

Sustainability Benchmarking Insights from PPAI Members

July 2025

Executive Summary

Key Insights

Sustainability is a shared priority, but it is not evenly implemented and varies greatly across member types, regions, or company size

65%

of surveyed members engage with PPAI on sustainability



Environmental Responsibility is the top-ranked sustainability pillar

Key Points

1 Maturity Variations

Suppliers tend to be more advanced in sustainability than distributors.

2 Shifting Priorities

Governance ranked lowest, but leaders highlighted as an area for improvement.

3 Areas of Difficulty

Companies need support in measuring and reducing their environmental impact.

Top Drivers of Sustainability



Customer Expectations



Corporate Values



Regulatory Readiness

Introduction

From data to direction

Building a roadmap for sustainability in the promotional products industry.

Why?

To assess the current state of sustainability practices among PPAI members and identify opportunities for progress

Why Now?

Growing regulatory, customer, and reputational pressures make sustainability a business imperative – but member needs and capabilities vary widely

What Did We Do?

Conducted a comprehensive member survey and follow-up interviews to develop a maturity model grounded in real-world actions

Which Topics?



Environmental
Responsibility



Social Equity



Product
Lifecycle



Transparency &
Accountability



Governance

Who Was Involved?

- 168 survey participants (suppliers and distributors)
- 6 in-depth interviews with member companies selected by PPAI staff

How Does This Help?

- Understands where PPAI members stand on sustainability by benchmarking current practices
- Establishes a shared framework for sustainability topics and assessing member maturity
- Provides guidance to help members move forward

Approach & Methodology

Project Approach

- Distributed sustainability survey to all PPAI members and qualified non-members
- Conducted supplementary interviews with selected members, nominated by PPAI staff
- Combined **quantitative and qualitative insights** to assess maturity and challenges
- Anchored in PPAI’s five sustainability pillars + member support needs
- Goal: Understand member progress and create a **practical maturity framework** to guide the industry

Survey Methodology
• Collected 168 total responses (113 Distributors, 55 Suppliers) • Included both PPAI members (n=149) and qualified non-members (QNM=19) • Used the same questions for suppliers and distributors • Organized by PPAI’s five sustainability pillars and member support needs • Included multiple-choice, ranking, and open-ended questions • Achieved high response rates: 61%–98% across multiple-choice items

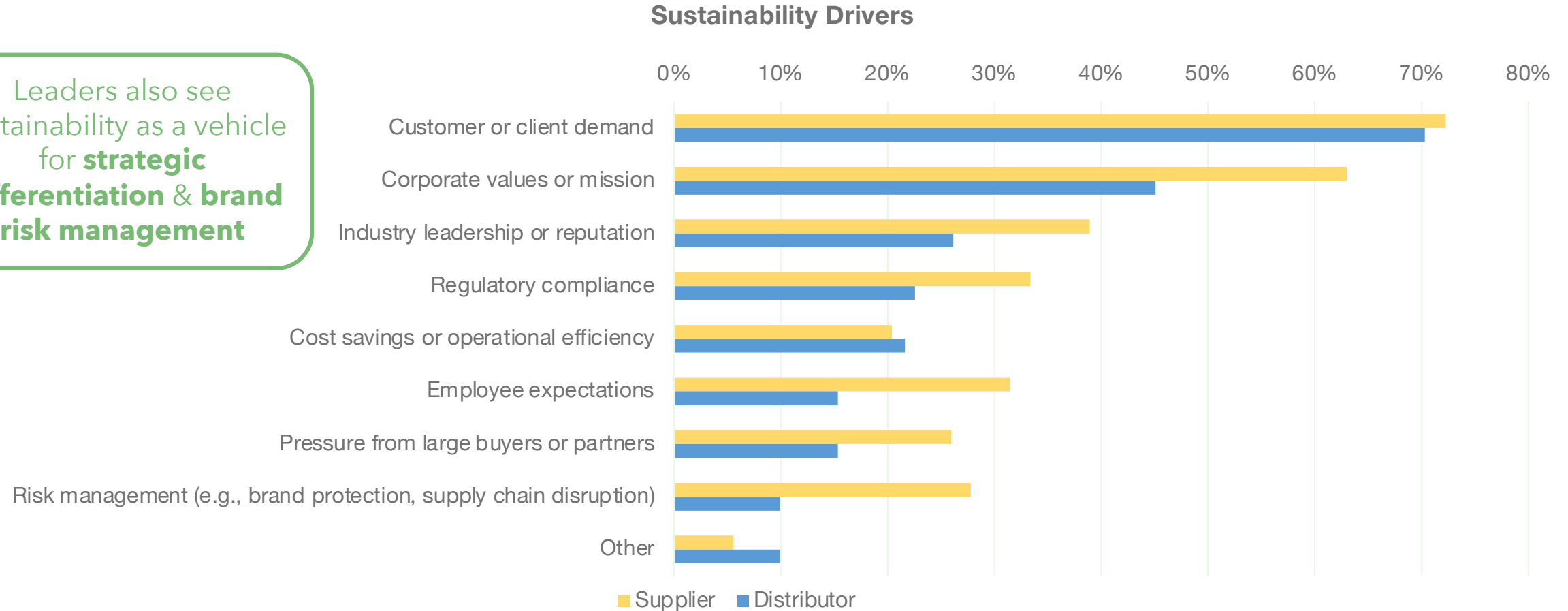
Interview Methodology
• Conducted 1-hour interviews with 6 selected member companies • Participants represented a mix of suppliers and distributors across maturity levels • Interviewees were nominated by PPAI staff based on leadership or engagement • Explored sustainability goals, barriers, customer expectations, product claims, and industry alignment • Helped define advanced practices and inform the Leader stage of the maturity model • Added narrative depth and nuance to survey findings

Drivers & Priorities

Customer demand, corporate values and reputation are the top 3 sustainability drivers

For both suppliers and distributors

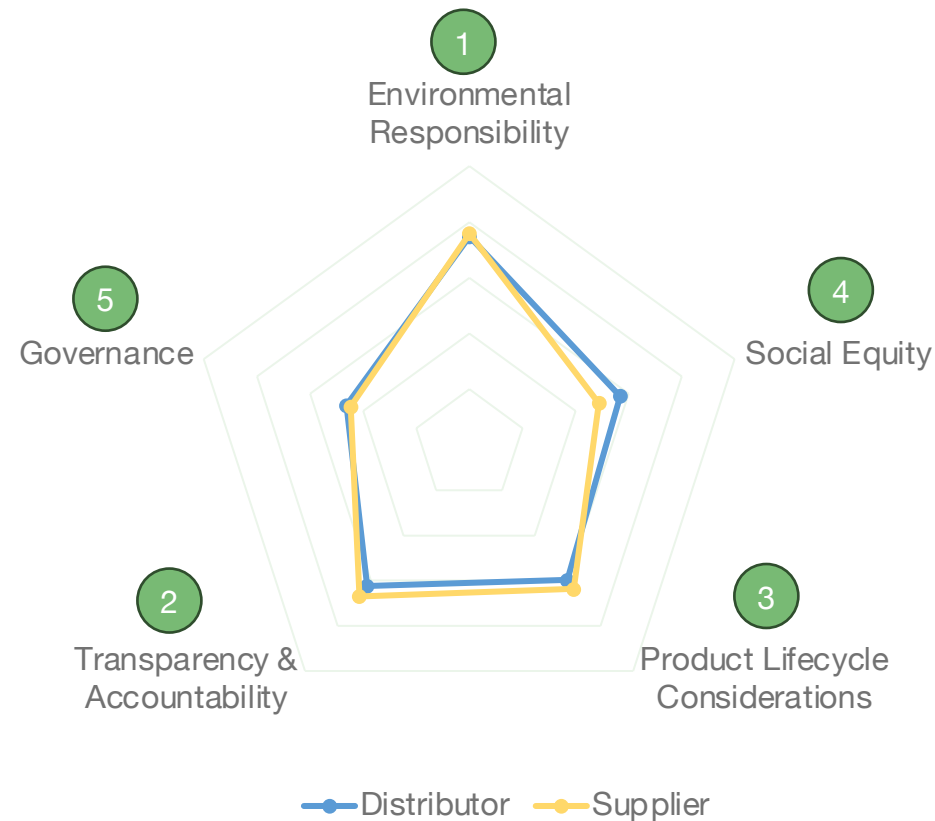
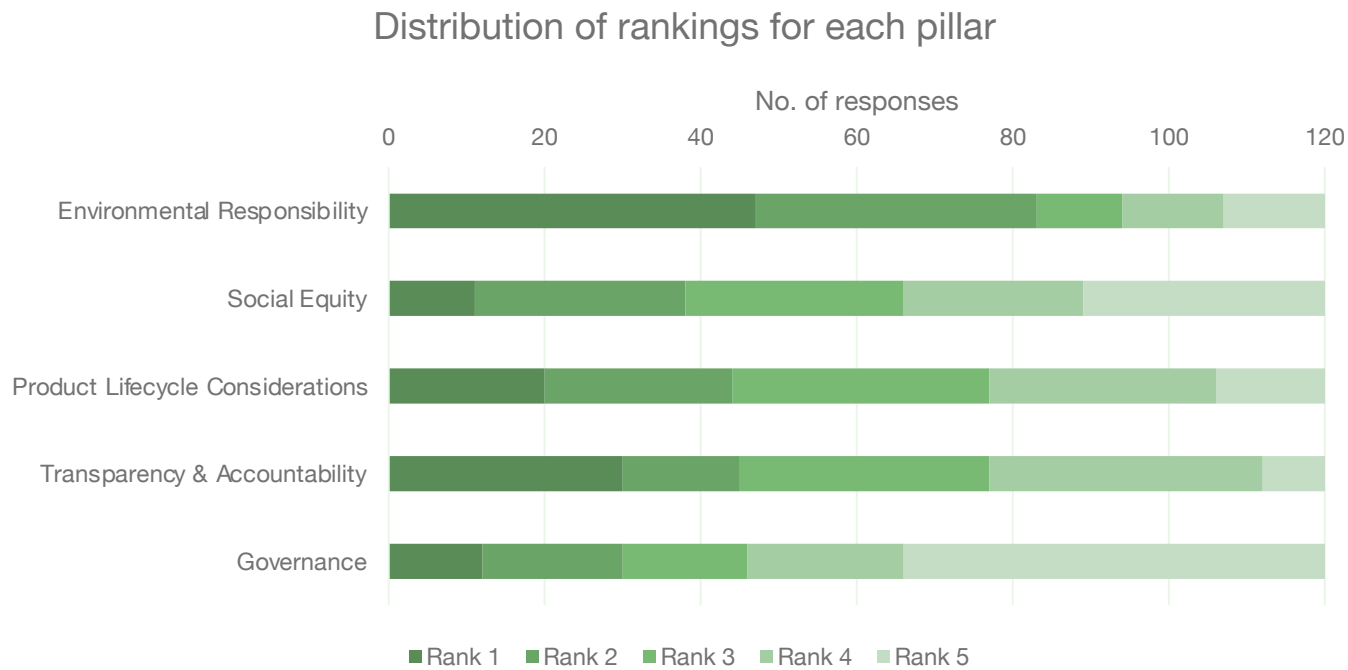
Leaders also see sustainability as a vehicle for **strategic differentiation & brand risk management**



Environmental responsibility is the most important sustainability pillar.

