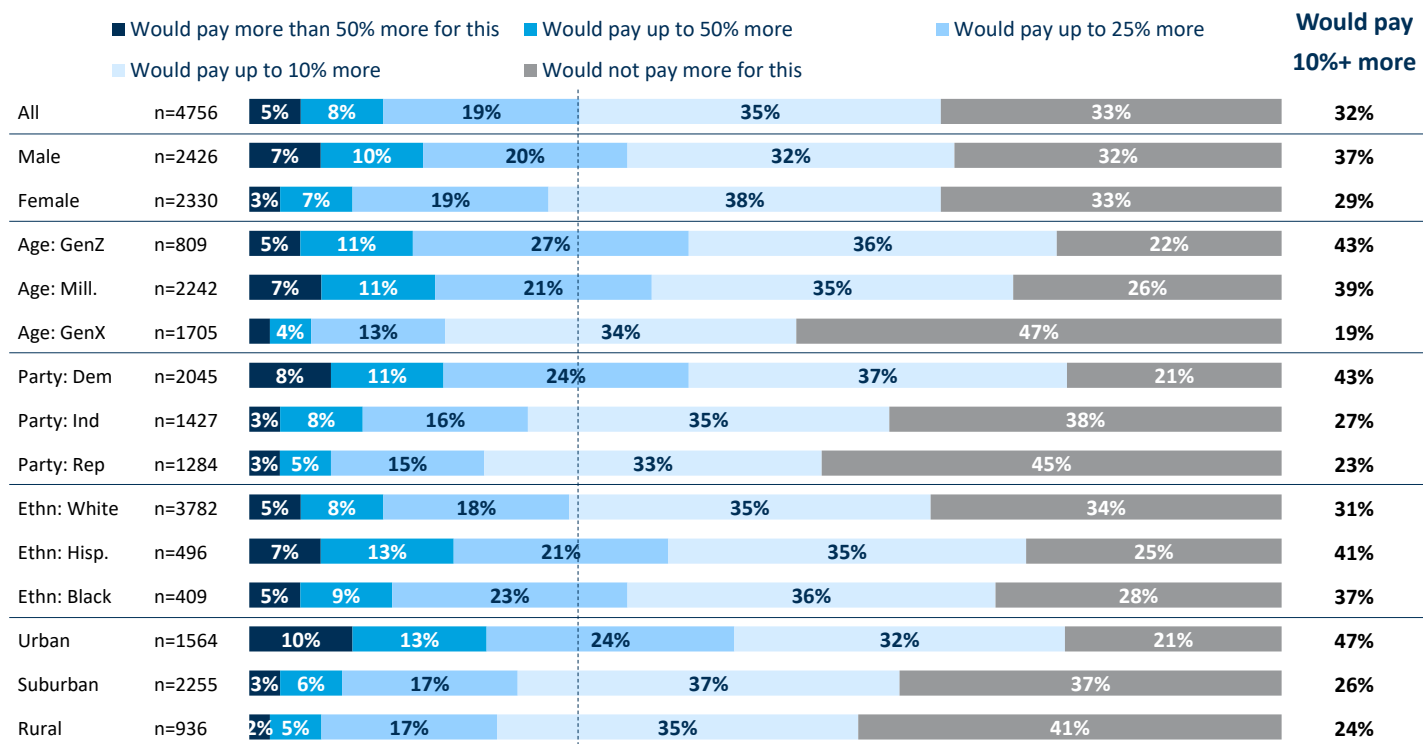
Sustainability Conscious Consumers are defined as those that 1) Say it's at least somewhat important for brands to focus on operating sustainably, 2) have purchased a brand/product specifically because of their sustainability practices, and 3) regularly opt for more expensive brands or products because they are sustainable.



