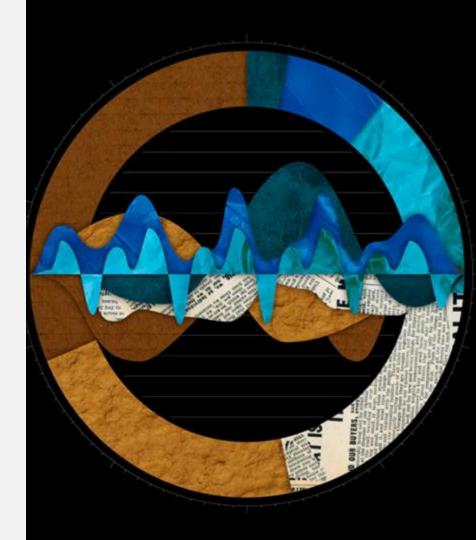
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Sustainable initiatives on marketplaces

Sustainability has emerged as a megatrend. Learn more about the importance of sustainability for consumers, how marketplaces are incorporating this in their ways of doing business, as well as the benefits of sustainability labels on marketplaces. Emakina can help you navigate sustainability – let's explore it together in this playbook.



The megatrend: consumers expect sustainability

The ever-growing need for sustainable products over the years show that sustainability is here to stay. More than ever, conscious consumers demand transparent supply chains where they can see whether products are made with environmental and social consideration

If, before the pandemic, consumers were expecting sustainable corporate practices, they are insisting on it. COVID-19 revealed the constant trade-off we face. We as humans, have unlimited needs. Yet, the planet only has a limited capacity to fulfil those needs. The crisis helped consumers understand the limits to which we can push nature before the impact is negative. The only way to fix this is by changing our consumption habits and production patterns.

45%

of consumers are

or environmentally

responsible brands

52%

of consumers are more ecointerested in sustainable friendly compared to six months ago (June 2021)

51%

of consumers share that, before purchasing a product, they consider whether it was produced with a traceable and transparent origin



of the GenZgeneration prefers to purchase products from brands that are environmentally conscious

Sustainability taking shape on marketplaces

Time Magazine suggests that the e-commerce industry isn't the most sustainable or eco-friendly industry in the world. **Every year, more than 2 billion tons of waste end up in landfills thanks to e-commerce business practices**. So – unsurprisingly – conscious consumers are highly concerned about the impact of their online purchases. <u>Consumers</u> who shop online, now pay close attention to eco-friendly shipping options, packaging waste, and delivery and return management.

Similarly, marketplaces, as part of the e-commerce industry, can't ignore this shift in consumer behaviour. Marketplaces are adapting to more sustainable practices to:

- Hold up their end of the bargain by being socially responsible;
- Keep up with consumer expectations;
- Maintain relevancy in a world of plentiful sustainable choices

There are some staple marketplaces that are integrating sustainability in their ways of doing business and incentivising brands to follow suit. Think of:

Zalando

Amazon

Bol.com

Sustainability on Zalando

Zalando's commitment to sustainability is highly evident.

Within the last few years, the fashion marketplace has built a stable sustainability strategy - called do.MORE that profits people and the planet.

By 2023, their goal is to reduce their carbon footprint, the use of single-use plastic and only provide brands that are (at least partially) eco-friendly on their marketplace.

<u>340K+</u>

fashion items received a second life through Zalando Zircle

>500

brands have sustainable items on Zalando 140K+

sustainable items on the platform

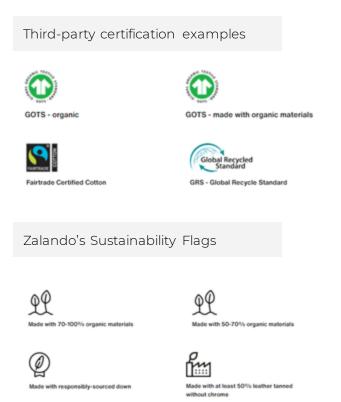


Zalando's sustainability flags and highlights

Another way in which Zalando is implementing sustainability in its ways of doing business is through the 'label' system. The sustainability flags are front-end labels that show the consumer if a product is sustainable and what makes it sustainable.

These labels are awarded based on third-party certifications, but also on Zalando's own criteria of assessment - the so-called Zalando Sustainability Flag. The flags serve a purpose: Zalando understands that sometimes brands work beyond certification in order to scale sustainable innovations. It's for this reason that they expand their criteria to fit other sustainable efforts that third-party certifications do not.

The criteria for these flags are based on the most environmentally impactful stages of production in the fashion industry. Think of: materials and manufacturing.



How does a brand get Zalando's sustainability labels?

There is an application process to obtaining Zalando's

labels. This is relatively straightforward. However, information must be carefully and accurately provided. This is what you need to know:

Criteria must be met

In essence, fashion items are given a sustainability flag when they meet one of Zalando's criteria. As mentioned before, these cover social, environmental and animal welfare. Before applying, brands must ensure that their sustainable activities are truly within the confines of these criteria.

