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

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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

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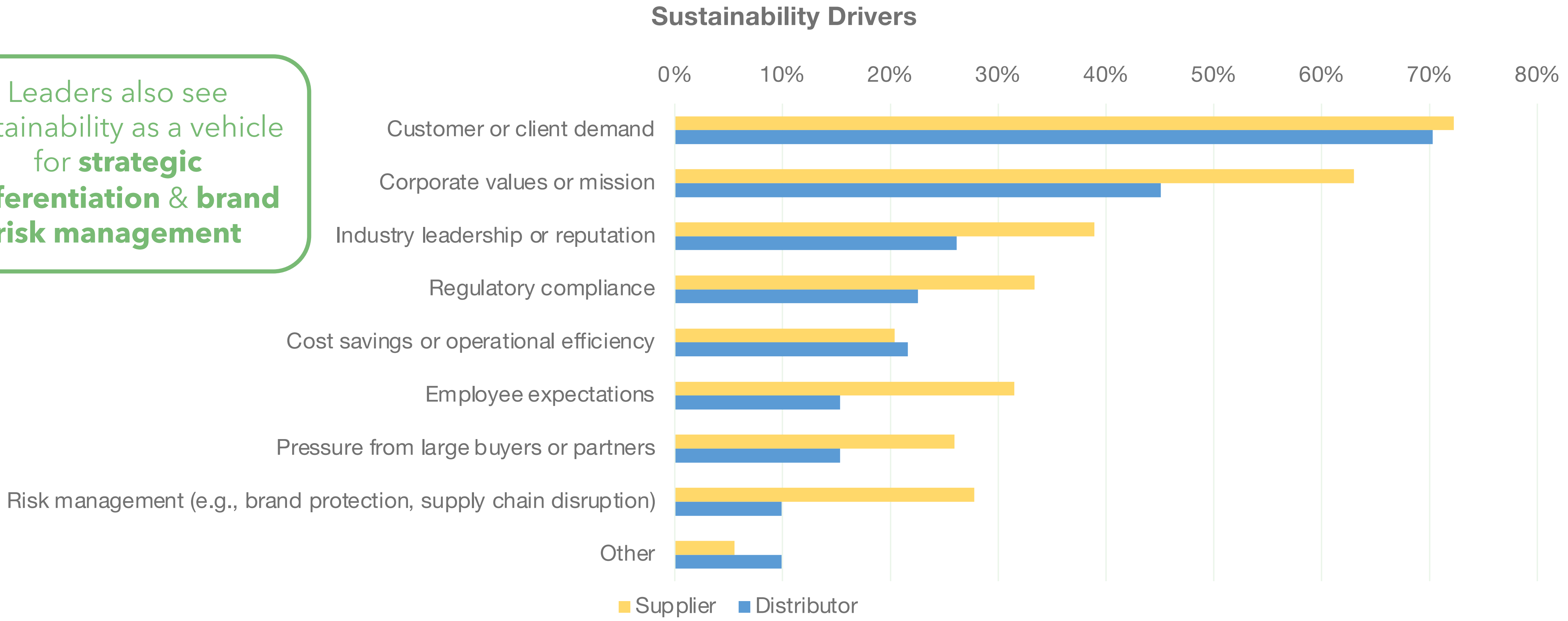
Drivers & Priorities

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

For both suppliers and distributors

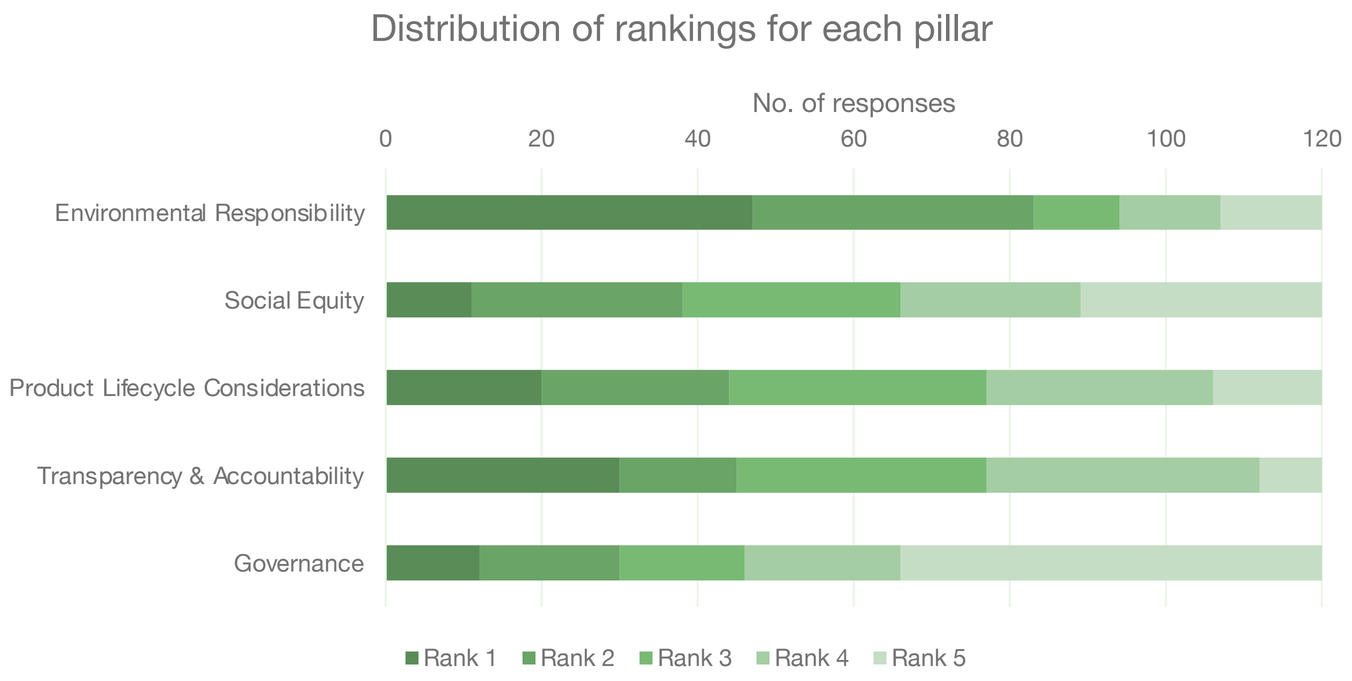
Leaders also see sustainability as a vehicle for **strategic differentiation** & **brand risk management**

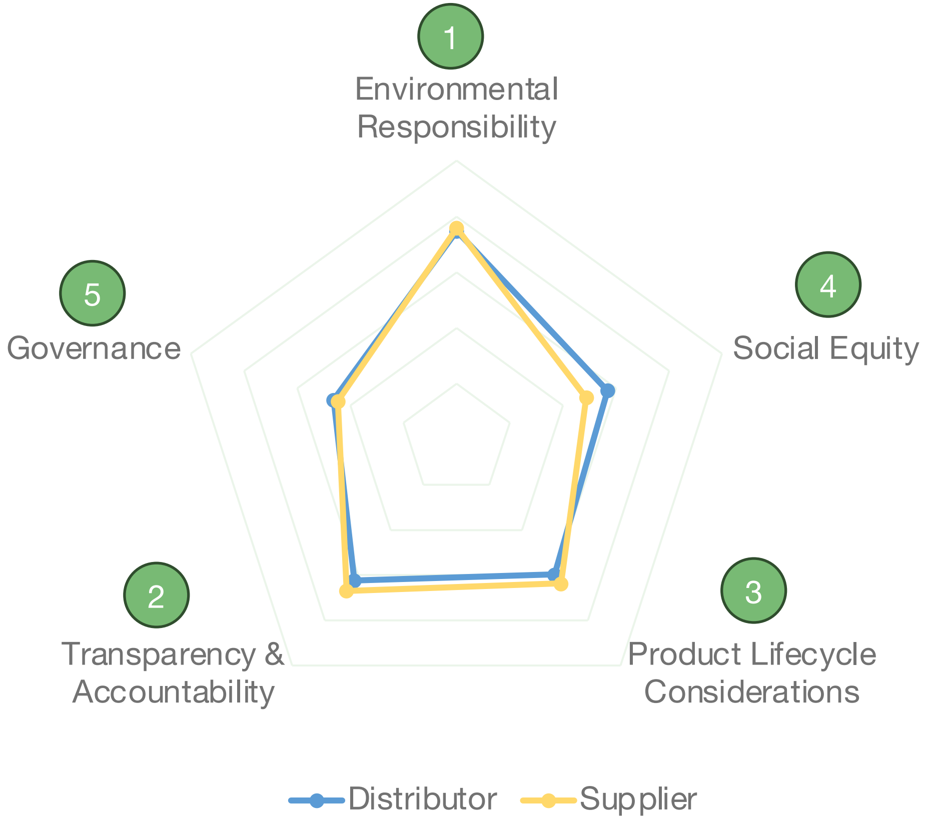


Environmental responsibility is the most important sustainability pillar.

