NielsenIQ

Government viewpoint

The changing climate of Sustainability

How will accelerating forces of change shape the green revolution of Consumer Packaged Goods?

Introduction

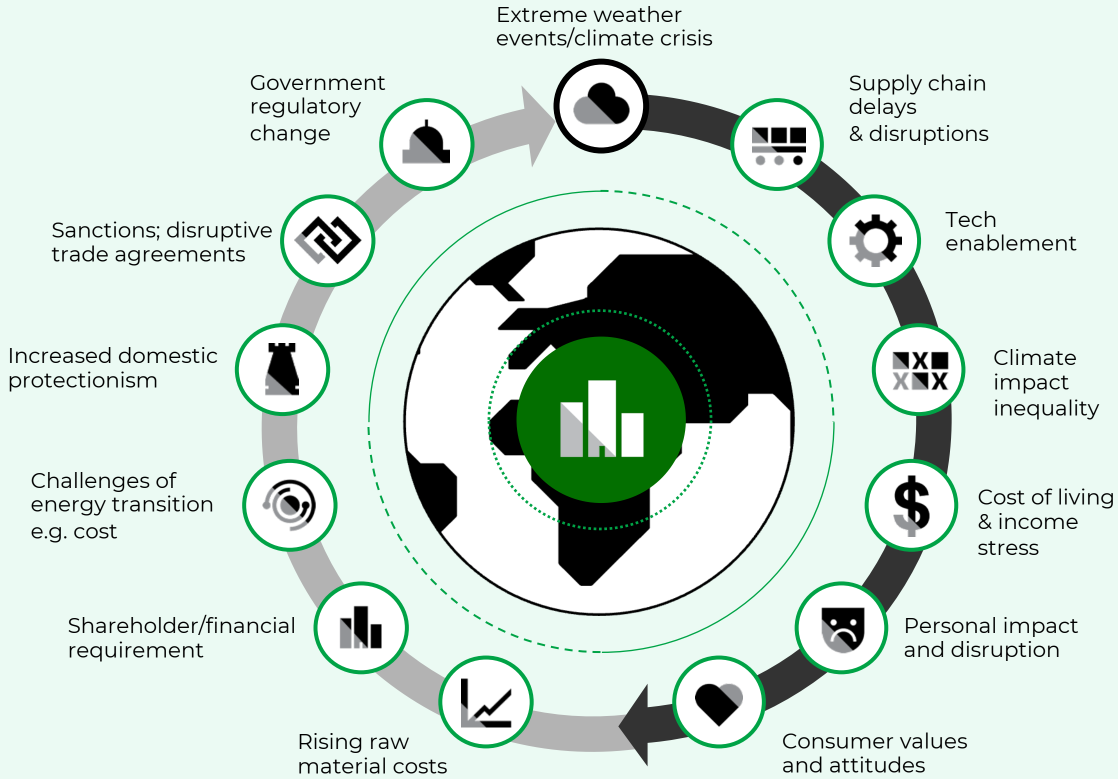
Over the past 10 years we've seen positive consumer sentiment toward sustainability and anticipated that purchasing preferences would drive the industry toward a green revolution. But a combination of challenges has slowed progress and led to a situation where consumers and companies have not driven the change anticipated.

Now, three emerging drivers are creating an outlook of rapid change across the next 5-10 years that will force companies to transform and commit to real sustainable business models.

NielsenIQ's Changing Climate of Sustainability report highlights how the next 5 years will promise dramatic change as businesses transform to meet new demands and realities.

Balancing the requirements of increasing government mandates, spiraling costs from extreme weather events associated with existing business models and escalating consumer demand will drive authentic action in an environment of unparalleled scrutiny.

Disruptive forces accelerating required change across ecosystem



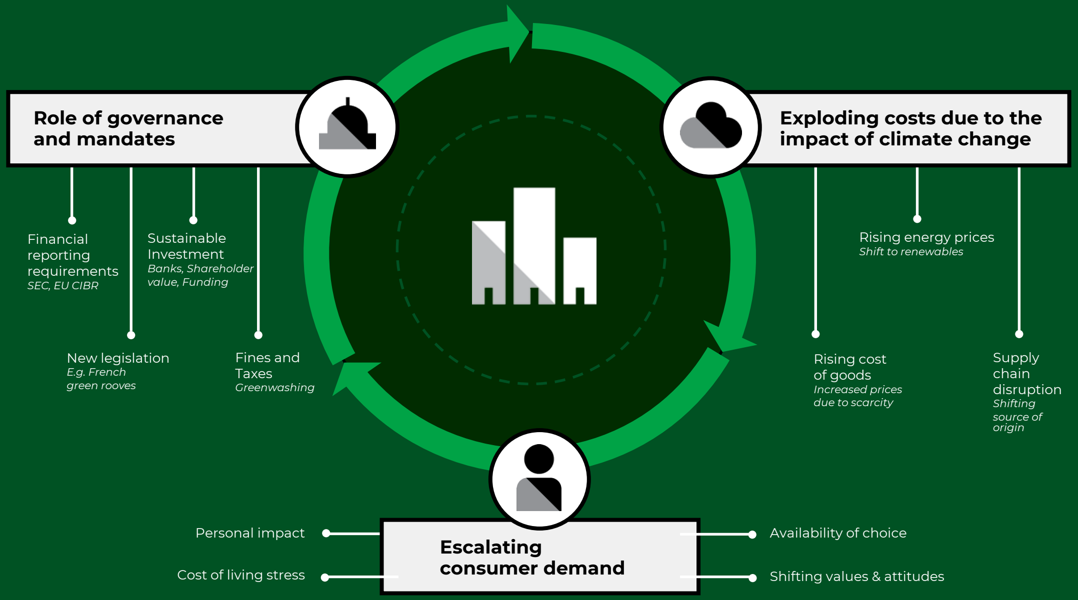
At NielsenIQ, we use a foresight model to examine how macro forces will influence the retail landscape of the future.

If we look at this viewpoint with a sustainability lens, disruption is challenging the way we live, the progress we make towards sustainability goals, and the very future of our planet.

The current era is increasingly defined by an interplay of complex disruptions, with their disparate origins and long-term consequences.

The impact of extreme weather events creating these disruptions showcase that companies are not fully prepared for the new reality, often reacting separately to each disruption – rather than looking at how they are interwoven. There's a need for immediate change.

Prevailing forces of change reach critical juncture



These drivers will force companies to transform and commit to real sustainable business models within the next five years if they want to mitigate short- and long-term risk.

Extreme weather events and the impact of the changing climate have created a business ecosystem where existing business models will be challenged. Stricter governance and mandates will propel the shift to more sustainable business models more quickly and purposefully than growing consumer sentiment has been able to.

To succeed, businesses will need to balance and react to these drivers with authentic action in an environment of unparalleled scrutiny.

Positive consumer sentiment toward sustainability has been growing for more than a decade, but the impact of purchasing preferences has yet to inspire a green revolution within the retail industry.

Two rapidly emerging drivers of change, governance and cost, are about to change all that.

As more and more countries embrace necessity for change

Several countries throughout Europe and a number of U.S. states are leading the way and implementing sets of sustainability mandates that will make it compulsory, not voluntary, for large companies and organizations to deliver validated sustainability action.

Around the world, a variety of frameworks and regulations have been put in place by governments to attempt to enforce climate action. Governance and regulations are most commonly seen in the form of legislation intended to curb the most damaging actions. Regulatory organizations are scrutinizing the sustainable progress of companies and to create transparency on supply chains, sourcing, and sustainable product claim origins.

A growing focus of regulation that is impacting almost all industries is "greenwashing"— when a company purposely or ignorantly makes misleading sustainable claims or overstates progress against stated goals. Organizations accused of greenwashing are more likely to be subject to scrutiny that could impact their reputations and their bottom lines. The requirements will become more demanding, and regulators have clearly shown through recent rounds of greenwashing cases and fines that they intend to police this space and force action.

2022
- EC adopt first set of corporate sustainability reporting standards
- New Ecodesign for Sustainable Products Regulation: Digital passport
- Deforestation regulation: goods sold in the EU have not been produced on deforested land anywhere in the world

2023
- Obligations under EU CSRD come into force
- EC adopt 2nd set of corporate sustainability reporting standards

2024

2025

2026
- EU carbon boarder levy forcing companies importing into bloc to pay carbon costs at the border for those outside the "carbon club – same emissions targets"

2027

2028

2029

2030
- Binding EU-level targets to reduce by 50% the use and risk of chemical pesticides and the use of the more hazardous pesticides by 2030

Example of European legislation

74% of consumers agree governments should increase regulations to enforce business to move more quickly to sustainable practices to meet climate targets.

