

PSRC STORIES

sharing stories of
Filipinos since 1974



IMPACT REPORT

Exploring sustainability concerns and actions

Results for the Philippines and Worldwide





Companies and organizations are facing new challenge of balancing **growth and sustainability**

This report looks into how Filipinos view sustainability using ESG framework.

ARE WE DOING ENOUGH?


Exploring concerns and actions towards sustainability and the efforts done by different institutions, private and public


WHAT MORE CAN WE DO?


Shedding light on what could be the path forward for sustainability for government, private companies, and every Filipino

Global Quantitative Survey on Sustainability

Details of methodology for Philippines and global studies

 **Respondent specification:** Males and females, 18 - 65 years old, from socio-economic class ABCDE

 **Area coverage:** Nationwide, covering all major broad regions, and all locales (urban and rural)

 **Fieldwork dates:** July 10 to July 22, 2023



Sampling: Random sampling via multistage area probability sampling

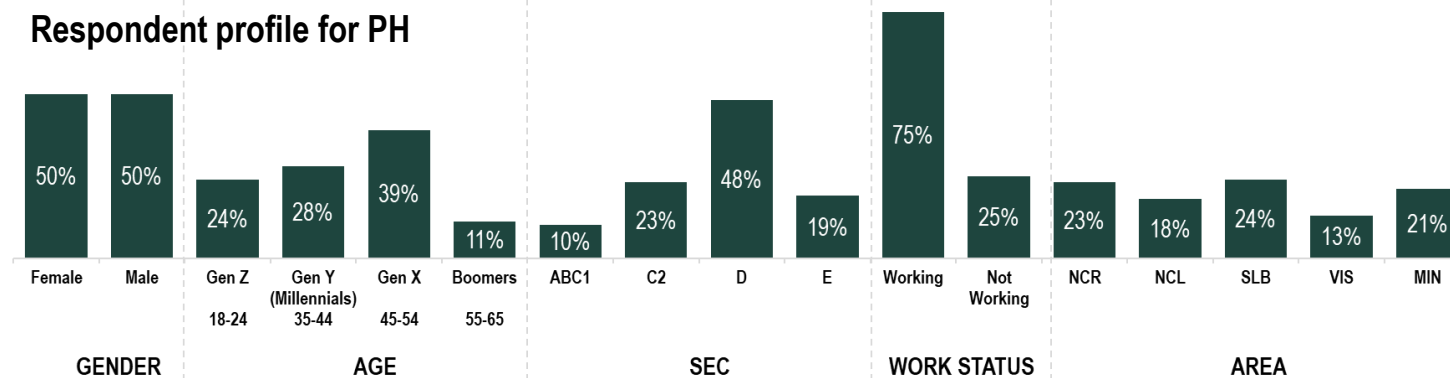


Interview method: Face-to-face, interviewer-assisted interviews via house-to-house recruitment



- Total 17 countries, covering all major continents
- Total n= 9,627 respondents were interviewed globally
- In each country, a representative sample of around 400 to 1,000 men and women
- Interviews conducted was either face to face, via telephone or online
- Studies conducted by research agency partners within AGMR

Respondent profile for PH



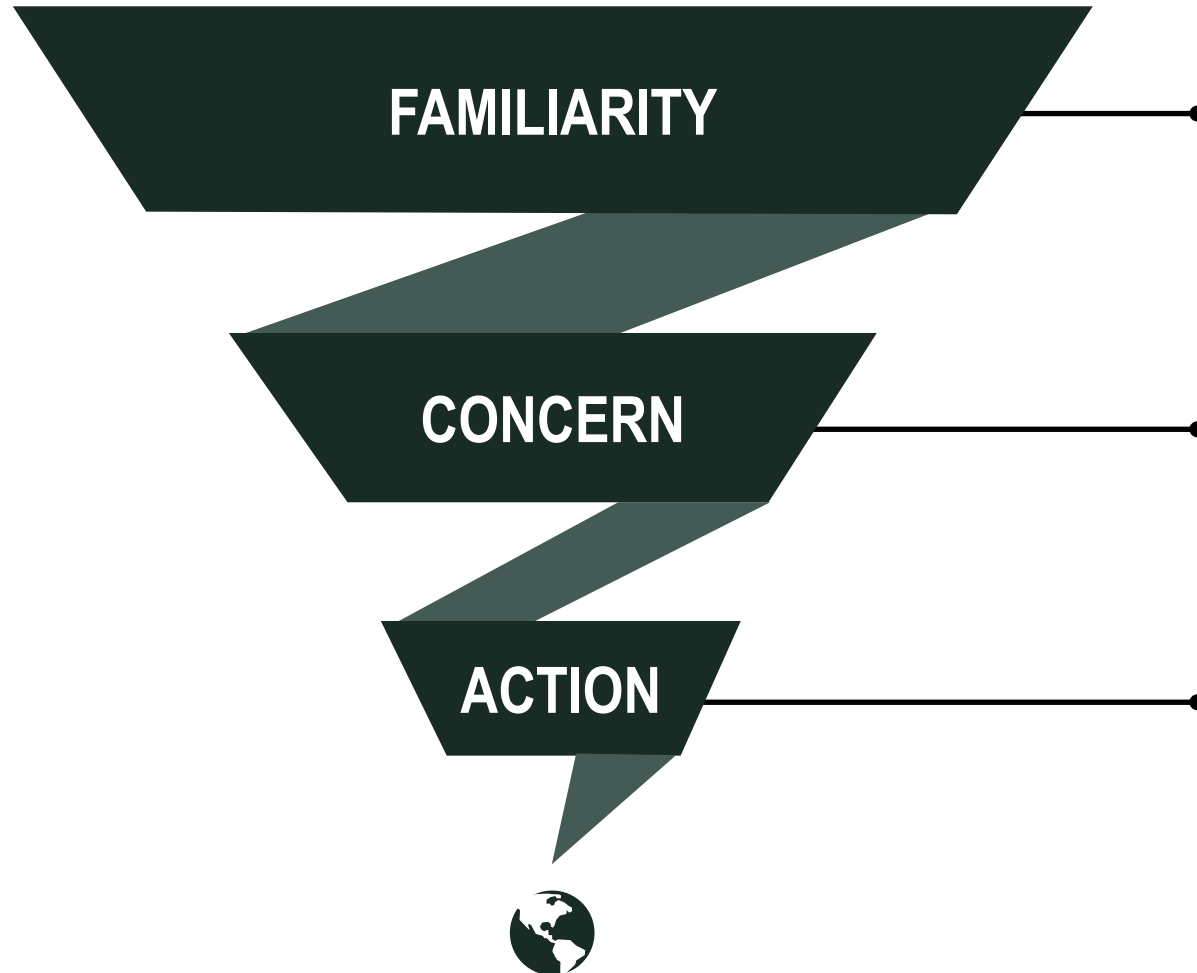
Data was weighed using the latest Census data projected to 2023 to reflect the true population distribution

What are the 3 pillars of the ESG framework?

ESG is a sustainability framework used by corporations and organizations to guide and measure policies and actions towards sustainability. ESG is a more holistic view towards building a more sustainable future. **E stands for environmental impact** and risk management practices. **S for social responsibility** and how companies handle their relationships across different stakeholders. **G is for corporate governance**, how companies are led, and accountability and transparency policies.



ACTION FUNNEL: Exploring and evaluating ESG efforts



FAMILIARITY

How much do **Filipinos** know about **ESG** and its components?

CONCERN

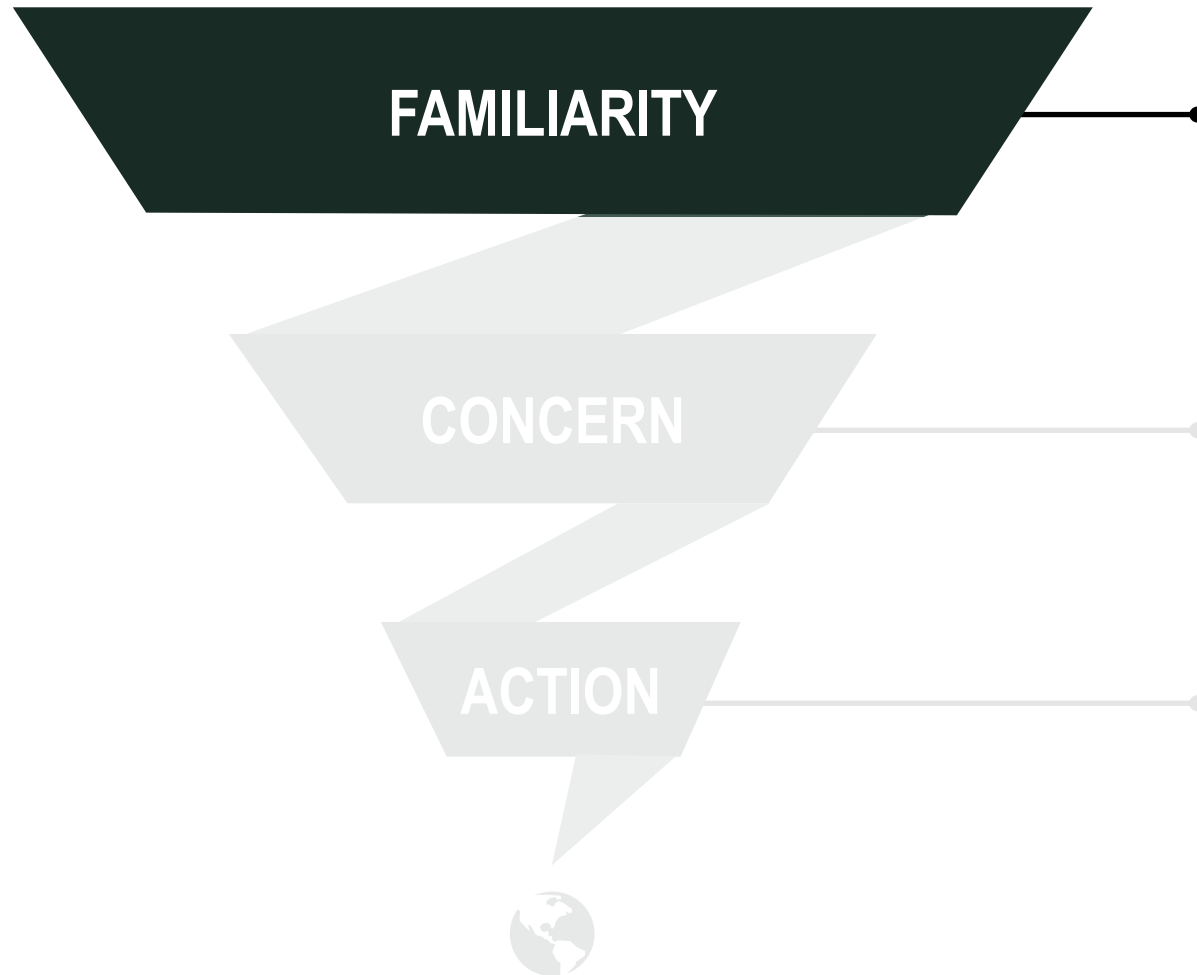
How high in the **ranking of concerns** of Filipinos does sustainability sit?
What is the level of **urgency** for sustainability?

ACTION

What is currently **being done**?
What **more can be done**?

what we discovered

ACTION FUNNEL: Exploring and evaluating ESG efforts



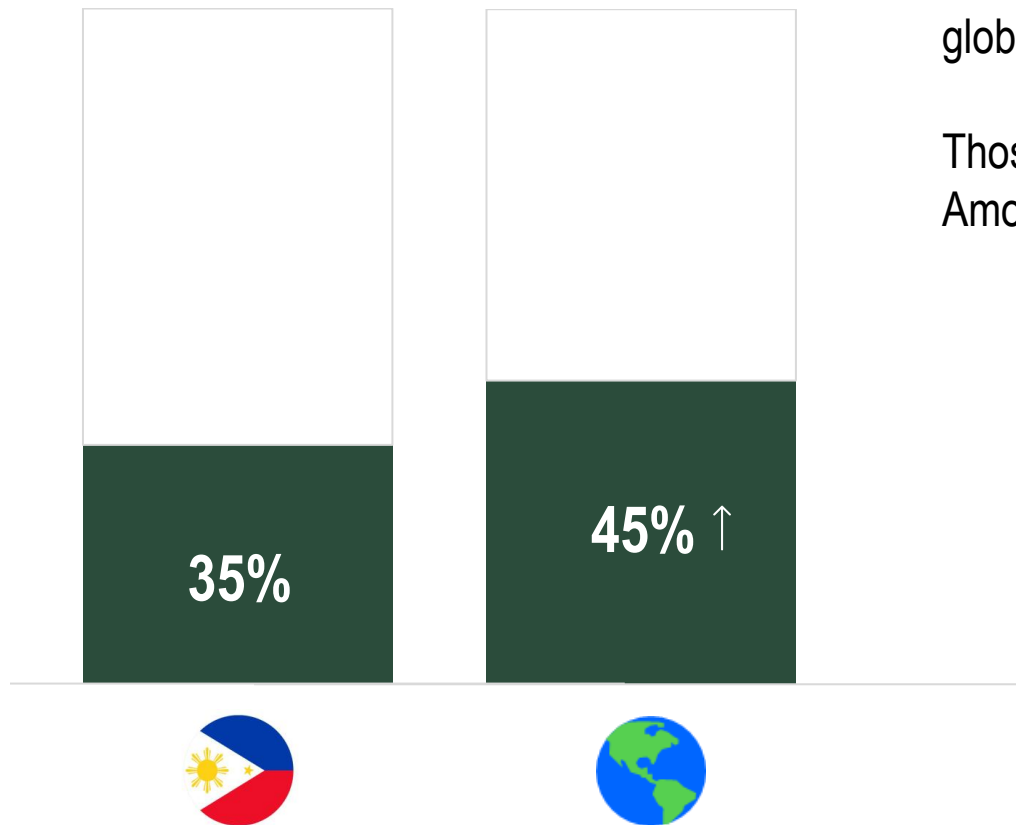
How much do **Filipinos know about ESG** and its components?

