

Climate Action in Practice: **Actionable Insights to Merchandise Sustainable Products**

April 2025





Welcome to the *Climate Action in Practice Guide*

The Consumer Goods Forum's Towards Net Zero Coalition has developed a new resource to help retailers and manufacturers turn climate ambition into action

This collection is organized into six focused packets, each addressing a specific challenge identified by our members. Every publication offers practical guidance, real-world examples, and actionable insights to accelerate progress toward a more sustainable future

Designed for companies at any stage of their climate journey, this guide provides the knowledge and support needed to drive meaningful change

Where to start | Six key challenges, one common framework

Six key challenges identified by our members:

REDUCE DEFORESTATION 

Example activities

- Agroforestry; Re/Afforestation
- Deforestation-free sourcing

ENHANCE SUSTAINABLE AGRICULTURE 

Example activities

- Cropland management
- Livestock management

MERCHANDISE SUSTAINABLE PRODUCTS 


Example activities

- Increased availability of sust. goods and ingredients
- Promotion of sustainable products to drive adoption

REDUCE FOOD LOSS & WASTE 

Example activities

- Shelf-life monitoring
- Responsible promotion tactics

INCREASE LOW-CARBON ENERGY & LOW-CARBON TRANSPORT 

Example activities

- Low-emissions refrigeration
- Fuel switch to BEV
- Renewable heat & power




ADOPT CIRCULAR OR SUSTAINABLE PACKAGING 

Example activities

- Reduction of unnecessary packaging
- Improved package-recyclability



For each key challenge, this publication provides the following resources:

-  **Shared vision of the future**
-  **Overview and key insights**
-  **Regional considerations**
-  **Actions retailers should consider**
-  **Relative impact & feasibility**
-  **Case studies & additional resources**

This documents highlights one are of focus. Refer to the full Action in Practice Guide for a comprehensive view across all six challenges

Where to start | High-level impact and feasibility estimates can guide prioritization¹

Action area	Impact		Scope for action			
	Emissions reduction	Co-benefits (business, social, environmental)	Affordability	ease of implementation	Public sector support	Degree of control
Reduce deforestation	High	High	Medium	Low	High	Medium
Enhance sustainable agriculture	High	High	Low	Medium	Medium	Medium
Merchandise sustainable products	High	High	Medium	Medium	Low	High
Reduce food loss...	High	High	Low	Medium	Low	Medium
...and food waste	Medium	Medium	High	High	High	Medium
Increase low-carbon energy...	Low	Medium	Medium	High	Medium	High
...and low-carbon transportation	Medium	Low	Low	Medium	High	High
Adopt circular or sustainable packaging	Low	Medium	Medium	Medium	High	Medium

1. The impact and feasibility estimates provided are relative assessments that evaluate each action area in comparison to the other areas in these materials. The ratings are based on high-level assessments of each action area as a whole and are not necessarily representative of each individual activity within a given area

**Merchandise
sustainable
products**

Shared Vision of The Future:
*Product portfolios are curated to
optimize market positioning and
minimize environmental impact*

Return to key
challenges



Climate Action in Practice Guide | Preview of merchandising sustainable products insights, resources, and activities to consider

Topic resources to follow ...

Sustainable Merchandising Overview

Overview | What to know about merchandising sustainable products

Strategic Context

- Customers are increasingly demanding more information on product traceability amid heightened awareness of complex sustainability issues; however, interest does not always translate to purchasing habits and willingness to pay "green" premium remains limited.
- In Europe, increasing regulatory requirements (e.g., EUDR, CSRD, CS3D) mandate more granular visibility into supply chains, including product attribute details, requiring improved traceability, particularly for private-label products.
- Closer supplier partnerships are essential for meeting these sustainability and traceability demands.

Key Challenges

- Customer preferences, regulatory compliance, and risk management are often in direct conflict, forcing retailers to make strategic tradeoffs in prioritizing where to focus energy.
- Retailers need a clear perspective on the credibility of product sustainability claims to help customers make informed decisions amid complex landscape of claims while also mitigating greenwashing risks.

Opportunity & Solutions

- Opportunity to align sustainable merchandising tactics with category strategy by setting deliberate KPIs that empower merchants to make decisions benefitting both sustainability and the P&L.

