



# Sustainability Index

How do your customers experience your sustainability performance?

EPSI Sustainability Index answers questions such as:

Do your customers see what you are doing to promote sustainability?

How does your sustainability performance compare with your peers?

How does your sustainability performance affect your customers' experience?

In which customer segments is sustainability important?

## Sustainability from the customer's perspective

Sustainability issues are an important part of society at large, and are only becoming more important. EPSI Sustainability Index measures customer perceptions of your sustainability performance.

By assessing how your customers perceive your sustainability performance, we can identify which underlying issues you need to prioritise in order to meet their sustainability requirements. Our sustainability index can also measure how your sustainability performance affects customer satisfaction and brand perception.

## What does EPSI Sustainability Index offer?

**An overview** of how your customers experience your sustainability performance, comparisons with other companies or industries, and how important sustainability is for the customer experience. We can also examine which sustainability aspects are most relevant for different customer segments.

**An in-depth analysis** where we examine which sustainability aspects are especially important for your customers. How much do your customers know about your efforts to promote economic, social and environmental sustainability? Which areas are you good at and where is there need for improvement?

Interested? We will be happy to tell you more!



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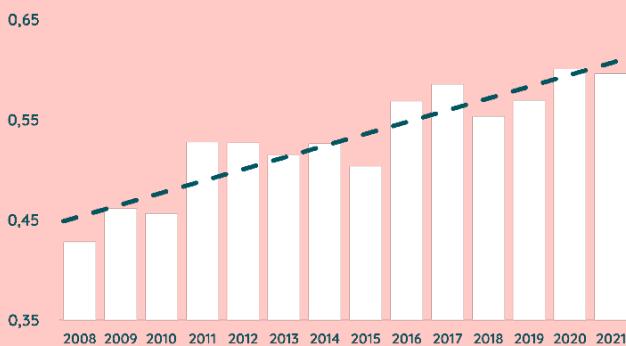


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# The insights you need (and the research behind them)

Over the past fifty years, there has been a growing emphasis on sustainable development, internationally and nationally. The concept had its big breakthrough in 1987 when sustainable development was defined as *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*.

This means that sustainable development is the intersection of three dimensions: economic, social and environmental sustainability. All dimensions must be present for development to be sustainable. It is not enough, for example, to focus only on environmentally sustainable development at the expense of the other dimensions (in the form of poor working conditions, financial loss, etc.).



**EPSI Sustainability Index** is based on the latest research. Academic research is part of our DNA – EPSI grew out of a research project at the Stockholm School of Economics. Since 2019, we have also been engaged in research aimed at assessing sustainability from a customer perspective.

Since 2008, we have been asking customers in different industries how they rate their suppliers’ corporate social responsibility performance. The figure on the left shows the effect of CSR on customer satisfaction. Simply put, the connection between CSR and customer satisfaction is strengthened.

It is against this background that we have produced questions that are designed to capture the three sustainability dimensions as well as an index that makes the answers measurable.

In March 2022, we published the latest research results relating to our Sustainability Index. The results show that sustainability is an aspect that is playing an increasing role in shaping the customer experience. **Our research on sustainability has just begun!**

← Perception of the impact of CSR performance on customer satisfaction.

## The (kind of) complex background

The image below shows the model used in deeper analyses with EPSI Sustainability Index. This particular calculation is based on a panel study conducted in the winter of 2022 with customers from the banking, energy, insurance and telecom industries, where we looked at the factors that shape the customers’ perception of the companies’ sustainability performance. It is partly with the aid of this model that we can understand how sustainability affects factors such as brand image and customer satisfaction. Though complex, it is this model that we use to deliver simple insights to you.

**How the model works:** Each box represents one aspect of the customer experience. The arrows show the relationships between the aspects. The figures are the results from the panel study, which together with the arrows show the effects of the relationships, i.e. how much one aspect affects another. If Image, for example, increases by 1 unit, this will have the effect of increasing Customer Satisfaction by 0.71 units (the value next to the arrow between Image and Customer Satisfaction).



### What does the model tell us?

In this particular case we can tell that, for example, the environmental aspect has the greatest effect on the sustainability index. We can therefore conclude that the companies in this study need to focus on environmental and social sustainability to maximise the impact of their sustainability initiatives. We can also see that sustainability affects image and customer satisfaction.