

Sustainable Market Share Index™: Research Question 3

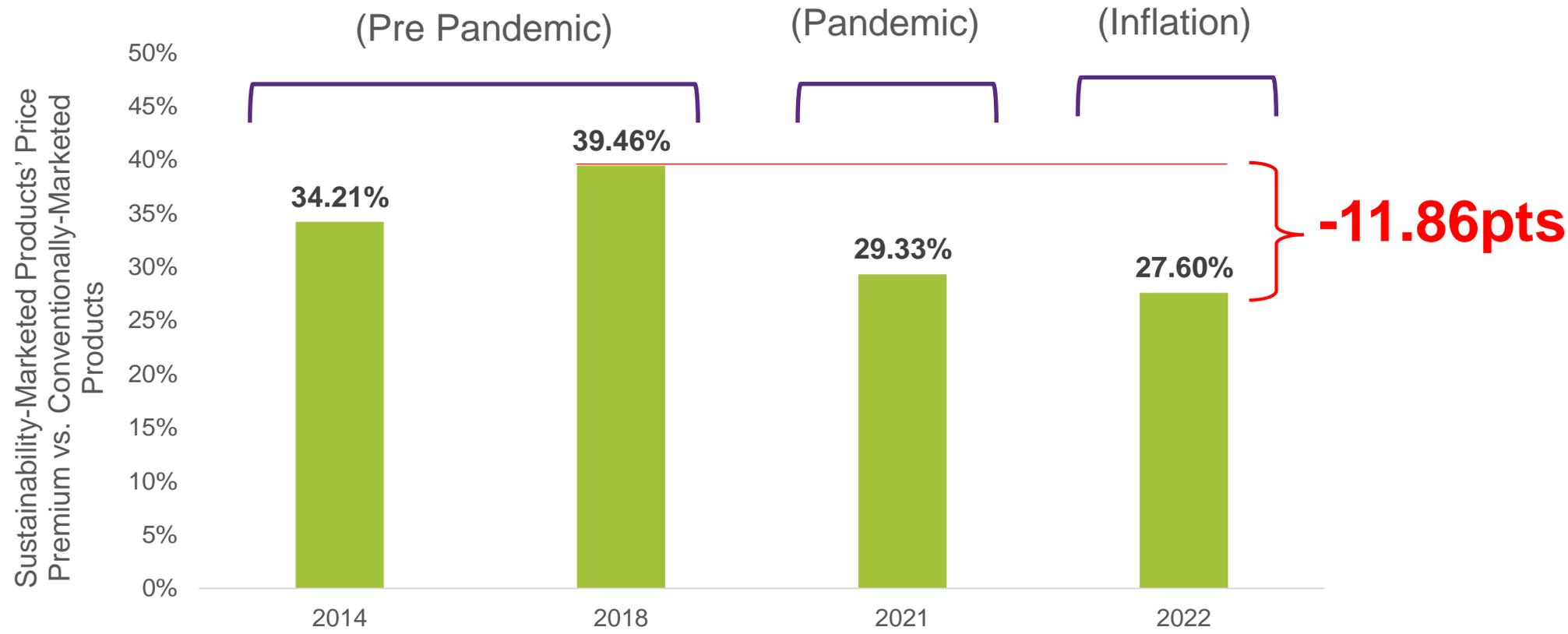
Research Question: What is the price premium of sustainable products?

Research Result: Sustainability-marketed products still enjoy a sizeable premium vs. their conventional counterparts but that gap has shrunk substantially in recent years, as conventional product price increases significantly outpaced their sustainable counterparts and historically conventional products adopt sustainable benefits without taking a commensurate price increase.

Analysis conducted was among branded players and excluded store brand/private label; based on 36 categories examined

