

The 2014 *Sustainability Leaders*

A GlobeScan/SustainAbility Survey



20th
Anniversary
1994 - 2014



Contents

About the Globescan / SustainAbility Surveys 3

Introduction 4

Survey Methodology 5

Key Findings 6

Institutional Leaders on Sustainability 7

Corporate Leaders on Sustainability 12

20-Year Retrospective on Sustainability Progress 20

Further Information 25

The 2014
*Sustainability
Leaders*

A GlobeScan/SustainAbility Survey

About the GlobeScan / SustainAbility Surveys

The GlobeScan / SustainAbility Surveys offer a unique, collaborative platform that uses research-driven insights, including targeted surveys of the most influential thought leaders in the sustainability arena from over ninety countries, to explore the biggest sustainability challenges.

The thousands of stakeholders surveyed include leading sustainable development experts and practitioners from five sectors:

- Corporate
- Government (including multi-lateral institutions)
- NGOs
- Institutional (e.g., academics)
- Service (e.g., consultants, media)

The GlobeScan / SustainAbility Surveys are in field around six times each year, and provide a regularly updated expert perspective on a range of timely topics.

You can download all the latest surveys from the [GlobeScan](#) or [SustainAbility](#) websites.



The 2014
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A GlobeScan/SustainAbility Survey

Introduction

This report represents an important milestone. The longest-running survey of its kind, this year's annual Sustainability Leaders report marks 20 years' worth of tracking and analysis on the evolution of the sustainability agenda, and of the leaders and institutions most responsible for driving it forward.

According to the 887 expert stakeholders surveyed from business, government, NGOs and academia across 87 countries, only one company increased its influence this year: Unilever. The company not only claims the top slot for the fourth year in a row, but also does so by its widest ever margin, creating a significant leadership gap relative to other prominent companies.

Some may argue this isn't very groundbreaking, and/or that it risks overshadowing the very excellent efforts (and real performance) of other companies, many of whom don't even appear in this ranking. We agree. But it is important to recognize that this is not an objective analysis of which companies, or any other institutions, are genuinely performing best. It only reflects the prevailing opinion of experts as to which few of the many high performing companies are viewed as leaders, and as such, it is profoundly interesting.

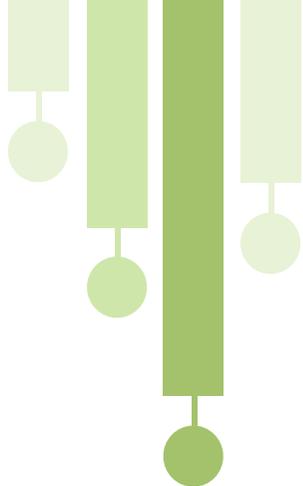
Why is it that Unilever, and Unilever alone, is so universally recognized as a leader? How has it stayed at the top of the list for so long – far longer than other top performers in past years? What does it tell us about the state of sustainability, and of corporate leadership, in general?

One thing we do know is that standards of leadership are dynamic. Page 15 shows how the landscape of corporate leadership has evolved since 1997, including several distinct eras defined by a handful of influential (and often similar) companies.

In the present era, the consumer products and food industries, represented in part by major retailers who exert significant influence over global supply chains, rise to the top. This leads to further questions: What company or industry will be the next to take center stage, and what new combination of leadership attributes will propel it there?

But, for all the nuances of how experts judge the relative leadership of companies, perhaps the bigger story is that they continue to see absolute leadership – of companies and governments, particularly – so thoroughly lacking. With companies calling for governments to set policies that will unlock a sustainable future, and politicians waiting for companies to lead the way, these are frustrating, if not dangerous, times.

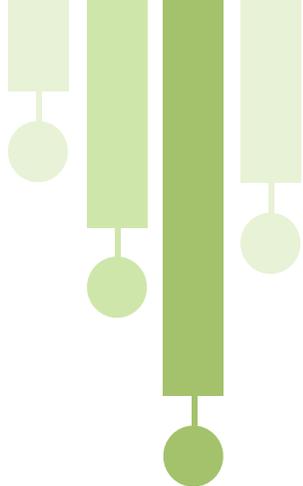
The science is clear, the business case is strong, and the ethical obligations are obvious: we simply do not have another 20 years to achieve significant wins on pressing sustainability issues. We hope this report will spur not just dialogue, but more bold, near-term action that transforms value chains and affects positive social change around the world.



The 2014 *Sustainability Leaders*

A GlobeScan/SustainAbility Survey

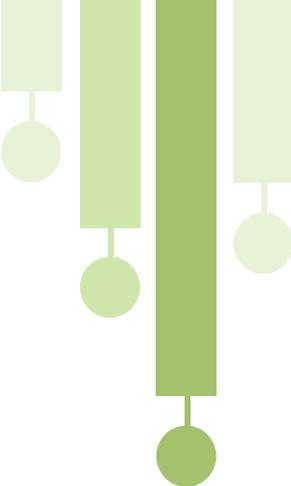
Survey methodology



| <i>Demographics</i> | Government | NGO | Academic / Research | Corporate | Service / Media | Other | Total |
|----------------------------------|------------|------------|---------------------|------------|-----------------|-----------|------------|
| Africa / Middle East | 7 | 6 | 10 | 14 | 7 | 2 | 46 |
| Asia | 9 | 17 | 25 | 24 | 12 | 3 | 90 |
| Europe | 14 | 37 | 77 | 105 | 102 | 13 | 348 |
| Latin America / Caribbean | 4 | 10 | 25 | 18 | 24 | 5 | 86 |
| North America | 19 | 40 | 50 | 73 | 68 | 8 | 258 |
| Oceania | 5 | 3 | 17 | 13 | 16 | 5 | 59 |
| Total | 58 | 113 | 204 | 247 | 299 | 36 | 887 |

- 887 qualified sustainability experts completed the online questionnaire from February 13 to March 26, 2014.
- Respondents were drawn from: corporate, government, non-governmental, academic/research, service/media, and other organizations.
- Experts surveyed span 87 countries in Asia, Africa / Middle East, Europe, North America, Latin America / Caribbean, Australia / New Zealand, and comprise a highly-experienced respondent pool:
 - 68 percent have more than ten years of experience working on sustainability issues.
 - 25 percent have five to ten years of experience.
 - 7 percent have three to four years of experience.
 - Respondents with less than three years of sustainability experience have been excluded from the results.

Key findings



- Consistent with recent years, experts see social entrepreneurs, NGOs and scientific leaders contributing most to sustainability leadership, while national government leaders are seen as demonstrating the poorest leadership across geographies.
- Regional variations show that leaders of multilateral organizations are more highly favored outside the US and Europe. Corporate leaders fare best in Asia and worst in Oceania. And local government officials (asked about for the first time this year) are rated much more highly in North America than anywhere else.
- For the fourth year in a row, Unilever is the most recognized corporate sustainability leader. And 2014's results are notably stark - Unilever grows to a 22-point margin over the number-two company, while differences among all others listed have shrunk.
- Whereas past leaders have tended to enjoy relatively brief spikes in recognition, Unilever's dominance has proven remarkably durable. However, past surveys show leadership is always evolving, providing opportunities to capture the attention and imagination of stakeholders in new ways.
- Though past surveys have shown considerable variation in regional leadership, we now see a trend toward a handful of firms being almost universally favored around the world. In other words, regional diversity in corporate sustainability leadership appears to be shifting toward general recognition of a few dominant players.
- What makes a leader? Experts see integrating sustainability deeply within an organization, a strong vision, performance against goals, and sustainable products as key drivers.
- Over the last 20 years experts see only marginal progress toward the ambitions set forth in Agenda 21. At the time, the Rio conventions were seen as a significant driver of future sustainability success. Today, experts see technology and the private sector holding the most promise to advance sustainability.
- Experts increasingly point to competitive pressure as stimulating corporate sustainability, beating out other tools and drivers, including green consumerism, by a healthy margin.
- A sign of the times, the economic aspects of sustainability are expected to receive the most attention in the near term.



