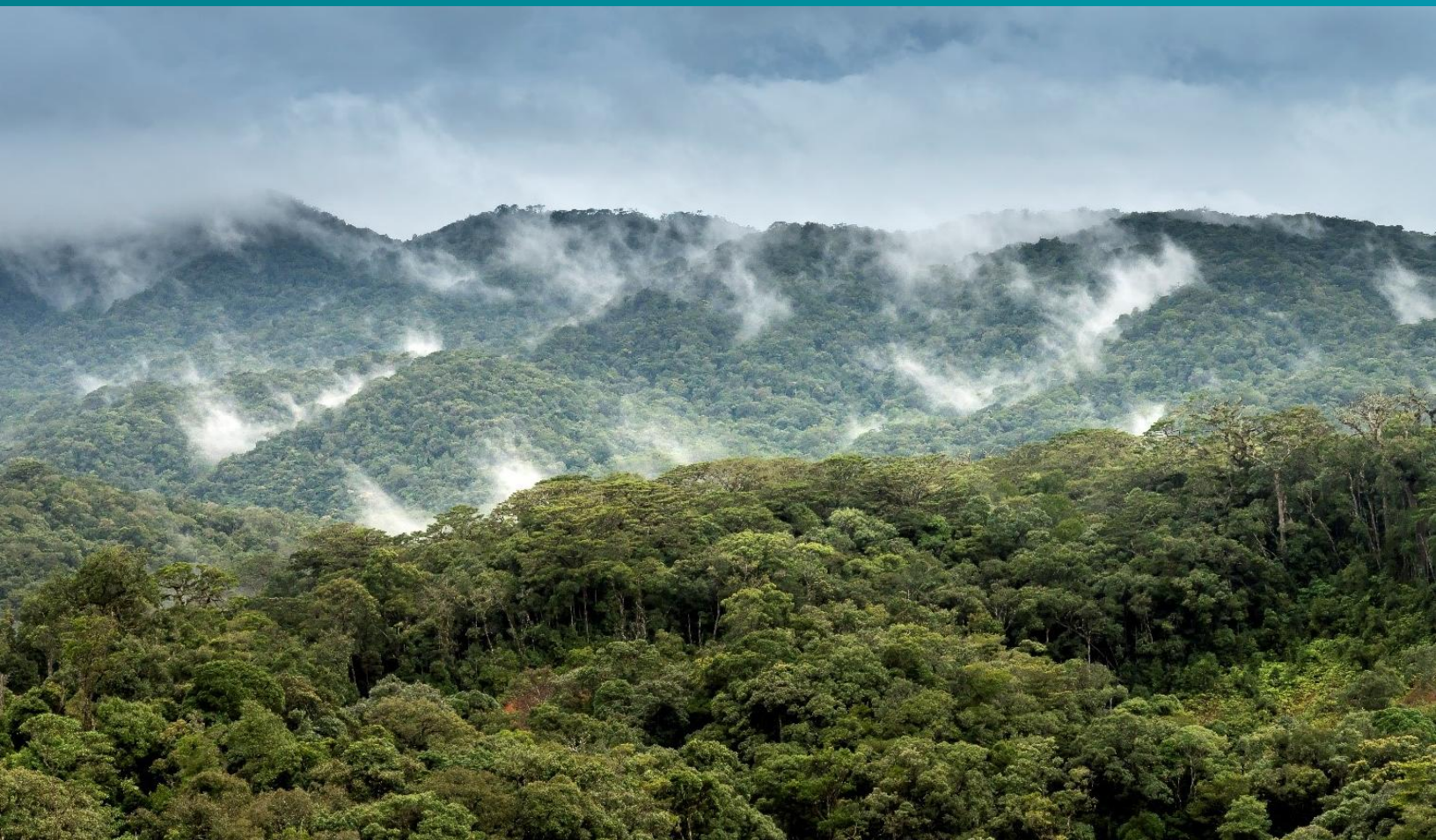


Uncovering the business value of impact

| A practitioner guide to measuring the financial return of sustainability initiatives



Who this guide is for

Leaders embedding impact into core business

Sustainability is resilience. Companies increasingly see a strategic need to place heightened focus on delivering social and environmental outcomes as a core driver of their competitiveness. Yet sustainability initiatives are difficult to prioritize, fund and defend without a clear link to business performance. Measuring the business value of the sustainability outcomes a company drives is a critical step to improve performance, strengthen resilience, and sharpen competitive advantage.

