



2023 Business of Sustainability Index

A PDI report analyzing consumer sentiment toward sustainable businesses and their offerings

Sustainability Remains a Top Priority for Consumers

With high-profile weather events, government regulations, and climate change predictions prominent throughout the daily news cycle, it's no surprise that environmental impact is top of mind for many American consumers.

Based on the latest consumer sentiment toward sustainability, it's also clear that this environmental focus extends to the business world and how consumer behavior is shifting in how they view sustainability efforts across the corporate landscape.

Our third annual "Business of Sustainability Index" dives deeper into those changing behaviors, as reflected in a survey of over 1,000 American consumers. The report further validates the growing consumer interest in buying sustainable products from sustainable businesses.

Key findings

1

American consumers want to buy from environmentally friendly companies

2

Consumers are willing to pay more for sustainable products and options

3

They have difficulty identifying sustainable companies and products

The mandate for sustainability transcends today's key challenges



Pandemic impacts



Rising inflation



Market fluctuations



Macroeconomic concerns



Global conflict

Consumers Want Sustainability, but They Need to See It

Even as consumer interest in environmentally friendly businesses and products continues to rise, many consumers still struggle with how to evaluate businesses and their offerings. This presents a clear opportunity for businesses to engage directly with consumers in promoting sustainable products and eco-conscious strategies—and ultimately earn their trust.

People want sustainability

74% of consumers care about the environmental impact of the products they buy

...But they can't identify it

79% want an easier way to identify environmentally friendly companies

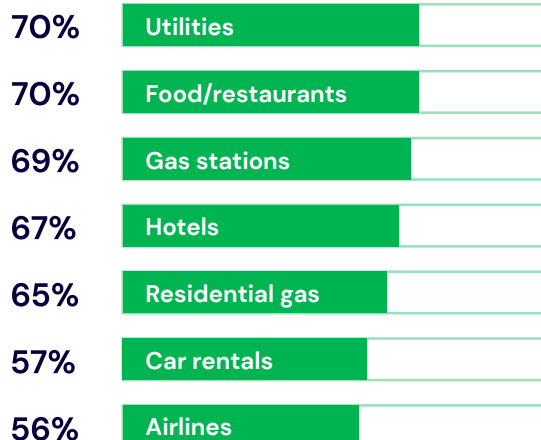
Here's what they are looking for

53%
Clear language on products

40%
Third-party or independent validation

This is where they would spend

Consumers cite these industries as areas they would most likely make environmentally friendly purchases



Consumers Believe Sustainability Is Worth the Cost

Despite experiencing a global pandemic during the past few years and facing economic uncertainties in 2023 and beyond, American consumers still find value in paying more for environmentally friendly products. That’s good news for businesses that want to appeal to more consumers while advancing their sustainability objectives.

Consumers increasingly willing to pay more, year over year

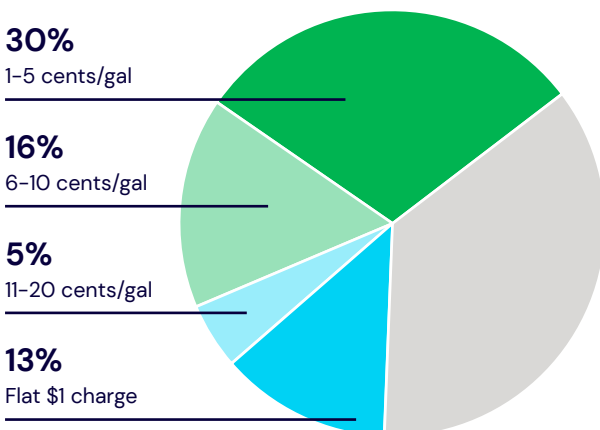


Willingness to pay more crosses demographic boundaries

Even certain demographic categories not typically associated with environmentally friendly causes now reflect a majority interest in paying more for sustainability.

How much more will consumers pay for gas if carbon emissions are offset?

64% of all consumers will pay more.



Household Income

- 66% under \$50K
- 67% \$50K – \$100K
- 73% over \$100K

Political

- 58% Republicans
- 60% Independents
- 80% Democrats

Generation

- 62% Baby Boomers
- 67% Gen X
- 72% Millennials
- 77% Gen Z

Geography

- 57% Rural
- 67% Suburban
- 76% Urban

There's Lasting Value in Loyalty—for Consumers and Business

Businesses can see impressive returns on their investment by offering sustainable options. But if they can combine sustainability with their customer loyalty programs, they'll likely enjoy even higher ROI and profitability. At the very least, the data shows that they should explore ways to start integrating sustainability into their loyalty and rewards offerings.