Regional Considerations

Regional considerations

Consumer purchasing behavior is highly nuanced across both regions and categories. For example:

- In Brazil, consumers see availability as the biggest barrier to purchasing sustainable beverages, meanwhile price is the main obstacle for sustainable groceries¹
- In India, social factors limit purchases of sustainable skincare products, while quality is the largest concern for sustainable groceries¹

Retailers should evaluate the drivers of choice, barriers, and opportunities for their specific markets and categories when designing sustainable merchandising strategies

Activities Retailers Should Consider

Actions | Early-stage retailers should focus on building processes for efficient sustainable merchandising

Early action should focus on assessing and building processes for sustainable merchandising

Example activities include

- Assess current product attribution to understand data being tracked for each product category, including sustainability attributes, to understand gaps and opportunities for improvement
- Examine the drivers of choice, barriers, opportunities, etc. that are specific to each market and category
- Conduct internal assessment of sustainability labeling to refine customer messaging practices for greater clarity and consistency
- Establish standardized procedures to effectively launch and support new sustainable products

Advanced retailers should embed sustainability throughout category strategy and processes

Example activities include

- Reimagine category strategy to focus on products that meet business needs/customer demand while also driving sustainability (e.g., shift to more concentrated products to reduce packaging and save shelf space)
- Incentivize sustainable purchases by embedding sustainability into all commercial processes (e.g., store and shelf positioning, pricing, promotions, margin considerations, customer loyalty programs)

Relative Impact & Feasibility

Relative impact & feasibility | High emissions reduction potential; willingness to pay and verifiable claims are biggest challenges

	Impact		Feasibility		
	High	Medium	High	Medium	Low
Emissions reduction	High	Medium	High	Medium	Low
Co-benefits (business, social, environmental)	High	Medium	High	Medium	Low
Affordability	High	Medium	High	Medium	Low
Ease of implementation	High	Medium	High	Medium	Low
Public sector support	High	Medium	High	Medium	Low
Degree of control	High	Medium	High	Medium	Low

By changing what they assort & promote, retailers can achieve major emissions reductions, as well as potentially moving suppliers toward making more sustainable products.

Can have significant environmental co-benefits (e.g., biodiversity, water quality) and meets growing consumer expectations for transparency and sustainability.

Changes are mainly procedural and can be completed at low cost, though financial concerns may arise if sustainable products see lower sales.

Changes are straightforward to implement, though can be difficult to execute in a way that succeeds and resonates with consumers.

Punitive regulations exist for misleading product claims, but supportive regulation is lacking.

Retailers have direct control over the sourcing and merchandising of their products.

Retailer Case Studies

Case studies | Retailers expand sustainable options and streamline product info to empower customers making sustainable purchases

Levers in action: Retailer case studies

- Syco launches "One planet. One table."** Initiative to drive supply chain changes and enable customers to choose sustainable options.
- ICA Gruppen launches Klimakalender (Climate Hub)** to help customers identify products that reduce waste through sustainable packaging.
- Target launches "Target Zero" label** to help customers identify products that reduce waste through sustainable packaging.

Syco's One planet. One table. helps customers choose more sustainable food by providing certifications and improving searchability and labeling. It offers the largest selection of sustainable products among U.S. food distributors, with 3,000+ items across 35 categories meeting 20+ certifications or proprietary standards.

ICA's Climate Hub is an AI-powered service that provides personalized product recommendations for low-carbon items based on customer buying habits. The service ensures substitutes have at least 5% lower CO2 emissions and focuses on products with significant climate impact.

Target's "Target Zero" label highlights products with reusable, refillable, or compostable packaging to help customers make eco-friendly choices. Displayed both in-store and online, the label supports Target's broader commitment to sustainability and waste reduction across its product lines.