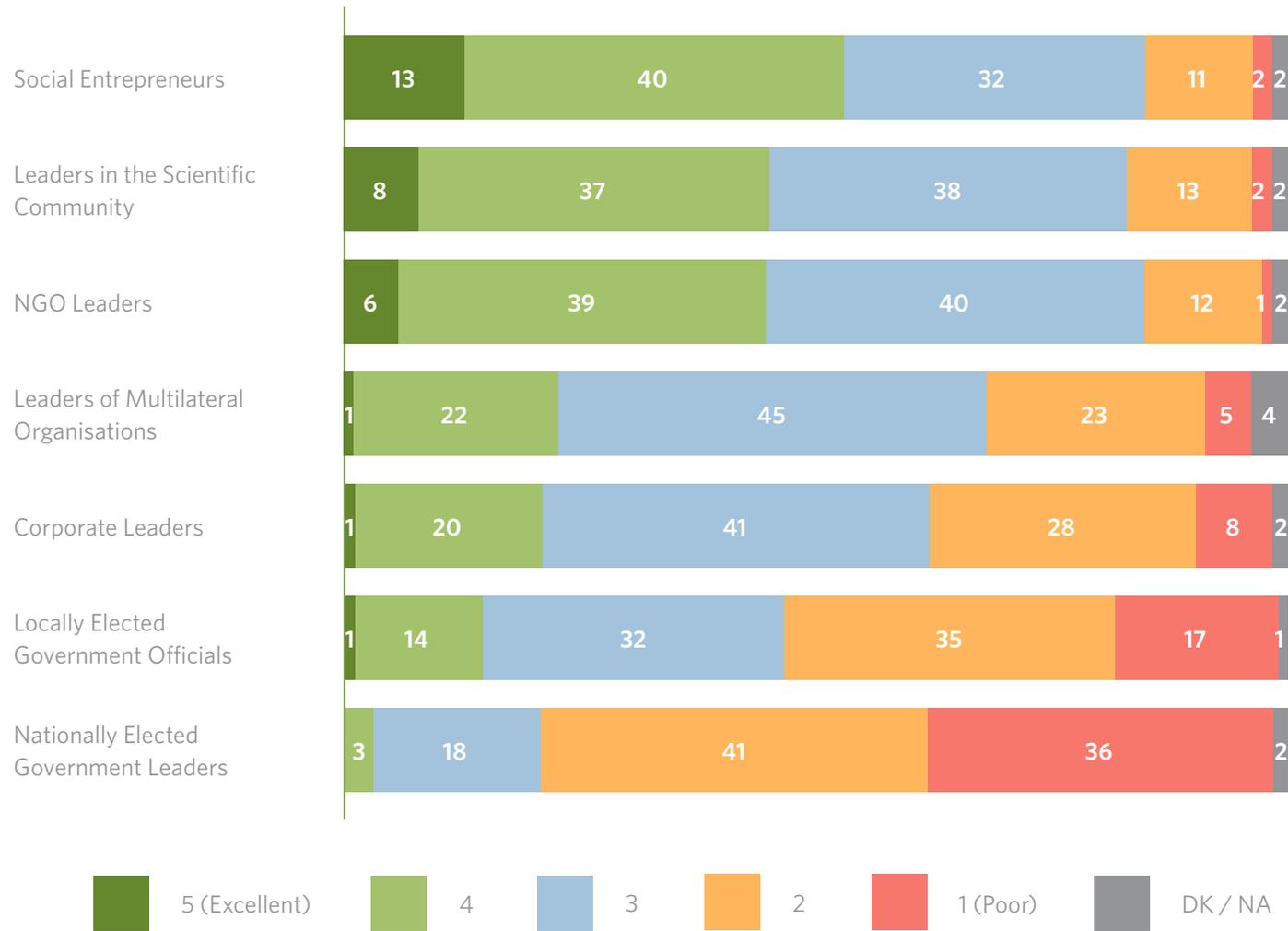
*Institutional Leaders
on Sustainability*



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*Sustainability
Leaders*
A GlobeScan/SustainAbility Survey

Leadership performance

Government leaders continue to receive the lowest scores on sustainability leadership. Corporate leaders do only marginally better, while social entrepreneurs - who are perceived to combine aspects of both business and nonprofit approaches - come out on top.



Question

Please rate the overall performance of each of the following types of leaders in advancing the sustainability agenda over the past year?

Please use a scale from 1 to 5 where 1 is "poor" and 5 is "excellent."

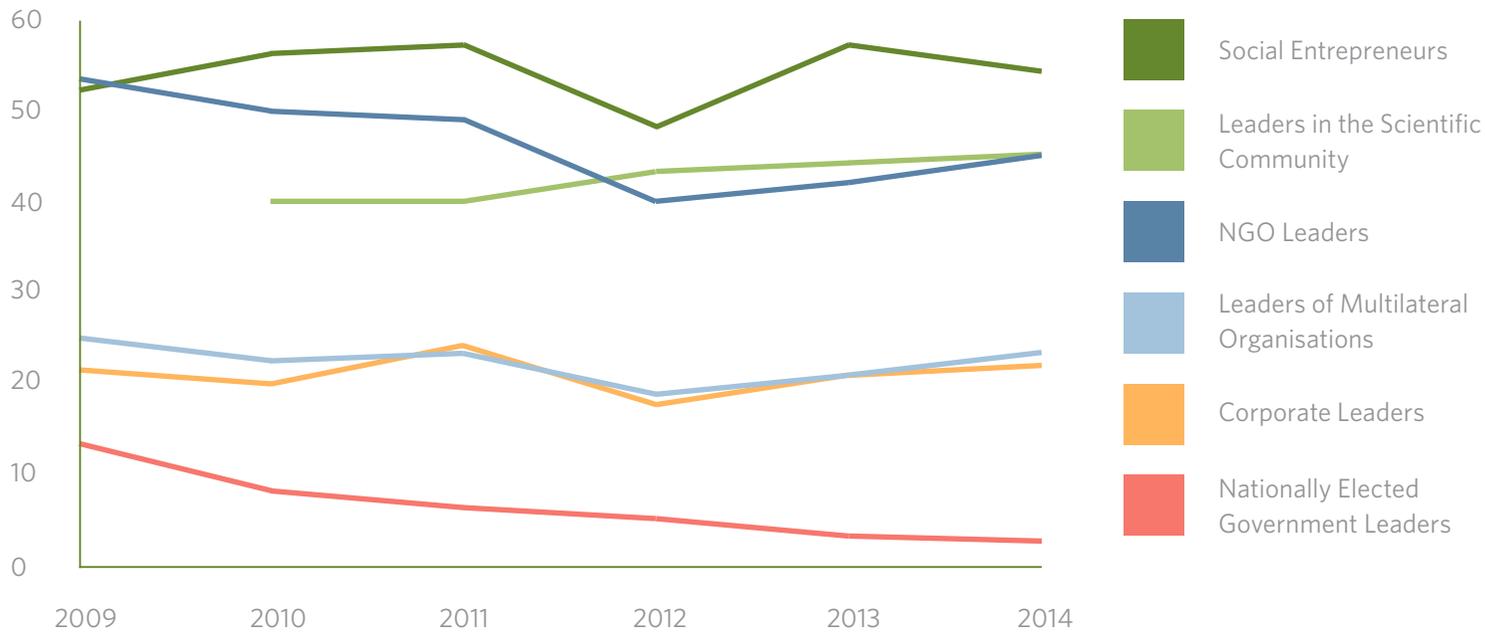
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Leadership performance since 2009

Experts continue to see growing influence from NGO and scientific leaders, while multilateral and corporate leaders also tick up slightly.

"Excellent" and "Good" (4+5), 2009-2014



Question

Please rate the overall performance of each of the following types of leaders in advancing the sustainability agenda over the past year?

