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STIFEL SURVEY HIGHLIGHTS GROWING IMPORTANCE OF SUSTAINABILITY FOR LIFESTYLE BRAND CONSUMERS

Bombas, Patagonia, The North Face Rank Highest in New “Stifel Sustainable Lifestyle Brands Index”

St. Louis, May 25, 2021 – A new Stifel survey indicates that consumers believe it’s important for companies to act sustainably and most are willing to pay a premium for brands that demonstrate ethical business practices, environmental care, and social responsibility. Based on this insight, Stifel is also introducing the “Stifel Sustainable Lifestyle Brands Index,” which ranks brands based on consumer perception of corporate sustainability practices.

Stifel, working with Morning Consult, surveyed 4,756 U.S. active/casual lifestyle brand consumers ages 18-55 and found:

- 83% believe it’s important for brands to act sustainably (39% consider it “very important”).
- 71% report caring more now about buying sustainable products than a year ago, and 58% intend to buy fewer products for the sake of sustainability.
- Nearly three-quarters (73%) consider sustainability factors when choosing between brands.
- More than two-thirds (67%) are willing to pay more for brands with leading sustainability practices, and half (52%) regularly opt for more expensive products because they are more sustainable.
- Some of the top sustainability priorities respondents consider “very important” include giving workers fair pay and benefits (60%), supporting racial equality (48%), and protecting local environments and ecosystems (43%).
- Nearly half (46%) have either boycotted or stopped buying a brand or product specifically because of sustainability concerns.

“We believe consumer appreciation for sustainable brands is reaching an inflection point,” said Jim Duffy, Managing Director and Sports and Lifestyle Brands Analyst at Stifel. “The empowered and connected consumer is armed with more available information about products and brands than ever before, and we are seeing increasing emphasis on sustainability in personal values and buying behavior.”

Full survey results can be [found here](#).

Introducing the Stifel Sustainable Lifestyle Brands Index

In conjunction with the survey, Stifel is launching the “Stifel Sustainable Lifestyle Brands Index,” which ranks brands based on U.S. active/casual lifestyle consumer perception of brand sustainability practices. Brands were measured according to three metrics of sustainability: environmental, social, and ethical business practices.

Brands with the highest overall score include, in order:

- Bombas (No. 1), Patagonia (No. 2), The North Face (No. 3), adidas (No. 4), Allbirds (No.5).
- Rounding out the top 10 are Hydro Flask (No. 6) and a four-way tie between Puma, Rothys, YETI, and Columbia (Tie – No. 7).

Newer brands that have staked their brand identity on matters of corporate responsibility and environmental sustainability (Bombas, Allbirds, Rothys, 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).

“Brands will continue to compete on innovation, product quality, customer experience, and value, but sustainability is becoming another key factor in the minds of consumers,” noted Mr. Duffy.

Global Insights

The survey also questioned 5,259 additional active/causal lifestyle brand consumers ages 18-55 across the UK, Germany, France, Italy, and China. Across all markets, an overwhelming majority of category purchasers say they’re trying to be more sustainable day to day and agree that sustainability’s influence on their purchasing decisions has increased in the last year.

Additional findings include:

- Italy had the highest percentage of category purchasers respond that overall sustainability matters were “very important” to them.
- U.S. consumers are more likely than those in China, but less likely in those surveyed European markets, to consider sustainability as a top purchasing priority when shopping active/casual lifestyle brands.
- In all countries surveyed, most respondents try to learn about a brand’s sustainability practices before buying and admit to purchasing a new product specifically because of sustainability practices.

- German category purchasers showed the greatest willingness to pay a premium for leading sustainability practices, with 76% indicating comfort with higher product prices.

“Increasing emphasis on sustainability across the globe underscores the importance for brands to define and communicate sustainability initiatives to an attentive consumer set,” summarized Mr. Duffy. “We expect sustainability will prove a source of competitive separation for leading brands in the coming years, while brands that are underinvested will be left behind.”

Survey Methodology

Morning Consult conducted n=10,015 online interviews among active/casual lifestyle brand consumers ages 18-55 in the U.S., UK, Italy, Germany, France, and China from April 16-25, 2021. Interviews in each market were carefully 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 U.S., and age, gender, region, and education in the UK, Italy, Germany, France, and China.

Active/casual lifestyle brand consumers are defined as those who purchased at least one of the following types of brands within the past six 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.

Sustainable Lifestyle Brand 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 consumers in the U.S. Active/casual lifestyle brands were measured according to three metrics of sustainability: environmental sustainability, ethical business practices, and social sustainability. Index scores for each of these metrics were calculated according to the following methodology, and then averaged together to compute the overall Sustainable Lifestyle Brand Index Score.

Calculations for each brand focus on those who selected a response on Stifel’s four-point scale, excluding those who selected “Don’t know / No Opinion.” Raw scores were calculated 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. Finally, raw scores were converted to index scores, where the average score for each metric is indexed to 100. This ensures Stifel’s three metrics are uniform, and have equal weight when averaged together to compute the overall Sustainable Lifestyle Brand Index Score.

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