"Best Source of Truth" Resources

Resources | Following voluntary guidance from FTC & EU can reduce greenwashing risk

Resource	Description	Relevant resource(s)
FTC Green Guides & EU Green Claims Directive ¹	Outline how companies should market their products to avoid making misleading or deceptive sustainability claims.	<ul style="list-style-type: none"> FTC Green Guides (update expected EOY 2024) EU Green Claims Directive Navigating the New EU Green Claims Directive (Quantis publication)
EU Ecolabeling	Voluntary certification awarded to products/services that meet strict environmental criteria from sourcing to disposal. Green Claims Directive compliant products qualify for the EU Ecolabel.	<ul style="list-style-type: none"> EU Ecolabel
French Decree n° 2022-748	Mandates clear, accessible environmental data at the point of sale to prevent greenwashing, increase consumer trust, and promote eco-design. Current pilot in fashion but expected to expand to food in 2025/26.	<ul style="list-style-type: none"> France's new eco-labeling law overview
Business guidance (Voluntary)	Several resources exist that provide actionable guidance and recommendations for merchandising sustainable products at the corporate level.	<ul style="list-style-type: none"> Whetting consumers' appetite for sustainable foods (BCG publication) The Unintended Climate Opportunity in Alternative Proteins (BCG publication) Overcoming the barriers to making green mainstream (BCG publication) Transformation, transparency and transparency from intention to action (Quantis publication) Generative category demand, un-silencing sustainable products (Quantis publication) Navigating 2024: Operationalizing sustainability in the food and beverage industry (Quantis publication)

¹ Voluntary guidelines, but have been used as the basis for greenwashing litigation (e.g., deceptive practices, false advertising). If environmental claims found to be deceptive, enforcement actions and penalties may be initiated.

Legend: Mandatory regulation (Green), Voluntary standard, framework, or guidance (Blue)

Overview | What to know about merchandising sustainable products

Strategic Context



Customer demand for traceability is rising, but willingness to pay remains limited and purchasing behavior often lags behind stated intent



European regulations are raising the bar on supply chain transparency, requiring granular product-level data (e.g., EUDR, CSRD, CS3D)



Meeting traceability and compliance demands requires stronger supplier partnerships, upstream visibility, share standards, and reliable data exchange

Key Challenges



Retailers face conflicting pressures from customer expectations, compliance, and reputational risk, forcing tough decisions on focus and investment



Merchants struggle to evaluate sustainability claims amid noise, underscoring the need for clear, consistent guidance and decision-making tools

Opportunity & Solutions



Sustainable merchandising tactics should align with category strategy, using deliberate KPIs that empower merchants to drive both sustainability and P&L performance



Regional considerations

Consumer purchasing behavior is highly nuanced across both regions and categories. For example:

- In **Brazil**, consumers see **availability** as the biggest barrier to purchasing sustainable beverages, meanwhile **price** is the main obstacle for sustainable groceries¹
- In **India**, **social factors** limit purchases of sustainable skincare products, while **quality** is the largest concern for sustainable groceries¹



Retailers should evaluate the drivers of choice, barriers, and opportunities for their specific markets and categories when designing sustainable merchandising strategies

1. BCG "Mainstream Green" surveys and analysis (2022)

Actions | Early-stage retailers should focus on building processes for efficient sustainable merchandising

Early action should focus on assessing and building processes for sustainable merchandising

Example activities include







- **Assess current product attribution to evaluate data tracked by category**, including sustainability attributes, and identify improvement opportunities
- **Examine drivers of choice, sourcing barriers, and category-specific opportunities** across each markets
- **Conduct internal assessment of sustainability labeling** to improve customer messaging clarity and consistency
- **Establish standardized procedures** to effectively launch and scale new sustainable products

Advanced retailers should embed sustainability throughout category strategy and processes

Example activities include

- **Set clear category-specific sustainability objectives** (e.g., reduce packaging, increase certified ingredients, grow share of traceable SKUs) as part of annual planning
- **Incorporate sustainability into all commercial levers**, including shelf space, pricing, trade options, and assortment reviews
- **Use merchant scorecards to track sustainability performances** alongside P&L targets (e.g., volume sold under sustainability-linked claims)
- **Prioritize products that deliver both customer value and environmental benefit**, such as concentrates, refills, reusable formats

Relative impact & feasibility | High emissions reduction potential; willingness to pay and verifiable claims are biggest challenges

