



**ECONOMIST  
IMPACT**

# Progress and profit:

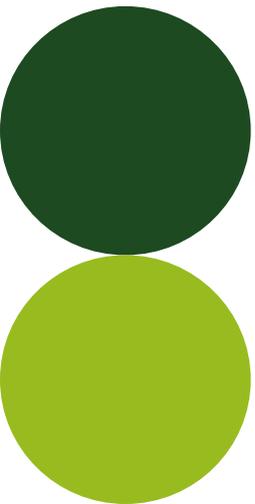
how consumer companies will scale sustainability  
through collaboration

Supported by



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# Acknowledgments

*Progress and profit: how consumer companies will scale sustainability through collaboration* is an Economist Impact report, supported by EY, exploring the extent of collaboration among companies in the retail and consumer-products industries on collective challenges they face in implementing sustainability measures. The study also examines key steps that companies could take to enhance the level of collaboration with ecosystem players in order to achieve their sustainability objectives. Findings are based on a survey of 400 senior executives from consumer-products and retail companies across the Americas, Europe and Asia, as well as on interviews with other “C-suite” leaders in these sectors.

We would like to extend our thanks to the following interviewees for their time and insights:

- **Leyla Ertur**, head of sustainability, H&M Group
- **Virginie Helias**, chief sustainability officer, Procter & Gamble
- **Joost Vlaanderen**, president, Greater China, Mondelez International

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# Glossary

<b>Collaboration</b>	Cohesive, goal-oriented action taken by a company in partnership with industry peers, competitors, supply-chain partners, policymakers, consumers, researchers, civil society or any other entity in its ecosystem to deliver and scale impact.
<b>Company size</b>	In this report, small-sized companies are defined as those with annual global revenues between \$500m and US\$1bn; medium-sized as those with revenues between US\$1bn and US\$5bn; and large-sized as those with revenues greater than US\$5bn.
<b>Consumer-products companies</b>	Consumer-products companies are those that make and sell products intended for the direct use of individual buyers and households, rather than manufacturers and industries. Synonymous with “consumer-goods companies”. Consumer-products companies and retail companies (see below) can be jointly referred to as “consumer companies”.
<b>C-suite</b>	Company executives at the management leadership level, including, for example, chief financial or operating officers.
<b>Ecosystem</b>	An ecosystem is a purposeful business arrangement between two or more entities (the members) to create and share in collective and mutual value. A company’s ecosystem includes its peers, partners, competitors, policymakers, investors, suppliers, customers and communities supporting the company.
<b>EMEA</b>	Europe, the Middle East and Africa
<b>ESG</b>	Environmental, social and corporate governance (or ESG for short) are the three key factors used in assessing sustainability.
<b>Net zero</b>	Refers to the global target of cutting greenhouse-gas emissions caused by human activity to as close to zero as possible, with any remaining emissions re-absorbed or removed from the atmosphere, by the ocean and forests, for instance, or direct air capture.

**Purpose-led**

A company archetype used to describe firms that have embedded their defined mission throughout their organisation so that decisions are made with its achievement in mind.

**Reputation-led**

A company archetype used to describe companies that engage with their partner network to report and amplify collective action and measurable outcomes on sustainability, building the right level of transparency to ensure that their stakeholders, including consumers, can see and trust in their sustainability commitment.

**Retail companies**

Companies that make and/or sell products intended for the direct use of individual buyers and households, rather than manufacturers and industries, utilising their own sale channels. Consumer-products companies and retail companies can be jointly referred to as “consumer companies”.

**Risk-led**

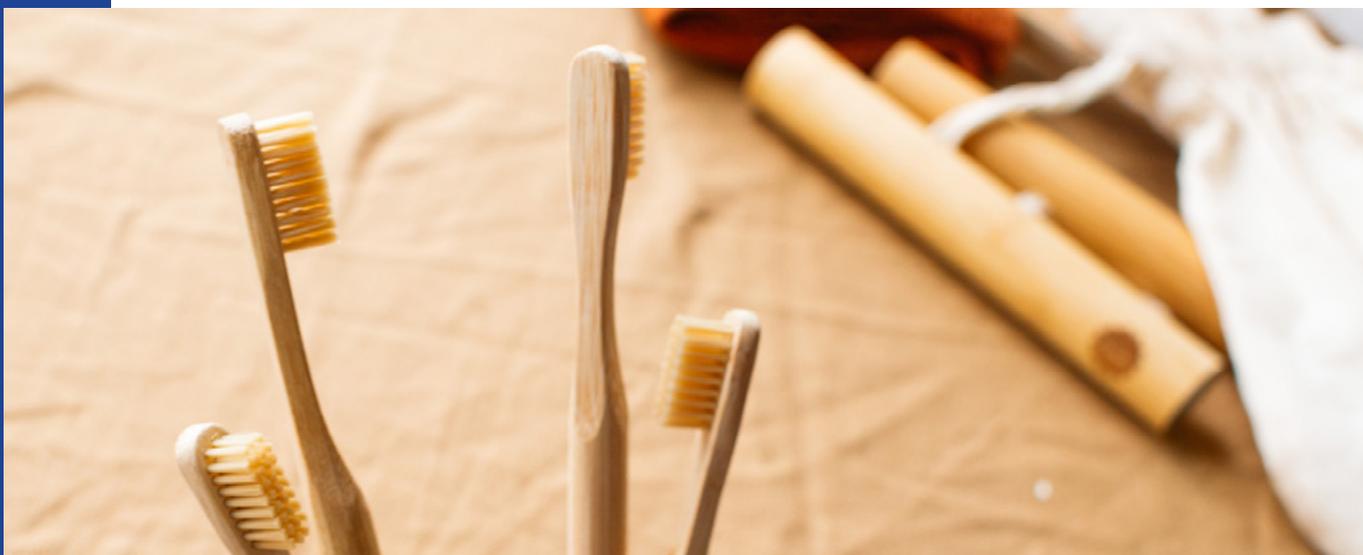
A company archetype used to describe companies that conduct their operations based on best practices and regulations to measure, report and improve sustainability activities, using the ecosystem to maintain accountability, ensure compliance and avoid punitive actions.

**Sustainability**

The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs.

**Value-led**

A company archetype used to describe companies that engage with their ecosystem to collectively develop sustainability solutions to protect and create new sources of value for their business ecosystem, as well as for people, society and the planet, by using partnerships to ensure that their sustainability goals help to deliver their financial goals.



# Executive summary

**Companies see sustainability as an opportunity to achieve growth, create cost-saving efficiencies and build trust with stakeholders by responsibly managing their environmental and social impacts.** Sustainability-oriented collaborations must have a clear business case to be appealing. In our survey of 400 C-suite executives from retail and consumer firms, the largest proportion—just over one-third (34%)—described their short- to-medium-term sustainability strategies as “value-led”. A slightly smaller proportion (33%) defined theirs as “reputation-led”.

