

ESG & Sustainability

# A Consumer Goods Manufacturer Selects Sphera To Drive Sustainability Performance Improvements

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With Kim Knickle

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This report supports firms developing their digital ESG and sustainability strategy by highlighting key purchase criteria and best practices for software investment, illustrated through a case study of a global consumer goods manufacturer.

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## Organizations mentioned

CDP, Global Reporting Initiative (GRI), IFRS, riskmethods, Sphera, SupplyShift, thinkstep, US Securities and Exchange Commission (SEC).

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# A global consumer goods manufacturer works with Sphera to manage its environmental footprint

Firms in the consumer goods industry are facing numerous pressures to deliver investor-grade ESG data and improve their sustainability performance (see **Figure 1**). In addition to a wave of corporate sustainability disclosure rules, such as the EU's Corporate Sustainability Reporting Directive (CSRD), consumer goods manufacturers are facing high levels of scrutiny of their supply chains from retailers, end-consumers and investors (see [Verdantix Best Practices: ESG & Sustainability Digital Strategies For CPG & Retail](#)). In response, consumer goods firms are increasing their commitment to ESG and sustainability by implementing digital technologies for ESG data collection, sustainability performance management and optimization, and stakeholder communication and reporting.

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Figure 1

Drivers influencing commitment to ESG and sustainability amongst consumer goods manufacturers and retail firms

**In the last 12 months, which of the following drivers have been very or the most significant in influencing your firm's commitment to ESG and sustainability issues?**



Note: Data labels are rounded to zero decimal places; this Figure shows 4 out of the original 8 answer options and reflects respondents who selected each driver as 'Very significant' or 'Most significant'. \*Consumer goods and retail firms include food and beverage manufacturing, apparel manufacturing, other household products and wholesale and retail trade.

Source: Verdantix Global Corporate Survey 2023: ESG & Sustainability Budgets, Priorities And Tech Preferences



## The consumer goods manufacturer leverages Sphera for both tracking and driving sustainability performance improvements

A global consumer goods manufacturer with over 10,000 employees is using digital technology to meet the requirements of a constantly evolving ESG and sustainability regulatory landscape, while continuing to drive sustainability performance improvements in the short, medium and long term. For over 10 years, the firm has been using Sphera to:

- **Track sustainability performance using Sphera's Corporate Sustainability Software.**

With a long track record of sustainability commitments and a business model that is intricately tied to the health of ecosystems, this firm has set ambitious targets to improve its environmental footprint by 2030. This includes reducing its absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 50%, decreasing Scope 3 emissions by 20%, reducing its water footprint in water-stressed locations by 50% and reducing its plastics footprint by 50%. To facilitate data collection, monitoring and reporting on progress towards its 2030 sustainability goals, the firm has implemented SpheraCloud Corporate Sustainability Software (SCCS) throughout the entire organization, from executive management to site-level operations. SCCS enables users to develop ESG targets and create reduction action plans to manage and track improvement projects.

- **Move towards more sustainable products through Sphera's product sustainability suite.**

Due to increasing stakeholder pressure for sustainable and ethical products with verified green claims, there is a rising demand for lifecycle assessment (LCA) software. The consumer goods manufacturer is using Sphera's LCA For Experts (formerly GaBi) tool, which integrates LCA modelling and reporting software with sector-specific data sets, to understand the environmental impacts of each of its products throughout their life cycles. The firm has implemented Sphera LCA For Experts at the regional level and above to inform strategic decisions. For example, as part of its goal to reduce Scope 3 emissions by 20% by 2030, it is leveraging Sphera's LCA tool to determine the GHG emissions impact of changes in materials, assets, production and logistics. In addition, the firm is using the Sphera LCA for Packaging calculator to evaluate and understand the environmental impact of existing packaging, compare packaging configurations and drive performance improvements.

