

# Sustainability Summit

**HAVING IT ALL: COMPETITIVE  
ADVANTAGE AND A TRIPLE BOTTOM LINE  
AN EXECUTIVE'S BUSINESS  
CASE**



# CORE SUSTAINABILITY CONCEPTS

Intergenerational  
responsibility



Systems  
thinking

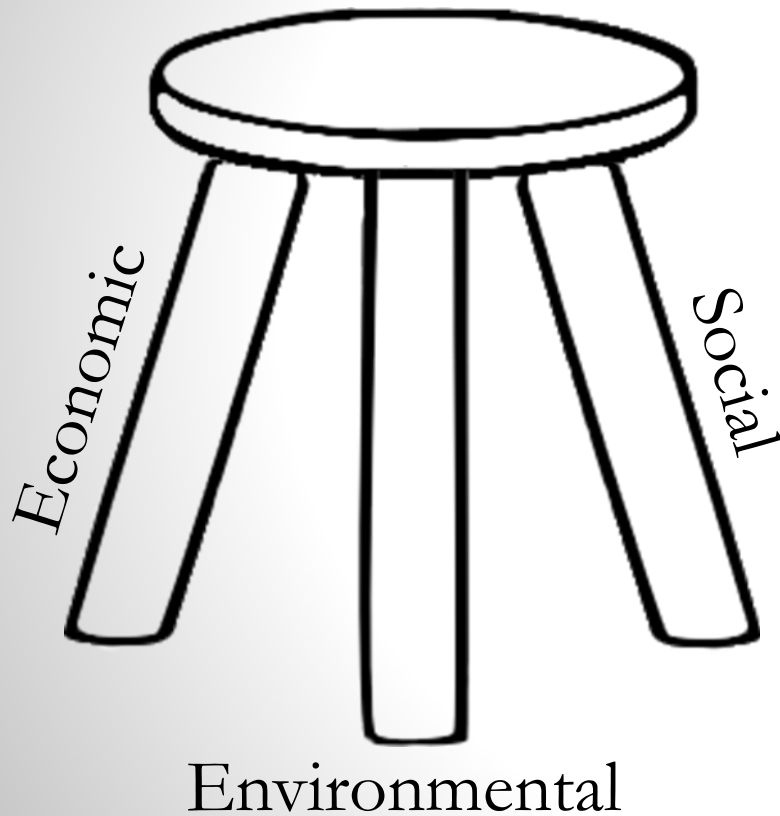


Socio-economic  
justice



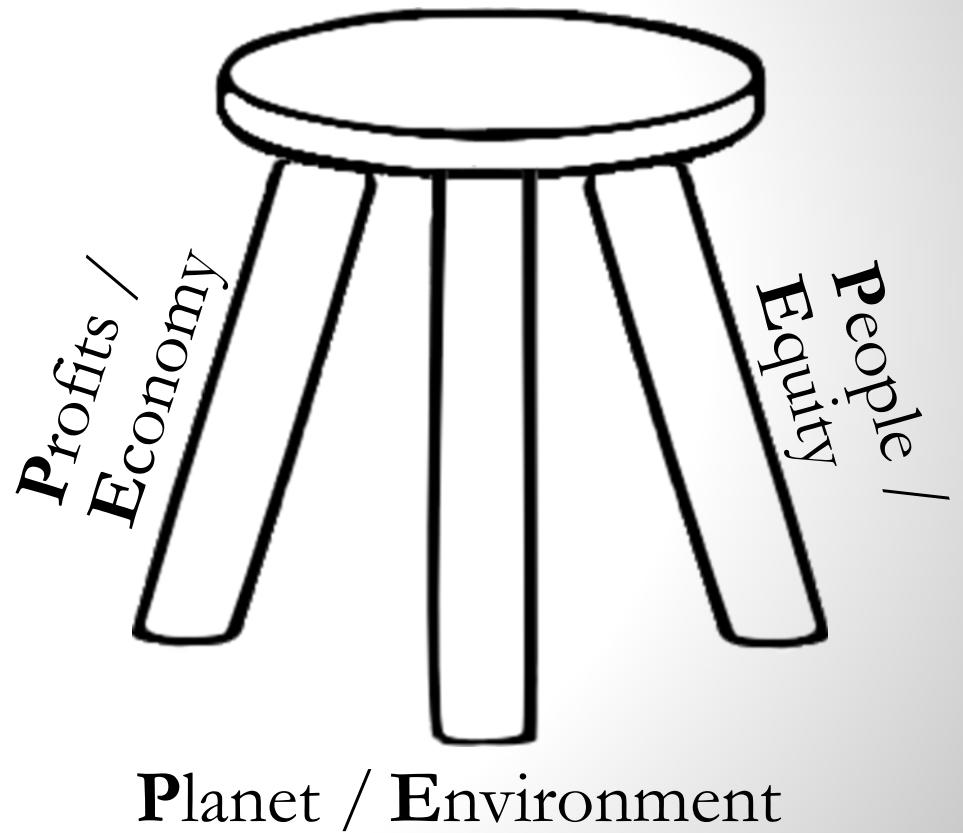