**Recent global macro events (including covid-19 and the war in Ukraine) have highlighted the weaknesses of our highly interconnected, “just-in-time” approach to manufacturing, while further emphasising the case for collaborating on sustainability.** A large majority (83%) of respondents rated the efficiency and resilience of supply chains as a key driver of their company’s sustainability initiatives. Most companies (89%) are keen to collaborate with ecosystem players on sourcing raw materials, indicating that pooling resources provides both greater business value and lowered environmental impact resulting from their operations.





**Although companies already collaborate on sustainability, they recognise that to deliver sustainability initiatives at scale there is room to expand partnerships.** There is an appetite for working together: 85% of respondents said that they would focus on creating common sustainability strategies with their peers and partners. Almost half (45%) said that collaboration with their competitors is accelerating, while 29% said it was not yet optimised. Some key areas also suffer from a lack of prioritisation. Biodiversity and land use, along with circularity—key issues that could define the supply chain of companies—were the least managed and prioritised within respondents’ ecosystems. Additionally, while 34% see their relationship with policymakers as optimised, just 6% regard collaborating with policymakers as a critical issue in the next three to five years, even though it is likely that the regulatory environment will intensify over the coming years.

**Companies seek collaboration for three main reasons: boosting skills, improving business operations and increasing the efficiency of supply chains.** Respondents agree that broadening access to skills and best practices will help to scale their sustainability measures. Faster implementation is also believed to deliver a better financial performance. Finally, collaborating on supply-chain processes helps companies to enhance their sustainability efforts and makes processes more resilient in times of distress.

**Leadership buy-in is critical for companies to forge successful partnerships and scale initiatives.** The approval of senior leaders was chosen by 89% of respondents as the most important factor in driving a company’s sustainability approach in the medium term. With a motivated leadership team, companies could redefine their approach to collaboration and prioritise the most critical measures chosen by our respondents: identifying and leveraging their own collaborative strengths, allying with competitors based on shared values and outcomes, and sharing transparency solutions along the supply chain.

# Introduction



Pressure is mounting on corporations and governments to set and implement stringent environmental, social and corporate governance (ESG) strategies. However, navigating these expectations at scale is complex. Companies must make significant investments to incorporate new technologies, acquire suitable skills and streamline their operations. Deeper collaboration with other participants in the business ecosystem—not just with supply-chain partners, but also competitors and regulators—could make this transition easier. Working together enables the sharing of best practices, builds trust and revives momentum. Goals, such as achieving net-zero emissions, will be achieved only if all parties, including governments, organisations, companies and individuals, take collective action. As Virginie Helias, chief sustainability officer at Procter & Gamble, says, “We have all realised that what we can do on our own is limited. To get to net zero, there is absolutely no possibility that we can do it on our own. Collective action and cross-sector collaboration are imperative.”

Maximising economic value remains the primary factor in determining business decisions, but an increasing number of consumer companies are realising that sustainability and profitability need not be mutually exclusive. Four macro trends suggest that making sustainability the cornerstone of business strategy is now a necessity for success.

**“We have all realised that what we can do on our own is limited. To get to net zero, there is absolutely no possibility that we can do it on our own. Collective action and cross-sector collaboration are imperative.”**

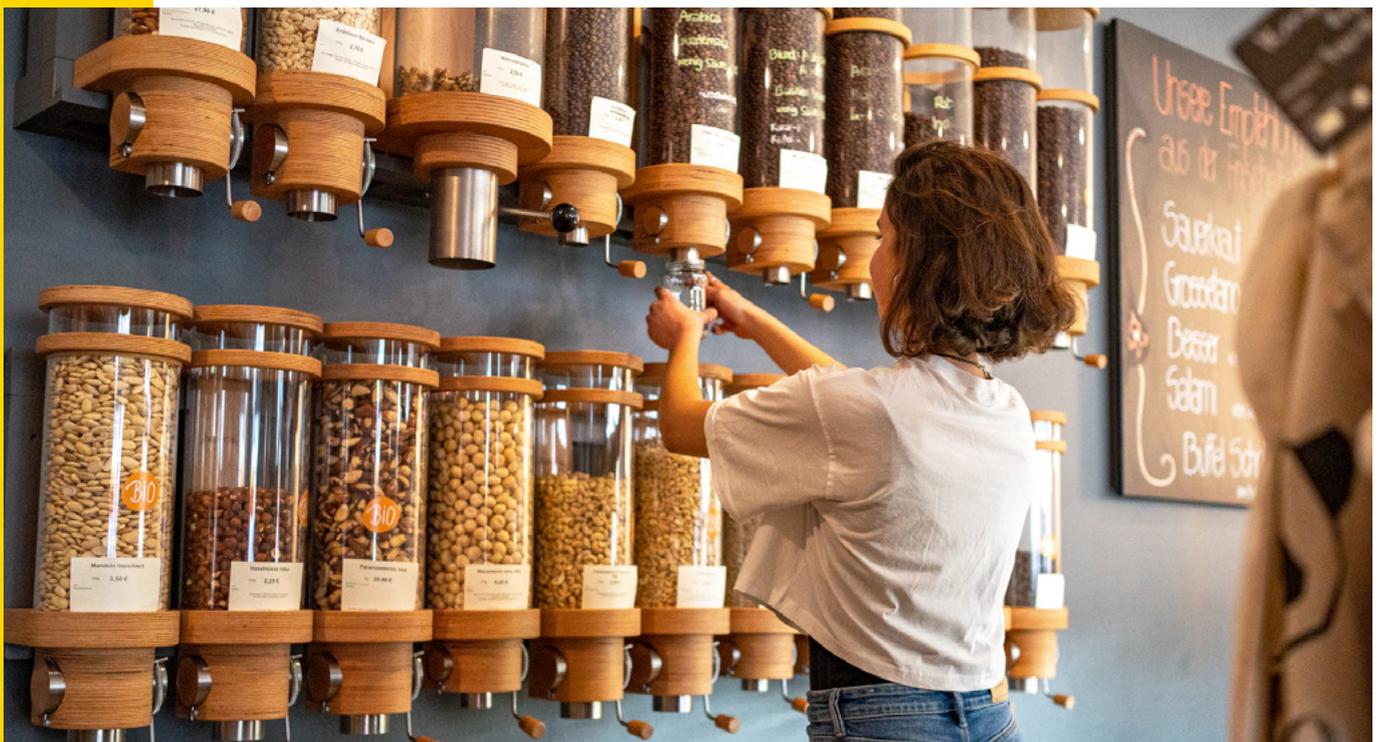
Virginie Helias, chief sustainability officer, Procter & Gamble

First, consumers are more aware than ever before of the impact of products they buy and the companies they buy them from. The exposure of environmental damage and unethical sourcing of raw materials and labour has made consumers more conscious about their purchasing decisions.

