

MARKETING

Only 3pc of companies say their sustainability data is accurate, verifiable: Deloitte

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Sustainability has become a top priority for many consumers, which cannot go unnoticed by companies. Image credit: Matthew Smith

By KATIE TAMOLA

The pressure on companies to instate meaningful and genuine sustainability practices is multifaceted and growing, according to a new report from Deloitte.

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Per the [Driving Accountable Sustainability in the Consumer Industry](#) report, both consumers and employees have environmental concerns, as about one quarter of employees say they have considered switching jobs to work for a more sustainable company. Organizations are also concerned about the validity behind their environmental efforts, as only 3 percent of consumer companies say they produce sustainability data that is as accurate and verifiable as their financial data.

In April 2022, Deloitte surveyed 150 executives at consumer industry companies including automotive, consumer products, retail, and transportation, hospitality and services businesses. Each company surveyed has more than \$500 million in annual revenue with every respondent holding a role in their organization's environmental sustainability initiatives.

Behind the efforts

While demand for vigorous and accurate sustainability reporting grows, there is an ostensible gap between worry and action.

One in three consumer companies say that an error could easily go undetected in their sustainability data, while seven in 10 companies agree that sustainability needs the same rigor as financial reporting.

FIGURE 3

Top two benefits of Accountable Sustainability by industry sector



Note: *62% of consumer product sector respondents also selected "Avoiding and defending against greenwashing" as a benefit; N = 150.

Source: Deloitte Accountable Sustainability Survey, April 2022.

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Accountable sustainability advantages by category. Image credit: Deloitte

Many companies also expressed belief that changes to organizations' culture were necessary to become more accountable regarding sustainability.

However, companies are attempting to identify priorities in their sustainability efforts in order to make meaningful strides.

About four in 10 executives noted that their companies are making significant or very significant investments in infrastructure to strengthen their sustainability efforts. Thirty-nine percent of those investments are set to go to technology, 38 percent are set to go to process and 22 percent are slated to go to people.

Organizations are also identifying challenges that could negatively impact their sustainability efforts and goals. These challenges include global supply chains at 40 percent, the unpredictability of end-consumer behavior at 37 percent and lack of access to suitable alternative inputs at 35 percent.



Luxury groups continue to tout their corporate sustainability efforts. Image credit: LVMH

Many companies are making genuine efforts to improve, as six in 10 say that their sustainability disclosures are prepared using leading standards. Nearly seven in 10 companies also noted having internal audits annually to review their sustainability governance, processes, controls and data.

Deloitte is also identifying companies that are leading genuine and vigorous sustainability initiatives with the title of "Vanguards," which are companies that indicate they will achieve sustainability data parity within the next 18 months. Vanguards also separate themselves as leaders by committing to meeting their goals faster at net zero before 2050, investing in more resources and turning to third parties for reporting.

Benefits of accountability

Executives surveyed identified several benefits to their organizations holding themselves accountable regarding sustainability practices. Benefits included the company's ability to innovate and tax advantages/incentives.

Authenticity and innovation will drive the future of the beauty industry, according to a new report from Positive Luxury.

After living amid the COVID-19 pandemic for several years, consumers have had time to consider new priorities regarding their beauty products, ultimately seeking effects with simple, unharmed ingredients. Consumers will continue pursuing genuine inclusivity, innovation and sustainability strides from brands, seeking products that are beneficial for both their needs and the environment ([see story](#)).

Many companies use certain marked days or events to showcase their sustainable strides.

Luxury brands recently commemorated World Oceans Day, celebrating the water's vast capabilities and contributions to both their organizations and the greater world.

In designating World Oceans Day, the United Nations aims to remind people of the ocean's great prominence, whereas brands have also historically used the day to connect with environmentally conscious consumers ([see story](#)). Brands commemorating World Oceans Day included Prada, La Mer and Ulysse Nardin ([see story](#)).

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