

MOORE GLOBAL
ESG SURVEY

**FOCUS ON
SUSTAINABILITY
UNLOCKS POTENTIAL**

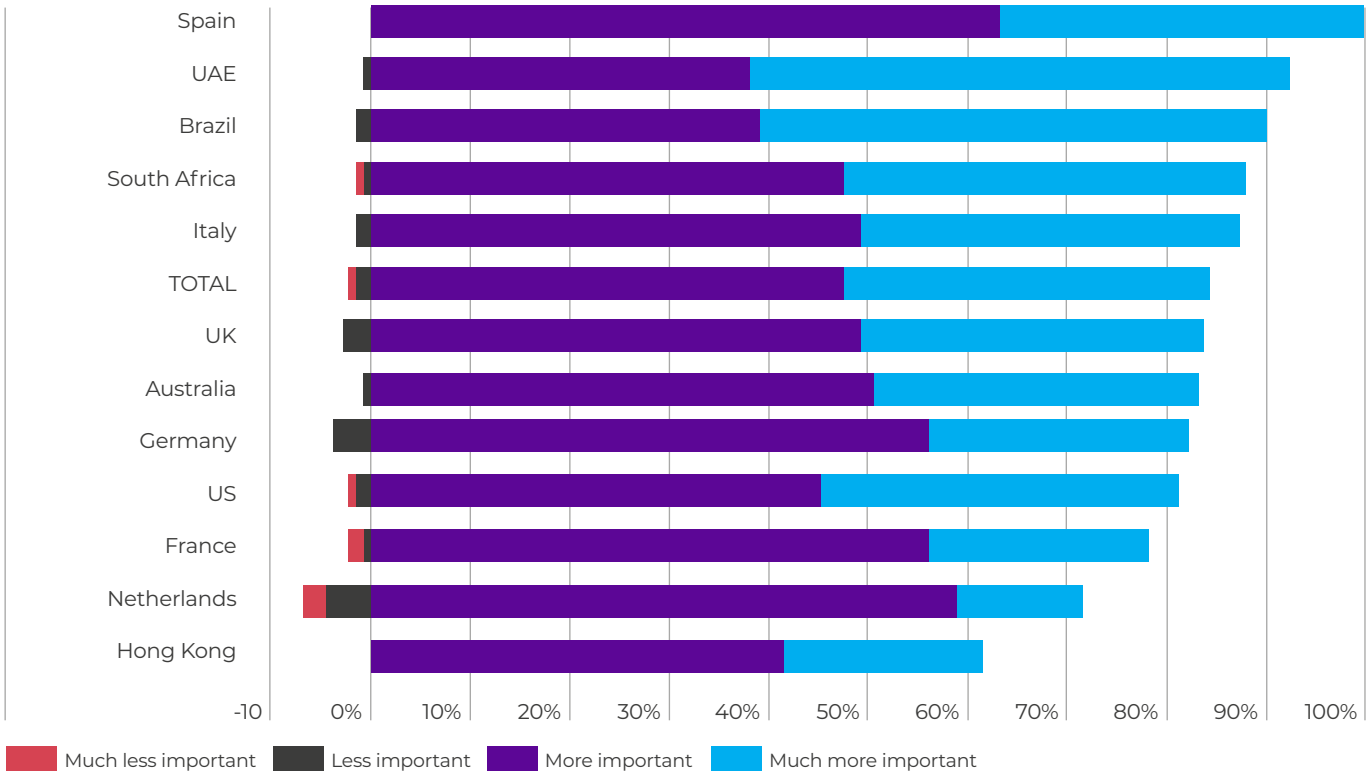
New research from Moore Intelligence reveals companies that have enthusiastically embraced sustainability principles and practices have reaped rewards in the form of increased revenue, improved customer retention and enhanced brand image.

In the post-Covid era enlightened business leaders have increasingly put sustainability on a par with profitability, with ambitious mid-sized companies embedding new ways of engaging with customers, suppliers and society as a whole.