Second, policymakers are gradually tightening regulations around sustainability, including plastic waste, carbon emissions and water use. For example, the US Inflation Reduction Act of August 2022 allocates the bulk of US\$430bn to managing the impact of climate change, while plastic taxes, limits imposed on disposable plastic items and waste-reduction programmes are providing fresh incentives for companies to act together to reduce landfill packaging. Further measures are likely to be inevitable if targets are to be met. The EU aims to reduce net greenhouse-gas emissions by 55% from 1990 levels by 2030, while China and India have declared net-zero targets of 2060 and 2070, respectively.

Third, the covid-19 pandemic, the war in Ukraine and the challenging combination of rising inflation and interest rates have brought global trade links into focus. Consumer-products and retail companies have realised that they are only as healthy as the weakest link in their supply chains. Reinforcing their supply chains in the wake of these macroeconomic shocks will give these firms an opportunity to accelerate their commitment to sustainability.

Finally, technology is making sustainable solutions more accessible by enabling their scale and reducing their cost. It is also making supply chains more transparent. This should make it easier for firms to track and publicise the impact of their sustainability efforts, and also hold them more accountable for any unethical practices.



# What is pushing consumer companies to invest in sustainability?

## The profit motive remains paramount

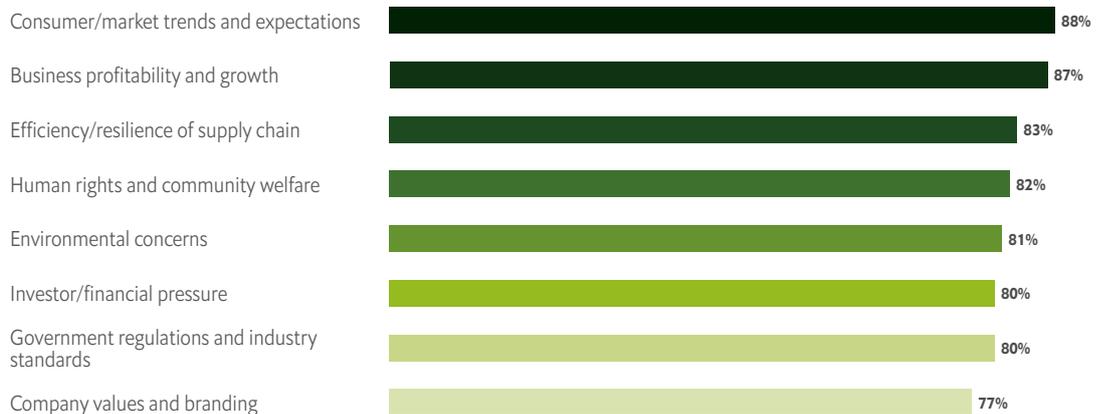
Primarily, retail and consumer-products companies still see sustainability through a business lens: 88% of the survey respondents stated that market and consumer trends had a high or very high significance in driving sustainability initiatives within their firm. A similar proportion, 87%, said that it was business profitability and growth that encouraged them to invest in sustainability. These two factors are a comfortable fit: companies must be able to meet customer expectations in a highly competitive sector in order to remain in business, and consumers are clear that sustainability is an

important consideration in their purchasing decisions. According to Joost Vlaanderen, president of Mondelēz International’s operations in China, “Companies like ours want to drive sustainable, profitable growth. If you don’t have a sustainability strategy that works and that resonates with consumers, then that growth goes out of the window.”

## Firms want to strengthen their supply chains

Enhancing the efficiency and resilience of supply chains was given a high or very high significance by 83% of respondents as a key driver of their company’s current sustainability activities.

**Fig 1: Drivers of company’s current sustainability activities**  
(% of respondents)



Source: Economist Impact survey

**“There is a collective agenda of making sure that we stick within that 1.5°C [as targeted by the Paris agreement]. And at the same time we also need to grow market share. They are not mutually exclusive—quite the opposite, they are complementing each other.”**

Joost Vlaanderen, president of Mondelez International’s operations

Covid-19 and the war in Ukraine have exposed the weaknesses of our highly interconnected, “just-in-time” approach to manufacturing and logistics. As companies future-proof their activities against external shocks, they recognise the opportunity to become more sustainable at the same time. According to Ms Helias at Procter & Gamble, “All of those external factors have done one thing, which is to accelerate the urgency of working on sustainability. The way we solve it is by getting into more strategic and long-term partnerships with our suppliers.”

**Many companies are motivated by value creation**

When asked about their future sustainability approach, 34% of participants stated that their companies will continue to be value-led (by using sustainability as a way of protecting and creating new sources of value for their business as well as for people, society and the planet) over the next three to five years.

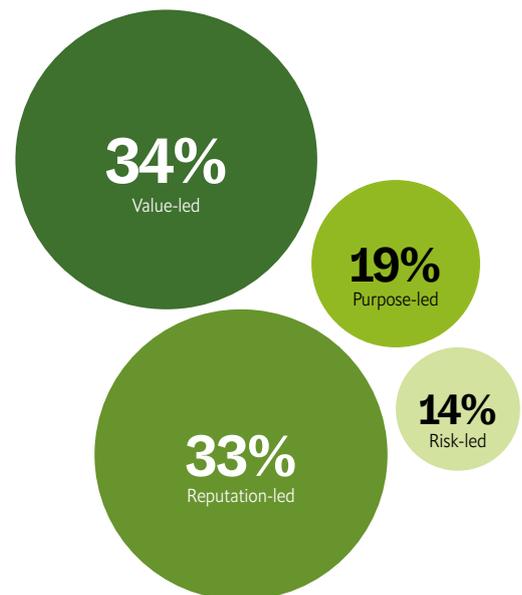
Almost the same proportion of respondents (33%) chose the “reputation-led” approach, whereby outcomes of sustainability initiatives can be presented to potential customers as evidence that the firm wants to enhance its transparency and build trust. Companies headquartered in high-income countries were 13 percentage points more likely to be reputation-led compared with companies in middle-income countries. There are multiple potential reasons for this, including greater consumer choice in high-income countries, higher levels of disposable income (which

allows consumers to pay more for sustainable products), more transparency in product labelling and higher levels of consumer awareness and scrutiny.

However, the overall message from our respondents is that their firms see sustainability as an opportunity to improve their financial performance as well as a way to improve their environmental impact. Responses also suggest that any sustainability-related collaborations within their ecosystem must be underpinned by a strong competitive advantage. Mr Vlaanderen of Mondelez International puts it simply: “There is a collective agenda of making sure that we stick within that 1.5 °C [as targeted by the Paris agreement]. And at the same time we also need to grow market share. They are not mutually exclusive—quite the opposite, they are complementing each other.”