How high in the **ranking of concerns** of Filipinos does sustainability sit?
What is the level of **urgency** for sustainability?

What is currently **being done**?
What **more can be done**?

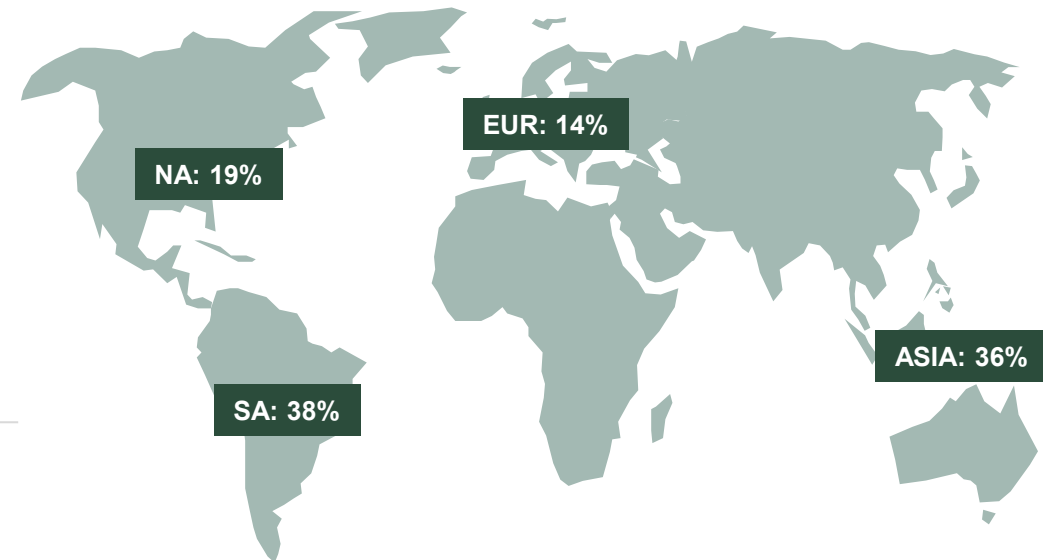
Only a third of Filipinos are familiar with ESG, unaided with explanation, which is below global average

Familiarity on ESG



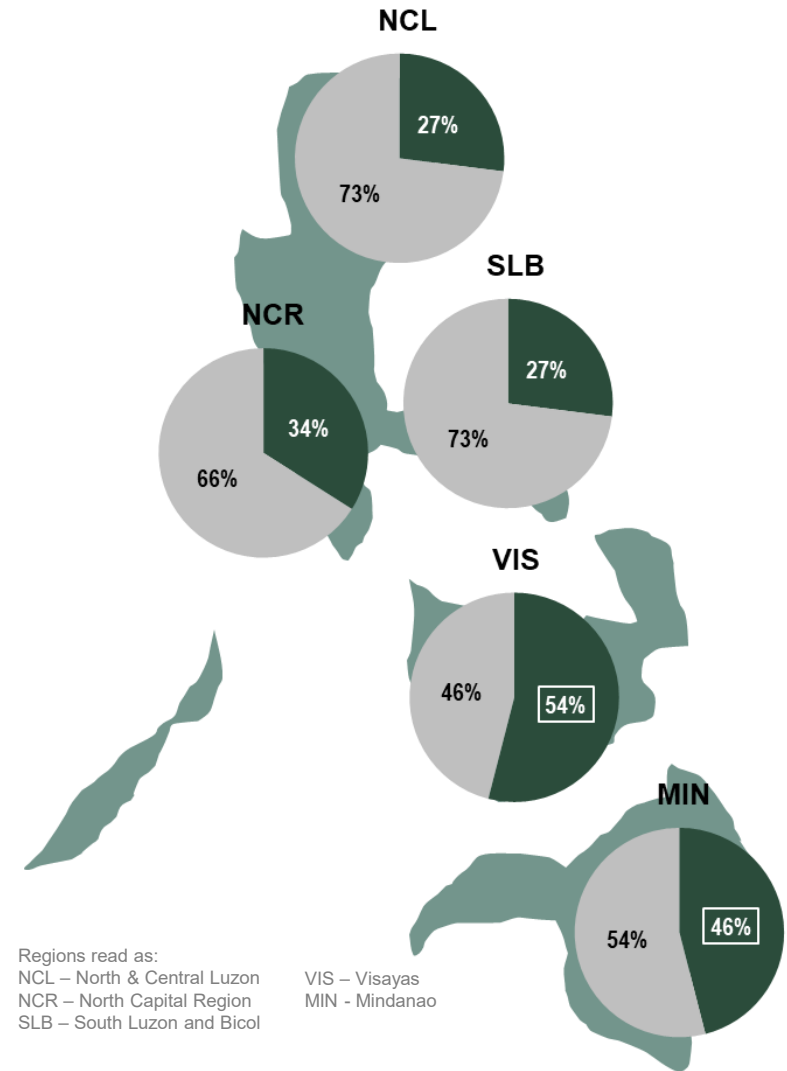
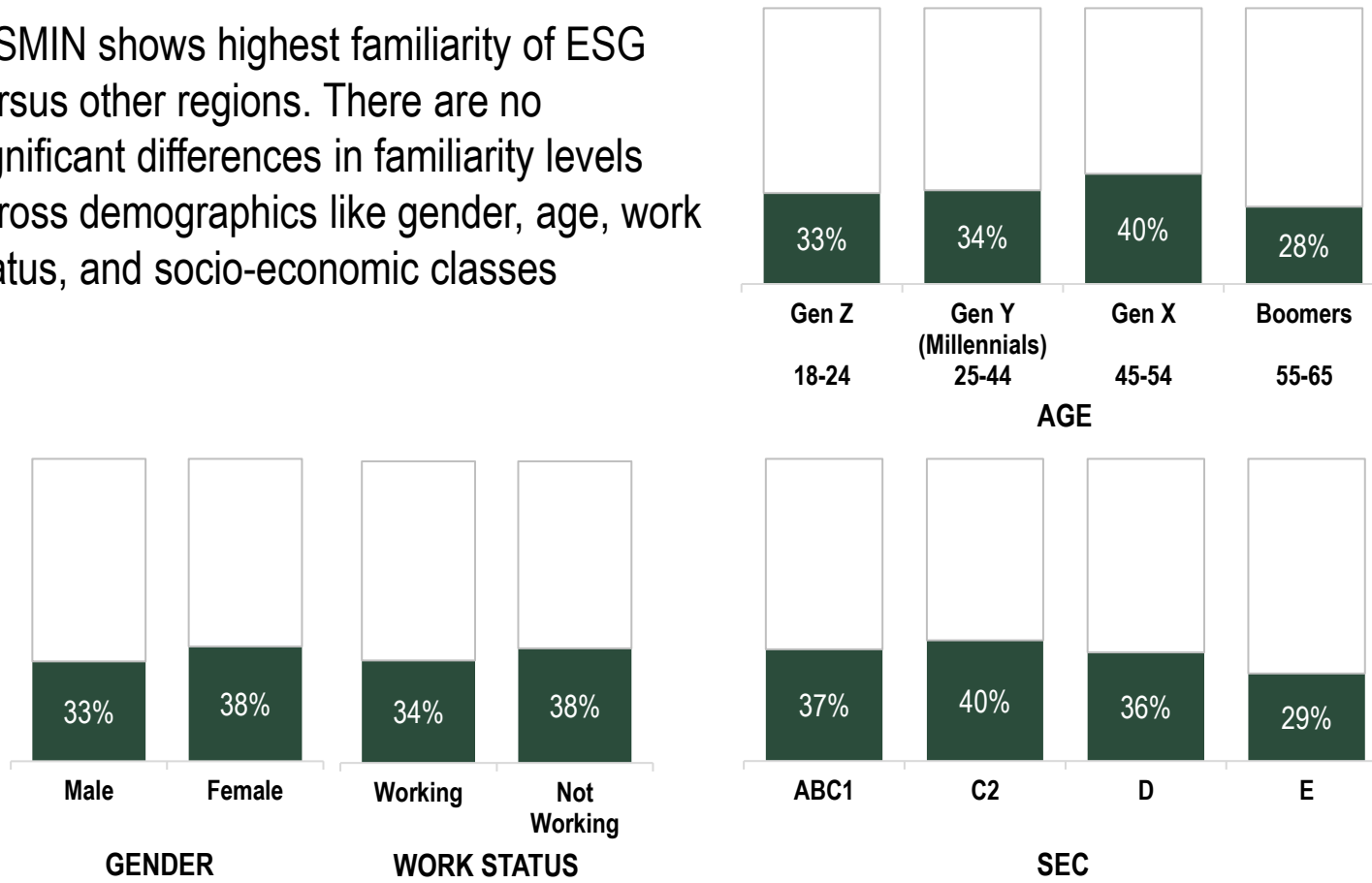
ESG is the framework used by companies for sustainability. It is a relatively new concept more so with the public, with less than half of the global population familiar with ESG.

Those in South America and Asia are more familiar than other regions. Among Asian nations, China shows highest familiarity for ESG

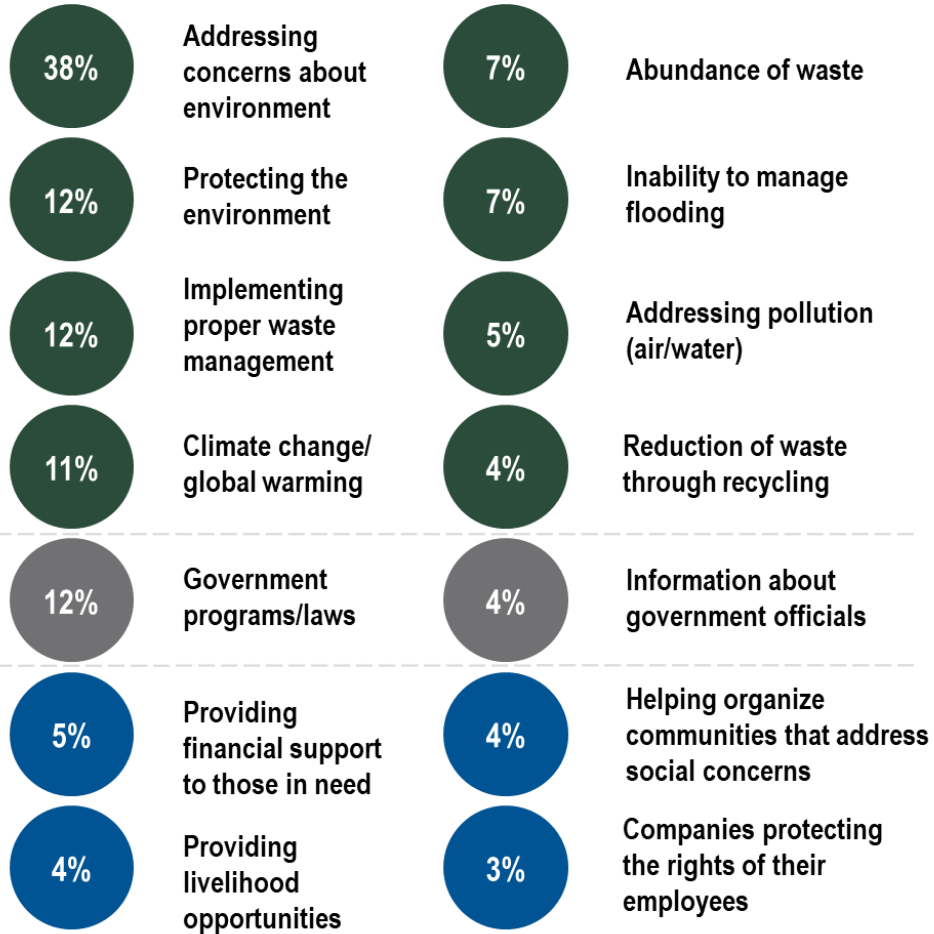


There are more Filipinos familiar with ESG in VISMIN; there are no differences in familiarity levels across demographics

VISMIN shows highest familiarity of ESG versus other regions. There are no significant differences in familiarity levels across demographics like gender, age, work status, and socio-economic classes



What is ESG?



In the eyes of Filipinos, ESG is mostly about **efforts for the environment**

ESG is strongly associated with efforts to address environmental concerns like climate change, waste management, and pollution. S of ESG is perceived to be about helping communities and employees in work environments. There is confusion though on Governance component of ESG, which Filipinos associate more with government programs

Once explained, there is high upside for ESG to companies

Filipinos want to know and learn more about actions being taken towards achieving ESG goals. They are also highly likely to support companies that promote sustainability.