Consumers hold governments as one of the most responsible groups for making sustainable progress and they are leveraging voting powers to enforce required change. It is becoming increasingly important for corporations and governments to **closely monitor regulatory mandates** as they evolve around the world. Not only will they dictate where and how brands will play in 2023, but they will signal potential trading requirements to come, which could impact import and export regulations.

High risk exists with products reliant on overseas markets where strict regulatory measures are in place — e.g: Europe. Be forewarned, products that cannot verify sustainability credentials or worse, are exposed as unsustainable, are at risk of losing partnerships such as retail cooperation and potential foreign trading partners.

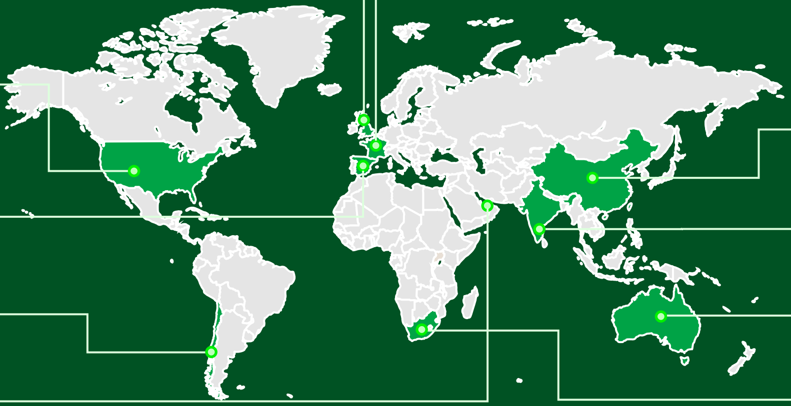
UK companies over 500 pax and $500m turnover adopt mandatory climate disclosures

U.S. SEC issued a proposed rule to standardize the climate-related disclosures provided by public companies. June: Plastic Pollution Prevention and Packaging Producer Responsibility Act (Senate Bill 54) into law with bipartisan support

Ban on the sale of fruit and vegetables in plastic wrapping in supermarkets will come into effect in 2023

Stores to display, sell, and receive refillable beverage bottles. Larger supermarkets must comply by February 2022

UAE announced ban on plastic bags from 2024



France: approved law requiring new commercial buildings to partially cover their roofs with plants or solar panels.

In 2023, it will be forbidden to advertise a product in France as "carbon neutral" without being able to prove it.

China has a roadmap for “basic mandatory disclosure system to be in place by 2025

The new reporting format outlines mandatory ESG policies and requirements for the top 1000 listed companies by market capitalization by FY 2022/2023

All AU states now ban single-use plastic bags

Plastic carrier bags and plastic flat bags must be made from a minimum of 50% post-consumer recyclate from January 1, 2023

Markets around the world are at different stages of the sustainability journey

MIT's Green Future Index is a ranking of 76 countries based on their progress toward and policy plans for a low-carbon future including emissions impact; energy transition, green society, clean innovation and climate policy

Green leaders

20 countries making the greatest progress and commitment to low carbon future

Rank 2022		Rank 2021	Country	Score
1	-	1	Iceland	6.92
2	-	2	Denmark	6.55
3	▲	10	Netherlands	6.42
4	▲	17	United Kingdom	6.29
5	▼	3	Norway	6.21
6	-	6	Finland	6.21
7	▼	4	France	6.12
8	▲	11	Germany	6.12
9	▲	12	Sweden	6.07
10	▲	31	South Korea	6.03
11	▼	9	Belgium	5.95
12	▼	5	Ireland	5.85
13	▲	18	Spain	5.83
14	▲	19	Switxerland	6.63
15	▼	14	Canada	5.59
16	▲	34	Poland	5.59
17	▲	22	Italy	5.53
18	▲	30	Portugal	5.51
19	▲	60	Japan	5.45
20	▼	7	Costa Rica	5.42

The greening middle

20 countries that are making progress or commitment towards building a green future

Rank 2022		Rank 2021	Country	Score
21	▲	40	United States	5.40
22	▲	37	Greece	5.33
23	▼	15	Austria	5.31
24	▲	39	Hungary	5.31
25	▲	44	Bulgaria	5.28
26	▲	45	China	5.27
27	▲	28	Czech Republic	5.21
28	▼	13	Luxembourg	5.19
29	▼	16	Singapore	5.19
30	▲	38	Isarel	5.00
31	▲	47	South Africa	4.98
32	▼	25	Colombia	4.98
33	▼	24	Chile	4.97
34	▼	32	Brazil	4.96
35	▼	27	Ethiopia	4.96
36	▼	26	Morocco	4.83
37	▲	46	Taiwan	4.81
38	▼	20	Uruguay	4.80
39	▼	8	New Zealand	4.79
40	▼	23	Kenya	4.76

Climate laggards

20 countries that are making slow or uneven progress or commitment towards building a green future

Rank 2022		Rank 2021	Country	Score
41	▲	42	UAE	4.76
42	▼	21	India	4.73
43	▲	53	Nigeria	4.65
44	▼	41	Cameroon	4.55
45	▲	64	Hong Kong, China	4.54
46	▲	50	Slovakia	4.52
47	▲	48	Romania	4.52
48	▼	29	Thailand	4.50
49	▼	33	Kazakhstan	4.48
50	▲	52	Angola	4.47
51	▲	61	Saudi Arabica	4.42
52	▼	35	Australia	4.39
53	▼	43	Philippines	4.37
54	▼	36	Mexico	4.23
55	▲	67	Pakistan	4.18
56	▼	49	Vietnam	4.17
57	▼	54	Uganda	4.15
58	▲	65	Kuwait	4.09
59	▼	58	Egypt	4.03
60	▼	51	Zamabia	3.99

Climate abstainers

The 16 countries that will be left behind in their green future due to lack of progress and commitment

Rank 2022		Rank 2021	Country	Score
61	▲	63	Ukraine	3.95
62	▲	69	Bangladesh	3.94
63	▼	62	Ecuador	3.91
64	▲	73	Russia	3.89
65	▲	56	Malaysia	3.87
66	▼	55	Dominican Republic	3.87
67	▼	66	Peru	3.86
68	▼	59	Argentina	3.78
69	▼	68	Turkey	3.71
70	▼	57	Indonesia	3.68
71	-	71	Ghana	3.63
72	▼	70	Guatemala	3.49
73	▲	76	Qatar	3.35
74	▲	75	Paraguay	3.34
75	▼	72	Algeria	3.16
76	▼	74	Iran	2.67

Source: MIT Technology Review Insights, 2022

Extreme climate events are challenging existing business models escalating cost of goods and making supply chains vulnerable

The physical impacts of extreme weather events around the world are changing the way companies can operate across their value chains. From droughts and floods wiping out crops to storms disrupting power for manufacturing and delaying distribution, the additional challenges and costs are forcing companies to look for alternative approaches. Manufacturers are increasingly looking for additional and differentiated sourcing to mitigate ingredient scarcity while more efficient use of resources like electricity, oil, water, and raw inputs is not only improving the environmental footprint, but also the financial bottom line. The rising costs of these resource-intensive practices may be one of the major forcing mechanisms for companies as they seek to counter ongoing inflation.

Source of origin

Mexico Should Stop Making Beer in Drought-Plagued North

Mexico, the world's largest beer exporter, should stop making the drink in the north of the country as the region faces severe water shortages, said President Andres Manuel Lopez Obrador. Citizens in drought-plagued Monterrey, the country's industrial heartland where beermakers like Heineken NV have facilities, have suffered from water scarcity for months as dams emptied out. Lopez Obrador said the government will support companies that want to produce beer in the south or southeast.

Read more >>

Rising cost of goods

Olive Oil Set to Get Pricier as Spain's Heatwave Hits Production

Relentless heatwaves blasting Spain this summer threaten to sink production of olive oil from the world's top exporter of the cooking ingredient, according to Agriculture Minister Luis Planas.

Read more >>

Soaring energy costs

Rising cost of energy spurring food inflation

While European companies have had to contend with increased prices as commodities rallied over the past year. They are now also contending with soaring energy bills.