**Fig 2: Approach of company to engage with its ecosystem on sustainability goals in next three to five years?**

(% of respondents)



Note: Respondents had to select one answer only.  
Source: Economist Impact survey

## EY PERSPECTIVE

### Driving more value from partnerships

In these unprecedented times, it seems that persistent disruption is the only thing companies can rely on, and the resilience needed to navigate that disruption could erode the ability of ecosystems to scale sustainability initiatives and deliver meaningful positive change. But it is clear companies don't want to go it alone to achieve their sustainability goals—85% of respondents are looking to work more closely with partners to create common sustainability strategies. However, it's also evident that this is challenging, with 68% of respondents hampered by a lack of clear targets. This begs the question of how companies can be so confident in their ecosystem partnerships if they are not certain about what they want to collectively achieve.

To overcome this, companies must look at their own business first and then apply those values to the partners that they work with. For most companies, business motives are the driving force behind their sustainability activities, with social and environmental concerns seen as less influential than market expectations and brand value. Additionally, almost two-thirds of companies identify their sustainability strategies as being led by reputation or value, which talks to the need for sustainability to deliver top-line growth and bottom-line savings.

These motives point to a significant opportunity for companies to collaborate on sustainability as a means of reinventing fundamental aspects of their business. Companies can collaborate to have their cake and eat it by marrying their sustainability ambitions to value-accretive and scalable projects that will bring collective benefits to their value chain and their wider ecosystem. For example, using pre-competitive agreements between common procurement teams to identify and drive investment in targeted sustainable technologies or raw materials would drive down costs, accelerate scale and enable a positive environmental outcome.

Equally, sharing best practices and exploring circular synergies between different sectors is not just “the right thing to do”, but will also unlock real value for businesses which can align with collectively defined standards of measurement or create profitable solutions from the by-products of their peers. As biofuel production from unwanted materials in the alcoholic-drinks industry has proved, the waste produced by one company can be central to the value created by another.

#### **Kristina Rogers**

EY global consumer leader

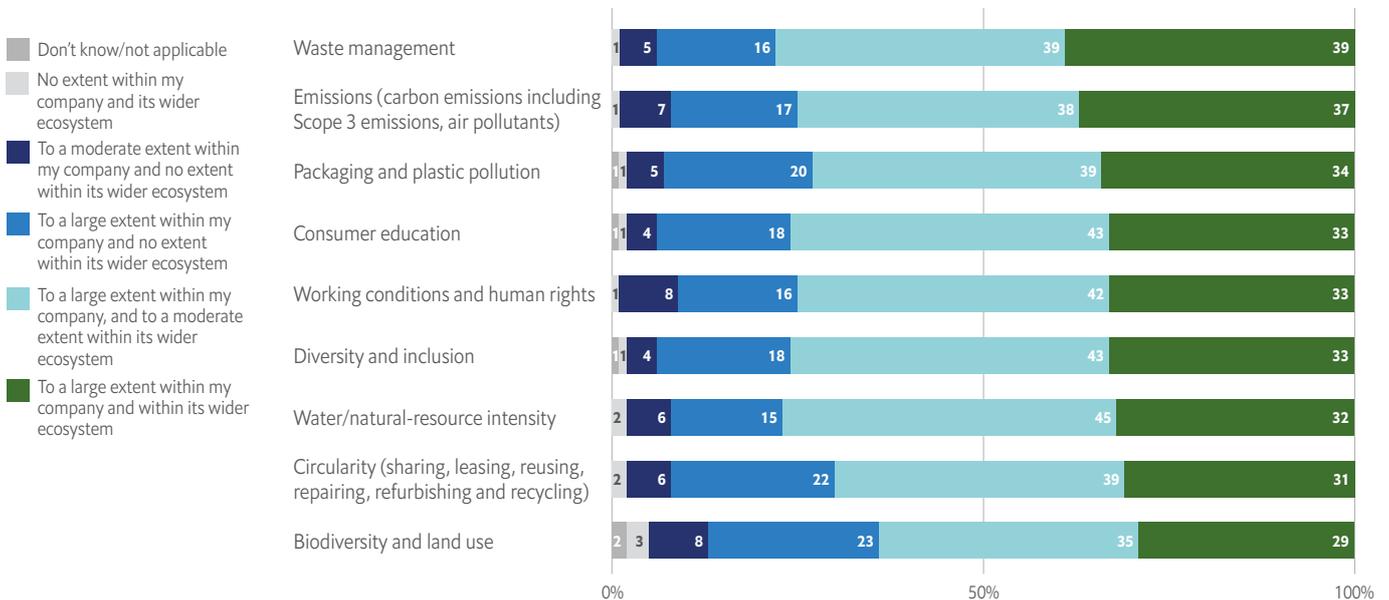
# How do firms collaborate with their ecosystem?

## A divergence of priorities

Most consumer companies surveyed are making adequate progress in the areas of sustainability that they have chosen to prioritise. However, they admit that these efforts are often internal only and that their impact on their ecosystem is minimal. For example, one in three respondents believe that biodiversity and land use are not prioritised in their ecosystem. The figure ranges between 22% and 30% for other topic areas.

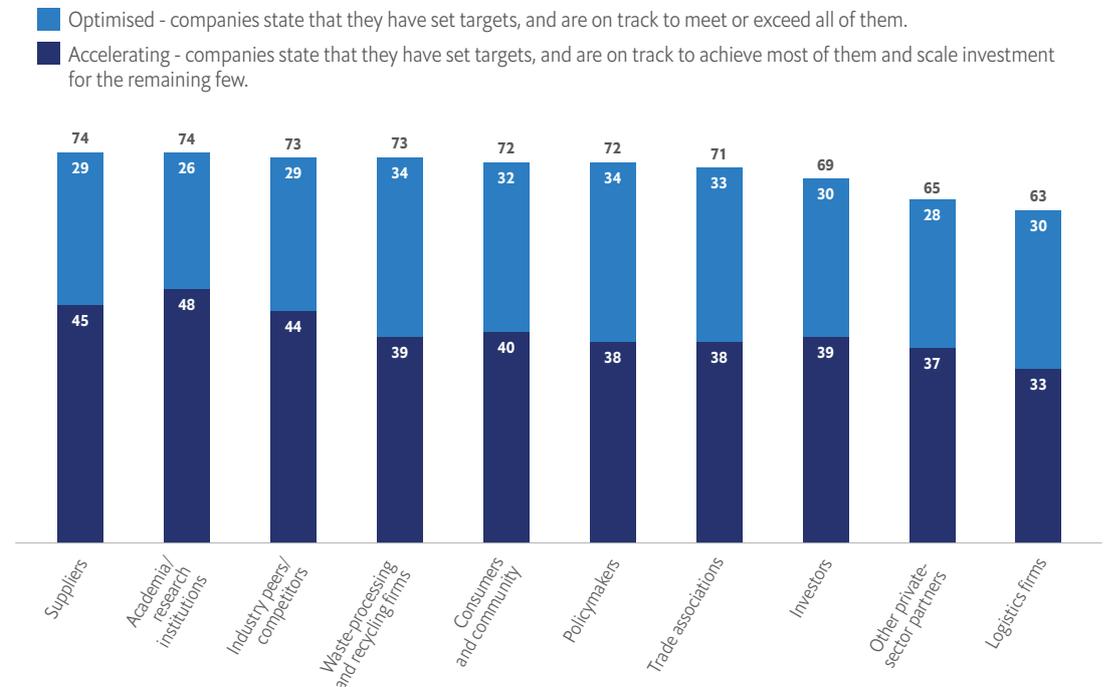
This reinforces the view that working unilaterally will achieve some results at the company level, but companies that enhance collaboration with ecosystem players will not only reduce their environmental impact further, but do it faster and in such a way that spreads risk, delivers greater economies of scale and demonstrates the commitment of the entire industry to sustainable practices.