CEOs and senior leaders who believe in the business value that accrues to their companies from improving societal or environmental outcomes need a robust way to measure this link. Dalberg's **VALUE Framework** offers a proven methodology across five steps – Validate, Articulate, Layer, Unify, Embed – for translating sustainability initiatives into quantified and decision-ready business cases. The **VALUE Estimator** is an accompanying AI-enabled tool that brings the framework to life by showing corporate leaders how the methodology is applied in practice.

Designed to be relevant for leaders across functions

The **VALUE Framework** is useful for corporate leaders across divisions, but the entry point differs depending on the focus of each team. Below we highlight how it helps leaders in different departments:

SUSTAINABILITY 	FINANCE 	PROCUREMENT 	STRATEGY 
Powering a shift from to value creation. <i>This guide shows how individual sustainability projects deliver business value, helping prioritize investment with evidence and building a business case that earns internal buy-in.</i>	Quantifying impact against common financial metrics. <i>This guide offers a structured approach for translating impact outcomes into metrics like NPV or EBITDA, enabling like-for-like comparison across investments.</i>	Positioning teams to build resilient supply chains. <i>This guide illustrates how sustainability investments yield financial value along a company's supply chain, from reduced costs to improved quality and greater supply security.</i>	Turning sustainability into competitive advantage. <i>This guide connects sustainability to innovation pathways for revenue and market access, uncovering where impact creates opportunities for growth and differentiation, not just reputational cover.</i>

Who we are

Dalberg is a global strategy firm that combines private sector rigor with deep expertise in social and environmental impact across a range of complex operating environments globally. We have staff in 30+ locations across 6 continents and have led over 4,000 projects in 20+ sectors.

We work collaboratively across the private, philanthropic, and public sectors to fuel inclusive growth. We advise multinational companies on how best to embed social and environmental impact within their core business models and supply chains, turning sustainability ambitions into measurable results.

About Dalberg's global [Responsible Business practice](#)

We work with leading companies to connect sustainability impact with business value through practical, credible, and decision-ready approaches. Across engagements our clients embed social and environmental impact into business planning, investment decisions, and broader corporate narratives, ensuring sustainability is integrated into core business strategy, not treated as a standalone element.

Measuring the value of sustainability

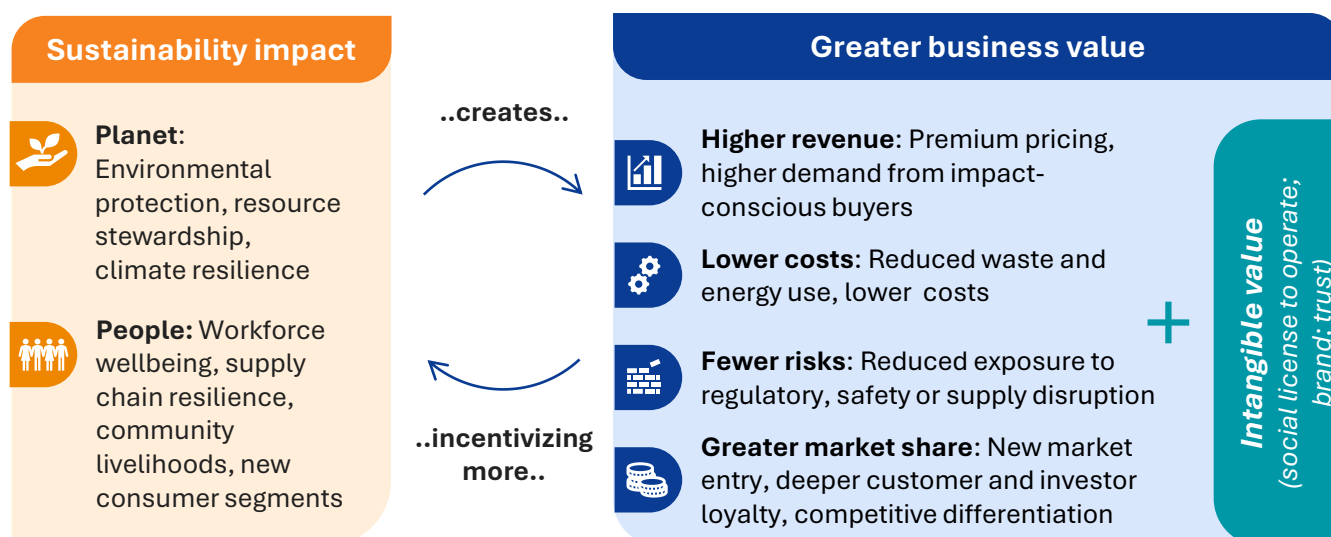
Companies know that sustainability matters, but many struggle to connect their impact with concrete drivers of business value

