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STIFEL SURVEY FINDS CONSUMERS VALUE SUSTAINABILITY BUT REASSESS SPENDING PRIORITIES AS U.S. INFLATION SPIKES

- *More Than Four in Five U.S. Consumers Consider Brand Sustainability Practices Important*
- *Inflation Is Impacting 2022 Consumer Priorities as Price and Value Gain in Consideration*
- *Europeans Place Even More Importance on Sustainability Practices Than Consumers in the U.S*
- *Bombas, Patagonia, The North Face Top “Stifel Sustainable Lifestyle Brands Index”*

St. Louis, May 24, 2022 – A new Stifel survey finds that most consumers value sustainability when making purchasing decisions, though Americans are reassessing spending priorities as economic conditions change. While 81% of consumers believe it’s important for companies to act sustainably, less than two-thirds (64%) are now willing to pay more for brands with leading sustainability practices, down from 67% last year.

Against a backdrop of spiking inflation, consumers are prioritizing good value (69% vs. 67% a year ago), low price (52% vs. 45% a year ago), and reputation for durability (51% flat vs. a year ago) when purchasing active/casual lifestyle brands.

Prioritization of sustainability remained consistent vs. 2021 (31% flat vs. a year ago), while other considerations were viewed as lower priorities year including style (38% vs. 43% a year ago), innovation (20% vs. 23% a year ago), uniqueness (19% vs. 21% a year ago), and trendiness (18% vs. 20% a year ago). Perhaps reflecting additional sensitivity to the current economic backdrop, 63% now regularly consider pre-owned, secondhand, or refurbished goods when purchasing active/casual lifestyle brands.

“Sustainability plays heavily into purchasing behaviors for an overwhelming majority of U.S. consumers, and especially so for younger, Generation Z shoppers,” said Jim Duffy, Managing Director and Sports and Lifestyle Brands Analyst at Stifel. “With inflation, however, we are being asked to pay more for everything. This is testing resolve for consumer willingness to pay a premium for brand attributes including leading sustainability practices.”

Stifel, working with Morning Consult, recently surveyed 4,679 U.S. active/casual lifestyle brand consumers ages 18-55. Other key findings include:

- More than half (56%) look for information about a brand’s sustainability practice when contemplating a purchase.
- 71% consider sustainability factors when choosing between brands, and 58% have purchased a new product specifically because of sustainability reasons.
- Leading sustainability priorities that consumers consider “very important” include giving workers fair pay and benefits (58%), supporting racial equality (43%), and protecting local environments and ecosystems (39%).

- The inflationary backdrop is having influence on brand perceptions and giving consumers a more cynical view. Relative to last year, more consumers indicated belief that brands are more profit-focused (41% vs. 38% in 2021) but fewer consumers now say that brands are increasing their focus on social issues and positive community influence (44% vs. 57% in 2021).

Global Insights

The survey also questioned 5,325 additional active/causal lifestyle brand consumers ages 18-55 across the UK, Germany, France, Italy, and China. Across all markets, at least four out of five category purchasers say it's important that brands operate sustainably. Specific findings include:

- International consumers place greater priority on sustainability. For example, 59% of French consumers and 42% of Italian consumers named sustainability a “top three” purchasing priority vs. 31% of Americans who feel the same.
- More than half of respondents in China (61%), France (56%), Germany (53%), and Italy (53%) have boycotted or stopped buying a brand or product specifically because of sustainability concerns. Only 45% of British consumers and 41% of American consumers have acted similarly.
- Chinese consumers are placing a growing importance on sustainability and notably are now more likely to call for brands to achieve carbon neutrality, prioritize recycling, and protect human rights in the global supply chain vs. this time last year.

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 second year in a row, Bombas (No.1), Patagonia (No.2), and The North Face (No. 3) notched the top overall scores. Rounding out the top five are YETI (No. 4) and Hydro Flask (No. 5), both cracking the leaderboard for the first time.

“The Stifel Sustainable Lifestyle Brands Index again features sustainability thought leaders at the top of the rankings,” added Mr. Duffy. “We congratulate Bombas for taking the No. 1 overall spot for the second straight year. We also welcome newcomers YETI and Hydro Flask, who cemented top five rankings powered by standout scores for Environmental Sustainability. Consumer appreciation for YETI and Hydro Flask’s contribution to the elimination of single-use plastic highlights that consumers value the positive influence of product and environmental campaigns alongside efforts to minimize resource consumption in the supply chain.”

Survey Methodology

Morning Consult conducted n=11,498 online interviews among the general population and active/casual lifestyle brand consumers ages 18-55 in the U.S., UK, Italy, Germany, France, and China from April 15-25, 2022. Interviews in each market were carefully 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, France, and China.

Active/casual lifestyle brand consumers 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=4,679 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.

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