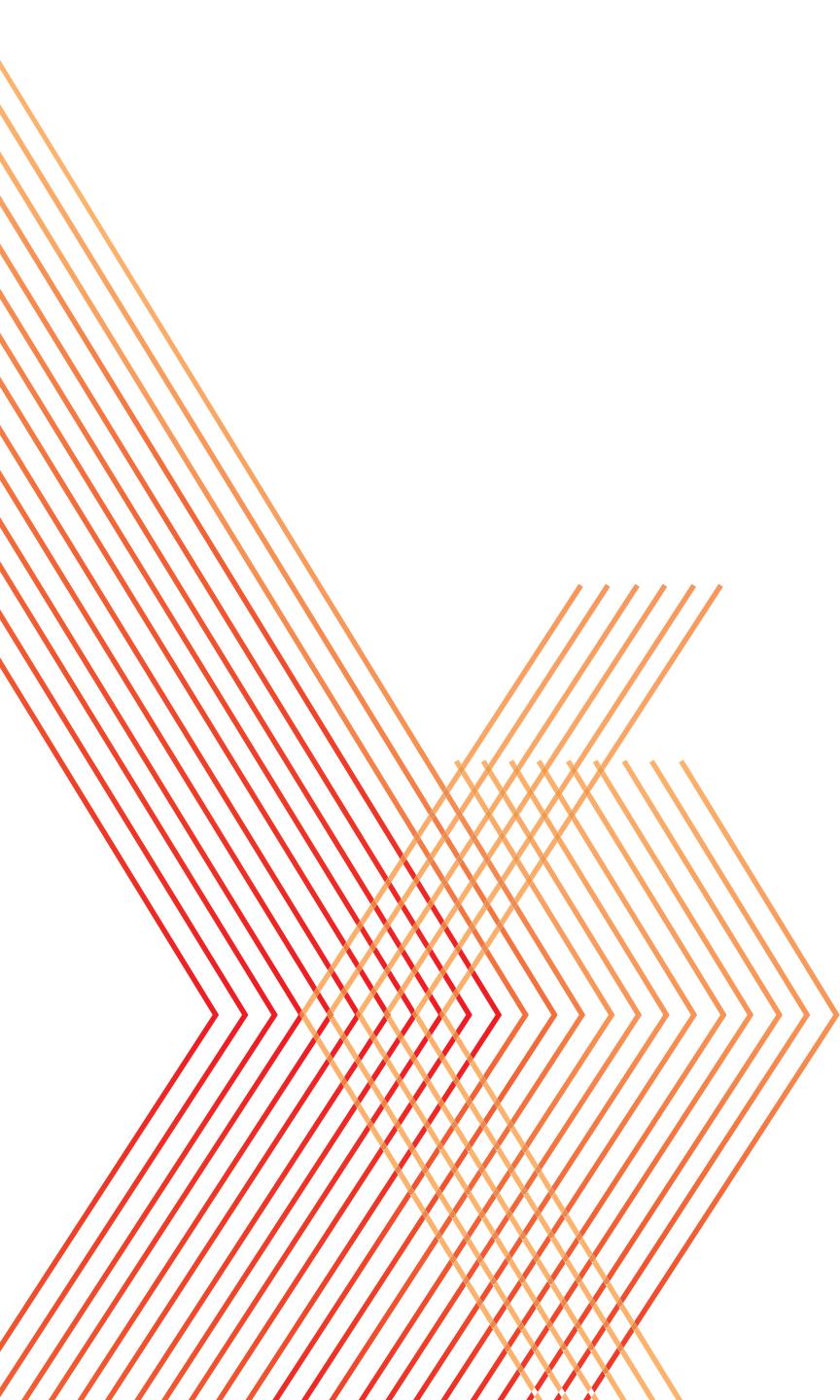




# Building a Sustainable Strategy: A Guide for Business Leaders



Not to be distributed without permission.