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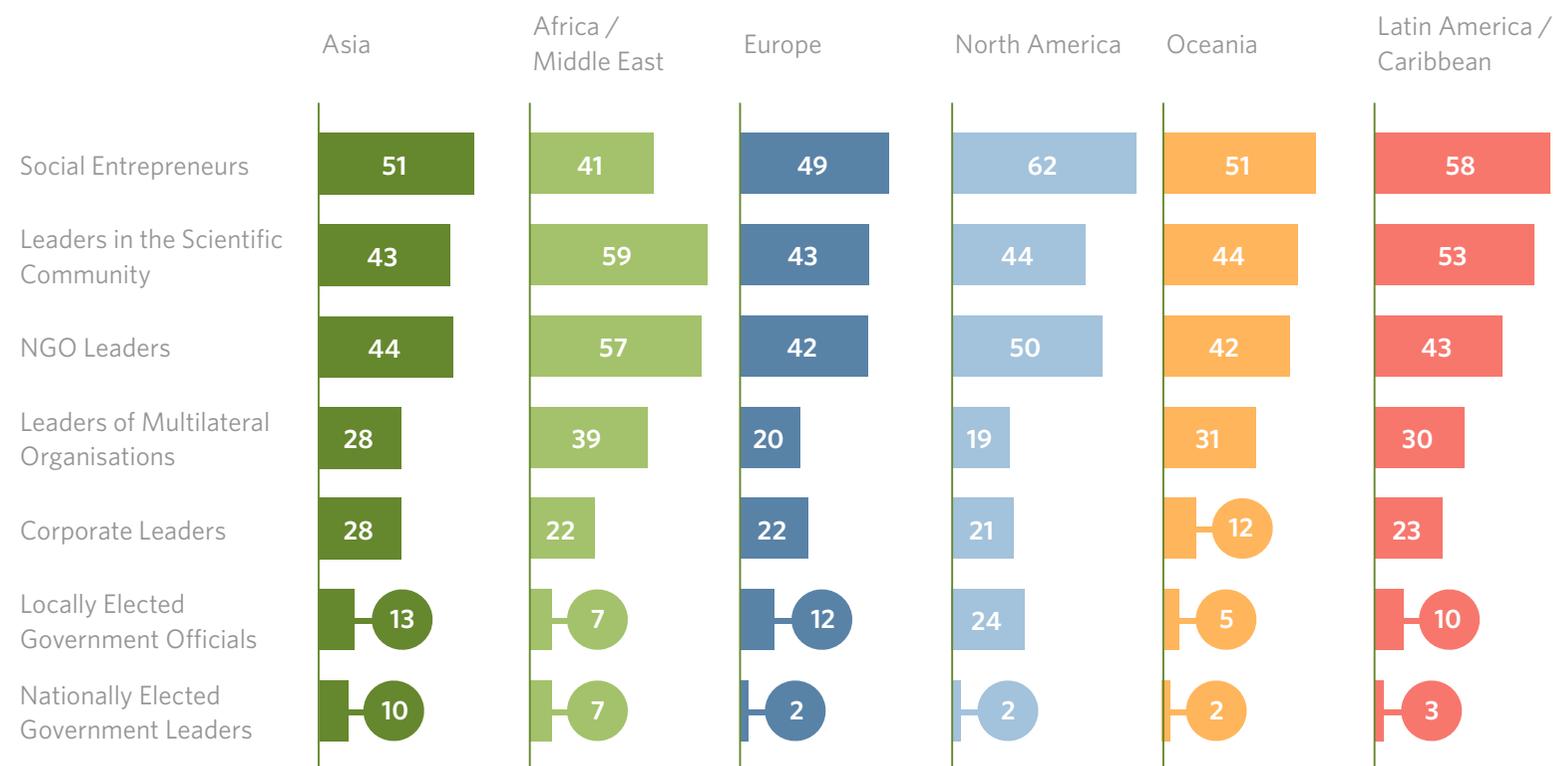
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Regional breakdown of leadership performance

Africa/Middle East experts rate NGO and scientific leaders above social entrepreneurs. Leaders of multilateral organizations are more highly favored outside the US and Europe. Corporate leaders fare best in Asia and worst in Oceania. And local government officials (asked about for the first time this year) are rated much more highly in North America than anywhere else.

“Excellent” and “Good” (4+5), by Region



Question

Please rate the overall performance of each of the following types of leaders in advancing the sustainability agenda over the past year?

Please use a scale from 1 to 5 where 1 is “poor” and 5 is “excellent.”

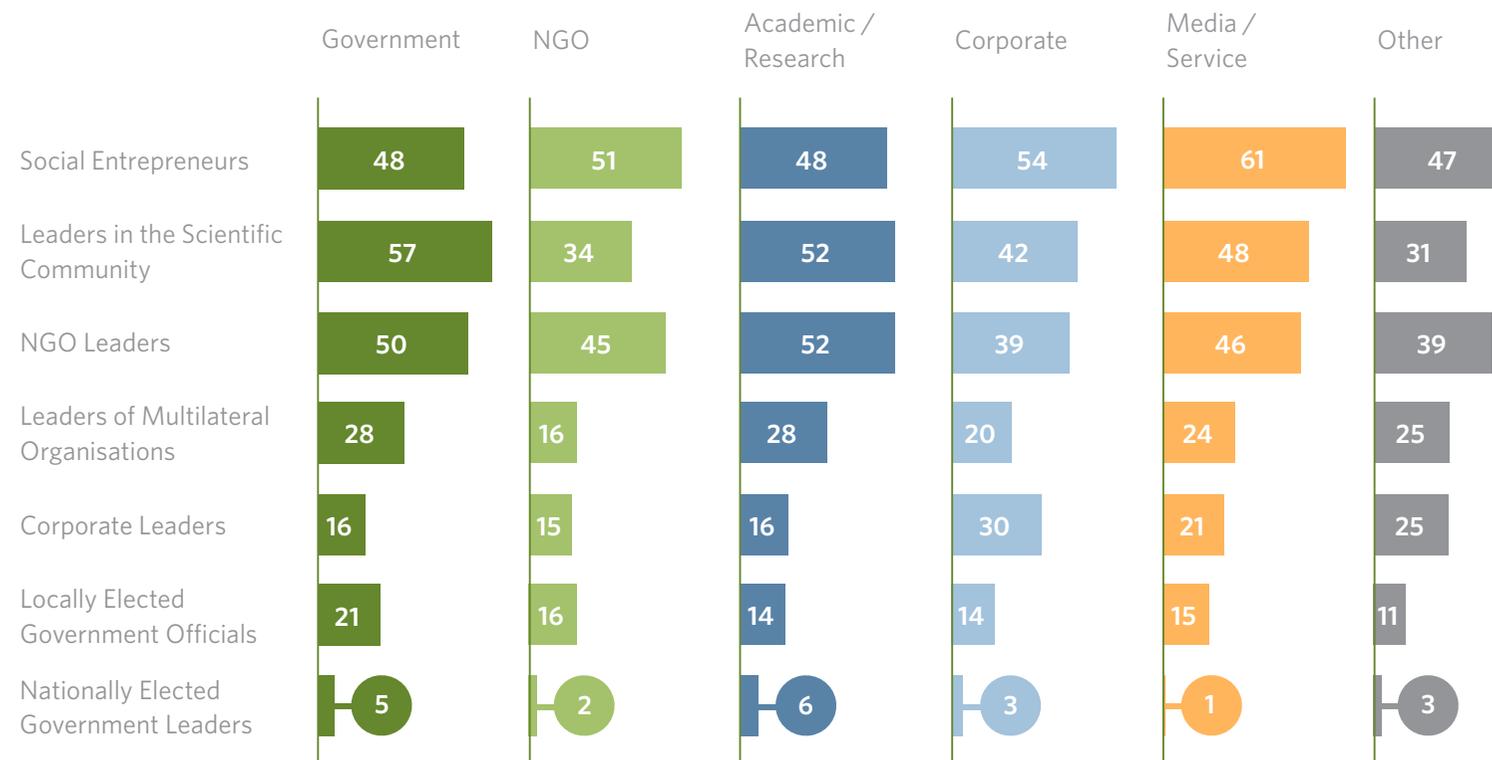
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Leadership performance by expert category

All expert groups, including those in government, rank nationally elected leaders lowest. Locally elected leaders fare slightly better, dovetailing with growing interest and effort around the role cities in advancing sustainability.

“Excellent” and “Good” (4+5), by Sector



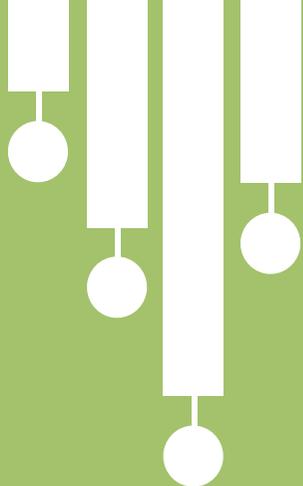
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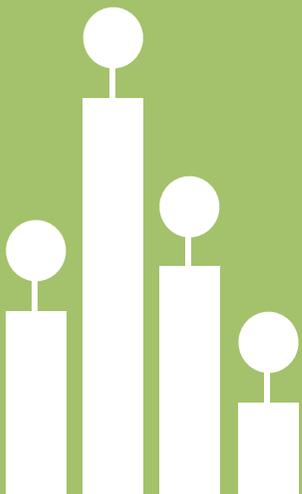
Please use a scale from 1 to 5 where 1 is “poor” and 5 is “excellent.”

