



The Conscious Citizen

Understanding the Meaning of Sustainability
to Drive Innovative Strategies in Support
of a Rapid Green Transition

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Climate Change: Risks and Responsibilities

The climate crisis is now a given, and the world is facing a decisive turning point.

Since the industrial era¹, greenhouse gas emissions have been the predominant cause of climate change, and the scientific community agrees that human activities are the primary cause of global warming². In 2020, the levels of suspended climate-altering gases in the atmosphere set new world records, and the trend recorded in 2021 is markedly on the rise: carbon dioxide, methane, and nitrous oxide more than doubled compared to the pre-industrial era, marking +149%, +262%, and +123% respectively³.

After all, the impacts are becoming increasingly evident. Considering the temperature rise, yet more evidence was gathered in the summer just ended, which recorded heat waves throughout Europe. In addition, the frequency and severity of natural disasters are steadily increasing, and the percentage of those who have personally experienced one or more extreme weather events is growing. According to the "Deloitte Global State of the Consumer Tracker," 1 out of 4 European has experienced at least one such event⁴.

Besides endangering the environment and people, global warming acts as a negative shock to the economy, leading to increased macroeconomic volatility through direct damage to a country's citizenship^a and potential income stream. In this regard, Deloitte estimates that over the next 50 years, failure to combat climate change could cause Europe about 6 trillion euros in economic damage and 110 million fewer jobs, significantly reducing long-term economic prospects⁵.










At this critical time for our future, it is essential to remember that climate change and the resulting ecological crisis primarily affect people. Our families, friends, neighbors, and colleagues will be the first to feel the impacts today and in the future. Yet, at the same time, people are the key to solving these crises.

Our decisions today will affect the quality of life for generations to come. Change is only possible through collective action, built through tangible and lasting changes in the attitudes and behaviors of all players in the economic ecosystem: citizens, businesses, and institutions.

To understand the dynamics above and people's role as "agents of change," Deloitte has set up an Observatory through which it periodically monitors the sustainable behaviors of citizens in their daily lives in multiple areas, seeking to assess their actions, choices, and ultimately their purpose. The goal is to develop an empirical evidence through which supporting the fight against climate change with tangible solutions and innovative initiatives for companies.

^a Consider the effects of global warming and the greater ease with which new and unexpected pandemics may spread due to the migration of animal species and host pathogens to more densely populated areas ([Nature, 2022](#); [Commissione Europea, 2021](#)).

Figure 1
Extreme wheather events in 2022 (spring & summer)

	Extreme heat	Severe flooding, rising sea levels	Severe drought, water shortages	Wildfires, smoke from wildfires	More frequent and powerful storms
	38%	9%	17%	8%	12%
	72%	9%	45%	17%	13%
	62%	10%	27%	17%	17%
	75%	10%	39%	21%	21%
	19%	8%	14%	10%	12%
	46%	7%	26%	9%	10%
	57%	8%	22%	9%	13%
	71%	8%	31%	19%	15%
	32%	5%	12%	8%	8%

Focus on Climate Change: People's Perception

As a result of the current situation characterized by rising geopolitical tensions and inflationary pressures, to date, the primary concern of people is the future of their country's economy and financial structure. Among the main concerns for the future, however, climate change holds a prominent role. For example, in Italy, it is perceived by 36% of respondents as one of the main threats to be faced in the short term, a more pressing issue than protecting one's personal health (31%). In particular, two generational groups are most alarmed about preserving the planet and fighting climate change: on the one hand, Gen Z youths (45%), who are known to be more conscious of the issue, and on the other hand, Baby Boomers (40%), who worry about leaving the next generations a declining planet in bad shape.

Still recovering from the summer 2022 temperature highs, people do not hide their concern about the "climate" emergency and its consequences as confirmed by 67% of European citizen. Moreover, 69% of Europeans agree on the underlying causes of global warming, ultimately attributable to contemporary society and its barely sustainable patterns⁶.

Today's real challenge is mainly about creating an environment in which growing attention and awareness regarding climate change result in a call on people to take a stand and do their share through concrete actions as soon as possible.



Green Lifestyles on the Rise, Although Still With Some Obstacles

Until recently, the term "sustainability" did not appear to be high on people's list of priorities. However, the pandemic, geopolitical tensions, and growing consciousness related to climate change have helped to exponentially increase its popularity and value, also raising awareness of environmental issues and fueling a virtuous cycle of change in people's daily lives.

Adopting sustainable lifestyles means making a difference for the planet and future generations. In this regard, reducing the climate footprint on the demand side is estimated to lead to a potential 40 to 70% reduction in emissions from various sectors by 2050⁷.

However, changing routines that have been established and become entrenched over the years is a process that takes time. It also requires the concurrence of multiple factors, such as a commonality of purpose at the public policy level, state-of-the-art infrastructure, and, most importantly, a profound sociocultural shift on the part of citizens.

In light of that observation and the survey findings, Italy is well positioned, with its residents claiming to be particularly receptive to "greener" daily habits. More than 2 out of 3 respondents say they have already started a gradual shift to more sustainable practices well before the pandemic. Alongside these are an additional 23%, primarily young people, who are reflecting on how to adjust their lifestyles to become more environmentally sustainable.