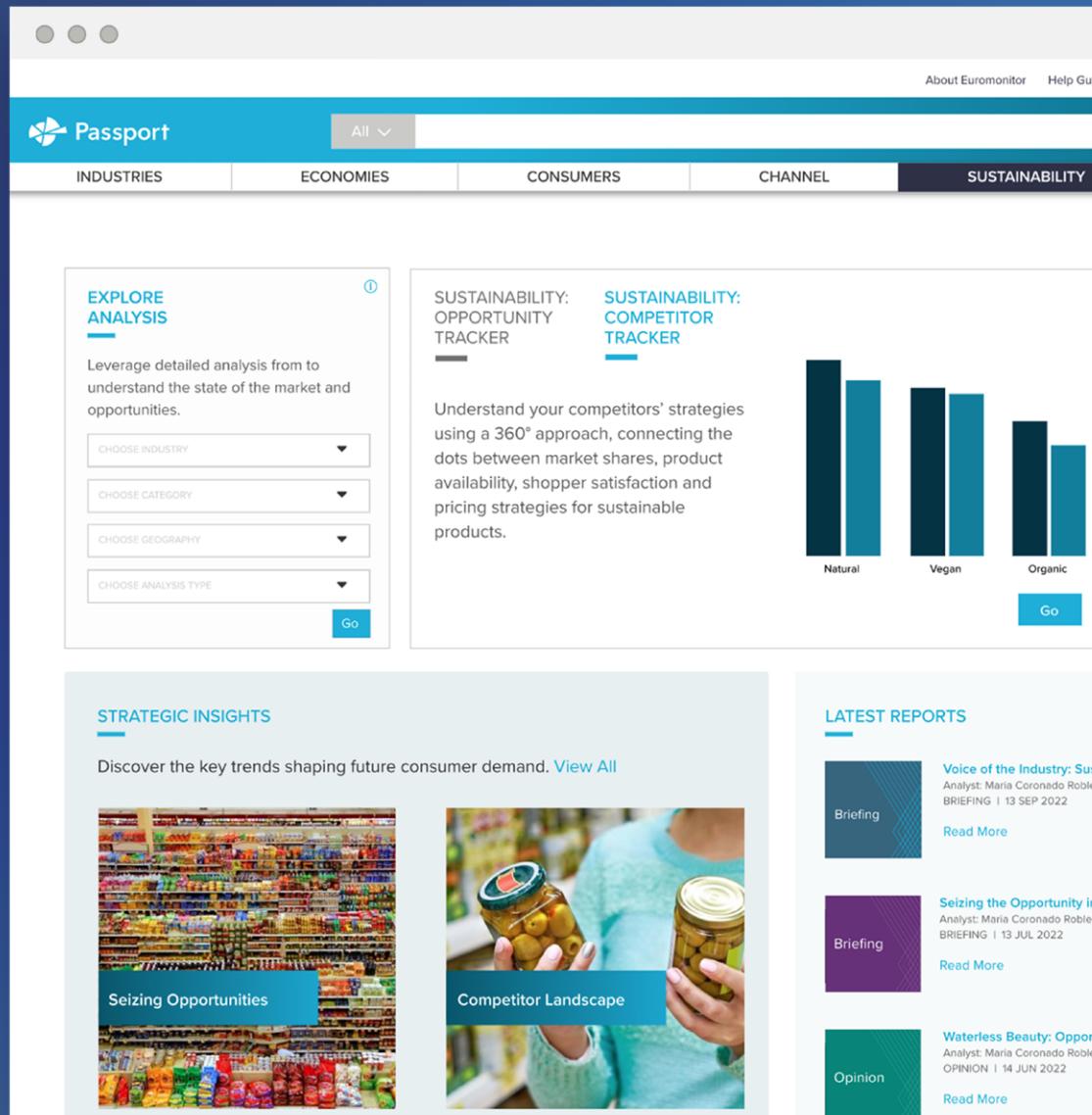
The data included in this playbook is accurate  
according to Euromonitor International at the  
time of publication: November 2022

# The data behind this report

Every business should rely on data to drive investments. That's why we used insights from our Sustainability Practice to develop this playbook.

You'll find answers and opportunities that will help grow your bottom line.

Euromonitor International's Sustainability Practice is your solution for tracking trends, markets, competitors and consumers.



The screenshot displays the Euromonitor Passport platform interface. At the top, there are navigation tabs: All, INDUSTRIES, ECONOMIES, CONSUMERS, CHANNEL, and SUSTAINABILITY. Below the tabs, there are two main sections: "EXPLORE ANALYSIS" and "STRATEGIC INSIGHTS".

