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June 23, 2022

2nd Hakuhodo Survey on Decarbonization Awareness and Action among *Sei-katsu-sha*
Findings of Survey Conducted in March 2022

Term awareness of “decarbonization” rises to 90% with no increase in action

Key triggers for use of relevant products include, for younger generations: recommendation by a celebrity and demonstration of an environmentally-consciousness lifestyle; and for older generations: less environmental impact during use or upon disposal and labeling of CO_2 reduction

Hakuhodo Inc.’s Hakuhodo SDGs Project conducted the Second Hakuhodo Survey on Decarbonization Awareness and Action among *Sei-katsu-sha* in March 2022.

Six months after the first survey, we interviewed respondents to identify any changes in decarbonization awareness and action, as well as motives to drive action among *sei-katsu-sha*. The results indicate increased awareness of key terms such as “decarbonization,” but no change in the number of people taking action. Among younger generations, in particular, around 60% said they don’t really know what to do or don’t have a specific time when they think about or can contribute to efforts. Although over half of respondents said they would take action if financial benefits are available, we found that key triggers for purchasing zero- and low-carbon products and services differed among age groups. The survey was conducted over March 4–5, 2022 covering 1,400 males and females aged 15–79 across Japan.

Key Findings

Increasing decarbonization awareness not leading to purposeful action

- The term “decarbonization” was recognized by 90.8% of respondents (vs. 85.4% in the previous survey), while 85.6% (vs. 77.7%) were aware of the term “carbon neutrality.” Although these increases of over 5 points indicate that the concepts are gaining ground among the population, there is no significant increase in the share of those driven to take action, which remains at 33.1% (vs. 32.1%).
- People apparently recognize decarbonization as a national issue, with more than 70% of respondents regarding it as a challenge to be met by the whole population and an urgent matter warranting greater national effort. However, around 60% of younger respondents said they don’t really know what to do or don’t have a specific time when they think about or can contribute to efforts.

Action would be triggered by financial benefits, and, among younger generations, by topicality and whether it can be shared

- Asked about effective incentives for decarbonization action, as many as 52.4% of respondents cited financial benefits (value for money, cost savings, etc.).
- Saving money was also the most attractive feature of zero- and low-carbon products. In addition, younger generations tended to be motivated by recommendation by an influencer or celebrity and being able to demonstrate that they are leading an environmentally-conscious lifestyle via social media campaigns, etc., whereas less impact on the global environment during use or upon disposal and labeling of additional CO_2 reduction vs. average products were popular motives among older generations.

Intention to buy/use zero- and low-carbon products/services more focused on durables and life infrastructure than on general consumer goods

- Asked about their intention of buying or using zero- and low-carbon products and services by category, more respondents would rather buy products that can contribute to reducing CO_2 emissions, even if they are a little more expensive or require them to change a contract in those categories that, once purchased, could contribute to CO_2 reduction in the mid- to long-term, such as home electronics, housing, cars and electricity. The shares of such respondents tended to exceed those of respondents citing general consumer goods by 10–15 points.

Our Observations

Despite increased public awareness of the term "decarbonization," we found that many *sei-katsu-sha* are still not taking purposeful action in their daily lives, even with interest in the environment heightened by news reports and TV programs on natural disasters. Most people cited financial incentives, including value for money and cost savings, as an effective trigger for decarbonization action. There are high expectations for more cost-effective products and services, whose availability is still limited. Given that many young people still know little about decarbonization, it might be effective to appeal to their preference for peer-to-peer sharing to encourage action.

Furthermore, people's intention to use products and services that can contribute to reducing CO_2 emissions tended to be high in categories that can be used longer, such as durables and life infrastructure. Efforts should be focused on developing attractive products/services and effective measures to facilitate use of those categories of products and services, in order to promote action among *sei-katsu-sha*.
(Observations provided by the analyst)

Survey outline

Method:	Internet survey
Respondents:	1,400 males and females aged 15–79 across Japan *The results were weighted back for analysis purposes to reflect the demographic composition by gender and age. Data cited in this document are weighted-back figures
Survey area:	Nationwide
Survey period:	March 4–5, 2022
Conducted by:	H.M. Marketing Research, Inc.