Followed by transparency & accountability, product lifecycle considerations and social equity.

Governance was consistently ranked as least important.



No significant difference in the rankings provided by suppliers and distributors.

Maturity Stages

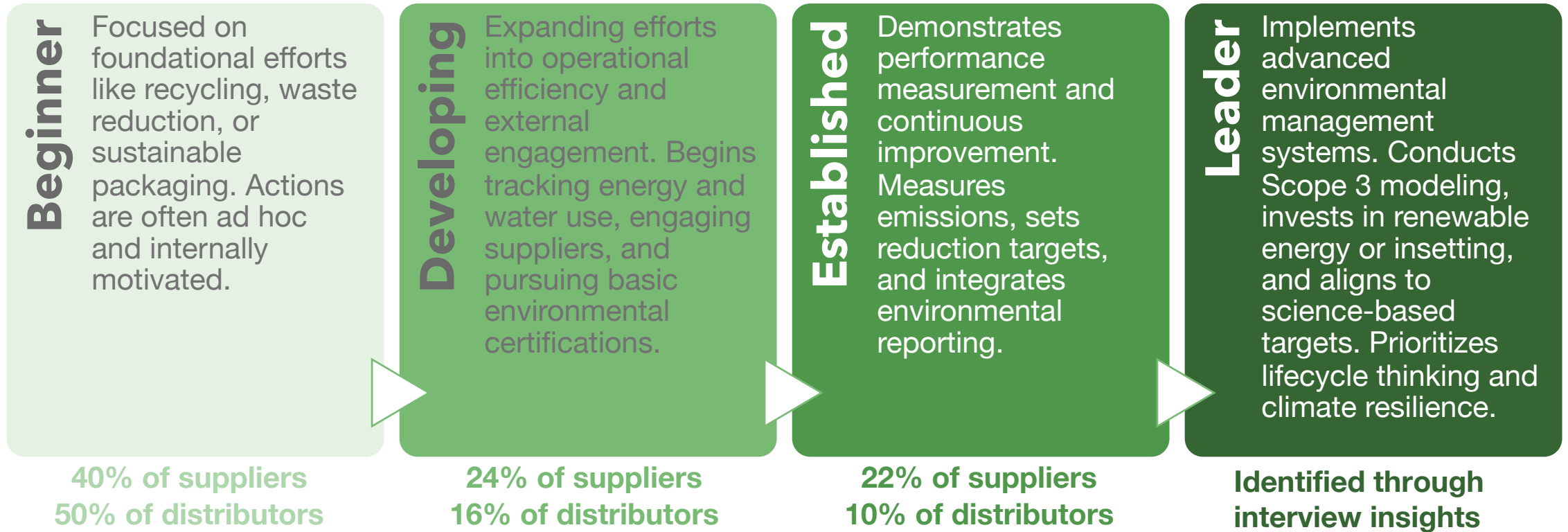
The Maturity Stages identify how advanced members' sustainability efforts are

Members are often at different stages of maturity across the sustainability pillars.



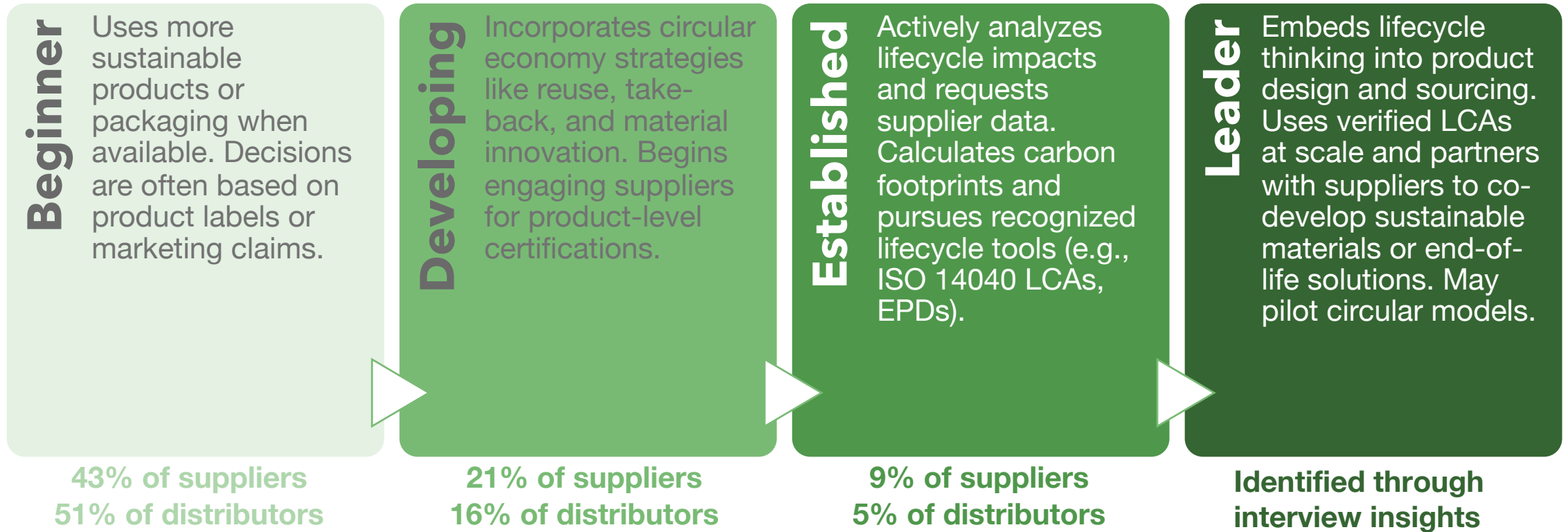
Member maturity pathway in Environmental Responsibility

This pillar shows the clearest path from tactical waste reduction toward strategic action on emissions, climate risk, and energy systems.



Member maturity pathway in Product Lifecycle Considerations

Members move from casual product swaps to data-driven product impact assessments, with leaders piloting circular models and supplier partnerships.



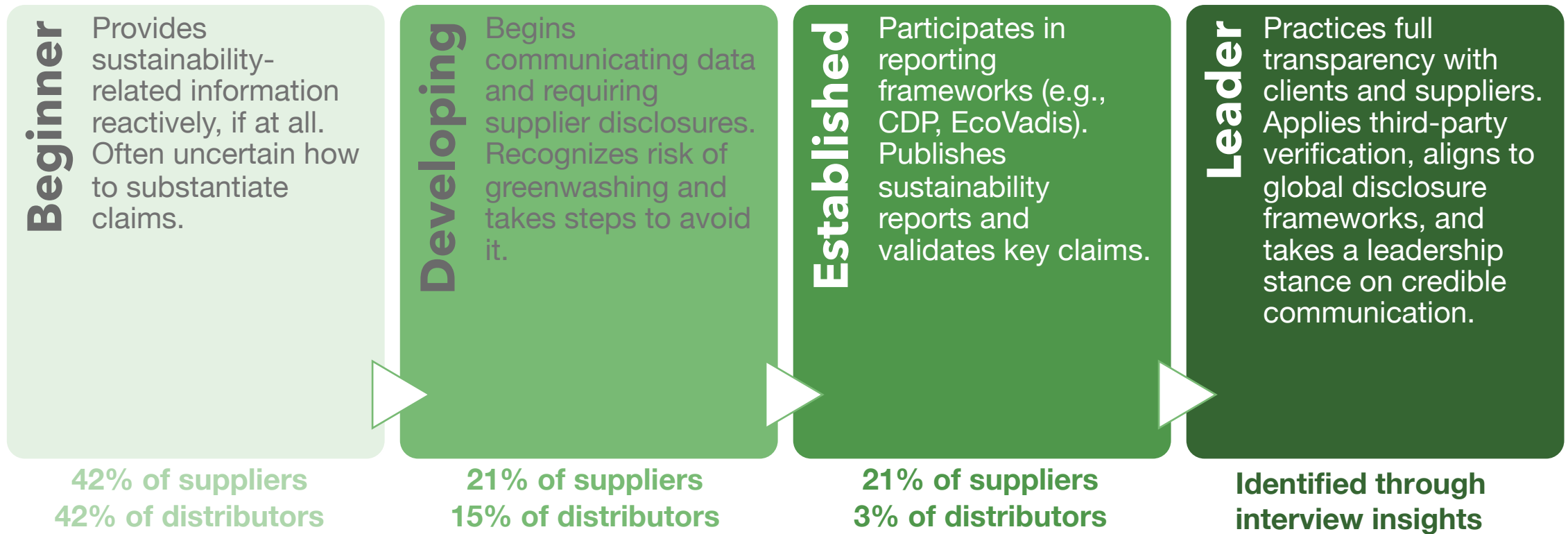
Member maturity pathway in Social Equity

Early-stage efforts focus on safety and giving, but mature companies embed equity in hiring, sourcing, and public accountability through JEDI frameworks.



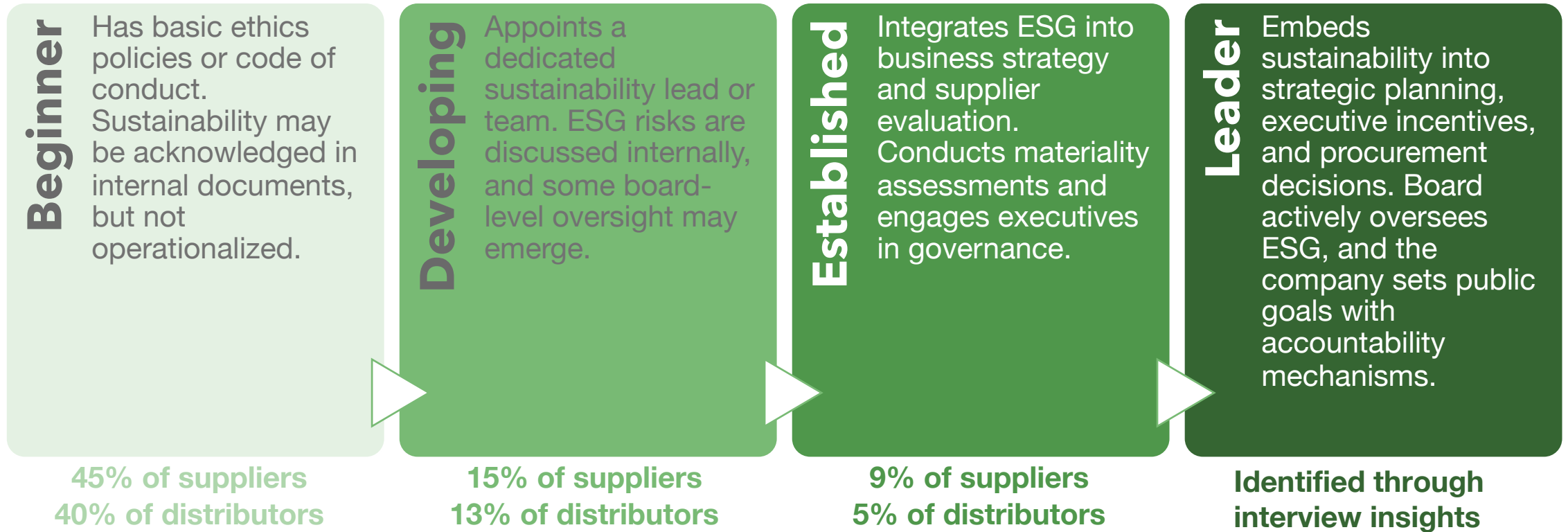
Member maturity pathway in **Transparency & Accountability**

Progression moves from uncertainty to structured disclosures and third-party validation, with leaders shaping norms around greenwashing and credible claims.