76%

approve of companies that pay attention to ESG goals

Higher for high income, urban
Global: 78%

73%

of Filipinos think **companies should be open and transparent** in what they do to achieve ESG goals

Global: 63%

78%

of Filipinos are **interested in learning about actions** taken by companies to meet ESG goals

Higher for high income, urban
Global: 70%

85%

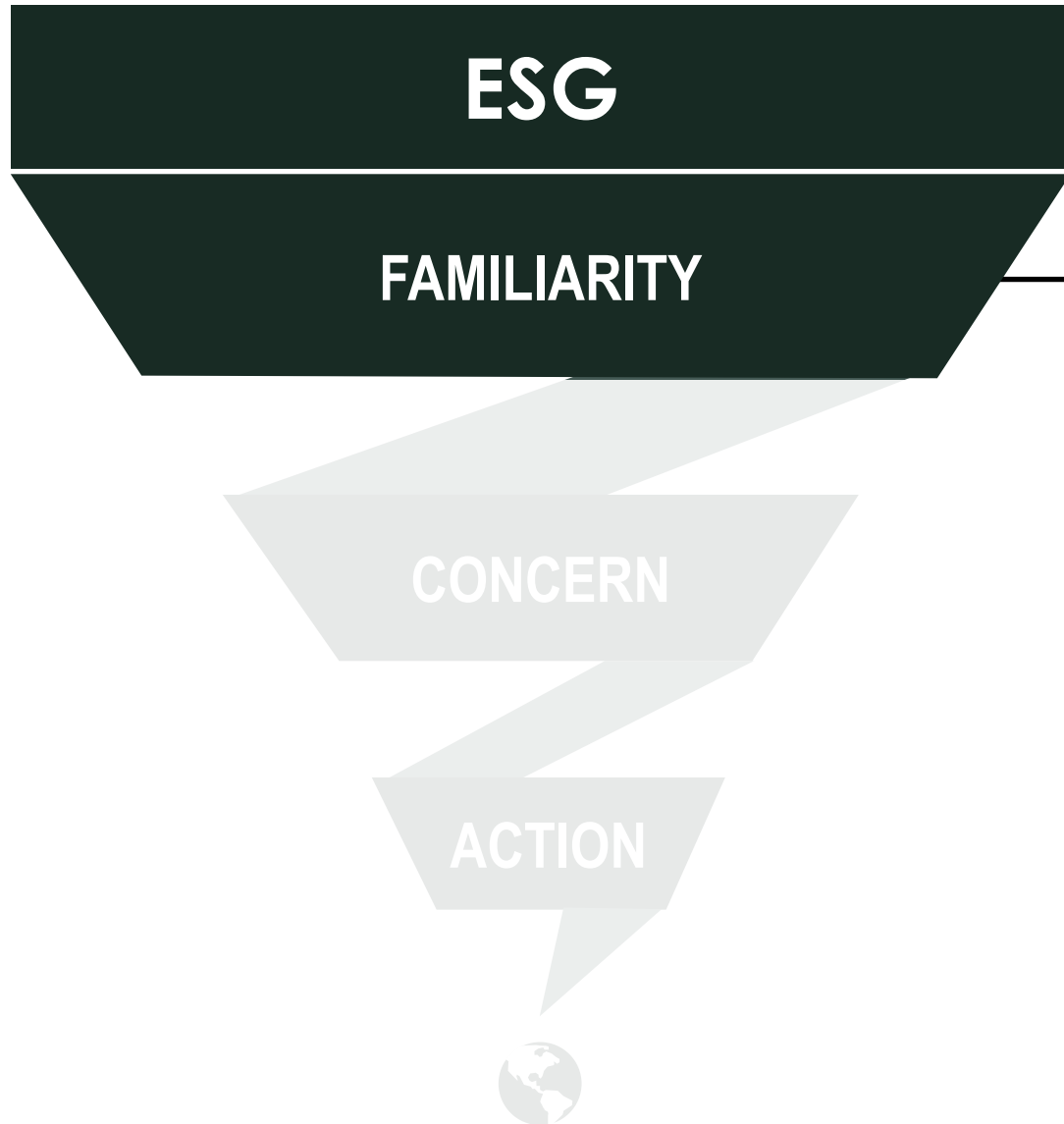
are **interested in accessing ESG reports and data** if available

Global: 73%

72%↑

are more **willing to purchase** from companies that support ESG

Global: 66%



There is room to grow awareness of ESG, considering also high interest in it.

Filipinos want to know about sustainability actions done by companies, and there is still a lot of room to grow to build awareness for ESG.

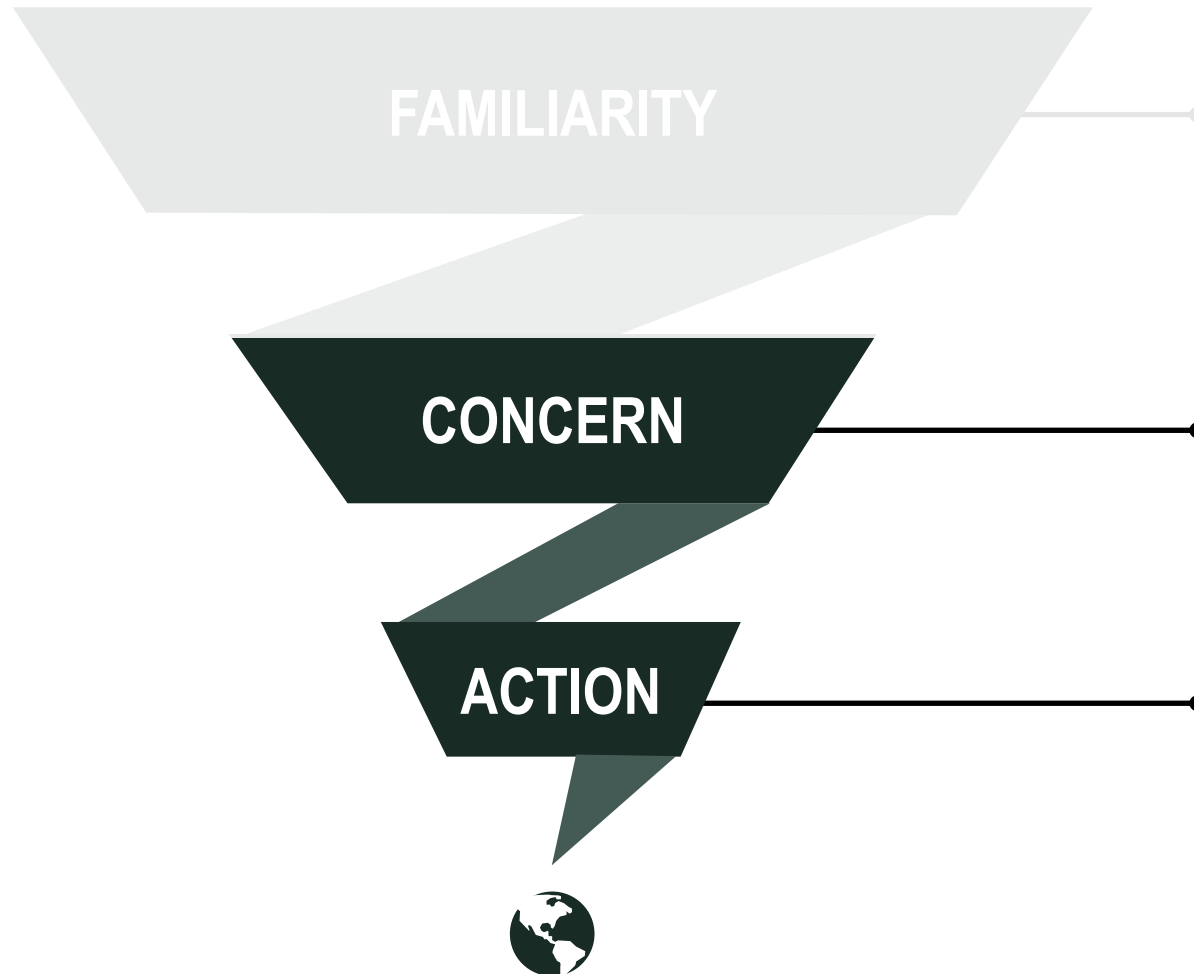
Environment is the strongest aspect of ESG.

It is dominating sustainability conversations, indicating strong inclination of Filipinos towards protecting the environment.

Social is on point, but still weak. Filipinos understand and are aware of social issues. It is a growing concern, but still not at high levels.

Filipinos do not understand Governance component of ESG. It is a confusing concept, mixed up with perception of government programs.

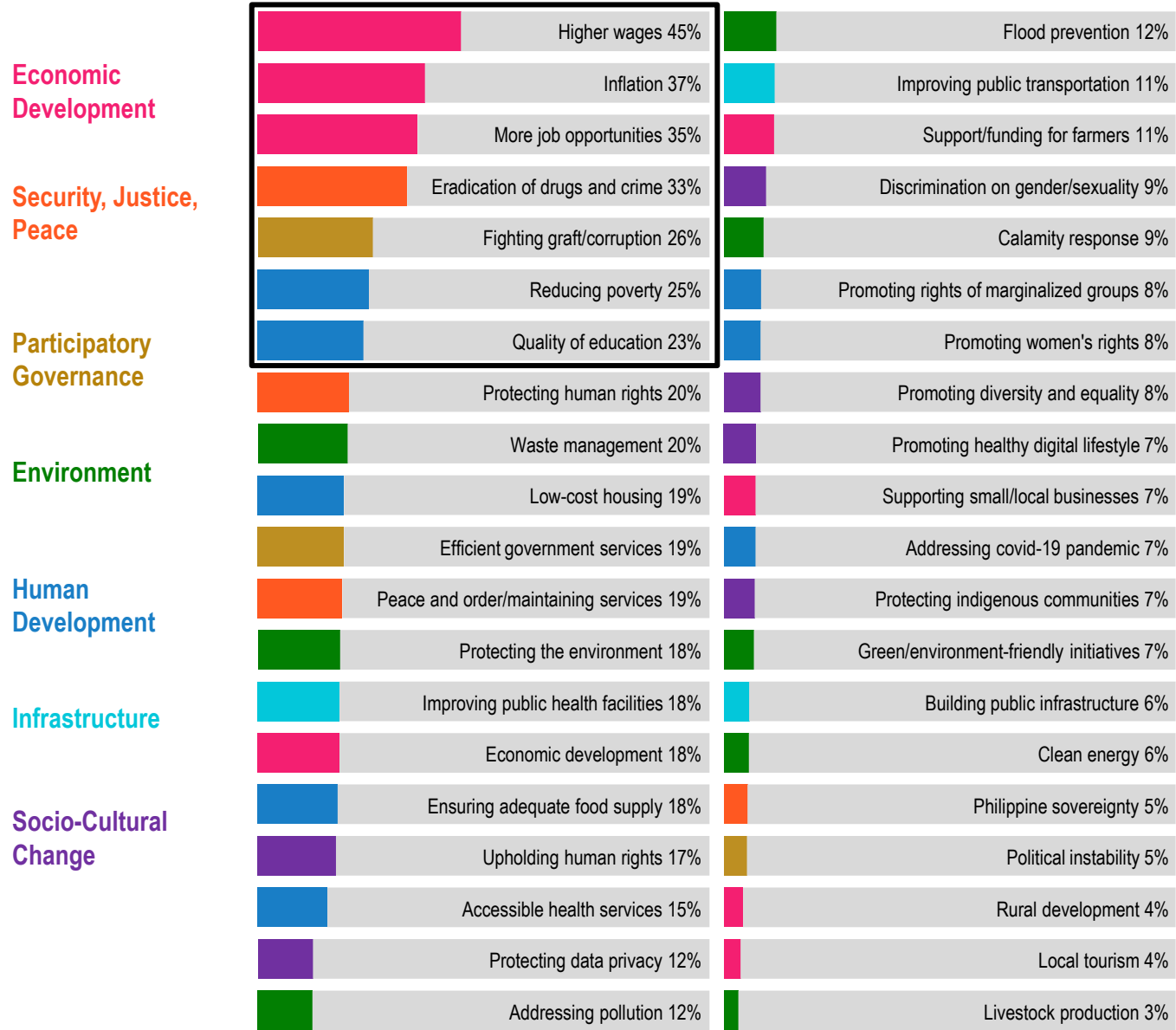
ACTION FUNNEL: Exploring and evaluating ESG efforts



How much do **Filipinos** know about **ESG** and its components?

How high in the **ranking of concerns** of Filipinos does sustainability sit?
What is the level of **urgency** for sustainability?

What is currently **being done**?
What **more can be done**?



Filipinos grapple with basic needs. On hierarchy of concerns, those about physiological and security needs are on top

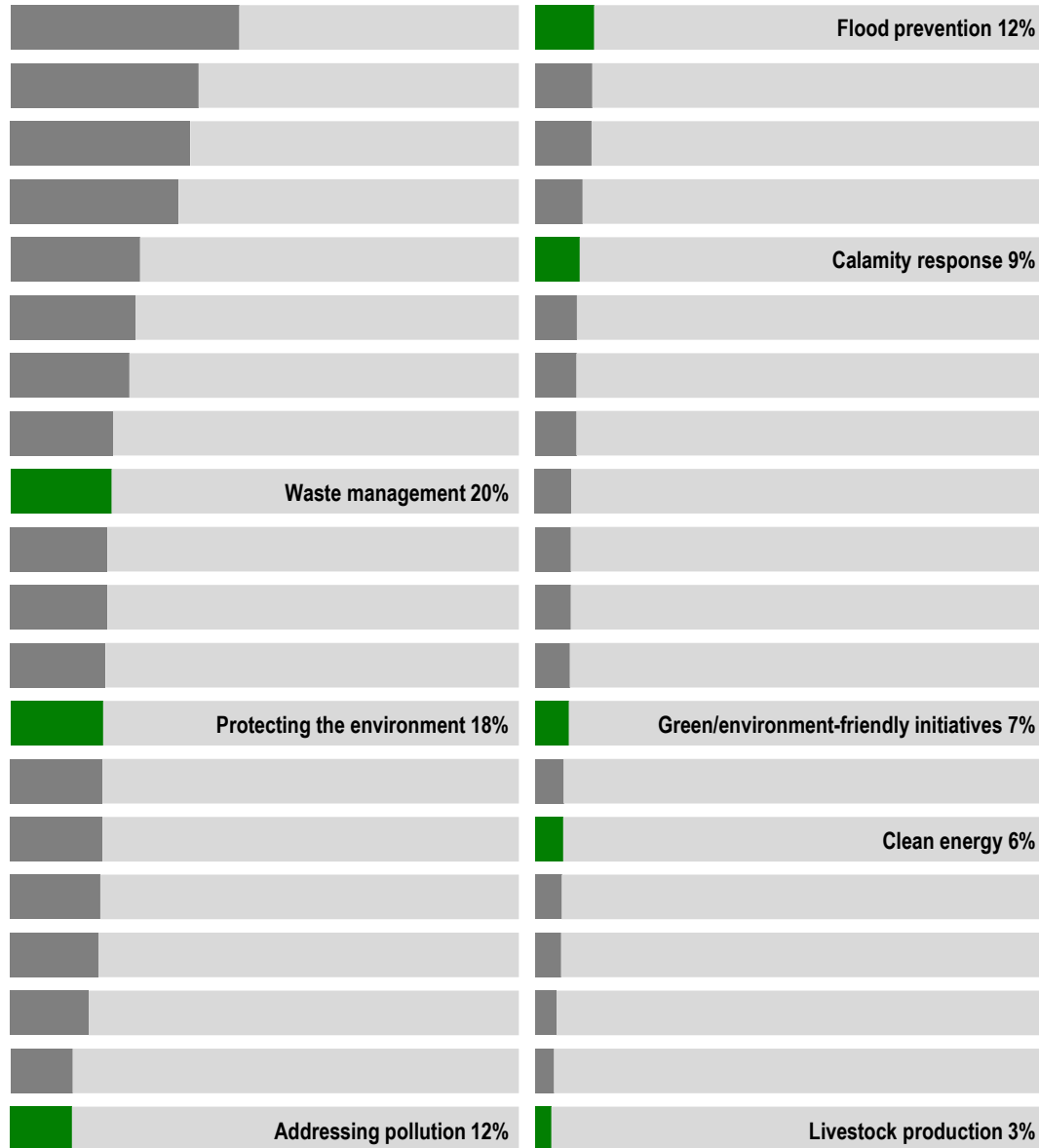
Still, among top concerns are relating to different aspects of sustainability