**EXPLORE ANALYSIS:** This section includes dropdown menus for "CHOOSE INDUSTRY", "CHOOSE CATEGORY", "CHOOSE GEOGRAPHY", and "CHOOSE ANALYSIS TYPE", followed by a "Go" button. It also features two bar charts under the headings "SUSTAINABILITY: OPPORTUNITY TRACKER" and "SUSTAINABILITY: COMPETITOR TRACKER". The first chart compares Natural and Vegan products, while the second compares Organic and Vegan products. A "Go" button is located at the bottom right of the chart area.

**STRATEGIC INSIGHTS:** This section shows a photograph of a supermarket aisle filled with various products. Overlaid on the image are two blue callout boxes: "Seizing Opportunities" and "Competitor Landscape". Below the image, text reads: "Discover the key trends shaping future consumer demand. [View All](#)".

**LATEST REPORTS:** This section lists three recent reports:

- Voice of the Industry: Sust** (Analyst: Maria Coronado Robles J, BRIEFING | 13 JUL 2022) - Briefing, Read More
- Seizing the Opportunity in S** (Analyst: Maria Coronado Robles J, BRIEFING | 13 JUL 2022) - Briefing, Read More
- Waterless Beauty: Opportu** (Analyst: Maria Coronado Robles, OPINION | 14 JUN 2022) - Opinion, Read More

# CONTENTS



5	Sustainability Tops the Agenda	26	Become the Next Sustainability Leader
8	Better Business, Better World	28	About the Author
10	How to Build a Sustainable Brand	29	Appendix
11	Five Steps to Plan Your Sustainable Strategy		
	Step 1: Engage		
	Step 2: Prioritise		
	Step 3: Collaborate		
	Step 4: Report		
	Step 5: Communicate		



## SUSTAINABILITY TOPS THE AGENDA

Businesses are under pressure to do their part and reduce their impact on people and the planet. Stakeholders are expecting profits to come from creating shared value—balancing financial gain with corporate responsibility.

Sustainability should be a **top business priority**. The dramatic growth in legislation coupled with expansive consumer awareness is driving the urgency to act. Ignoring environmental or social issues threatens brand reputation.

## WHY COMPANIES INVEST IN SUSTAINABILITY



**73%** improve or maintain brand reputation



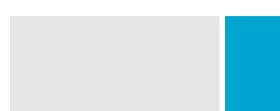
**41%** comply with legislation



**39%** employee satisfaction



**38%** build resilience to unexpected risks



**24%** attract investors

*Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.*



of consumers believe they can make a difference in the world with their purchases



of consumers prefer to work for a company that is aligned with their values

Consumers are modifying their behaviours to live responsibly and ethically. Employees want to work for companies that are aligned with their values, and investors are injecting capital into more sustainable businesses.

Leaders are aware that operations must change if they want to be among the winning companies of the future. But there is a difference between knowing what to do and acting on it.

Source: Euromonitor International Voice of the Consumer: Sustainability Survey, fielded January 2022

# BETTER BUSINESS, BETTER WORLD

---

Sustainability has been on corporate agendas for decades but only recently gained buy-in from the boardroom.

In the past, senior leaders disconnected these initiatives from their core business strategy. That's why so many companies have failed to leverage sustainability to create value.





**68%** said their company  
has a sustainability strategy



**48%** believe sustainability  
is extremely important to  
improve business resilience

Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)

Note: Percentage of professionals surveyed.

Companies that implement responsible practices are more resilient and better positioned to turn crises into growth opportunities.

**Sustainability always means better. Better for the planet, better for people and better for the long-term health of business and the global economy.**

Leaders need to think outside of the typical business mindset to build a sustainable brand. This playbook outlines a step-by-step guide so you can develop a winning strategy that strengthens impact and boosts financial value.

# HOW TO BUILD A SUSTAINABLE BRAND



# FIVE STEPS TO PLAN YOUR SUSTAINABLE STRATEGY

---

**Step 1: Engage**

**Step 2: Prioritise**

**Step 3: Collaborate**

**Step 4: Report**

**Step 5: Communicate**



Refuse  
Reduce  
Reuse  
Recycle  
Raise Awareness

## THINK GREEN

In a business environment

# STEP 1: ENGAGE

Build a strong business case that wins the board's approval.