Key findings from our survey of around 1,800 business leaders in 12 key economies around the world:

- 84% of companies said ESG (environmental, social and governance) principles have grown in importance from 2019 to 2023.
- Businesses placing greater emphasis on sustainability over the last four years have seen revenues increase by 10% over the same period – more than twice the rate of less committed businesses.
- 79% of businesses where the importance of ESG principles has increased in recent years report that customer retention has improved. This compares to only 47% for other organisations.
- Among businesses indicating progress in ESG practices, 81% also reported an improvement in their brand image compared to only 49% of other businesses.

IMPORTANCE OF ESG OVER FOUR YEARS



84%

of companies believe ESG has greater influence

\$3.1trn

The estimated value of ESG to mid-to-large sized businesses

79%

of ESG-committed businesses had better customer retention

\$2trn

ESG boost to businesses with ESG focus in US

92%

of IT companies reported increased customer retention

\$39m

Potential sales uplift for every company focused on ESG



Our survey was conducted by the Centre for Economic and Business Research (Cebr). It combined these results with official data on business turnover to highlight the scale of the revenue opportunity.

Cebr calculated that mid-sized to larger businesses that place greater emphasis on sustainability have seen their revenues increase by \$3.1 trillion over the past four years.

If all businesses had witnessed the same revenue growth increase as the most committed ESG advocates, the total revenue uplift would have been \$3.8 trillion. That is an average of \$39 million per company.

The confirmed uplift is greatest in the United States, at \$2 trillion. Other notable rises were witnessed in the European grouping of the UK, Germany, France, Spain, Italy, and the Netherlands (\$921 billion), Brazil (\$167 billion) and Australia (\$60 billion).

Organisations across the sample countries that did not place any greater importance on ESG over the past four years, saw a collective \$406 billion increase in revenue – impressive in its own right but only 13% of the level of firms more focused on sustainability.

As revenues have grown faster among companies adopting ESG principles so too has their ability to retain customers. In fact, enhanced ability of companies to maintain customer loyalty was one of the most striking survey findings.

Among businesses more committed to ESG, 79% reported that customer retention improved over the past four years. This compares to fewer than half (just 47%) of ESG laggards achieving better customer retention.

The US and Europe adopted the sustainability agenda earlier and more enthusiastically than many other parts of the world and the survey results can be seen as justifying their leadership stance on ESG issues.





80%

of automotive and aviation firms said ESG boosted their brand image

The benefits of committing to sustainability are now being demonstrated more widely. The biggest increase in customer retention are coming in the rest of the world grouping in our survey, which includes Brazil, South Africa and the United Arab Emirates.

Indeed, the UAE had the highest share of businesses reporting improved customer retention, at 91%.

In terms of business sectors, IT comes out ahead of the rest with 92% of businesses reporting enhanced customer retention followed by accounting and finance with 83%. Businesses in retail/wholesale, those in manufacturing and distribution reported an 81% improvement in customer retention, while automotive and aviation were not far behind at 75%.

Businesses also believe that sustainability has a positive impact on brand image, which can of course be associated with increased business value. Among organisations indicating progress in ESG practices, 81% reported an improvement in attitudes towards their brand, compared to only 49% for all other businesses.

Looking across industries – and specifically among those that reported increased ESG importance – IT was again the stand-out sector, with 94% of firms reporting an improvement in their brand image.

Automotive and aviation along with accounting and finance were next, followed closely by manufacturing and distribution and retail/wholesale which were all above 80%.

