

## **Appendix 2 Calculation method for the “Sustainable Value” index (case study 1)**

The Sustainable Value was calculated in five steps

- The first step in calculating Sustainable Value was to determine the amount of resources used by the business in a given year, which will then be compared to the income generated. For this, the Earnings Before Interest and Tax (EBIT) was used to determine the carbon performance. Thus, taking the case of CO<sub>2</sub> emissions, the efficiency of the use of this resource corresponds to the EBIT generated in euros per unit of resource used. Therefore, CO<sub>2</sub>-efficiency is calculated by relating the EBIT generated by the company to the amount of CO<sub>2</sub> emitted.

Step 1 : Company-CO<sub>2</sub>-efficiency = EBIT<sub>t</sub> / CO<sub>2t</sub> emissions

- The second step is to determine the efficiency of the use of CO<sub>2</sub> resources by the benchmark (the average CO<sub>2</sub> efficiency of a company), in the same way as for companies.

Step 2 : Benchmark-CO<sub>2</sub>-efficiency =  $\sum$ EBIT<sub>t</sub> /  $\sum$  CO<sub>2t</sub> emissions

- The third step was to compare the efficiency of the use of resources by the company to that of the Benchmark. For that, a value known as the "Value Spread" (the value created per unit of resource generated by the company) was obtained from the deduction of the average efficiency of the groups (of the Benchmark) from that of the company.

Step 3 : Value spread = Company-CO<sub>2</sub>-efficiency - Benchmark-CO<sub>2</sub>-efficiency

- at the fourth step, the "Sustainable Value is obtained by multiplying the“ Value Spread ”generated by the company, for a given environmental resource, by the corresponding quantity of resources consumed for each year. It is at this stage that we can judge whether a company generates more value or profit than the Benchmark by efficiently using its environmental resources.

Step 4 : « Sustainable Value » = Value spread \* Company-CO<sub>2</sub>-emissions

- At step 5, we have the Marginal sustainable value will be equal to the Sustainable value divided by the company's turnover.

Step 5 : « Marginal sustainable value » = « Sustainable Value » / company turnover