Implementing body

This survey was conducted by the Hakuhodo SDGs Project, a company-wide initiative to support companies' SDGs efforts.

■ Hakuhodo SDGs Project

The Hakuhodo SDGs Project was launched as a company-wide initiative to help clients achieve business innovations from the perspective of the SDGs. Members of the Project include staff with marketing/branding, PR, business development, R&D and creative experience and expertise in the SDGs. They are primarily involved in solution development, corporate management support, business development support, and marketing support to serve the business objectives of the next generation, i.e., integrating the economic and social impacts of companies.

■ About Hakuhodo

Founded in 1895, Hakuhodo is an integrated marketing solutions company headquartered in Tokyo, Japan. With offices in 20 countries and regions, and over 10,000 specialists working in Japan and around the world, Hakuhodo is the world's second largest advertising agency according to *Ad Age*'s "Agency Report 2022." It is the core agency of the Hakuhodo DY Group.

Sei-katsu-sha insight is the foundation for Hakuhodo's thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers' lives.

With *sei-katsu-sha* insight as its cornerstone, Hakuhodo combines creativity, integrative capabilities, and data and technology to play a leading role in evolving companies' marketing activities and generating innovation for the digitalized era. This enables the company to impact and provide value to *sei-katsu-sha* and society.

Renowned for its creativity, Hakuhodo has won the Grand Prix at Cannes Lions International Festival of Creativity twice, and was named Network of the Year at ADFEST 2021.

To learn more, visit: www.hakuhodo-global.com

* See pages 4 to 8 for more details.

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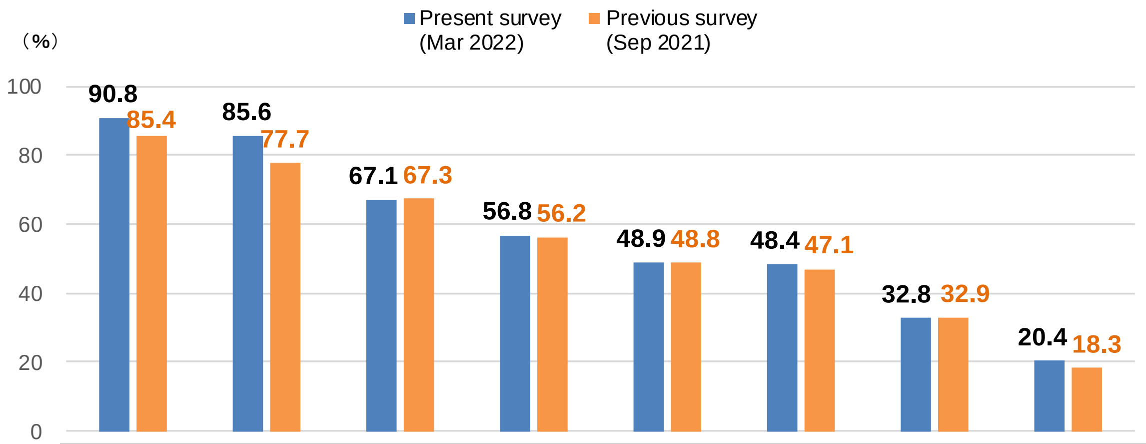
A closer look at the findings

■ Term awareness (in comparison with the previous survey)

- The shares of respondents aware of the terms “decarbonization” and “carbon neutrality” both rose more than 5 points from the previous survey, at 90.8% (vs. 85.4%) and 85.6% (vs. 77.7%), respectively, thus indicating wide recognition among the general public.