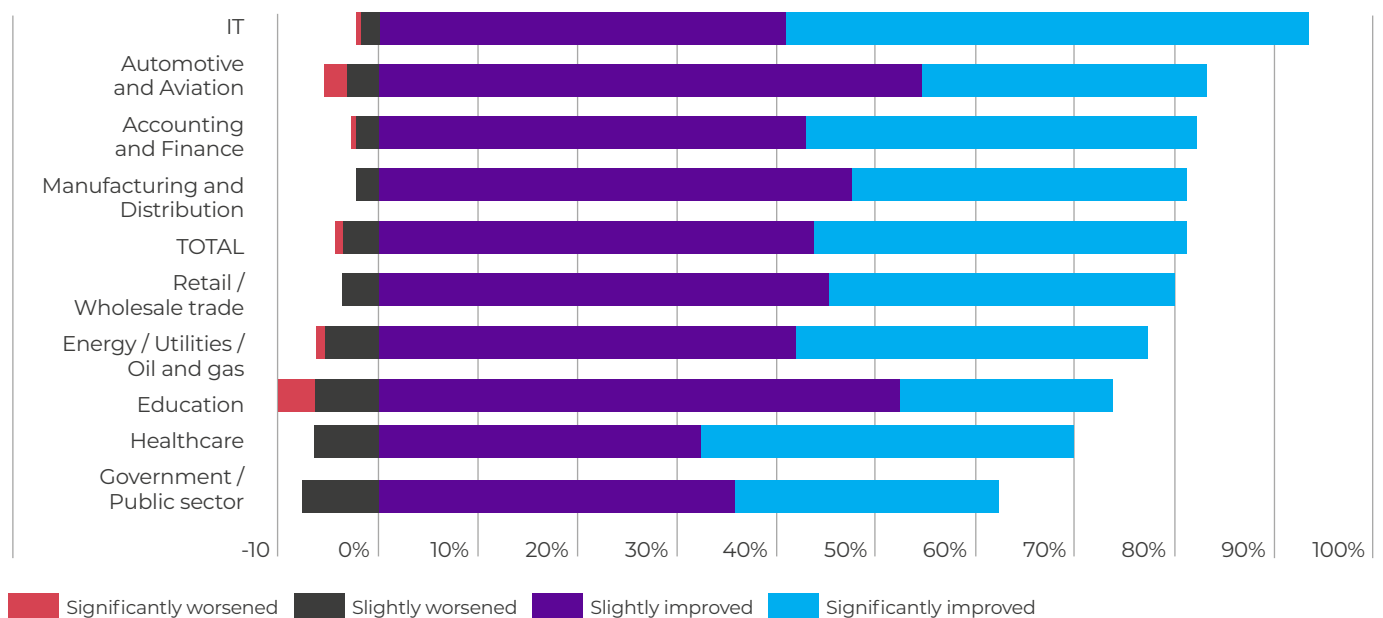


These findings are significant because these sectors have had difficulties in the past persuading the public (and many of their employees) that they are committed to core elements of sustainability and generally being good corporate citizens.

Employees are, of course, an important part of the sustainability agenda. Post-Covid, many industries have struggled with labour shortages and hiring has become more difficult – yet our survey shows that those committed to ESG have grown their headcount at a faster rate.

The results provide further evidence that enlightened policies on issues such as welfare and equality can be more attractive prospects to people choosing between job offers.

CHANGE IN BRAND IMAGE FOR THOSE COMMITTED TO ESG



SOURCE: SAPIO SURVEY, CEBR ANALYSIS

Across the entire sample of our survey, the average business reported a headcount increase of 6% since 2019. However, that masks a huge disparity among ESG adopters and agnostics.

Headcount growth among businesses where the importance of ESG increased was 7% over the past four years. ESG laggards saw headcount growth of just 2% over the same period, three times lower. The US and Europe witnessed the biggest disparities.

Our survey was conducted among a representative sample of senior decision makers in organisations with more than 250 employees in the US, Australia, the UK, Germany, France, Italy, Spain, the Netherlands, Brazil, Hong Kong, South Africa and the United Arab Emirates.

Across the entire sample, 84% of businesses reported greater importance of ESG principles within their organisation since 2019 – and almost half of them say they now hold “much more importance”.

While naturally there are many and diverse factors that contribute to overall business success, the Moore Intelligence survey indicates that companies demonstrating strong commitment to sustainability can reap multiple commercial benefits.

Our results show there is a virtuous circle which begins with a commitment to high standards on ESG issues and leads to increased revenue, more loyal customers and an enhanced brand image.

7%

increase in headcount
among ESG adopters
– 3x higher than
businesses with
no ESG focus



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