Sustainability has become a corporate priority, and many companies invest significantly each year in programs tied to ambitious social and environmental goals. These investments shape how companies source inputs, run operations, reach consumers, manage risk and access capital. But most companies lack a clear methodology to connect that investment to financial returns. Without a structured approach, sustainability remains a vague organizational commitment rather than a defensible business case.

Existing frameworks focus either too heavily on impact or entirely on business value – few tools integrate both. Metrics like Social Return on Investment (SROI) quantify the cost-benefit ratio of social, environmental, and economic impact, but fall short on connecting how this value impacts a specific company. Other methodologies like the Double-Materiality Assessment reveal a company's risks and opportunities related to sustainability topics, but do not quantify the business value to be captured from acting on them.

The Dalberg **VALUE Framework** bridges these spheres, building on Dalberg's global experience advising companies across industries and geographies. It goes beyond showcasing how a company's efforts create value for society as a whole and zeroes in on how this value accrues specifically to the individual company.

Connecting sustainability impact to business value



Unlocking value from sustainability creates incentives to deepen impact

The sharpest business leaders know that every investment needs to yield positive returns, but making the link between sustainability impact and business value is rarely intuitive. Quantifying it requires translating impact data into financial metrics that relate to core drivers of business value. The **VALUE Framework** helps companies shed light on how the outcomes of their sustainability initiatives create tangible business value for a company: higher revenue, lower costs, fewer risks, or greater market share.

Companies that identify the link between sustainability and business value creation unlock a new source of growth and competitiveness. Leaders become sharper in deciding where to invest, what to prioritize, and how much capital to allocate at the right focus and scale.

Where to build from

Leveraging a strong base of assets

Most companies are progressing along their sustainability and social impact journeys. Many track relevant metrics, measure sustainability outcomes, and have purpose-driven strategies with real ambition behind them. This can be used as the starting point from which to move forward.

We offer insight into three areas where most companies already have a strong foundation that can be used in this process:

Companies already measure sustainability activities

Monitoring, Reporting, and Verification (MRV) systems position companies to track progress against impact goals. Many measure inputs (e.g., resources invested) or outputs (e.g., people trained, trees planted). Companies with a more sophisticated approach go further by measuring outcomes (e.g., wages improved, emissions reduced, incomes increased) – this is the basis on which to connect sustainability to business value.

» ***WHAT NEXT? Measure outcomes and link them to business value.*** Start by mapping individual sustainability initiatives to the outcome(s) they drive. Not all possible outcomes need to be quantified; zero in on those that most directly drive improvement in relevant business metrics such as revenue, cost, risk, or market access.

Companies can use existing data to measure the business value of sustainability

Companies track metrics related to value creation across functions, but data points are often siloed and available to single teams. The Sustainability team in a food and beverage company may track farmer income and certification rates, but not volumes sourced; Procurement may know the number of supplier farmers, but not their farm sizes or input costs. Data sits in scattered platforms, spreadsheets, specialist software, or third-party databases, making it hard to bridge existing gaps.

» ***WHAT NEXT? Centralize relevant data.*** Identify the most important data points needed to quantify business value and integrate clean, consistent data for those specific variables. Be specific, rather than attempting a full data integration across functions – data can be pulled in real time or sourced at periodic intervals (e.g., quarterly or annually).