Q: To what degree are you aware of the following terms/concepts? (Aware of the term+Aware of the meaning)

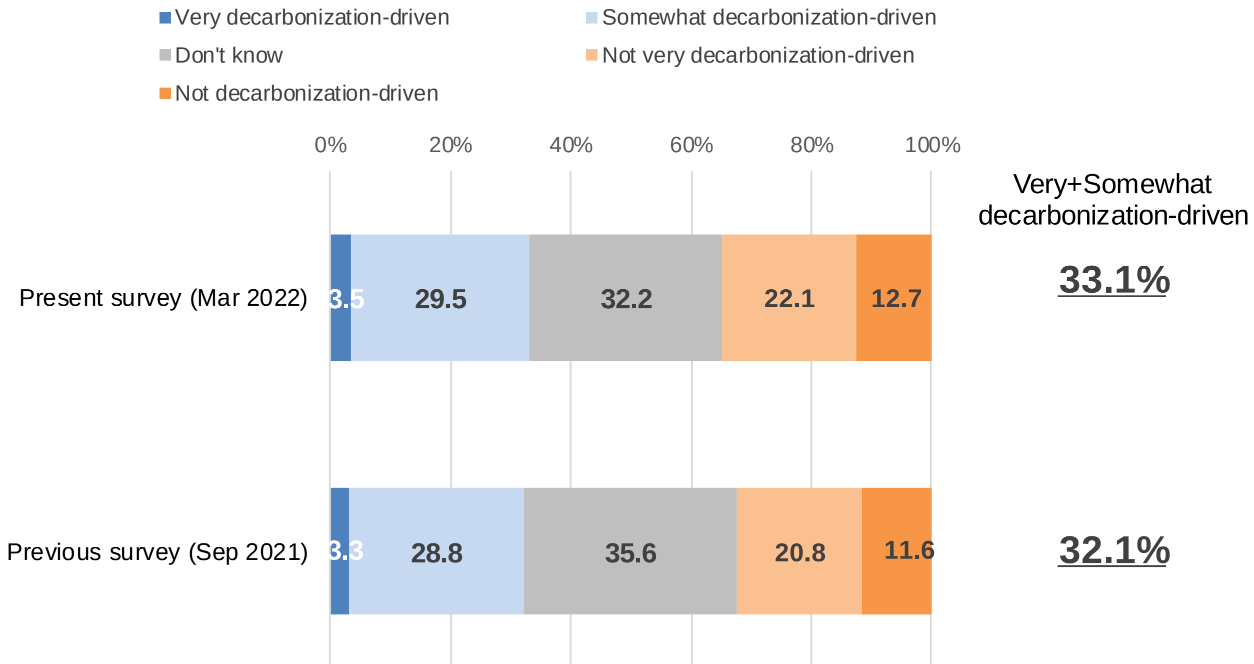


	Decarbon-ization	Carbon neutrality	Low-carbon	Carbon offsetting	Carbon recycling	Zero emissions	Carbon footprint	Methanation
Present survey (Mar 2022)	90.8	85.6	67.1	56.8	48.9	48.4	32.8	20.4
Previous survey (Sep 2021)	85.4	77.7	67.3	56.2	48.8	47.1	32.9	18.3

■ Action toward a decarbonized society (in comparison with the previous survey)

- Only 33.1% of respondents say that their daily activities are decarbonization-driven (Very+Somewhat decarbonization-driven), almost unchanged from the previous survey (32.1%).

Q: To what degree are your daily activities decarbonization-driven?



