

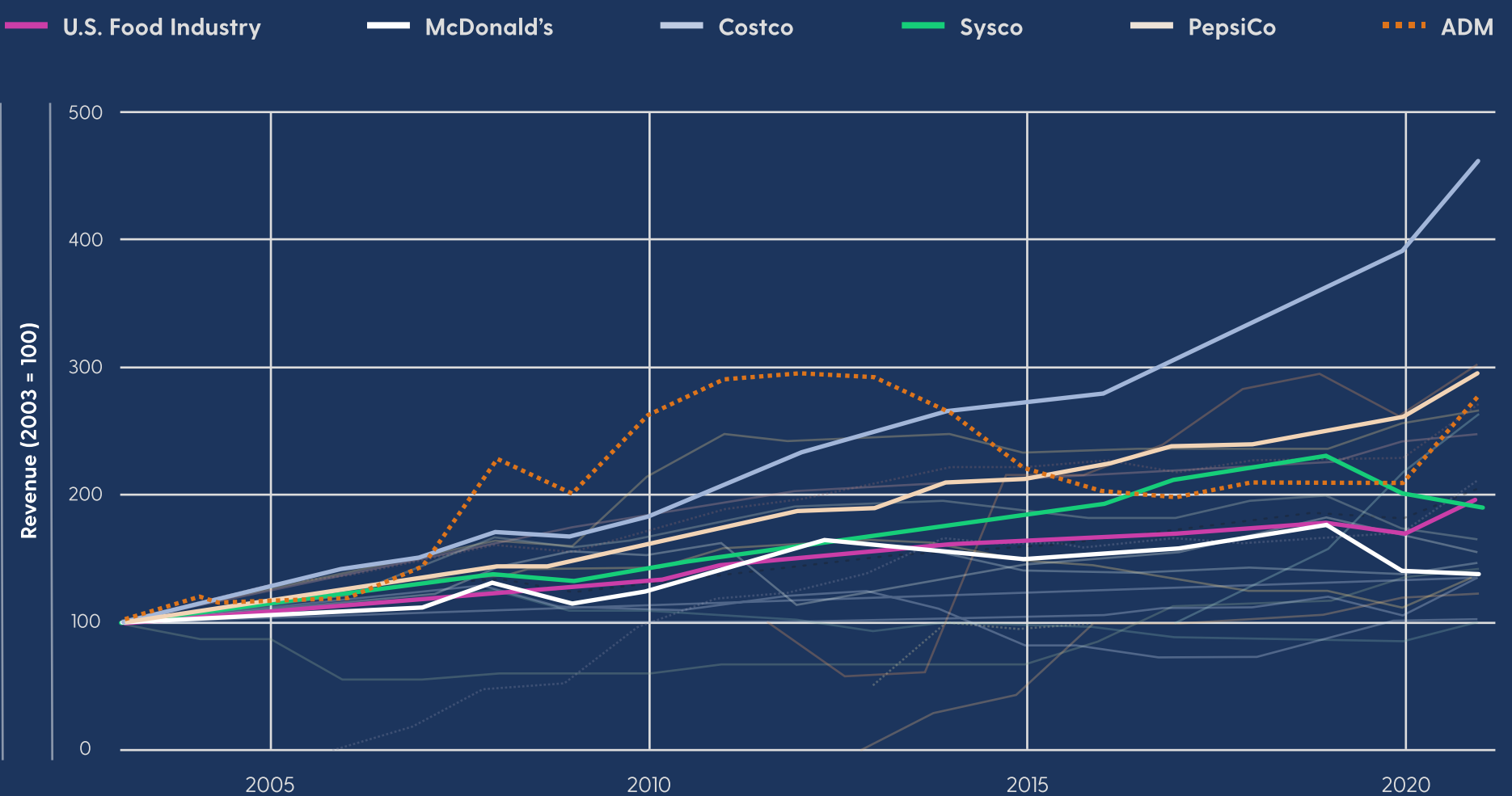
PURSuing 'GOOD' IMPROVES YOUR BOTTOM LINE

