

Greenwashing puts billions at risk for the world's biggest brands

Many of the world's largest brands have value at imminent risk if the sustainability perceptions of stakeholders are not aligned with sustainability performance.



Source: © JD Power [JD Power](#) Tesla has a high Sustainability Perceptions Value but weaker CSRHub scores

This is the finding of brand valuation consultancy, Brand Finance and their report, [Brand Finance Sustainability Gap Index](#).

First launched at the World Economic Forum in Davos earlier this year, The Sustainability Perceptions Index shows that for many of the world's most valuable businesses, there can be billions of dollars of financial value to be gained from enhanced ESG action and associated communication.



Africa's most valuable brands demonstrate resilience and growth as MTN remains dominant

1 Jun 2023



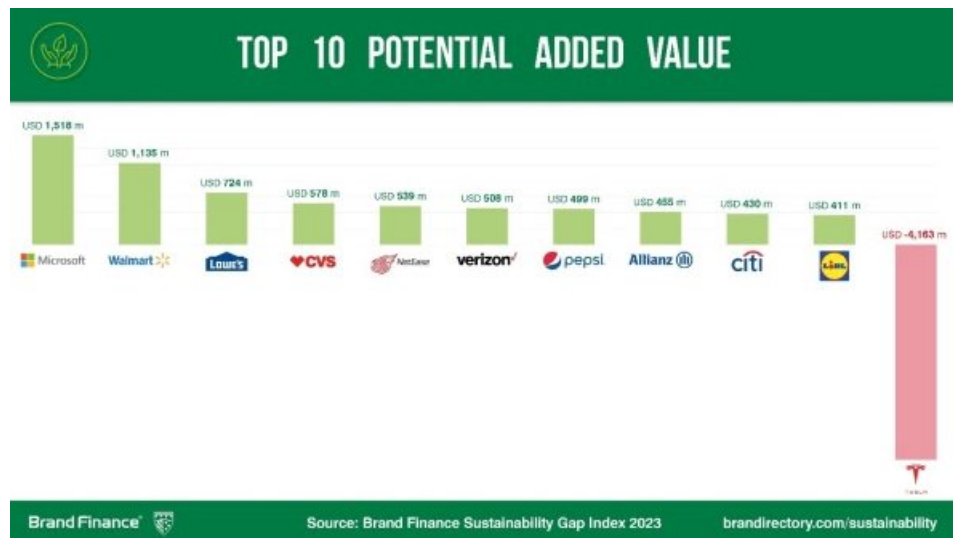
Public perceptions vs actual performance

Brand Finance has now recalculated the valuations of each brand by considering their ESG performance, utilising data from CSRHub.

The newly derived values, in conjunction with the Sustainability Perceptions Scores (SPS) disclosed in the latest Sustainability Gap Index report, expose whether the public perceptions align with the actual performance of each brand.

“Our research found that where performance exceeds perception, there is an opportunity to rapidly generate value, by communicating the brand’s genuine commitment to sustainability more effectively,” says Robert Haigh, strategy & sustainability director, Brand Finance.

“Conversely, where perception exceeds performance, value is at imminent risk, as brands leave themselves open to public backlash and a ‘correction’ of their sustainability perceptions value,” adds Haigh.



Tesla: One such brand

Tesla, perhaps surprisingly, is one such brand.

Known as a pioneer of the electric vehicles and battery technology, Tesla’s image has clearly carried across into the perceptions held by global consumers.

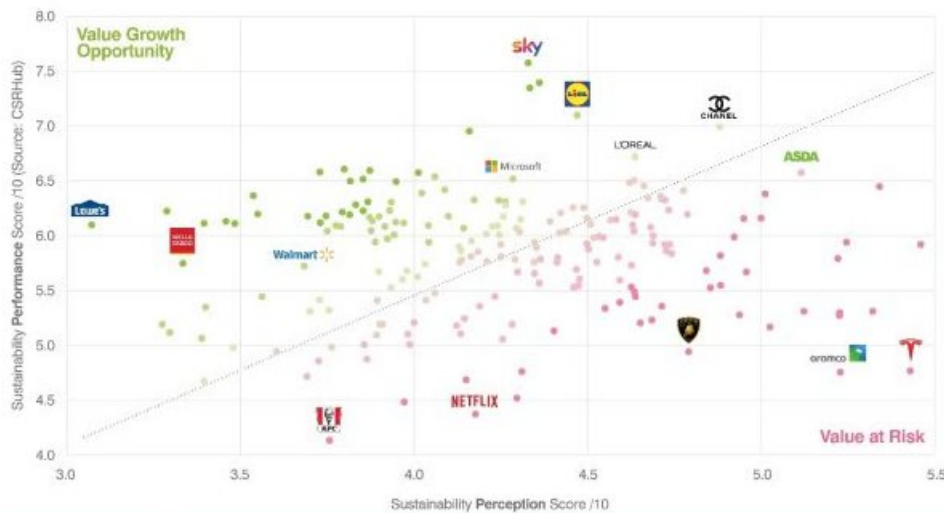
Tesla has the highest proportion of value underpinned by sustainability perceptions of any brand (26.9%) resulting in a Sustainability Perceptions Value of \$17.8bn.

However, the strength of this perception creates its own risk, because whilst Tesla performs well on environmental components of sustainability, it is weaker on governance and measures of social sustainability.

Tesla’s weaker CSRHub scores therefore create a value at risk of up to \$4.1bn, more than any other brand in the table.



SUSTAINABILITY PERFORMANCE VS PERCEPTIONS SCORES 2023



Brand Finance

Source: Brand Finance Sustainability Gap Index 2023

brandirectory.com/sustainability

Microsoft: Highest positive gap value

Conversely, Microsoft has the highest positive gap value of any brand according to Brand Finance's research - \$1.5bn.

This reveals that Microsoft's sustainability performance exceeds its sustainability perception; meaning there is an opportunity for Microsoft to generate up to \$1.5bn through enhanced communication of its sustainability initiatives and services.

Chanel: High Sustainability Perceptions Score and high CSRHub score

Luxury fashion house Chanel is an example of a brand that has both a (relatively) high Sustainability Perceptions Score (4.88/10) and a high CSRHub score.

By engaging with a wide range of stakeholder groups, Chanel can better align its sustainability performance with its sustainability perception, based on strong, authentic sustainability communication.

View the full [Finance Sustainability Gap Index 2023 report here](#)

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