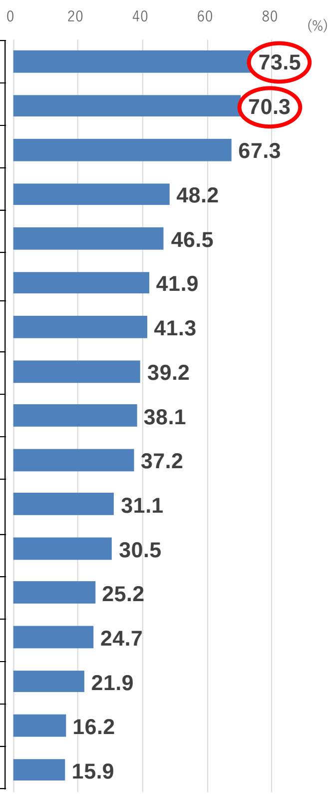
■ Honest opinion on action toward a decarbonized society

- People recognize action toward a decarbonized society as a national issue, as more than 70% of respondents know that it is a challenge to be met by the whole population (73.5%) and recognize it as an urgent matter warranting greater national effort (70.3%).
- Young people in their teens and 20s appear to lack ownership of this issue as they do not have sufficient knowledge about decarbonization. Indeed, almost 60% of respondents (exceeding the overall score by over 10 points) in this age group say: I don’t really know what to do and will follow any decisions (59.4%, +11.2 points vs. overall), and I don’t have a specific time when I think about or can contribute to efforts (58.5%, +17.2 points vs. overall).
- In contrast, older people in their 60s and 70s are the only age group with confidence in their efforts, with over 50% saying: I think I’m doing what I can (51.6%, +12.4 points vs. overall).

Q: What is your honest opinion about actions toward a decarbonized society? (Totally agree+Agree)

Difference in %
+10 pts vs. overall
+5 pts vs. overall
-5 pts vs. overall
-10 pts vs. overall

Overall	15-29	30-59	60-79	Males 15-29	Females 15-29	Males 30-59	Females 30-59	Males 60-79	Females 60-79	
73.5	66.0	69.7	83.6	59.3	73.0	63.6	76.0	77.2	83.3	I know it's a challenge to be met by the whole population
70.3	61.9	66.6	80.9	58.0	66.0	60.0	73.3	73.4	80.6	I think it's an urgent matter warranting greater national effort
67.3	59.0	62.6	79.2	55.7	62.6	54.0	71.4	72.9	78.5	I know we urgently need to address it
48.2	59.4	46.8	44.0	55.3	63.8	35.6	58.1	34.0	48.0	I don't really know what to do and will follow any decisions
46.5	56.9	49.0	36.8	53.0	61.0	47.1	51.0	38.3	37.3	Nothing will change if I act on my own
41.9	48.5	41.2	39.4	46.8	50.3	38.5	43.9	33.0	42.3	I would take action if there was growing momentum for collective action by *sei-katsu-sha*
41.3	58.5	42.7	29.1	58.9	58.0	39.8	45.8	30.1	29.7	I don't have a specific time when I think about or can contribute to efforts
39.2	32.2	33.8	51.6	35.5	28.8	29.8	37.8	44.3	50.7	I think I'm doing what I can
38.1	50.2	40.1	28.1	52.6	47.7	41.6	38.5	28.6	29.4	I can't keep myself motivated to make efforts
37.2	45.8	38.0	31.1	52.4	38.8	39.1	36.9	37.4	29.9	It takes too much time and effort
31.1	42.0	28.5	28.8	40.6	43.5	27.9	29.1	25.3	29.6	I would take action if there was growing momentum for collective action by communities and local authorities
30.5	34.3	29.2	30.3	32.9	35.8	26.4	32.0	22.3	32.8	I would take action if multiple companies took action
25.2	38.8	26.6	15.4	48.1	29.0	29.5	23.6	19.9	15.3	Taking action would bring no benefit to me
24.7	27.3	24.6	23.4	31.2	23.1	28.7	20.5	31.5	21.9	I don't think this is a serious problem
21.9	26.6	20.8	20.9	30.8	22.1	20.5	21.1	20.4	21.4	I would take action if neighboring countries took action
16.2	25.3	18.1	7.9	32.0	18.2	22.5	13.6	9.7	9.5	This problem has nothing to do with me
15.9	26.4	17.8	7.1	33.9	18.4	23.2	12.3	10.1	8.4	I don't care at all