**Fig 3: Company's prioritisation of sustainability topic areas**  
(% of respondents)



Source: Economist Impact survey

**Fig 4: Level of maturity of company’s sustainability-related collaborations with ecosystem entities**  
(% of respondents)



Source: Economist Impact survey

**Ecosystem collaboration is accelerating, but is not always optimised**

Consumer companies are broadly confident on the direction of collaboration in their ecosystem. Most respondents (between 64% and 75%) believe their ecosystem is either optimised (companies have set targets and are on track to meet or exceed all of them) or accelerating (companies have set targets, and are on track to achieve most of them and scale investment for the remaining few).

However, a significant number of respondents see scope for improving the quality of these collaborations: 45% believe that work with suppliers is accelerating but not yet optimised, while a similar percentage (44%) believe the same about collaboration with peers and competitors. Collaboration with suppliers

seems to be more established for companies with headquarters in middle-income countries compared with those with headquarters in high-income countries. This is likely to be due to the global complexity of operations tied to multinational companies—the large size of these companies can become a hindrance to scaling up their sustainability measures across the board.

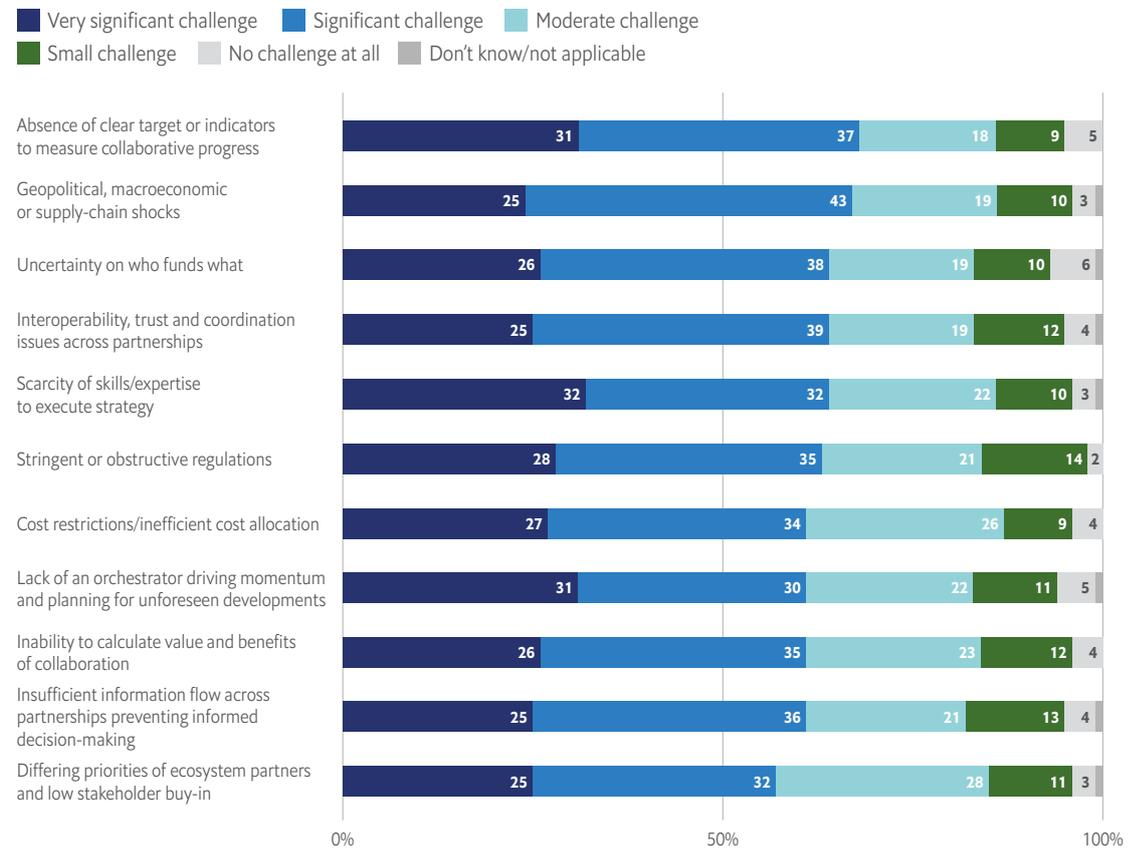
**Major challenges around target-setting, external shocks and skills**

Around two-thirds of respondents highlighted the absence of clear indicators or targets as a significant or very significant challenge when collaborating on their sustainability-focused activities. Without setting joint targets that are ambitious and achievable, there may be scepticism about whether all partners are pulling their weight. Setting and monitoring mutually agreed targets helps to build trust and improve operational transparency. Mr Vlaanderen of Mondelēz International also believes that these targets should ideally be measured “by an independent third party, so that [the company] can be held accountable”.