ENVIRONMENT

Ranking of concerns among Filipinos

Environment



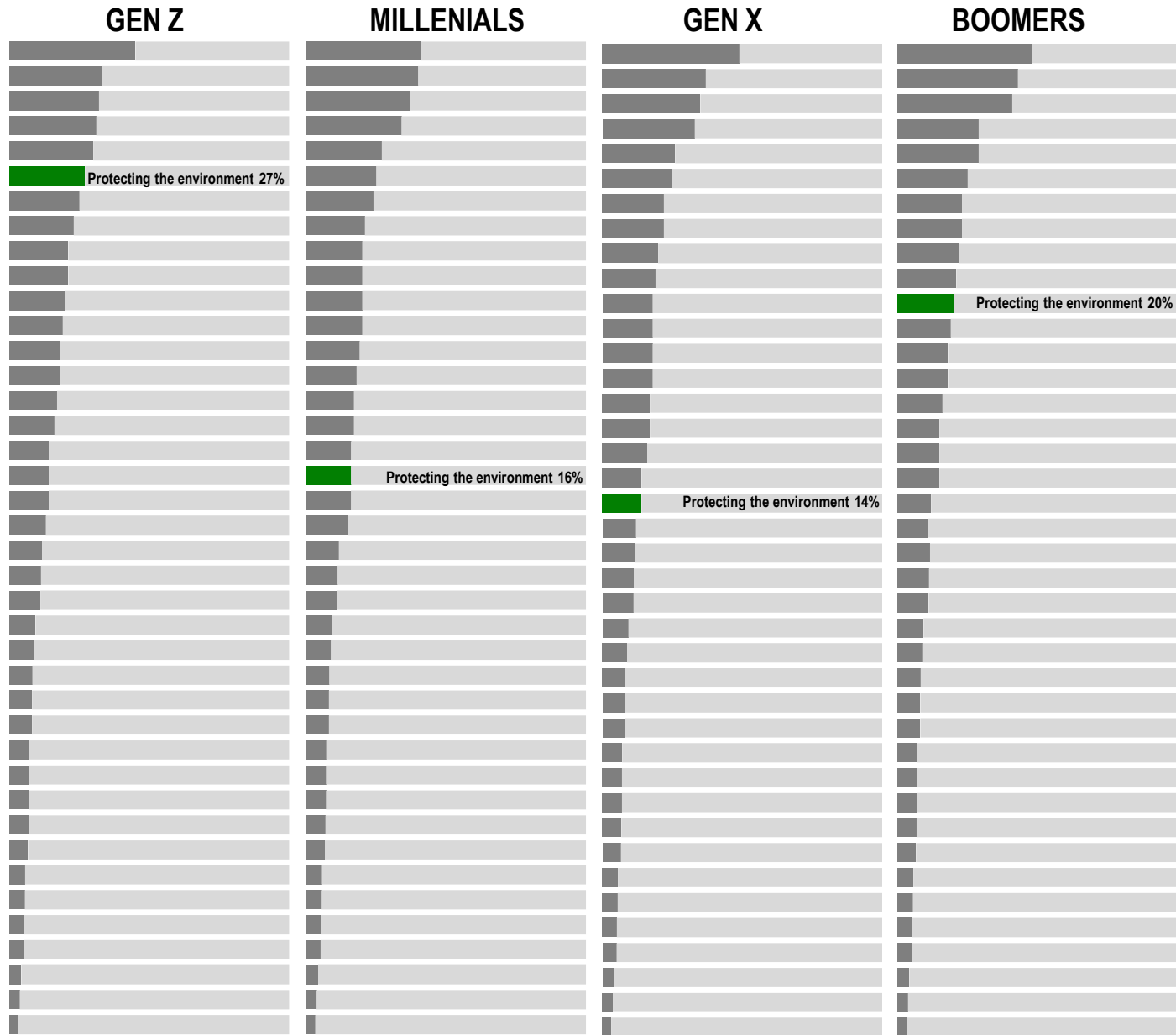
Environmental concerns may not be the top concern, but they are still among the strong ones.

Filipinos associate environmental concerns strongly with waste, which shows how environment has become a personal concern.

The conversation around environment protection has evolved over time from ozone depletion and greenhouse gases, to pollution and degradation of natural resources. The focus now on environmental protection has come now towards addressing waste issues.

Ranking of concerns among Filipinos by generations

Environment



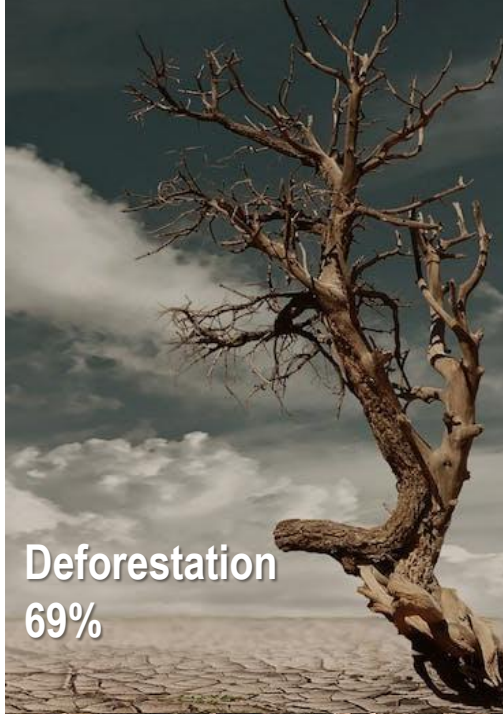
The youngest and oldest generations show more concern with the environment

Gen Zs are alarmed since they will live through the consequences of these problems if not addressed.

Boomers are those who have seen these changes over time and want to give back to the next generation.

There are no significant difference in ranking of environment concern by socio-economic classes and genders.

Causes of environmental issues are mix of big industry practices and cumulative actions



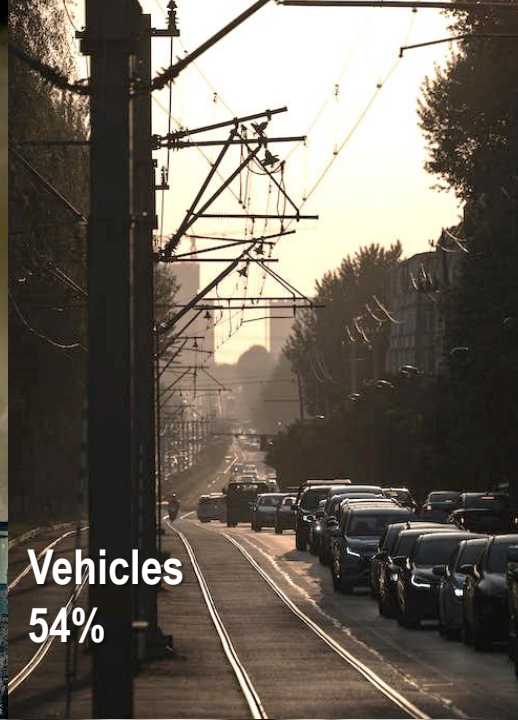
Deforestation
69%



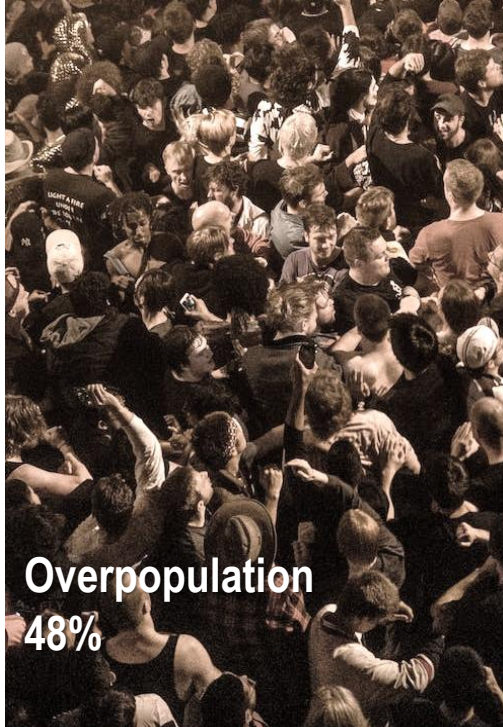
Waste
66%



Fuel, coal, gas
62%



Vehicles
54%



Overpopulation
48%



Overproduction
33%



Waste of energy
33%



Livestock production
19%

Differences in perceived causes of environmental issues by socio-economic class

For lower income groups, it is more focused on the **lack of protection of resources** particularly deforestation

Those from upper income groups see **people's consumption/ lifestyles** as the main contributors. Thus, waste and pollution are more salient to them.



Differences in perceived causes of environmental issues by regions

Those in Luzon have worries over **balancing use of resources with increase in urbanization.**

Strong concerns on **managing consumption** (waste) and increase in **demand for mobility** (fuel, coal, gas/ vehicles) alongside growth in population

Deforestation

NCR
76%

NCL
53%

SLB
59%

Overpopulation

SLB
59%

Waste

NCR
71%

SLB
64%

Overproduction

Fuel, coal, gas

NCR
73%

NCL
54%

Waste of energy

Vehicles

NCL
46%

Livestock production

Differences in perceived causes of environmental issues by regions

Those in Visayas and Mindanao put more **focus on protecting natural resources**. There are still concerns on waste management and fuel consumption