## The consumer goods manufacturer chose Sphera for its comprehensive expertise

The consumer goods firm has been using Sphera for over 10 years, during which time Sphera's software offering has evolved and expanded to meet the changing needs of its business. When selecting a software provider for ESG and sustainability, the consumer goods manufacturer chose Sphera for its:

- **Deep expertise across risk, sustainability and LCAs.**

Product and materials traceability and product circularity performance are key sustainability issues for firms in the consumer goods industry. Accordingly, the consumer goods firm selected Sphera because of its deep expertise across risk, sustainability and LCAs. Over the last five years, Sphera has strengthened its capabilities in supply chain sustainability and product sustainability through a series of acquisitions. These span thinkstep – a sustainability management and product LCA provider – in 2019, riskmethods – an AI-enabled supply chain risk management software provider – in 2022, and most recently SupplyShift – a supply chain sustainability software provider – in January 2024. These acquisitions have enabled Sphera to bring together sustainability, supply chain risk, EHS and product compliance within its solutions portfolio to support multinational organizations in high-risk industrial sectors and those with complex supply chains.

- **Intuitive and tailored user interface.**

The consumer goods manufacturer uses Sphera's sustainability suite across its entire organization. Therefore, a key purchase criterion when selecting a software provider for sustainability was a tool with an adaptive user interface that catered to various user needs, accommodating both technical users and



those requiring a more general, simplified interface. For example, Sphera's LCA For Experts is a specialist user application that is designed to meet the needs of LCA engineers and analysts. This is used by the consumer goods firm, in addition to a general user interface that can be used by non-experts – such as the C-Suite – for strategic decision-making.

- **Dedicated team of consultants and IT support specialists.**

When selecting a sustainability software provider, services support was a crucial criterion for the consumer goods manufacturer. Sphera has a team of over 200 dedicated sustainability consultants supporting double materiality; climate strategy and target development; ESG reporting in line with CDP, CSRD, Global Reporting Initiative (GRI), IFRS and US Securities and Exchange Commission (SEC), among others; LCA; eco-design; environmental product declarations; circular economy; and Scope 3 emissions services, as well as a team of IT support specialists and IT implementation services providers. In the 2023 Verdantix global corporate survey, almost half (43%) of respondents said that the availability of consulting and services partners is one of their top three purchase criteria for software selection (see [Verdantix Global Corporate Survey 2023: ESG & Sustainability Budgets, Priorities And Tech Preferences](#)), and we are seeing similar results in our ongoing 2024 survey. Often, software buyers seek supporting services to navigate the intricacies of ESG implementation with greater confidence or to plug internal sustainability subject-matter expertise gaps.

## Key lessons learnt by the consumer goods manufacturer

In leveraging a digital solution to drive sustainability performance improvements, the consumer goods manufacturer learnt that it should:

- **Prioritize data integrity above all else.**

The consumer goods firms emphasized prioritizing data integrity over extraneous features when selecting ESG and sustainability software. As firms transition from voluntary to mandatory sustainability reporting and seek external assurance over ESG data and reporting processes, ensuring data integrity will be key. Organizations will need to select software providers that can deliver reliable sustainability data through robust controls functionality, such as access controls and disclosure approvals, workflows and audit trails, and data quality control and enhancement (see [Verdantix Strategic Focus: Delivering Investor-Grade ESG Data](#)).

- **Look for flexible software that can meet evolving requirements.**

The consumer goods manufacturer emphasized the need to align its digital requirements with its evolving business and sustainability goals. It is important to select a software provider that can demonstrate longevity and continue to support a business with more advanced functionality as its sustainability maturity increases. For example, the consumer goods firm emphasized the importance of evaluating emerging regulations to distinguish necessary requirements from supplementary ones, thereby identifying gaps in existing tools and systems. An important part of this process is thoroughly understanding the problem to be addressed before making a procurement decision (see [Verdantix Best Practices: Creating An RFP For ESG Reporting And Data Management Software](#)).

- **Include IT as a key internal stakeholder in the vendor selection process.**

It is important to consult a variety of internal stakeholders when making sustainability software procurement decisions. One stakeholder whose level of involvement is increasing as sustainability becomes more compliance-driven is IT. The consumer goods firm highlighted that IT is a key partner in the vendor selection process and has a multifaceted role. IT professionals are responsible for assessing the technical capabilities of potential software solutions to ensure they align with the organization's existing infrastructure and technical requirements, as well as ensuring the software meets the organization's security standards, complies with data protection requirements, and offers long-term viability and adaptability. In the 2023 Verdantix global corporate survey, 91% of respondents agreed that their chief information officer (CIO) or chief technology officer (CTO) supports ESG and sustainability priorities and requirements (see [Verdantix Global Corporate Survey 2023: ESG & Sustainability Budgets, Priorities And Tech Preferences](#)).



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