"A common misconception is that costs outweigh the benefits. But companies can be sustainable and profitable."



A convincing proposal will focus on the connection between sustainability initiatives and business benefits, value creation and risk mitigation. Your business case should outline a target audience, a detailed competitive analysis and any go-to-market implications.

### Questions Your Case Should Answer

- What actions can we take to identify as a sustainable brand?
- What are the risks of ignoring responsible practices?
- What is our brand perception compared to competitors?
- What can we learn from the biggest sustainability players?
- How are sustainable consumers making purchase decisions?
- How can we effectively go to market?
- How does this strategy contribute to our long-term revenue growth?

Clearly align your plan to your vision and mission statements. Underscore exactly how sustainability advances wider corporate and commercial objectives. This step is crucial to get buy-in from senior leadership.

Corporate sustainability efforts are most effective when embraced at the highest level in the organisation. Without authentic leadership, your strategy cannot progress. CEOs and C-suite executives need to commit and set the precedent.

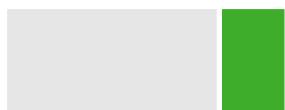
### LEAD BY EXAMPLE



**76%** said the CEO is putting pressure on their company for climate action



**64%** said their company's CEO leads sustainability initiatives



**24%** said their CEO is a sustainability activist

Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.

The business case for sustainability has never been stronger. Doing well and doing good are no longer antagonists but complementary. The health of your business relies on the health of the planet, society and economy.





## STEP 2: PRIORITISE

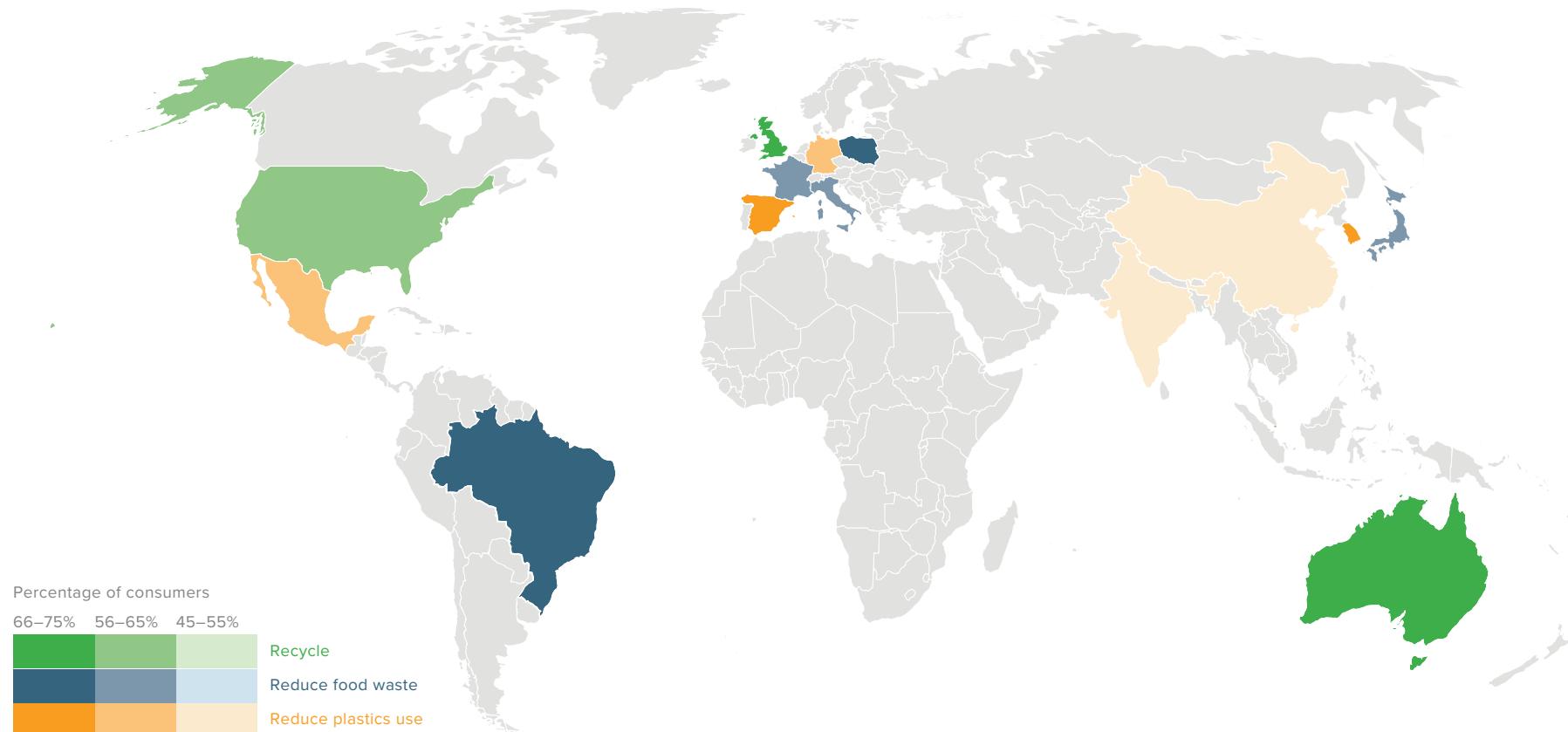
Map risks and opportunities across your top markets. Then, focus your efforts and set targets.