Deforestation



69%

Waste



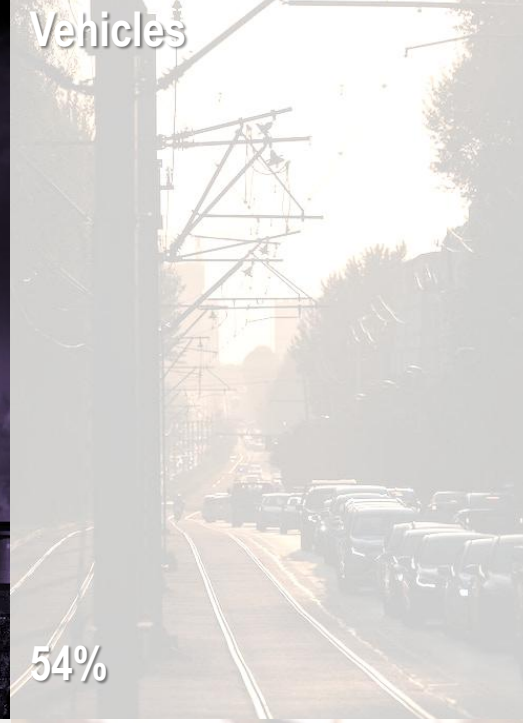
66%

Fuel, coal, gas



62%

Vehicles



54%

Overpopulation



48%

Overproduction



33%

Waste of energy



33%

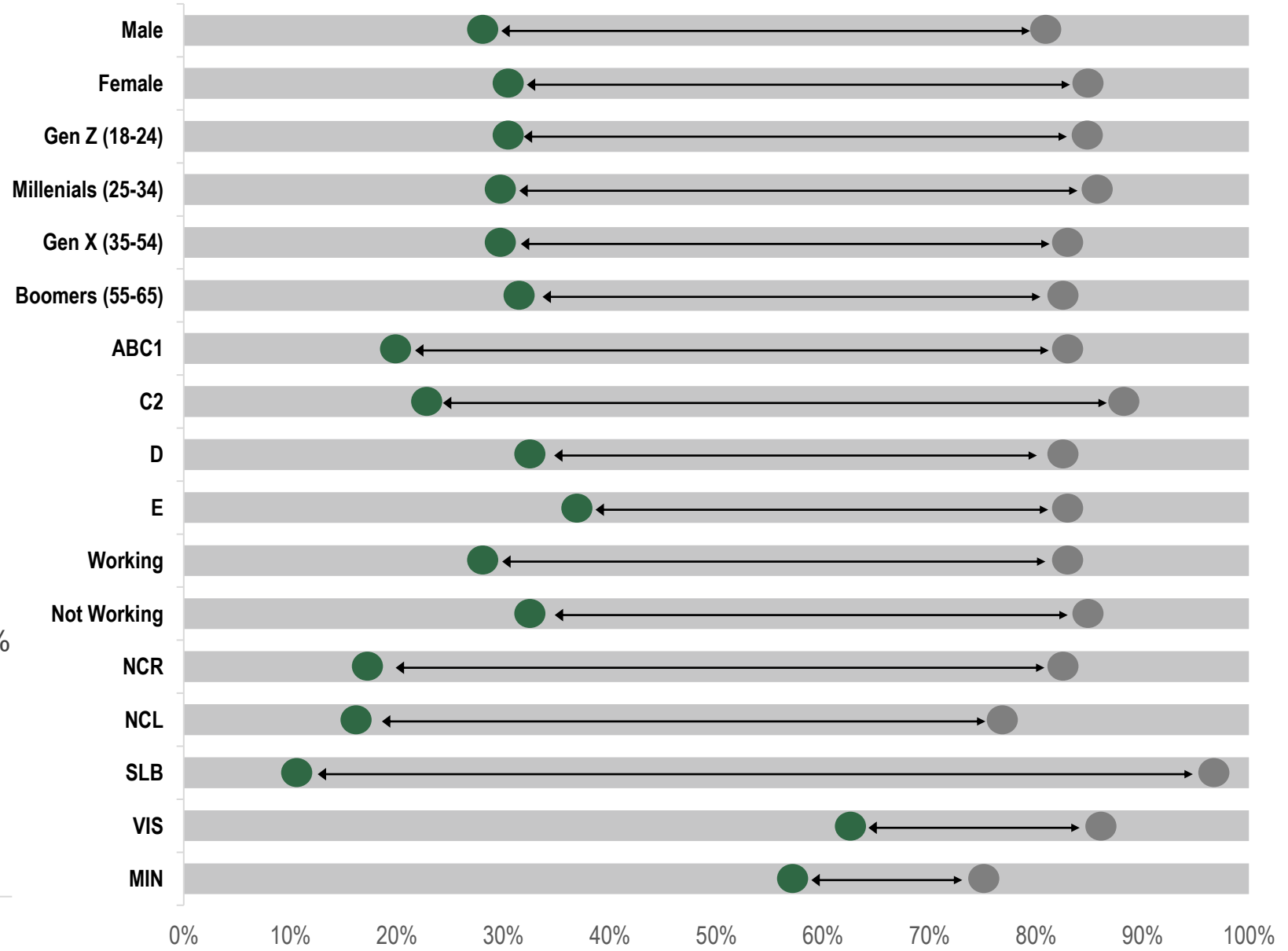
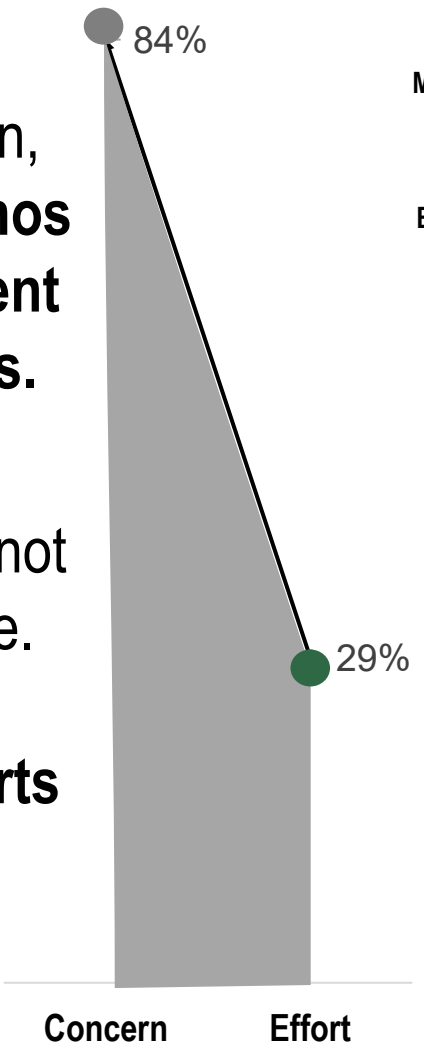
Livestock production



19%

The environment needs dire attention, with **84% of Filipinos** saying environment concern is a crisis.

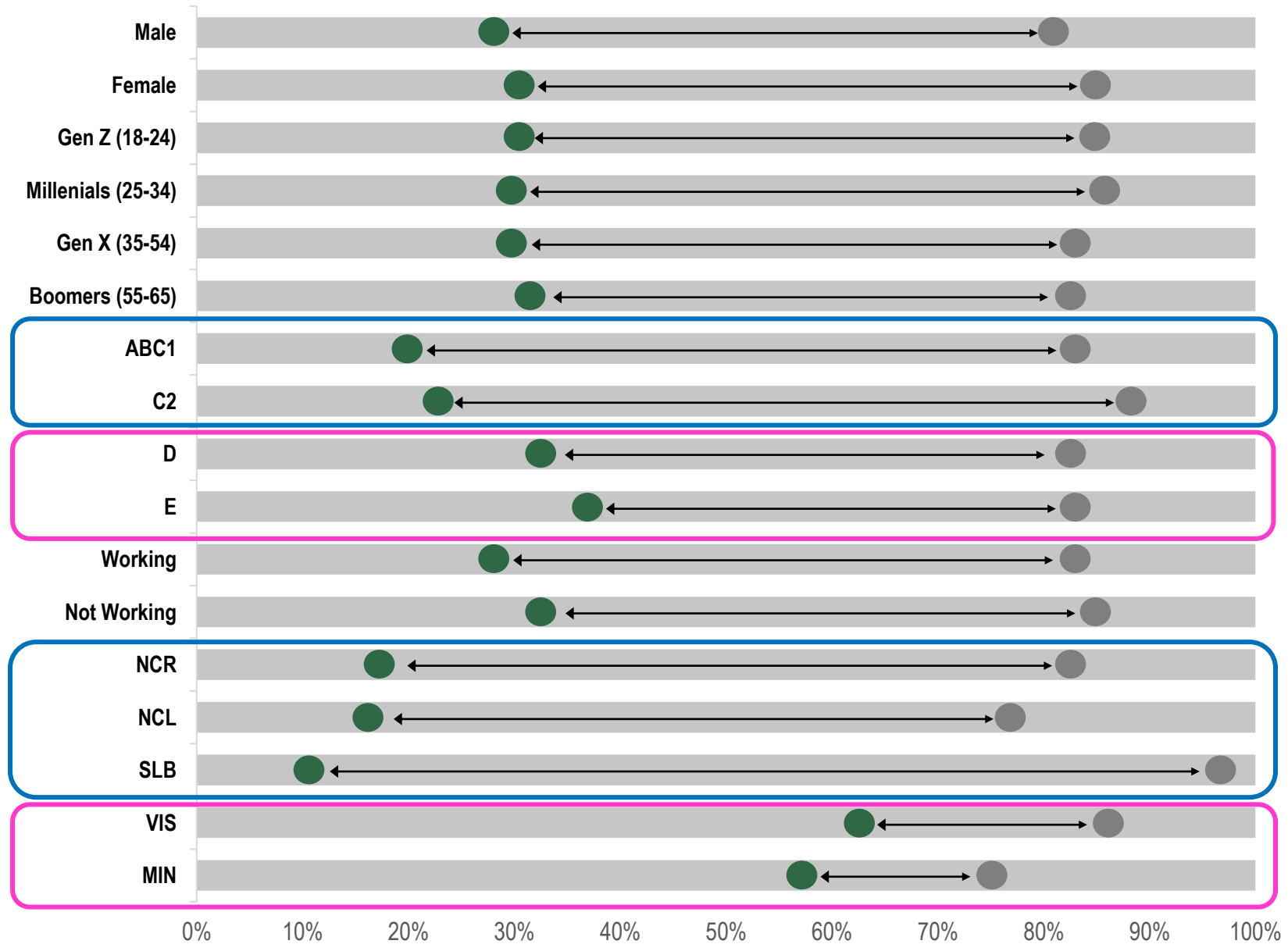
But even at crisis, not much is being done. **Only 29% of Filipinos** say efforts are enough.





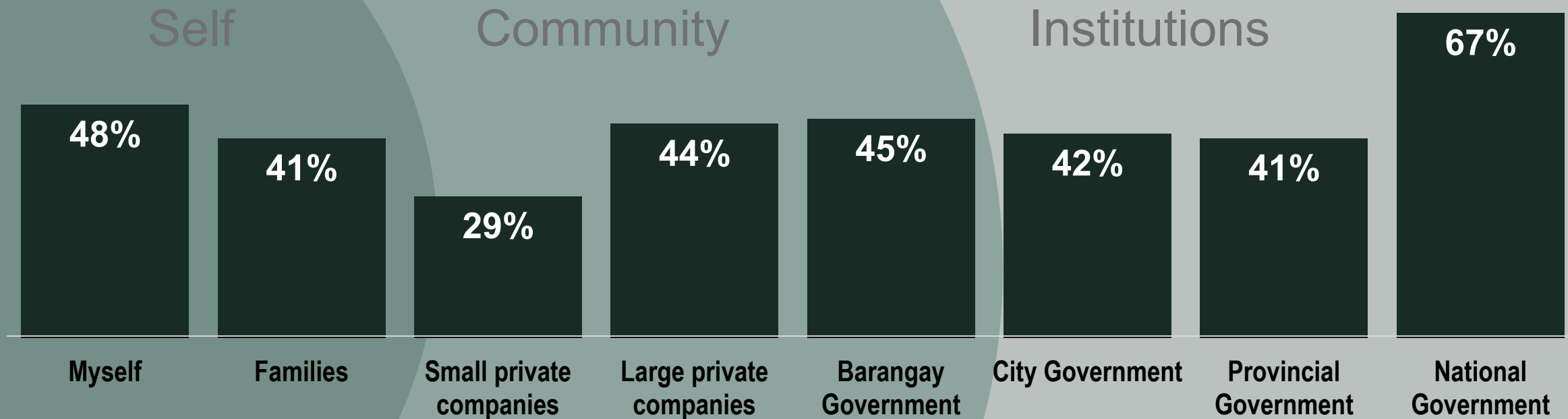
Those with expectations relating more towards protection of environment see closer gap between concern and actions

Those with concerns relating to urbanization and consumption still report very wide gap and inadequacy of actions



Everyone is responsible for taking care of the environment

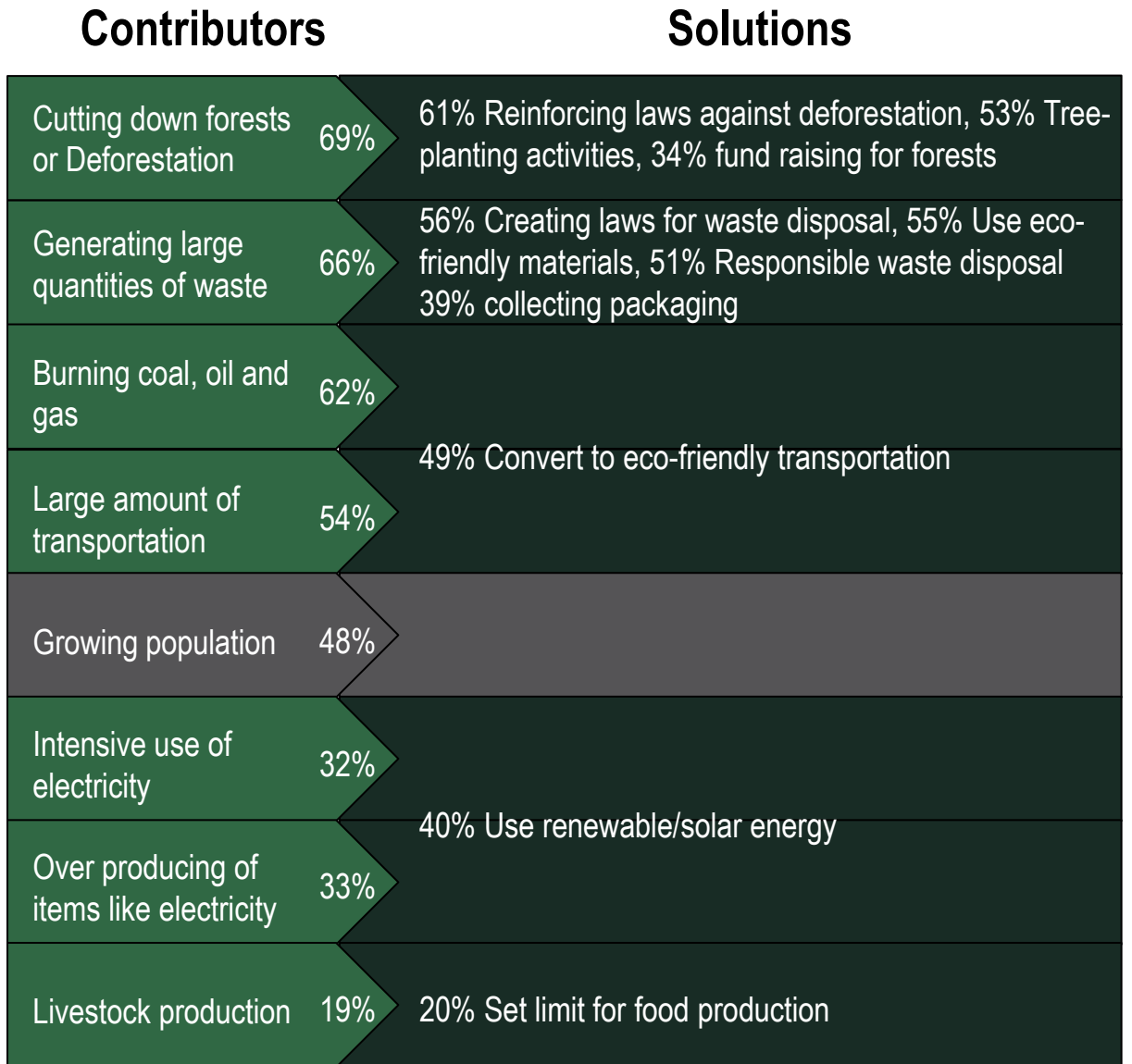
People hold themselves, companies, and the government accountable



Massive action needs massive cooperation

Solving the environmental crisis requires both government legislation and company participation. Filipinos believe that the way to combat climate change is through reducing the effects of the main contributors.