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.

Beginner

Focused on foundational actions, generally starting with environmental responsibility. Activities are often informal or reactive.

Identified through survey data analysis

Developing

Expanding efforts into structured initiatives. Begins engaging suppliers and setting internal goals.

Identified through survey data analysis

Established

Implements formal systems, tracking, and reporting. Integrates sustainability into business operations.

Identified through survey data analysis

Leader

Demonstrates sector leadership through strategic ESG integration, innovation, external engagement, and verified performance.

Identified through interview insights

Suppliers tend to be more advanced than distributors as measured by the number of actions taken.

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.

Beginner

Focused on foundational efforts like recycling, waste reduction, or sustainable packaging. Actions are often ad hoc and internally motivated.

40% of suppliers
50% of distributors

Developing

Expanding efforts into operational efficiency and external engagement. Begins tracking energy and water use, engaging suppliers, and pursuing basic environmental certifications.

24% of suppliers
16% of distributors

Established

Demonstrates performance measurement and continuous improvement. Measures emissions, sets reduction targets, and integrates environmental reporting.

22% of suppliers
10% of distributors

Leader

Implements advanced environmental management systems. Conducts Scope 3 modeling, invests in renewable energy or insetting, and aligns to science-based targets. Prioritizes lifecycle thinking and climate resilience.

Identified through interview insights

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.

Beginner	Developing	Established	Leader
Uses more sustainable products or packaging when available. Decisions are often based on product labels or marketing claims.	Incorporates circular economy strategies like reuse, take-back, and material innovation. Begins engaging suppliers for product-level certifications.	Actively analyzes lifecycle impacts and requests supplier data. Calculates carbon footprints and pursues recognized lifecycle tools (e.g., ISO 14040 LCAs, EPDs).	Embeds lifecycle thinking into product design and sourcing. Uses verified LCAs at scale and partners with suppliers to co-develop sustainable materials or end-of-life solutions. May pilot circular models.
43% of suppliers **51% of distributors**	**21% of suppliers** **16% of distributors**	**9% of suppliers** **5% of distributors**	**Identified through interview insights**

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.

Beginner
Meets baseline expectations for fair wages and safe conditions, often through supplier codes of conduct. Engages in local community giving.

43% of suppliers
54% of distributors

Developing
Tracks internal equity metrics, supports worker well-being, and audits labor practices. Begins implementing supplier standards.

21% of suppliers
10% of distributors

Established
Conducts DEI training, formal reporting, and targeted initiatives. May hold suppliers accountable to third-party social standards.

9% of suppliers
5% of distributors

Leader
Integrates justice, equity, diversity, and inclusion (JEDI) into operations and strategy. Uses advanced human rights due diligence, supplier capacity-building, and public commitments to equity.

Identified through interview insights

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.

Beginner
Provides sustainability-related information reactively, if at all. Often uncertain how to substantiate claims.

42% of suppliers
42% of distributors

Developing
Begins communicating data and requiring supplier disclosures. Recognizes risk of greenwashing and takes steps to avoid it.

21% of suppliers
15% of distributors

Established
Participates in reporting frameworks (e.g., CDP, EcoVadis). Publishes sustainability reports and validates key claims.

21% of suppliers
3% of distributors

Leader
Practices full transparency with clients and suppliers. Applies third-party verification, aligns to global disclosure frameworks, and takes a leadership stance on credible communication.

Identified through interview insights

Member maturity pathway in Governance

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

Beginner
Has basic ethics policies or code of conduct. Sustainability may be acknowledged in internal documents, but not operationalized.

45% of suppliers
40% of distributors

Developing
Appoints a dedicated sustainability lead or team. ESG risks are discussed internally, and some board-level oversight may emerge.

15% of suppliers
13% of distributors

Established
Integrates ESG into business strategy and supplier evaluation. Conducts materiality assessments and engages executives in governance.

9% of suppliers
5% of distributors

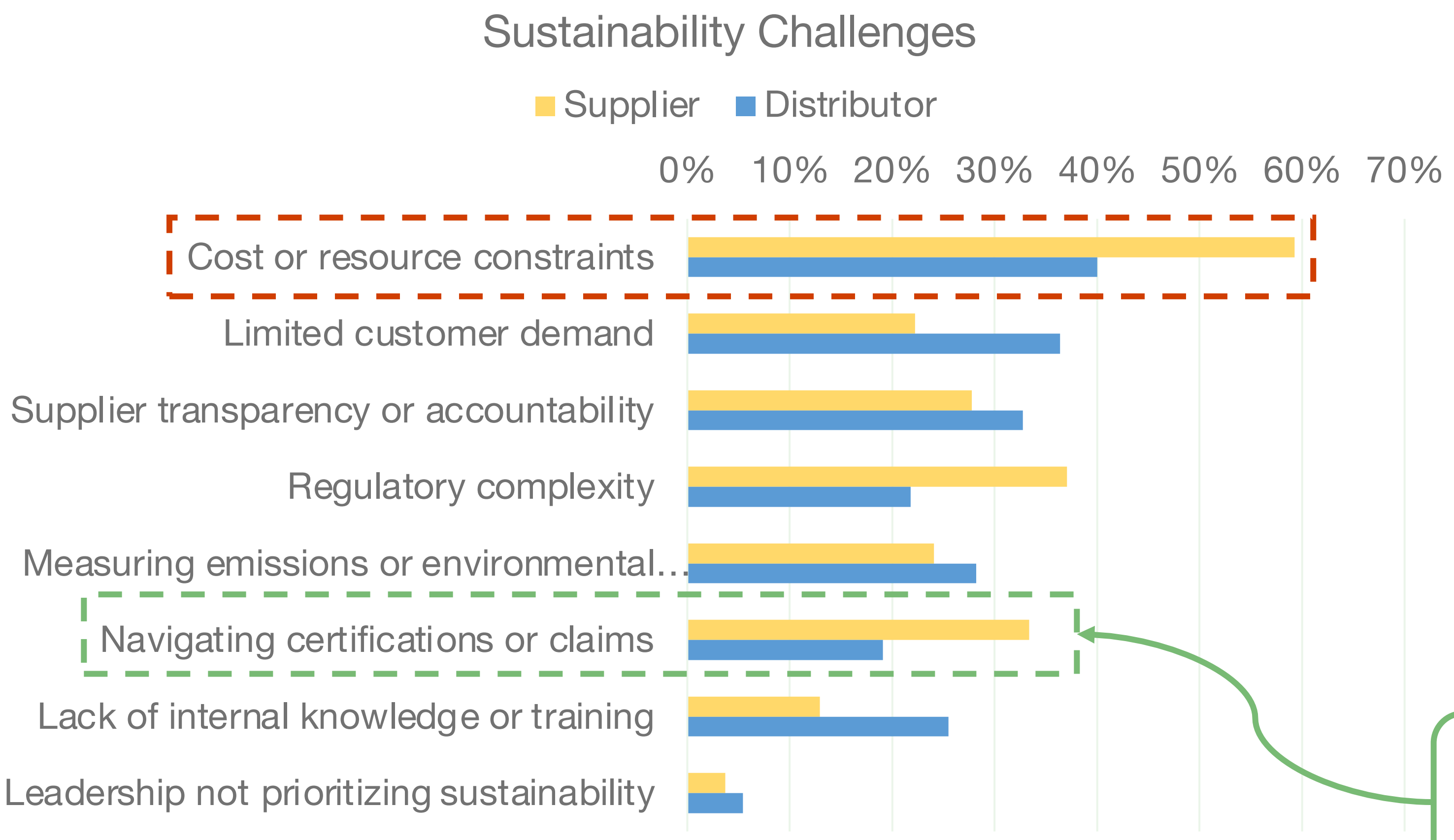
Leader
Embeds sustainability into strategic planning, executive incentives, and procurement decisions. Board actively oversees ESG, and the company sets public goals with accountability mechanisms.