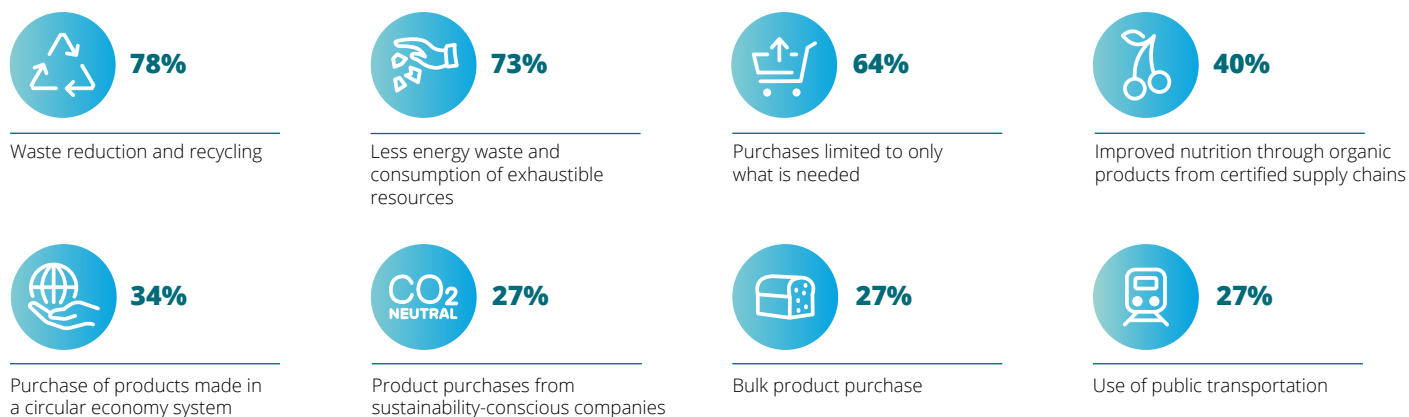
But what does "more sustainable lifestyle" mean concretely? Based on the evidence collected, people mainly understand it as better waste management, both in terms of producing less waste and improving recycling, and paying more attention to the consumption of scarce resources, such as water. Over 505 Kg of municipal waste per capita were generated in EU of which 48% was recycled with high level of heterogeneity reflecting differences in consumption patterns and economic wealth, but also depend on how municipal waste is collected and managed⁸.

Sharing, recycling, reusing, regenerating, minimizing waste, and valuing discarded goods are essential elements for a more sustainable and circular future.

There is also a growing attention of citizens to the choice and origin of the products they intend to buy.

Organic products and certified supply chains, circular economy, and environmentally sustainable brands are buzzwords inspiring new "green" consumption patterns.

Figure 2
Citizen's daily actions in support of sustainability



When looking at organic farming, all major indicators in Europe show an increase: for example certified agricultural areas have increased to 14.7 million hectares - up 55% compared to 2012 – with an average incidence of 9.1% over the total⁹.

However, transitioning to new, more sustainable habits and routines presents some critical issues - mainly economic and financial.

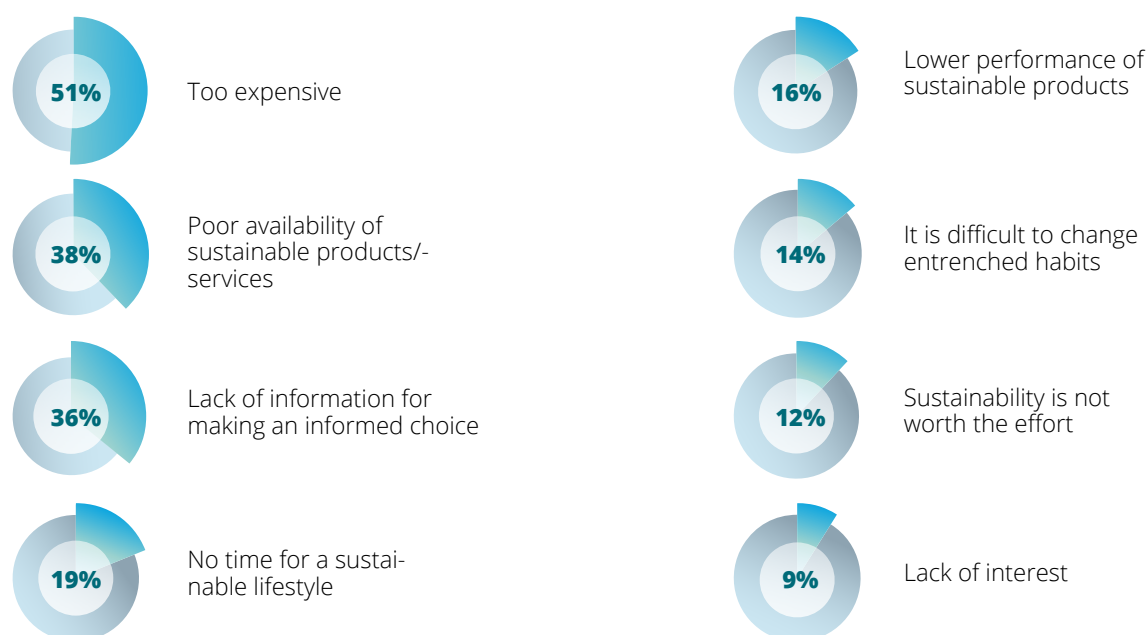
Price is the first critical factor also in light of the impact on the disposable income of people in the current financial-economic environment, where inflation reached 10.6% on an annual basis¹⁰. To date, directing one's spending toward options with a reduced environmental footprint requires people to pay a premium price that often inhibits purchases, especially among the less affluent segments of the population. Generally, the price differential of sustainable products compared to "conventional" options is justified by higher production costs associated with adapting existing processes or adopting new ones and extra-costs.

Another obstacle noted by citizens is the difficulty of finding that product or service. Often, these products do not fall within the traditional, entrenched distribution systems but are handled by other specialized players who have yet to expand their presence in the territory. The difficulty of finding verified and reliable information on sustainability is the third most significant barrier, and it is a particularly relevant factor, especially for those generations most eager to give their contribution (Gen Z and Baby Boomers).

Education on sustainability by institutions and companies thus becomes an essential effort to ensure that citizens make fully informed choices.

Lastly, there are cognitive and behavioral barriers attributable to people's lack of time, a considerable inertia component in the individual citizen's attitude, and sometimes an absence of interest in the topic.

Figure 3
Main barriers to "greener" lifestyles and consumption patterns





Being Sustainable, All the Way: the Role of Innovation

The Distinguishing Features of a Sustainable Brand and product

Being a genuinely sustainable brand is more complex than it may seem. The starting point for companies is to integrate sustainability into their *purpose*, vision and mission, and to be able to communicate these in an authentic and distinctive way: without this holistic and systemic approach, any attempt to interpret a company's brand - and consequently its products or services - in a sustainable way is fallacious.

Many factors, both formal and substantial, determine a brand's sustainability: for example, the production chain, the company's commitment to society and the environment, but also employees' working conditions and certifications.

When asked about the distinguishing features of a sustainable brand, people, in keeping with their new habits and lifestyles, mainly pay attention to substantial aspects related to the production or delivery of the good rather than formal features.

