

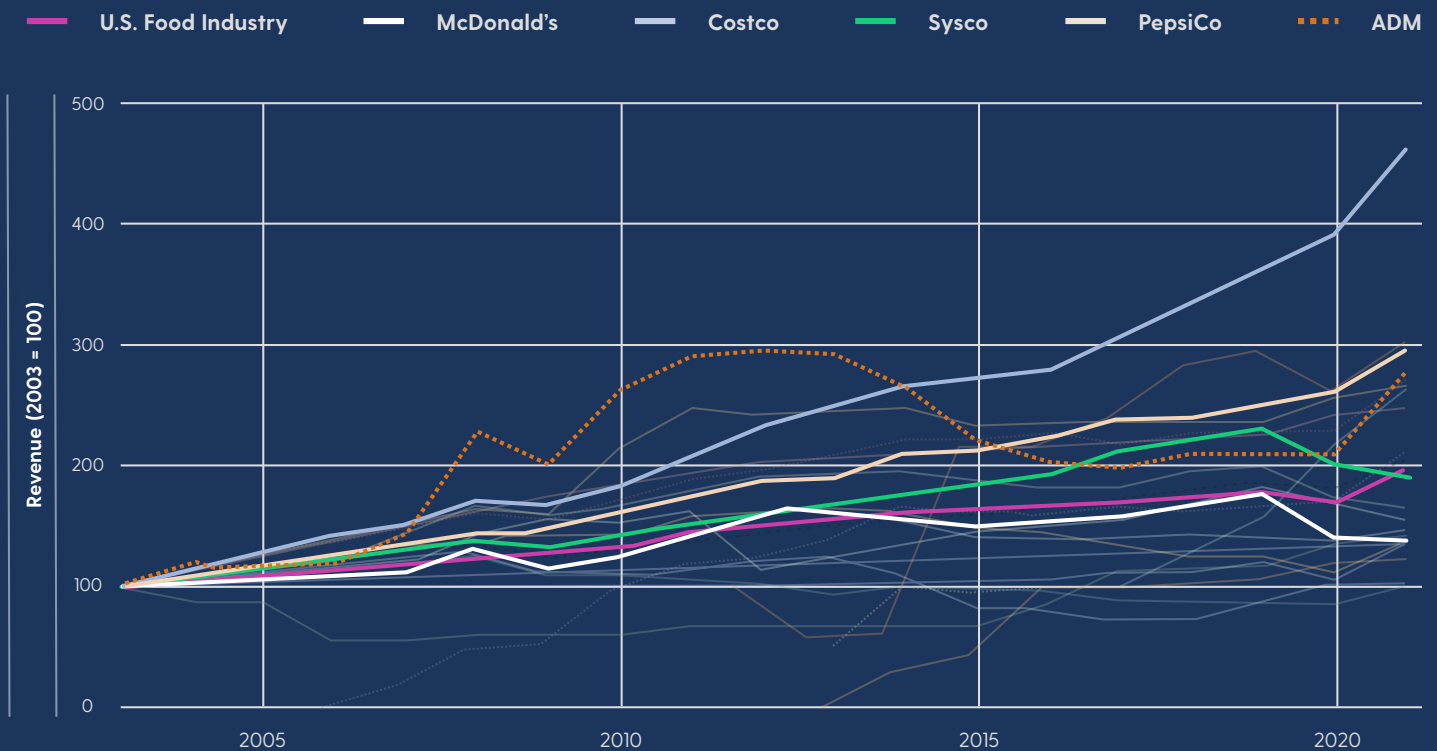
PURSuing “GOOD” IMPROVES YOUR BOTTOM LINE

At **Bader Rutter**, decades of experience working all along the food production system led to our belief that food and beverage companies should make their “good” known, specifically the positive steps they take around sourcing and manufacturing. Now, thanks to a quantitative study by our team at The Intel Distillery, we have assessed how defining your “good” adds to the bottom line.