**[...] targets should ideally be measured “by an independent third party, so that [the company] can be held accountable”.**

Joost Vlaanderen, president, Greater China, Mondelēz International

**Fig 5: Scale of potential challenge faced by company on sustainability-focused collaboration**  
 (% of respondents, ordered by total proportion classifying challenge as very significant or significant)



Source: Economist Impact survey

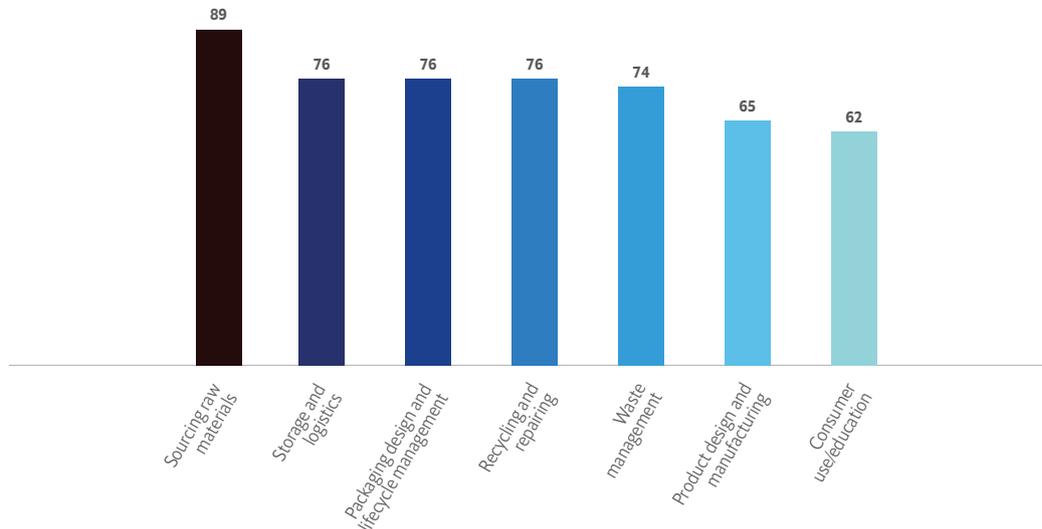
We found that, compared with their larger peers, small and medium-sized companies (revenue less than US\$5bn) were 16 percentage points more likely to rate the absence of clear targets as a significant or very significant challenge when collaborating on sustainability-focused activities. This could be because smaller firms may lack the resources, talent, size and influence that could enable them to deliver at scale on targets set within the company or industry.

Another major challenge highlighted by our respondents was major disruptions emanating from geopolitical, macroeconomic or supply-chain shocks. The overlapping global crises posed by the pandemic and the economic fallout from the war in Ukraine have created a highly unpredictable external environment. Firms have had to concentrate on fundamental questions of how to manage rising costs,

navigate trade disruption and maintain their supply chains. This has squeezed the space and resources available to work together on longer-term projects, such as reducing waste and emissions, that do not generate short-term business value. Our respondents answered particularly vigorously questions related to the stresses put on supply chains: almost 90% said that they were currently working with their ecosystem partners to improve sustainability sourcing; there were also high levels of collaboration on storage and logistics, packaging, and recycling (all 76%).

By contrast, 65% and 62% of respondents were collaborating on product design and manufacturing, and consumer education, respectively. The gap in collaboration between suppliers and consumers highlights a potential mismatch in strategy. Consumers and how

**Fig 6: Company’s status of sustainability-focused collaboration on different components of value chain** (% of respondents saying “yes”)



Source: Economist Impact survey

they use a product accounts for a significant proportion of a product’s environmental impact. Meanwhile, product design and manufacturing dictates what raw materials are required. This points to the need for a more holistic approach to engaging and working with all stakeholders to ensure that interdependent factors can be accounted for.

Finally, many firms claim that skills shortages and a lack of expertise are significant challenges when collaborating in their ecosystem. Competition for sustainability experts is a struggle for retail and consumer-products companies, given the difficulty of hiring employees in a relatively new field in a tight labour market. This issue is compounded by competition from up-and-coming corporates and startups with attractive offerings and brand value, many of which have a more impressive track record of sustainability activities. However, there is an opportunity for companies to use sustainability initiatives as a means of attracting fresh talent. There is also a positive correlation between the availability of talent and the level of maturity that a market has in terms of sustainability. For example, respondents in EMEA-headquartered companies were 13 percentage points less likely than those in other regions to suggest that scarcity of skills is a significant or very significant challenge. This could be due to European policymakers implementing sustainability regulations for corporations earlier than those in other regions, thus triggering the deepening of a sustainability talent pool.



## EY PERSPECTIVE

### Don't limit your pool of partners

By considering value, risk and reputation, companies can collaborate to develop sustainable solutions that win on all key dimensions: improving performance, delivering better impact and remaining cost-effective.

To make sustainable collaboration work, it should be considered through the right lens. If companies take the view of creating competitive advantage as the primary driver of collaboration, there is a risk that efforts to collaborate, especially with competitors, will require lengthy legal negotiations and business cases that could undermine the collective value they can bring. However, if companies see the shift to more sustainable businesses as an opportunity to remake industries and value chains, the absolute necessity of collaboration will be clearer.

This points to the need for companies to apply their collaborative thinking to a much broader ecosystem. When asked to rate their three most critical collaborative measures to enable sustainability, less than 9% of respondents saw consumer and community education as critical, and an even smaller proportion (2%) saw working with policymakers as critical. Most consumer companies see consumers as a significant factor in driving their sustainability strategies, so the reluctance to work with consumers to deliver on them seems like a conspicuous miss, especially since significant emissions and much of the waste associated with a product can come at the point of consumption and disposal.

Equally, given that almost two-thirds of respondents saw stringent regulation as a significant barrier to sustainable collaboration, only 6% thought adding capacity to shape standards, regulation and legislation is the best collaborative measure to scale sustainability in the next three to five years. The failure to prioritise collaboration with policymakers is compounding the problem, especially when governments can provide much of the infrastructure, incentives and governance for positive sustainable impact. The rapid development in the electric-vehicle market over the last decade would not have occurred without key interventions and support from governments. For the consumer industry, similar collaboration will be needed to increase recycling rates and reduce emissions and waste.

When considering ecosystem collaboration, companies must clearly start with their own business and extend this to their supply chains, their partners, their peers, even their competitors. But they should not stop here. Instead, they should seek to integrate their sustainability strategy holistically within the markets where they operate by engaging with consumers, communities, governments and organisations. This will not only deliver the scale they need to drive improvement, but it will also deliver the value and growth that enables their business to thrive tomorrow.

### Jim Doucette

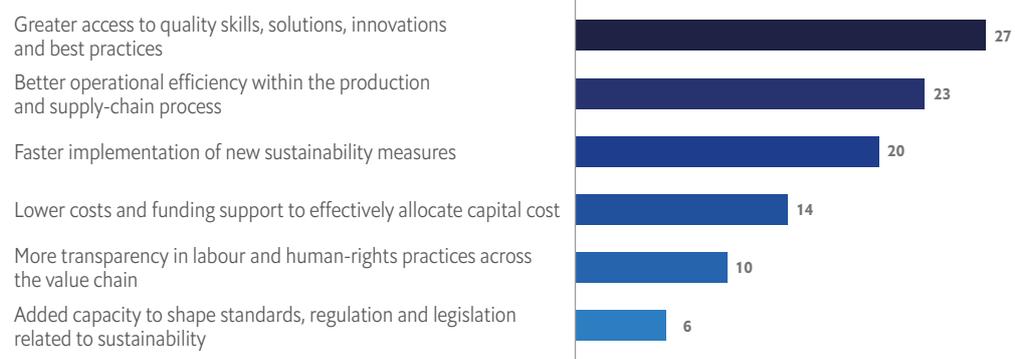
EY global consumer sustainability leader

# How do consumer companies deepen their collaboration on sustainability?

Corporations recognise the challenges around the shortage of skills and the inadequate transmission of knowledge, best practices and scalable solutions. Companies are keen to collaborate with partners to fill these gaps. Our survey suggests that gaining greater access to quality skills, solutions, innovations and best practices is the most important collaborative measure to scale sustainability efforts over the coming three to five years. “By collaborating with others—NGOs, scientists, policymakers, competitors, trade unions and many more—we can facilitate collaboration, increase our impact, learn and together accelerate change,” says Leyla Ertur, head of sustainability at H&M Group.