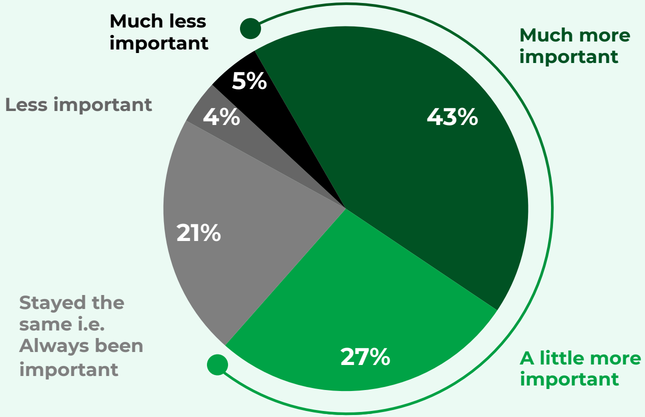
Read more >>

Sustainability is increasingly important for most consumers

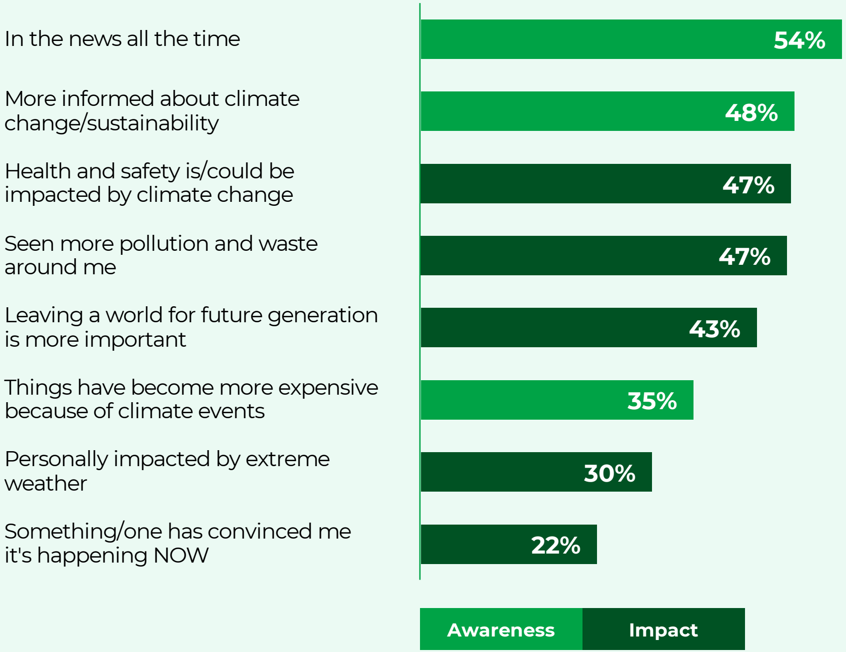
Driven by awareness and personal impact

Consumers' sense of urgency around the changing climate is rising, with 69% saying sustainability has become more important to them over the last two years . An increased awareness of climate change and the direct impact it is or may have on their personal well-being have been the two main driving factors of this change

Change in importance v. two years ago



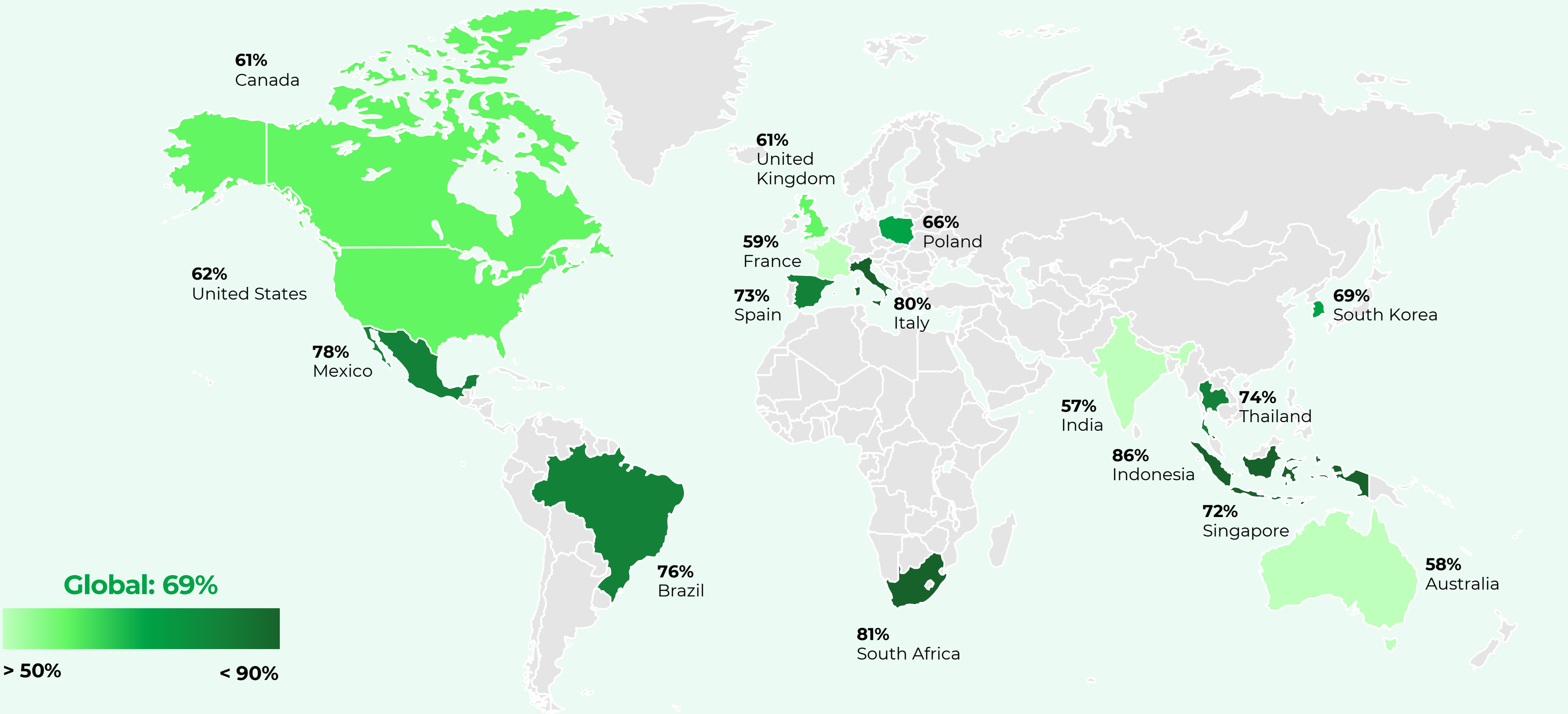
Why has sustainability become more important?



Source: NielsenIQ 2023 Sustainability Report - Ranked on Global.

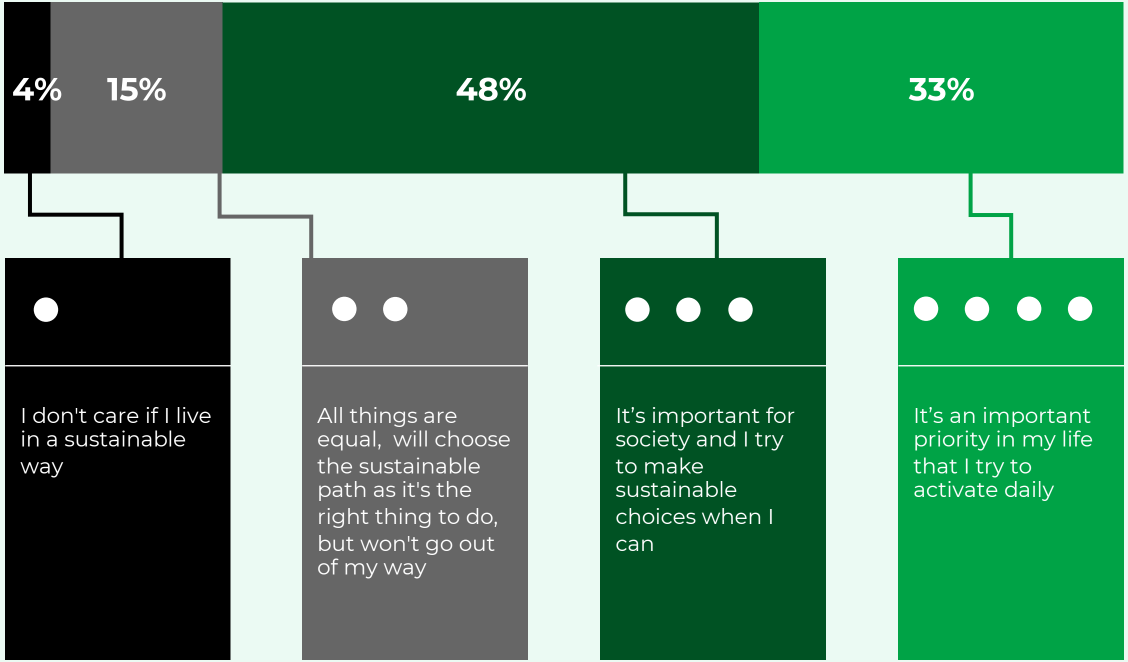
Sustainability is increasingly important on consumers' radar

