



'Value at Risk' assessment for the food and nutrition category

Client's objectives

- To identify and assess the Environmental, Social and Governance (ESG) risks impacting the value chain of a single category, including those that the client needed to act on, and how they could be integrated or tracked under the corporate risk register.
- To provide an assessment of the 'Value at Risk' (VaR) - whether that is defined as revenues, sales, market value etc - to evaluate the potential level of financial damage sustained by the category (if it theoretically were to occur)

The project

Anthesis conducted a full value chain assessment of the principal ESG risks for a single food brand. Through an assessment of the financial 'Value at Risk', we applied these insights to develop an improved enterprise risk register that blends ESG risk with commercial risk. This helped communicate these growing sustainability issues in a financial context to the executive committee level for discussion and action.

Key services delivered

- An understanding of the full range of social, environmental and geopolitical risk factors liable to impact the brand;
- An assessment of the likelihood of the risk occurring;
- An evaluation of the impact, i.e. level of damage sustained (if a single event did occur) as the basis of the calculation of Value at Risk;
- Development of a 'Roadmap', with high level recommendations on integration with the pre-existing enterprise risk management and evaluation processes.

Key project outputs

Once the risk themes and VaR had been defined, we hosted a workshop with the client to share the project's findings, those being:

- The screening output from RiskHorizon™, leading to the ability to articulate the key 'macro' risks to the category/product supply chain, on both global and regional levels, for Europe, West and East Africa, Asia and Australasia;
- The output from the VaR modelling illustrating the key areas of economic vulnerability and resilience;
- An overview of the relative strengths and weaknesses and risks and opportunities for the client's critical supply chain and sourcing requirements and needs; as a mechanism to target best use of capital investment in adaptation measures and develop strategic intervention on any new impacts.

Key project impacts

Anthesis were able to support the business to develop an improved enterprise risk register, blending ESG risk with commercial risk in a way that mainstreams sustainability at a senior leadership level. For the supply chain team, they are able to start to consider the challenges around materials risks and traceability, for instance, alternative sourcing arrangements in the event of supply chain disruption.

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