Brands perceived as sustainable are those that best exemplify the circular economy paradigm, minimizing the consumption of new resources and waste generation, adopting tangible approaches to decarbonization, using raw materials with low environmental impact throughout the value chain, extending the life cycle of products or transforming them back into raw materials after use. The formal aspects of sustainability, such as certifications, communications, and sustainability reports, which are essential in the corporate environment to meet standards and ensure operational viability and access to credit, take a back seat in the citizen's mindset. Therefore, it is crucial for companies to strengthen their communication strategies by educating their stakeholders on the organization's all-around commitment to sustainability.

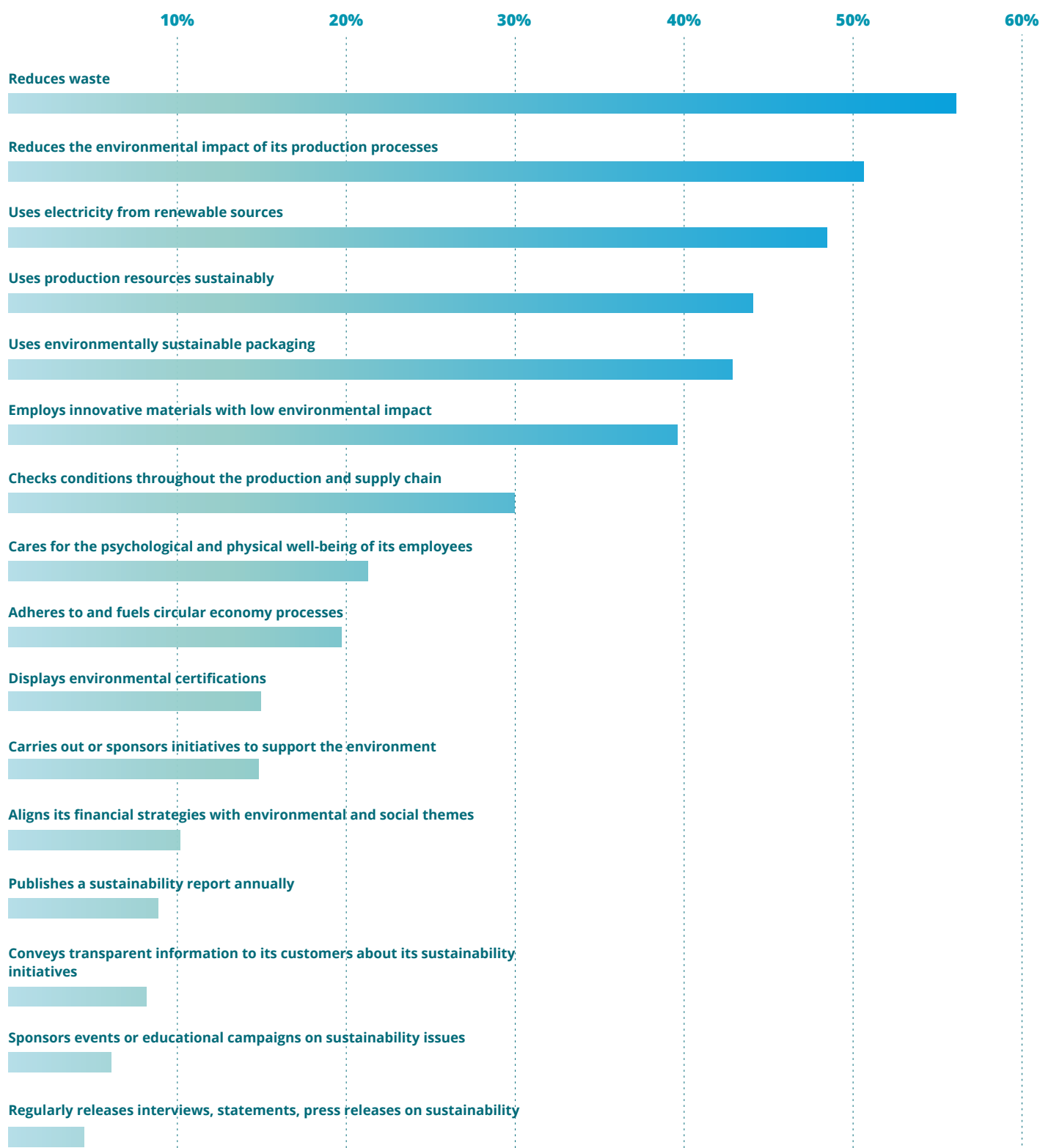
In delineating an archetypal sustainable product or service, people today place greater emphasis on the environmental impact of its production and consumption than on social effects such as the role of local communities, ethical labor, and compliance with safety standards

In the environmental sphere, people's interest and attention mainly focus on the type of raw material used, which must be as renewable, natural, and recyclable as possible, and on minimizing its environmental impact throughout the value chain - from production to consumption.

The issue of goods' durability, although central to sustainability - especially in some sectors - does not seem to be a significant concern as of today. However, companies must balance the durability of their products or services through innovation to avoid too rapid obsolescence with negative environmental consequences attributable to increased waste generation and the associated need for disposal.

With this respect, design-oriented companies are aligned with consumer needs, sometimes anticipating their demands. For example, 58% of the surveyed companies attach great importance to designing for durability, namely, developing the product or its use to improve its maintainability, physical durability, and emotional life span. In comparison, 43% create products optimizing design for reduction, i.e., they develop products by minimizing the use of materials and energy and waste production¹¹.

Figure 4
The main distinguishing features of a sustainable brand



Innovation: the Key Enabler of Sustainability

When dealing with sustainability at the very early days, companies focused their efforts on product design and internal operations efficiency with “spot” initiatives. Given the current situation, organisations acknowledged more than ever that sustainability must become an integral part of corporate strategy. Sustainability must drive innovation by fostering a 'sustainable by design' approach that enriches innovation processes at all levels and permeates the long-term strategic planning.

It is crucial that companies do not perceive innovation and sustainability as two separate realities. On the contrary, both go hand in hand, complement and reinforce each other with the ultimate goal of enabling a sustainable transition not only of the company itself, but of the society as a whole.