% respondents who state sustainability as **more important than 2 years ago**



Source: NielsenIQ 2023 Sustainability Report

Most consumers want to do the right thing and are making sustainability an important part of their lives

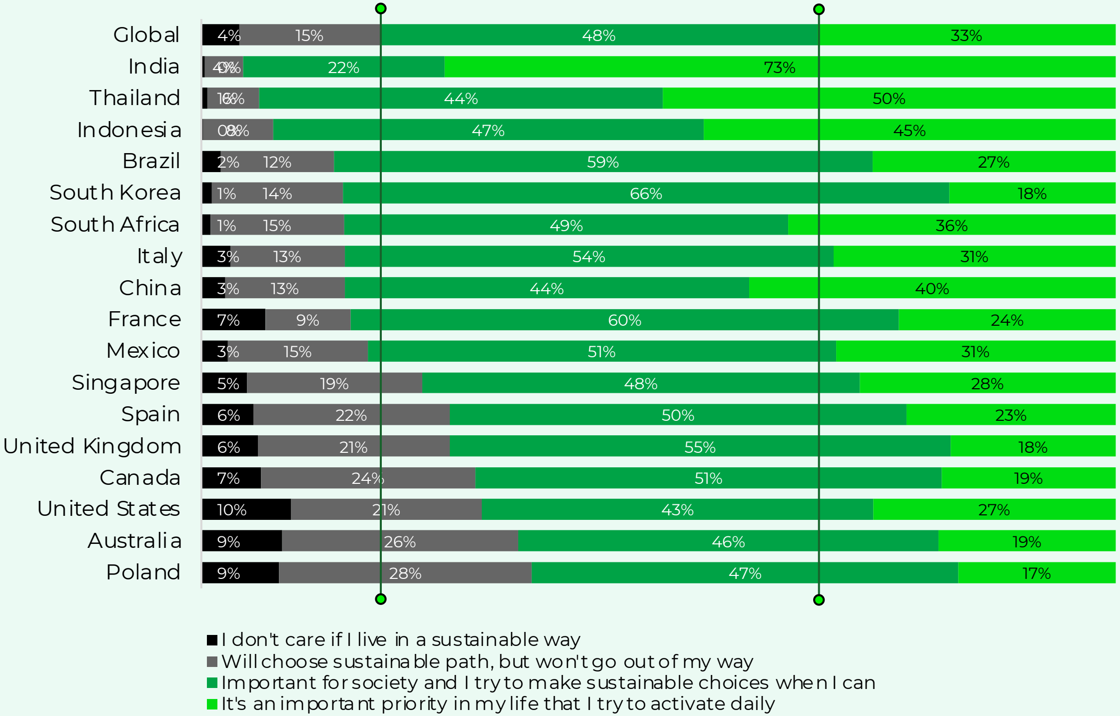


As consumers see extreme weather events increasingly cause chaos to hundreds of millions of people around the world, there is a strong sentiment that sustainable choices are important. People claim to be more aware, more informed, and ***personally impacted*** by climate change and this may prove to be a key change agent. The level of commitment to act in sustainable ways is also compelling with the vast majority signaling they will make at least some effort or sacrifice to consume in a sustainable way.

Source: NielsenIQ 2023 Sustainability Report - Which of the following statements best reflects your day-to-day behavior when it comes to sustainability?

Opportunity is ripe as majority want to do the right thing

Especially in developing markets

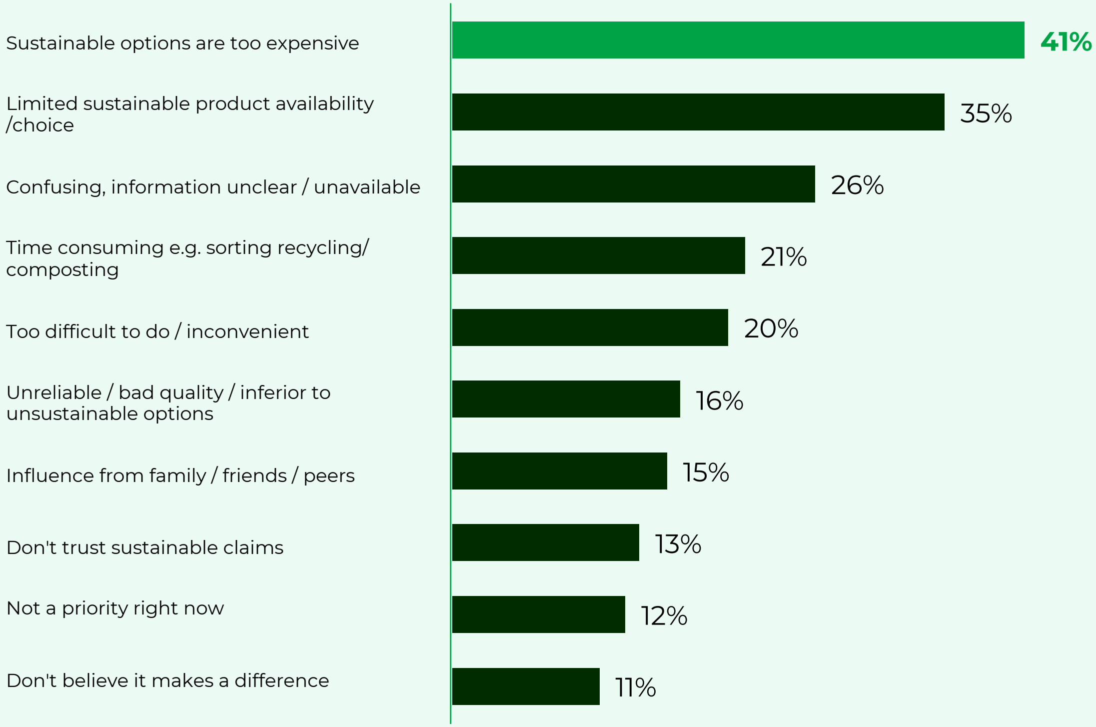


The will to live sustainability varies across markets – with some markets like India, Thailand and Indonesia (markets that battle with daily pollution issues stating they are very proactive in their daily approach to live sustainably compared to markets like Poland, Australia, UK who have a smaller group of committed consumers.

Consumers in less developed markets appear to be taking sustainability into their own hands to make sustainable changes while more developed markets may be relying on regulations to facilitate change at a higher level.

Source: NielsenIQ 2023 Sustainability Report - Which of the following statements best reflects your day to day behavior when it comes to sustainability?

Cost, access and lack of clarity are the biggest barriers that stop them from adopting more sustainable lifestyles



Source: NielsenIQ 2023 Sustainability Report – Q: What are the barriers that stop you from living a more sustainable life

Consumers want to be part of the solution but report some shared roadblocks to sustainable consumption.

Affordability is a key driver of brand choice as costs of living escalates around the world . But historically sustainable options have been offered at a price premium. This creates an immediate barrier in consumers' minds and challenges brands and retailers to respond with more affordable sustainable alternatives.

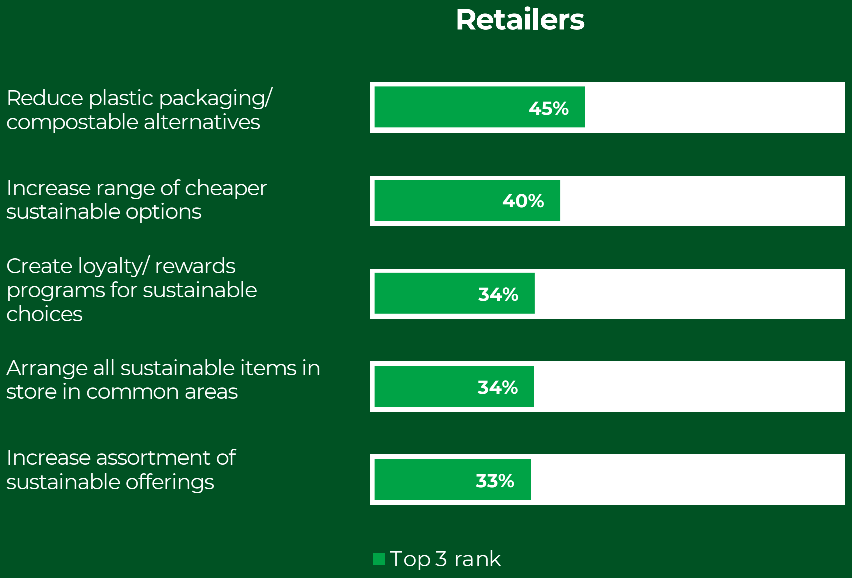
Accessibility is perceived as the next biggest barrier – either by not having enough options /choice to fit consumer needs or the current offering or claims being unclear or confusing in its positioning. Brands aren't making it easy for consumers to purchase in a sustainable way.