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**

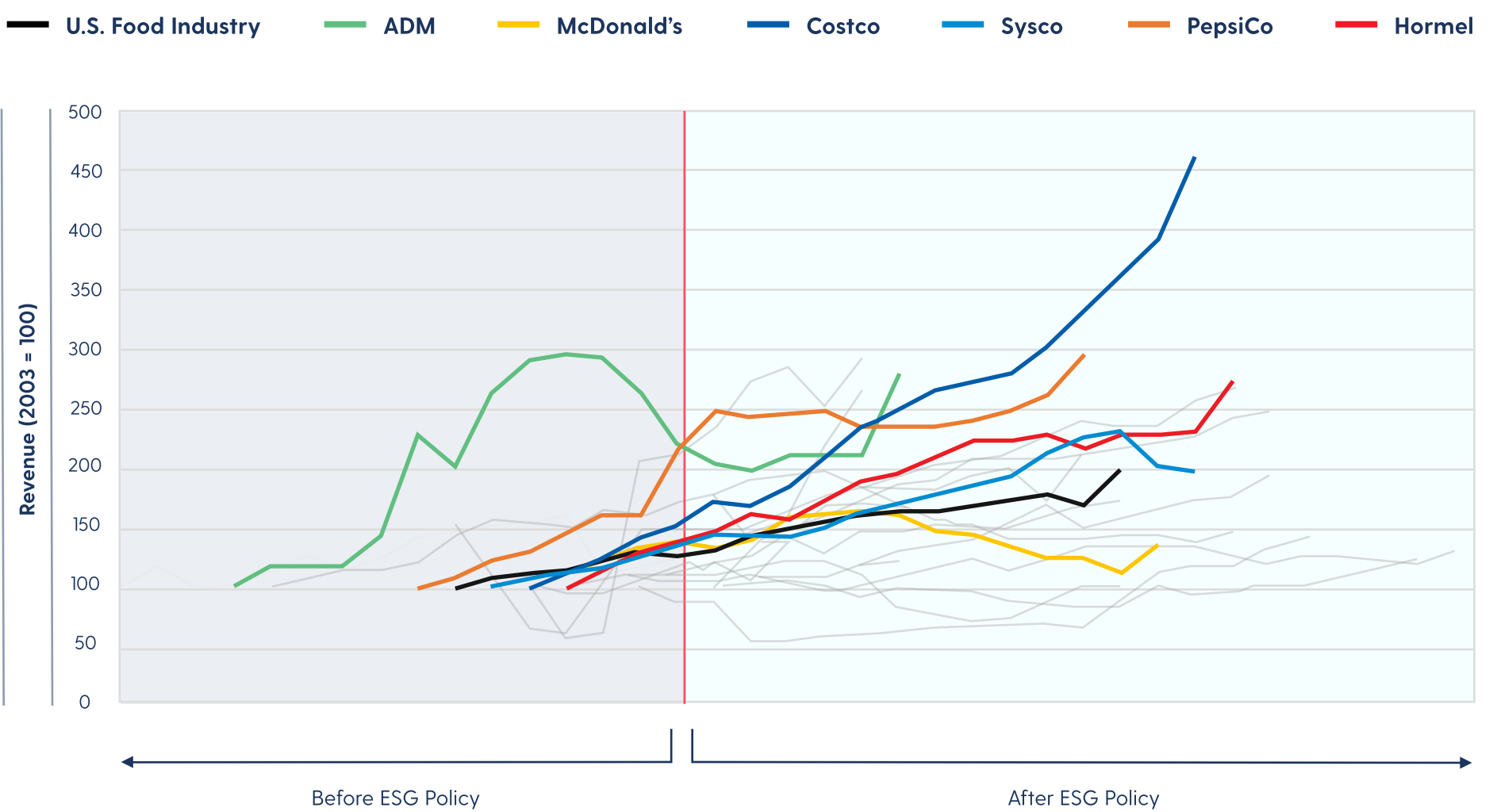
GROWTH OF TOP 30 FOOD, BEVERAGE AND AGRICULTURE COMPANIES

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



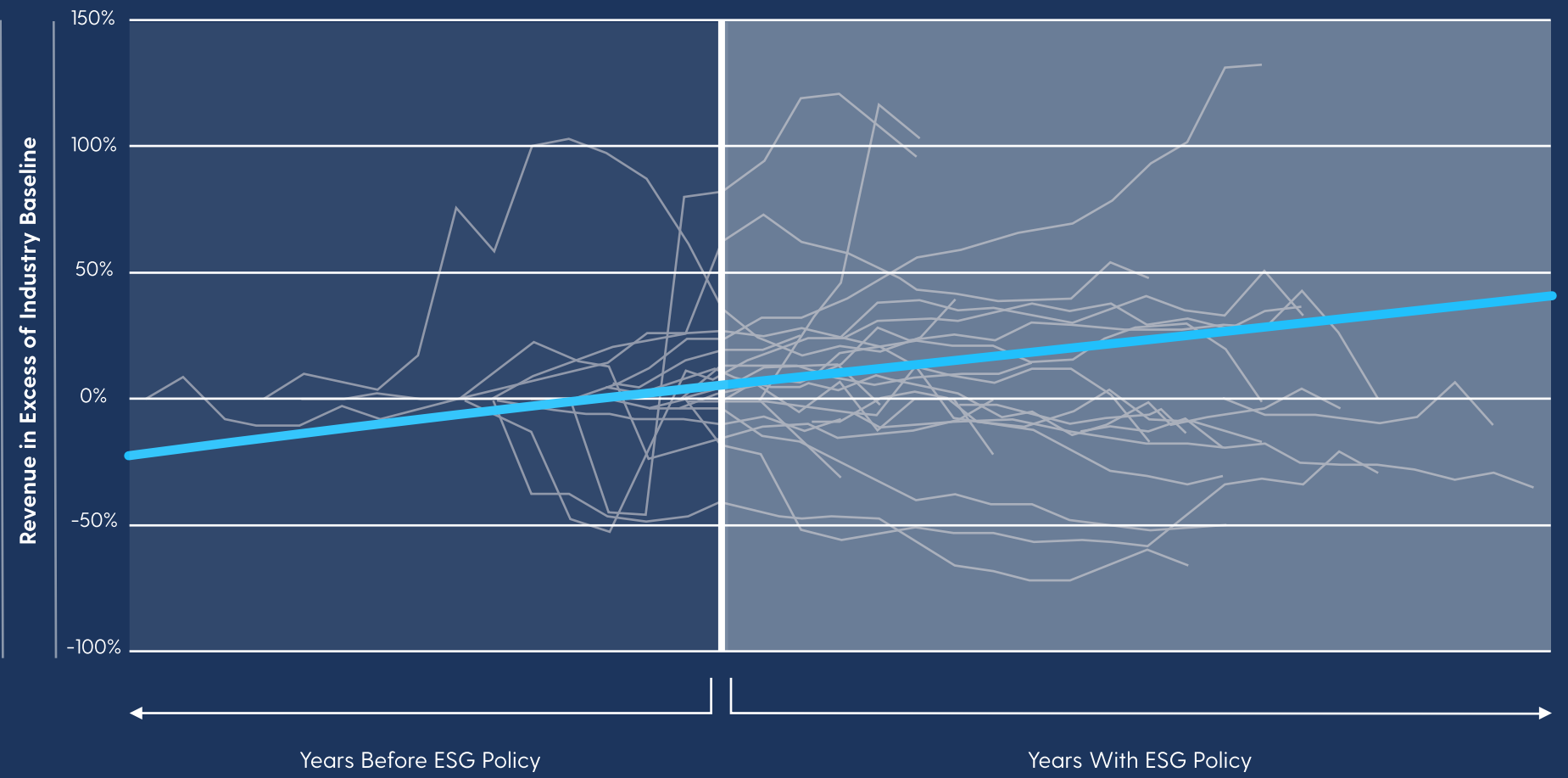
REVENUE GROWTH ADJUSTED BY LENGTH OF ESG POLICIES

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 trend is positive overall, companies experienced business impacts of ESG 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.



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 ESG 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."**

Want to define "good" for your brand and make it known? Bader Rutter can help you invest in your bottom line by highlighting how you invest in your employees, your communities and the environment.

BaderRutter.com/food →