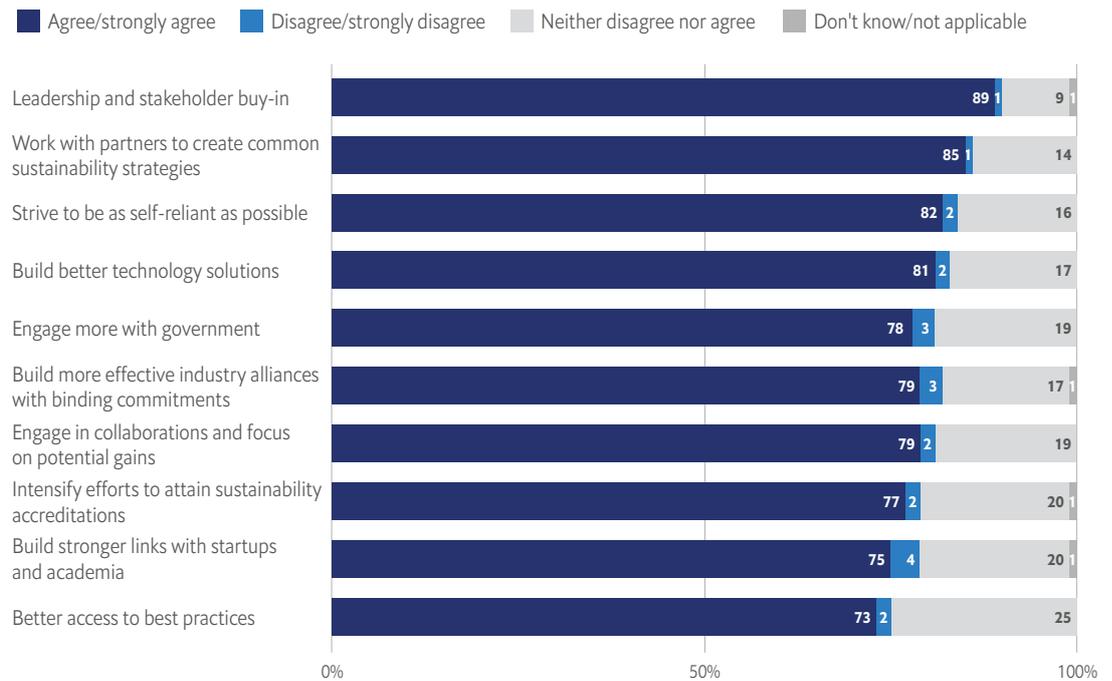
Among medium-sized firms, the largest proportion of our respondents saw the faster implementation of new sustainability measures as the most important factor. This suggests that many mid-sized firms are aware of the benefits of new technology and processes and have begun the process of adoption, but may lack the capacity to receive the full benefit at present. However, they may also be more agile and more able to introduce new technology without being encumbered by outmoded infrastructure, compared with their larger rivals. In turn, large firms are more focused on achieving better operational efficiency within the production and supply-chain process, which again speaks to how

**Fig 7: Most important collaborative measure by company to scale sustainability efforts**  
(% of respondents)



Note: Respondents had to select one answer only.  
Source: Economist Impact survey

**Fig 8: Company’s sustainability approach in the next three to five years** (% of respondents)



Note: Respondents had to select one answer only.  
Source: Economist Impact survey

many firms consider sustainability as an aspect of achieving business value.

**Thumbs-up from the boardroom**

The biggest proportion of our respondents said that securing buy-in from leadership and stakeholders was the most important step they would take in the next three to five years in order to adopt an ecosystem-wide scalable sustainability approach. Remarkably, 85% said that they would focus on creating common sustainability strategies with their peers and partners, as “many of the challenges we face today are too complex to tackle alone”, according to Ms Ertur of H&M Group. Our respondents appear to recognise that the survival of their businesses in a changing climate and in a world with finite resources requires collaborative efforts to innovate and improve.

For those eager to collaborate, exchanging information on complementary strengths and common motivations and business interests with peers and competitors would strengthen sustainability capabilities and help to address gaps in skills and expertise. Increasing transparency along supply chains may also boost understanding of how other companies in the ecosystem can work together to build greater resilience to external shocks.

**Missing the policymaker connection?**

However, it was also notable that only 2% chose closer collaboration with policymakers. Companies appear not to be focused on contributing to legislation or shaping the regulatory landscape in which they are operating. According to companies, there could be three reasons why this might be the

**Fig 9: Most critical measures to enhance company’s collaboration in the next three to five years**  
(% of respondents)



Note: Respondents had to select up to three answers. Economist Impact rebased the results to 100%.  
Source: Economist Impact survey

case. First, firms, especially larger ones, are able to look further into the future, whereas governments are more concerned with what can be achieved during their current legislative term. Second, a trend of voters returning more nationalistic or protectionist administrations into power can create problems for firms that operate in several countries. Third, there is a real need to educate politicians, given the gap between what they perceive and scientific fact. Each of these issues could be getting in the way of the establishment of proper public-private collaborations on sustainability.

Effective relationships between private companies and governments can be hard to manage, given the pressure on the former from their customers and the latter from their

voters. Mr Vlaanderen of Mondelēz International recalls battling against governments attempting to apply an overly reductionist approach to food labelling: “If you’re too slow, government will intervene and puts a green stamp on ‘healthy’ food and a red stamp on ‘unhealthy’ food. Experts will tell you reality is a lot more complicated than this and therefore will not address the challenges. It is better for industry to be proactive on food labelling and consumer education. This is what we are doing with our mindful snacking labelling.”

For all of these difficulties, Ms Ertur of H&M Group specifically identifies “an increasing role of joint frameworks, supported by governments and policymakers” as an area where collaboration is likely to deepen in the coming years. Indeed, Ms Helias at Procter & Gamble reinforces the sentiment that “a true private-public partnership is something that we need to learn how to do well. Because I believe that that’s the solution. I don’t believe in government fixing the problem by itself, or [a] company fixing [it] on its own. It has to be together.”