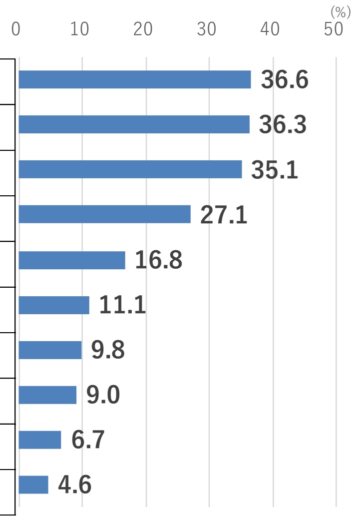
■ Occasion/time to think about environmental issues

- Asked about when they think about environmental issues, older respondents in their 60s and 70s in particular cited occasions indicative of changes in the environment, such as when they feel natural disasters like floods, storms and earthquakes are increasing (48.4%, +11.8 points vs. overall), and when they feel the climate is changing (47.1%, +12.0 points vs. overall).
- As regards middle-aged respondents in their 30–50s, females appear to be more sensitive to environmental issues, with sizable score gaps between genders of 10–20 points observed in many responses, including when they feel natural disasters like floods, storms and earthquakes are increasing (25.4% for males, 44.1% for females, a difference of 18.7 points), and when they feel the climate is changing (22.5% for males, 41.3% for females, a difference of 18.8 points).

Q: When do you think about environmental issues? (Multiple response: Top 10 responses)

Difference in %
+10 pts vs. overall
+5 pts vs. overall
-5 pts vs. overall
-10 pts vs. overall

Overall	15-29	30-59	60-79	Males 15-29	Females 15-29	Males 30-59	Females 30-59	Males 60-79	Females 60-79	
36.6	21.6	34.6	48.4	18.0	25.3	25.4	44.1	44.2	48.0	When I feel natural disasters like floods, storms and earthquakes are increasing
36.3	30.5	35.2	41.4	22.0	39.4	31.2	39.2	33.5	42.5	When I see related TV news or content
35.1	23.1	31.8	47.1	22.7	23.6	22.5	41.3	46.1	46.9	When I feel the climate is changing (a hotter summer or colder winter vs. a few years ago, etc.)
27.1	20.5	23.5	36.4	17.1	24.0	17.3	29.9	30.2	35.9	When I witness an abnormal natural phenomenon, such as mass migration of wild animals or fish dying in large numbers
16.8	19.5	17.4	14.1	15.6	23.7	15.1	19.8	12.1	15.5	When I see related online news or content
11.1	14.5	10.8	9.8	16.1	12.8	12.7	8.7	9.7	9.5	When I am alone, deep in thought
9.8	8.8	9.5	10.8	7.3	10.4	9.3	9.7	12.6	10.3	When I am outside in nature
9.0	4.6	7.0	14.7	3.4	5.8	6.5	7.4	13.1	13.9	When I see related newspaper articles or content
6.7	7.3	5.1	8.7	4.2	10.6	4.7	5.5	8.3	8.1	When I am talking actively and deeply with someone else
4.6	2.9	4.8	5.1	2.8	2.9	5.4	4.3	6.3	3.6	When I take a walk or go jogging



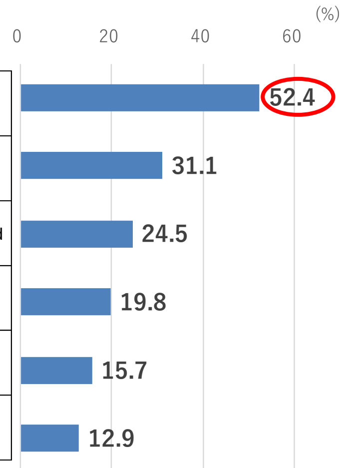
■ Triggers for decarbonization action

- Asked about what would trigger decarbonization action, 52.4% of respondents cited financial benefits (value for money, cost savings, etc.), exceeding the second-ranked answer of functional benefits (convenience, good taste, etc.) (31.1%) by as much as 21.3 points.