Identified through interview insights

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.

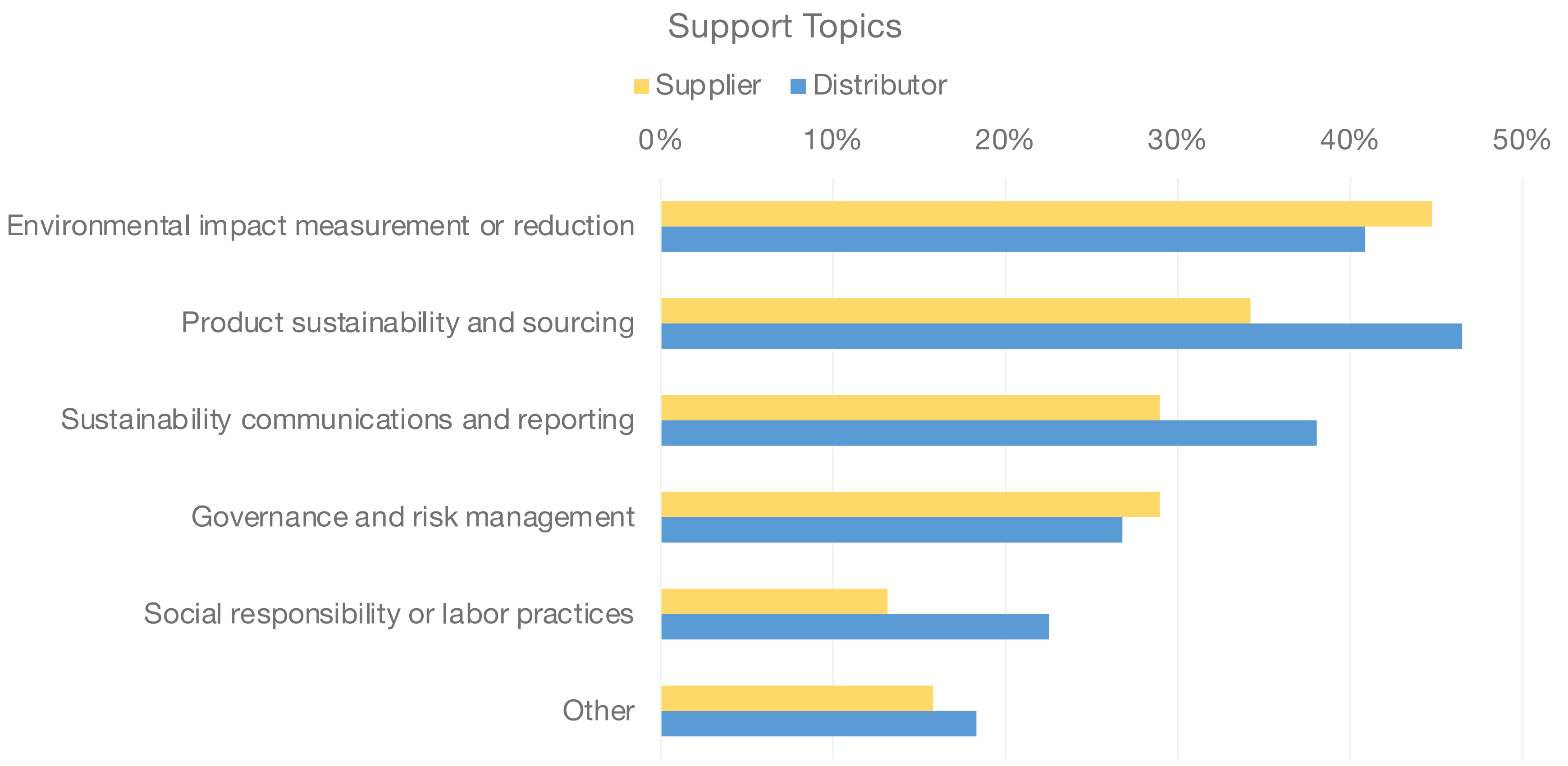
"We're doing EcoVadis, CDP, HIG FEM – over and over again."

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

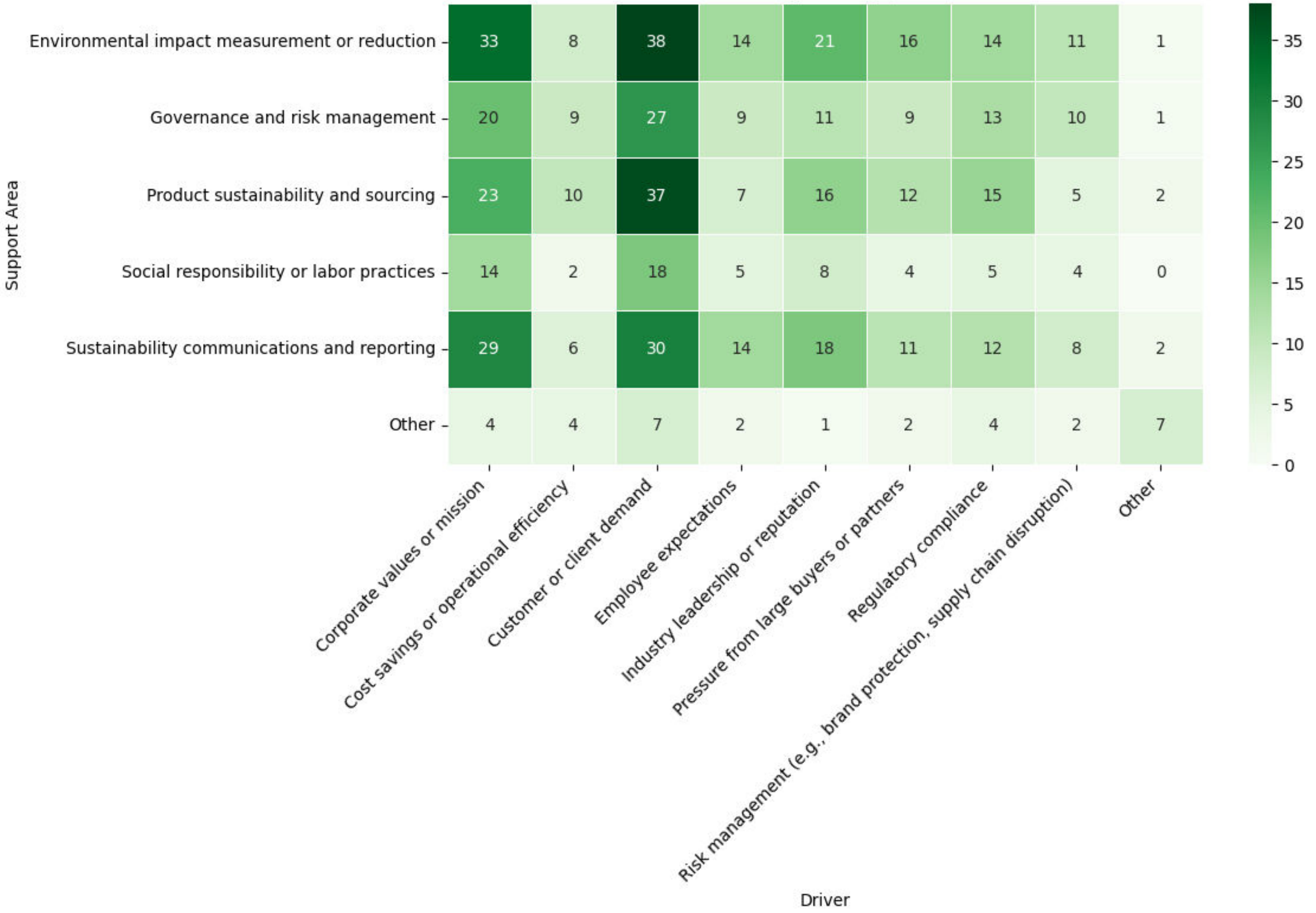
Product sustainability & sourcing, and sustainability communications & reporting are two other areas of support needed