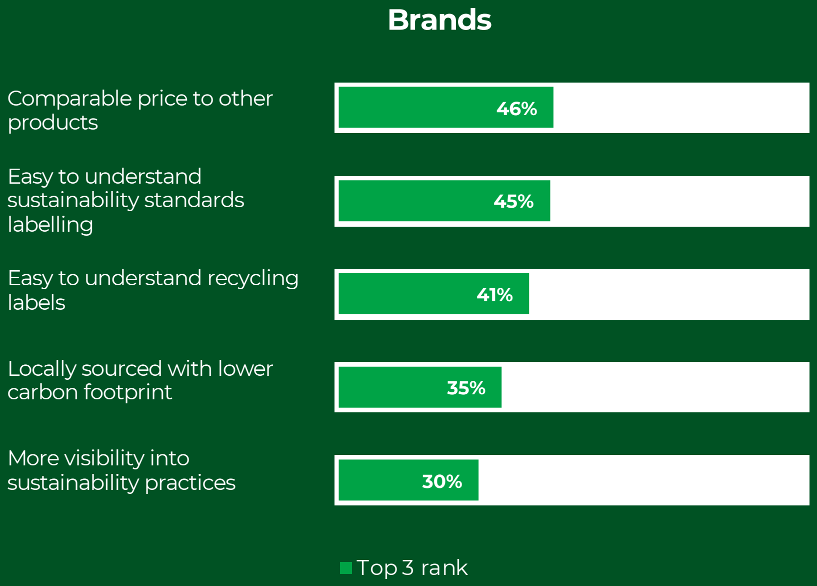
The signals are imminent. Clear, transparent sustainable labeling on packs will be the new baseline as consumers demand transparency and governments regulate against greenwashing. This will make it easier for consumers to take definitive steps to help live more sustainable lifestyles and governments have a role to help facilitate action.

Consumers are asking for help from retailers and brands to be more sustainable

By increased assortment of sustainable offers; affordability and transparency

How can retailers and brands help consumers to be sustainable?





But transparency and authenticity is pivotal

“

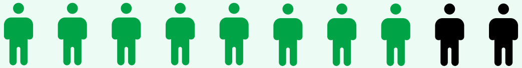
Over the last few years, a number of companies have been making the right signals and offering an increased number of products with environmental claims. However, **we are entering a new era of regulatory oversight and consumer skepticism** where those claims will be scrutinized and challenged, and **if companies are not transparent**, or found to have overclaimed sustainability credentials — **there will be negative consequences.**

With 77% of respondents telling us they would stop buying products from a company that had been found guilty of greenwashing, a **brand could face unprecedented impacts to their bottom lines** — not only from loss in consumer trust but via fines or potential deletion from retailer shelves.

We are entering a **new era of transparency** where companies will need to recalibrate their pack and brand communications and ensure that any claims made are accurate, transparent and can be validated, or else face both the financial and consumer repercussions.”

Nicole Corbett, Vice President of Global Thought Leadership

77% *

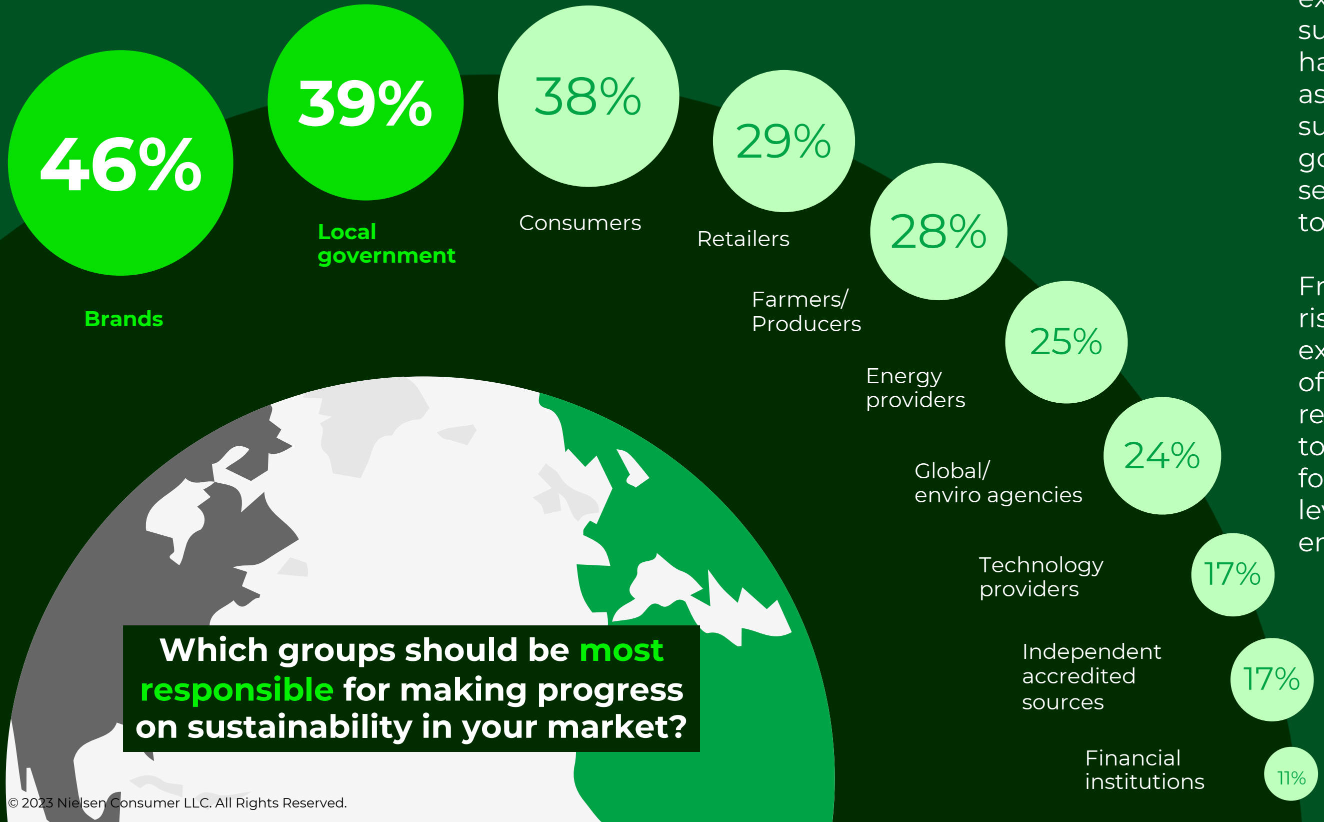


are likely to stop buying if brands found guilty of **greenwashing**

(*43% very likely)

Source: NielsenIQ 2023 Sustainability Report - Q. How unlikely or likely are you to take following actions, when choosing a particular grocery brand?

Responsibility must be shared but consumers hold brands and government most responsible for sustainable progress