Q: What benefits would trigger your decarbonization action? (Multiple response)

Difference in %
+10 pts vs. overall
+5 pts vs. overall
-5 pts vs. overall
-10 pts vs. overall

Overall	15-29	30-59	60-79	Males 15-29	Females 15-29	Males 30-59	Females 30-59	Males 60-79	Females 60-79	
52.4	66.4	58.4	35.3	67.3	65.5	59.3	57.5	34.5	35.7	I would take further action if as well as contributing to decarbonization, it also has financial benefits (value for money, cost savings, etc.)
31.1	32.3	32.0	29.0	30.1	34.6	27.5	36.6	32.1	27.4	I would take further action if as well as contributing to decarbonization, it also has functional benefits (convenience, good taste, etc.)
24.5	24.6	24.6	24.3	26.9	22.2	20.4	28.9	23.3	25.2	I would take further action if as well as contributing to decarbonization, it also has psychological benefits (I feel good about myself, etc.)
19.8	25.1	21.1	14.8	27.8	22.2	24.7	17.4	19.4	13.7	I would take further action if as well as contributing to decarbonization, it also has social benefits (appreciation by others)
15.7	8.7	13.9	22.6	9.0	8.3	12.5	15.2	19.4	23.9	I would take further action even without any benefits if my current efforts contribute to decarbonization
12.9	9.2	11.1	17.6	7.5	11.1	10.4	11.8	16.5	17.1	I would take further action with or without any benefits if it contributes to decarbonization and solving environmental issues



Intention to use zero- and low-carbon products and services

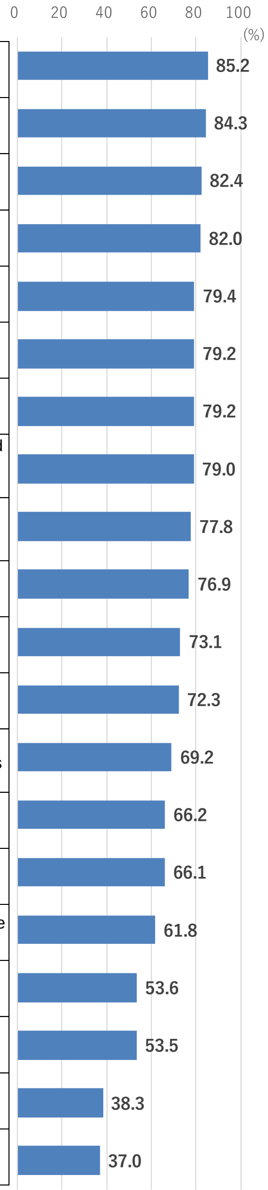
- Regarding the kind of zero- and low-carbon products and services they would like to use, young respondents in their teens and 20s were more inclined than other age groups, by over 10 points, to want to be able to share their actions with peers, and put confidence in word-of-mouth, as they would purchase products and services that let them demonstrate they are leading an environmentally-conscious lifestyle via social media campaigns, etc. (49.9%, +11.6 points vs. overall), or that are recommended by an environmentally-conscious influencer or celebrity (51.1%, +14.1 points vs. overall).
- Older people in their 60s and 70s were more focused than others, by over 10 points, on being able to directly contribute to environmental improvements, as they would purchase products and services if they will have less impact on the global environment during use or upon disposal (89.3%, +10.1 points vs. overall), or if the products and services label additional CO_2 reduction vs. average products (77.8%, +11.6 points vs. overall).
- As regards the middle-aged respondents in their 30–50s, females were more likely to purchase many of the zero- and low-carbon products and services by over 10 points. They tended to be more willing to use something that allows them to take simple steps and contribute through their daily activities, as many of them belong to a childrearing household with frequent opportunities for shopping and household chores.