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
Environmental Responsibility	No action	1-4	5-8	9-13
Product Lifecycle	No action	1-3	4-6	7-10
Social Equity	No action	1-3	4-6	7-8
Transparency & Accountability	No action	1-2	3-4	5-6
Governance	No action	1-2	3-4	5-7

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

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

Sustainability Maturity Actions by Stage

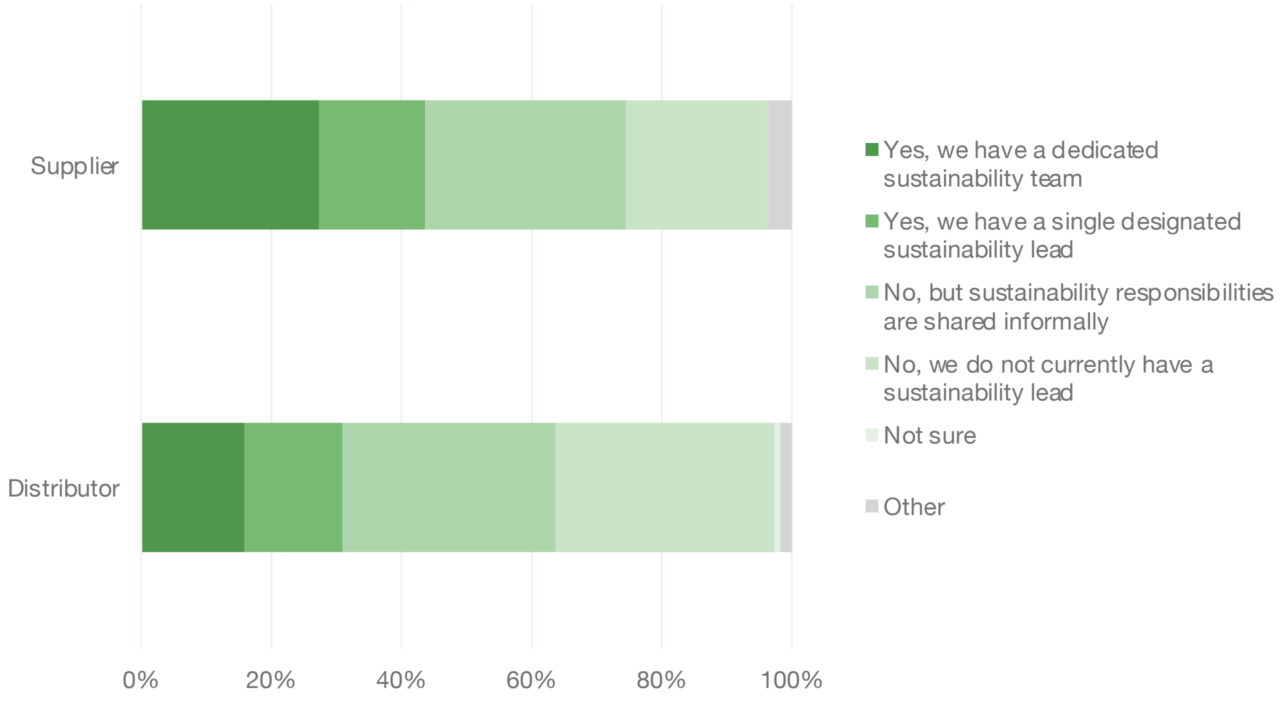
Topic Area	Beginner	Developing	Established	Leader
Environmental Responsibility	• Waste reduction or recycling programs • Sustainable packaging efforts	• Energy efficiency improvements • Supplier engagement on environmental practices • Environmental donations or financial giving • Water conservation initiatives • 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	• Participates in advanced reporting initiatives • Educates customers on greenwashing • Leads transparency coalitions or initiatives
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.

Does your company have a sustainability team or lead?



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.

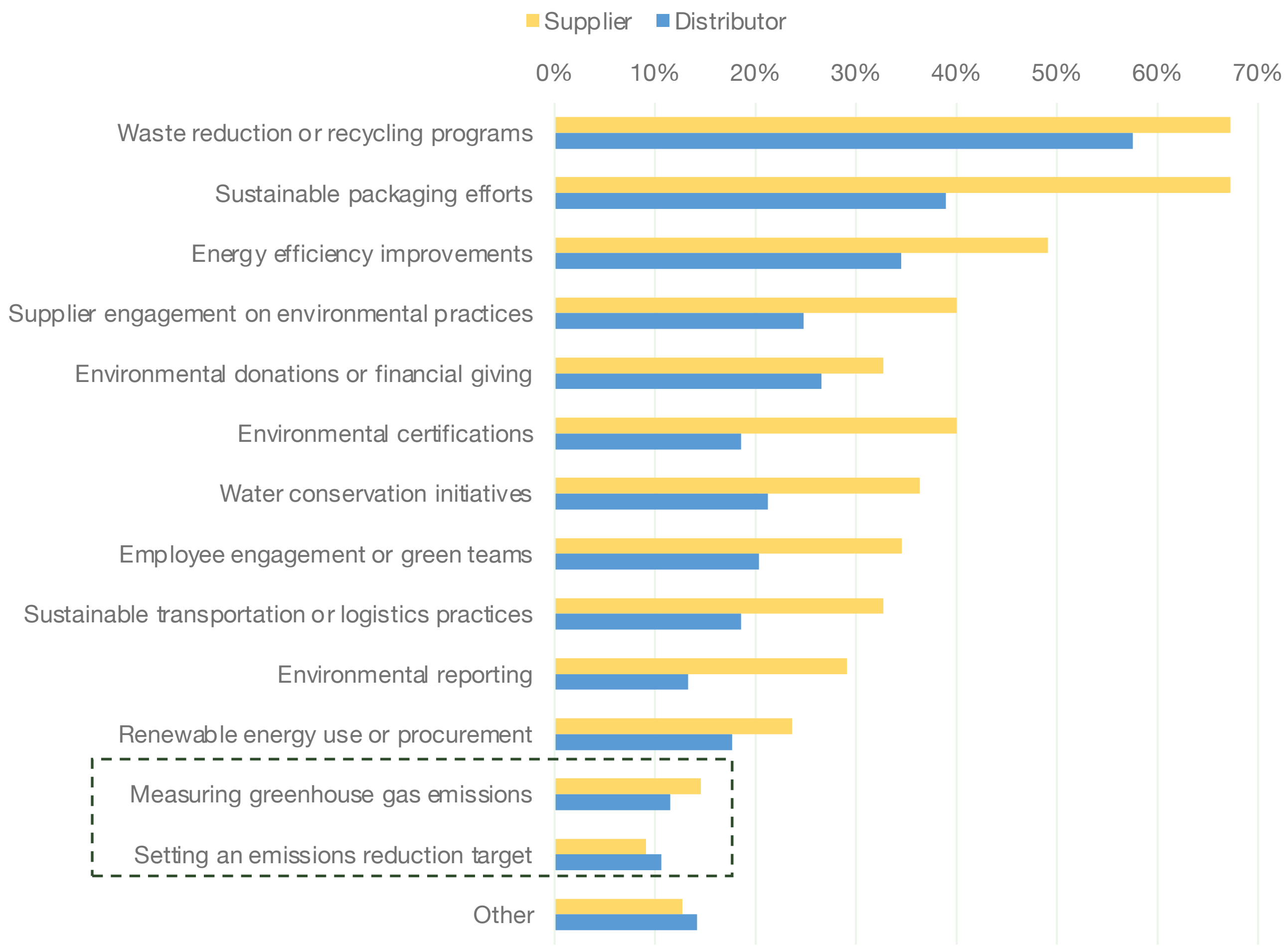
Certification	Supplier	Distributor
1% for the Planet	7	5
B Corp Certification	9	9
EcoVadis – Platinum		3
EcoVadis – Gold		1
EcoVadis – Silver	5	5
EcoVadis – Bronze	4	6
Green Business Benchmark – Gold		1
Green Business Benchmark – Bronze		3
ISO 14001	1	3
LEED	1	2
Energy Star		4
SA8000	1	2
Other	13	12