Sustainable Market Share Index™: Price Premiums over Time

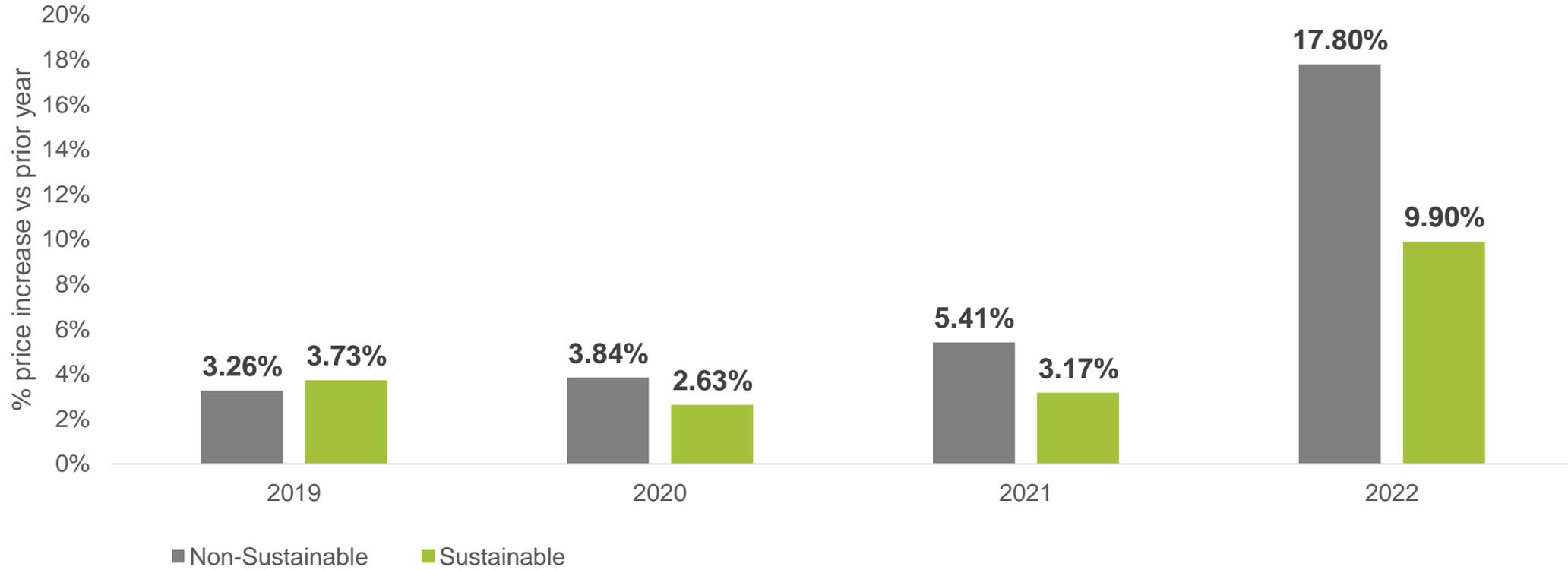
Recent price increases on conventionally marketed products **reduced the price premium** between sustainability-marketed products and their conventional counterparts



*Weighted by \$ Sustainable Sales of categories examined; analysis excluded store brand/private label

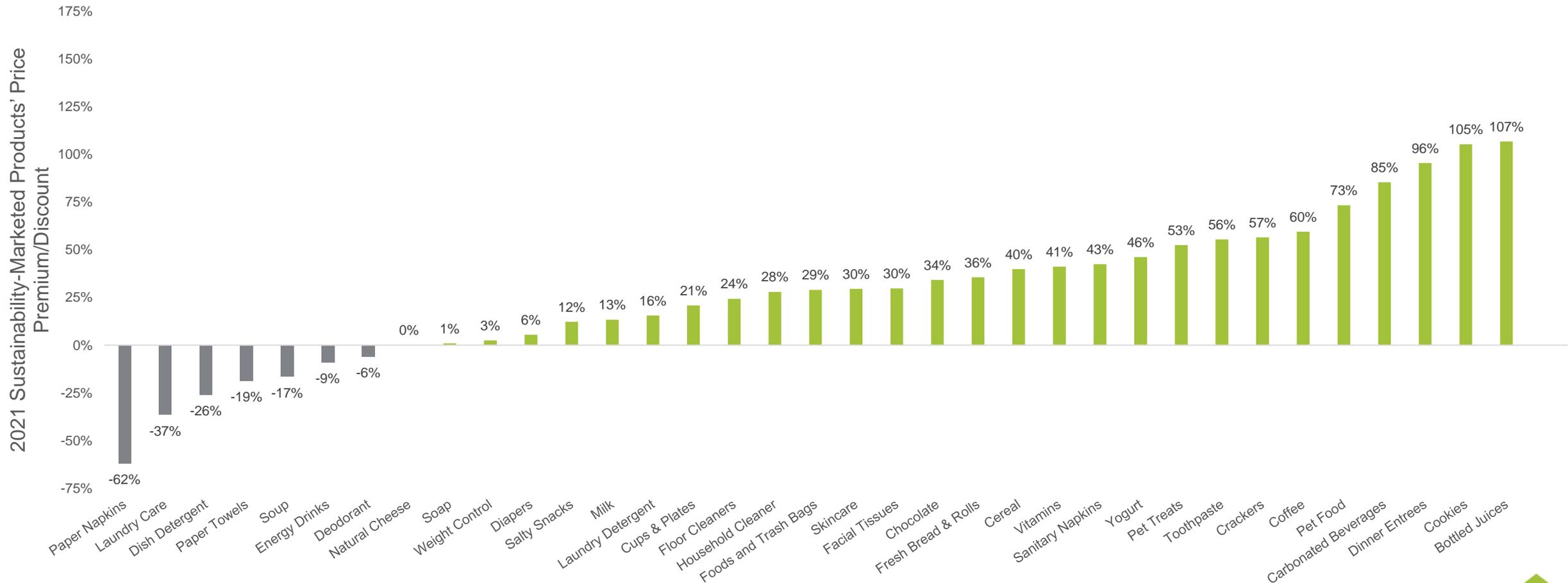
Sustainable Market Share Index™: Year over Year Price Premiums