Sustainability strategies anchor on corporate purpose

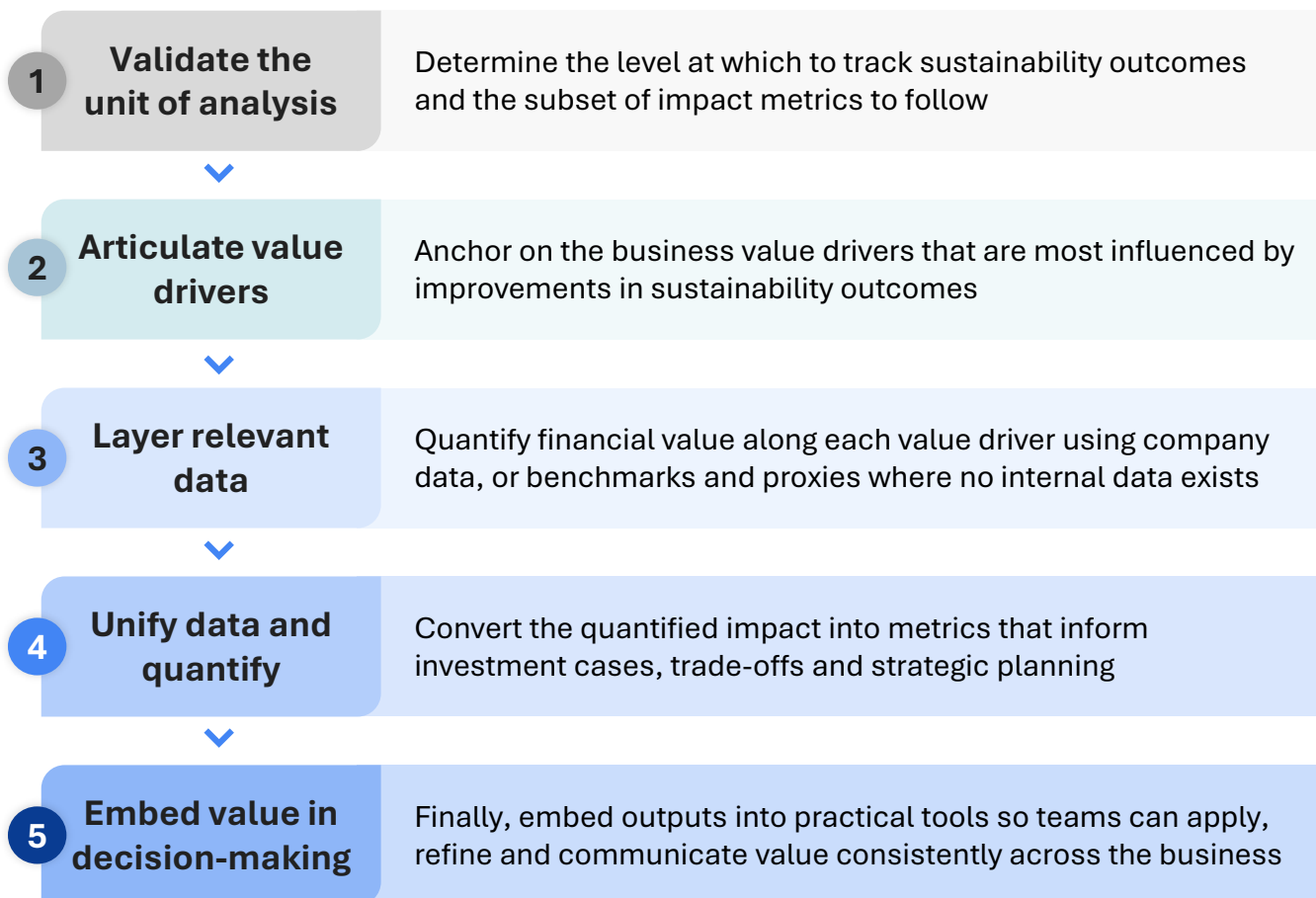
Most companies build sustainability strategies around the impact that is fueled by their corporate purpose. The most effective companies go further: they identify where and how their unique assets, relationships, and market position can unlock the greatest business and societal value – and build their sustainability programming around that. They avoid diluting efforts across multiple fronts and instead focus on where they are best placed to make a meaningful difference.

» ***WHAT NEXT? Focus on a company's differential advantage.*** Not all sustainability initiatives are equally impactful or relevant to a specific company. Focus on fewer priorities that leverage the company's USP to move the needle on the societal and environmental outcomes most closely connected to the company's operation or remit of influence.

VALUE Framework: A robust and intuitive way to measure the business value of sustainability

Dalberg's **VALUE Framework** provides a structured way to identify where sustainability creates business value and to measure how this translates into financial terms. It provides the methodological rigor that internal teams need: a structured, five-step approach to identify, quantify, and integrate the business value of sustainability into the decisions that matter most.

