

# *Achieving transformational results*

Managing sustainability performance  
to increase integration and  
operational efficiency

*Sustainable  
Business  
Solutions*



# Business context:

Lack of strategic alignment and business integration are common barriers to sustainability success

## Current environment

Sustainability strategy and targets are often established at a high level, with little clarity on how they affect business goals and performance measurements throughout the organization.

Sustainability priorities lack strategic alignment and operational relevance for line managers.

Companies struggle to find effective corporate sustainability governance frameworks, trying to find the right balance between the corporate center and business units.

## Potential impact on companies

Well meaning top-down and bottom-up sustainability efforts can fail to generate expected benefits; value created is not clearly quantified, communicated and recognized.

Business unit managers and staff are not engaged in or accountable for sustainability performance, leading to missed opportunities to capitalize on the company's sustainability investments.

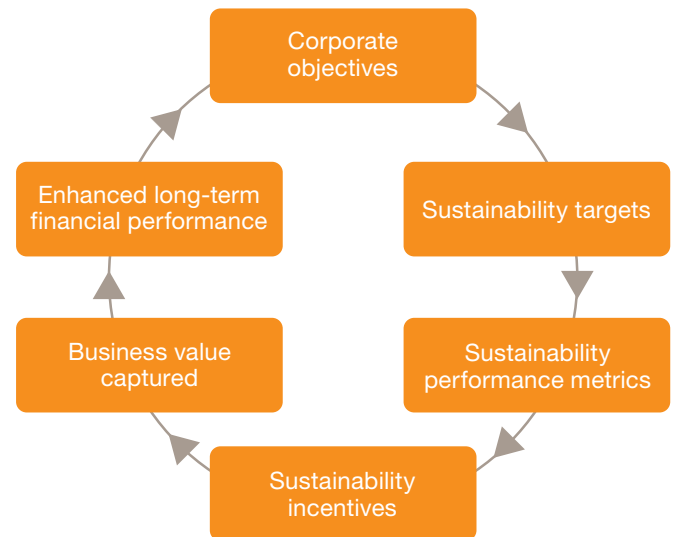
While enterprise sustainability offices can enhance alignment and coordination across the organization, they can result in a loss of ownership at the business unit level.

**PwC's point of view:**  
*Integrated performance management is critical to driving sustainability execution and value creation*

### Key trends in performance management

- The most effective sustainability programs are embedded deeply within a company's leadership, decision making and value chain. High-performing companies seek to integrate sustainability into their way of doing business every day.
- To engage the entire organization, leading companies align sustainability with business strategies. They develop a structure with the right people, systems and processes that create accountability, support decisions and drive execution.
- Integrated performance management moves sustainability beyond "low hanging fruit" to generate long-term commercial value through ongoing cost savings, material risk mitigation, revenue growth, and improved access to capital.

### Sustainable performance & reward cycle



# How PwC can help:

## Our approach to managing sustainability performance

We do this...	So that...
Assess and improve sustainability integration and governance	<ul style="list-style-type: none"> <li>You achieve operational excellence across people, processes and technology</li> <li>You focus on actions and initiatives that align with the maturity and aspirations of your sustainability program</li> </ul>
Select and implement sustainability information systems	<ul style="list-style-type: none"> <li>You improve how data is collected and used to measure your impacts and progress</li> <li>You improve data used for internal and external decision making</li> </ul>
Develop performance metrics and rewards	<ul style="list-style-type: none"> <li>You create shared goals for diverse interest groups</li> <li>You incentivize employee sustainability performance</li> </ul>
Assess and develop sustainable supply chain and procurement programs	<ul style="list-style-type: none"> <li>You increase operational efficiency and reduce risks across the supply chain</li> </ul>