The contribution of innovation in support of sustainability, can take many and different forms. Hereby some examples are reported:

- The either radical or incremental transformation of key business processes by mean of new design constraints that shape the way scarce resources - energy, carbon, water, materials and waste - are utilised throughout the whole corporate value chain.
- Satisfying the increasingly 'green' customers' needs and desires taking into consideration any possible budgetary constraint. In this case, the development of green products or services often needs to leverage the open innovation approach where internal R&D activities are complemented through the collaboration with other players in the broader ecosystem, including start-ups, innovative SMEs, universities and research centres, venture capitals and all those other entities involved in the open innovation and technology transfer process.



Figure 7
The main sources of information on sustainability

	Purchasing criteria	Average
1	Quality	67%
2	Price	62%
3	Sustainability	40%
4	Customer experience	18%
5	Customization	15%
6	Data protection	9%
7	Brand	8%

Sustainability As a Compass To Navigate the New Context

A further indication of the importance of climate change in changing lifestyles and consumption patterns can be seen in the primary purchasing criteria for products and services driving consumers’ decisions.

Quality and price remain the main drivers of choice, but sustainability is increasingly a strategic criterion for consumer, albeit not yet unique. On the other hand, the brand itself is not really perceived as relevant.

Sustainability becomes a critical discriminating factor for durable products in particular - especially those related to mobility, real estate, and groceries - in support of a healthier lifestyle. Conversely, software, entertainment services, and financial products, regardless of their potential direct and indirect impact on global warming, are areas where purchase choices are still driven by more conventional thinking.

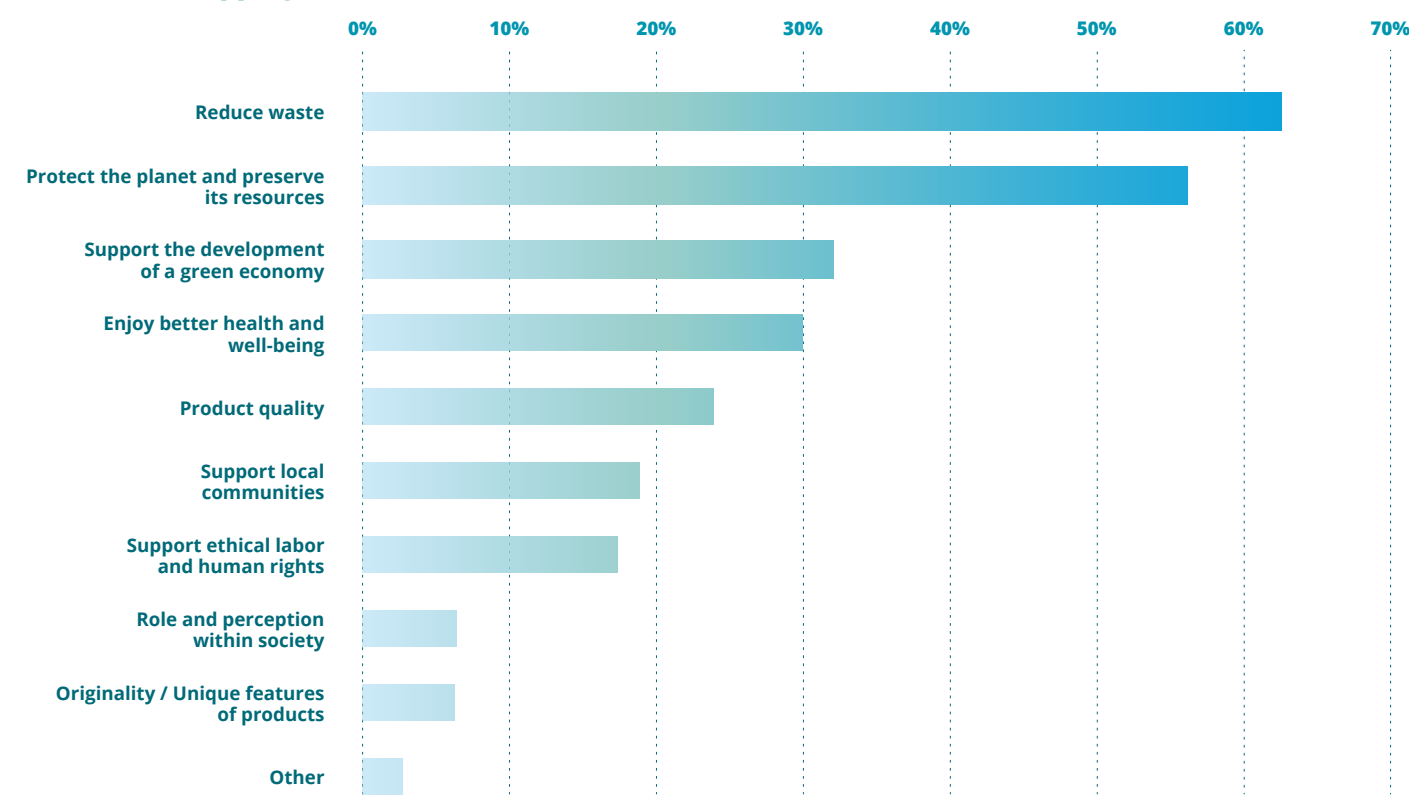
Sustainable shopping is mainly about choosing products and/or services with a low environmental impact, considering their entire life cycle and related ecological footprint.

Specifically, reducing waste, consuming resources more wisely, and wanting to actively contribute to the green transition are the main drivers that lead people to prefer environmentally sustainable products and services. In keeping with the mentioned perceptions of brands and their products or services, the social aspects of sustainability are not yet considered as primary drivers affecting purchases.

Another highly significant aspect of the research relates to the emotions the purchase of a sustainable product or service generates. Those who genuinely practice sustainability not only want to re-establish a positive relationship with nature and the environment, making a valuable first-hand contribution to the climate change cause; they also want to perceive more significant benefits in terms of health and well-being and improved self-esteem.

Some frustration comes out as there are (few) people regretting that environmental issues are still not taken seriously enough and there is not much left to do from themselves to further contribute to the cause. Last but not least, environmental conscious people feels that their fellow citizens lack proactivity and involvement in sustainability efforts.

