

SUSTAINABLE DEVELOPMENT AND IT'S IMPACT ON THE CORPORATE BOTTOM LINE

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WHAT IS SUSTAINABLE DEVELOPMENT?

Growth and progress that respects human needs, global ecosystems and optimizes the ability of future generations to meet their economic, social and environmental needs and aspirations. For Corporations, the Quintuple Bottom Line is increasingly used to represent the dimensions of a sustainable business



FIVE DIMENSIONS OF CORPORATE SUSTAINABILITY QUINTUPLE BOTTOM LINE

- SOCIETAL
- ECONOMIC
- ENVIRONMENTAL
- TECHNOLOGICAL
- POLITICAL



KEY ASPECTS OF A ROBUST SUSTAINABLE DEVELOPMENT PROGRAM

- An effective, efficient and agile governance structure with clearly defined goals and objectives socialized within the operating strategy
- Accurate, real time data and metrics monitoring and status reporting
- Appropriate organizational construct in place to track performance and allocate resources effectively and efficiently
- A clearly defined protocol for identifying and rectifying developing variances and issues
- A robust program of projects, initiatives, communications and awareness to continually reduce costs, environmental impact and effectively influence external drivers



SUSTAINABLE DEVELOPMENT AND CATEGORIES OF INCREASED SHAREHOLDER VALUE

- DIRECT & TANGIBLE – Contribute to financial value by enabling growth, reducing costs, conserving capital and reducing risks
- DIRECT & INTANGIBLE – Improve intangible assets including quality, innovation, product stewardship, environment, end of life recovery and innovation of materials selection
- INDIRECT & INTANGIBLE – Creating value for external stakeholder engagement, customers, alliances brand equity and employees

THE GREATEST VALUE IS IN BUILDING INTANGIBLE ASSETS SUCH AS REPUTATION AND HUMAN CAPITAL



SUSTAINABLE DEVELOPMENT IMPACTS

DIRECT

- Access to markets
- Customer attraction/retention
- Address media/shareholder/regulatory pressures
- Increased efficiency/effectiveness
- Due diligence protection/risk control
- Reduced costs
- Reduced capital costs
- Enhanced EH&S efficiency

CORRELATED/INDIRECT

- Product innovation
- Financing options
- Skills enhancement
- New markets
- New lines of business
- Compensation innovation
- Continuous improvement
- Processes/production efficiencies



BENEFITS OF SUSTAINABLE DEVELOPMENT

- Increased name/brand value and reputation
- Reduced environmental and sustainability risks
- Increased competitive advantage
- Reduced operating cost
- Assurance of regulatory compliance
- Increased customer satisfaction and retention
- Improved employee health/productivity/safety
- Improved shareholder return
- Increased revenue



SUMMARY CONCLUSION

An empirical work by the University of Michigan and Harvard of more than 95 studies in the field found conclusive evidence that there is a strong value case for Sustainability. They consistently found a statistically significant, positive relationship between measures of social and environmental performance and financial performance.

Another study of Total Return for "Built Space"(Real Estate) found that the IRR for properties that were constructed from a triple bottom line perspective had more that a 6% higher return than those that were built strictly on financial cost only



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