“A catchall strategy isn’t going to create meaningful change. Concentrate on pressing issues that will make the most impact.”



Your purpose-driven plans need to be unique to the markets where you source, manufacture and sell your products. A truly transformational approach takes into account country-specific needs, dynamics and legislation as well as direct and indirect activities across your supply chain.

# TOP GREEN ACTIVITIES AROUND THE WORLD



Identifying threats safeguards your sustainability strategy from compliance risks and protects your brand reputation. This step will help you attract investors and ensure good financial performance.

Several tools are available for companies to decide where to focus their sustainability plan. The most popular approach is looking at the environmental impacts of your business using internal metrics. You can also use global frameworks, such as the [UN Sustainable Development Goals \(SDGs\)](#), to set objectives and communicate progress in a universally recognised language.



## TOP METHODS TO PRIORITISE INITIATIVES

1 Impact of business practices

---

2 Internal metrics

---

3 UN SDGs

---

4 Impact of supply chain

---

5 Third-party research

Conducting a materiality analysis is another method. Executives often only use this tool to meet reporting requirements. But this framework can identify the issues that matter most to the business and its stakeholders to inform strategic direction.

Next, set measurable and realistic goals. Organisations like the [Science Based Targets initiative](#) provide guidance and set international standards to help you quantify the performance of your strategy. With defined objectives, you'll be able to report on progress and pivot tactics.

And as activities ramp up, keep track of market dynamics and macroeconomic scenarios with objective research. That way, you can be agile in your approach.

Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)



## STEP 3: COLLABORATE

Partner with relevant stakeholders to accelerate sustainable business innovation.

"The best joint ventures combine the strengths of each team or organisation to scale impact and overcome challenges."

A photograph showing a person from the side, wearing an orange sweater, holding a small white model of a wind turbine. In the background, other people are visible at a conference table, one holding a pen over a document. The setting appears to be a professional meeting or presentation.

Successful execution requires seamless collaboration within and beyond your company. A dedicated team or committee can help drive and activate your strategy. But you and your executive leaders should also strive to remove organisational silos. Align each department's priorities with sustainable business objectives for effective implementation.

#### BREAK BARRIERS



said lack of internal alignment on priorities  
is a barrier hindering success



said inadequate collaboration between  
sustainability teams and other business lines  
is a barrier hindering success

Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.

To [seize the opportunity in sustainability](#), your department heads across the business—like procurement, R&D, consumer insights and marketing—should actively monitor claims and consumer sentiment. They'll be able to use this information to guide decision making.

No company can completely eradicate environmental and social issues on its own. That's why partnerships play a critical role. Combining resources, skills and talent can yield better solutions.

### TEAMWORK TO ACHIEVE WORK

*Professionals said their company...*



**44%** invests in climate-related employee education and behavioural change



**41%** has a dedicated ESG team



**40%** supports suppliers and other business partners in their sustainability efforts

*Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.*



Determine which activations can be achieved with internal resources, then find gaps that require external expertise. You can join forces with governments, NGOs and other corporations to work towards a shared vision.