Figure 6
Sustainable shopping





Getting the Facts: the Culture of Sustainability and the Fight Against Greenwashing

As it turns out, people are ready to make sustainable choices and adopt new lifestyles. The availability of information about the actual degree of sustainability of products and services plays a crucial role in ensuring that such behaviors can become increasingly widespread, thus generating a positive impact on the environment.

Consumers employ a broad range of channels and tools to find information about the sustainability of the product or service they plan to purchase.

Italian consumers indicate labels as their preferred source of information when it comes down to sustainability. On labels, companies can explicitly state how they are committed and contribute to improving their environmental impact throughout the value chain. "Green labels" are proliferating in multiple sectors due to the increased use of national or international certifications^b. Since 2010, the overall number of Ecolabel products in the EU continued to increase, reaching 87,485 in 2022 (+310%). As of September 2022, most labels have been awarded in Spain, Italy, France, and Germany, especially in the accommodation services¹². However, the lack of a single standard for measuring environmental performance sometimes makes it difficult for consumers to orientate themselves.

Besides labels, traditional communication channels (print and TV) are a reference for consumers, together with official corporate channels. On the other hand, Gen Z proves to be more interested in and use information channels that are more modern and consistent with greater digital savviness; thus, they rely more on influencers and social media. Moreover, a source that is always highly valued and able to make a difference in orienting lifestyles and consumption choices is the typical word-of-mouth, boosted by the growing pervasiveness of digital technologies and people's ever-closer connection with each other.

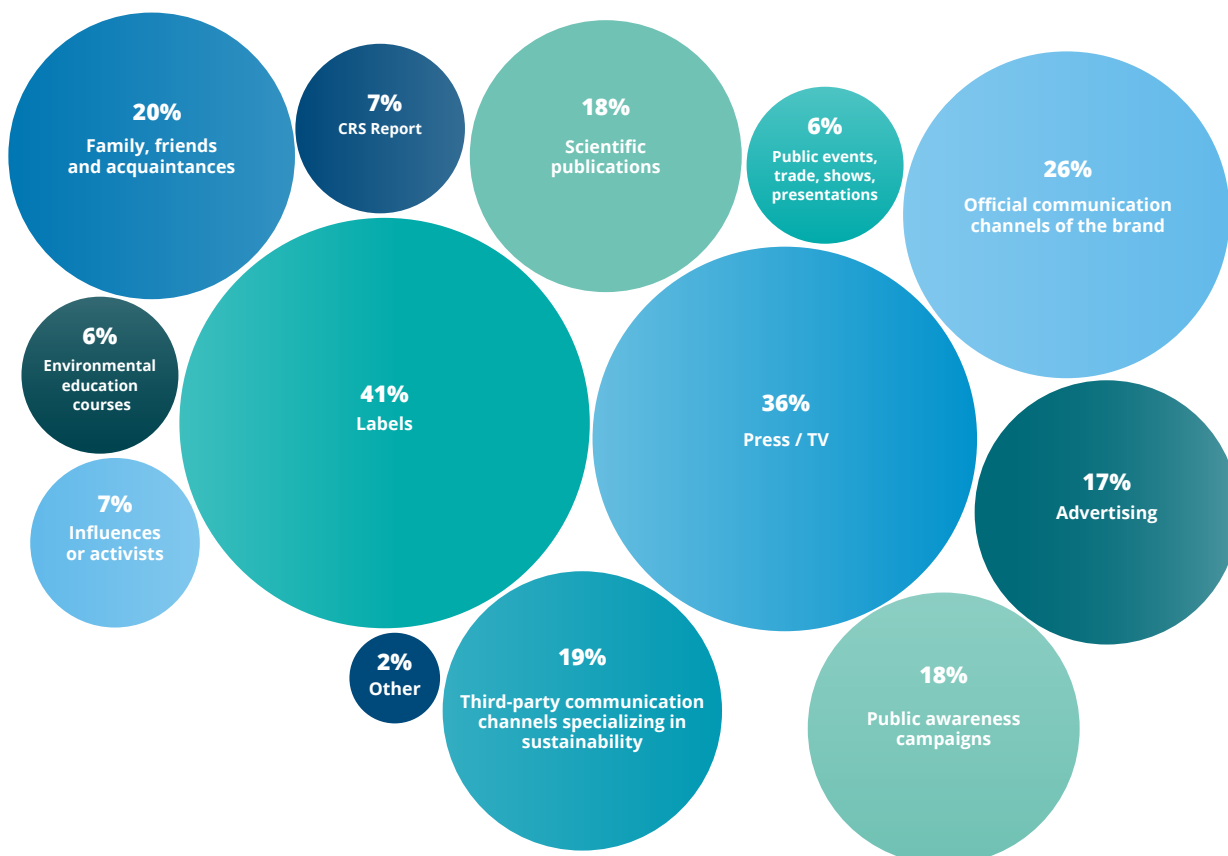
Greenwashing is one of the major concerns for consumers when it comes to the availability of retrievable information. This expression is used to describe all situations in which a company implements a communication strategy aimed at conveying a positive image in terms of ecological impact, even if what is reported is not totally or partially matched by comparable actions in terms of sustainability, also considering the difficulty for end consumers to verify such promises first-hand. Companies often engage in such behaviors to attract new customers, improve their reputation, and ultimately record better performance in the market.

^bIn the food sector, these include Fairtrade label, EU Product Organic Label, and Carbon-Free Certified. In tourism, certifications include the Bio Hotels Certification and Climatop Certification. Lastly, the B Corp Certification, IMO Certified, and Sustainable Materials Rating Technology (SMaRT) should be mentioned.

People are really attentive and sensitive to the issue of greenwashing and it happened to experience it in their everyday life. Looking at the Italian context: 65% of citizens believe that companies often use such practices, only 44% trust what businesses announce, and 75% experienced at least one case of greenwashing in their everyday life.