Q: Specifically, what kind of zero- and low-carbon products and services would you like to use?

(Would+Might use)

Difference in %
+10 pts vs. overall
+5 pts vs. overall
-5 pts vs. overall
-10 pts vs. overall

Overall	15-29	30-59	60-79	Males 15-29	Females 15-29	Males 30-59	Females 30-59	Males 60-79	Females 60-79	
85.2	83.2	84.3	87.7	80.6	86.0	77.5	91.3	81.1	89.7	Those that by purchasing and using them, will enable me to save money
84.3	78.5	81.6	91.7	75.2	81.9	74.8	88.6	87.4	91.6	Those that by purchasing and using them, will eliminate excess waste (package-less and label-less products)
82.4	82.3	83.3	81.0	80.0	84.8	76.8	90.0	76.7	83.0	Those that will give me reward points each time I purchase or use them, enabling me to get value for money
82.0	81.8	80.3	84.8	80.0	83.6	74.0	86.6	80.1	86.7	Those that will give me reward points if I collaborate in the collection of recyclable materials such as plastic bottles and old clothing
79.4	74.3	76.2	87.1	69.7	79.2	71.0	81.5	84.0	87.0	Those that let me feel that my action is helping with decarbonization and solving environmental issues
79.2	70.9	75.7	89.3	62.9	79.4	68.0	83.6	85.0	89.6	Those that by purchasing and using them, will have less impact on the global environment during use or upon disposal
79.2	82.9	78.1	78.7	79.9	86.0	72.1	84.3	73.7	82.1	Those that will give me coupons if I collaborate in the collection of recyclable materials such as plastic bottles and old clothing
79.0	73.9	75.7	86.8	68.5	79.5	66.9	84.8	81.6	88.5	Those that will support aid activities (donating to non-profits, disaster-affected and developing countries, etc.) if I collaborate in the collection of recyclable materials such as plastic bottles and old clothing
77.8	73.1	75.1	84.5	68.5	78.0	68.3	82.0	81.1	86.1	Those that will reuse the materials for other products of the company or store concerned if I contribute in the collection of recyclable materials such as plastic bottles and old clothing
76.9	74.1	73.0	84.5	71.6	76.9	67.6	78.4	82.6	84.0	Those that let me feel that my action is contributing to society and others
73.1	70.1	69.8	79.8	68.7	71.7	64.6	75.1	78.2	79.5	Those that let me feel that I am contributing to decarbonization and environmental conservation
72.3	68.2	67.6	81.7	63.4	73.4	63.2	72.1	77.2	82.1	Those that rather than quantifying the reduction achieved by the product itself, indicate how to use them to reduce CO_2 further
69.2	68.8	63.3	78.5	66.0	71.8	60.0	66.6	73.8	78.7	Those that let me contribute to CO_2 reduction by selecting and purchasing products and services of companies involved in relevant actions, such as process modification and donations
66.2	64.1	59.4	77.8	58.5	70.1	56.2	62.6	74.3	76.6	Those that label additional CO_2 reduction vs. average products
66.1	68.8	62.0	70.8	62.9	75.2	54.7	69.4	66.0	71.3	Those that provide options other than purchasing products, such as repairing, sharing and renting
61.8	58.5	57.6	70.1	59.0	58.1	55.6	59.7	66.6	68.9	Those that indicate the carbon footprint (CO_2 emissions from manufacturing) of the products at the point of sale
53.6	58.7	51.0	54.6	60.3	56.9	52.0	50.0	53.9	54.7	Those that let me demonstrate I am leading an environmentally-conscious lifestyle by using brands that are known to be eco-friendly
53.5	58.1	50.2	55.8	57.9	58.3	54.3	46.0	52.9	55.9	Those that let me demonstrate I am leading an environmentally-conscious lifestyle with logos and labels showing the environmental consciousness of the products
38.3	49.9	36.1	34.9	55.1	44.3	38.0	34.2	33.5	35.5	Those that let me demonstrate I am leading an environmentally-conscious lifestyle via social media campaigns, etc.
37.0	51.1	34.0	33.4	53.5	48.6	35.7	32.2	33.0	33.8	Those that are recommended by an environmentally-conscious influencer or celebrity



