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STIFEL SURVEY FINDS, AMID CONCERN OVER THE ECONOMY AND PERSONAL FINANCES, SUSTAINABILITY TAKES A BACK SEAT TO PRICE AND VALUE THIS HOLIDAY SHOPPING SEASON

- *Four of Five U.S. Consumers Believe It's Important for Brands to Operate Sustainably*
- *Cost-Conscious Consumers Prioritizing Good Value and Low Price Over Sustainability*
- *Three of Four Indicate Willingness to Boycott a Brand Over Stance on Social Issues*
- *Bombas, Yeti, The North Face Top "Stifel Sustainable Lifestyle Brands Index"*

St. Louis, December 6, 2023 – A new Stifel survey finds U.S. consumer views of the importance of brands operating sustainably has reached parity with Europe, but also shows greater consumer concerns about the economy and personal finances. Following three years of near-record inflation, the survey data indicates heightened price sensitivity, just as the holiday shopping season kicks into high gear.

While an overwhelming majority of consumers (80%) still believe it's important for brands to operate sustainably, only a third (32%) highly prioritize sustainability when making purchasing decisions, compared to other factors like good value (68%) and low price (57%). Amid persistent inflationary pressures, consumer prioritization of low price reflected the largest gains year over year (up five points from 52% in 2022).

Roughly three of five consumers (63%), however, remain willing to pay a premium for brands with leading sustainability practices.

"We know that many consumers regularly consider and value sustainability, especially in the active and casual lifestyle category," said Jim Duffy, Managing Director and Sports and Lifestyle Brands Analyst at Stifel. "However, our survey found that 62% of consumers are more concerned about the state of the economy this year versus last year and 56% are more worried about their personal finances, so pocketbook issues are having a greater impact on purchasing decisions."

Stifel, working with Morning Consult, recently surveyed 6,053 U.S. active/causal lifestyle brand consumers ages 18-55. Other key findings include:

- 56% (flat versus 2022) of consumers look for information about a brand's sustainability practices when contemplating a purchase, 70% (down from 71% in 2022) consider sustainability factors when choosing between brands, and more than half (59% versus 58% in 2022) have purchased a new product specifically because of sustainability reasons.
- More than three-quarters (78%) of consumers indicate they are trying to be more sustainable in their day-to-day life (up from 75% in 2022) and 70% indicate they care more about the sustainability of products they buy than a year ago (versus 67% in 2022).

- Most (58%) believe that ethical business practices are “very important” for brands to prioritize, and ranked giving workers fair pay and benefits, paying a fair share of taxes, and promoting a healthy work/life balance as leading priorities.
- Two-thirds of U.S. category consumers (67%) report they are aware of brands receiving negative attention on social media for a statement or action taken on a social issue.
- Three of five category purchasers (60%) think it’s important for brands to take a stance on social issues but three quarters (74%) indicate a willingness to boycott a brand if the stance was contrary to their opinion.

“Operating sustainably is a consumer expectation, but brands weighing in on social issues is a high-wire act,” noted Duffy. “Consumers want brands to support their issues, but the majority indicate they would boycott a brand that expresses views opposing their own. Deep understanding of the customer is essential to this risk-reward calculus.”

Global Insights

The survey also questioned 4,096 additional active/causal lifestyle brand consumers ages 18-55 across the UK, Italy, Germany, and France. Similar to findings among U.S. consumers, at least four of five category purchasers across all international markets believe it’s important for brands to operate sustainably, but the figures declined year over year. Similar to the U.S., value and price concerns outweigh sustainability practices as purchasing priorities. Specific findings include:

- Sustainability as a purchasing priority remained essentially flat compared to last year in the UK (35%) and Italy (40%) but declined year to year in France (52% versus 59% in 2022) and Germany (36% versus 39% in 2022).
- “Good value” ranked as the top consideration when making purchasing decisions, with consumers in Italy (74% versus 75% in 2022), France (72% versus 70% in 2022), the UK (72% versus 69% in 2022), and Germany (71% flat versus 2022) versus 68% of U.S. consumers.
- The importance of “low price” as a purchasing priority increased over the last year, with French (55% versus 47% in 2022), Italian (45% versus 40% in 2022), German (40% versus 35% in 2022), and UK consumers (53% versus 50% in 2022) listing it as a “top three” purchasing priority versus 57% of U.S. consumers (up from 52% in 2022).
- Brand environmental efforts are viewed as less important year to year across each of the European markets, including using less energy and water, using more renewable or recycled materials, reducing carbon emissions, and advocating for environmental causes publicly.
- In the past year, half or more of consumers have become more concerned about the state of the economy (UK 69%, Italy 65%, U.S. 62%, Germany 59%, and France 58%) and personal finances (UK 63%, France 62%, U.S. 56%, Italy 53%, and Germany 50%).

“European markets have historically led the U.S. in concern for brand sustainability, but that gap has narrowed amid economic pressures,” added Duffy. “The broad-based 2023 European declines in perception of the

importance of brand focus on environmental efforts may signal ‘sustainability fatigue’ and the peak in European consumer sustainability concern.”

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

Updating the Stifel Sustainable Lifestyle Brands Index

In conjunction with the survey, Stifel is updating 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.

For the third year in a row, Bombas was rated the top sustainable brand, followed by Yeti (No. 2) and The North Face (No. 3). In fact, Bombas scored highest in each of the three metrics considered.

Rounding out the top ten are: Carhartt (tied at No. 4), Patagonia (tied at No. 4), Allbirds (No. 6), Adidas (No. 7), Columbia (tied at No. 8), Under Armour (tied at No. 8), and Smartwool + Levi’s (No. 10).

Survey Methodology

Morning Consult conducted n=11,551 online interviews among general population adults ages 18-55 and active/casual lifestyle brand purchasers ages 18-55 in the U.S., UK, Italy, Germany, and France from October 23-30, 2023. 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 U.S., and age, gender, region, and education in the UK, Italy, Germany, and France. Active/casual lifestyle brand purchasers 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=6,053 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.

Stifel Company Information

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Media Contacts

Neil Shapiro, +1 (212) 271-3447

shapiron@stifel.com