The VALUE Framework: Five steps to uncover business value from sustainability



Applied together, the five steps in the **VALUE Framework** produce a business case that corporate leaders can own and collaborate on. It simplifies the quantification to ensure a relevant and decision-ready output, by:

- **Focusing on where business value is material**, such as major cost lines, core inputs, high-risk supply chains, or initiatives likely to meaningfully shift revenue, cost, risk or license to operate.
- **Grounding in evidence**, using the best internal data, industry benchmarks, market comparators and sector-specific proxies so the quantified value is credible and relevant to the company's unique context.
- **Designing for decisions**, to ensure outputs position companies to prioritize initiatives, compare trade-offs, build investment cases, and decide what to scale, fund, redesign or phase out.

The result: a decision-making methodology that is both analytically robust and intuitive to use.

1

Validate the unit of analysis

The starting point to measuring the business value of sustainability is to **define a consistent, discrete unit of analysis**. This should be at the level where investment decisions happen: a specific project or initiative that requires financing. A consumer goods company like *Mars* might define its unit of analysis as a regenerative agriculture program tied to a specific ingredient, such as its cocoa-focused partnership with *ofi Ecuador*. A pharmaceutical company like *AstraZeneca* might use its low-emission respiratory inhaler program as a primary unit of analysis within its Scope 3 decarbonization strategy.

Equally important is identifying the specific impact outcomes that anchor the quantification of business value. While an initiative might improve multiple outcomes, only a subset of those will create business value for a company – use those, the rest are a distraction.

But not all initiatives warrant quantification. A first filter is whether an initiative is purely a compliance exercise: efforts that do not differentiate a company from others are unlikely to generate meaningful value. A second filter is financial materiality: focus on initiatives likely to move the needle beyond a fraction of EBITDA to warrant the measurement effort. Applying these filters early concentrates the analysis where it can be most impactful and makes it credible by yielding realistic, meaningful calculations.

NESPRESSO

From farm data to sourcing cluster decisions¹

~50
clusters

Nespresso, a global coffee company, tracks sustainability outcomes across sourcing clusters within its Nespresso AAA Sustainable Quality Program.

131k
farms

Farm-level data informs investment decisions at the sourcing cluster level – which agriculture practices to fund, scale, or phase out within a cluster.

328k
Hectares
managed

For Nespresso, a likely unit of analysis is at the sourcing cluster, where farm-level measurement of farmer income and productivity outcomes connect to meaningful drivers of business value like higher crop yield and better quality.

2

Articulate value drivers

Once the unit of analysis is defined, the next step is to **translate sustainability outcomes into a focused set of value drivers**. This should not be an exhaustive list; focusing on fewer drivers will capture where impact outcomes most meaningfully influence financial value. A mining company like *Anglo American* might identify operational continuity and a reduction in fines or remediation costs as the core value drivers of a community development program. A financial institution like *Bank of America* might measure how its financial coaching for low-income Americans reduces credit risk exposure and grows new customer segments.

USD

13bn+

Unrealized profit

USD

450m+

Sunk costs

Rio Tinto *What a value driver analysis could have flagged:²*

Rio Tinto, one of the world's largest mining companies, identified Jadar, Serbia as a major growth opportunity in lithium mining, with USD 13bn+ in projected net profit over 40 years.

Social license to operate was underweighted as a value driver. Nationwide protests, compounded by reputational damage from the Juukan Gorge incident in Australia, led to the mine's decommissioning in November 2025.

The business result: unrealized profits, sunk costs, and missing out on the upside of the global lithium price surge.

Prioritizing value drivers is a collaborative exercise: relevant market or functional teams can assist in ranking which drivers are most relevant to their specific context. Discussing priorities with different teams also ensures that any business case reflects real decision-making needs and increases buy-in for the methodology, its output, and its ongoing use.

Sources: [1] Nespresso Sustainability Report 2025 ([link](#)); [2] Anthropocene Fixed Income Institute, Rio Tinto: a just transition case study, 2026 ([link](#)).

The **VALUE Framework** applies across industries, but the value drivers it surfaces are sector-specific. Table 1 illustrates how sustainability outcomes can translate into tangible business value, with real-world company examples across four industries.