A mutually beneficial collaboration across the value chain can lead to powerful outcomes. The right alliance will facilitate and expand sustainable development.



## STEP 4: REPORT

Track your targets and report on progress.

“Your company needs to standardise an evaluation method to determine effectiveness and success.”

There is no point in setting goals if you never know whether you achieve them or not. Remember: only what gets measured, gets managed.

Executives understand the importance of reporting progress to stakeholders but still struggle with this task because there are a wide range of metrics, reporting standards and frameworks available.

CSR and sustainability reports are the two most common methods for recording performance. Some companies are now publishing [ESG reports](#) following regulatory and investor pressure.



### METRICS MATTER

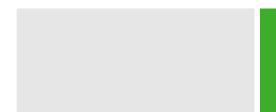
*Professionals said their company publishes...*



**38%** a sustainability report



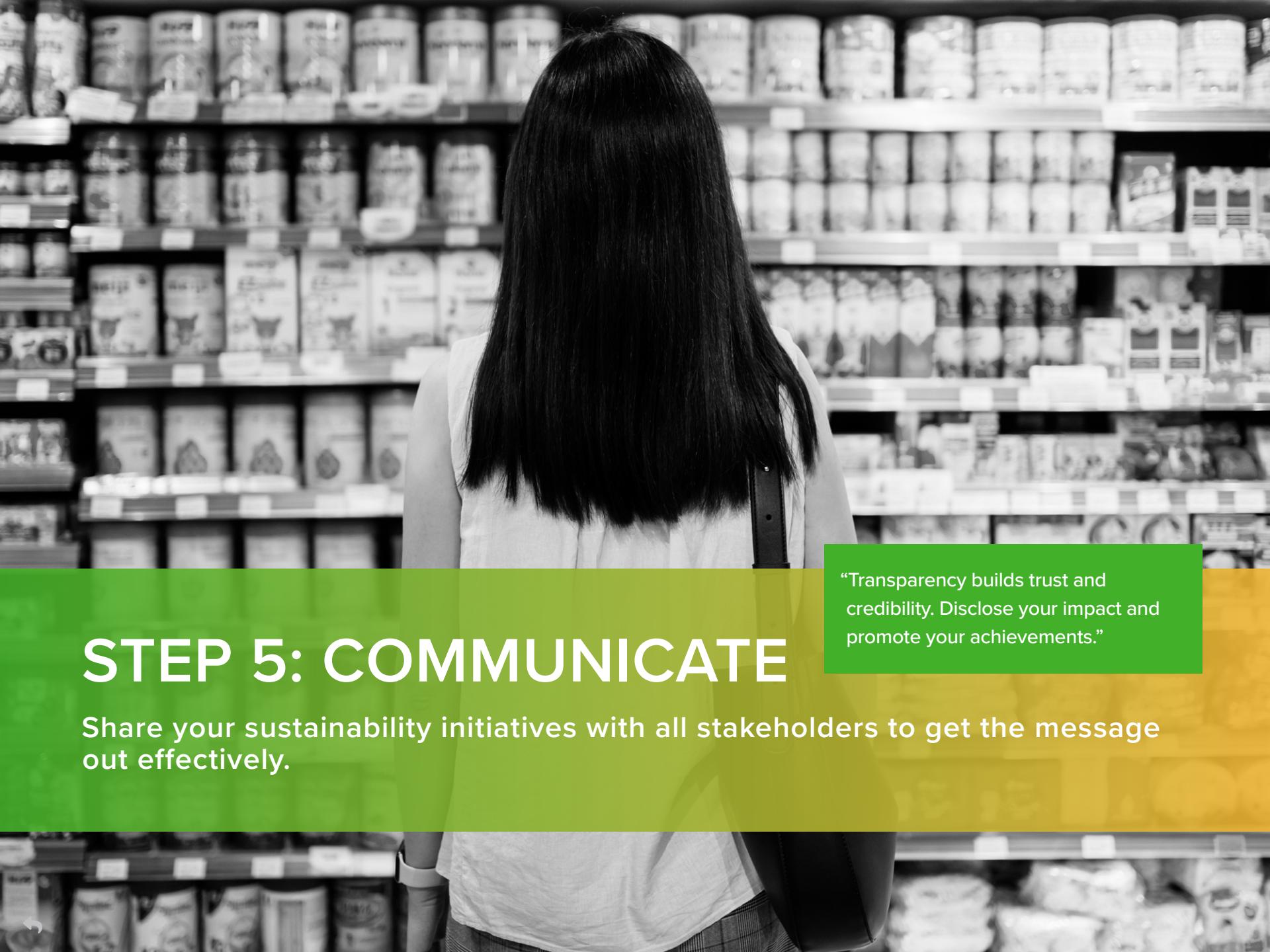
**36%** a CSR report



**14%** an ESG report

*Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.*

More countries are mandating ESG reporting frameworks to force companies to demonstrate their credentials. And more stakeholders want ESG performance linked to executive pay. This holds executive management accountable for delivering on the sustainability agenda.



## STEP 5: COMMUNICATE

Share your sustainability initiatives with all stakeholders to get the message out effectively.

“Transparency builds trust and credibility. Disclose your impact and promote your achievements.”