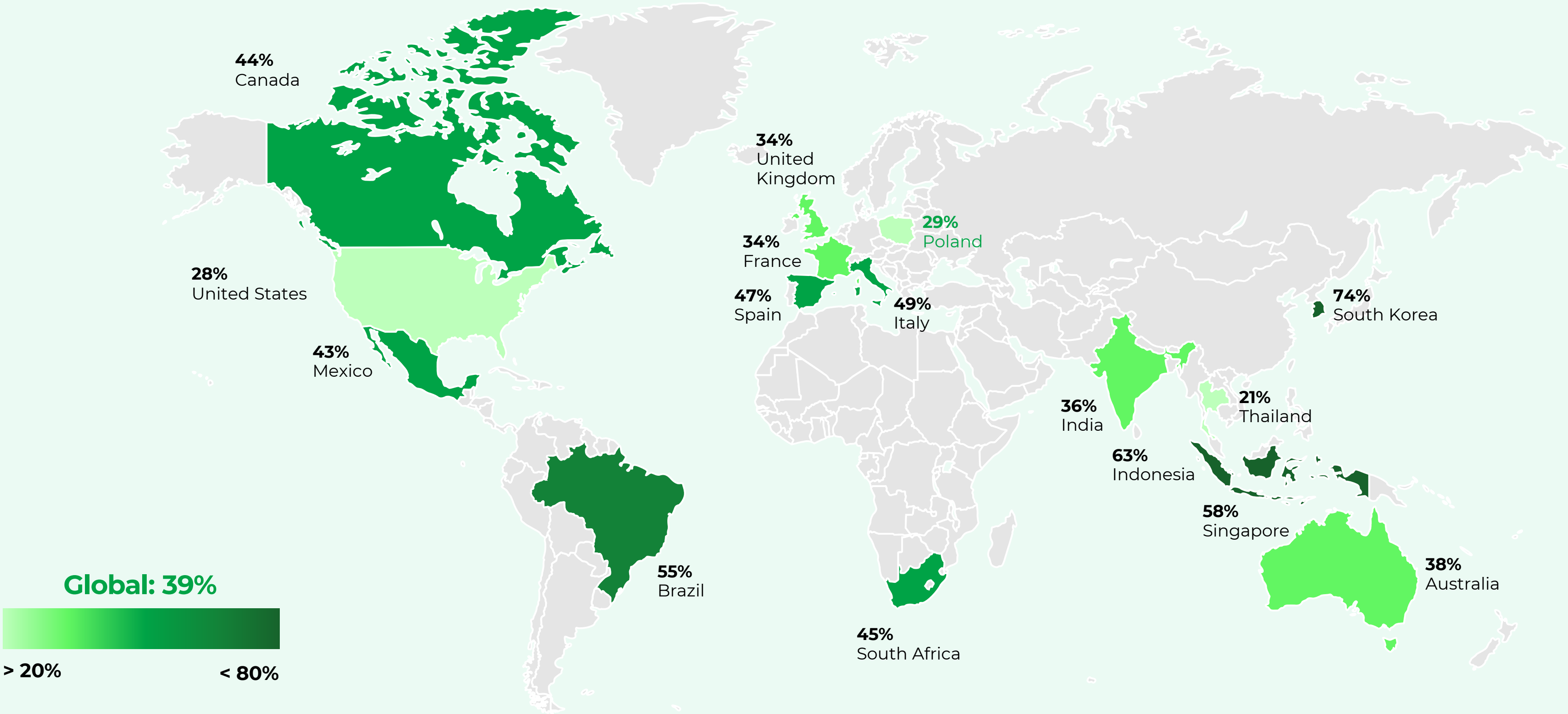


Brands, retailers, and producers need to be very clear on the expectation from consumers in sustainable progress. Consumers have signaled that they see Brands as playing the leading role toward sustainable practices with governments also a leader in setting the agenda and standards to facilitate change.

From a corporate standpoint, the risks of not meeting these expectations range from an erosion of brand equity, to a weakened relationship, to a complete switch to another brand or provider. But for governments, consumers are leveraging voting powers to enforce required change.

Consumer expectations of government's responsibility varies

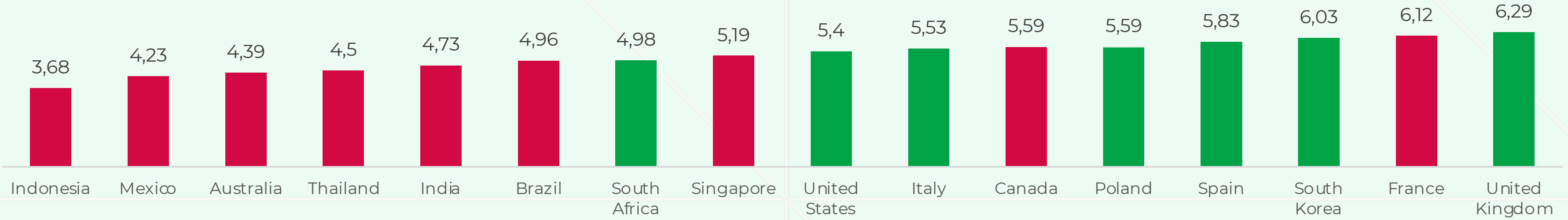
% respondents who hold governments most responsible for sustainable progress*



Source: NielsenIQ 2023 Sustainability Report

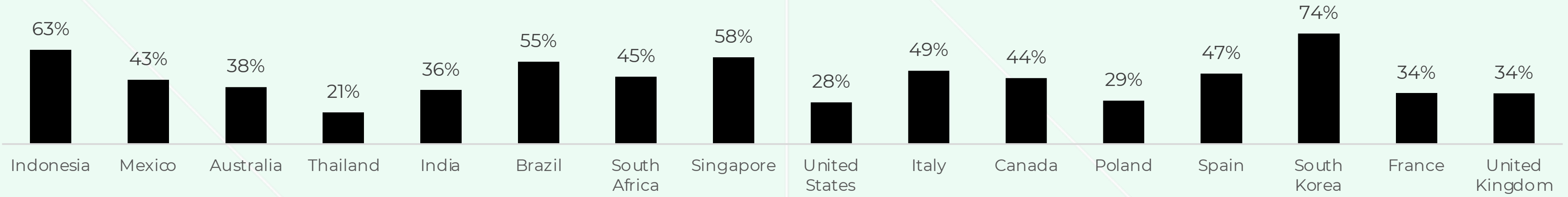
Where countries are making strong inroads to sustainable progress, consumers are generally* less likely to hold governments as most responsible

MIT: Green Futures Index ranking* measures the progress and commitment toward building a low carbon future



Each country is scored 1 to 10, 10 being best

NIQ: % consumers who hold governments most responsible for sustainable progress



* South Korea consumers as a standout exception

Source: a)MIT Green Funds Index NIQ 17 global survey markets Green country ranking improving . Red ranking declining 22 vs 21 b) NielsenIQ 2023 Sustainability report – Which groups should be most responsible for making progress on sustainability in your market? Sum of Rank 1,2,3

Consumers expect governments to help companies shift the sustainability agenda

Q **To what extent would do you agree with actions that government should encourage companies to act more sustainably?**

82%	Create less complicated recycling/ waste processes
80%	Incentivize business to switch to more sustainable business practices
78%	Companies should be mandated to show full transparency of their supply chain so shoppers can make informed choices
75%	Mandate that companies must comply with third party certification of sustainability standards
74%	Increase regulations to enforce business to move more quickly to sustainable practices to meet climate targets
66%	Stop/ fine businesses that can't meet sustainable standards

To what extent would do you disagree or agree with actions believe that the government do to should encourage companies to act more sustainably?

While countries are at very different ends of the spectrum when it comes to sustainable regulation and investment, consumers are calling on governments to take a more active role in enforcing sustainable change as more people feel the personal and financial effects of extreme weather events.

It's critical for governments to understand how their actions intersect with the daily choices constituents make in their lives. Be that the actions consumers can consciously take to live mores sustainably and how governments can work more closely with brands and retailers to ensure the way consumers shop and the products they buy can drive real sustainable change.

Governments around the world are helping consumers and incentivizing businesses to take sustainable action

Spotlight:
Government actions to help consumers live more sustainably

Singapore's Green Plan aims to reduce the amount of waste to landfill by 20 per cent for each person by 2026 and targets for 2030 include significantly reducing household daily water consumption and waste. As well as target for 75% of commuting to be via public transport in the next decade. Read here

Germany recycles 70% of all waste produced, this is the most in the world. The country achieved this through their policies regarding waste, companies are held responsible to whether their packaging is recyclable, when consumers purchase goods they are then responsible for the disposal of them. Read here

South Korea: The green-based economic strategy is a comprehensive overhaul, utilizing nearly 2% of GDP. It includes a nationwide bike network, solar. and wind energy, lowering oil dependent vehicles, backing daylight savings and **extensive usage of environmentally friendly technologies** such as LEDs in electronics and lighting. Citizens are required by law to separate food waste so it can be collected and recycled. The **recycling rate is now over 95%.** While still a long way to go, inroads are being made. Read here

Spotlight:
Government actions to encourage businesses to be more sustainable

United States: Packaging extended producer responsibility (EPR) programs are quickly ramping up across the US as state law not national. Maine, Oregon, Colorado, and California—have passed laws, and in 2022, 40 EPR-related bills in 19 states have received consideration. In general, the **regulations make producers responsible for the full life of their products including end of life** ie. Recycling but timelines, specifics, and accountability make it an unwieldy process. Read here

United States Climate-Smart Commodities Fund **provides grants to partners to implement large-scale pilot projects** that create market opportunities for commodities produced using agricultural (farming, ranching, or forestry) climate-smart practices that reduce greenhouse gas emissions or sequester carbon. Read here

India: AI4AI* launched in partnership with the Government of Telangana, as the first Indian state to implement a pilot framework for **scaling up emerging technologies and improving productivity, efficiency, and sustainability in the agriculture sector**. Farmers are receiving AI tech support including sowing quality testing, soil testing, crop health monitoring, window prediction and tillage estimation, as well as accessing new customers and suppliers in different geographies. Read here

* Artificial Intelligence for Agriculture Innovation

Collaboration is key to trust

75% of consumers want governments to mandate that companies must comply with third-party certification of sustainability standards.

