

2023
SUSTAINABILITY
TRENDS

With increased visibility into the impact of environmental degradation in 2022, consumers looked to connect with brands that reflected their beliefs and companies that set ambitious ESG (environmental, social, and governance) goals. Particularly, it was a year of strong focus on renewable energy, net zero initiatives, greenhouse gas emissions, eco-friendly packaging, and ESG investing.

Looking to 2023, we expect to see the bar raised for brand transparency, increased use of sustainable materials, sustainable innovation in the tech space, and a boom of products supporting a sustainable lifestyle.

Below, we outline four sustainability trends that companies and consumers should be aware of in 2023:



RAISING THE BAR FOR BRAND TRANSPARENCY



THE THREE RS – SUSTAINABLE MATERIALS



BIG TECH BETS BIG ON SUSTAINABILITY



SUSTAINABLE LIFESTYLE



RAISING THE BAR FOR BRAND TRANSPARENCY

[Brand transparency](#) is based on honest and accessible communication of values, goals, and operations – it's essential for brands to gain consumer trust and build loyalty with their base. More than [90% of consumers](#) say brand transparency drives their purchase decisions. One brand that stands out for its transparency is Clif Bar, which produces an [annual Corporate Social Responsibility \(CSR\)](#) report detailing its commitment to people, the planet, and the community.

In 2023, a popular method of demonstrating brand transparency will be through ethical sourcing. Research suggests that [88% of consumers](#) are more likely to purchase from suppliers whose products are ethically sourced. This involves ensuring that each person involved in the creation of a product is treated and compensated fairly and that its materials are obtained without harm to the communities they come from. Not only does ethical sourcing benefit those involved in a product's creation, but it can also help [businesses meet emerging regulation and reporting requirements](#) as well as increase brand perception.



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SOURCE

The link between human rights and sustainability is more visible than ever before, with [climate change threatening](#) the human right to air quality, food, water, and sanitation, as well as increasing the risk of extreme weather and infectious diseases. With nearly two-thirds of Millennials and Generation Z consumers demanding that the businesses they purchase from [source their products ethically](#), those that fail to prioritize values will face public scrutiny and difficulty connecting with a consumer base in 2023. For example, this past year, fast-fashion brand Shein faced intense pushback after [an undercover investigation](#) accused the company of violating China's labor laws.

Through investing early in ethical supply chains, businesses can save themselves tough questions and moral dilemmas down the line and better connect with a more socially conscious generation of consumers.



THE THREE RS – SUSTAINABLE MATERIALS

The three Rs (reduce, reuse, and recycle) may be an established concept, but it's not going out of style any time soon. In 2023, cutting-edge companies will continue to reduce their environmental impact as well as utilize reused and recycled materials in their products. Businesses that create products using sustainable materials will see not only reduced operations costs and a more efficient supply chain, but also a positive impression on consumers.

Reduce: Fashion production accounts for [10% of human carbon emissions and 20% of industrial wastewater pollution](#). The industry is taking note of its impact and will continue to make strides toward reducing it through eco-friendly sourcing. For example, regenerative cotton, which is [grown through holistic practices to increase soil quality](#), was showcased by [Stella McCartney at Paris Fashion Week](#). In addition to the fashion sector, other industries are helping consumers reduce their environmental impact, too. Two examples in the consumer products space include [Dropps](#) and [Blueland](#), which sell hand soaps, laundry detergents, facial cleansers, and more in dissolvable tablet form – all aimed at helping consumers reduce the environmental impact of single-use plastics.

Reuse: [Ikea recently scaled its furniture buyback program](#) to all U.S. retail stores. Similarly, Madewell launched its [Madewell Forever collection](#), allowing customers to return their gently used jeans in-store. These programs empower consumers to participate in [the circular economy](#), which involves keeping products in circulation, rather than creating waste, for as long as possible. Responsible purchasing advocacy will further propel the steep increase in the thrifting of secondhand goods, which is [expected to grow 127% between 2021 and 2026](#). For businesses looking to increase profits and meet the needs of their consumers who care about affordable pricing, secondhand programs are a strong solution.

Recycle: 2023 will see more businesses taking the lead to get creative and turn recycled items into new products. Sketchers is an industry leader in this area with the [Our Planet Matters shoe collection](#), made of recycled, durable materials. The biodegradable polymer market is also expected to grow at a [CAGR of 14.4% during 2022-2029](#), with solutions like compostable phone cases driving innovation.

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BIG TECH BETS BIG ON SUSTAINABILITY

Big Tech companies have set impressive goals for themselves in the next 10 years. By 2030, Google plans to be net-zero and Microsoft aims to be carbon-negative. In order to achieve these lofty goals, these Tech giants must shift their focus to developing enabling solutions in the coming years. For example, Google has focused on [building features to drive sustainable choices](#), such as their eco-routing function in Google Maps and carbon emissions tool in Google Flights. The growing popularity of multipurpose goods like [Samsung's foldable smartphone](#) and [Lenovo's foldable laptop](#) also allow for products to cater to multiple needs, reducing the need for additional technology.

When these companies fail to monitor themselves appropriately, though, governments get involved in sustainable regulation efforts through policy. For example, the European Union voted in October 2022 to [enforce a common charging standard for all portable devices](#) by the end of 2024. Alongside several other companies, this means that Apple's smartphones and tablets must all shift to USB-C chargers. Moving into 2023 and beyond, companies will need to be mindful of sustainable policies when creating innovative products.



SUSTAINABLE LIFESTYLE

In 2020, transportation was still the [largest contributor to U.S. greenhouse gas emissions](#). With [travel steadily picking back up](#) and the global population increasing, [transport demand is expected to grow](#) in 2023. The electric car poses a modern, sustainable solution for consumers who need to drive in their daily lives yet also care about their impact on the planet. The electric car market is picking up speed and will reach [10% of global passenger vehicle sales in 2025, which will become 58% by 2040](#). Companies like Ford, Chevrolet, and Mercedes-Benz are continuing to invest in electric vehicles in preparation for this market growth, with [increasing ranges each year](#).

Additionally, the concept of a smart home, filled with technology intended to make life easier and more connected, is a rapidly expanding market, expected to grow from [\\$79 billion in 2020 to \\$314 billion by 2026](#). From energy-efficient lights and ovens to environmentally friendly thermostats and laundry machines, re-envisioning the home has the potential to help the earth while reducing energy costs for consumers.

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CONCLUSION

Companies and consumers alike placed a high emphasis on sustainability in 2022. In 2023, companies will need to work hard to achieve their sustainability goals while continuing to put the consumer first. Creative solutions for reducing environmental impact, from fashion to tech, will allow companies to both connect with a thoughtful generation of consumers and leave a positive impact on the world.

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