Our actions for business.

1. 4 in 10 businesses fail to capture or report any financial value from strong environmental performance. Despite almost $500 billion in increased value of stakeholder relations, only 1% of investment is captured in unquantified opportunities.

2. $699 billion in reported environmental risk is the tip of the iceberg; authoritative studies demonstrate long-term asset risks an order of magnitude larger than this. This is despite a 60% reduction in commensurate risk.

3. Although sustainable business leaders understand how strong environmental performance drives improved financial results, many businesses are missing out.

Our key findings.

1. In 10 businesses fail to capture or report any financial value from strong environmental performance. Despite almost $500 billion in increased value of stakeholder relations, stills are on the table in unquantified opportunities.

2. The top 100 out of 1,060 emitters reporting to CDP describe $477 billion in future wealth gains and savings opportunities, driven by regulatory change and impacts of climate change. Yet 47% of the top 100 have not quantified, or publicly reported, the potential value at stake.

3. Only 3% of firms report revenues already realised through sustainable, low-carbon products and services. This came to almost $11 trillion in 2016, with $234 billion captured by just 19% of the businesses which do report. Most businesses are not realising avenues of growth in sustainable business models, products and services.

Our actions for business.

1. Define sustainable value creation drivers and material issues relevant to your business. Frame how strong environmental performance can impact financial outcomes and provide a basis for setting goals to capture opportunities and address risks in your context.

2. To do this:
   a. Start by understanding how sustainability action can create and protect value in your business, and justifying the need for new value capabilities.

3. Ruthlessly pursue early, iconic successes that demonstrate real financial and environmental value creation. Make them a platform for influencing thinking and culture across your business, and justifying the need for new valuation capabilities.

4. $699 billion in reported environmental risk is the tip of the iceberg—authoritative studies demonstrate long-term asset risks an order of magnitude larger than this. This is despite a 60% reduction in commensurate risk.

5. Although sustainable business leaders understand how strong environmental performance drives improved financial results, many businesses are missing out.

In an analysis of costs from 2014 to 2016, just under 17% (212 responses) provided high-quality quantitative data on their financial exposure to water risk. A shallow understanding of risk means managers have inadequate insight for confronting realities of climate-linked risks. Over 2014 to 2016, for example, if CDP respondents had to pay a price on carbon, this could have amounted to $603 billion. If water withdrawals were priced, companies reporting to CDP could have found a cost of over $1 trillion across 2015 and 2016.

Comparative financial metrics to understand how strong environmental and social performance drives improved financial results, many businesses are missing out.

Understanding and measuring value from strong, progressive environmental performance results in superior financial results. A growing body of evidence supports this, including major analysis that explores over 2,000 studies since 2008.

Sustainability leads can find a way to quantify how strong environmental performance creates value. To safeguard future cashflows, often, it’s quite opportunities and risks for revenue, costs, assets, balance and financial capital.

Markets and investors are increasingly focused on how climate change will impact capital preservation and future returns (‘sustainable value’). Therefore, disclosing environmental performance and the associated value created and protected is vital.

To do this:
   a. Move beyond iconic projects to confront environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business

   b. Demonstrate progress in investing by focusing on what matters in consumer goods: action on environmental opportunities and risks that ensure long-term productivity of investment capital, and that future cashflows

To access our full report, including additional insights and findings, case studies and examples, please visit cdp.net/consumer-goods-value
Markets and investors are increasingly focused on how climate change will impact capital preservation and future returns in consumer goods. Therefore, disclosing environmental performance and the associated value creation and protection is vital.

Value Opportunities in Consumer Goods

1. Define sustainable value creation drivers and environmental impact issues relevant to your business. From here, how strong environmental performance can impact financial outcomes and provide a basis for setting goals to capture opportunities and address risks in your context.

2. To do this:
   - a. Move beyond iconic projects to confront environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business
   - b. Demonstrate progress to investors by focusing on what matters in consumer goods: action planning, decision-making, and business as usual.

3. Apply capabilities for measuring sustainable value creation that lie beyond traditional financial metrics to provide a basis for setting goals to capture opportunities and address risks in your context.

   - a. Move beyond iconic projects to confront environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business
   - b. Demonstrate progress to investors by focusing on what matters in consumer goods: action planning, decision-making, and business as usual.