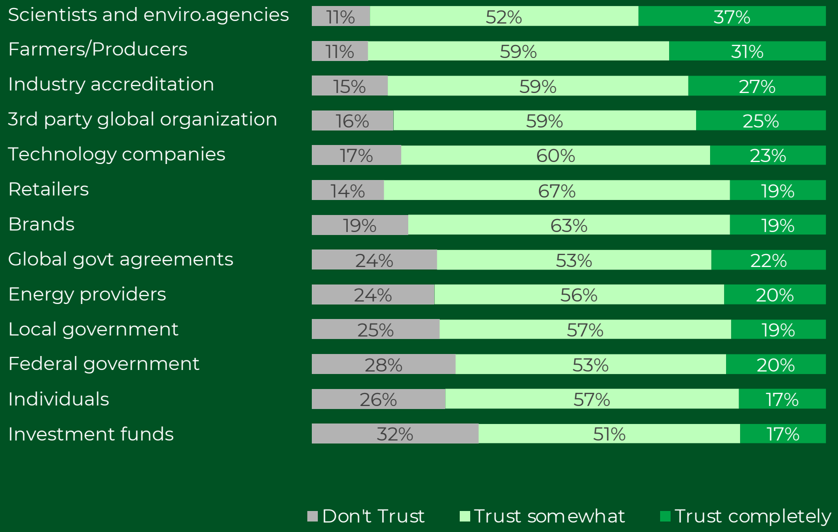
27% of consumers completely trust third-party accredited sources (just behind scientists and farmers).

Trust is paramount, and constituents find governments wanting – at both the federal and local level. Governments need to be authentic, transparent, and importantly, deliver on promises to create real change. Governments can build trust with constituents by working with and supporting scientific agencies and 3rd party accreditation processes.

Third-party accreditation provides reassurance and builds consumer trust knowing there has been rigor and accountability behind accreditation status. It provides brands and retailers with a credible source to differentiate against competitors and drive their own sustainability agendas.

While some certifications are local, others are international – but importantly accreditation providers must be independent; impartial; transparent and validated.

In the US, products containing certifications like B-Corp or Forest Stewardship are some of the fastest-growing sustainability claims over the last 3 years.



What is the future of sustainability?

The sustainability revolution is not something that can happen immediately, or overnight. Most parties recognize it is a phased approach that requires new fundamental ways of working, new business models, and innovation.

The journey will take time and the steps are many, but it is critical that companies do not delay and put off these decisions today, waiting for a magic solution or technology to transform their business.

Some companies have started the journey — setting a goal, making a plan to meet that goal, and taking some initial steps towards progress. The first two steps are much easier than the third. Many companies are taking on these new challenges are looking for solutions to problems they have never solved before, which can take time.

At NielsenIQ, we believe there will be three key horizons that companies need to not only consider but activate on **now:**

1	Actions that they can take **TODAY**	Leveraging existing solutions that can be readily adopted and spread e.g. renewable energy, reduced plastic, carbon footprint assessment
2	Actions in the **mid term** (i.e. in the next 5 years)	Requiring additional development, investment and time e.g. invest in sensors throughout supply chain from sourcing to production, alternative sourcing
3	Action in the **longer term** (2030 and beyond)	Requiring systemic shifts that may replace existing practices e.g. replace alternative ingredients; full transparency and life cycle assessment

There will be enablers that propel sustainable action: mandatory government legislation; new technologies; lowered costs as sustainable alternatives scale or simply the cost of existing business models become untenable.

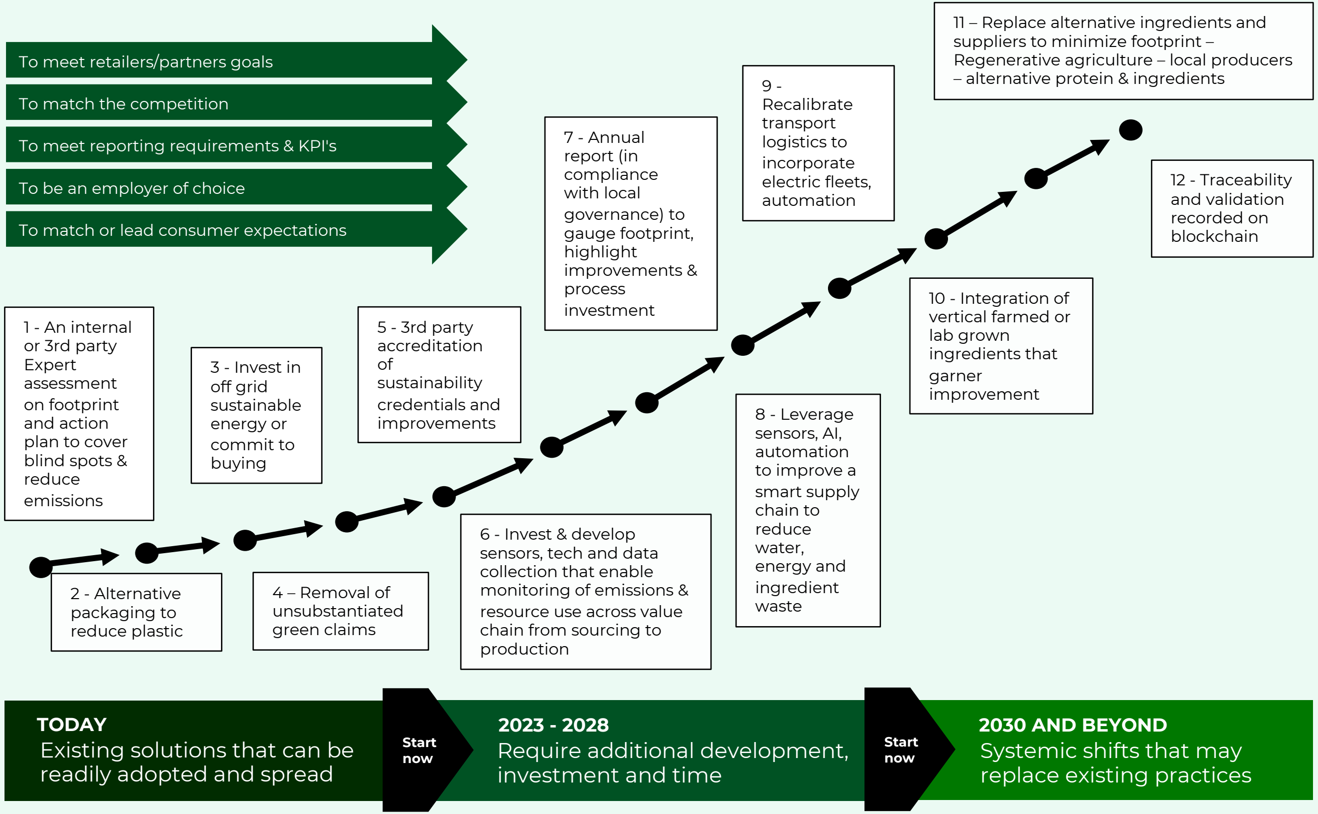
But there will be companies who hold up certain barriers on “why not to change” — a focus on short term profit; complexity in existing supply chains or lack of corporate will. The arguments behind these barriers will become flawed as the drivers of change morph and spread.

Governments can play a pivotal role in “moving the dial” by incentivizing sustainable initiatives; funding innovation and technology advances and simplifying processes to help consumers adopt to sustainable living. These actions will take time to plan, implement, come to fruition and scale – so planning and action across all horizons must start **TODAY.**

What might a sustainable journey look like to keep pace with accelerating requirements?

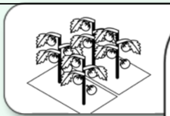
Sustainability experts rarely disagree that the journey toward environmental targets and practices will be a long and hard climb to the summit. Requirements will be progressively harder and more encompassing, and work will have to be done in multiple areas as companies aim to install processes and tools to meet governance needs.

Organizations are at very different stages of their journey, but many will look to the low-hanging fruit over the next few years of gaining impact visibility and charting out a plan to drive step-by-step improvements and efficiencies.