Product labels and packaging are often where companies advertise their efforts. But the proliferation of sustainable product claims brought greenwashing into question. And governments are scrutinising such claims for misinformation.

#### HOW BUSINESSES COMMUNICATE SUSTAINABILITY INITIATIVES



Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)  
Note: Percentage of professionals surveyed.

One way to increase credibility is using trustworthy third-party certifications, especially those that are widely recognised and understood by consumers. Backing up these claims with evidence and facts is essential to protect your brand against greenwashing accusations.

Transparency builds trust and credibility. Brands should disclose their performance and earnings both internally and externally.



consider their company's sustainability communication to consumers extremely effective

Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded January 2022 (n=500)

Note: Percentage of professionals surveyed.



# BECOME THE NEXT SUSTAINABILITY LEADER



Sustainability is here to stay. But the issues and priorities that your strategy is built around should reflect current dynamics. Evaluate your progress on a quarterly basis and adjust tactics along the way.

Brands that view social, economic or environmental issues as opportunities—and take steps to effect positive change—will be set up for success.

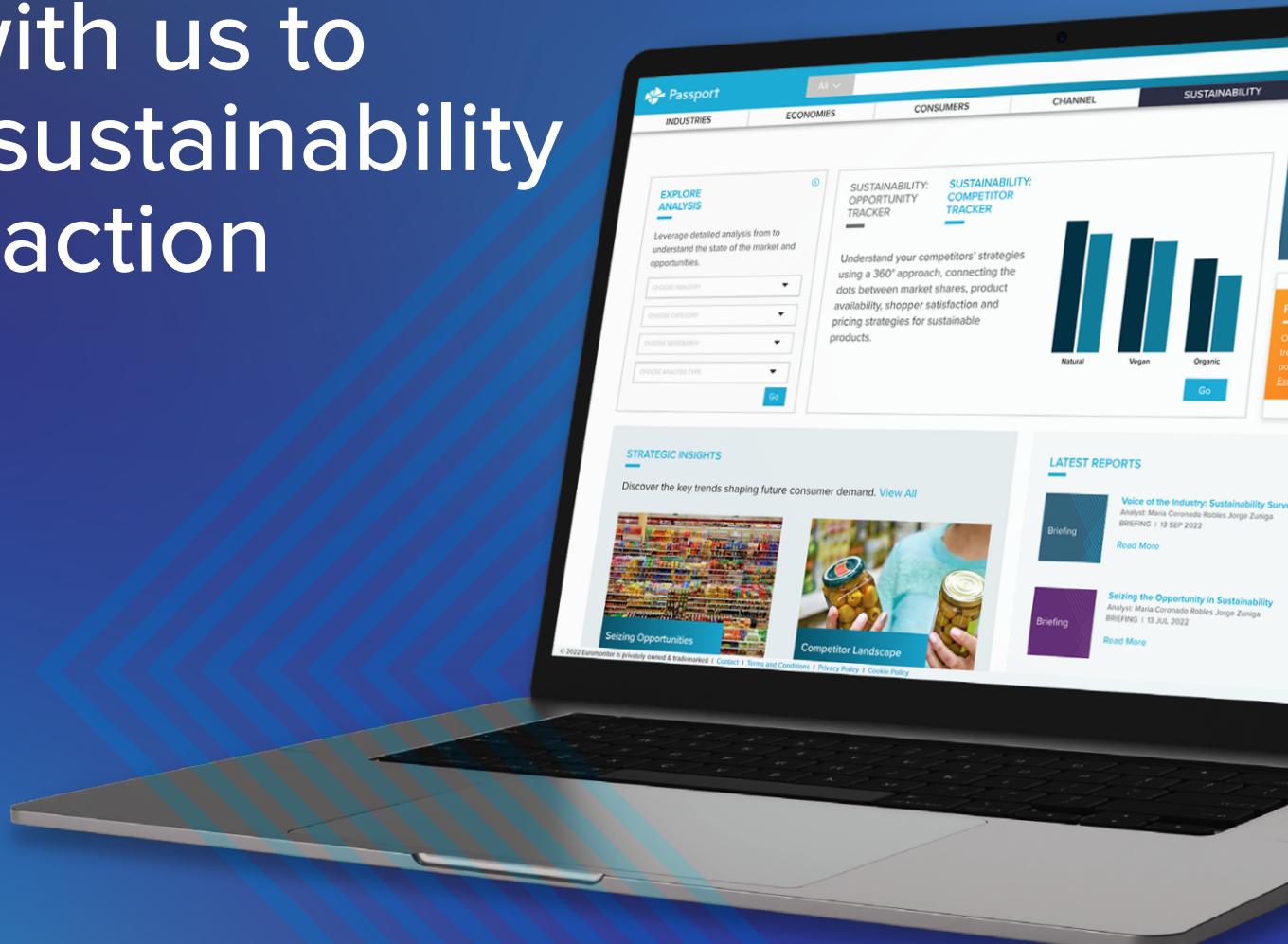
To maintain sustainable growth, businesses need a clearly articulated, purpose-driven strategy that demonstrates how value is created or protected. But this requires a fundamental shift in the traditional business mindset. Leaders need to widen initiatives beyond sustainability teams to include CEOs, CFOs and other C-level executives.