4. To do this:
   - a. Move beyond iconic projects to confront environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business
   - b. Demonstrate progress to investors by focusing on what matters in consumer goods: action planning, decision-making, and business as usual.

5. To do this:
   - a. Move beyond iconic projects to confront environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business
   - b. Demonstrate progress to investors by focusing on what matters in consumer goods: action planning, decision-making, and business as usual.

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Our actions for business.

1. Define sustainable value creation drivers and material issues relevant to your business. From this, identify specific risks and opportunities most relevant to your unique context which may have severe financial and environmental risk, capture emergent revenue and cost opportunities, and contribute to a long-term potential for value creation.

2. To do this:
   - Start by understanding how sustainability performance drives improved financial results, many businesses are missing out.
   - To access our full report, including additional insights, examples, sources and references, please visit cdp.net/consumer-goods-value

3. Although sustainable business leaders understand how strong environmental performance drives improved financial results, many businesses are missing out.

4. Although sustainable business leaders understand how strong environmental performance drives improved financial results, many businesses are missing out.

Our \[\textit{actions for business.}\]

1. $699 billion in reported environmental risk is the tip of the iceberg—authoritative studies demonstrate long-term annual costs on the order of magnitude larger than this. This is despite high levels of investor interest in environmental and social strategies to manage volatility.

2. To do this:
   - Secure future cashflow
   - Broaden portfolio via sustainable supply chains
   - Increase sales
   - Energy savings
   - Stability of supplies
   - Resource efficiencies
   - Reduce reputational risk
   - Protect license to operate
   - Reduce regulation, transition risks
   - Increase trust, loyalty
   - Attract financing & capital
   - Improve trust, loyalty
   - Productive, progressive
   - Increase sales
   - Reduce negative impacts on environmental opportunities and risks that matter in consumer goods: action, opportunities and future returns in superior financial results. A growing body of evidence supports this, including more than 2,000 studies since the 1970s.

3. Sustainability leaders go a long way to quantify long-term brand value, reduce negative impacts on environmental opportunities and risks that matter in consumer goods: action, opportunities and future returns in superior financial results. A growing body of evidence supports this, including more than 2,000 studies since the 1970s.

4. To do this:
   - Move beyond iconic projects to confer environmental risk, capture emergent revenue and cost opportunities, and contribute to a more resilient business
   - Demonstrate progress to investors by focusing on what matters in consumer goods: action, opportunities and risks that matter in consumer goods: action, opportunities and future returns in superior financial results. A growing body of evidence supports this, including more than 2,000 studies since the 1970s.

Our \[\textit{key findings.}\]

1. In 10 businesses fail to capture or report any material financial value from strong environmental performance. Despite almost $500 billion in disclosed value at stake, trillions are on the table in unquantified opportunities.

2. Although sustainable business leaders understand how strong environmental performance drives improved financial results, many businesses are missing out.

3. $699 billion in reported environmental risk is the tip of the iceberg—authoritative studies demonstrate long-term annual costs on the order of magnitude larger than this. This is despite high levels of investor interest in environmental and social strategies to manage volatility.

4. Sustainability leaders go a long way to quantify long-term brand value, reduce negative impacts on environmental opportunities and risks that matter in consumer goods: action, opportunities and future returns in superior financial results. A growing body of evidence supports this, including more than 2,000 studies since the 1970s.

To do this:
   - Start by understanding how sustainability performance drives improved financial results, many businesses are missing out.
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View the complete findings and actions for business at cdp.net/consumer-goods-value

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About CDP
We want to see a thriving economy that works for people and planet in the long term. To do this we focus investors, companies and cities on acting urgently to build a truly sustainable economy by measuring and understanding their environmental impact.

About Hermes Investment Management
We are an asset manager with a difference. We believe that, while our primary purpose is helping beneficiaries retire better by providing world-class active investment management and stewardship services, our role goes further. We believe we have a duty to our clients that go far beyond the financial and consider the impact our decisions have on society, the environment and the wider world.

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About Accenture Strategy
Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, compartmentalisation, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit accenture.com/strategy.

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Our goal is to help people invest better, retire better and create a better society for all.

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