## Case studies in sustainability performance management

Client project	Challenge, solution and results
<p><b>Global retail and consumer company</b></p> <p>Integrate sustainability into business strategy, process and operations</p>	<ul style="list-style-type: none"> <li><b>Challenge:</b> Our client recognized a gap between public perception and the internal reality of how sustainability was embedded in its business operations. As a leader in sustainability and sustainability reporting, the client wanted a consultant to help integrate its sustainable business vision throughout its operations. Specifically, the client was looking for help fostering a mindset change by educating and inspiring employees to transition from best efforts in sustainability to leading practices within the industry and beyond.</li> <li><b>Solution:</b> PwC is working with the client using a two-phase approach to identify attributes of a well-integrated organization and to design an integration model that includes metrics and other performance measurements.</li> <li><b>Results:</b> The client improved internal awareness of how sustainability can reduce costs, improve employee satisfaction, promote innovation, enhance corporate reputation, and drive shareholder value. With the right tools and business process frameworks in place, the client is driving change and continuous improvement.</li> </ul>
<p><b>Multinational food and beverage company</b></p> <p>Provide insight for integrating sustainability in compensation programs and creating a performance scorecard</p>	<ul style="list-style-type: none"> <li><b>Challenge:</b> Our client sought to integrate sustainability performance into its company management compensation programs.</li> <li><b>Solution:</b> We conducted an analysis of how the client's existing compensation structure linked with sustainability and benchmarked the client's actions with competitors. Our team provided insight on its compensation structure and identified opportunities for driving change.</li> <li><b>Results:</b> The client is using the new insight and information gained through the engagement to develop a sustainability performance scorecard as part of a measured approach to refining its compensation system.</li> </ul>
<p><b>Global technology company</b></p> <p>Create clear sustainability objectives and a roadmap for achieving them</p>	<ul style="list-style-type: none"> <li><b>Challenge:</b> A global information technology company had developed a complicated sustainability strategy including nearly 20 discrete goals, making it difficult to communicate or execute effectively.</li> <li><b>Solution:</b> Our team helped the client consolidate the many goals into three inspirational objectives that could be easily articulated internally and externally. With clear objectives in place, we recommended strategies and initiatives for achieving the goals.</li> <li><b>Results:</b> As a result of PwC's work, the client now has a roadmap for current and future actions to develop an effective sustainability program. The client has implemented several PwC recommendations and is assessing the need to act on longer-term initiatives.</li> </ul>

# PwC Sustainable Business Solutions:

## Integrated services that link sustainability to business value

Widely recognized as a leader in sustainability consulting and thought leadership, PwC's global network of firms offers more than 700 dedicated partners and client service professionals with sustainability and climate change expertise.

Our services focus on helping clients increase financial, social and environmental value through:

- **Strategy development:** Finding the right sustainability drivers to create business value through revenue growth, risk management and cost reduction
- **Performance management:** Integrating sustainability across the organization to achieve operational efficiency and transformational results
- **Sustainable finance and tax:** Capitalizing on green tax credits and incentives
- **Reporting and assurance:** Delivering actionable, investment-grade sustainability reporting and communications

### Why PwC? Our sustainability qualifications include:

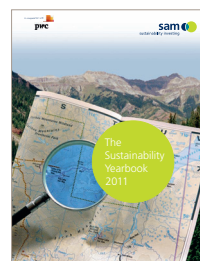
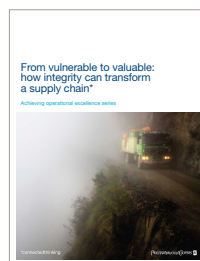
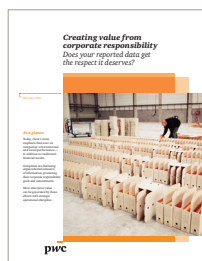
- A strong track record for developing and implementing practical, results-oriented sustainability strategies in many sectors, including business-to-business and business-to-consumer companies.
- Deep sustainability relationships up and down industry value chains, providing a uniquely informed perspective on how sustainability drives decision-making for suppliers, customers and end users.
- Sustainability expertise combined with the full range of PwC's experience assisting the world's leading companies on business strategy; financial management, valuation and reporting; supply chain efficiency and lean operations; technology; and human capital and change management.

### Collaboration to create leading practices on sustainability issues:

- Active contributor to the work of social responsibility organizations, including the World Business Council for Sustainable Development, Global Reporting Initiative, World Resources Institute, and World Economic Forum
- Global advisor and report writer for Carbon Disclosure Project Global 500, US S&P 500, and UK FTSE 350 reports
- Long-term experience working with SAM Group, which provides the basis for the Dow Jones Sustainability Indexes

### PwC thought leadership on sustainability:

PwC's thought leadership and depth of knowledge have enabled us to satisfy our clients' business needs and surpass their expectations by offering proactive solutions that identify and capitalize on trends. Here is a selected list of relevant publications. You can download these and more at: [www.pwc.com/us/sustainability](http://www.pwc.com/us/sustainability).



### To learn more about our services:

#### Contact:

**Kathy Nieland**  
PwC US Sustainable Business Solutions Leader  
(504) 558-8228  
[kathy.nieland@us.pwc.com](mailto:kathy.nieland@us.pwc.com)

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