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*Corporate Leaders
on Sustainability*

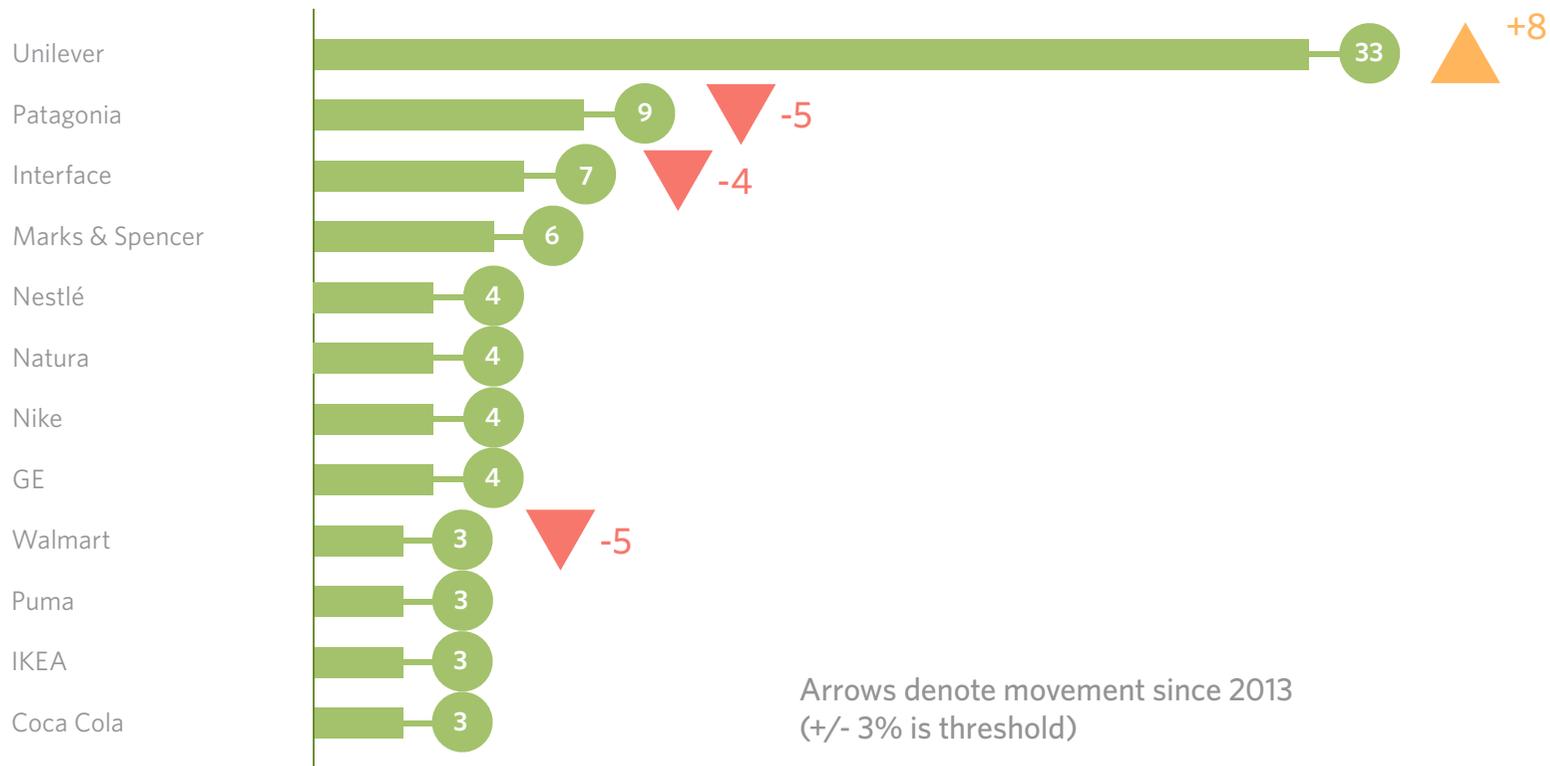


The 2014
*Sustainability
Leaders*
A GlobeScan/SustainAbility Survey

2014 sustainability leaders

For the fourth year in a row, and by the largest margin yet, Unilever is regarded as the number one corporate sustainability leader. Patagonia and Interface remain second and third, despite losing ground this year. IKEA makes an appearance on the leader board - likely stemming from the 2012 launch of its People & Planet Positive sustainability platform - while Google, IBM and Novo Nordisk drop off.

% of Experts



Question

What specific companies do you think are leaders in integrating sustainability into their business strategy?

Please enter a maximum of 3 companies in the spaces provided.

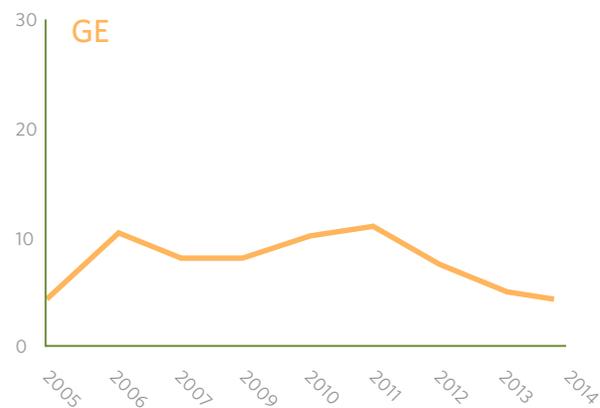
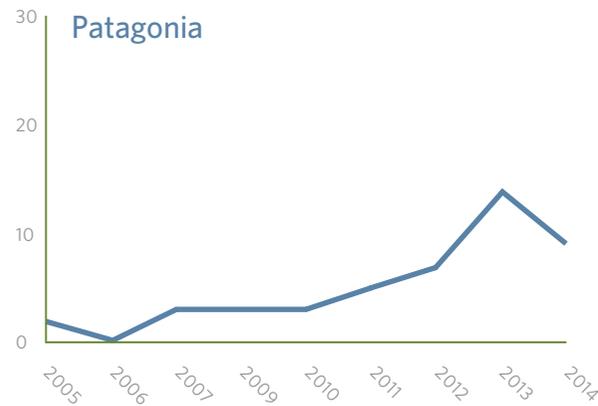
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Widening leadership gap

Unilever stands alone in continued recognition for integrating sustainability into its business strategy, while many others have tended to see ratings drop off a year or two after introducing marquee programs and initiatives.

% of Experts, Selected Companies, 2005 - 2014



Question

What specific companies do you think are leaders in integrating sustainability into their business strategy?

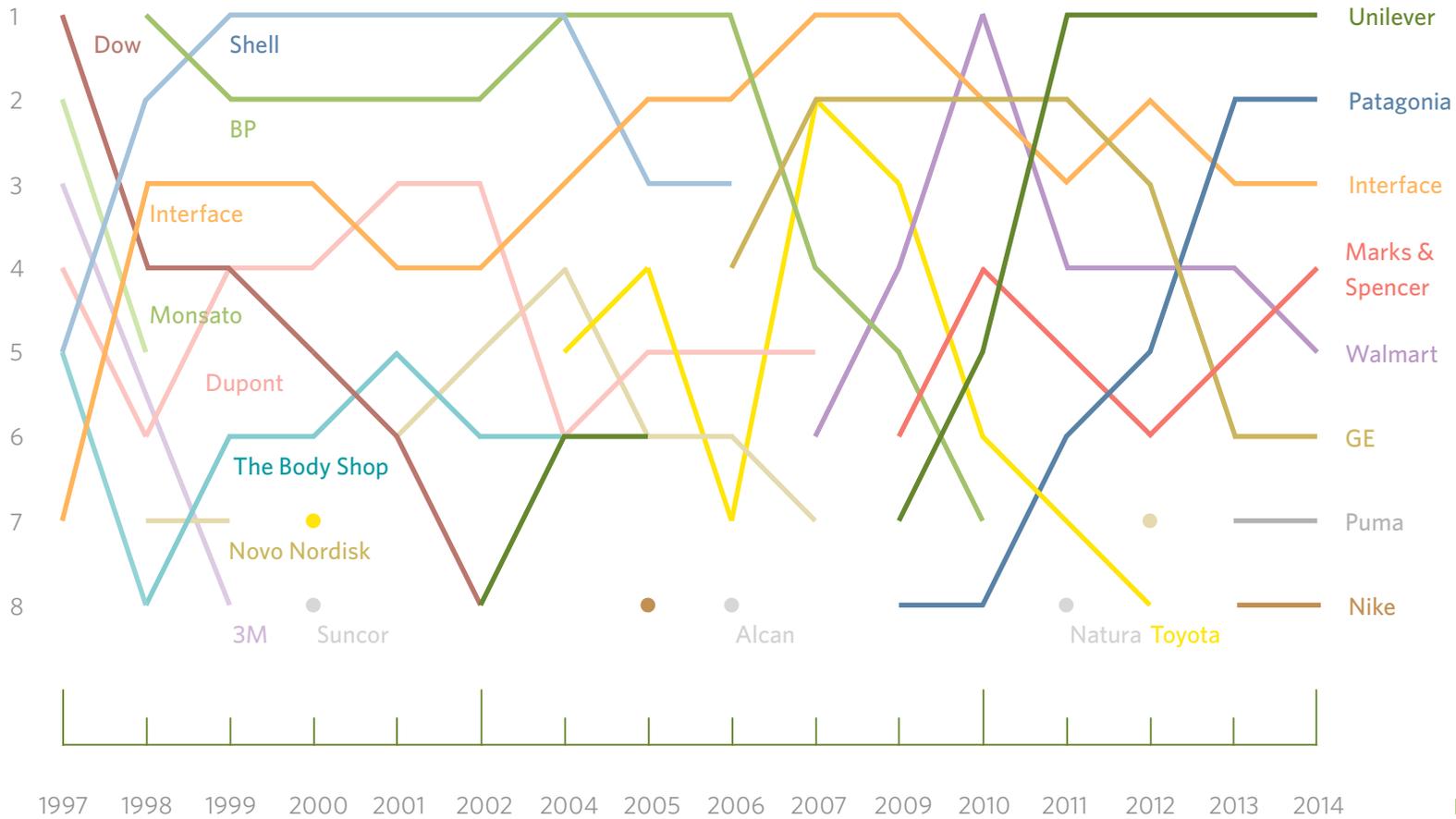
Please enter a maximum of 3 companies in the spaces provided.