Member maturity pathway in Governance

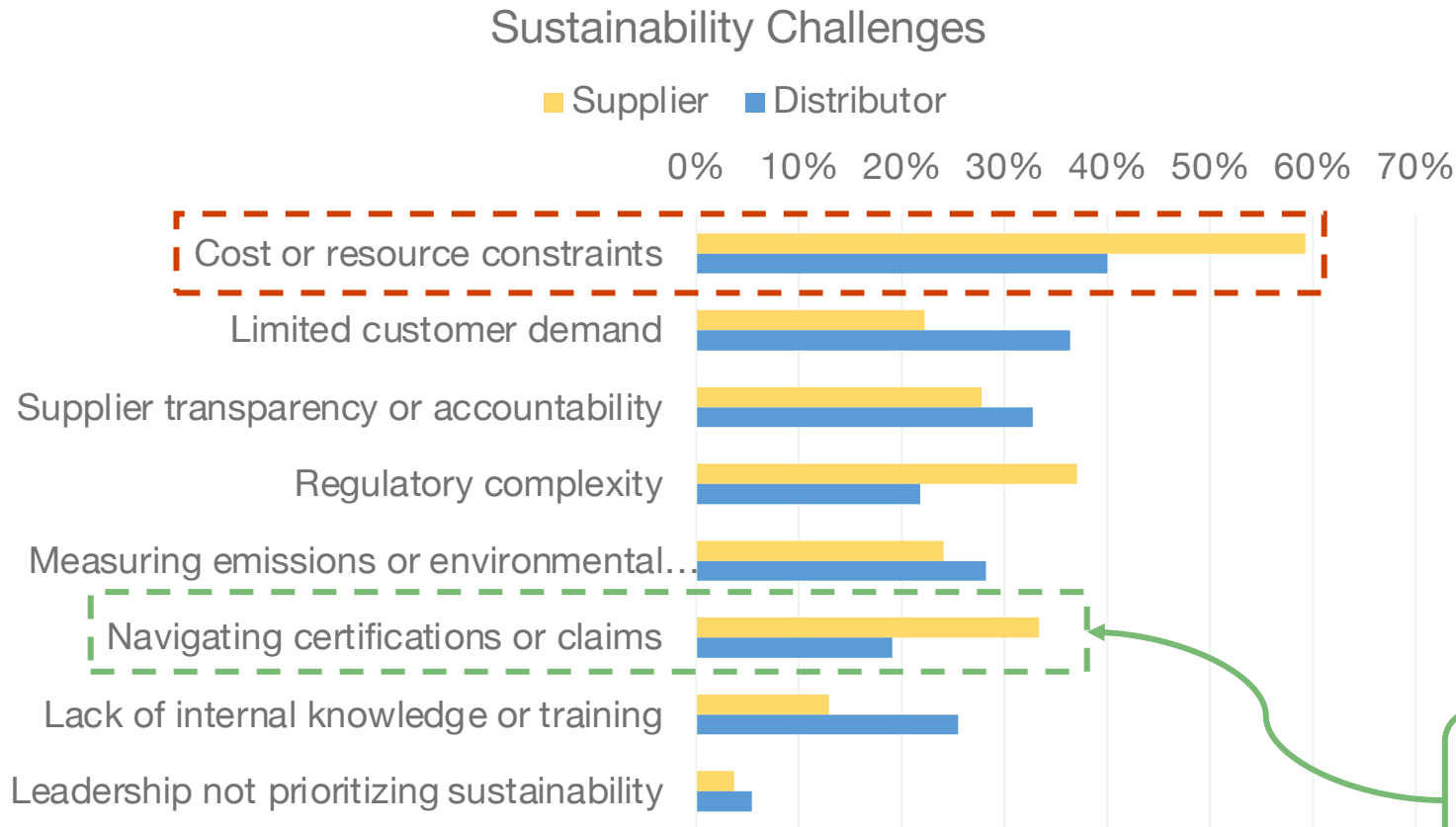
The journey begins with codes of conduct and ends with ESG embedded in strategic planning, procurement, and executive oversight.



Challenges & Needs

Resource constraints is often cited as the top barrier to advancing sustainability overall

Other top challenges differ between suppliers and distributors.



Other top challenges for suppliers:



Regulatory Complexity



Navigating Certification/Claims

Other top challenges for distributors:



Limited Customer Demand



Supplier Transparency/Accountability

Top Concern for Leaders

"Certifications help, but they're expensive, and the client doesn't always care."

For leaders, audit fatigue is a real concern

Companies face increasing demands for sustainability data and certifications—often duplicative and uncoordinated across customers.

- **Suppliers are overwhelmed by multiple client audits** (EcoVadis, CDP, HIG Index, etc.), often with similar but non-aligned questions.
- **Distributors sometimes request redundant or conflicting information**, adding to the burden on upstream partners.
- **Small and mid-sized suppliers are hit hardest**, lacking staff or systems to manage repeated disclosures.
- **Fragmentation leads to inefficiency and skepticism**, especially when customers don't act on the data once submitted.
- Interviewees called for **harmonization of audit and certification expectations** across the industry.

"We're doing EcoVadis, CDP, HIG FEM – over and over again."

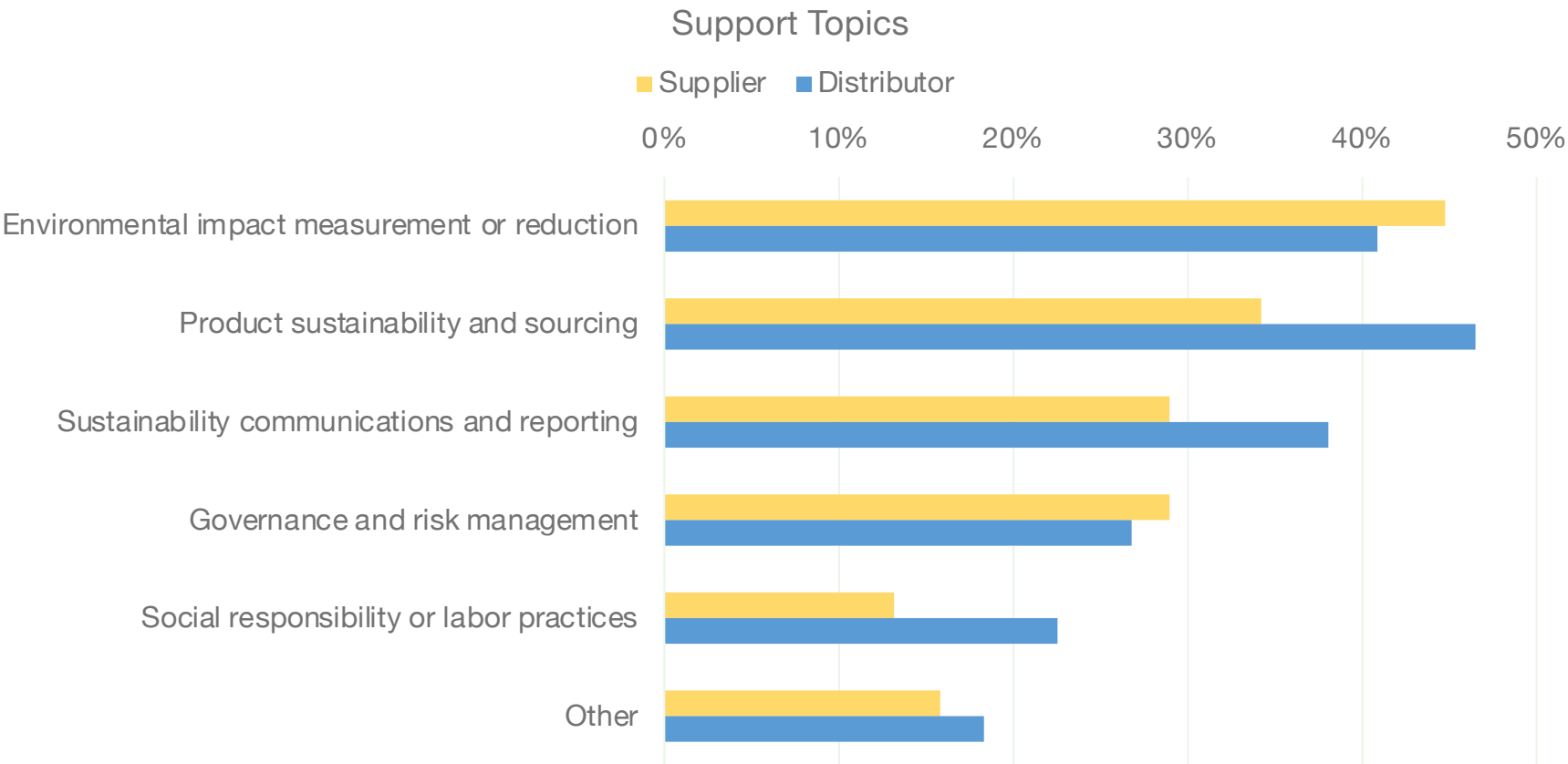


PPAI can play a unifying role by promoting shared tools, supplier questionnaires, or standardized disclosures to reduce audit duplication.