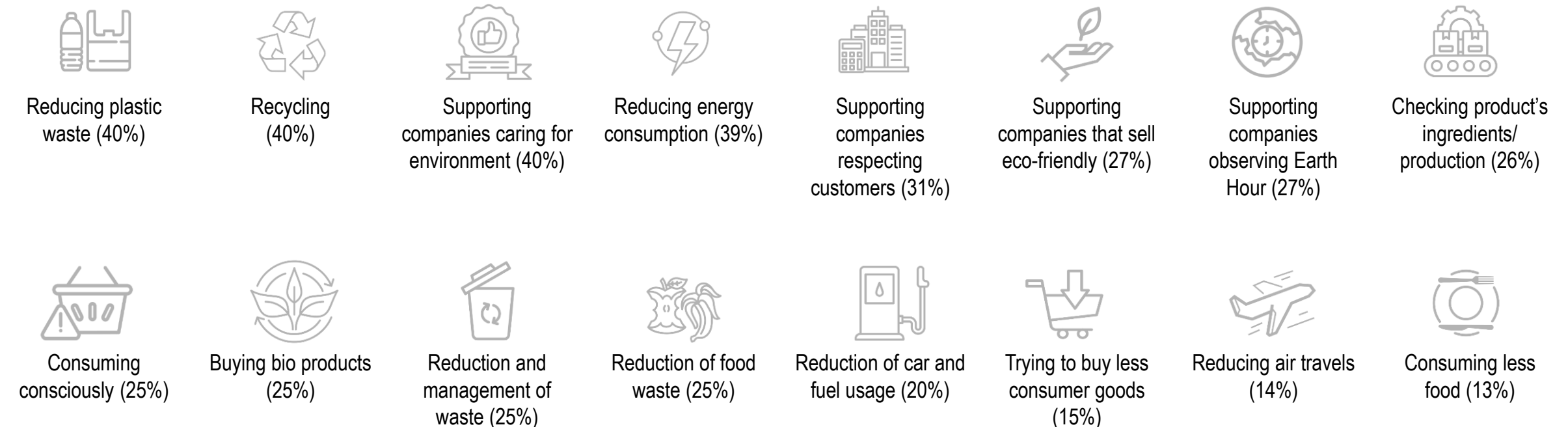
Filipinos are also trying to help by managing their consumption, from day-to-day waste to being more intentional with companies they support. They look at companies that launch movements for the environment.



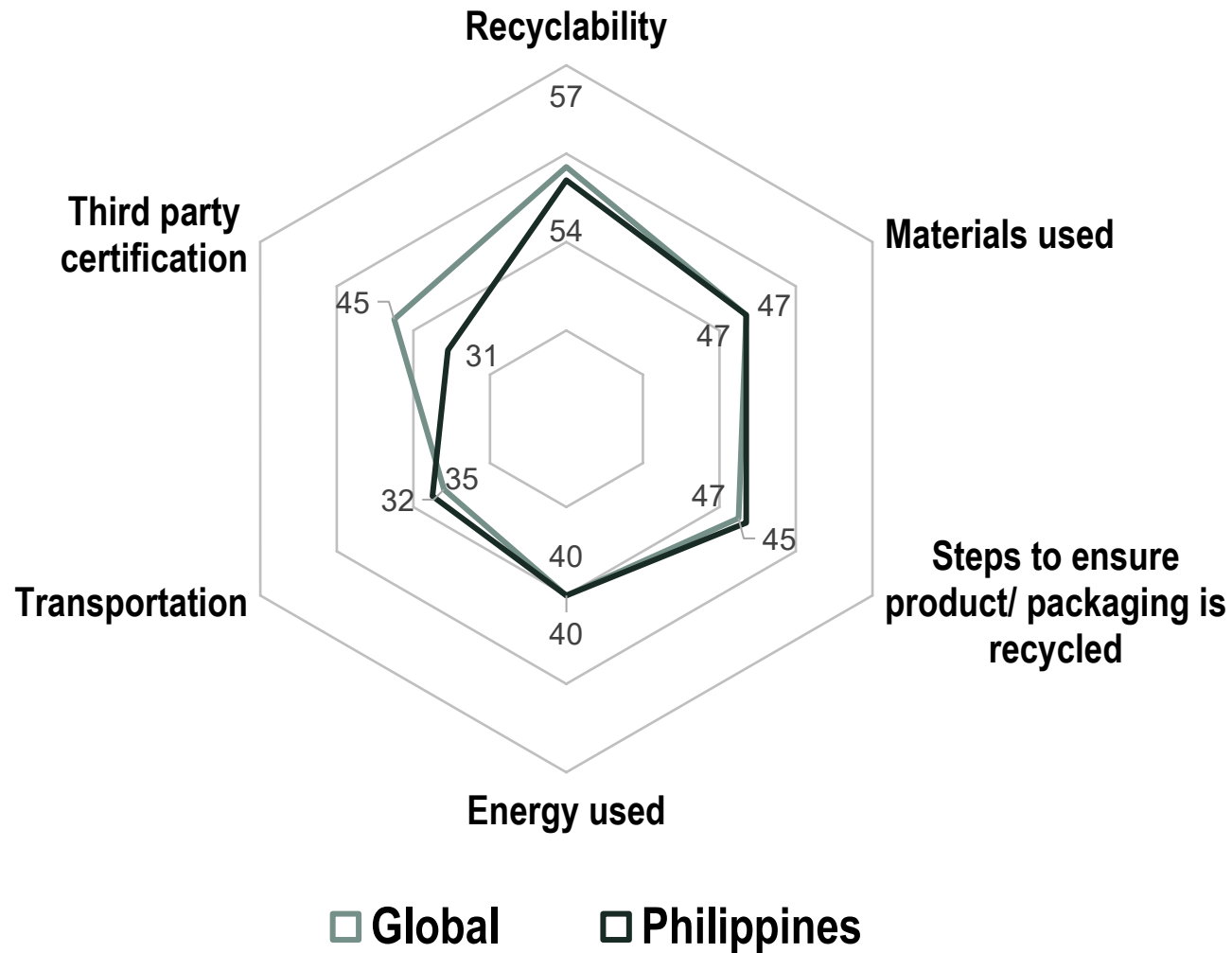
Consumers are putting more **intentions** in their daily habits

Filipinos try to help by managing their consumption, from day-to-day waste to being more intentional with companies they support. They look at companies that support movements for the environment.

Importance of daily activities towards environment (top box scores)



Production and lifecycle information needs

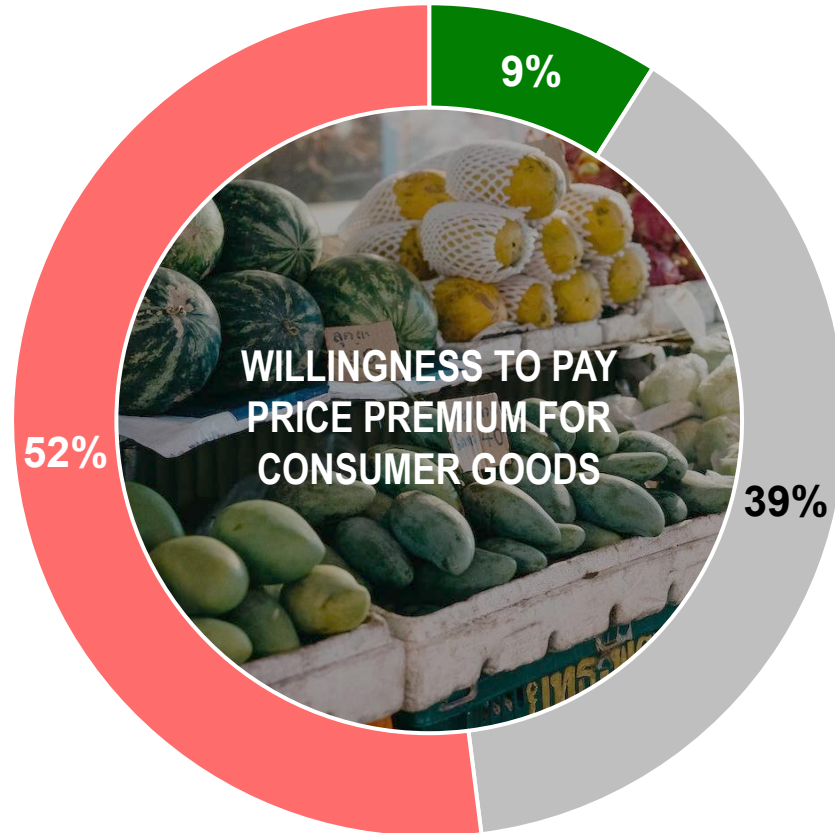


Filipinos are starting to pay more attention to the **lifecycle of products**, from manufacturing to disposal.

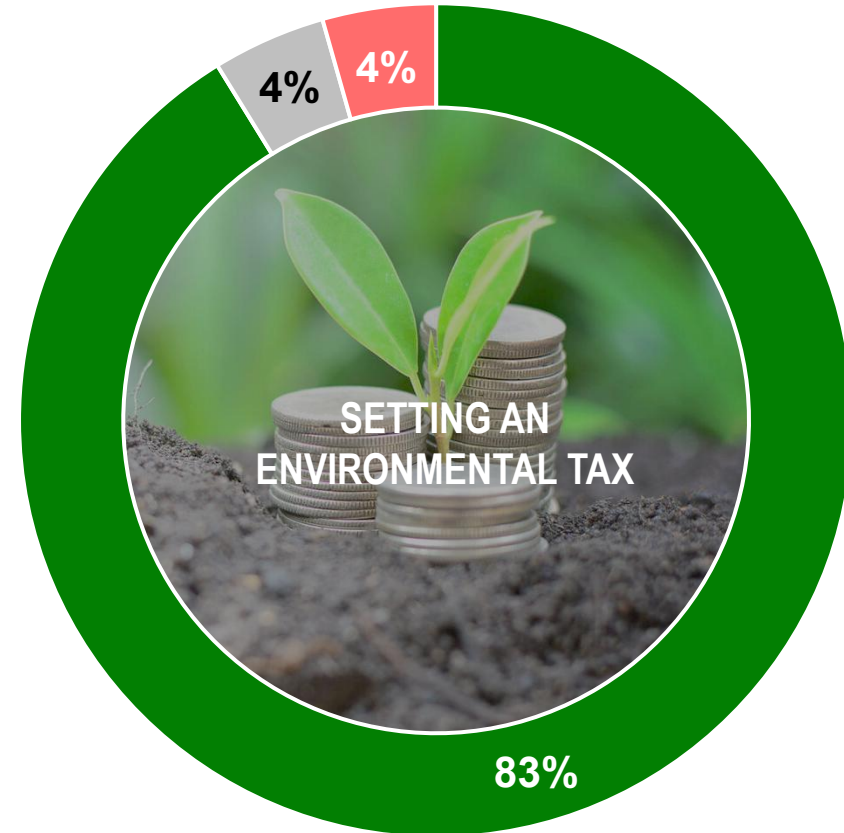
Similar to global trend, Filipinos are now looking at sustainability information of products they buy particularly on recyclability.

There is not much pressure though for Filipino brands to have third party certification, as is expected globally.

The government has stronger mandate to increase prices for sustainability than companies



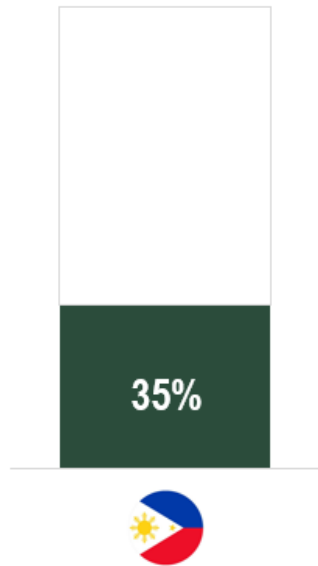
■ Willing to pay ■ It depends ■ Not willing to pay



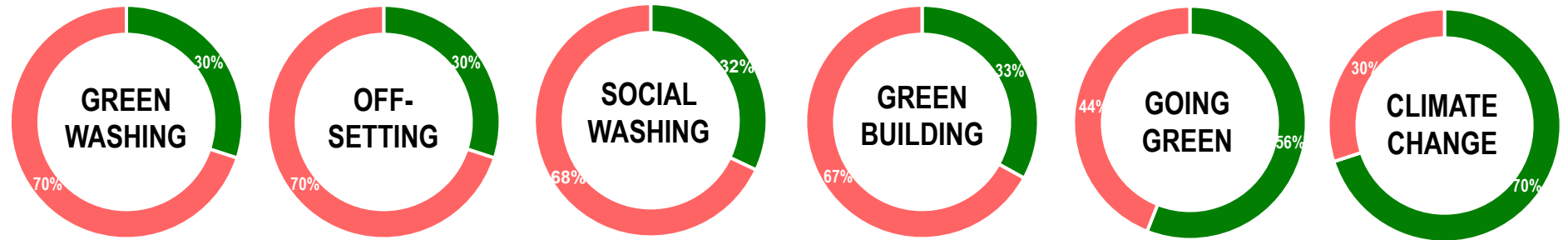
■ Important ■ Can't say ■ Not important

Filipinos are largely unaware of terms related to ESG practices, both good and bad. A few buzzwords stick to their minds

Familiarity of ESG



Familiarity of environmental movements and issues



Familiarity with terms closely related to ESG is low among Filipinos, particularly for Boomers and less affluent

However, there is large familiarity with more common terms, such as 'Going Green' and 'Climate Change'



ENVIRONMENT

FAMILIARITY

CONCERN

ACTION



Environment is in crisis, but not much is being done yet

STRONG RECALL AND FAMILIARITY

Filipinos strongly associate sustainability efforts to protection of the environment. Caution is needed in communicating niche terms.

HIGH CONCERN

Environment is at a crisis point. Their understanding of the crisis has evolved towards more personal movement and action. Pollution and waste are the biggest concerns relating to the environment.