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The changing landscape of sustainability leadership since 1997

Ranking of Top 8 Leadership Companies, 1997-2014

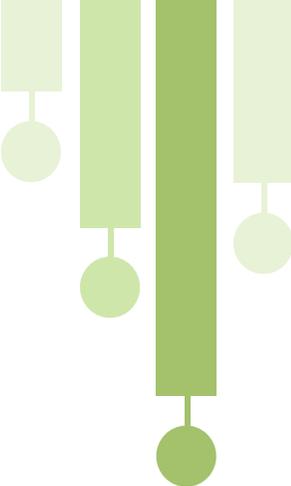
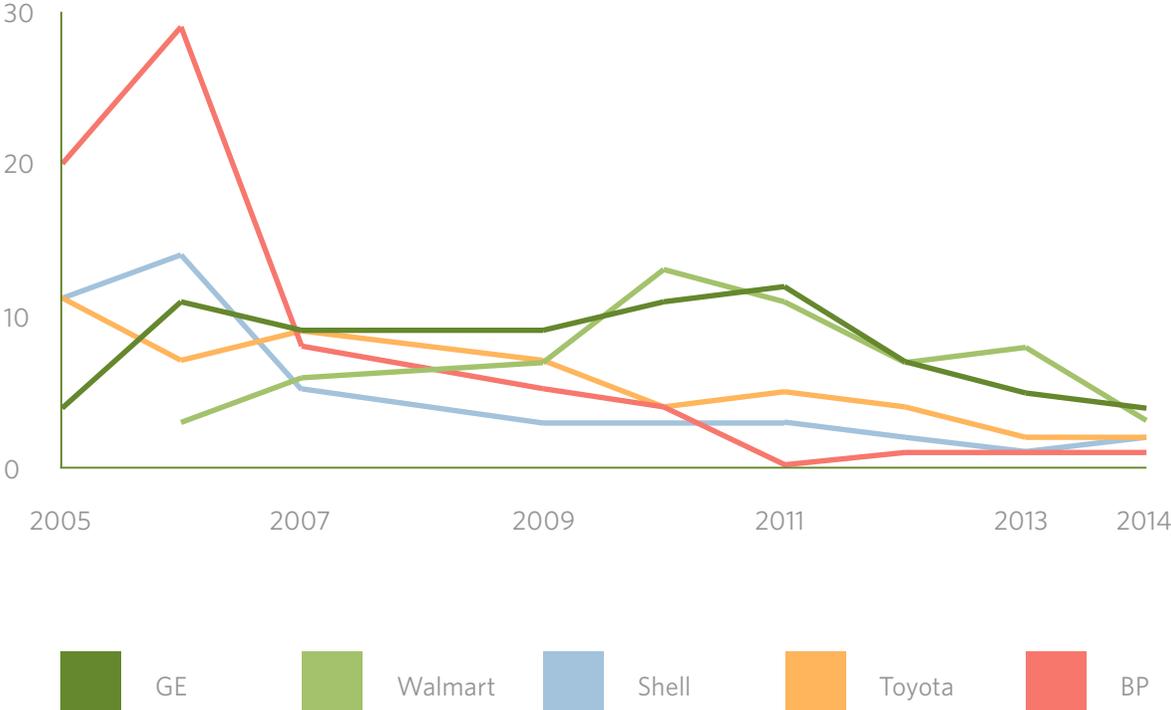


The 2014
Sustainability Leaders
 A GlobeScan/SustainAbility Survey

Sustainability leadership since 2005

Maintaining sustainability leadership over time is a challenge for companies across industries. Sometimes well-regarded programs fail to live up to expectations, and/or others emerge to push the standard of leadership further upward.

% of Experts, Selected Companies, 2005 - 2014



Question

What specific companies do you think are leaders in integrating sustainability into their business strategy?

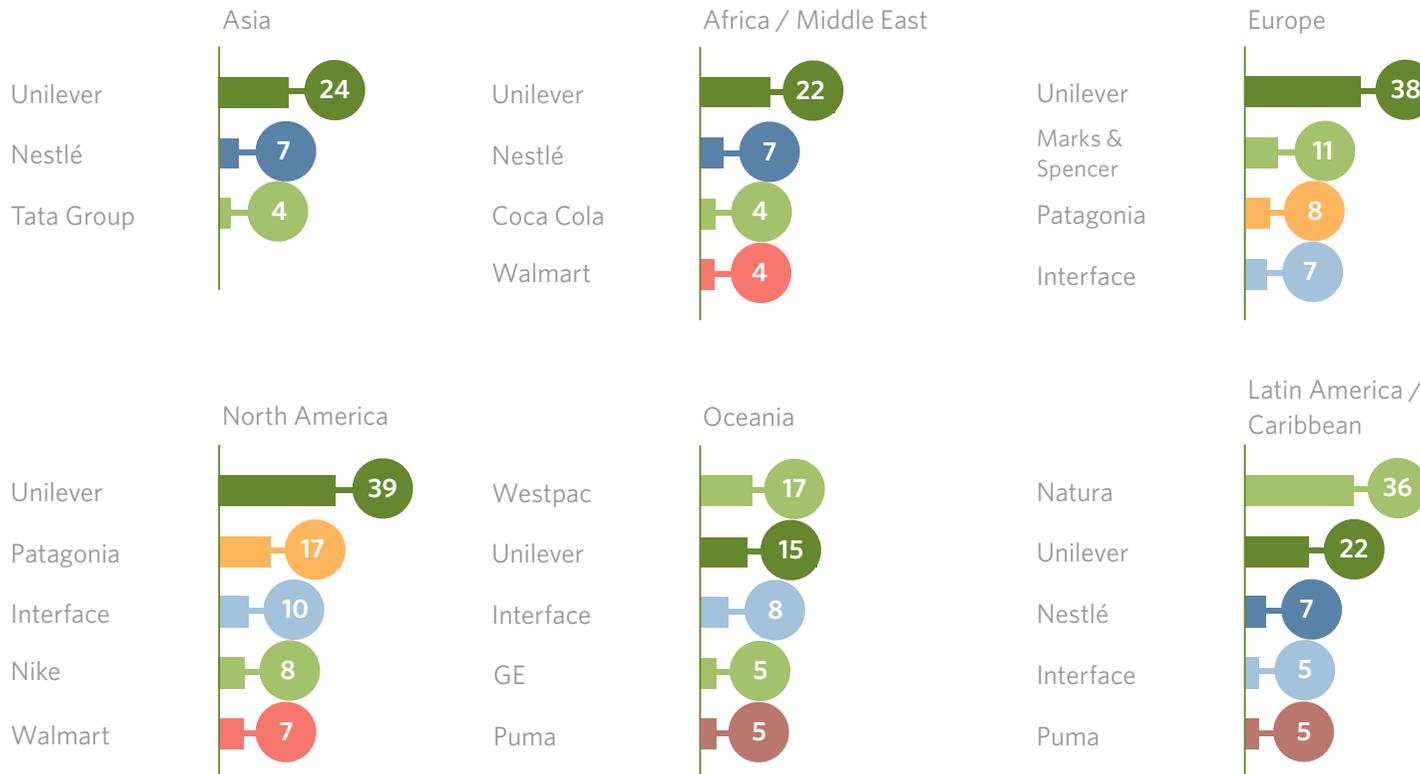
Please enter a maximum of 3 companies in the spaces provided.