Environmental impact measurement and reduction is a key topics many companies want support with

For both suppliers and distributors

Product sustainability & sourcing, and sustainability communications & reporting are two other areas of support needed

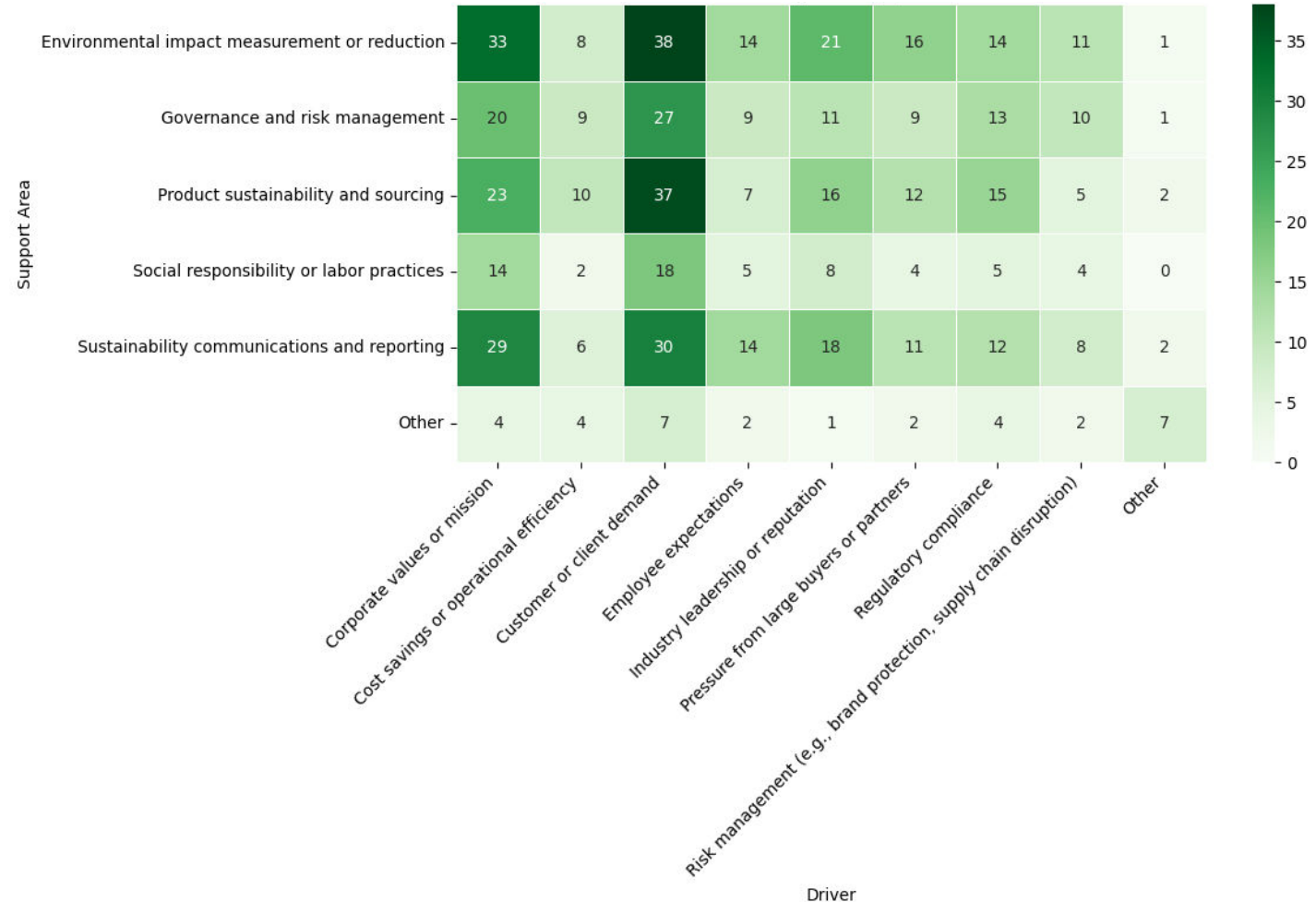


Customer/ client demand and corporate values are the main drivers of all the support needs from PPAI

Cross-analysis between support needs and drivers

- **Secondary drivers:**

- **Environmental impact measurement or reduction** is also driven by regulatory compliance
- **Sustainability communications and reporting** is linked to industry leadership or reputation
- **Product sustainability and sourcing** are frequently associated with pressure from large buyers or partners
- **Governance and risk management** are growing areas of concern for customers and clients.



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Maturity Stages

On average, suppliers undertake more sustainability activities than distributors

Suppliers may have a higher level of sustainability maturity

Definitions based on # of actions	Not engaged	Beginner	Developing	Established
<i>Environmental Responsibility</i>	No action	1-4	5-8	9-13
<i>Product Lifecycle</i>	No action	1-3	4-6	7-10
<i>Social Equity</i>	No action	1-3	4-6	7-8
<i>Transparency & Accountability</i>	No action	1-2	3-4	5-6
<i>Governance</i>	No action	1-2	3-4	5-7

Suppliers	Not engaged	Beginner	Developing	Established
<i>Environmental Responsibility</i>	15%	40%	24%	22%
<i>Product Lifecycle</i>	26%	43%	21%	9%
<i>Social Equity</i>	26%	43%	21%	9%
<i>Transparency & Accountability</i>	32%	42%	21%	6%
<i>Governance</i>	30%	45%	15%	9%

Distributors	Not engaged	Beginner	Developing	Established
<i>Environmental Responsibility</i>	25%	50%	16%	10%
<i>Product Lifecycle</i>	28%	51%	16%	5%
<i>Social Equity</i>	30%	54%	10%	5%
<i>Transparency & Accountability</i>	41%	42%	15%	3%
<i>Governance</i>	42%	40%	13%	5%

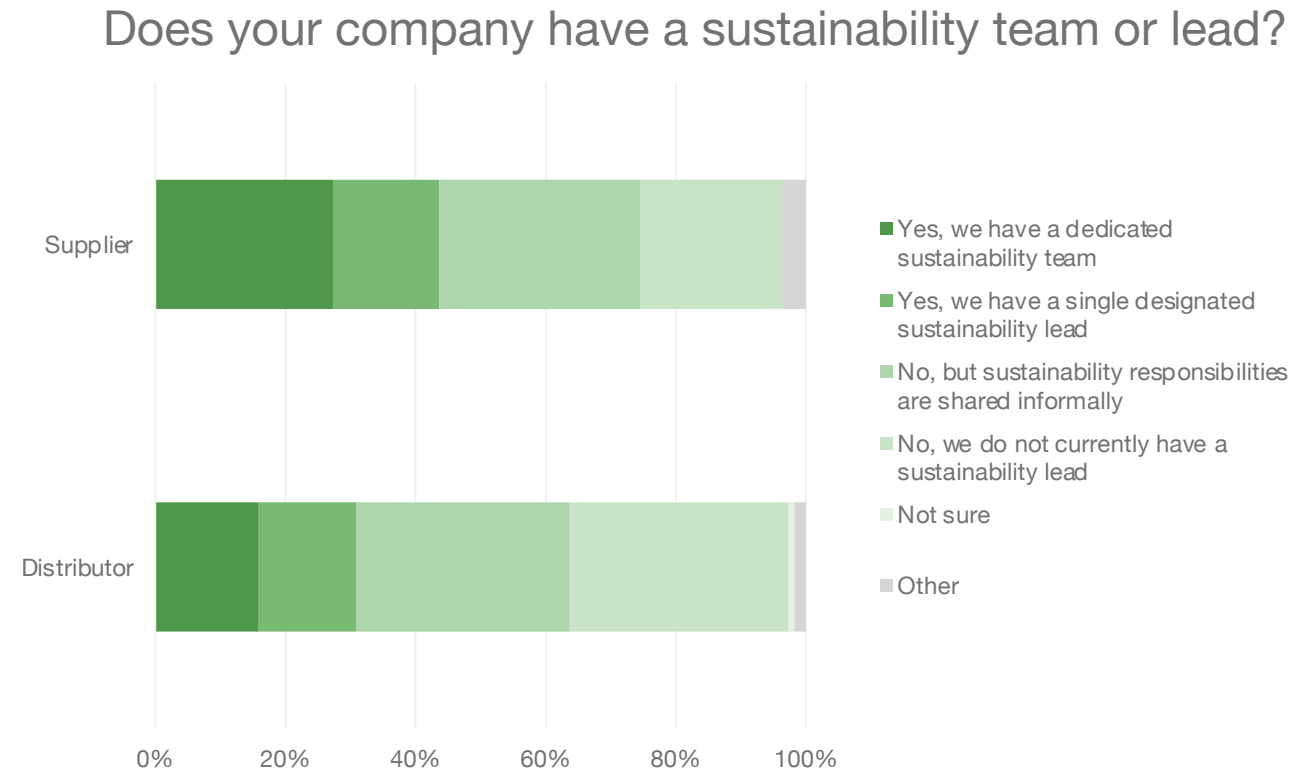
Sustainability Maturity Actions by Stage

Topic Area	Beginner	Developing	Established	Leader
Environmental Responsibility	- Waste reduction or recycling programs - Sustainable packaging efforts	- Energy efficiency improvements - Supplier engagement on environmental practices - Environmental donations or financial giving - Water conservation initiatives - Environmental certifications - Employee engagement or green teams - Sustainable transportation or logistics practices	- Renewable energy use or procurement - Environmental reporting - Measuring greenhouse gas emissions - Setting an emissions reduction target	- Setting science-based targets for emissions reduction - Measuring Scope 3 emissions - Engaging supply chain on climate action and other environmental topics
Product Lifecycle Considerations	- Sourcing more sustainable inputs and products - Sustainable packaging initiatives	- Take-back, reuse, or recycling programs - Sustainable product innovation - Third-party product certifications	- Ad hoc analysis of product lifecycle impacts - Requesting and using supplier-provided lifecycle or sustainability data - Calculation of product carbon footprint	- Full lifecycle assessments (LCA) according to a recognized standard (e.g., ISO 14040) - Certified Environmental Product Declarations (EPD) - Implements design-for-circularity strategies
Social Equity	- Ensuring fair wages and safe working conditions - Community engagement or giving	- Employee well-being programs - Supplier labor standards and audits - Tracking workforce diversity	- Social certifications or reporting - DEI training or initiatives	- Integrates JEDI (justice, equity, diversity, inclusion) principles - Conducts third-party human rights due diligence
Transparency & Accountability	No actions identified		- Communicating sustainability data or claims to stakeholders - Requiring suppliers to disclose sustainability-related information - Addressing risks of greenwashing	- Participating in environmental or social reporting frameworks - Publishing sustainability-related disclosures or reports - Validating ESG claims
Governance	Ethics or anti-corruption policy (e.g., code of conduct)	- Dedicated sustainability lead or team - Evaluation and management of risks related to sustainability - Executive or board-level ESG oversight	- ESG integrated into business strategy - ESG criteria in supplier evaluations - Undertaking of materiality or double materiality assessment	- Sustainability is fundamentally linked to business model - Links executive compensation to ESG performance
Actions taken by >50% of respondents		Actions taken by 25-50% of respondents	Actions taken by <25% of respondents	Identified through interview insights

Leadership structure reflects organizational commitment to sustainability

Influences how sustainability initiatives are implemented

- Suppliers show a higher proportion of dedicated sustainability teams.
- Distributors have a more even spread across categories, with many indicating shared responsibilities or no current lead.
- Both groups have a notable number of responses indicating no formal sustainability structure.



Tracking Certification Adoption among Suppliers and Distributors

Corporate sustainability certifications

- "None of the above" is the most common response (57% of suppliers and 70% of distributors), indicating many companies have not yet pursued formal certifications.
- "Other" is also frequent, suggesting a variety of certifications not listed in the predefined options or differences in common usage/ definition.
- 17 companies (8 suppliers & 9 distributors) have 2 or more recognized third-party certifications.
- Both suppliers and distributors report certifications like B Corp, 1% for the Planet and EcoVadis.
 - Distributors (all levels) have more EcoVadis certifications than suppliers (Bronze/Silver).
 - Distributors report more diverse certifications like Energy Star, Green Business Benchmark, and LEED.