Information provision

Although the process seems relatively straightforward, obtaining Zalando's sustainability flags and highlights have strict requirements. Depending on the product, brands have to provide product attributes, material composition, Certificate Testing Institute and so on.

Third-party certification assessment

The sustainability highlights are also awarded to fashion items that have a third-party certification. In this case, the brand should have a **valid copy of certification for all its sustainable products**.

Sustainability on Amazon

Amazon is another platform that is aware of its environmental impact in the world. For instance, **the main goals for Amazon are to:**

- reach net-zero carbon emissions by 2040;
- to drastically reduce the amount of single-use plastic.

Guided by these goals, the company has committed to various initiatives. One of them is their cooperation with third-party labels in the creation of their very own **Climate Pledge Friendly Initiative**.

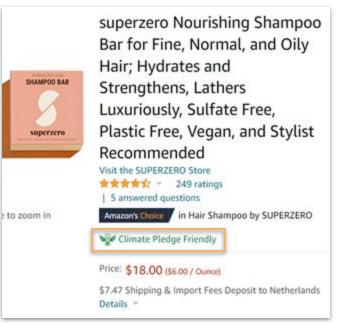




What is the Amazon Climate Pledge Friendly Badge?

In short, Amazon's Climate Pledge Friendly Badge is a 'digital label' that helps consumers identify and distinguish products that protect the environment. As mentioned before, Amazon's Climate Friendly Pledge initiative is the result of cooperation between Amazon and external certification bodies. Think of organisations like Fairtrade, FSC, Cradle to Cradle and so on. Each of these align with Amazon's focus to preserve the natural world.

In preserving nature, there is always the concern of plastic waste and carbon emission for e-commerce channels. Amazon also partnered with these third-party certification organisations to create its own certification: Compact by Design. The aim here is to reduce both concerns with efficient packaging. Products are packaged with less air and water as well as plastic. These changes drastically and positively impact the process of transportation and plastic waste.



How does a brand get Amazon's Climate Friendly Pledge badge?

Since Amazon has its own certification as well, it means that brands can get the badge in two ways. The first: for products that are certified by one or more third-party organisations, and two: for products that have Amazon's own certification, Compact by Design.

For the Compact by Design certification specifically, brands only qualify when Amazon considers the product to have the right amount of unit efficiency. Although this differs per product, **the general assumption is that the package dimensions, item weight, and number of units should be in proportion to just the right amount of resources needed** to carry and transport the product.



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Sustainability on Bol.com

At Bol.com, sustainability is the new normal. The Dutch marketplace is actively implementing sustainable changes to ensure their core operations release less carbon emissions and use less plastic.

By this year (2022), Bol.com wants to have a sustainable alternative for every possible product on the marketplace.



product groups had a sustainable alternative in 2021

<u>1.6M</u>

products in their sustainable assortment



products made with recycled material



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How does Bol.com tag their sustainable products?

Similar to Zalando and Amazon, **Bol.com also uses a label system** that makes it clear to potential customers which product is sustainable or not. According to the marketplace, they use their own labelling to avoid confusion.

This means that **regardless of the third-party certification that a brand's product has, the consumer will always see Bol.com's own sustainability label on the front-end**. These labels were made to include both environmental and social factors. These are some of their labels:



General sustainability label

Products that have a general sustainability label, which take into account factors like chemicals, water pollution and so on.



Fairtrade

Fair prices, good working conditions and fair working contracts for farmers and workers.



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Energy efficient

Products that save energy (classified from level A++ to level F).

Recycled

Products that are at least 50% made from recycled materials.

Sustainable ingredients

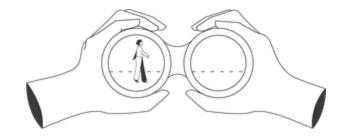
Products that were cultivated sustainably, within good working

conditions and with regards to nature.

How does a brand get these sustainability labels?

Bol.com's label system is based on third-party certification. For instance, if a brand wants to get a 'fairtrade' label on their product, they should have one or more of the following certifications: Fairtrade Max Havelaar, Fair for Life (clothing), Cotton made in Africa and/or World Fair Trade Organization.

The process to get a sustainability label on Bol.com is quite straightforward. A brand should have proof of certification for specific products. Each request that a brand hands in should be accompanied by a valid certification copy. Otherwise, the request for a sustainability label on Bol.com will be denied upon revision.



Why it pays to be sustainable on marketplaces

Along with sustainable developments and label attributions that are specific to each marketplace, it's also important to iterate the benefits of having sustainable products on them.