**“A true private-public partnership is something that we need to learn how to do well. Because I believe that that’s the solution. I don’t believe in government fixing the problem by itself, or [a] company fixing [it] on its own. It has to be together.”**

Virginie Helias, chief sustainability officer, Procter & Gamble

# Conclusion



Most companies are serious about improving their impact and scaling up sustainability initiatives by collaborating with their ecosystem. But to make a meaningful difference, they must focus on working more effectively and more broadly with an array of stakeholders that could include competitors, governments, regulators and consumers themselves. Although this sounds like a risky business strategy, these partnerships need not be a zero-sum game. Collaboration can yield more efficient sourcing, effective industry alliances and an expanded consumer base. Progress could drive profit for all partners in the ecosystem and deliver value to both people and the planet.

Our study reveals several gaps in collaborative efforts by companies to scale sustainability initiatives. The extent of collaboration on issues relating to resource intensity, including biodiversity, circularity and waste management, is limited at present. There may also be missed opportunities relating to companies working with policymakers to shape legislation that balances the interests of businesses with those of policymakers and wider society, and with consumers to adopt new behaviours. These new behaviours will create a new collaborative culture. Ms Helias at Procter & Gamble observes that there is no intrinsic way of collaborating on sustainability, but it is rather about “building the culture for it”. Such a culture of collaboration can help to support profit as well as sustainability at scale, enabling future generations to reap the benefits.

The key ingredient that underpins efficient collaboration is leadership resolve. As suggested by our survey, leadership buy-in is the critical input for companies seeking to reduce their environmental impact. Well-defined, long-term priorities with leadership buy-in will form the basis for a long-term, scalable sustainability approach grounded in ecosystem-wide collaboration.

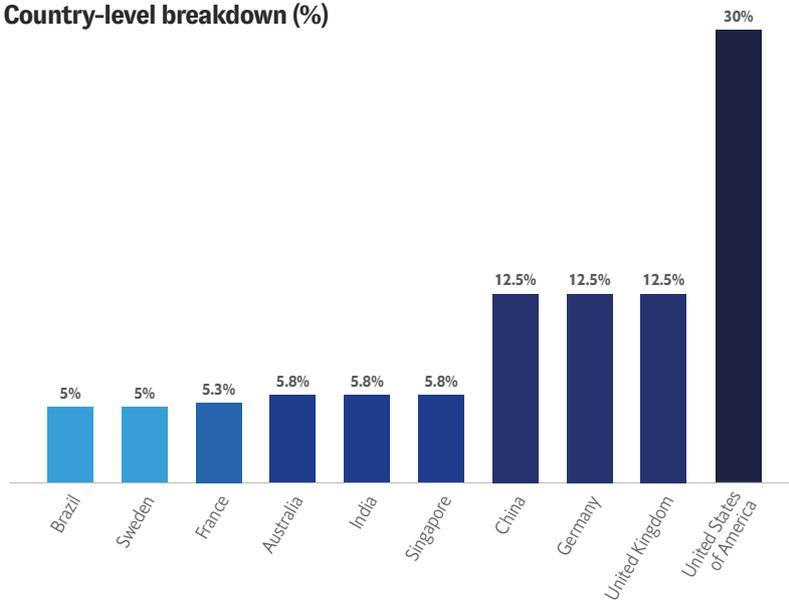
**There is no intrinsic way of collaborating on sustainability, but it is rather about “building the culture for it”.**

Virginie Helias, chief sustainability officer, Procter & Gamble

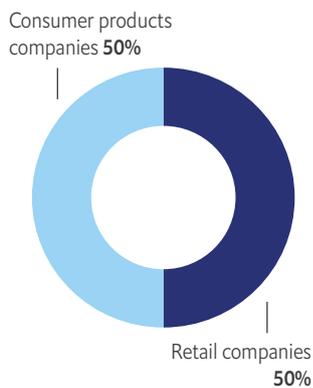
# Appendix

Economist Impact surveyed 400 respondents at the C-suite level in retail and consumer-products companies in ten countries between May and July 2022.

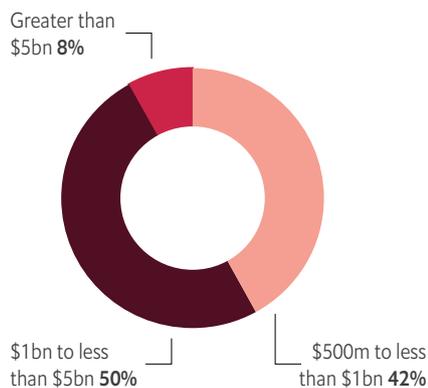
Country-level breakdown (%)



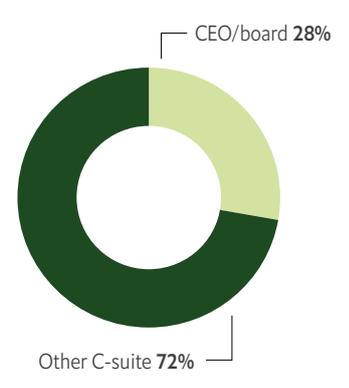
Sector breakdown (%)



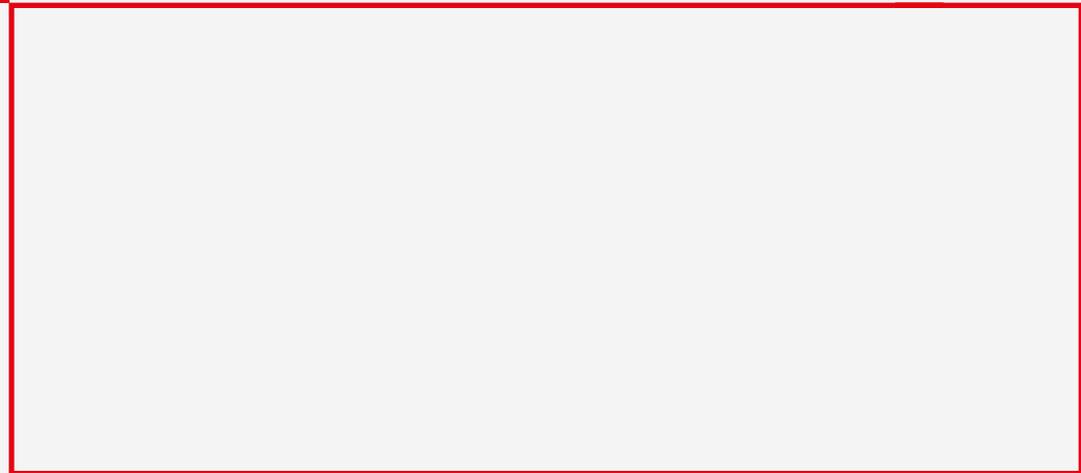
Company size breakdown



C-suite breakdown



While every effort has been taken to verify the accuracy of this information, Economist Impact cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report. The findings and views expressed in the report do not necessarily reflect the views of the sponsor.



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