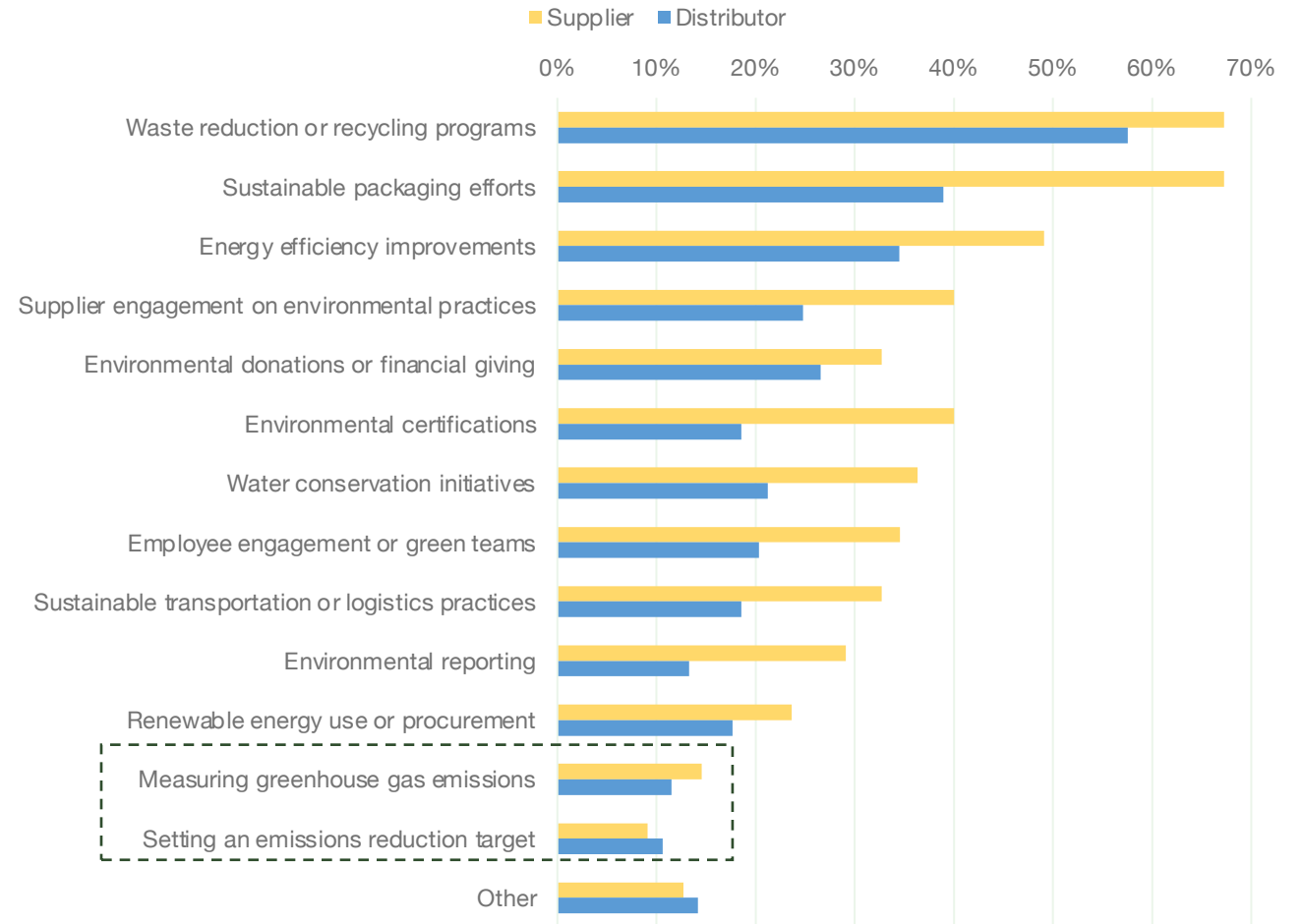
Certification	Supplier	Distributor
1% for the Planet	7	5
B Corp Certification	9	9
EcoVadis – Platinum		3
EcoVadis – Gold		1
EcoVadis – Silver	5	5
EcoVadis – Bronze	4	6
Green Business Benchmark – Gold		1
Green Business Benchmark – Bronze		3
ISO 14001	1	3
LEED	1	2
Energy Star		4
SA8000	1	2
Other	13	12

Environmental Responsibility

Suppliers are generally more active in environmental sustainability efforts than distributors

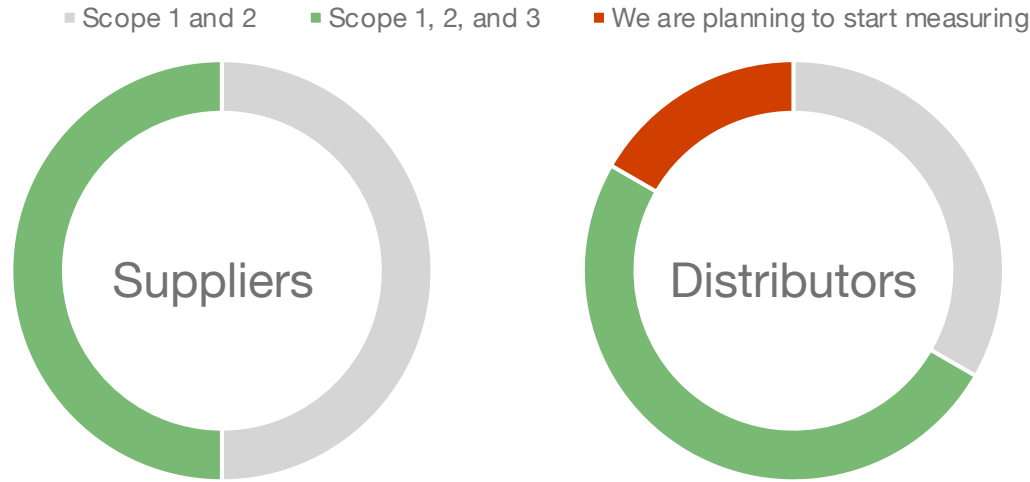
Environmental sustainability activities companies participate in

- **Most Common Activity:** Waste reduction and/or recycling programs are the most widely adopted by both groups - Suppliers: 67%, Distributors: 58%
- **Suppliers show higher participation than distributors in most categories, especially:**
 - Sustainable packaging efforts: 67% vs. 39%
 - Energy efficiency improvements: 49% vs. 35%
 - Renewable energy use: 24% vs. 18%
 - Employee engagement or green teams 35% vs. 20%
- **Low Participation Areas (for both groups):** These areas show low engagement, indicating potential opportunities for improvement.
 - Measuring greenhouse gas emissions
 - Setting emissions reduction targets
 - Environmental reporting

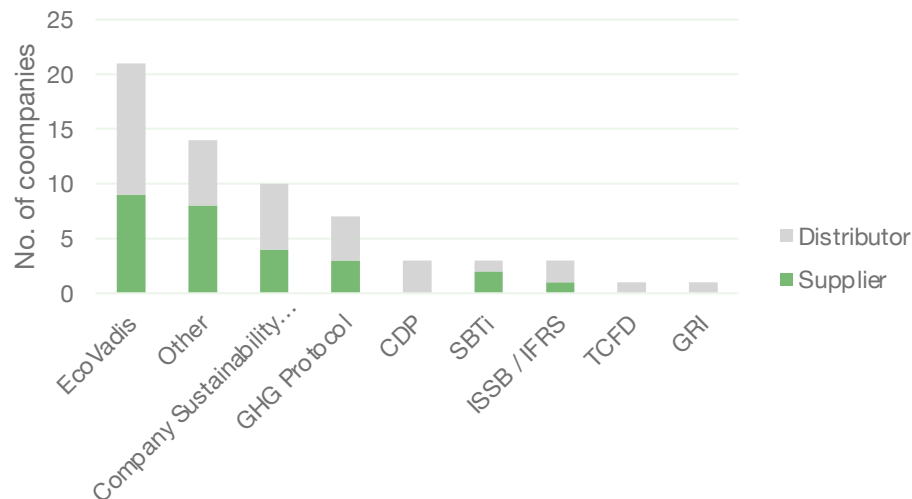
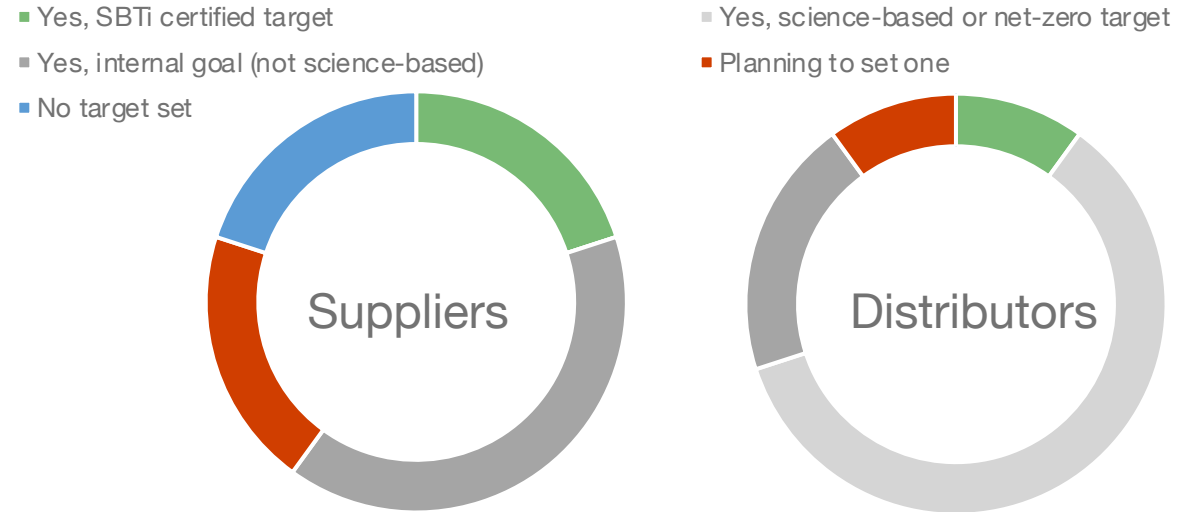


Measuring greenhouse gas emissions

- 15% of suppliers and 11% of distributors report acting on measuring greenhouse gas emissions.