Although no "dominant" case is emerging, the most frequent instances of greenwashing involve using vague and approximate language in the product description and emphasizing a single sustainable product feature while leaving out other, sometimes less virtuous, environment-related aspects. Based on people's perception, the industry where cases of greenwashing are most common is the food sector. However, the textiles/fashion/accessories, personal care, energy, and agricultural sectors are also affected. These findings are also reflected in surveys conducted by European institutions. For example, the European Commission screened websites looking for statements related to sustainability profiles of products and/or services and reported that over 50% of the "green claims" reviewed presented "signs" of unlawfulness. Out of these: 37% were characterized by the use of vague and generic wording and terms (e.g., "conscious," "eco-friendly," and "sustainable"), whereas 59% did not show factual data and information to substantiate the claims made¹³.

Figure 7
The main sources of information on sustainability



Generating brand loyalty and attachment is extremely important for companies. Winning customer trust helps trigger word-of-mouth, strengthen brand credibility, and ultimately lead to better bottom-line performance - attracting a new customer can cost up to 5 times more than retaining an existing one¹⁴.

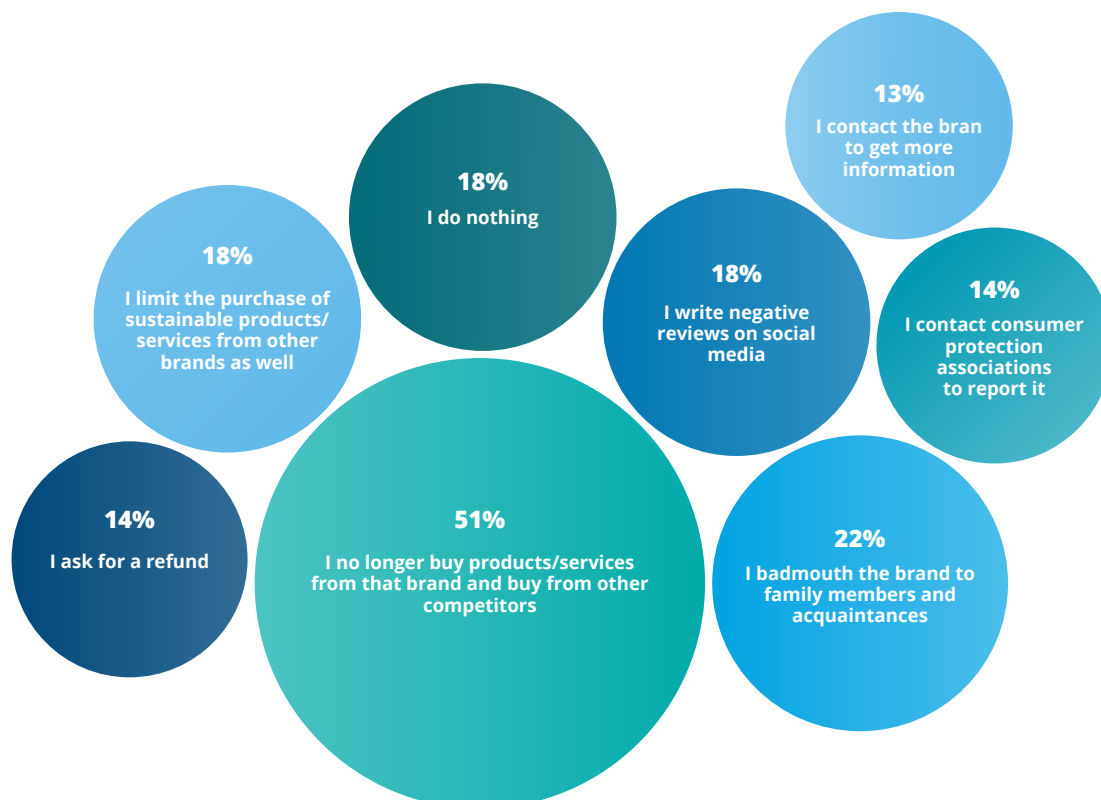
Greenwashing practices entail several risks, with the most severe and impactful being a possible breaking of the bond of trust between the consumer and the brand.

Always concerning trust and confirming this observation, there is evidence of a dialogue breakdown: not many consumers turn to the company for more information, thus negatively affecting the relationship with the brand. In addition, people are likely to share their negative experience with their closest acquaintances and leave negative online reviews, thus magnifying the repercussions on the credibility of the producer due to the heightened importance of physical-digital word-of-mouth in seeking information when purchasing a sustainable good or service.

At times, the impact of such behaviors goes beyond just the corporate boundaries and results in several negative externalities within the broader sustainability ecosystem. There are also consumers who believe that cosmetic environmentalism negatively impacts the others' propensity to buy green products, thus limiting and slowing down the transition to more environmentally friendly lifestyles and consumption.

To deal with this still too widespread practice, a great majority of citizens, aware of the possible unorthodox behavior of companies, very often call for decisive intervention by the relevant authorities. These are called to ensure consumer protection by establishing a clear legal and regulatory framework for sustainable communication.

Figure 8
Citizens' reaction to greenwashing





Expectations About the Role of Government and Institutions

People's opinion about responsibly addressing climate change is clear: the actions of one stakeholder alone cannot bring about a turnaround. Instead, this challenge demands the contribution of multiple players - on the demand and supply sides - whose actions must be coordinated and synergistically enabled by the government and institutions, also in light of the EU's policies, such as the "European Green Deal"^{15,c}.