Environmental Responsibility

Suppliers are generally more active in environmental sustainability efforts than distributors

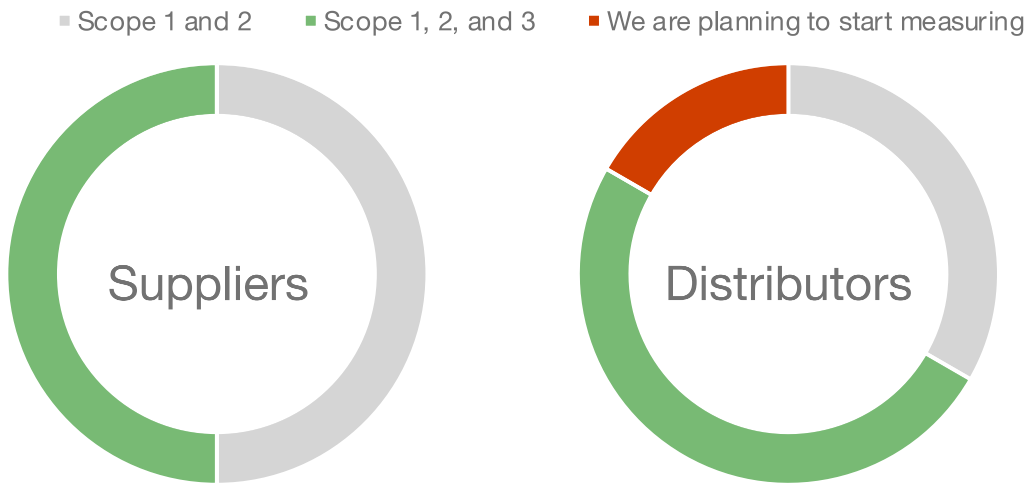
Environmental sustainability activities companies participate in

- **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

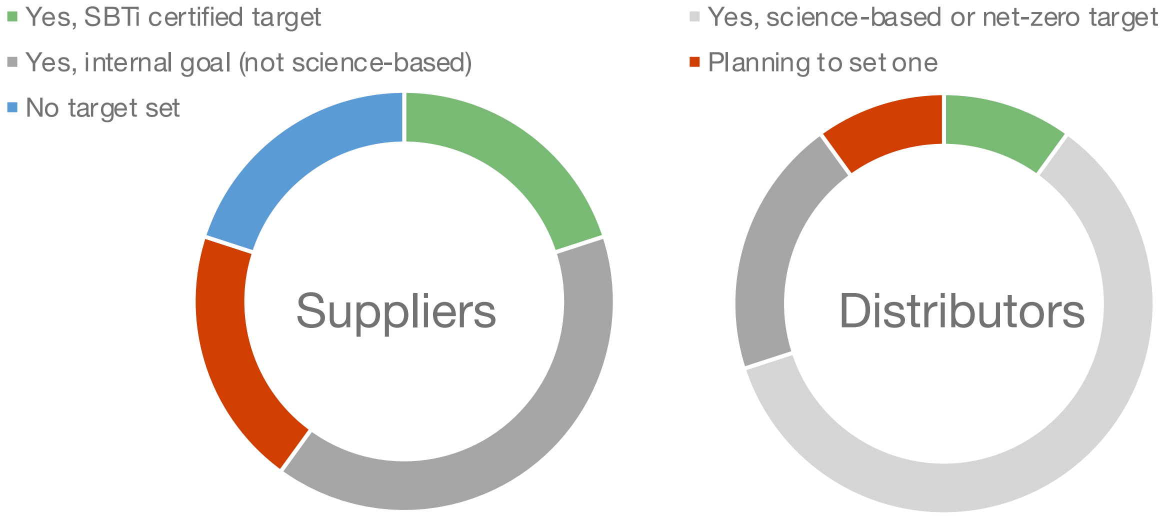


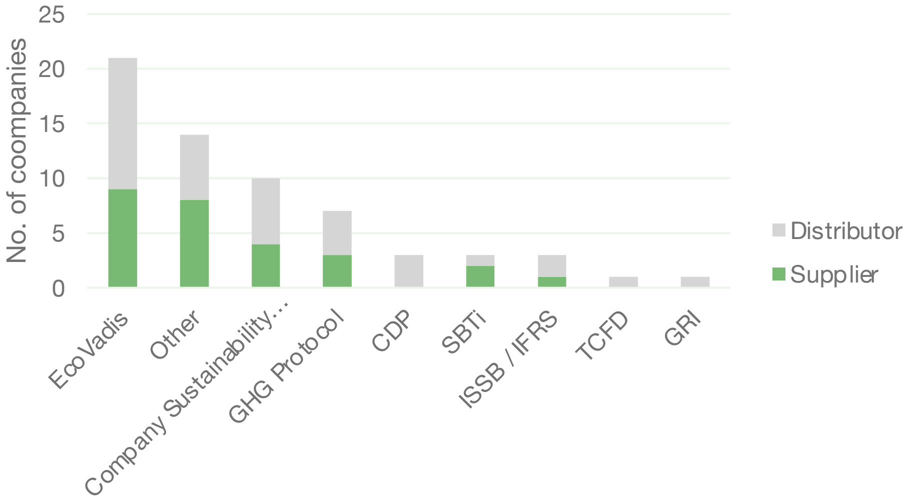
Measuring greenhouse gas emissions

- 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

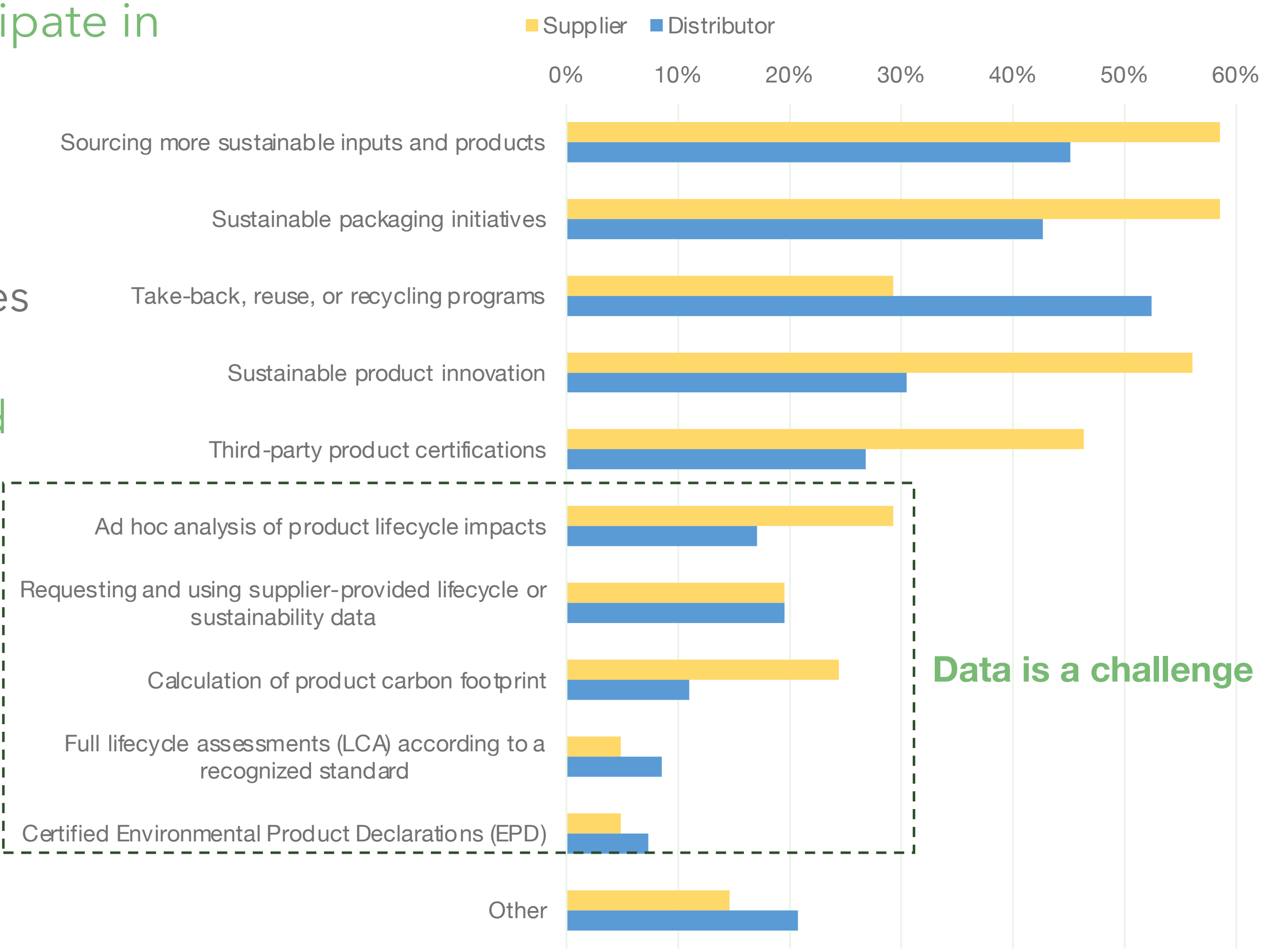
- 21% of respondents report participating in corporate-level environmental reporting or disclosure framework(s).
- EcoVadis is the most popular framework across both categories