- 9% of both supplier and distributors report acting on setting emissions reduction targets



Environmental Reporting

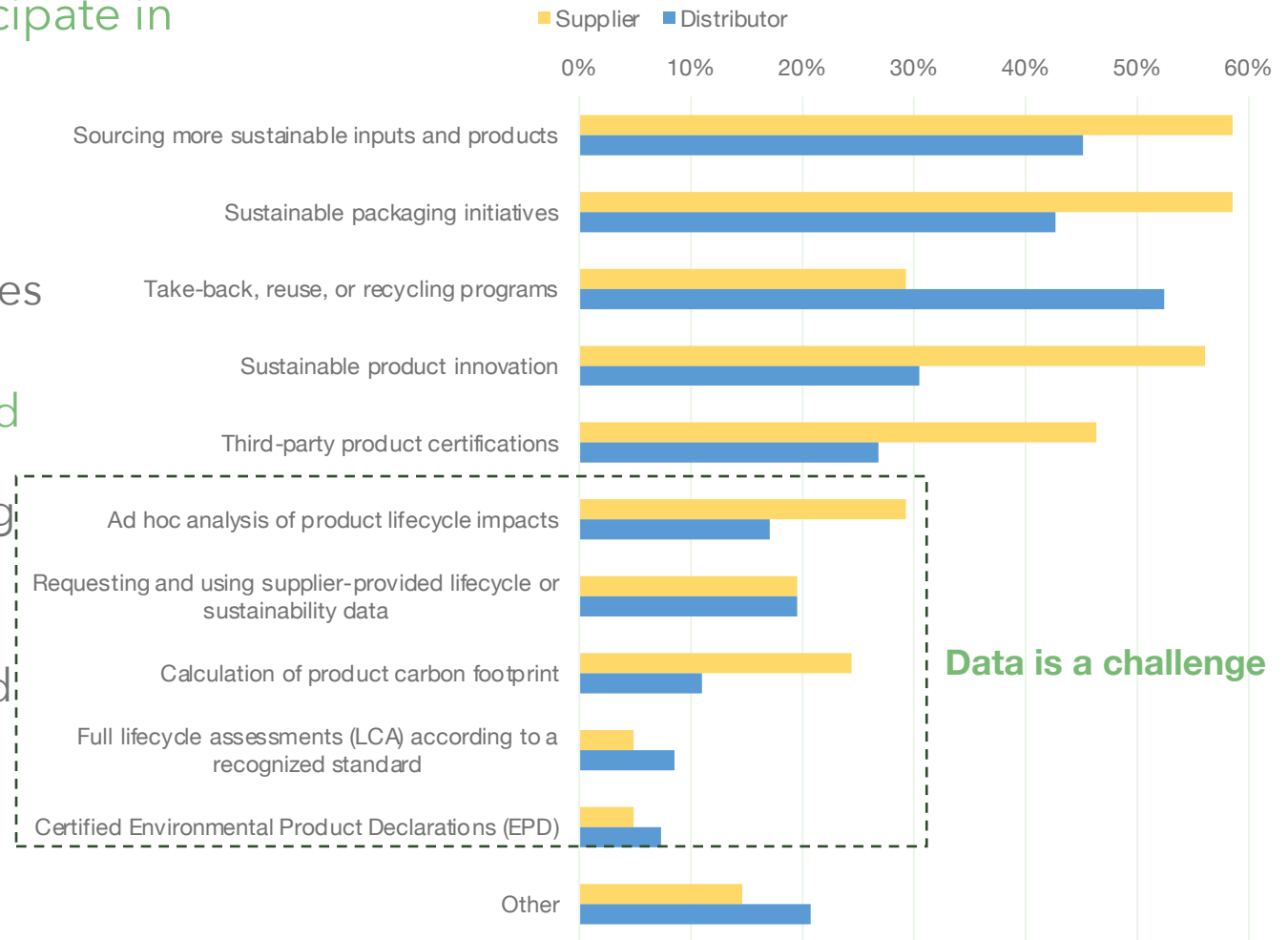
- 21% of respondents report participating in corporate-level environmental reporting or disclosure framework(s).
- EcoVadis is the most popular framework across both categories

Product Sustainability Considerations

Suppliers are generally more active in product sustainability efforts than distributors

Product sustainability activities companies participate in

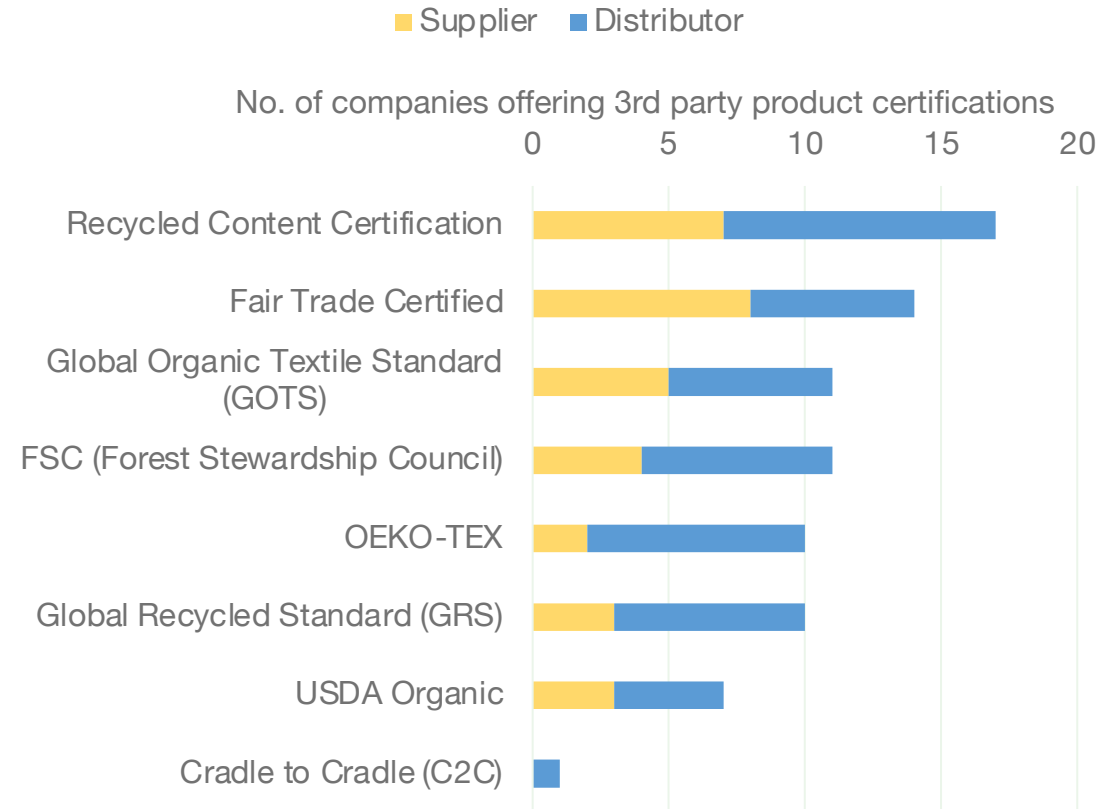
- Sourcing sustainable inputs and sustainable packaging initiatives are the most common practices.
- Take-back, reuse or recycling programs initiatives are taken by distributors
- Ad hoc analysis of product lifecycle impacts and carbon footprint calculations are moderately adopted, indicating a growing but still maturing approach to data-driven sustainability.
- Full lifecycle assessments and EPDs are least adopted. These require more rigorous data and standards (e.g., ISO 14040), which may explain the lower adoption.



Distributors tend to offer a broader range of third-party product certifications more frequently.

Product certifications are offered by 46% of suppliers and 27% of distributors

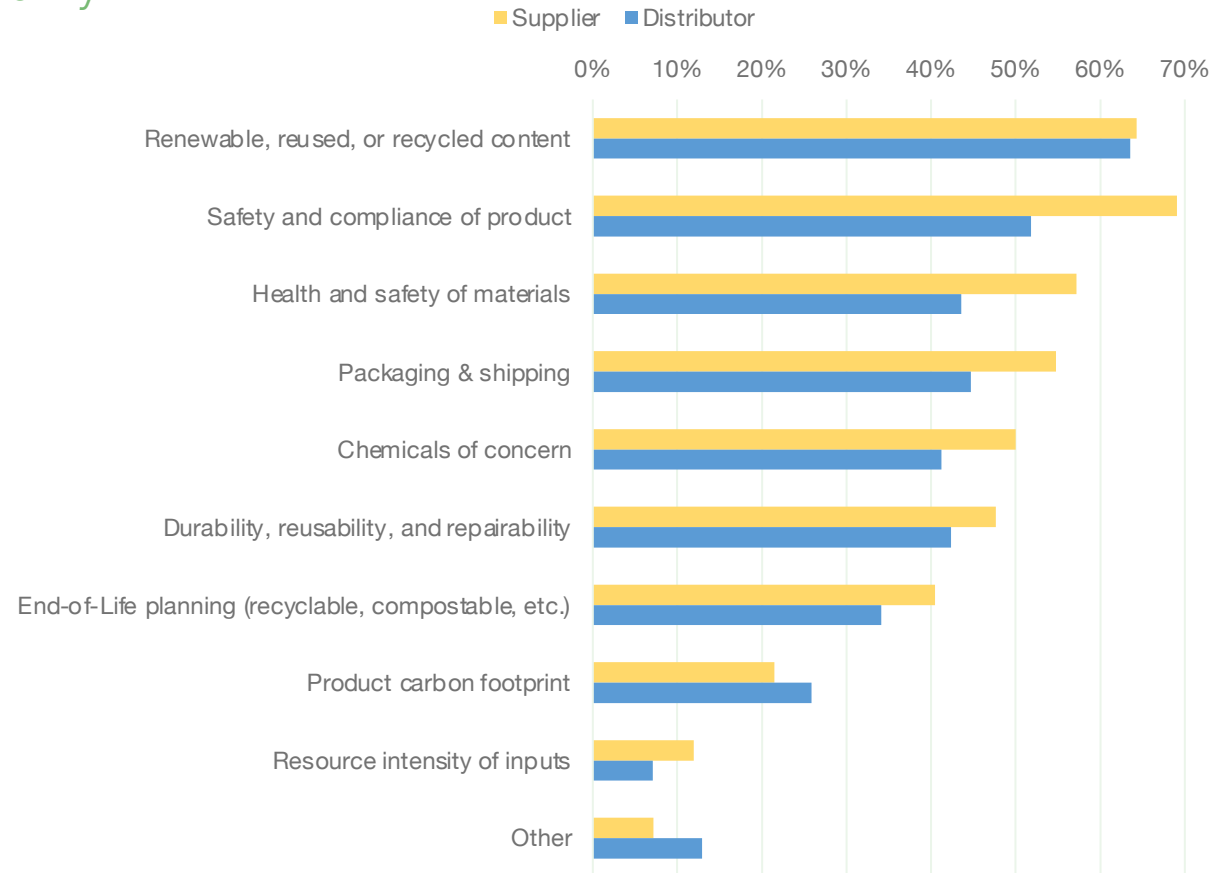
- Response rate = 24 % (follow-up question)
- 19 companies offer more than 1 product certification.



Renewable, reused, or recycled content is the most evaluated factor

Factors considered by companies to evaluate product sustainability

- **Carbon Footprint & Resource Intensity** are less commonly evaluated overall.
 - Distributors evaluate product carbon footprint more frequently than suppliers
- **Health and safety of materials and chemicals of concern** are more frequently evaluated by suppliers than distributors.
 - since suppliers are more involved in material selection and production processes.
- Though the use of **renewed, reused or recycled content** is prioritized by both suppliers and distributors, both categories do not show as much engagement in **end-of-life planning** of their products.



