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Sustainability in Consumer Products & Retail

Crafting Precise and Attainable Sustainability Goals to Launch Your Sustainability Strategy

MAKING AN IMPACT THAT MATTERS since 1845

The revision and creation of sustainability strategies for consumer goods must consider currently prevailing market conditions and challenges

1.

Rapid change of consumer behavior of end customers

Many consumers harbor the ambition to make sustainable decisions and expect innovative and sustainable alternatives, in particular to disposable products and plastic.

2.

Transparency of sustainability KPIs and data points

The implementation of sustainability measures often requires complete transparency of sustainability data along the supply chain. But collecting this data is often difficult, requiring complex procedures and time.

3.

Increasing pressure from retailers

In order to achieve their sustainability goals, retailers and partners are demanding more data and transparency for sustainable supply chains. Ultimately, products may be delisted if requirements are not met and transparency for sustainable supply chains. If suppliers fail to provide this level of transparency, products may lose their appeal in the market and could ultimately be delisted by retailers.

4.

Increasing regulations

The increasing number of regulations e.g., the EU Green Claims Directive (GCD), the Ecodesign for Sustainable Products Regulation (ESPR), which includes the Digital Product Passport, the Packaging and Packaging Waste Directive (PPWD) and the Corporate Sustainability Reporting Directive (CSRD) require flexibility and preparation in order to adapt strategies and processes to regulatory requirements.

Sustainability strategy development

It starts with a comprehensive analysis of the three most relevant competitors as the basis for strategy development. Sustainability activity from the annual and sustainability reports is used as a benchmark for the vision and ambition of the client strategy.

Successful strategy implementation requires regular review loops even after the final definition of objectives and measures, particularly with regard to both **potential internal risk** and **external factors** such as **market movement by customers, suppliers, competitors**, and **regulators**. The **sustainability strategy** is defined in **close collaboration** between Deloitte and relevant client stakeholders. In a collaborative workshop approach, the strategy is defined iteratively along the framework.

"Setting comprehensive strategic sustainability goals necessitates the inclusion of stakeholders throughout the entire value chain. With Deloitte's unique network of experts, we can provide our clients with specialized knowledge and support on all value chain-related matters."

Inga Schubert, Senior Manager, Deloitte Germany

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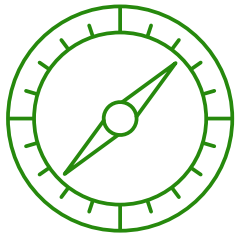
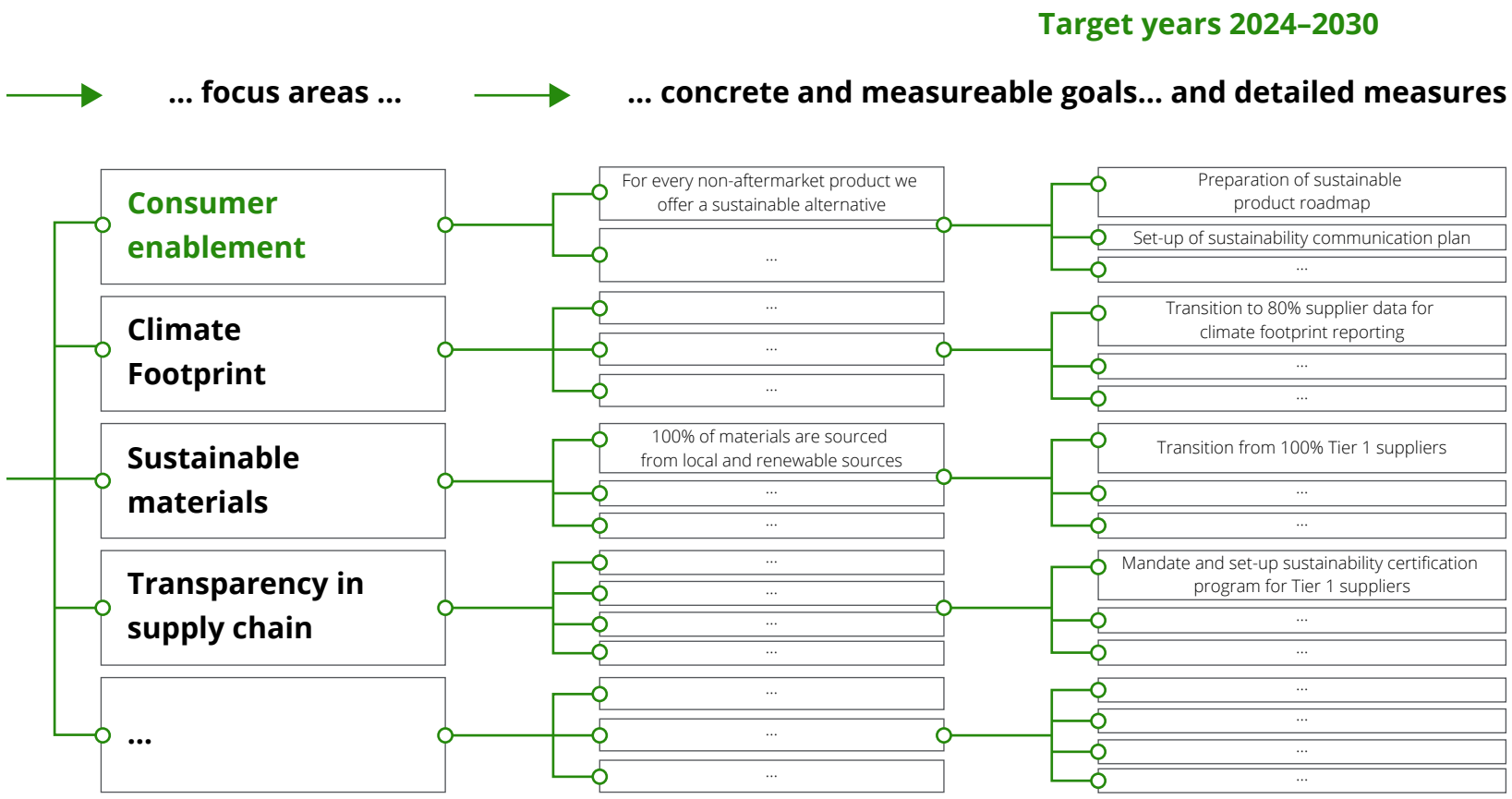
Sample sustainability strategy structure

In our approach, the ambition is translated into measurable terms, enabling the long-term goal to be broken down into concrete action items.



"We strive to use materials that have less impact on the environment and help our customers reduce their environmental footprint."



Success factors

1.

Quantitative goals

While the definition of a vision for internal or external communication is primarily qualitative, it is essential to define quantitative goals. In order to define solid KPIs in the objectives and ensure long-term measurement of success, objectives must be SMART, i.e., Specific, Measurable, Achievable, Relevant and Time-Bound.

2.

Ambitious objectives

Although goals should be realistic and achievable, they should be defined in such a way as to be ambitious and forward-looking while not necessarily knowing how they are to be achieved. This is where the measures come into play, which help to shape the path to goal fulfillment

3.

A holistic, strategic approach from the outset

Sustainability strategies can no longer be viewed or defined in isolation from sustainability departments, and must interlink with strategies from other departments. The defined goals must also be embedded in the objectives of other core departments in order to achieve sustainability sales and sustainability margin targets. This requires a holistic understanding of the relevance of sustainability in consumer goods companies.

4.

Turning the affected into the involved

Successful implementation of the strategy requires, above all, integration of stakeholders from a wide range of business units into the implementation process. These stakeholders should not be treated as passive spectators, but as involved actors.

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Issue 09/2024