Active leadership and collaboration are integral pieces to the sustainability puzzle. Partnerships are now fostering advanced innovation and solving complex challenges. And multidisciplinary teams are working together to achieve common targets.

Communication and transparency are more important than ever before. Buzzwords, broad claims and general statements around responsible business development won't position your brand as sustainable. But a robust strategy with specific objectives, targets, activations and commitments will help you become one.

# Partner with us to put your sustainability plan into action

[GET IN TOUCH](#)



## About the Author



**MARIA CORONADO ROBLES**

Head of Practice – Sustainability

[Connect on Linkedin](#)

Maria leads global sustainability research at Euromonitor International. She provides insights on topics including global sustainable living, consumer behaviour, the circular economy, climate action, the rise of purpose-driven brands, communication strategies, rebalancing product portfolios and mapping the competitive landscape.

With a PhD in the use of waste as new resources and extensive research experience on sustainability trends, Maria is also responsible for the creation of Euromonitor's Sustainability Practice.

## Appendix

### **Voice of the Industry: Sustainability Survey**

Euromonitor International surveyed our extensive network of industry professionals around the world to uncover trends and innovations within the sustainable business environment. Survey, design, execution and analysis were developed collaboratively across research teams. Typical sample sizes range from 250 to over 1,000. Our latest Voice of the Industry: Sustainability Survey was conducted in January 2022.

### **Voice of the Consumer: Sustainability Survey**

Euromonitor International conducted a consumer tracking survey to explore the trends that influence attitudes, behaviours and decision making when shopping sustainably. A diverse set of online panellists in 39 developed and emerging countries were invited to participate in January 2022. 1,000 responses were captured in each market. Panellists were pre-screened to ensure that the sample matched each country's population according to nested quotas for age (from 15 to 74) and gender.

### **Voice of the Consumer: Lifestyles Survey**

Our annual Voice of the Consumer: Lifestyles Survey explores all areas of consumer life, from eating habits to home activities to outlook for the future. A diverse set of online panellists in 39 developed and emerging countries were invited to participate between January and February 2022. 1,000 responses were captured in each market. Panellists were pre-screened to ensure that the sample matched each country's population according to nested quotas for age (from 15 to 74) and gender.