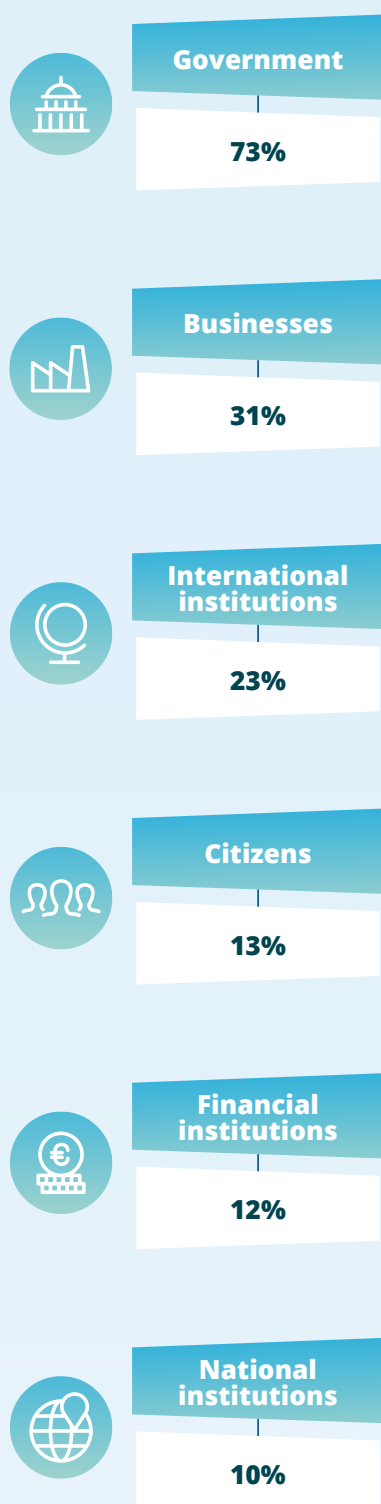
The State, empowered through the implementation of appropriate strategies, plans, programs, and other concrete initiatives, naturally becomes the leading player that can orchestrate the green transition, according to 2 Italian citizens out of 3. In particular, the Government should work along two main lines: take on the costs of the ecological transition and foster the development of an administrative, regulatory, licensing, and pricing framework that will incentivize citizens and businesses to adopt increasingly sustainable behaviors and economic models.

Focusing on the economic-financial aspect, the transition to a net-zero economy will each year require average investments of approximately 175 billion euros - until 2050^d. Moreover, failure to take action could cost our country much money, with an estimated 3 trillion euros less in GDP between now and 2070¹⁶.

The State is the main stakeholder that should bear the costs of the green transition, followed by companies. Organisations are expected to adjust their offerings, making them more sustainable, through targeted investments in clean technologies, even going as far as sacrificing part of their profits to avoid price increases.

^cThe goal of this programme is to make Europe the first climate neutral continent in the world by 2050 through an overall reduction of at least 55% by 2030 compared to 1990 levels. The initiatives included in this programme are: the 'Fit for 55%' package, European climate law, the EU strategy on adaptation to climate change, the EU biodiversity strategy for 2030, 'Farm to fork' strategy, the European industrial strategy, the circular economy action plan, the batteries and waste batteries initiative, the just transition mechanism, the "clean, affordable and secure energy" program, the EU chemicals strategy for sustainability, and the forestry strategy and deforestation-free imports.

Figure 14
Those responsible for the costs of the ecological transition



Government and Parliament intervention are required also in administrative and regulatory aspects related to the green transition to make a country more prepared and receptive to a new environmentally sustainable development model. Specifically, there are 3 specific areas of interventions:

- The creation of a single, unambiguous, reliable national administrative and regulatory framework capable of putting things in order and inspiring the decisions of all stakeholders involved in the ecological transition process. That involves, among other things, the need to remove multiple administrative and regulatory barriers, the streamlining of authorization processes, and the gradual institutionalization of the sustainability notion as a basis for defining shared and recognized standards. .
- Greater stakeholder protection as they move toward more sustainable consumption and development patterns. Consumers are in favor of direct actions to punish illegal and anti-environmental behavior of both people and companies, to prohibit the implementation of misleading business practices, and to increase awareness regarding sustainability issues and the sense of urgency when it comes to translating intention into action.
- Direct and indirect support to the energy transition, also using the resources allocated by the Next Generation EU through the National Recovery and Resilience Plan. With this respect the Government should contribute directly through targeted public investments in sustainability, support and incentivize private investment toward green transition in the business community, and invariably promote - wherever possible - the role of the ecosystem and the resulting externalities.

Five Key Aspects To Boost Innovation towards a sustainable future

People have become increasingly aware of sustainability. Companies and institutions have therefore to prepare themselves to meet this challenge and adopt an innovative and synergetic approach to sustainability as soon as possible. The challenge of climate change does not admit defeat: winning means securing a future for any nation.

Consumers need to adapt their lifestyles and consumption patterns to the new principles of eco-sustainability, also embracing innovative solutions. Companies need to update their business models, making innovation and sustainability their focus. Finally, institutions need to foster the creation of an environment that is as responsive as possible to sustainability in its many facets for the benefit of the community today and tomorrow.



The Role of Companies

The top management of companies of all sectors and sizes increasingly perceive pressure from all stakeholders to have sustainability aspects more and more integrated into corporate purpose and culture and in all the products and services rendered to the community

That results in companies needing to review their business model and underlying strategies to create value in the medium and long term - for themselves and the community - through sustainability. In this sense, the ability of organizations to respond to sustainability is emerging as an essential and distinctive competitive factor that should be addressed for ethical and reputational purposes. Moreover, this ability is critical for the company's systemic growth, the generation of new business opportunities, and the reduction of exposure to sustainability and reputational risks, providing a tangible return in financial terms¹⁷.

To thrive in a net-zero future, companies must embrace a transformative, forward-looking, sustainable by design approach: a short-sighted view is the main obstacle to scaling sustainability. In this regard, any company's essential prerequisite for proper strategic planning is a clear understanding of how and where sustainability (particularly environmental sustainability) can generate and/or destroy value and of where innovative solutions can contribute to the evolution of companies towards more sustainable operating and business models.



Specifically, companies should take action along these lines:

1

Include sustainability in the company's ***purpose*** and vision by regularly disclosing them to employees and the market, presenting sustainability as a priority and core component of the strategy.

2

Encourage sustainable behavior among people, helping them to be the "best version" of themselves. With consumers increasingly interested in sustainability and inclined to make increasingly conscious consumption choices, companies need to feed this drive through innovation, development and widespread marketing of "green" products and services at a fair price.

3

Innovate their production and distribution process by embracing the circularity paradigm where nothing is created, nothing is destroyed, but everything is transformed, thus extending to the fullest the life cycle of a product or service. Companies should therefore implement a model combining economic needs with the community's environmental and social needs. In this connection, some areas of focus for companies include: designing green products or services, using "renewable" raw or semi-finished materials, managing waste in an optimized way throughout the value chain, using energy from renewable sources, and participating to innovation ecosystems. Under these circumstances, European organizations will be also able to benefit today and in the coming years from opportunities stemming from the Next Generation EU Program.