Table 1: How sustainability impact translates into business value, by industry

	Sustainability impact	Business value drivers
	<i>The positive social or environmental outcomes driven by a sustainability initiative</i>	<i>The financial benefit that accrues to a company from improving impact outcomes</i>
Food & Agriculture	 Building climate resilience for smallholder potato farmers in Thailand¹	
	PepsiCo and project partners trained 2,000+ farmers on climate-smart practices (crop rotation, drip irrigation, integrated pest management) delivered through demonstration farms. On implementing these practices, farmers protected yields against climate pressures, seeing incomes increase by over 15% and reducing their water usage and on-farm emissions.	Higher farmer incomes and predictable yields stabilized PepsiCo's local supply chain in Thailand. As a result, the company has retained millions of USD worth of annual potato supply that would otherwise be lost to yield decline or a costlier shift to imports. PepsiCo also improved farmer retention, a metric that underpins its long-term ingredient sourcing base.
Heavy Industry	 Decarbonizing global cement manufacturing through alternative fuels²	
	CEMEX is lowering CO₂ emissions from cement manufacturing by powering its kilns with alternative fuels (municipal, industrial, agricultural waste) instead of fossil fuels. Through this approach, CEMEX achieved a 37% alternative fuel substitution rate in 2024, helping lower Scope 1 emissions by 15% versus the 2020 baseline.	For the business, this represents a lower-cost and less volatile fuel base: reduced exposure to oil price swings has been a direct financial benefit, lowering operating costs as substitution rises. CEMEX has also turned this capability into a new business unit, launching Regenera in 2023 to provide dedicated waste management solutions.
Health & Pharmaceutical	 Expanding insulin manufacturing in low- and middle-income countries³	
	Novo Nordisk has expanded its medicine access strategy, transferring technology to South African manufacturer Aspen to build local insulin production capacity and reach over 4 million patients across Africa by 2026. This builds on the company's <i>Access to Insulin Commitment</i> that already guarantees low-priced human insulin in more than 78 countries.	Building local capacity improves medicine availability and positions Novo Nordisk to meet local manufacturing requirements that often govern public health tenders. It also builds distribution and regulatory infrastructure in regions where diabetes prevalence and future demand are forecast to rise, turning an access commitment into an early claim on tomorrow's growth market.
Financial Services	 Lending to agriculture small- and medium- enterprises (SMEs) in Kenya⁴	
	I&M Bank began lending to Kenya's agricultural SMEs, many of which had not previously accessed loans. To do so, the bank developed loan products with lower collateral requirements and expanded its agri-SME team at the branch level. The result: 95% of new loans were issued to first-time borrowers, including a third to women- or youth-owned businesses.	The bank found a new, fast-growing customer segment: I&M Bank's agriculture SME loan book grew from only 3 loans in 2023 to over 250 loans totaling \$8M by 2025. The product and service model innovations drove a shift down-market, and the bank built real underwriting expertise in a market segment it previously had limited capacity to serve.

Note: Sustainability impact data sourced from public information. Insights on business value drivers augmented by Dalberg analysis. Sources: [1] PepsiCo, GIZ, Climate Resilient Potato Supply Chain Project 2022-2024 ([link](#); [link](#)); [2] CEMEX, Task Force on Climate-Related Financial Disclosure Response, 2024 ([link](#); [link](#)); [3] Access to Medicine Foundation, Novo Nordisk A/S Profile, 2024 ([link](#)); [4] Aceli Africa, Activating the Agri-SME Finance Market, 2026 ([link](#)).

3 Layer relevant data

To quantify financial return using the **VALUE Framework** requires a company to draw on a blended dataset including internal data, industry benchmarks, market comparators, and sector-specific proxies to build a credible evidence base for quantification. Data can be organized in three tiers:

1. **Internal data** that map directly to operational performance and revenue (*quantitative*)
2. **Risk-adjusted proxies** to break down intangibles into sources of financial value (*quantitative, using evidence-based assumptions and probability-adjusted ranges*)
3. **Qualitative insight** to make other intangible value easy to grasp (*qualitative, narrative insight*)

Using data across these tiers, a company can combine relevant metrics for quantification. The goal is not precision for its own sake, but a quantified view that enables decision-making. For example, a bank like *JPMorgan Chase* might pull the growth of its small-business loan book to Black- and Latinx-owned firms as the direct financial data, use default and delinquency-rate benchmarks published by Community Development Financial Institution (CDFI) lenders serving similar underserved borrowers as a proxy for the credit risk of lending to this segment, and draw on borrower stories from its small-business coaching program to bring the qualitative value to life. In the healthcare industry, a company like *Novartis* might draw on internal patient-reach growth from low- and middle-income countries, apply published benchmarks from health economics literature as a risk-adjusted proxy for the value it derives from improvements in local health systems, and use patient testimonials from its Access programs as qualitative insight.