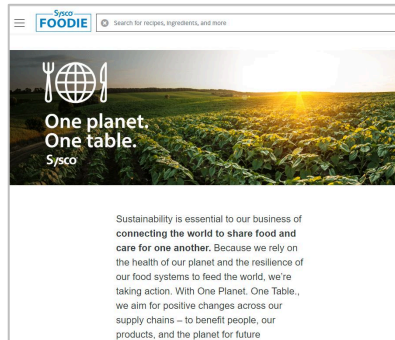
Impact		Feasibility					
High		Medium					
Rating	Notes	 Emissions reduction High By changing what they assort & promote retailers can achieve major emissions reductions, as well as potentially moving suppliers toward making more sustainable products	 Co-benefits (business, social, environmental) High Can have significant environmental co-benefits (e.g., biodiversity, water quality) and meets growing consumer expectations for transparency and sustainability	 Affordability Medium Changes are mainly procedural and can be completed at low cost, though financial concerns may arise if sustainable products see lower sales	 Ease of implementation Medium Changes are straightforward to implement, though can be difficult to execute in a way that succeeds and resonates with consumers	 Public sector support Low Punitive regulations exist for misleading product claims, but supportive regulation is lacking	 Degree of control High Retailers have direct control over the sourcing and merchandising of their products

Case studies | Retailers expand sustainable options and streamline product info to empower customers making sustainable purchases



Levers in action: Retail case studies

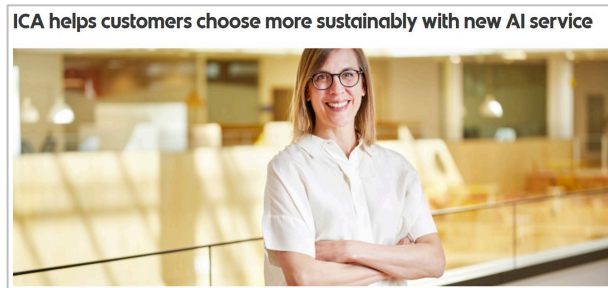
Sysco launches "One planet. One table." initiative to drive supply chain changes and enable customers to choose sustainable options



Sysco's **One planet. One table.** helps customers choose more sustainable food by streamlining certifications and improving searchability and labeling. It offers the largest selection of sustainable products among U.S. food distributors, with 3,000+ items across 15 categories meeting 20+ certifications or proprietary standards

See [Sysco Press Release](#) for more info

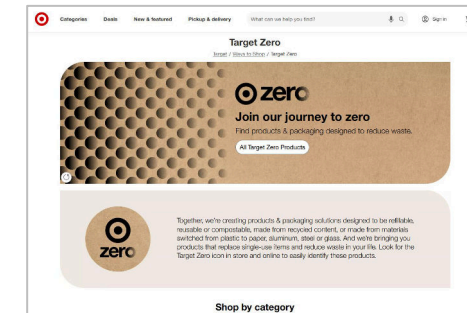
ICA Gruppen launches Klimatknuffen (Climate Nudge) to make it easier for customers to choose lower-carbon products



ICA's Climate Nudge is an AI-powered service that provides personalized product recommendations for low-carbon items based on customers' buying habits. The service ensures substitutes have at least 5% lower CO2 emissions and focuses on products with significant climate impact

See [ICA Gruppen Press Release](#) for more info

Target launches "Target Zero" label to help customers identify products that reduce waste through sustainable packaging



Target's "Target Zero" label highlights products with reusable, refillable, or compostable packaging to help customers make eco-friendly choices. Displayed both in-store and online, the label supports Target's broader commitment to sustainability and waste reduction across its product lines

See [Target Press Release](#) for more info

Resources | Following voluntary guidance from FTC & EU can reduce greenwashing risk

(Non-exhaustive)	Description	Relevant resource(s)
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	French Decret n° 2022-748: Mandates clear, accessible environmental data at the point of sale to prevent greenwashing, increase consumer trust, and promote eco-design. Current pilot in fashion but expected to expand to food in 2025/26	<ul style="list-style-type: none"> • France's new eco-labeling law overview
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Mandatory regulation



Voluntary standard, framework, or guidance

1. Voluntary guidelines, but have been used as the basis for greenwashing litigation (e.g., deceptive practices, false advertising), if environmental claims found to be deceptive, enforcement actions and penalties may be initiated





Ready to
take action?

How to become the next changemaker:

- 1 **Explore practical resources** to tackle key sustainability challenges
- 2 **Connect with our experts** to accelerate your sustainability journey
- 3 **Join the CGF** to collaborate with industry leaders and drive positive change

Thank you

