

Is ESG compliance important?

DO CONSUMERS UNDERSTAND ESG?

And how much support does it give you or your organization?



The consumer response toward ESG compatible organizations.



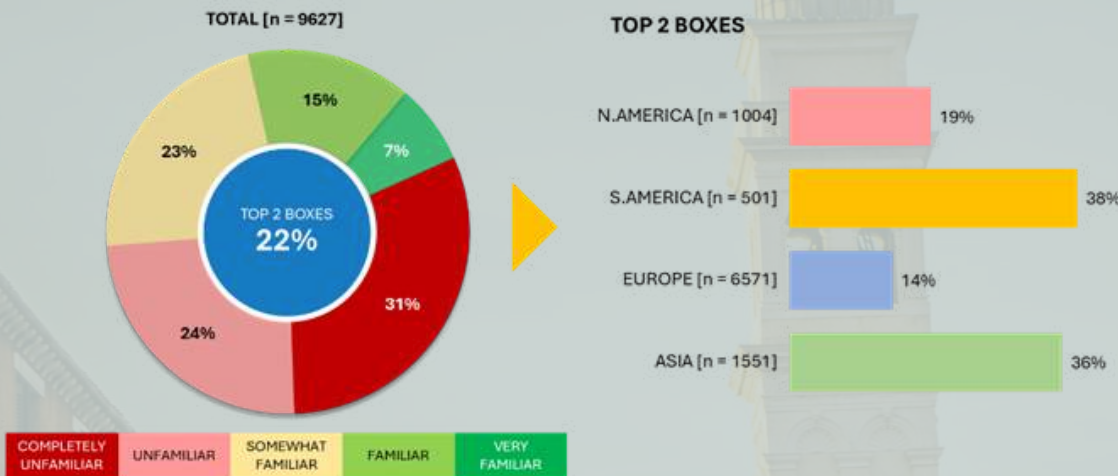
With the world experiencing global warming and the business sector having sustainability problems, such as in the case of Enron, many businesses has shown their interests and adopted ESG concepts in their practice.

However, despite the fact that the business sector is aware of ESG and investing in companies that have ESG practices (Dow Jones Sustainability Index (DJSI)). You may be wondering How much emphasis do general consumers placed upon organizations or companies that practice in the ESG framework and are they ready to support them?

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Familiarity with ESG



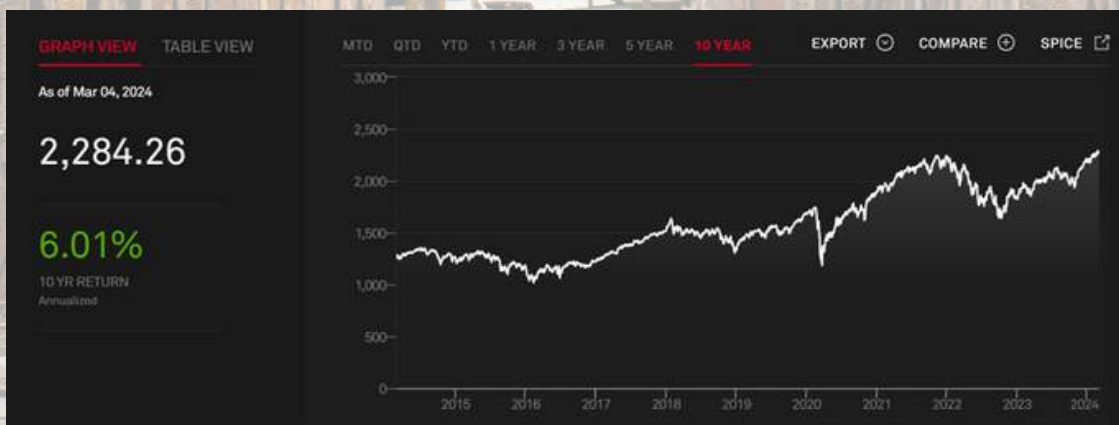
Familiarity with ESG

Custom Asia Co., Ltd., in collaboration with the **Global Market Research Association**, conducted a study on ESG. Through the perspective of more than 9,700 consumers in 17 countries around the World, including Brazil, Belgium, Germany, Italy, Turkey, China, Canada, Hungary, Greece, Romania, Croatia, Britain, Philippines, France, Sweden, the United States and Thailand, it was found that Only 22% of consumers are familiar with ESG concepts, especially in **Asia and South America**.

Important ESG Components



It has also been found that if companies or organizations comply with ESG principles, they will receive support from consumers as well. The main components of ESG that are highly important to consumers is **environmental aspects and followed by social aspect**.



Support toward ESG

Interestingly, if a company or organization follows ESG principles, consumers will want to support them 66% through purchases their products or services. This is also reflecting in the performance of the stock in DJSI that show 10 return at the rate of approximately 6% annually.

Willingness to Pay a Price Premium for an ESG Compatible Product/ Service



■ YES ■ NO ■ IT DEPENDS

TOTAL
[n=9627]

29%

32%

39%

However, when consumers were asked if they were willing to pay more to buy products from ESG-compliant organizations, only 29% wanted to pay more

Willingness to pay more

Therefore, it can be concluded that ESG principles besides helps enhance management practice, it is also helps companies or organization to gain support from consumers. However, such support may not be in the form of giving value or giving premium to products or service, but in terms of gaining the intention to choose products and services from such companies or organizations.