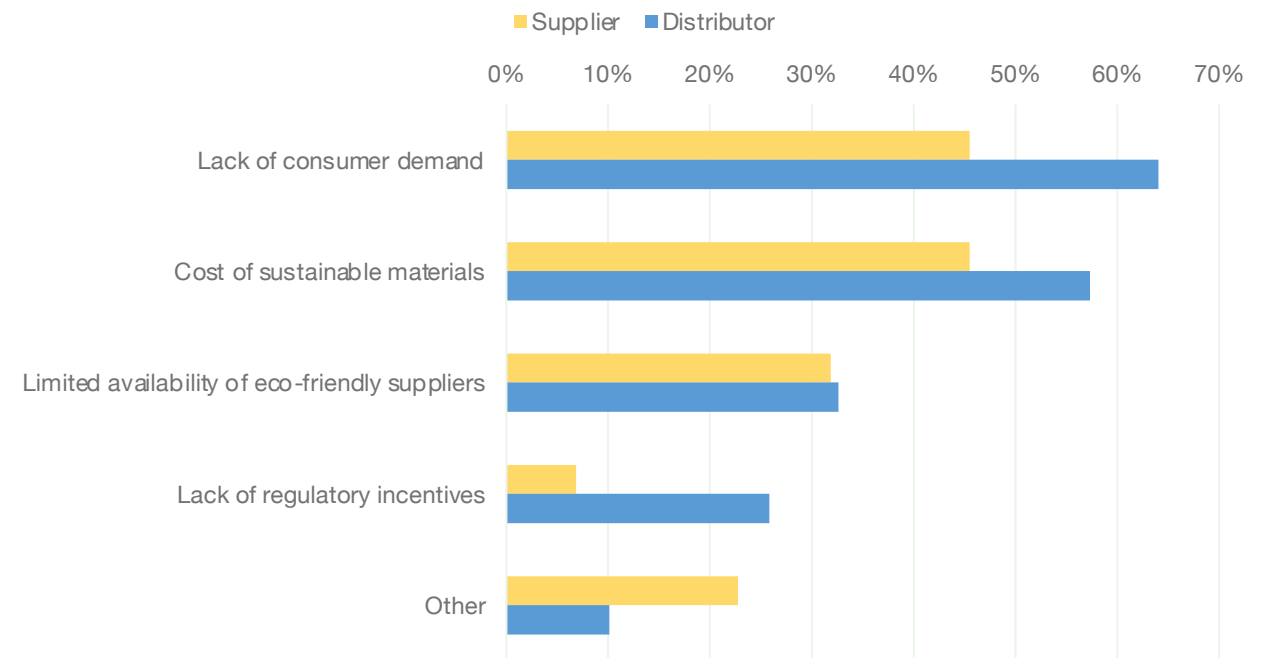
Differences between suppliers and distributors are more apparent in product sustainability

High costs of certifications, audits, and materials, combined with low consumer demand for sustainable products, leave a lot of room for progress in product sustainability.

- Lack of shared standards and fragmentation in how “sustainability” is interpreted across the industry
- Supply chain complexity and data scarcity, especially for distributors
- End users want low-impact options without price or aesthetic changes

“Our clients say they want sustainable products—until they see the quote.”

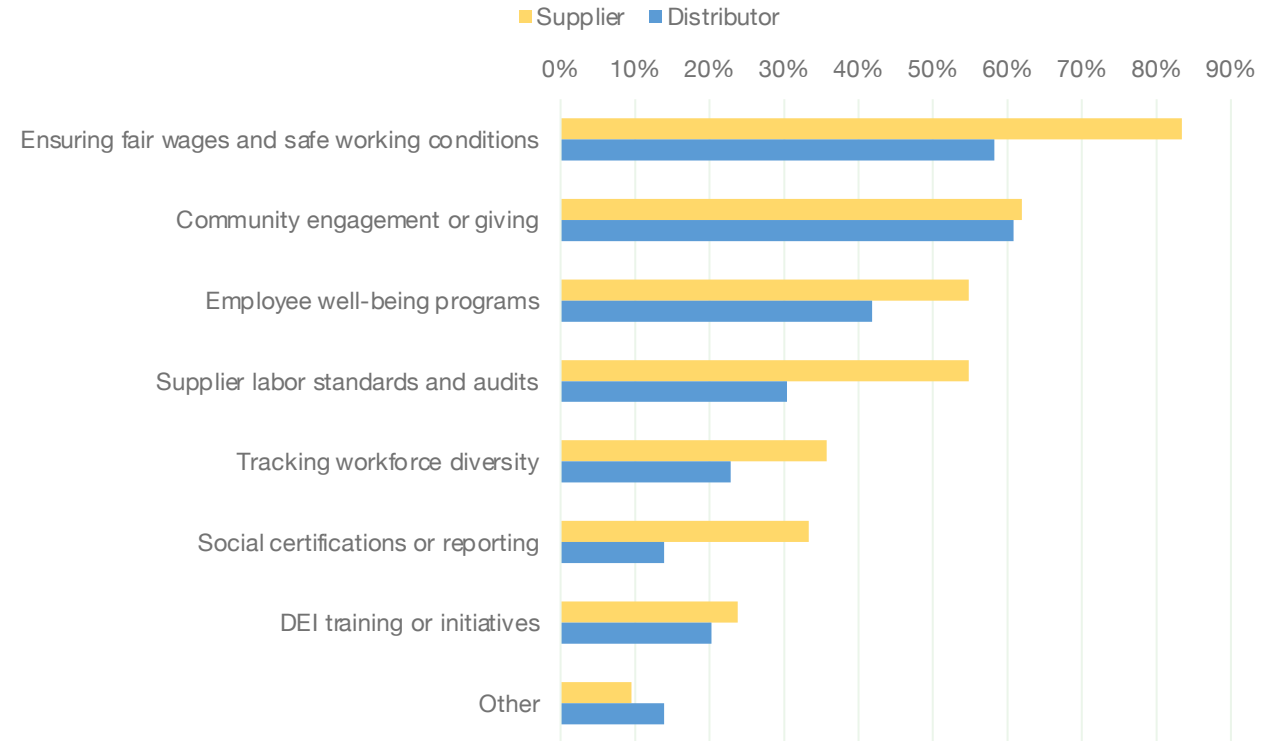
Barriers to Product Sustainability



Social Equity

Suppliers show higher engagement in social equity initiatives

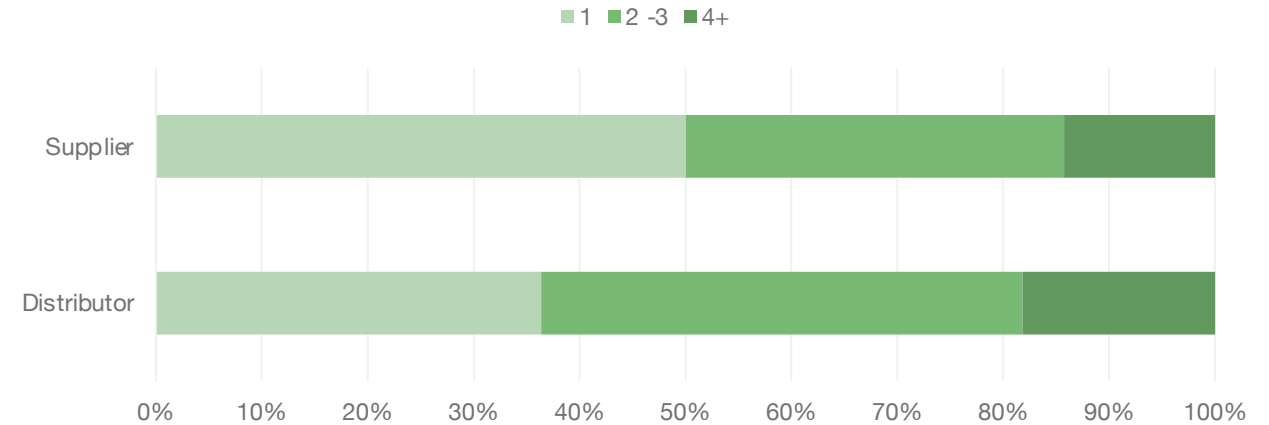
- **Fair wages and safe working conditions** top the list – suppliers 83% vs. distributors: 58%
 - Reflects a strong baseline commitment to ethical labor practices, especially among suppliers
- **Community engagement and/or giving** is widely and equally practiced among suppliers and distributors
- A notable gap in **supplier labor standards and audits**—suppliers: 55% vs. distributors: 30%
 - Suggests suppliers are more proactive in monitoring their own supply chains
- **Social certifications & reporting** are more common among suppliers (33%) than distributors (14%), indicating stronger formalization of social responsibility.
- **Workforce diversity tracking and DEI initiatives** have relatively lesser participation and are slightly more prevalent among suppliers.



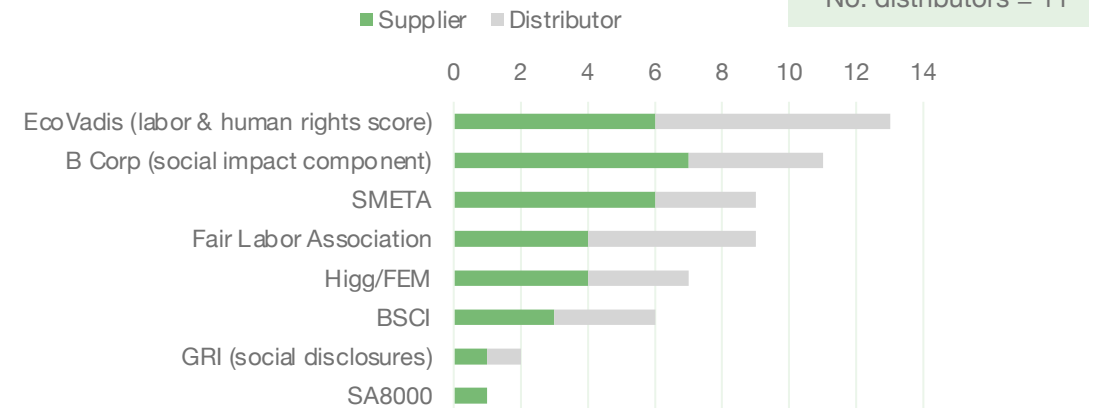
Social certifications and/or reporting companies participate in

- Participation in social certifications was low among respondents
- However, out of that group of participants, more than half (suppliers ~ 50%, distributors ~ 64%) have 2 or more social certifications.
- EcoVadis and B Corp are the most popular.
 - Aligned with corporate sustainability certifications companies participate in

