



US Sustainable Business Solutions Update – June 2012

PwC report: Sustainability valuation is not an oxymoron

For sustainability to compete for a slice of corporate budgets on the same level as any other business investment, its benefits -- both tangible and intangible -- need to be translated into dollar terms, using concepts that make sense to financial decision makers.

But is that possible? Absolutely, according to the new PwC report, [Sustainability valuation: An oxymoron?](#)

"Sustainability is by no means the first area of business to face these measurement challenges. Marketing, R&D, and new market entry are all tough to put an exact ROI on, but companies have established techniques for making decisions on those initiatives," said Hervé Kieffel, a principal in PwC's Transaction Services practice who specializes in sustainability valuation. "By applying similar valuation tools and rigor to sustainability initiatives, companies can move beyond the idea that it's just a cost saver or the right thing to do, by quantifying the value created."

The paper discusses proven approaches for quantifying the direct and indirect benefits of environmental and social initiatives so companies can:

- Compare and prioritize initiatives within sustainability and with other corporate projects.
- Better communicate sustainability's dollar value to executives and the market.
- Develop a defensible value proposition to secure funding for sustainability initiatives.

"Companies are putting significant resources and capital behind sustainable initiatives, and they need to quantify the tangible and intangible value of these efforts. Having detailed, deep analysis helps guide internal decisions around where to focus sustainability efforts, how much to spend and what the returns are," said Don Reed, a director in PwC's Sustainable Business Solutions practice.

To download the paper now, click here: [Sustainability valuation: An oxymoron?](#)

For external perspectives on this work, follow these links:

[PwC Offers Companies New Ways to Measure Sustainability Initiatives](#)
[PwC Explains Methods for Sustainability Valuation](#)

PwC acquires sustainability strategy consulting firm

PwC continues to expand our sustainability capabilities with the June 1 acquisition of Viridis Strategy Group, a sustainability consulting firm located in Boston and Washington, D.C. The acquisition includes a group of client service professionals who develop and implement sustainable business solutions for US corporate clients across industry sectors.

Founded by George Favaloro and Amy Longworth in 2006 as Esty Environmental Partners, Viridis focused on helping clients build high-impact environmental strategies that create sustainable business value. George and Amy join PwC as managing directors of the Sustainable Business Solutions practice, led by Kathy Nieland. The eight other Viridis consultants also join the practice team, bringing deep industry and sector-specific expertise, having served clients in technology, industrial, financial, retail and consumer products sectors.

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"The acquisition of Viridis will enhance the resources and strategic counsel PwC provides clients seeking to accelerate growth, spark innovation and mitigate risk," said Kathy.

\$513 billion pledged to support sustainable development at Rio+20

The United Nations reported \$513 billion in sustainability funding commitments by governments, the private sector and non-governmental organizations as the Rio+20 summit drew to a close June 22. Amid media reports of disappointment in the level of progress made by government negotiators, the rising role of business in working to solve the world's toughest environmental and social problems emerged as one of the bright spots at the conference, which drew 50,000 people to Brazil.

Several members of PwC's US and global sustainability practice participated in the business forums at Rio and spoke on topics ranging from water efficiency to sustainable investment frameworks to sustainability valuation. According to Matt Haskins, a principal in PwC's Sustainable Business Solutions practice, "We may look back on Rio+20 as a turning point towards a more sophisticated and collaborative approach toward greener, more socially inclusive growth. We heard a lot of talk in Rio about the need to value natural capital. Doing so will be difficult, and many of the methodologies will take a long time to develop, but the potential for improved business and government decision-making is profound."

See Matt's column in the *Guardian* for more reflections on Rio+20:

[Sparking greener economic growth](#)

For more insight on the business perspective on the Rio+20 summit, visit:

[PwC @ Rio+20: Helping build the future we want](#)