Source: Stifel Research

APPENDIX H: Willingness to pay more for “Leading Sustainability Practices” amongst U.S. Active/Casual Lifestyle Brand Purchasers

Q: Thinking specifically about shopping with active/casual lifestyle apparel brands, how much more (if at all) would you pay for brands that offer the following? Leading Sustainability Practices



Source: Stifel Research

APPENDIX I: Stifel Sustainable Lifestyle Brands Index – Top 25 Brands

Stifel Sustainability Brand Index					
Rank	Brand	Environmental Sustainability	Ethical Business Practices	Social Sustainability	Sustainability Brand Index
1	Bombas	124	128	128	127
2	Patagonia	129	122	125	125
3	The North Face	130	116	122	123
4	Adidas	114	115	126	118
5	Allbirds	120	107	115	114
6	HydroFlask	125	106	105	112
7	Puma	107	112	115	111
8	Rothy's	116	109	106	111
9	YETI	114	112	105	111
10	Columbia	117	107	108	111
11	Under Armour	109	107	109	108
12	Birkenstock	110	103	107	107
13	On Running	109	107	100	105
14	Levi's	106	106	102	105
15	Vuori	97	98	119	105
16	Converse	103	106	105	105
17	Smartwool	112	99	101	104
18	Carhartt	100	114	98	104
19	Keen Footwear	103	112	96	104
20	Jordan	94	101	115	104
21	Duluth Trading	101	106	101	103
22	Hoka One One	105	102	100	102
23	Timberland	102	101	100	101
24	New Balance	99	102	100	101
25	Merrell	95	106	99	100

Source: Stifel Research

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Columbia Sportswear Company (COLM) as of May 21, 2021 (in USD)



*Represents the value(s) that changed.

Buy=B; Hold=H; Sell=S; Discontinued=D; Suspended=SU; Discontinued=D; Initiation=I

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VF Corporation (VFC) as of May 21, 2021 (in USD)



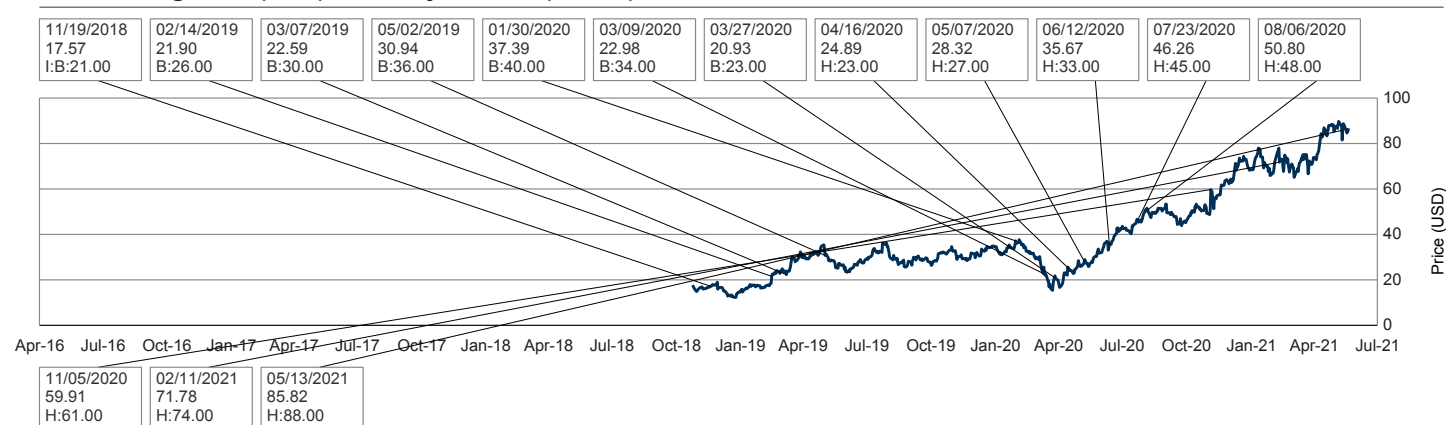
*Represents the value(s) that changed.

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