Marketplaces and brands work on a dyadic level. This means that for marketplaces to reach their sustainability goals, they have to get cooperation from the brands that are onboarded on the marketplace. Marketplaces have therefore created a model where sustainability is rewarded with:

Findability and recognition

Dedicated channel

Product transparency

Findability and recognition

The findability and recognition factor on marketplaces are the most enticing and rewarding features for brands. Why? Because it's what the consumer sees on the front-end. At the beginning of this playbook, we mentioned that **shoppers prefer to buy from sustainable brands and are even willing to pay more for it.**

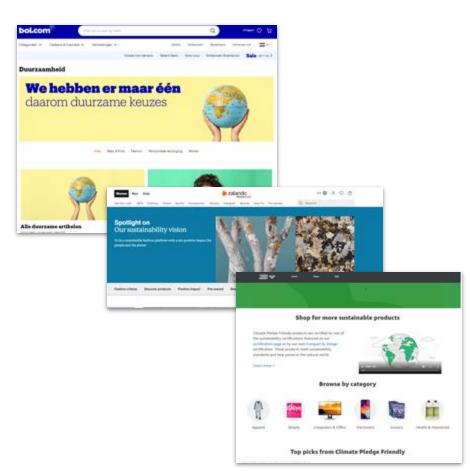
These labels show conscious shoppers the products that they are essentially looking for. On all these marketplaces, brands that have shown proof of their sustainability, receive a label that is clearly visible to the consumer and can also be found when consumers filter for sustainable products.

Filtering gives brands a big advantage because the product and brand can stand out from other products; and can have a significant positive impact on sales

Dedicated channel

Besides having a sustainability filter, all the marketplaces mentioned have a dedicated page specifically for sustainable products. This is another touchpoint for consumers who are looking to buy sustainable products.

For instance, Amazon has a dedicated storefront for their Climate Pledge Friendly Initiative where the consumer can browse through sustainable products by category. On Amazon, this would mean more impressions and possible conversions.



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Product transparency

Conscious consumers who want to buy environmentallyfriendly products are often also interested in the origin and traceability of their products. For them it's not enough to say that a product is sustainable without actual proof.

This is why marketplaces also offer the necessary information to corroborate this. Consumers can see what it is that makes a product eco-friendly or socially responsible. Take Dopper for example:



Duurzaamheid

- » De Dopper Original wordt in Nederland gemaakt met behulp van windenergie.
- Dopper's doel is om een circulaire economie te helpen creëren, daarom is de Dopper Original Cradle to Cradle CertifiedTM (Zilver).
- Alle Dopper-flessen zijn gemaakt van 100% recyclebare materialen.

Translation

Sustainability

De Dopper Original is made in the Netherlands with the help of wind energy. Dopper's goal is to help create a circular economy, which is why the Dopper Original is Cradle to Cradle Certified (Silver). All Dopper materials are made with 100% recycled materials.

The process of getting a sustainable label on marketplaces

Getting a sustainable label on marketplaces is a process. Often, it's based on self-reporting. **Brands must usually apply for these labels themselves and provide proof that they have the necessary requirements to carry the labels.** In turn, marketplaces fulfil the function of a gatekeeper: it controls the information and when confirmed, it applies the sustainability label to the requested product.



Step 1: Initial orientation

Depending on the marketplace, a brand should look up the requirements and documents that are needed when applying. Common practice among marketplaces is that usually this information is filled in pre-determined Excel sheets.



Step 2: Fill in documents

The brand should complete all the necessary columns on the form with the correct information, like material composition, certification body, certification license number and the likes.



Step 3: Verification

Once the information is submitted, wait for verification. Once verified, your product will profit from all the perks of having a sustainable trait on these marketplaces.

How to leverage this information for success

The Emakina Marketplaces Team has vast knowledge of various marketplaces like Amazon, Bol and Cdiscount, making the process of onboarding very easy for clients. We are experienced with setting up accounts and optimisng product listings to achieve high conversion rates.

Sustainability label

If you are a sustainable brand and are unsure about how or where to start, we can help. This process involves gathering all the information required to obtain sustainability labels on these marketplaces.



s on Marketplace

Sustainable Initiative

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Need help with sustainability on marketplaces?

You've just seen some of the fastest growing online marketplaces across the world. Are you curious about joining these platforms?

At Emakina, we understand all the challenges, from strategic decisions to technical questions and performance-related topics. We're here to support you throughout the whole process.

Whether you need help with your first steps or you're already selling and need support with optimising your performance or operations, we can act as an extension to your own team.

More information: https://www.emakina.com/

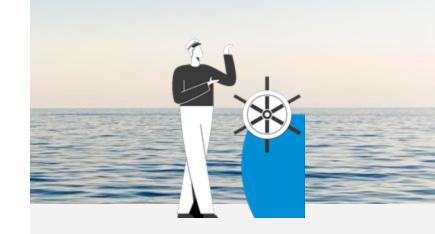


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WHO IS EMAKINA?

Emakina is a digital marketing agency with offices in more than 20 countries. The company is known for successful guidance in eBusiness for clients such as Bugaboo and Rituals. Emakina NL is emerging as an expert in digital growth, with more than 150 people working in the Amsterdam office.

Let's grow your business together.



LET'S GET STARTED! SAY HELLO

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