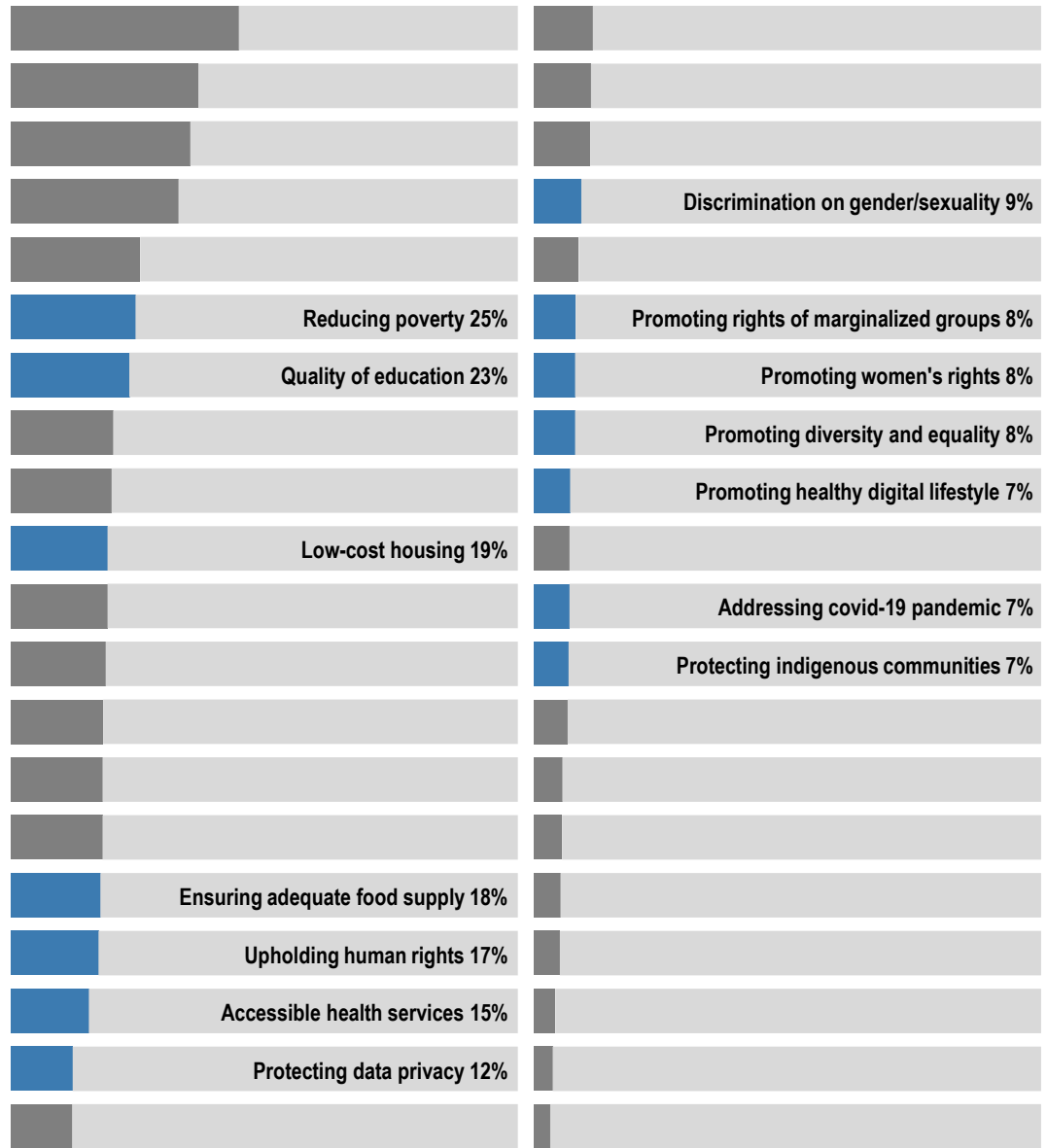
VARIED ACTIONS, DISPROPORTIONATE OUTCOMES

Everyone is responsible for the environment, and every segment of the country is taking steps towards a solution in their ways. But there seems to be more progress done towards deforestations. Some environmental issues such as pollution and waste management have yet to see significant effects. There is still more to be done for the environment.



SOCIAL

Ranking of concerns among Filipinos



Human Development

Socio-Cultural Change

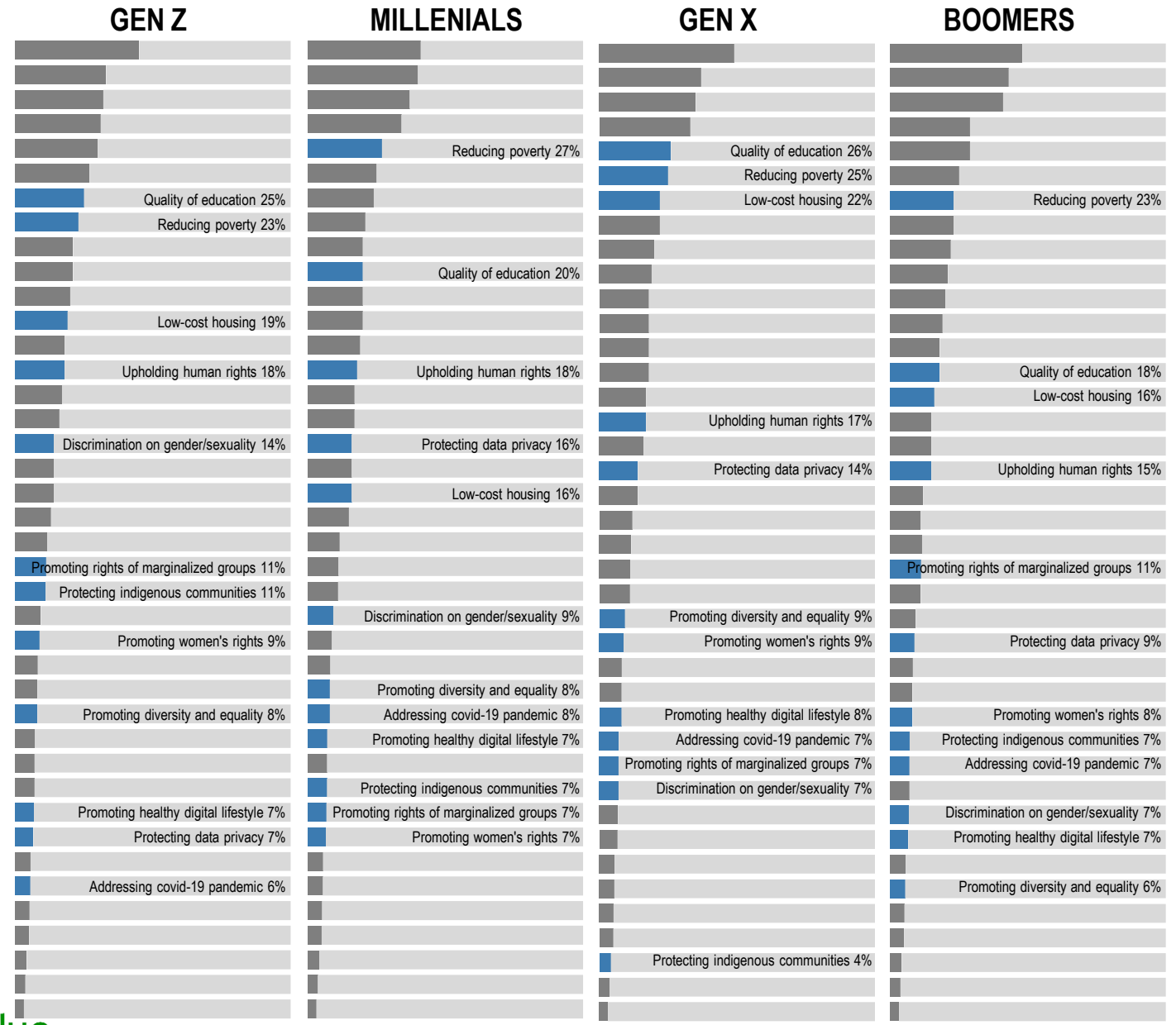
■ Environment ■ Social ■ Governance

Social issues still go back to basic needs, particularly issues relating to quality of life.

In the overall ranking of concerns of Filipinos, poverty and access to necessities like education, housing, and food are the top social concerns.

Discrimination, equality, and human rights are salient concerns that need attention. Digital rights and privacy are also growing concerns.

Ranking of concerns among Filipinos

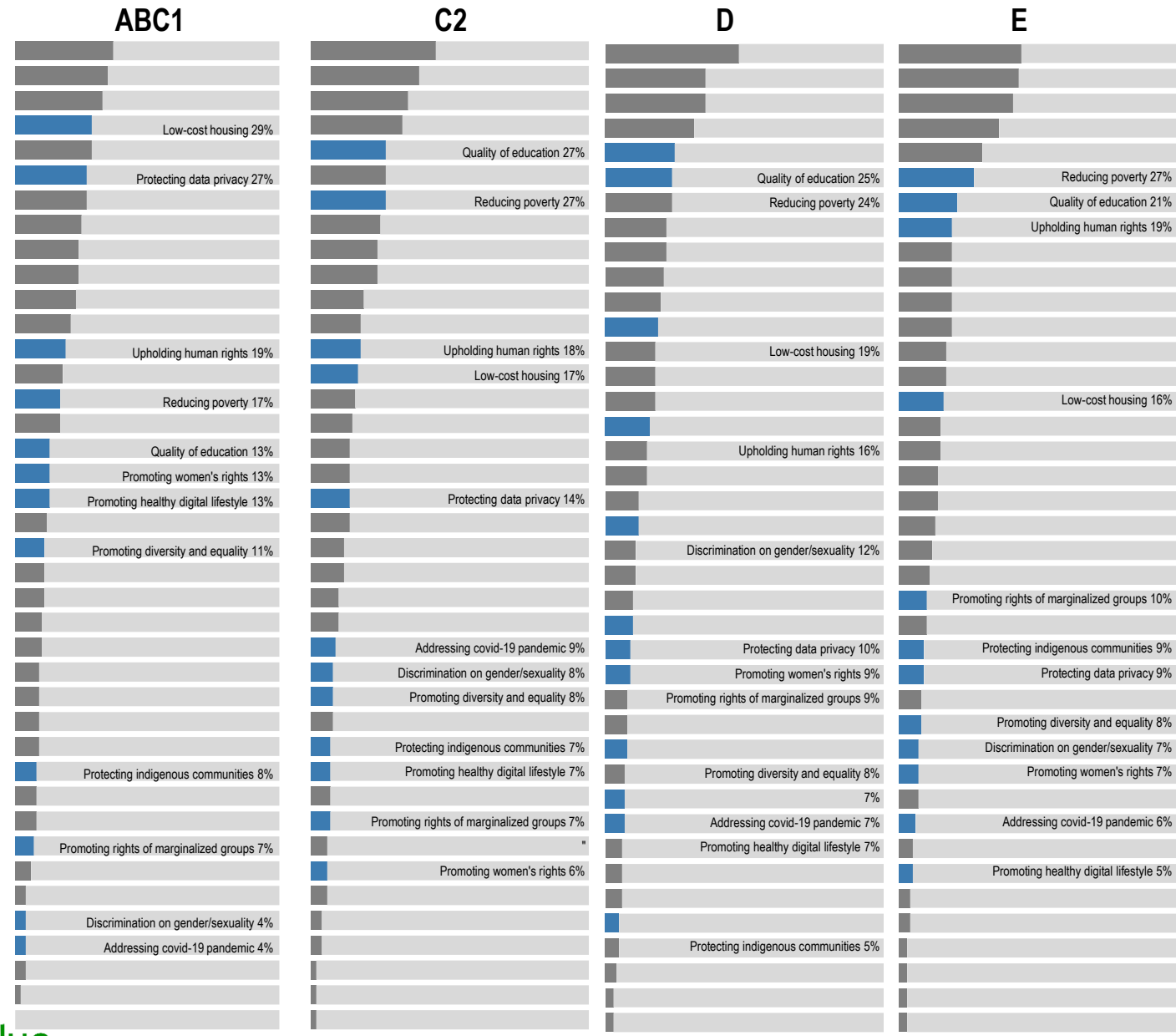


There are differences in how social issues are seen by generations.

For older generations, concerns are more on **broad protection of human rights** (Millennials, Gen X, Boomers), and **the protection of data privacy** (for Millennials, Gen X).

Segment-based social concerns are higher among Gen Zs (equality and protection based on gender, IP, marginalized groups).

Ranking of concerns among Filipinos



Human Development

Socio-Cultural Change

Social concerns vary also by socio-economic classes.

Those from the upper income class focus more on **protection of data privacy**, and **segment-based inclusivity**.

For lower income, it is more on **socio-economic concerns**, such as addressing poverty and access to basic necessities.



The Philippines is making good pace in advocating human rights efforts

91%

agree that **human rights are respected** in the Philippines

Directionally high for lower income segment

90%

believe that **data privacy laws should be respected**

90%

agree that **human rights should be upheld in the workplace** at all times

Directionally high for lower income segment

The same can be said in the workplace - companies have been making great steps to treat employees fairly

Gen Z reports better work condition: better salaries, equal opportunity and pay between men and women

90%

agree that the companies they work for are **giving them a good salary**

Directionally high on upper income, younger generations

89%

of employees agree that **men and women have equal benefits** in their workplace

89%

of the working class agree that **men and women have equal job opportunities**

Directionally high on upper income, younger generations

87%

of employees are **not being treated differently** by their peers **because of their gender**

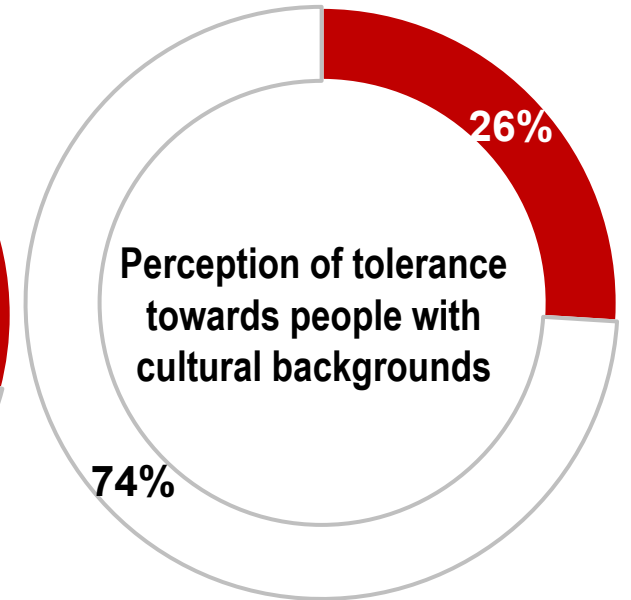
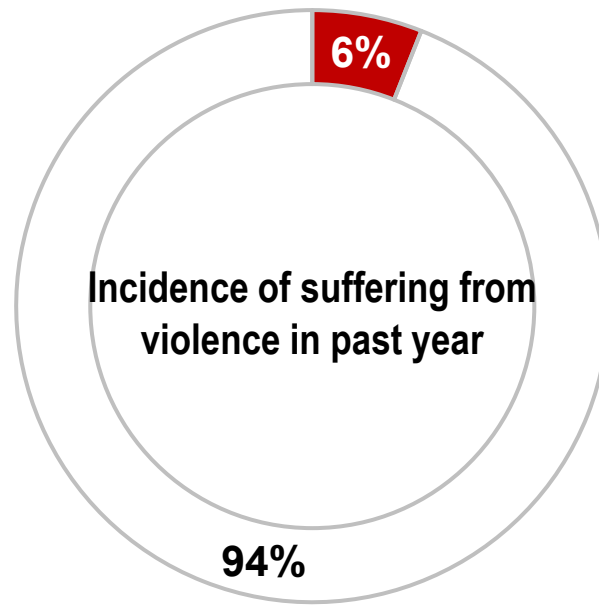
89%

believe that their **gender is not an influence** on their career progression

9 in 10

Filipinos still believe that harassment or discrimination is **a problem in our country**

Social issues cannot be settled by just looking at the majority; it is a **problem as long as there are people experiencing discrimination and violence**



■ Have experienced

■ Not tolerant enough

"We are **NOT** doing enough to accommodate those from..."

