

Sustainability trends in the consumer products industry



Engaging with supply chain partners

Consumer goods companies are increasingly viewing their suppliers as an extension of their company. They carefully select suppliers based on sustainability criteria and work with them closely to help them achieve their sustainability goals.

As part of Danone's commitment to regenerative agriculture, the company helps farmers gain access to training, equipment, and financing. **Danone has offered financial and technical assistance to over 100,000 farmers globally.**

Comprehensive reporting and transparency

In response to growing pressures from consumers and investors for full and frequent disclosures, companies have been focusing on full transparency.

Nestlé announced in 2019 that it will release its supplier list and sourcing data, covering 95% of the company's annual sourcing of raw materials. This was the first disclosure of its kind. Nestlé also published a Transparency Dashboard detailing its progress towards a deforestation-free palm oil supply chain.



Accelerating innovation

Major consumer goods companies are making significant investments to accelerate innovations in supply chain sustainability.

PepsiCo is working with start-ups to explore sustainability solutions across its supply chain in Europe. The company is collaborating with six selected start-ups on pilot projects, with varying sustainability focuses including: energy and automation, recycling, and water recovery. Successful technologies will be scaled across the supply chain starting 2023.

Collaboration for systemic solutions

CPG companies are realizing that tackling sustainability's systemic challenges requires collaboration. By the end of 2020, there were almost 200 international environmental organizations, most of them listing several global consumer product giants as members.

Leading **US companies in the beverage industry launched the "Every Bottle Back initiative" in 2019**, aiming to reduce their plastic footprint, encourage recycling by adding a voluntary on-pack message, and improve recycling access.



Visibility and traceability

CPG companies are investing in technologies such as Blockchain and satellite imaging to enhance the traceability of products and components. This allows them to comply with regulatory requirements and meet consumer demand for transparency.

Unilever is using blockchain-enabled "GreenToken" to increase transparency and traceability of its palm oil supply chain as part of its commitment to achieve a deforestation-free supply chain by 2023.