Given recent inflationary pressures, conventionally marketed products took **higher price increases than sustainability-marketed products**



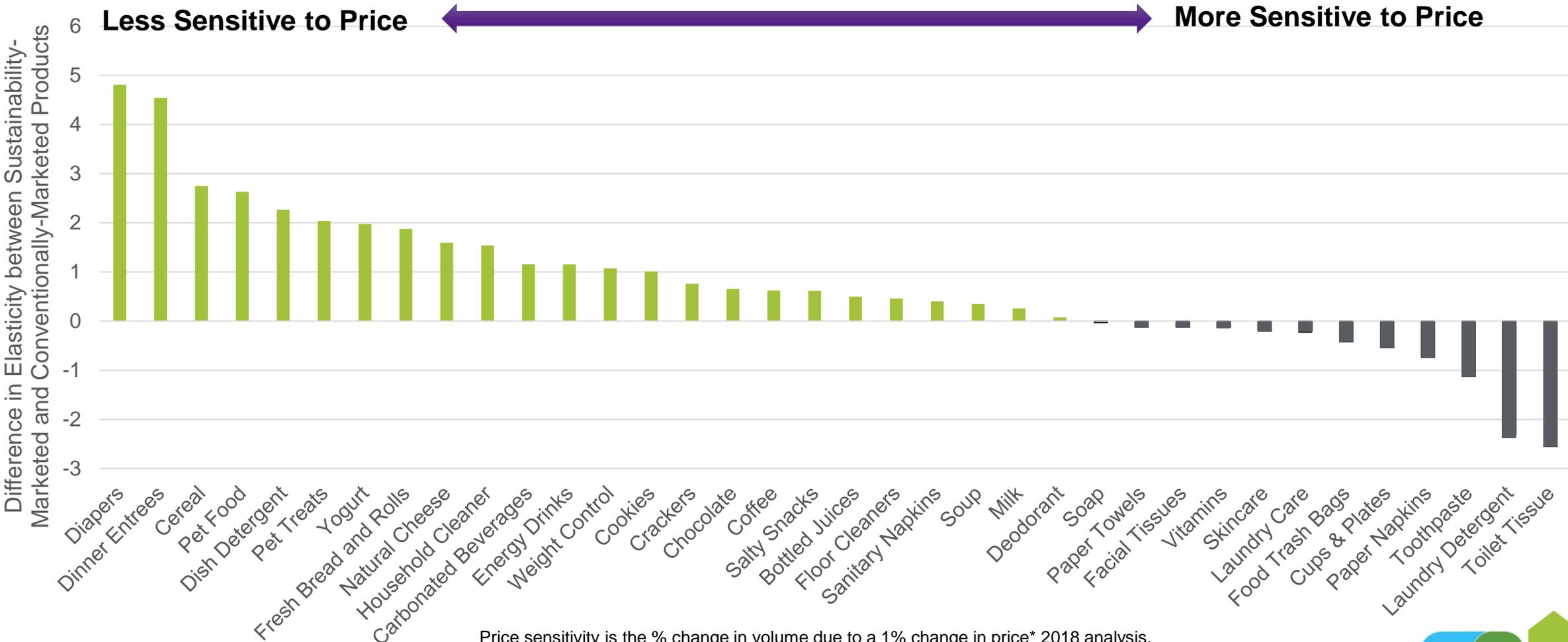
Sustainable Market Share Index™: 2022 Price Premium by Category

In a majority of categories, sustainability-marketed products **still command price premiums**, ranging from **1% to over 107%**. A few categories had price discounts vs. conventionally marketed products.



Sustainable Market Share Index™: Price Sensitivity (2019)

Sustainability-marketed products had **lower price sensitivity** in most categories studied: food categories had the greatest price leverage



Price sensitivity is the % change in volume due to a 1% change in price* 2018 analysis.