Product Sustainability Considerations

Suppliers are generally more active in product sustainability efforts than distributors

Product sustainability activities companies participate in

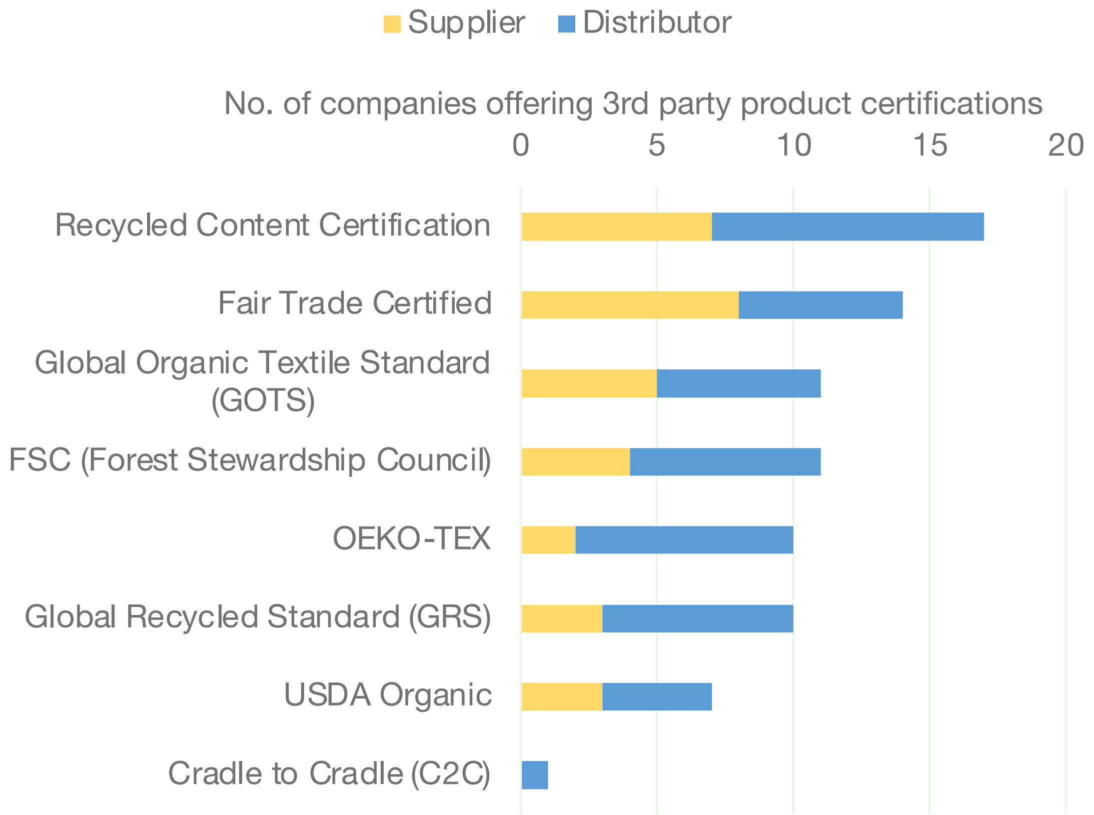
- Sourcing sustainable inputs and sustainable packaging initiatives are the most common practices.
- Take-back, reuse or recycling programs initiatives are taken by distributors
- Ad hoc analysis of product lifecycle impacts and carbon footprint calculations are moderately adopted, indicating a growing 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

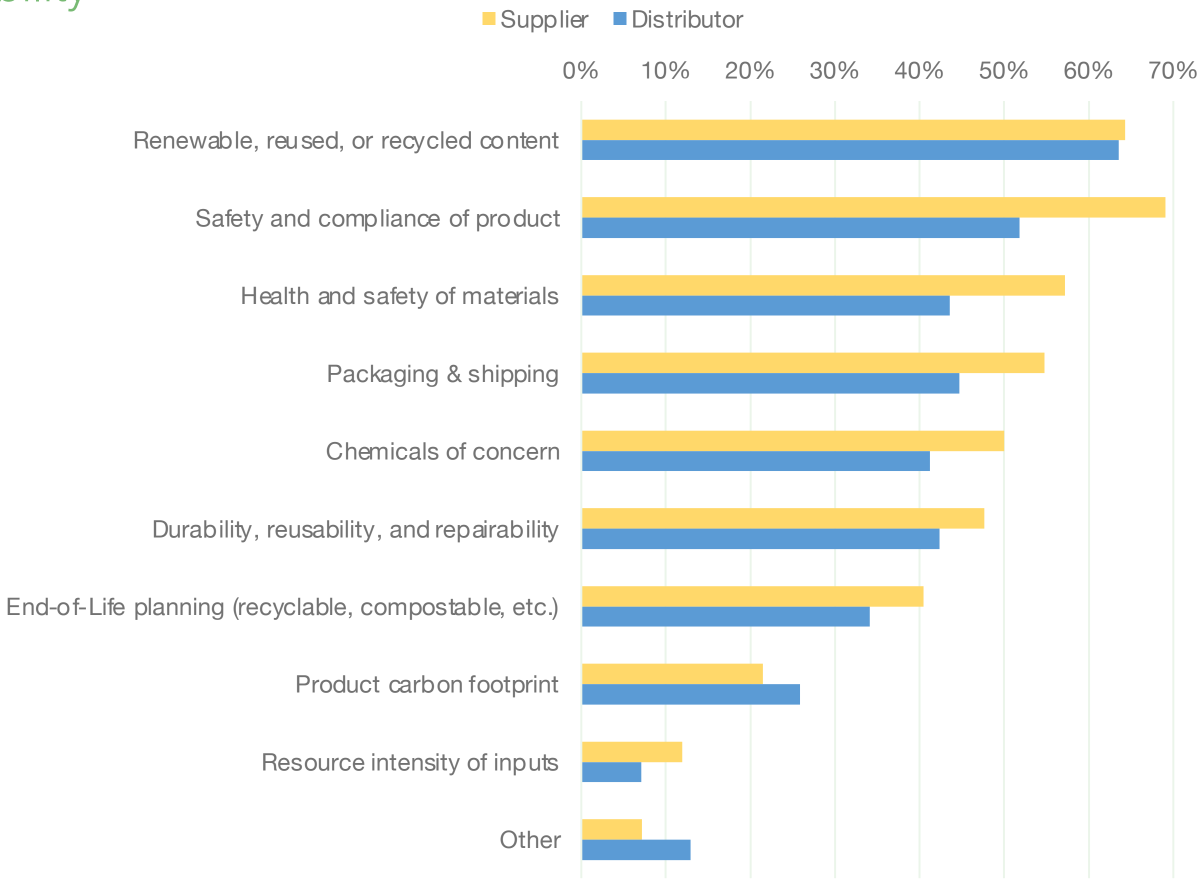
- Response rate = 24 % (follow-up question)
- 19 companies offer more than 1 product certification.