Although great strides were done to be inclusive, some groups are still left **under served**

More efforts need to be placed to accommodate some groups like our indigenous communities and those with disabilities



PWDs
36%

Different religions
21%



Indigenous peoples
21%

LGBTQIA+
15%



Filipinos show strong support for companies that uphold human rights, more so than global



92%

of Filipinos think it is important to support companies that respect human rights/labor standards

SOCIAL

FAMILIARITY

CONCERN

ACTION



The fight on social issues is a continuous uphill battle

CORRECT ASSOCIATION, POOR RECALL

Filipinos understand the scope of social responsibility, connecting social issues towards push for inclusivity in society and in workplaces. There is still a lot of room to improve in linking social responsibility to sustainability framework.

HIGH CONCERN

Social responsibility covers wide range of issues. Most salient are rights and privacy, and workplace environment. Although there are differences in prioritization by generations and socio-economic classes, all these social issues are still strong for Filipinos.

INSUFFICIENT ACTIONS

Filipinos see huge progress in implementing and protecting human rights in the country and in the workplace. However, the fight for upholding human rights does not stop there. **As long as there are people who feel harassment and discrimination, the problem is not solved.**



GOVERNANCE

It is still a long journey to address corruption issues in the Philippines



Only 17%

of Filipinos think that corruption and bribery is being addressed better now

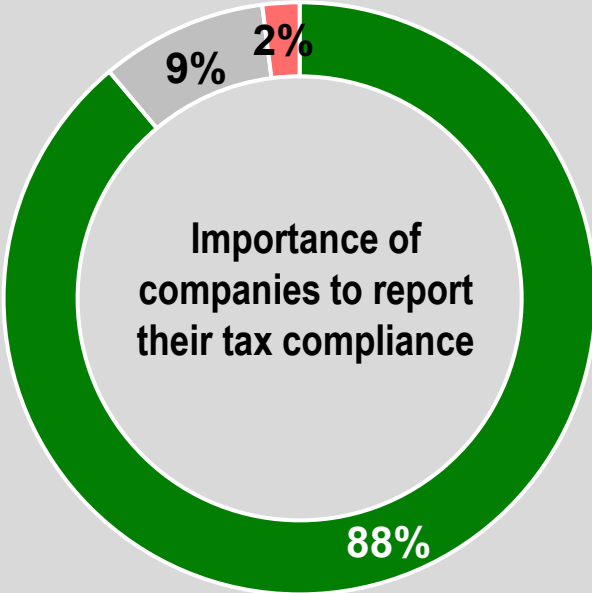
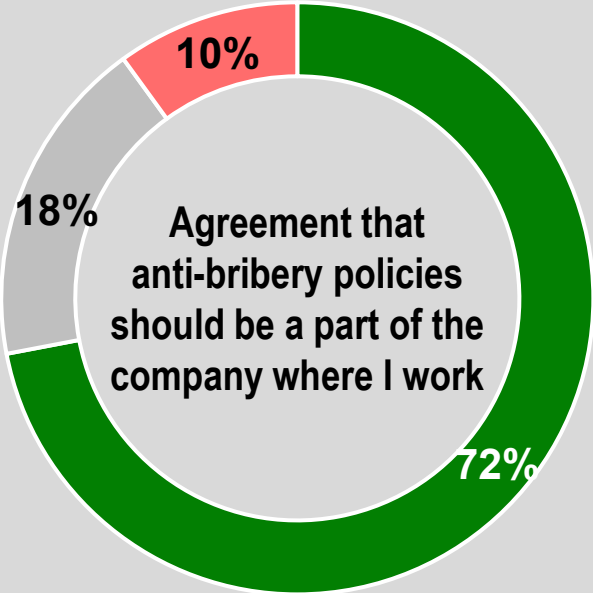
Filipinos expect companies not to participate in corruption and bribery



69% of Filipinos

believe that bribery should have no place in the companies I work at

Corruption and bribery issues can be alleviated by setting in place policies and laws, and reporting compliance to the public



■ Total agree

■ Can't say

■ Total disagree

■ Total important

■ Can't say

■ Total not important

GOVERNANCE

FAMILIARITY

CONCERN

ACTION



Corporate governance requires accountability

POOR AND CONFUSING RECALL

In relation to ESG, Governance ranks the lowest and also the concept with most confusion. Filipinos are not aware on what sustainable governance entails.

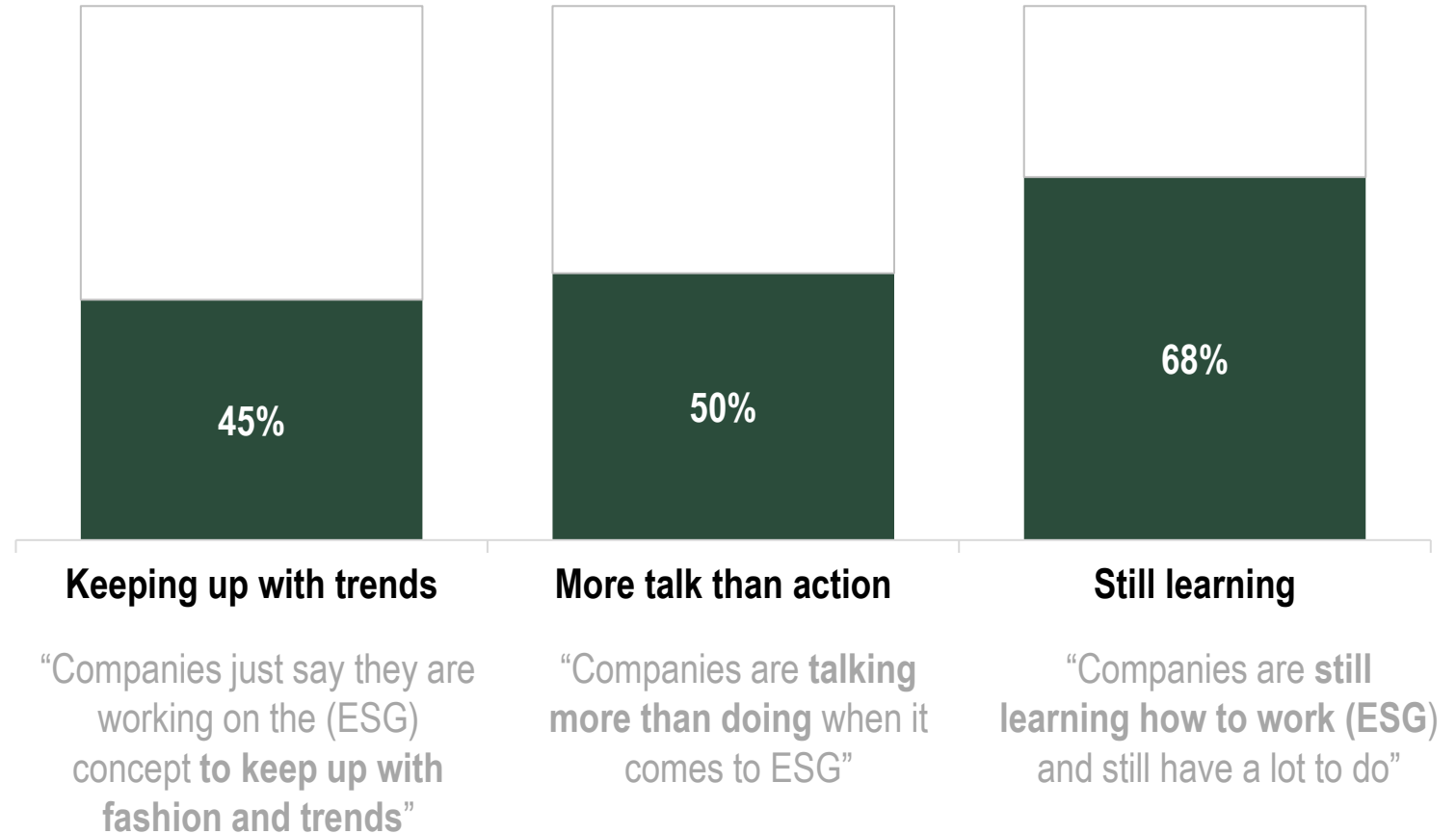
HIGH YET UNDEFINED CONCERN

Corporate governance is unclear to Filipinos. Though on major issues such as corruption and bribery, Filipinos are on-board on fighting them. There are still a lot of aspects in corporate governance that Filipinos need to know about. Thus, actions promoting corporate governance are brushed over.

Consumers are **lukewarm** on the sincerity of companies towards ESG, with many thinking companies are still trying to learn their way around ESG

Only 58%

of Filipinos believe that at present **companies are committed in doing ESG work**



People expect companies to report **results with legitimacy**

It is not enough to show the ESG plan; consumers look for results, which can be proven by third-party reports and testimonials



Third party reports are accepted

Filipinos are more willing to see companies directly reporting their ESG activities with third-party certification

41%



48%[↑]



Filipinos are looking for testimonials

Consumers appreciate it when there is a testimonial given to attest what a company is doing

35%[↑]



30%



Companies are responsible also in **communicating their ESG efforts to their employees**



High importance

Employees believe that employers should be sensitive to ESG issues

69%[↑]



62%



High responsibility

Employers are responsible for environmental/ social blueprint of its suppliers

89%



92%[↑]

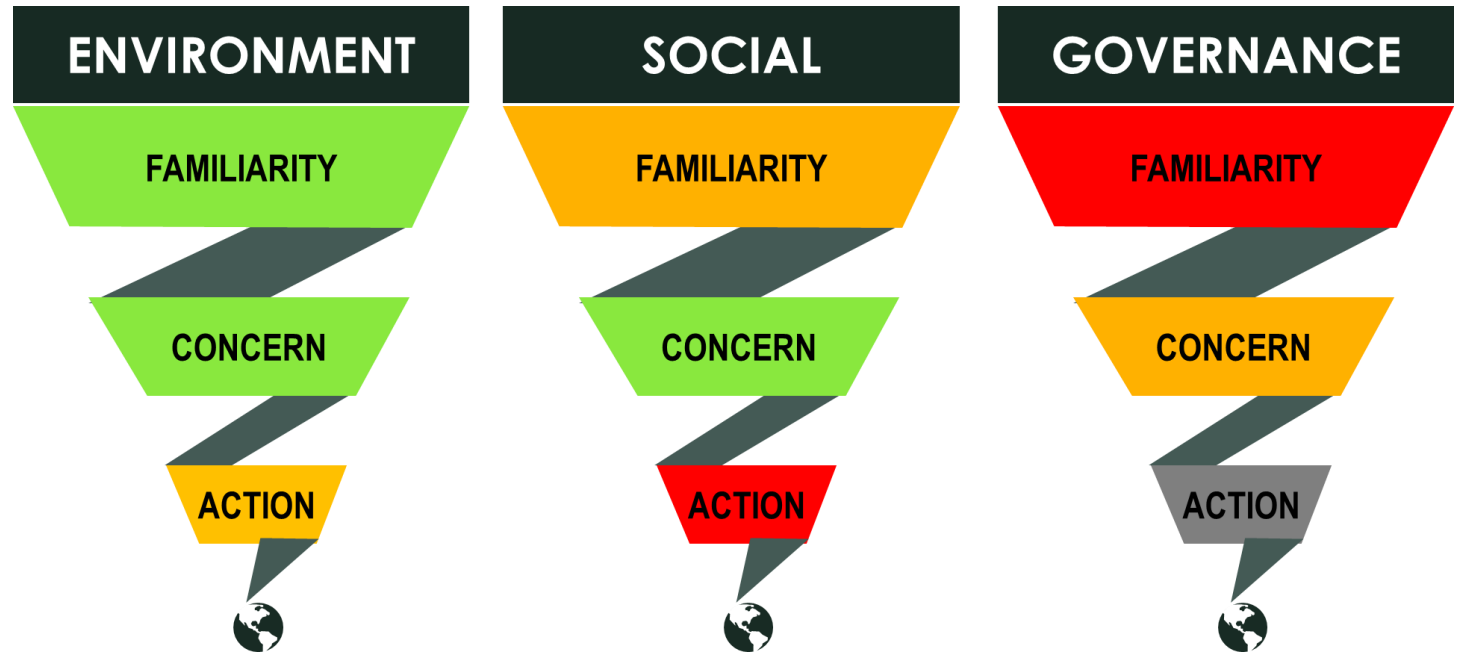


How is the ESG movement going in the Philippines?

There have been great strides done for ESG, but **there are more left to be done.**

Filipinos are putting attention towards modern issues. Companies and social institutions need to help bridge these concerns to reality. But **there needs to be some re-calibration of focus.** A more holistic approach to sustainability shouldn't be exclusive to one component of ESG, rather a synergy of all.

A massive undertaking needs cooperation from different segments of society. A diverse concern also needs different perspective on solutions. But one truth still rings aloud: **more actions are needed.**



Learn how your sustainability efforts are being received by your loyal customers.

Customized IMPACT STUDY

Your own customized research to improve your sustainability efforts and bridge your brand's vision to reality.

Learn more how you can leverage on our Impact Report
Email us at innovations@psrc.com.ph