Table 2 adds further illustration on how data points can be aggregated across tiers and provides specific examples from across industries.

Table 2: Quantification using the VALUE Framework

Tier	When to use	Example and underlying logic
1. Internal data	When hard data exists to link value directly to operating performance	A manufacturing company like <i>Caterpillar</i> can use data on the volume, price and unit cost of the energy it uses to calculate the financial value of its energy efficiency programs. This can be measured as reductions in the cost of energy per unit of output produced. In its simplest form, the calculation might be: $\text{Volume} \times \text{Price} / \text{Unit cost}$.
2. Risk-adjusted proxies	When value is not directly measured and comes from changes in the likelihood of upside or downside events	An energy company like <i>Enel</i> can quantify the financial exposure of an energy park being shut down by community protests. To do so, it can multiply the probability of that risk materializing by its potential financial impact. It can benchmark from other regional operators the likelihood and duration of a shutdown and then apply that probability to the daily revenue at risk from halted operations. The result is a risk-adjusted estimate of the value protected by avoiding the shutdown.
3. Qualitative insight	When value is hard to quantify or would yield false precision	A food and beverage company like <i>Starbucks</i> can pair hard-to-quantify reputational value with narrative evidence when precise figures would overstate certainty. Its Coffee and Farmer Equity (C.A.F.E.) Practices sourcing program discloses the name of each farm and the price paid to individual farmers. Transparency builds goodwill and a more secure supply base. The result is a qualitative case for why ethical sourcing sustains long-term supply and brand trust.

The **VALUE Framework** converts quantified impacts into a unified financial metric that enables comparison with other company investments. The most useful metrics are those commonly used in business planning, in particular Net Present Value (NPV) and EBITDA as they enable like-for-like comparisons across initiatives, business units, geographies, and type of investments. The metrics are complementary and allow transparent calculation and integration of driver-level quantifications from Step 3 into financial decisions.

Net Present Value (NPV)

NPV is best suited to capital allocation decisions among competing projects or initiatives. To isolate the sustainability initiative, compare two versions of the same project: the base case (as planned, without investment) and the project with the investment. The difference is the NPV of the sustainability initiative.

$$\text{NPV of sustainability initiative} = \text{NPV (project with sustainability initiative)} - \text{NPV (base case without sustainability initiative)}$$

The costs of sustainability initiatives (incremental Capex, Opex or Working Capital) sit in “NPV (project with sustainability initiative)” as negative cash flows, discounted in years they occur. Calculate NPV alongside the Internal Rate of Return (IRR) and Payback Period to show the return and time to recover an investment.

Sustainability affects NPV through two inputs:

- **Cash flows** (amount, timing, probability): adjustments can include higher revenue net of variable costs, lower operating costs, earlier delivery, less disruption, and probability-weighted avoided losses such as fines or stoppages. Only cash flows to the company count; external benefits (e.g., farmer incomes) are not included in the formula but are part of our summary on sustainability impact and business value.
- **Discount rate** (Weighted Average Cost of Capital): lowering the discount rate if the sustainability initiative reduces the company's financing cost (e.g., sustainability-linked or concessional debt). Lower risk is reflected in expected cash flows, not in the discount rate.

EBITDA

EBITDA is best suited to show the annual operating impact of an initiative on a business unit, product line or market. As with NPV, compare the case including the sustainability initiative with the base case without the initiative, for a defined year (e.g., first full year at run-rate).

$$\Delta \text{ EBITDA of sustainability initiative} = \text{Incremental revenue, net of variable costs} + \text{Cost savings} - \text{Incremental operating costs of sustainability initiative}$$

Only include current year P&L expenses. Capitalized spend (purchasing and owning equipment) is excluded from EBITDA and should be captured through the NPV approach. If the same spend could be treated either way (equipment provided to third-party farmers), follow the company's accounting treatment consistently.

Sustainability value drivers affect EBITDA through, for example:

- **Revenue:** adjustments can include higher sales from customer segments unlocked by sustainability positioning, or premium pricing on certified products, counted net of the variable costs of serving them.
- **Cost:** adjustments can include lower input, energy, or waste costs from operational efficiencies, as well as expected avoided one-off costs such as fines, remediation, or spend related to community conflict.