4

Embed sustainability into their innovation program to strengthen the symbiotic relationship between the two and appropriately manage the trade-offs between price, performance, and sustainability. It is therefore important to focus not only on a more advanced R&D process, but also to rethink products, services, and models of use radically. With this respect, imagining and building new supply chains and ecosystems, capable of stimulating the attention of users and activating profitable interactions between the various players in all industrial sectors will be key. In this regard, innovation is the key enabler and the one and only catalyst

5

Optimize their communication strategy, considering the heterogeneity of demand in demographics, openness to sustainable consumption patterns, and communication channels. In this sense, companies need to communicate effectively, truthfully, and consistently their actions without disregarding the expectations of all stakeholders, avoiding lapsing into greenwashing and causing a possible break of the bond of trust with the customer and potential reputational damage.

The Role of Institutions

Sustainability constitutes a complex sphere of action as it involves many diverse stakeholders. In this context, institutions, especially in the public sector, play a crucial role in implementing social, economic, and environmental goals acting as the primary agent in support of a more sustainable development model.



Institutions should take action along these lines:

1

Ensure shared and orderly progress of the green transition - in line with the commitments made with supranational institutions (e.g., the EU's "European New Green Deal," the Paris Agreement) and with each country's specificities and contingencies - through the creation, implementation, and monitoring of dedicated multi-year programs aimed at fostering and incentivizing the adoption of low-environmental impact solutions. In this context, it is advisable to define interventions corroborating synergies between economic sectors and ensure consistency of action in the different and multiple local levels that may exist. In this regard, Next Generation EU funds are a booster towards a greener future, overcoming all those barriers that have proved critical in the past.

2

Guide companies and citizens toward increasingly sustainable production and consumption models by developing appropriate administrative and regulatory frameworks and introducing streamlined authorization processes that can accelerate the country's ecological transition. In this respect, the reforms envisaged by the National plans are a starting point that can be complemented by greater use of sandboxes and derogation testing concerning disruptive technologies that would support a more receptive environment to sustainable innovation.

3

Establish an ongoing dialogue on sustainable development issues with businesses, citizens, and local communities, using the most effective communication channels based on the specific target audience (e.g., awareness campaigns, roundtables, etc.), increasing their awareness of sustainability issues and enabling them to be active agents of change. In this regards, institutions have to protect and safeguard consumers and businesses from all possible forms of greenwashing by promoting the dissemination of clear, transparent, verifiable, reliable data that are consistent with the scientific facts and by preventing the emergence and spread of negative externalities that would significantly undermine or slow down the process of transition to a more sustainable consumption model.

4

Favouring the creation of fertile ground for sustainable innovation by providing support to local and international innovative start-ups. These, in turn, will bloom the potential inherent in the entrepreneurial fabric and favor any technology transfer processes, making a tangible impact on sustainability.

5

Define and develop a strategy to involve always more the private sector, leveraging the best experiences and lesson learned so far by companies. Opening up to new stakeholders is key to the success of the national strategy as they facilitate the mobilisation of knowledge, skills, technologies and other resources needed for the green transition.

Conclusion

The level of people's awareness about climate change and its effects on society and the economy is very high, as is the desire to tackle this situation. Today's real challenge for institutions and companies is mainly about creating an environment in which growing attention and awareness regarding climate change result in a call on people to take a stand and do their share through concrete actions as soon as possible.

The vast majority of consumers already finds itself ready to make an impact that matters even through a change, sometimes drastic, of their lifestyle in a 'green' way. Paying more attention to the whole waste management process, reducing waste of various kinds and orienting one's consumption towards products and services that are as green as possible are just some of the most important areas of focus.

When it comes down to sustainability, people mainly pay attention to substantial aspects related to the production or delivery of the good rather than formal features. Brands perceived as sustainable are those that best exemplify the circular economy paradigm, minimizing the consumption of new resources and waste generation, adopting tangible approaches to decarbonization, using raw materials with low environmental impact throughout the value chain, extending the life cycle of products or transforming them back into raw materials after use. Interesting to note the fact that purchasing decisions embed this prominent role of sustainability, although price and quality considerations are the most relevant..

It is a widely shared view that the fight against climate change passes right through individuals, who are called upon to make their behaviour and consumption patterns more eco-sustainable. However, a real turnaround is only possible with the contribution and collaboration of multiple actors, under the Polar star of sustainable innovation.

That results in companies needing to review their business model and underlying strategies to create value in the medium and long term through sustainability. To thrive in a net-zero future, companies must embrace a transformative, forward-looking,

sustainable by design approach: a short-sighted view is the main obstacle to scaling sustainability. It is only by acting along this way that organization will be able to transform their business processes while developing and marketing "green" products and services and making them accessible to everyone and not only to niche consumers who are capable of incorporating an ethical approach into their purchasing process. In this regard, companies will have to invest both in product innovation, so to develop and market low environmental impact products with a better performance to traditional ones, and in process innovation, so to achieve higher levels of internal efficiency so as to be able to better manage the trade-off between price, performance and sustainability. This change requires companies to work on a more advanced R&D process, entailing the open innovation paradigm.

At the same time, the institutions must leverage this historic moment. In this sense, the Government has to commit to fostering the creation of a business environment that is as fertile and receptive to sustainability and sustainable innovation as possible for the benefit of the local community and the national business fabric. In particular, its action has to be directed towards the development and implementation of innovation policies, that are both consistent with any supranational commitment already in place and embed any country specificities and contingencies. Some potential areas of action include, among the others, the creation of a single, unambiguous, reliable national administrative and regulatory framework for the ecological transition, the protection of stakeholders as they move toward more sustainable consumption and development patterns, the increasing involvement of the private sector and the enhancement of the technology transfer processes, capable of making an impact in term of economic, social, and environmental sustainability.

Methodological Notes

The data in this report refer to the Deloitte's "The Conscious Citizen" Observatory. The overall objective of the survey was to explore and monitor the sentiment and opinions of the Italian population on innovation and sustainability to interpret its evolution and concretely assess the spread and extent of innovative and sustainable practices adopted. The sample analyzed consists of 2,000 respondents interviewed during the summer of 2022 using the CAWI methodology. More specifically, the target population comprises individuals aged 18 to 75 years residing in Italy, with quotas set - according to the ISTAT system - by geographical area, gender, and age group.

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