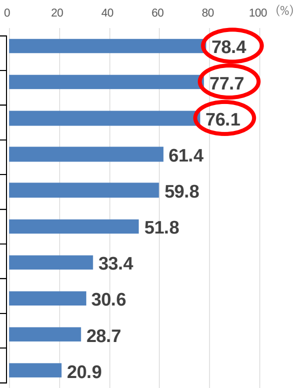
■ Incentives for purchasing zero- and low-carbon products

- Asked about what kind of incentives would make them want to purchase zero- and low-carbon products, over 70% of respondents cited financial benefits including partial cash refunds (78.4%), price discounts vs. ordinary products (77.7%), and cashable reward points (76.1%).
- In contrast, younger respondents in their teens and 20s were more than 10 points likely than others to respond to campaigns that reward sharing with friends, such as cashable points as a referral reward (48.3%, +14.9 points vs. overall), and special gifts as a referral reward (45.1%, +16.4 points vs. overall).

Q: What incentive would make you want to purchase zero- and low-carbon products?
(Very+Somewhat motivating)

Overall	15-29	30-59	60-79	Males 15-29	Females 15-29	Males 30-59	Females 30-59	Males 60-79	Females 60-79	
78.4	76.7	79.8	77.3	71.6	82.2	71.8	88.0	73.8	78.4	Partial cash refunds
77.7	75.6	76.7	80.4	69.9	81.7	70.8	82.6	73.8	80.6	Price discounts vs. ordinary products
76.1	75.7	77.1	74.9	70.4	81.3	70.0	84.4	72.8	74.6	Cashable reward points
61.4	67.1	62.4	56.6	66.4	67.9	58.5	66.5	57.3	57.0	Coupons for next purchase at the point of sale
59.8	65.4	60.0	56.1	59.5	71.8	54.8	65.3	53.4	57.3	Special gifts
51.8	58.1	48.9	52.5	54.2	62.3	46.0	51.8	53.9	52.2	Availability of upgraded products and services vs. ordinary ones
33.4	48.3	32.3	26.6	47.0	49.7	37.7	26.8	21.4	27.7	Cashable points as a referral reward
30.6	38.3	31.2	25.2	38.0	38.7	31.0	31.5	25.7	24.8	Invitation to exclusive events
28.7	45.1	25.7	23.8	40.9	49.6	28.1	23.1	22.8	24.5	Special gifts as a referral reward
20.9	26.6	21.6	16.6	33.1	19.6	22.6	20.6	17.5	16.6	Access to non-public information

Difference in %
+10 pts vs. overall
+5 pts vs. overall
-5 pts vs. overall
-10 pts vs. overall



■ Intention to use zero- and low-carbon products and services by category

- Asked about their intention to use zero- and low-carbon products and services by category, more respondents were willing to buy products that contribute to reducing CO_2 emissions, even if they are a little more expensive/require them to change a contract when it comes to categories that, once purchased, can be used mid- to long-term, such as home electronics, cars and electricity. The shares of such respondents tend to exceed those of respondents citing general consumer goods by 10–15 points.

Q: Which is nearer to your opinion about the following product/service categories, A or B?

A I would rather buy products that can contribute to reducing CO_2 emissions, even if they are a little more expensive / I would rather use services that can contribute to reducing CO_2 emissions, even if they require me to change a contract

B I would rather buy cheaper ordinary products even if they do not contribute to reducing CO_2 emissions / I would rather continue to use current services than taking time to change a contract