Sustainability is a growing priority

For the fourth year in a row, the Sustainability Management Study revealed that businesses are making sustainability a top priority. In 2019, a record number of companies ranked sustainability as a top three corporate priority, surpassing the previous record set in 2018. This is compared with under 15% of companies ranked sustainability as a top corporate priority in 2015.

Companies are gaining traction

For four years now, the Sustainability Management Study has been highlighting those companies that are making real progress in advancing sustainability within their business. This year we’re focusing on how companies are making real changes to drive down their environmental impact, reduce waste, and conserve resources.

Key areas of maximum traction

Other data points can be the first clues that companies are gaining traction in several key areas.

Ways to continue the momentum

As we enter a new decade, there is encouraging evidence that brands continue to champion sustainability with these strategic actions.

Explore more ways that companies can champion sustainability on UL.com/Insights/SustainableBusiness.

Brands continue to advance sustainability

As we enter a new decade, there is encouraging evidence that companies are committed to fully advancing sustainability. Brands are becoming change agents for sustainability and advancing programs to reduce waste, conserve resources, and curb climate change.

Companies are gaining traction

Those companies that improved performance reported the following changes:

- 32% of companies reported having legal policy and frameworks in place to enforce their commitment to sustainability.
- 45% of companies successfully improved their recall rate for a product.
- 30% of companies state that their sustainability efforts are helping them to achieve higher performance ratings;
- 63% of respondents reported that their companies are making increased product commitments and are integrated with their corporate purpose.

Key areas of maximum traction

- **Circularity**
  - Companies have improved circularity in their product design and are focusing on impacts of new materials, reducing waste, and increasing material usage.
  - Companies have improved circularity in their business model by offering products for return and take-back.

- **Cybersecurity**
  - Companies have strengthened network security in their supply chain.
  - Companies have increased visibility into their supply chain.

- **Sustainability**
  - Companies have increased transparency across their supply networks.
  - Companies have increased use of data for improved supply chain transparency.

Ways to continue the momentum

- **Accelerate transparency with digitization**
  - Companies can continue to digitize and automate processes and track environmental performance.
  - Companies can continue to use AI to enhance their sustainability performance.

- **Pursue sustainability as a business imperative**
  - Companies can use AI to build a deeper understanding of their sustainability impact.
  - Companies can use AI to enhance their sustainability performance.

- **Innovate sustainability into innovation processes**
  - Companies can continue to use AI to enhance their sustainability performance.
  - Companies can continue to use AI to enhance their sustainability performance.

- **Evaluate the importance of clean energy**
  - Companies can continue to use AI to enhance their sustainability performance.
  - Companies can continue to use AI to enhance their sustainability performance.

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<thead>
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<th>Key areas of maximum traction</th>
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<tr>
<td><strong>Supply chain transparency</strong></td>
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<td><strong>Cybersecurity</strong></td>
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3. UN SDGs.