Press release

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**“Era of ‘growth at any cost’ is over” according to PwC study as people look beyond ‘boom & bust’**

93% of company CEOs surveyed by PwC believe measuring their organisation’s total impact, including jobs supported, environmental impact and taxes paid and borne could enable better decisions about business risk, and build a stronger reputation with employees, investors and regulators, than using financial measures alone.

The findings are published in *Measuring and managing total impact: a new language for business decisions*, the result of a three year collaboration between PwC’s environmental, social and macro-economists and its clients.

The report examines how organisations can not only measure their total footprint on society across economic, environmental, tax and social impacts, but translate it into information to guide their strategic decisions.

The study reports that after seeing “boom and bust” many people are looking beyond today’s narrow notions of input, output and profit, to a more inclusive and responsible economic development, what the report describes as “good growth”.

When considering their areas of impact, less than a quarter of companies surveyed by PwC are using information on their organisation’s total impact for decision making, and less than 15% for reporting. Yet four out of five believe it would provide more insights in decision making than conventional financial reporting and help identify new business opportunities.

Overall, while companies reported using elements of economic, environmental and social impact measurement in silos for board level decision making, taking a 360o view of their company’s impact and communicating it to stakeholders including investors, employees and the public was lower. For example:

* Overall, 60% measured environmental impacts, but only 51% reported it externally.
* For the largest companies in the survey, with revenues of over $10bn, 100% said they factored environmental impacts into their board decisions, whereas taxes collected and borne were only impacting the decisions made by 43% of companies.

Malcolm Preston, global leader of sustainability at PwC commented:

“The era of growth at any cost is over. Businesses need to look beyond financial reporting to their wider outcomes and impacts, to understand their total footprint on society in terms of economic, environmental, tax and social impacts and use what they find to guide their decision making.

“Assessing decisions on their total impact – economic, environmental, tax and social - is a framework for how a company can run itself in the 21st century which transforms the way boards make their strategic decisions, beyond profit and loss.”

In a tough market for attracting and retaining staff, 95% of CEOs in the survey identify their company’s reputation with employees as the biggest beneficiary of improving their communication on their total impact, followed by customers, and communities. By comparison, investors and analysts were seen as less receptive, reflecting the focus on short-term returns.

Malcolm Preston, global leader of sustainability at PwC commented:

“With such a strong emphasis on the short term returns, businesses will have to make the case to analysts and investors on how measuring and reporting on a company’s total impact will deliver improved returns, identify opportunities, and risks that other more conventional approaches may miss.”

The PwC report is launched today at the UN’s Millennium Development Goal Innovation Forum in New York, which urges business to do more to measure and report on their social and environmental footprint so as to become more accountable for their actions.

In it, the ‘Total Impact Measurement and Management ’ framework identifies 20 dimensions of impact across social, tax, environmental and economic arenas including health, land use, water, overall contribution to public finance, jobs and economic output. Organisations using the framework can measure, understand and compare at a glance, which stakeholders and areas will be most affected, and the trade-offs between different options, such as where to source materials or supplies from, locate a factory or infrastructure.

**Notes:**

1. View the Total Impact Measurement & Monitoring toolkit, and a sample case study here [www.pwc.com/totalimpact](http://www.pwc.com/totalimpact).

2. PwC surveyed 187 CEOs, from companies with turnover between $100m - $10bn+.

3. The PwC framework for Total Impact Measurement & Management has been shared with the UN High Level Panel on the Post 2015 Development Goals to help inform the group about total impact and how business creates and erodes economic, social and environmental value, while still achieving their primary goal of generating a sustainable financial return for their shareholders. For more information see the Background Papers section on the [Post 2015 Development Agenda website.](http://www.post2015hlp.org/featured/high-level-panel-releases-recommendations-for-worlds-next-development-agenda/)

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