**AN ESG POLICY
ADDS AN AVERAGE OF
+1.5%
GROWTH/YEAR**

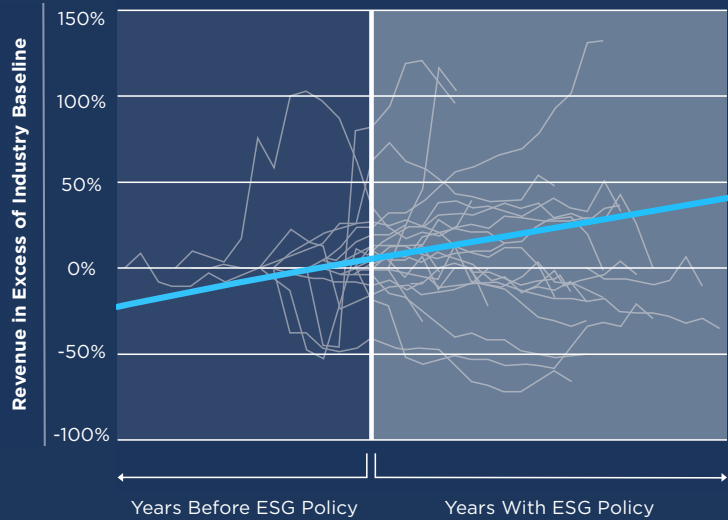
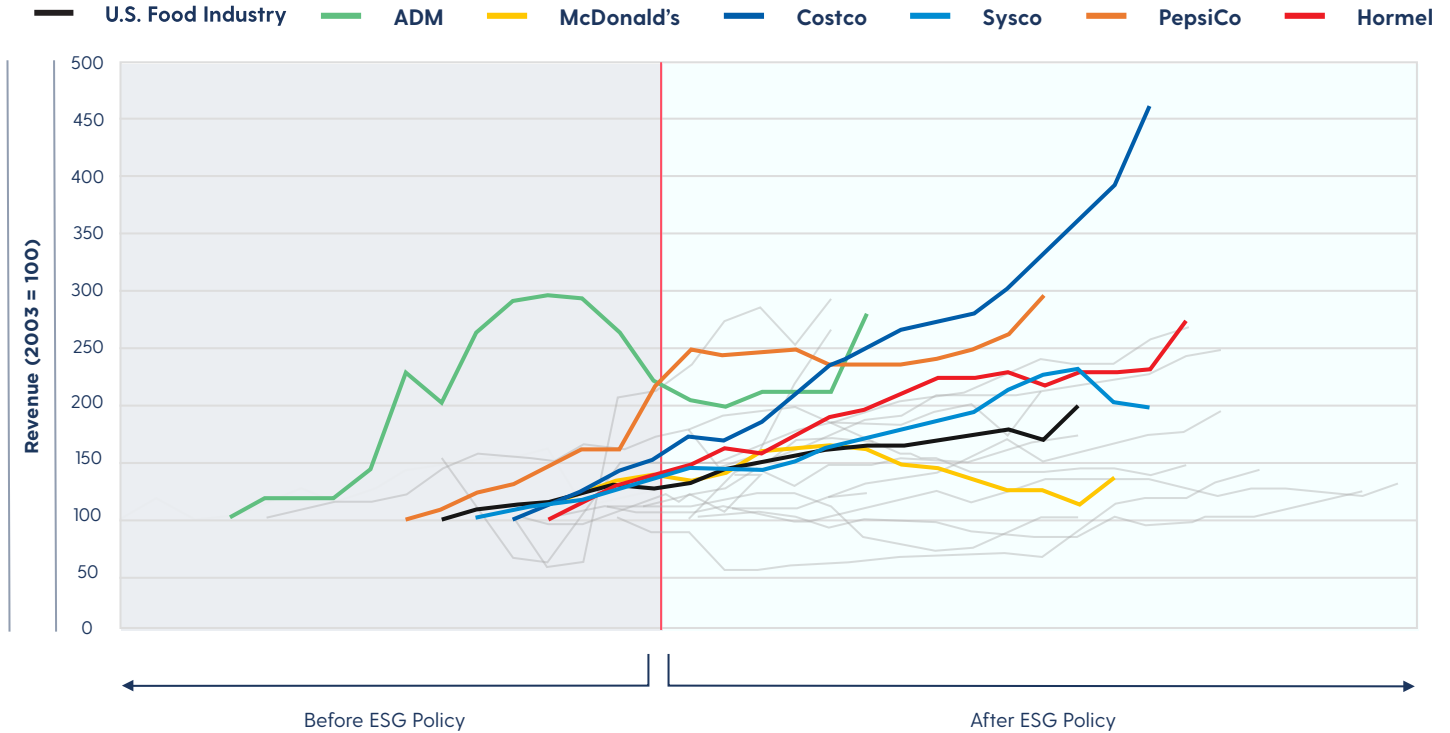
GROWTH OF TOP 30 FOOD, BEVERAGE & AGRICULTURE COMPANIES

We gathered revenue figures from the top 30 publicly traded food, beverage and agriculture companies that operate in the U.S. This chart highlights representative brands with long-standing environmental, social and governance (ESG) policies.



Next, to isolate the effect of ESG policies on revenue, we adjusted the data series by how long a given company has held them. While the following chart shows the trend is positive overall, companies experienced ESG’s business impacts differently. Costco realized steep revenue gains as it garnered a reputation for private label brands. McDonald’s saw initial gains from sourcing moves, but negative workforce coverage undermined its long-term reputation. Meanwhile, ADM adopted ESG measures after a steep drop in earnings prompted restructuring.

REVENUE GROWTH ADJUSTED BY LENGTH OF ESG COMMITMENT



SEPARATING SIGNAL FROM NOISE

To standardize the data, we adjusted revenue by performance relative to the food and beverage industry as a whole. The simplified data reduces confounding variables, allowing us to separate broader trends from noise. This showed that the longer a company had an ESG policy in place, the better it performed. For the largest companies, our data suggest that each additional year with an established policy drove **revenue growth in excess of +1.5%**. While that may sound modest, it translates to hundreds of millions of dollars in annual growth.

“GOOD” IS GOOD FOR BUSINESS

Over the past two decades, adopting ESG has become a prevalent brand strategy. And it pays off. Our data show a strong relationship between these commitments and revenue growth. **It is the definition of “good business.”**