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 A GlobeScan/SustainAbility Survey

Sustainability leadership by region

Unilever's leadership remains consistent in nearly all regions of the world. While past surveys have shown greater regional variation, we now see a multi-year trend toward consolidation around a handful of leadership companies.

% of Experts, by Region



Question

What specific companies do you think are leaders in integrating sustainability into their business strategy?

Please enter a maximum of 3 companies in the spaces provided.

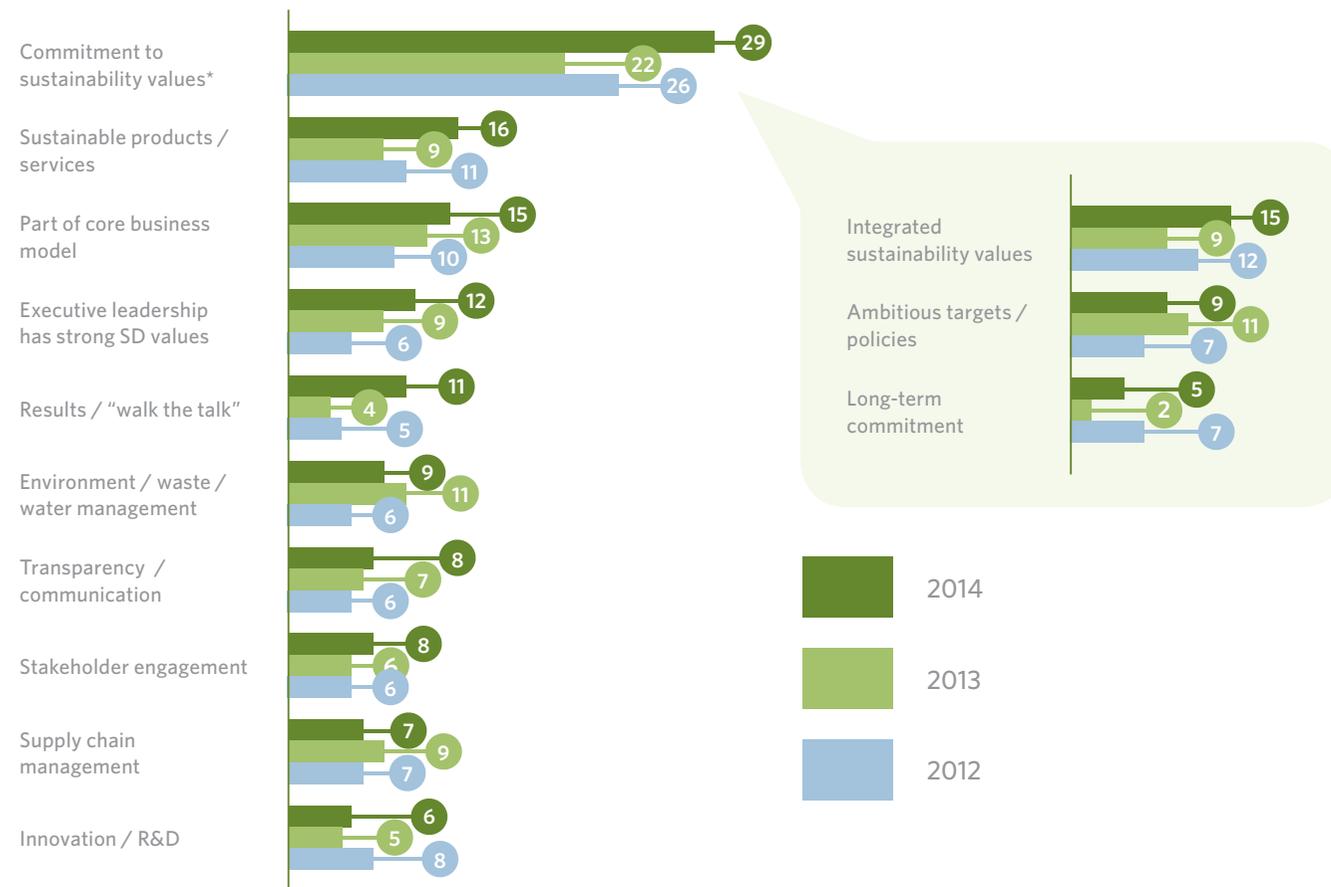
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Leadership characteristics

What makes a leader? Experts see integrating sustainability deeply within an organization, performance against goals, and sustainable products as key drivers.

% of Experts, 2012 - 2014



Question

Why do you think [INSERT COMPANY #1 FROM ABOVE] is a leader in sustainable development?

Please enter up to two responses.

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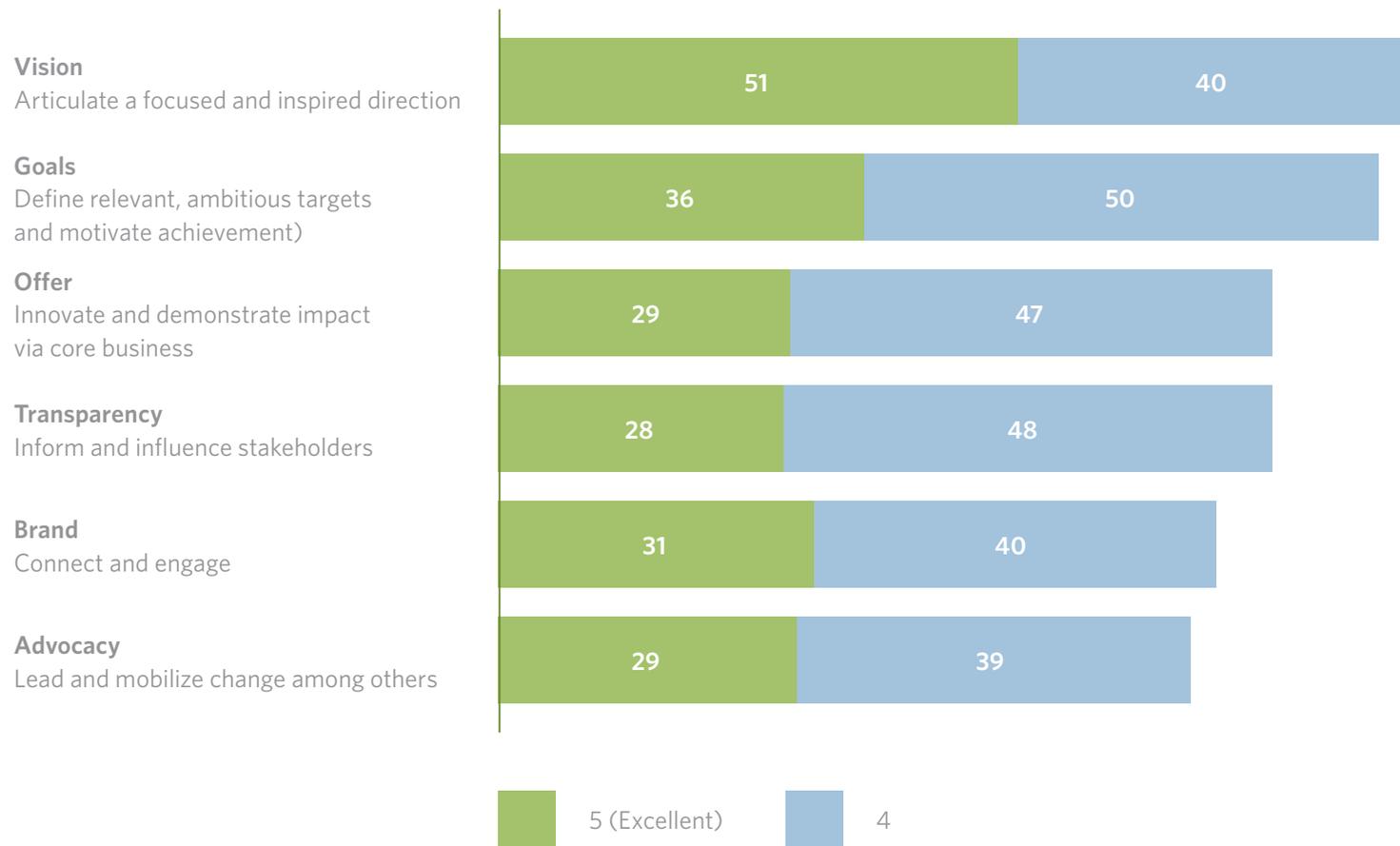
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*Includes "integrated sustainability values," "ambitious targets/policies," and "long-term commitment"

Leadership attributes

When experts consider the six attributes of the *Extended Leadership* framework, they see leading companies performing well across all of them, but excelling most at putting forth a strong vision that is backed up with robust goals.