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

Factors considered by companies to evaluate product sustainability

- Carbon Footprint & Resource Intensity are <u>less commonly evaluated</u> 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.

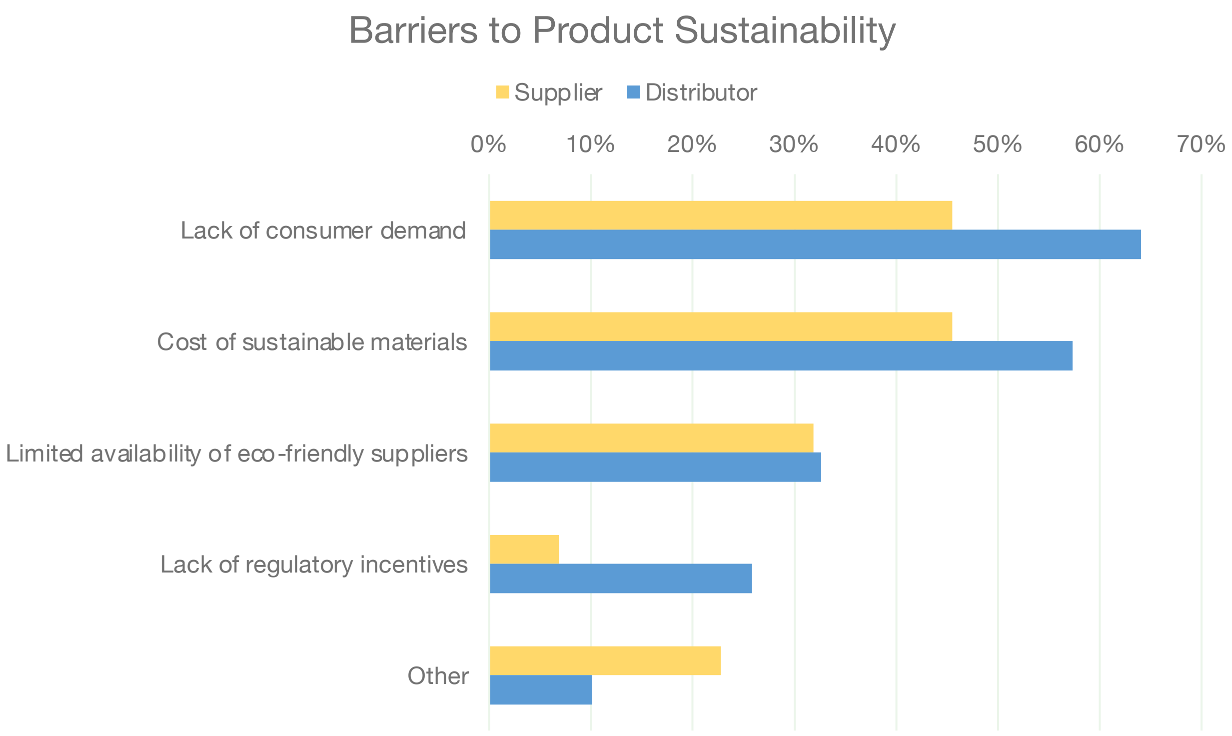


Differences between suppliers and distributors are more apparent in product sustainability

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

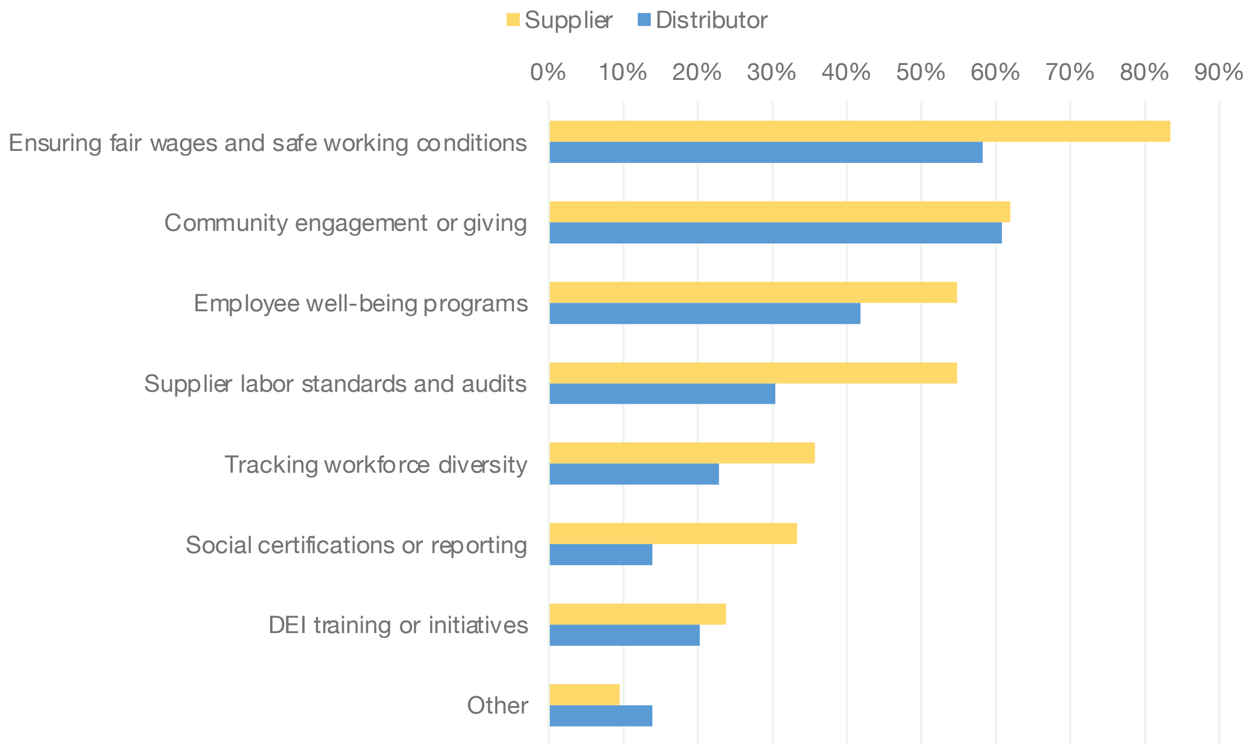
“Our clients say they want sustainable products–until they see the quote.”



Social Equity

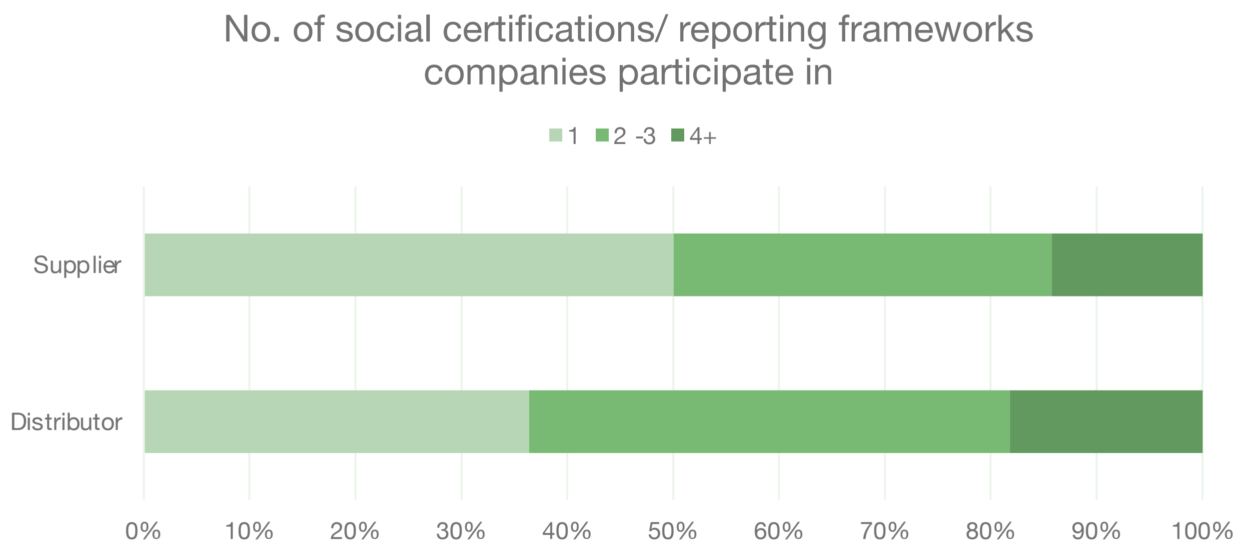
Suppliers show higher engagement in social equity initiatives

