

5. Prioritizing ESG

Profitable growers are more committed to environmental, social, and governance objectives. Examples from high performers in our financial analysis include investments in reusable packaging and bottles, deforestation prevention initiatives, sustainable palm oil sourcing efforts, and climate-smart farming practices.

A differentiating factor is that profitable growers invest in improving their ESG reporting. Those that do this tend to outperform in making sustainability progress, based on past research¹⁶. And their investments in DEI may be helping profitable growers, as they don't need to emphasize hiring and retaining top talent in their priorities at the same rate as all other companies (45%; -30 percentage points lower than all other companies).

Note that the economy's continued deterioration may make it more difficult to keep these priorities at the top of the list. Though many consumers value sustainability, we've already seen signs of a pullback in willingness to pay a premium for sustainability.¹⁷

Prioritizing ESG	Profitable growers	All others	Percentage point (pp) difference
Agree becoming more environmentally sustainable is a priority*	97%	58%	+39 pp
Investing in increasing environmental, social, and governance (ESG) reporting*	83%	50%	+33 pp
Increasing the company's positive impact on society is a priority*	76%	50%	+26 pp
Investing in diversity, equity, and inclusion (DEI)	75%	47%	+28 pp
Plan to participate in the circular economy	68%	44%	+24 pp

Based on Deloitte's analysis of executive interviews for the 2023 consumer products industry outlook. N = 150: Comparing responses of Significant and Moderate investment or comparing responses of Agree and Strongly Agree.

*N = 53: Comparing responses of A clear priority and One of our very top priorities or comparing responses of Significant and Moderate investment.