“Excellent” and “Good” (4+5)



Question

Please rate the performance of [INSERT COMPANY #1 FROM Q2] on each the following attributes of corporate sustainability leadership.

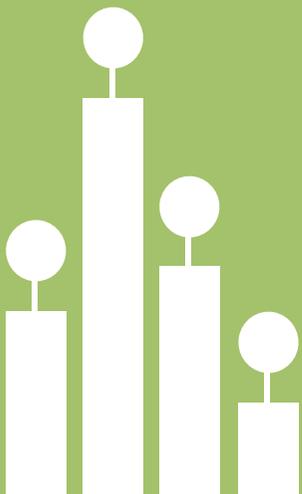
Please use a scale from 1 to 5 where 1 is “poor” and 5 is “excellent.”

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A GlobeScan/SustainAbility Survey



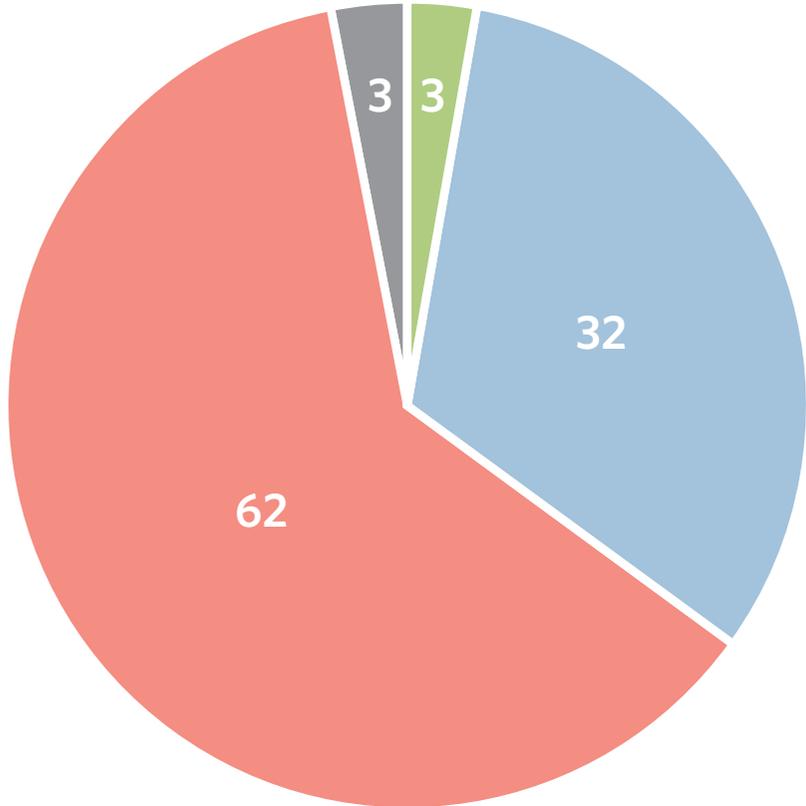
*20-Year Retrospective on
Sustainability Progress*



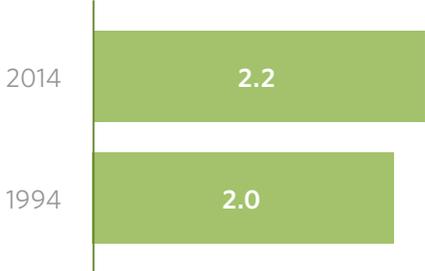
The 2014
*Sustainability
Leaders*
A GlobeScan/SustainAbility Survey

Assessment of global progress-to-date on Agenda 21

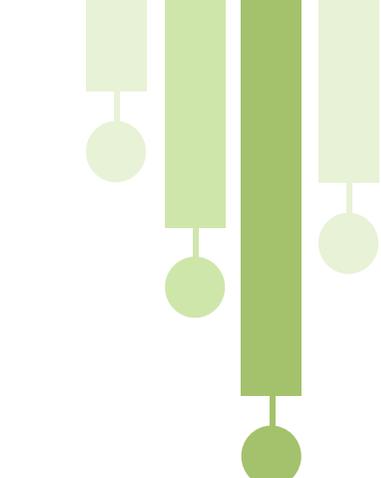
Experts widely acknowledge collective lack of progress on key sustainable development goals. However, perceived progress increased slightly over 20 years.



Average Rating on 5-point Scale, 1994 - 2014



■ Excellent (4+5)
 ■ Neutral (3)
 ■ Poor (1+2)
 ■ DK / NA



Question

The Rio Earth Summit in 1992, and specifically its Agenda 21 document, provided an agenda for action towards sustainability. How would you assess the global progress achieved to-date in implementing this agenda?

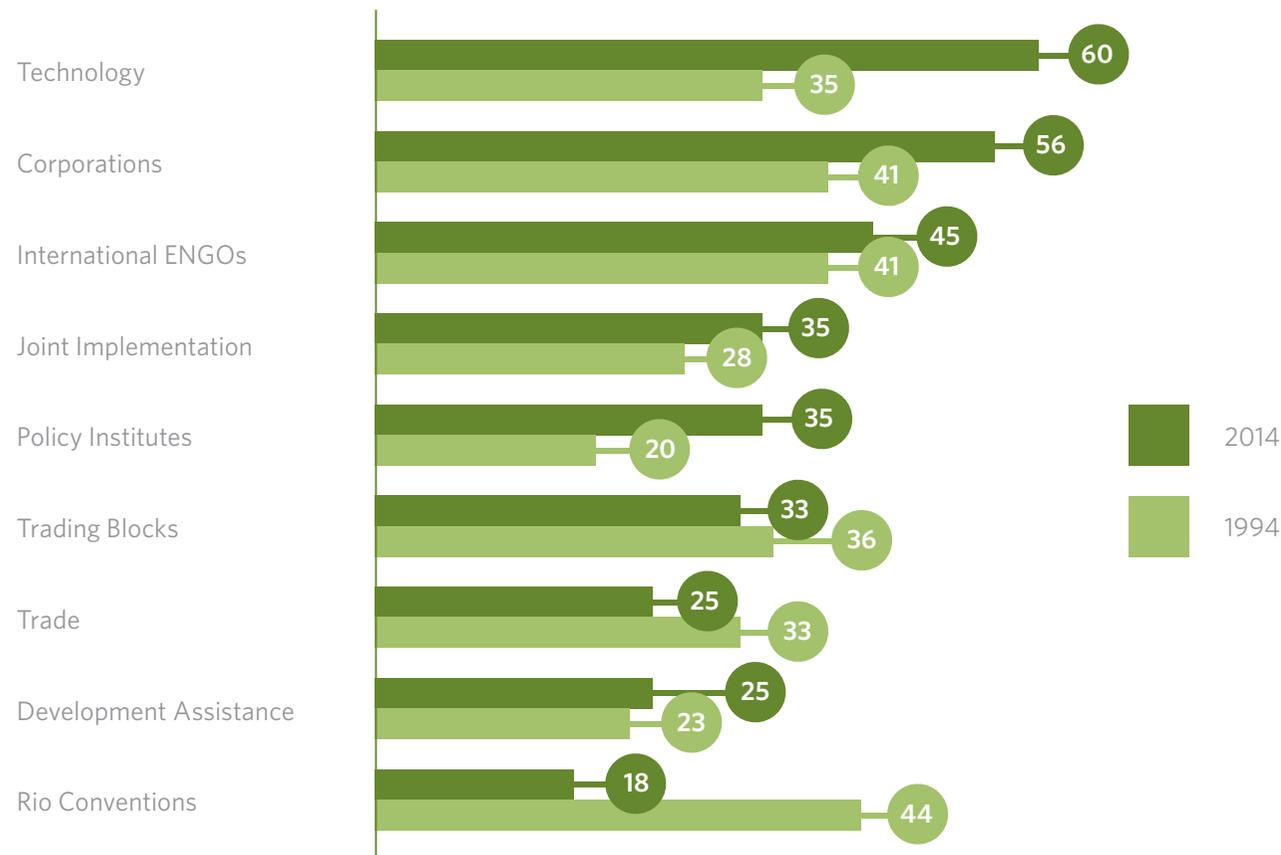
Please use a scale from 1 to 5 where 1 is "poor" and 5 is "excellent."

