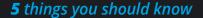
Deloitte.

5x5 series: Insights and actions

Embed ESG into your DNA

Many consumers are looking for truly environmentally-responsible organizations—not those who just claim to be. But in some cases—instead of making changes to the core of their business—many companies spin their wheels just making incremental improvements to environmental, social, and governance (ESG) programs or launching initiatives in under-represented areas. Explore five ESG insights and actions to help your organization make fundamental changes to its DNA—so that what you do aligns with who you are.



Organizations often fail to realize ESG plans because those do not get prioritized or elevated. This leads to undefined goals, unclear ownership, and lack of a cohesive approach to achieve objectives.

Many organizations can't make sense of ESG data or leverage it to drive business objectives. When data is siloed, specialized, and distributed across a vast ecosystem of extended business relationships and service providers (partners), it becomes challenging to offer a unified view of ESG initiatives and compliance.

As consumer-facing organizations are improving the maturity of their sustainability programs and contend with their complex extended supply chain, this **third-party ecosystem can affect their ESG strategies that have a tangible impact on society.**

Market trends show consumers are demanding more transparency on ESG matters.

They want to be associated with brands that have a small environmental footprint, display ethical and responsible sourcing, and demonstrate environmental stewardship aligned with their Purpose as an organization.

Scientists say we need to halve emissions by 2030 and reach net zero by 2050 to avoid the most catastrophic impacts of climate change. This will require a rapid end-to-end business transformation.

5 actions you can take

Bake it in your strategy. Define your ESG priorities with associated objectives, time-bound targets, and key performance indicators to evaluate performance. Then, embed your ESG priorities within your corporate strategy to stay on track.

Get your data right. Gathering the right information for ESG strategies can be a long journey. Your organization can derive more value by collaborating across its business ecosystem to simplify data collection, synthesis, and reporting.

Choose your companions wisely. Being ESG focused (e.g., considering minority-owned organizations and environmentally responsible partners) needs to be one of the driving factors when selecting third parties. Monitor and evaluate how the new and existing third-party relationships impact your ESG priorities.

Tell your story. Communicate your ESG vision clearly to win consumer support. Develop a method to monitor ESG matters in accordance with a standard reporting framework to stay transparent and so that consumers can follow along with your sustainability journey.

Be innovative. To provide value in a net-zero economy in the future, organizations should strengthen operations that can lower carbon emissions by adopting new technologies and sustainable practices. Also, they should look for ways to transform business models and innovate market-making solutions to move toward the goal.



Connect with us directly to learn more about our ESG services and how we can help you integrate ESG into your business ecosystem.

JAMES CASCONE

Partner
Consumer Industry ESG Leader
Deloitte & Touche LLP
cjcascone@deloitte.com

NABARUN SENGUPTA

Senior Service Delivery Manager Deloitte & Touche LLP nabsengupta@deloitte.com

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¹ "Factbox: Climate targets—making sense of the promises," Reuters, October 18, 2021.