Would consumers use a rewards/loyalty app to reduce their carbon footprint?

74% would likely sign up for a rewards/loyalty app

89% of those who would pay more for gas with carbon offsetting would also use a loyalty app

Sustainability at the pump

75% of consumers would fill up at a gas station that offers carbon offsetting

91% That number rises to 91% if those consumers would also:

- Pay more for gas with carbon offsetting
- Sign up for a rewards or loyalty program

DID YOU KNOW?

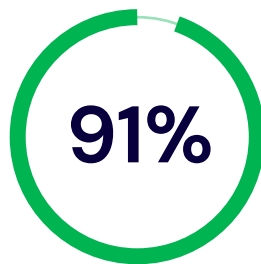
Loyalty program members bring **30% greater value** than non-loyalty consumers in average convenience retail basket spend*

**PDI "Tracking Convenience Report: From the Pump to the C-Store."*

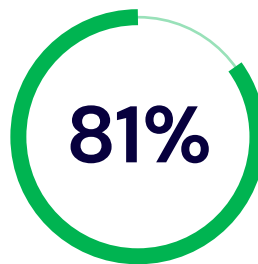
Gen Z Sends a Message on Sustainability

Not surprisingly, young Americans lead the way in terms of demographic groups focused on environmental causes. In fact, they outperform other generations in their willingness to be more sustainable by nearly every measure. Ranging from ages 18–26 in this survey, Gen Z is the torch-bearer for sustainability across a variety of categories—and they're just starting to flex their purchasing power.

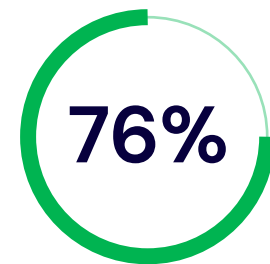
Gen Z speaks...



want to buy from sustainable companies



are more likely to purchase environmentally friendly products based on climate events in the past 12 months



would pay more for gas if the carbon emissions are offset

A demanding audience

40% think corporations are doing poorly in reducing their carbon footprint

37% believe corporate profits should support environmental organizations

Who's hiring?

37% want to work for environmentally friendly companies—they represent nearly one-third of the current labor workforce and their influence will only continue to grow

Stay Ahead of the Sustainability Curve

Businesses must be smart in defining their sustainability strategy, understanding when to make the right level of investment at the right time. Region, local clientele, and business size all play key roles in determining what steps to take.

One thing is clear, however. When change is inevitable—as evidenced by the data trends—it's better to start early. It's also more cost-effective to begin building customer loyalty now rather than trying to catch up to the competition.

5 tips for sustained business success

- 1 Take a leadership role—act before the market forces you to
- 2 Define a holistic sustainability strategy—even if you move incrementally
- 3 Once you commit, keep going—sustainability is a long-term investment
- 4 Engage more effectively with consumers—promote your efforts to earn their trust
- 5 Validate your efforts—work with independent third parties to build credibility

Don't Go It Alone

Every sustainability journey needs a partner. Collaborating with industry associations, peer groups, and experienced partners can deliver the insights and best practices every business needs to succeed.

PDI Sustainability Solutions can help your business become more environmentally conscious through a suite of turnkey solutions for tracking and offsetting carbon emissions, including independent verification and loyalty programs. We'll show you how to grow your business by adopting a comprehensive sustainability strategy—just like we've already done for hundreds of other businesses.



Contact Us Today

Or visit us at pditechnologies.com/sustainability



Methodology for This Report

The “Business of Sustainability Index” survey was conducted in collaboration with Directions Research. The data from this index was collected from an online survey fielded among a demographically balanced, nationally representative sample of 1,038 US adults 18 years of age and older. To ensure a consistent and accurate representation of the US general population, data was weighted by the following variables: sex, age, geographic region, race/ethnicity, and education.

About PDI Sustainability Solutions

PDI Sustainability Solutions offers sustainability as a service with patent-protected programs that deliver environmental impact and bottom-line results. Our turnkey offerings help businesses meet their sustainability goals while increasing brand value and customer loyalty—making it easy to do well by doing good. We are on pace to offset over 30 million metric tons of carbon by 2025.

About PDI

With 40 years of industry leadership, PDI Technologies, Inc. resides at the intersection of productivity and sales growth, delivering powerful solutions that serve as the backbone of the convenience retail and petroleum wholesale ecosystem. By “Connecting Convenience” across the globe, we empower businesses to increase productivity, make informed decisions, and engage faster with their customers.