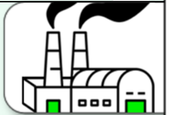


What might the future of governance look like

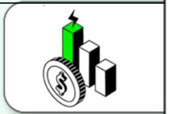
Regulation against deforestation in supply chain - **Read**



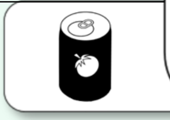
Introduction of Carbon tax - **Read**

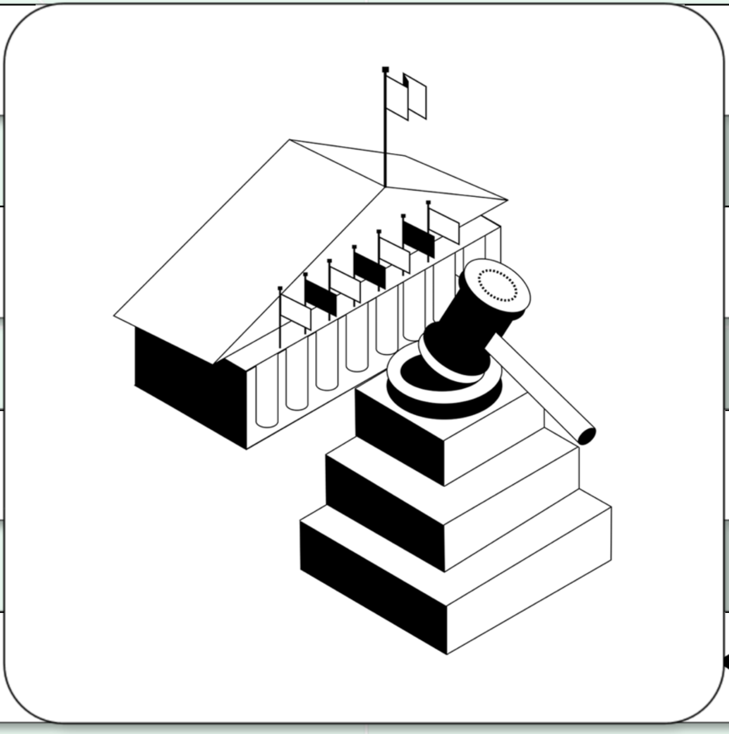


Windfall tax to help poorest - **Read**



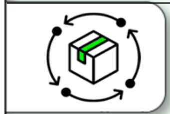
Mandatory front of pack labeling based on full life cycle assessment - **Read**



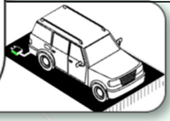


Advertising regulation against greenwashing - **Read**

New sustainable building codes - **Read**



Extended Producer Responsibility - **Read**

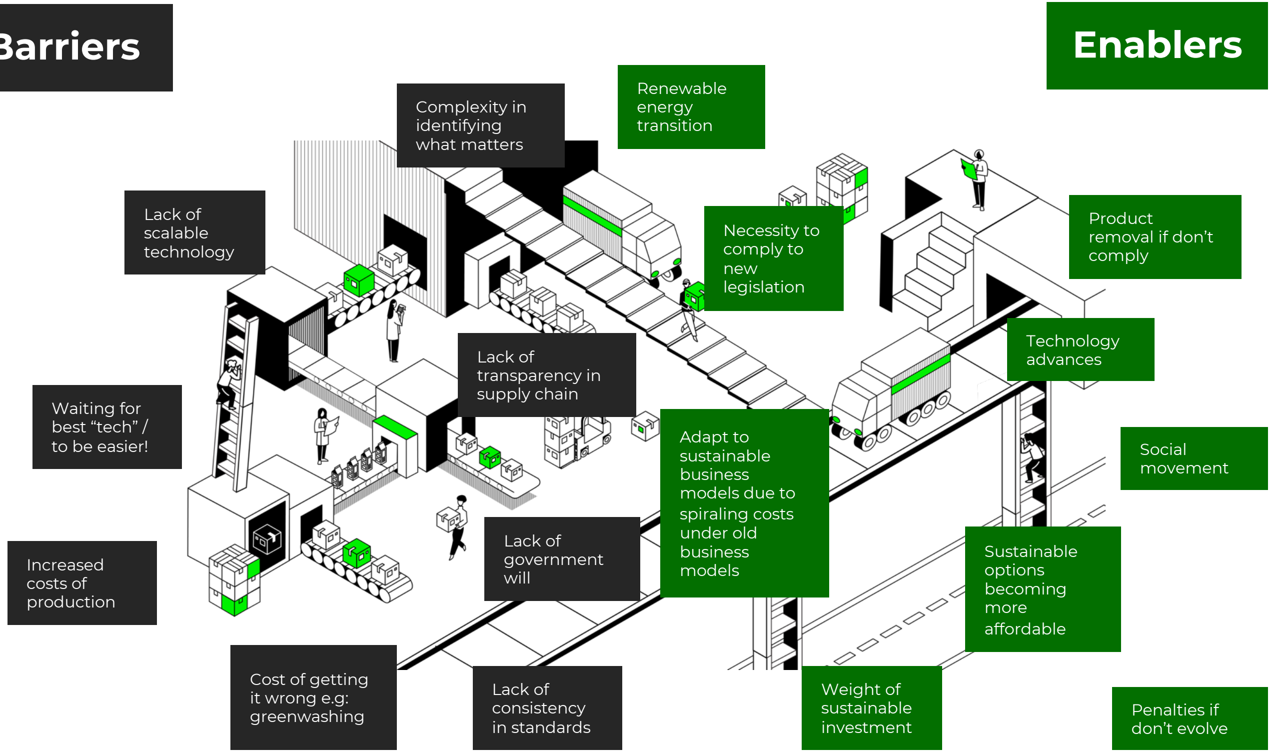


Electric vehicle Conversion - **Read**

Detailed examples are provided in the following hidden slides

Enablers and barriers that will fast track/impede the journey

But driving forces will prevail and push forward



The rate of progress toward sustainability will be dependent on several barriers and enablers.

Tracking and staying informed of factors like "technology advances" or "sustainable investment" will give a clearer sense of advancement towards our goals whereas examples of "inconsistency in standards" may lead to a slowdown in progress.

Viewed as "On-track" or "Off-track" signals to look for, these enablers and barriers can serve to tune businesses into the change happening and a roadmap to coordinate investment and action.

The “cost of inaction” will supercharge the green revolution

The time to act is NOW

Short term

- Understand and start cleaning up your footprint **today**
- Withdraw unsubstantiated claims
- Activate easy wins

Mid term

- Invest and improve product full life cycle change **today**
- Work with suppliers to gain a cradle to grave model for sustainability

Long term

- Systemic shifts may replace existing practices Invest **today**
- Replace parts of our food and product systems that are roadblocks

Long-term change needs to start now

“

To meet targets that become increasingly stringent over the next 10 years, we anticipate a great deal of scrambling from companies that now realize its crunch time.

They will look for easy wins in the short-term but the gamechanger is the requirement to report and validate their footprint and gain visibility of emissions and resource use across their whole value chain.

This will require a long-term shift and for many a departure from how they currently operate.

NIQ Global Intelligence Team

7

Sustainability watch outs for 2023

1. In 2023, consumers will be holding brands responsible for progressing the world's state of sustainability. According to new NielsenIQ survey data, 48% of consumers are looking to brands to take the lead on creating sustainable change.

2. Legislation and governance will be the biggest driver of sustainability action across 2023 as companies start to navigate an increasingly demanding legislative schedule of sustainability reform and requirements.

3. Greenwashing fines and scrutiny will make many companies reconsider their claims. As a result, we are likely to see less unsubstantiated positioning and jargon on products and more certification and transparency in the near future.

4. Some companies in 2023 will see themselves scrambling to drive progress in their organizations as the regulatory and financial implications become evident. Those who are left scrambling will find themselves behind the curve.

5. Companies and consumers will make a major shift past purpose statements and will be held accountable to show real proof of traction towards true and meaningful change. In fact, in the next year we will see the onus shift for companies to prove sustainability status rather than regulatory bodies to monitor compliance.

6. High risk exists with overseas products that are dependent on long-distance supply chains as exposure to inflationary pressures continues. Be forewarned, products that cannot verify sustainability credentials or worse, are exposed to be markedly unsustainable, are at risk of losing partnerships such as retail cooperation and potential foreign trading partners.

7. Technological advancements in this space are one to watch, especially within the realm of reporting. In the months ahead, keep an eye out for tech solutions that will assist businesses with reporting requirements. There is already momentum building and developments in supply chain tracking, validation, and transparency using sensors, Web3, AI digital twins, and blockchain tools.

For more insights:

niq.com/global/en/insights/

About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming NielsenIQ. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: **niq.com**