Quantifying the metric for a specific initiative enables further comparison, and results can then be aggregated across multiple initiatives, business units or sustainability themes. Once the financial metric is calculated, comparison and aggregation are both possible and the business case evolves from an isolated analysis to a methodology that yields portfolio-level insight and company-wide direction.

The final step embeds the outputs of the VALUE Framework into a company's decision-making tools and workflows for corporate leaders to apply, refine, and communicate sustainability value consistently.

The VALUE Estimator is Dalberg's AI-enabled companion to the VALUE Framework. It shortcuts this process by calculating business value in minutes based on a company's data and evidence-based proxies across financial, operational, and sustainability reporting sources.

The publicly-available Beta version offers an example of how the VALUE Estimator works in practice, guiding users through each step of the VALUE Framework in an intuitive interface. For an individual company, the tool can be tailored to (i) respond to data availability, (ii) pull relevant proxies, and (iii) preserve data confidentiality. Companies that take this step have a live, AI-powered tool that sets teams up to consistently forecast and evaluate the business case for sustainability investments.

Preview of the VALUE Estimator tool ([access online here](#))

The screenshots illustrate the five steps of the VALUE Estimator tool:

- Validate (Step 1 of 5):** Select your sector. The interface shows a sidebar with categories like Health, Heavy Industry, and Agriculture, and a main area with a 'Validate unit of analysis' button.
- Articulate (Step 2 of 5):** Articulate value drivers. The interface shows a sidebar with categories like Water, Risk, and Access, and a main area with a 'Relevant sustainability category' section.
- Layer (Step 3 of 5):** Layer relevant data. The interface shows a sidebar with categories like Water, Risk, and Access, and a main area with a 'Financial value drivers' section.
- Unify (Step 4 of 5):** Unify data and quantify. The interface shows a sidebar with categories like Water, Risk, and Access, and a main area with a 'Pre-populated assumptions' section.
- Embed (Step 5 of 5):** Embed value in decision-making. The interface shows a sidebar with categories like Water, Risk, and Access, and a main area with a 'Parameters' section, a 'Value driver breakdown' donut chart, and a 'Cumulative NPV Over Investment Horizon' line chart.

The final 'Embed' screenshot displays the following data:

Parameter	Value
NPV (base case)	\$122.9M
NPV (with sustainability investment)	\$138.9M
Sustainability investment cost (Capex only)	\$25.0M
NPV of sustainability investment	+\$16.0M
IRR of sustainability investment	23.4%
Discounted payback period	3.7 yrs

The 'Value driver breakdown' donut chart shows the following data:

Value Driver	Value
Reduction in water procurement costs (\$11.1M)	\$11.1M
Reduction in water treatment & disposal costs (\$2.8M)	\$2.8M

The 'Cumulative NPV Over Investment Horizon' line chart shows the following data:

Year	Base case	With sustainability investment
Y0	\$0M	\$0M
Y1	\$10M	\$10M
Y2	\$20M	\$20M
Y3	\$30M	\$30M
Y4	\$40M	\$40M
Y5	\$50M	\$50M
Y6	\$60M	\$60M
Y7	\$70M	\$70M
Y8	\$80M	\$80M
Y9	\$90M	\$90M
Y10	\$100M	\$100M

Get started

Moving from theory to action

Positioning companies to succeed

The **Dalberg VALUE Framework** uses value drivers to translate sustainability impact outcomes into quantified business value. It generates credible outputs, builds business buy-in and informs both retrospective performance assessment and forward-looking decisions.

Companies that succeed at measuring the value of sustainability go beyond calculating it once. The most advanced companies build the practice into how they plan, budget, and make ongoing decisions. Doing this well requires a robust methodology that uses data people trust, extends ownership beyond a single team, and yields outputs that shape how decisions get made.

Keys to effectively uncover business value from sustainability

Build trust in both process and data



- Avoid false precision by using transparent assumptions, clear sources and simple calculation logic
- Use ranges and disclose confidence levels where data is uncertain

Create ownership across business functions



- Involve cross-functional teams in defining value drivers, assumptions and use cases
- Assign clear institutional ownership and train superuser champions who can drive adoption

Design for analysis and decision-making



- Quantify historical value to build credibility through evidence
- Embed outputs into existing planning, budgeting and performance processes

Dalberg

Get in touch

Dalberg has helped companies across industries and geographies translate sustainability strategies into measurable business value. We have built first-time business cases and developed fully embedded tools for decision making. If you are exploring how to make the case for your organization, please reach out.



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