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Sustainability Leaders
 A GlobeScan/SustainAbility Survey

Drivers of near-term sustainability

Over the past 20 years experts have lost faith in government-driven processes to advance sustainability. Technology and the private sector are currently seen as the main drivers for short-term sustainability gains.

“Major” (4+5) Role in Next 5 Years, 1994 - 2014



Question

How significant a role do you expect each of the following international activities will play in advancing sustainability over the next 5 years?

Please use a scale from 1 to 5 where 1 is “minor” and 5 is “major.”

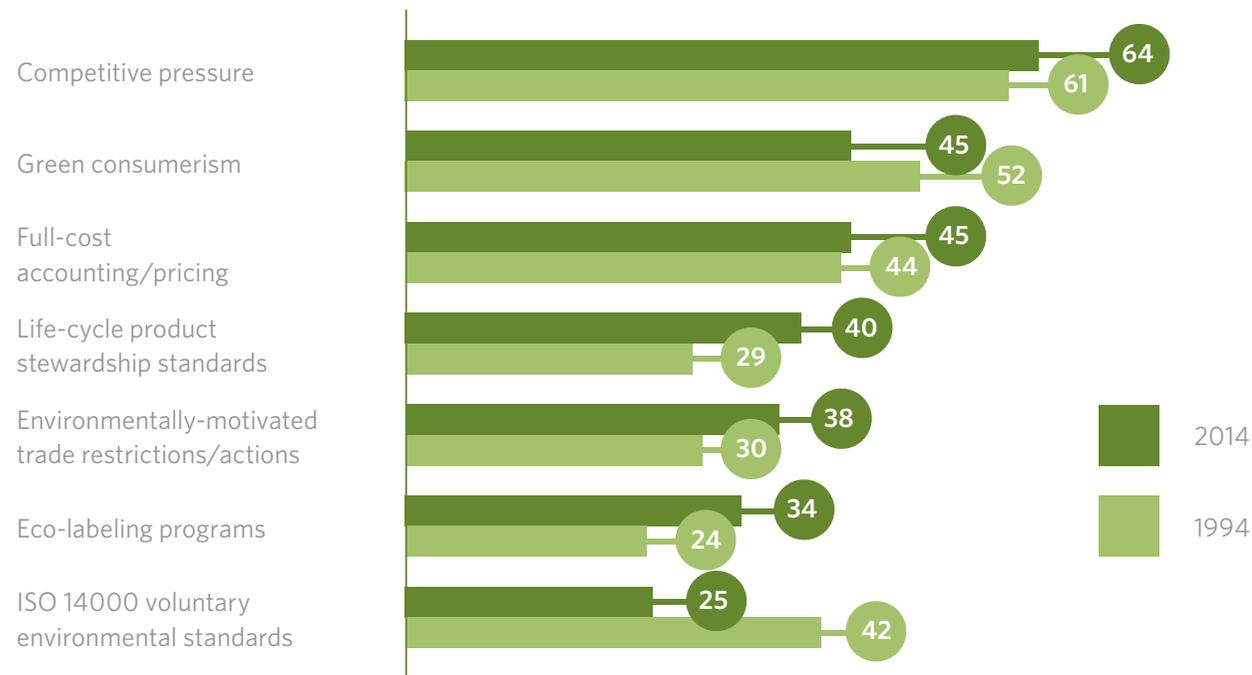
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A GlobeScan/SustainAbility Survey

Drivers of corporate sustainability, 20-year trends

While the perceived influence of voluntary standards has dropped over time, experts' faith in competitive pressure holds steady. Green consumerism, while still highly rated, has declined in importance since 1994.

"Major" (4+5) Role in Next 5 Years, 1994 - 2014



Question

In terms of stimulating industry to adopt sustainable development principles, there are a number of different tools or drivers. How significant a role do you expect each of the following will play in advancing appropriate corporate behavior over the next 5 years?

Please use a 5 point scale where 1 is "minor" and 5 is "major."

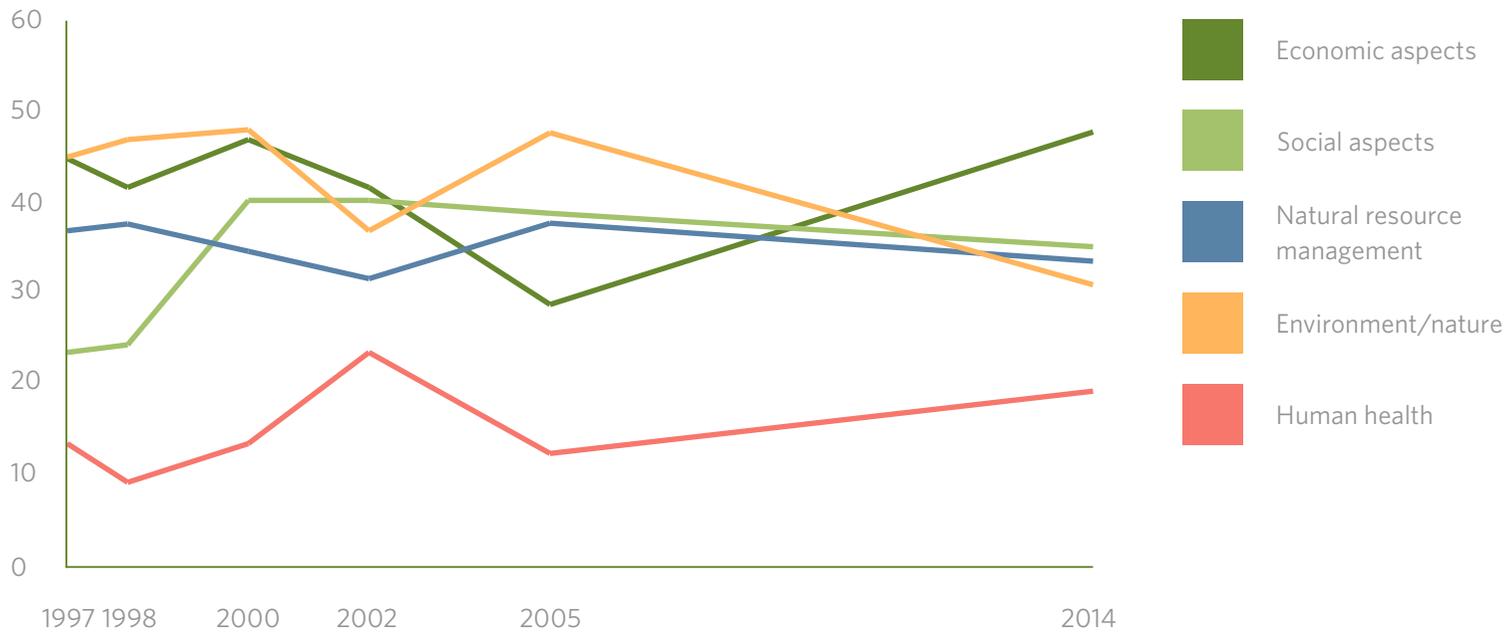
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SD aspects anticipated to receive most near-term attention

Experts anticipate that the economic aspects of sustainable development will receive greatest attention in the near term. Meanwhile, the environment has fallen to its lowest rating over the range of available data.

1997 - 2014



Question

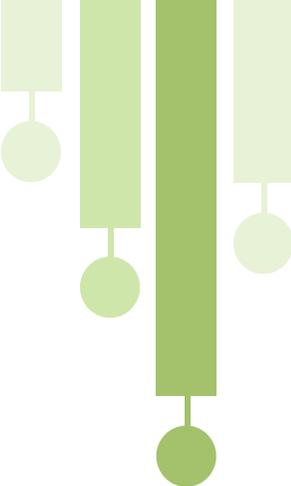
Which of the following aspects of Sustainable Development do you expect will receive the most attention in your organization or network over the next 5 years?

Please select **NO MORE** than **TWO**.

The 2014 Sustainability Leaders

A GlobeScan/SustainAbility Survey

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