



# Capturing the Commercial Impact of Sustainability Report Summary 2021

# The Scope

An independent third party company were engaged by Bord Bia to support in the understanding how companies could capture and measure the commercial impact of their sustainability efforts through the Origin Green Programme.

The project was delivered through an extensive stakeholder engagement, review and analysis process that was co-developed with Bord Bia. Six pilot companies were identified by Bord Bia for participation in the assessment.

Approximately 80 survey responses from Origin Green food and drink manufacturers were also collected.

The third party company reviewed, analysed and consolidated findings to determine how companies were measuring the commercial impact of their involvement in the Origin Green Programme.

The key findings of this independent assessment and possible metrics for capturing the commercial impact of sustainability within your business will be outlined in this report summary.



# Key Insights

- The majority of respondents agreed that Origin Green has been a catalyst towards continuous improvement of sustainability performance:

**90%**

of respondents agree that Origin Green has supported them in putting in place a framework to measure and report upon sustainability performance

**87%**

of respondents agree that Origin Green has been a catalyst towards continuous improvement of sustainability performance

**68%**

of respondents agree that the action and progress made on sustainability would not have happened to the same extent in the absence of Origin Green

- Origin Green has resulted in revenue generation and cost savings for business, in addition to investment costs up front to realise long-term benefits. Through the survey process, the following Origin Green Programme commercial impact statistics were determined:



**48%**

of respondents noted cost savings as a result of Origin Green



**22%**

of respondents noted revenue generation as a result of Origin Green

- The **top three commercial impacts** realised by Origin Green Programme member companies were:

**1**

Reputational Benefits

**2**

Ability to meet societal and customer expectations

**3**

Cost Savings

# Key Insights



is the average % of turnover in 2019 that respondents believe was contingent upon their sustainability credentials.



of Tier 1 and 2 Origin Green programme member company turnover in 2019 was contingent on having sustainability credentials.



of customers in 2019 required sustainability when making procurement decisions.



53% of Tier 1 and Tier 2 customers in 2019 required sustainability information when making procurement decisions.

- Stakeholders agreed that Origin Green provides a competitive advantage for business through meeting customer demands, delivering cost savings through the manufacturing charter, and the credibility and reputational benefits that come from the Origin Green verification programme.

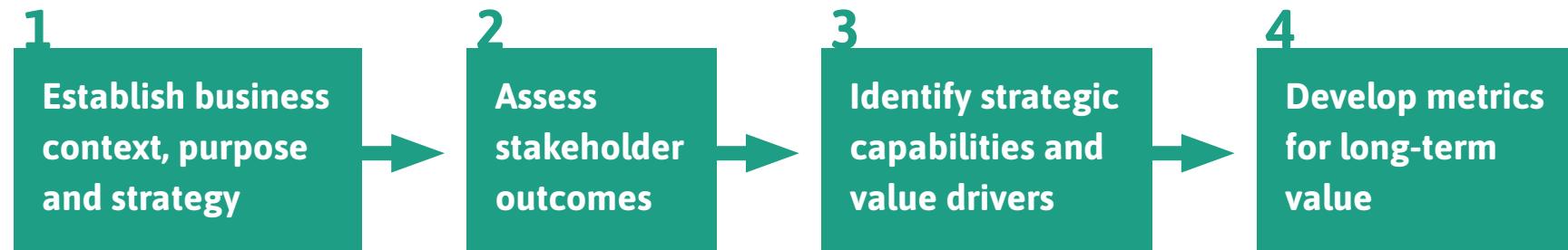
- While **71%** of members recognise that being part of Origin Green gives them a competitive advantage only.



are actually measuring the commercial impact of sustainability in their business.

# Metrics for Capturing the Commercial Impact of Sustainability

A **four-step process** is recommended for developing metrics which companies can use to better articulate to investors how they create and measure long-term value:



Through the desktop review, Origin Green pilot company interviews and Origin Green Programme member survey results, it is evident that the value Origin Green delivers extends into **4 key value levers**:



As part of this commercial impact assessment, the independent third party company has utilised a Long Term Value (LVT) framework approach to analyse and present key results from the analysis of the Origin Green pilot companies and the wider member survey. This presents a number of potential metrics under the four value levers to enable measurement of progress by Origin Green Programme members and stakeholders.

# Metrics for Capturing the Commercial Impact of Sustainability

## Financial Value Levers

Financial Value Levers utilise traditional metrics to measure a company's performance. The monetary value created by the company's productivity, including revenue generation, costs and capital structure are key metrics. The sub-categories related to the financial lever are:



### Revenue

Value generated through sales of goods and services.



### Margin

Value generated by the efficiency of the company's operational structure through its production of goods and services.



### Capital Allocation

Value created by a company's ability to generate cash above its capital requirements.



### Capital Structure

Value generated from use of different capital structures to impact financing cost and risk.

## Consumer Value Levers

The functional or emotional value a company creates through goods and services to meet customer needs, including innovation. The sub-categories related to the consumer lever are:

- **Functional** - The extent to which the product meets the functional consumer's need.
- **Emotional** - The extent to which the product (i.e. brand) meets the emotional consumer's need.

# Metrics for Capturing the Commercial Impact of Sustainability

## Human Value Levers

The value a company creates through the employment and development of people, including engagement, know-how and skills. The sub-categories related to the consumer lever are:



### Leadership

Value generated by leaders' capacity to develop and deliver strategy, and inspire people.



### Workforce Alignment

Value generated by the stock, flow and development of people.



### Workforce Performance

The optimal and sustainable level of value generated by people.



### Engagement

Value released from people's commitment to a company's goals and purpose.

## Societal Value Levers

Societal value is created through the relationships between a company and all other external stakeholders, including its environmental, social and economic impact, across the full value chain. The sub-categories related to the societal lever are:

- **Economic** - Economic value generated through the company's activities.
- **Social** - Social value generated by the company's activities for external stakeholders.
- **Environmental** - Value generated through a company's activities in relation to the natural environment.

As Bord Bia looks to the future, it is important to help our companies to better articulate to stakeholders how they create and measure the long-term value of their sustainability actions through the **Origin Green Programme**.

Sustainability matters. This signals a huge opportunity for members to start capturing the commercial impact of their sustainability efforts because it will help identify opportunities for business growth and help win the business case for sustainability internally.



Sustainability  
Programme