No. of social certifications/ reporting frameworks companies participate in



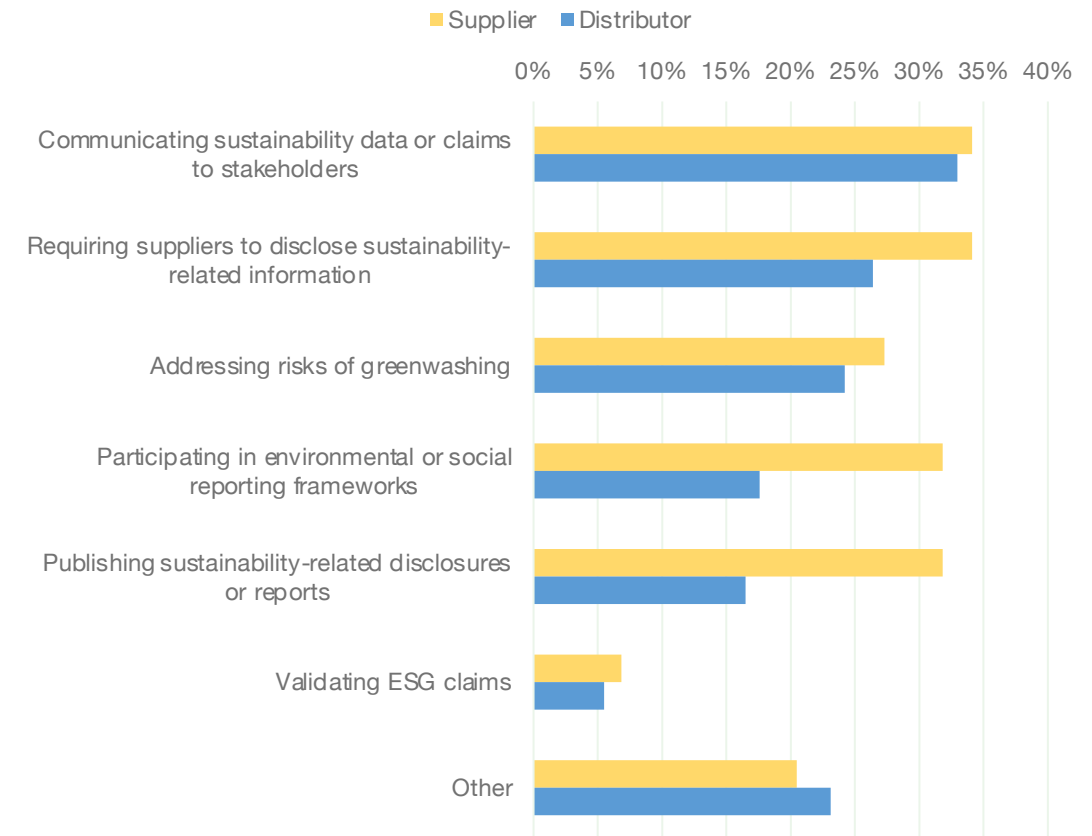
Social certifications/ disclosure frameworks by count of companies



Transparency & Accountability

More suppliers are transparent in sustainability reporting

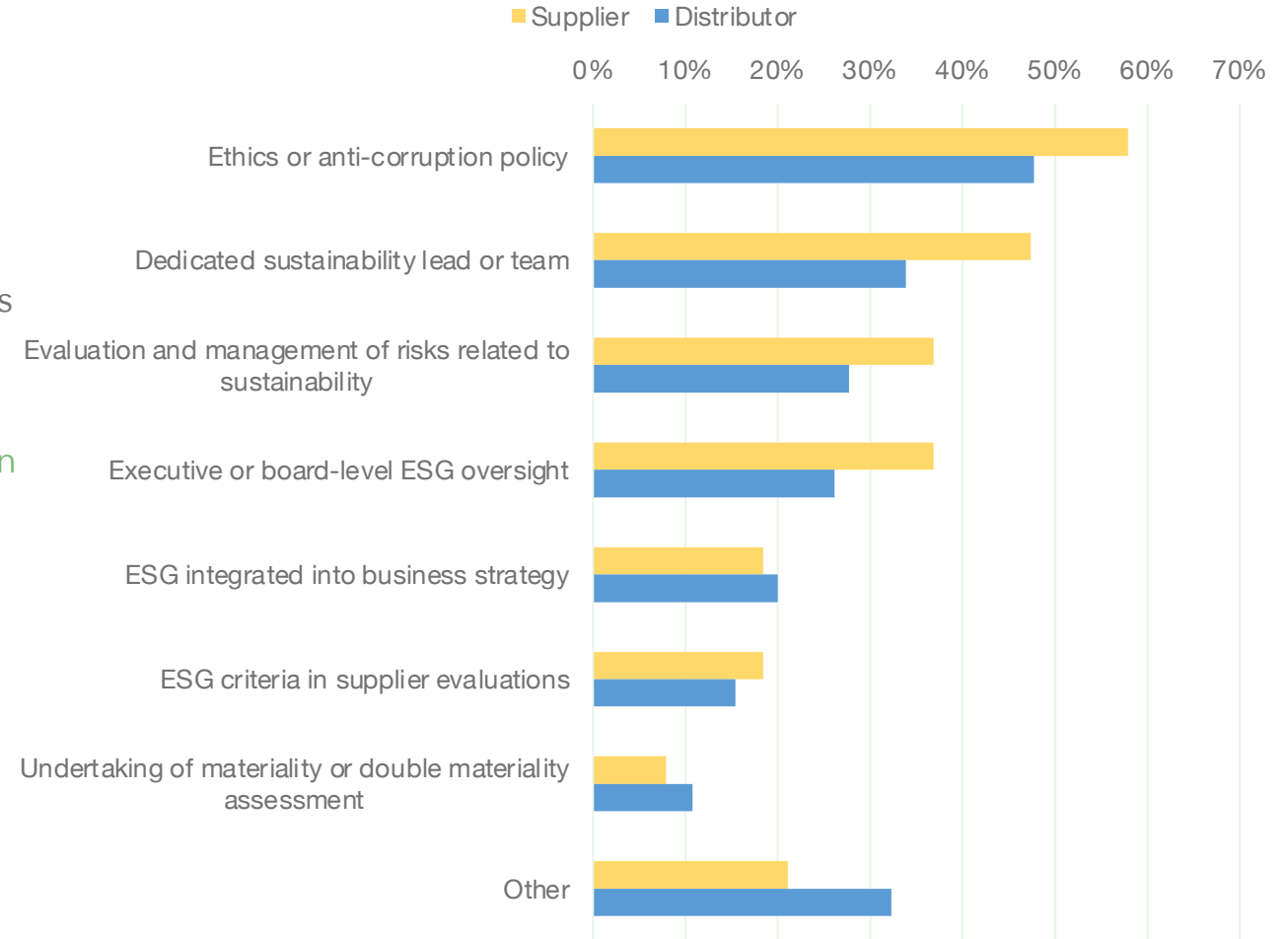
- **Communicating sustainability data or claims to stakeholders** is the most common practice – suppliers: 34% vs. distributors: 33%
- More than 20% of suppliers and distributors indicated they participate in “**other**” activities not captured in the survey.
- Participating in **environmental or social reporting frameworks** (32% vs. 18%), and **publishing sustainability-related disclosures or reports** (32% vs. 16%) show a significant gap between suppliers and distributors.
 - Indicates suppliers are more proactive
- Both groups are aware of addressing the risks of **greenwashing**.
- **Validating ESG claims** is still emerging and not widely adopted.



Governance

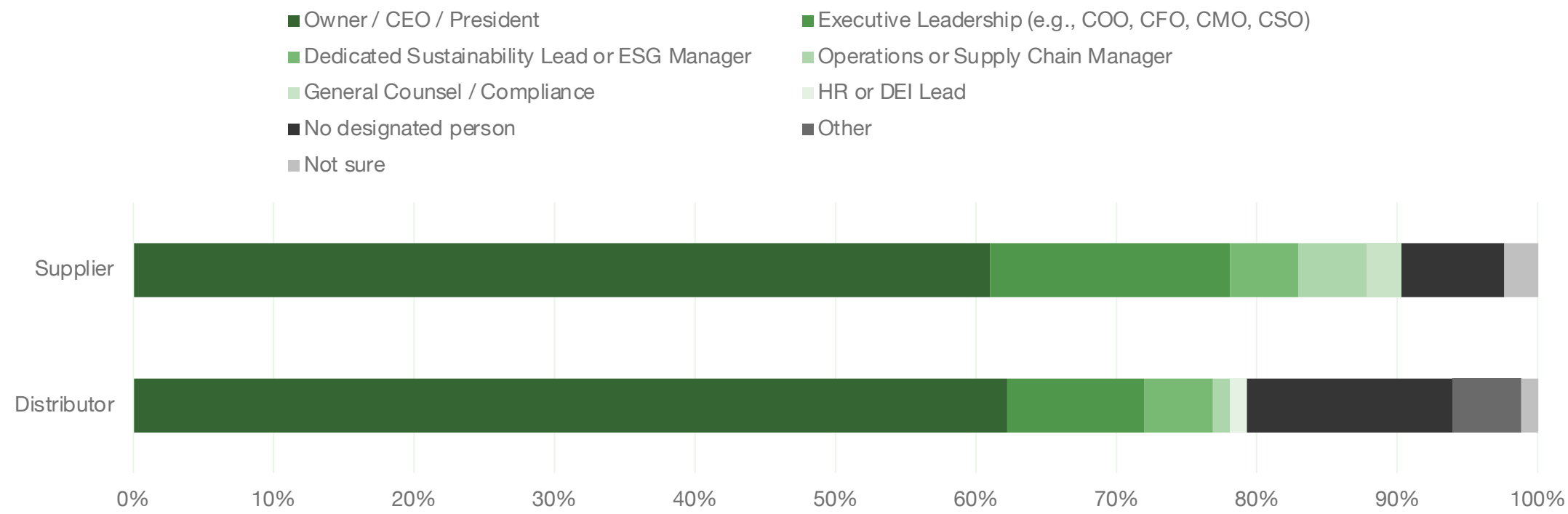
Having an ethics policy is a top governance action

- A **dedicated sustainability team or lead** (suppliers 47%, distributors 34%) indicates organization commitment to sustainability across both groups.
- A significant portion of both groups (suppliers 37%, distributors 28%) are **actively evaluating and managing risks**.
- **ESG is integrated into business strategy and supplier evaluation** for both groups to a smaller extent.
- **Undertaking materiality or double materiality assessments** is rare among both groups.
- Both groups indicate taking **“other” governance actions** not defined in the survey.



Governance practices are most often entrusted with the Owner/ CEO/ President.

For both suppliers and distributors



Support Needs

For small companies, barriers are high and needs are different

- **Lack of customer demand**
 - Price sensitivity — customers are unwilling to pay more for sustainable products
 - Reinforces the belief that sustainability is a "manufactured need" rather than a market-driven one
- **High costs & limited capacity**
 - Struggle to allocate time, staffing, or funding to sustainability initiatives
 - Without dedicated roles or external support, they find it difficult to engage meaningfully
 - Reinforces the trend where "the big keep getting bigger" and can afford to take action, while smaller firms fall behind.
- **Geography and Culture Affect Perceived Relevance**
 - Rural and regionally isolated businesses expressed that sustainability feels irrelevant to their local market context
 - In communities where sustainability is not visible or valued, it is deprioritized, regardless of personal beliefs.
- **Greater reliance on associations for support**
 - Underscores PPAI's role as an enabler and translator between sustainability requirements and member realities
 - Particularly relevant for distributors
- **Need for Simpler, Clearer Messaging**
 - Sustainability is perceived as too complex, politicized, or moralized
 - Want a "return" to simple, understandable actions rather than what is perceived as abstract and burdensome mandates
- **Some members are trying, even with minimal demand**
 - A few small businesses reported trying to prioritize sustainability based on personal values