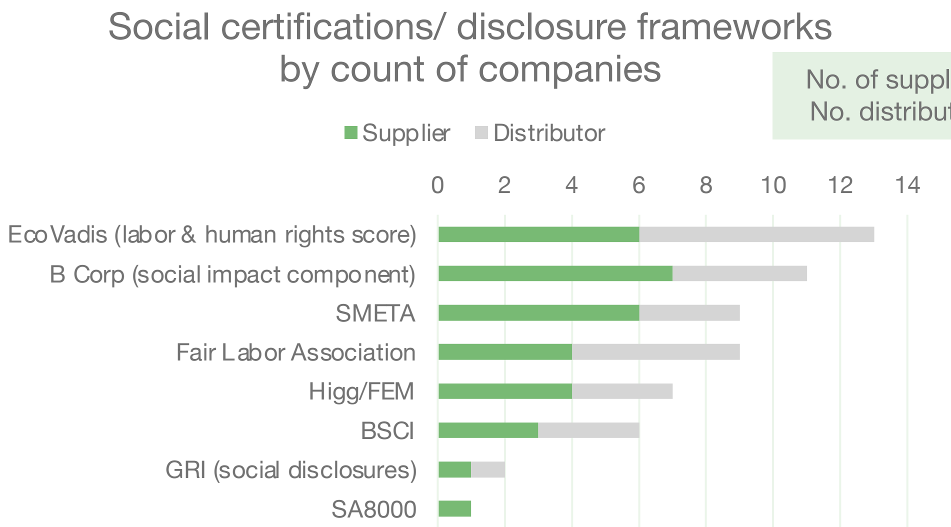
- **Fair wages and safe working conditions** top the list – suppliers 83% vs. distributors: 58%
  - Reflects a strong baseline commitment to ethical labor practices, especially among suppliers
- **Community engagement and/or giving** is widely and equally practiced among suppliers and distributors
- 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



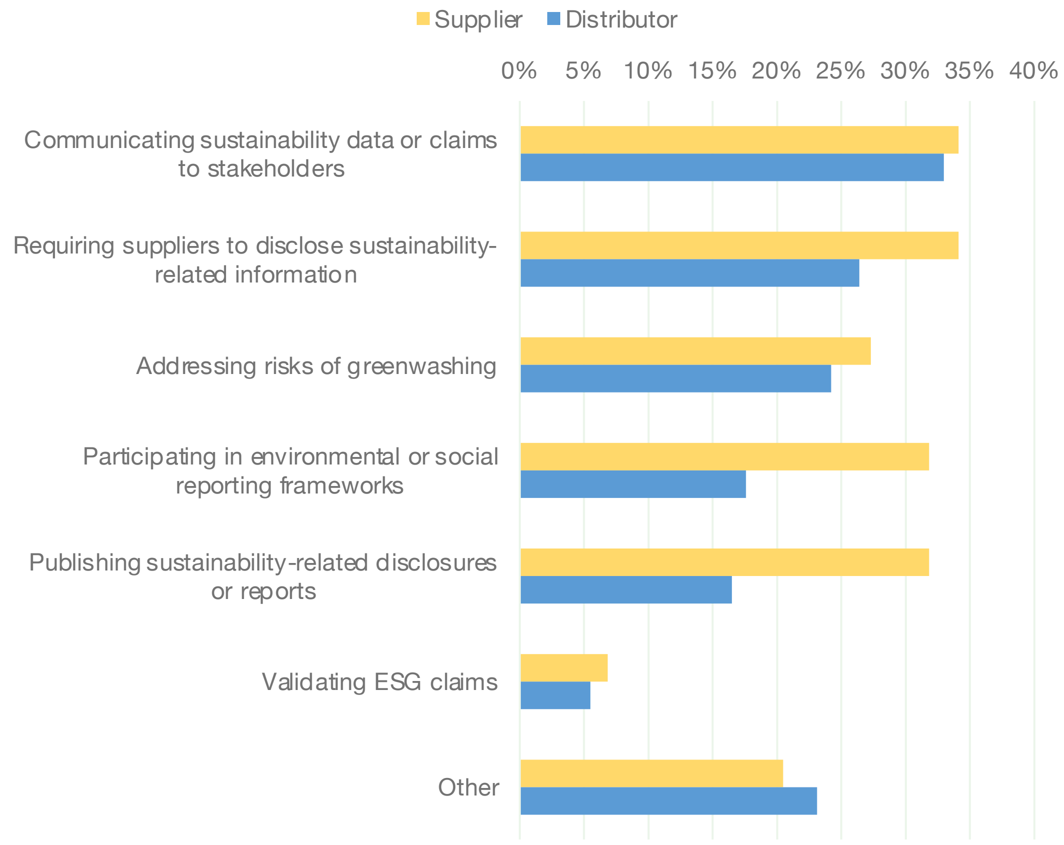


No. of suppliers = 14
No. distributors = 11

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.



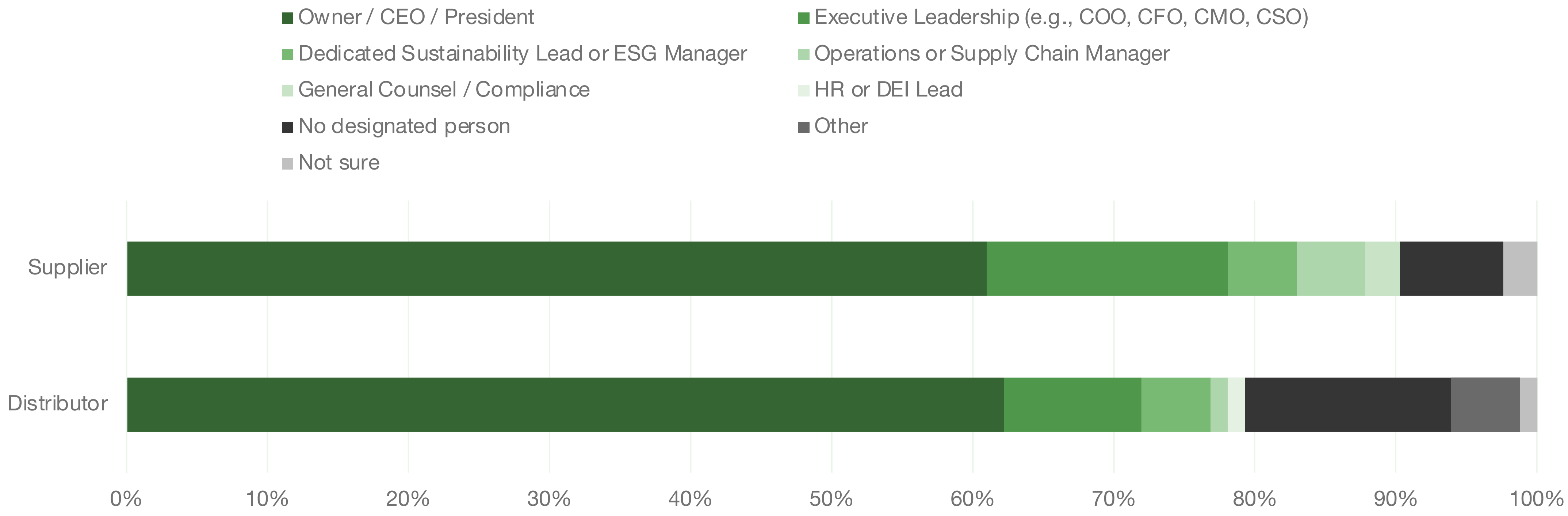
Governance

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