# SOCIETAL SUSTAINABILITY

## QUALITY OF LIFE

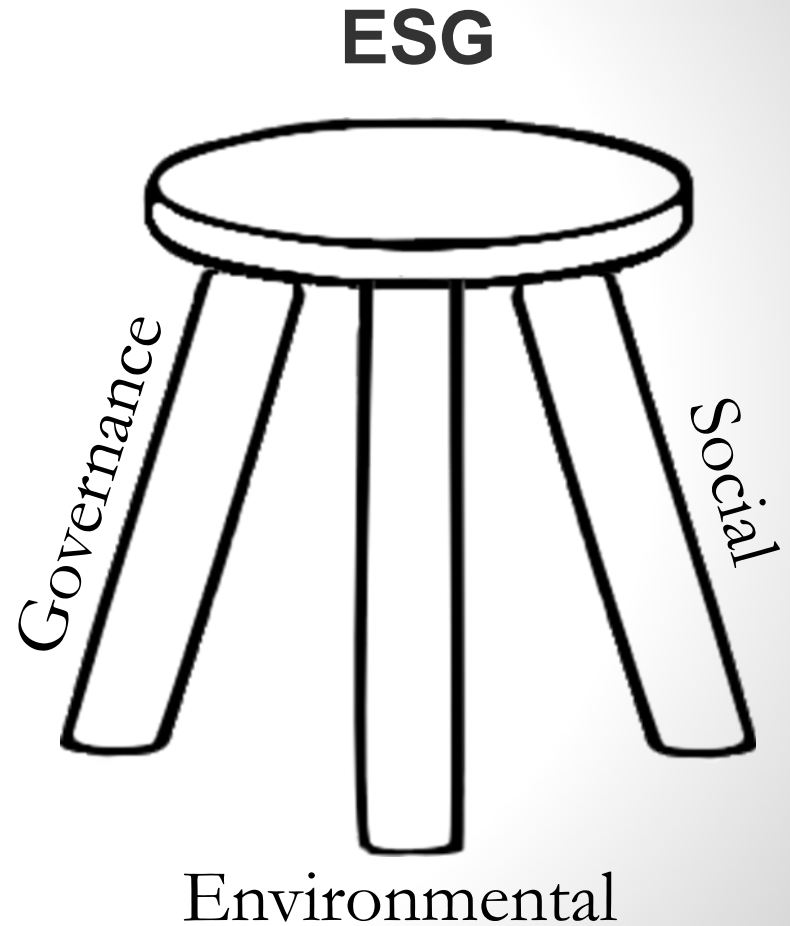


# CORPORATE SUSTAINABILITY

## TRIPLE BOTTOM LINE



# CORPORATE SUSTAINABILITY

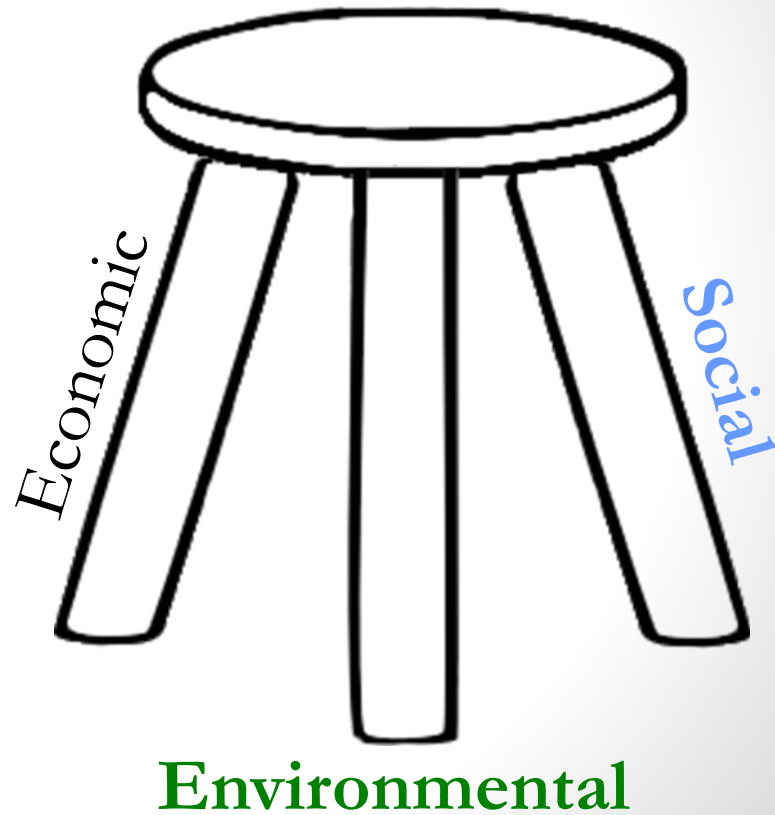




# CORPORATE SUSTAINABILITY

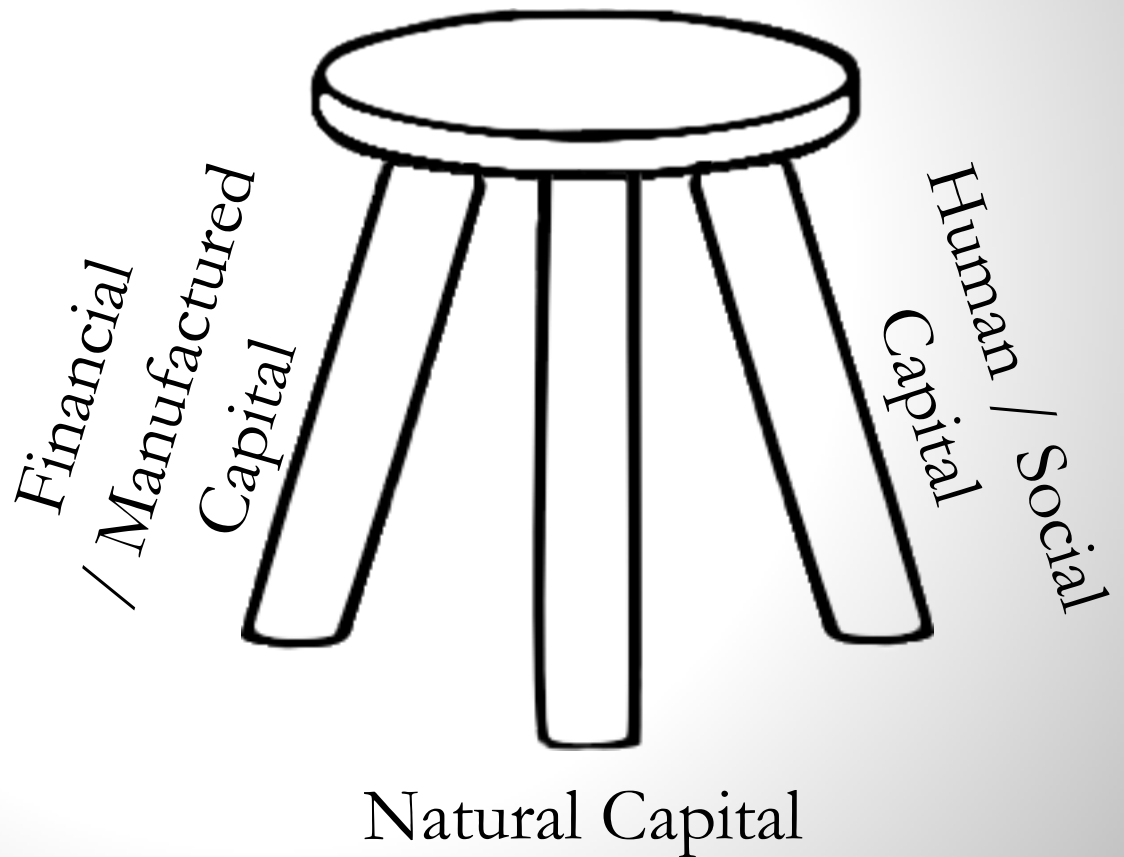


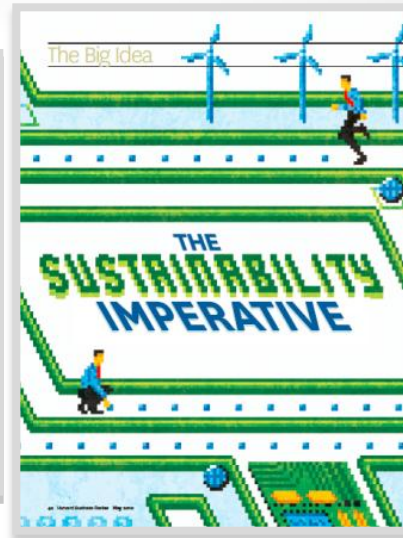
**GREEN** + **CSR**



# CORPORATE SUSTAINABILITY

## ASSET MANAGEMENT





“Over the last 10 years  
the ‘**Sustainability Imperative**’ has emerged,  
magnified by escalating public and governmental concern  
about **climate change**, **industrial pollution**, **food safety**,  
and **natural resource depletion**,  
among other issues.”

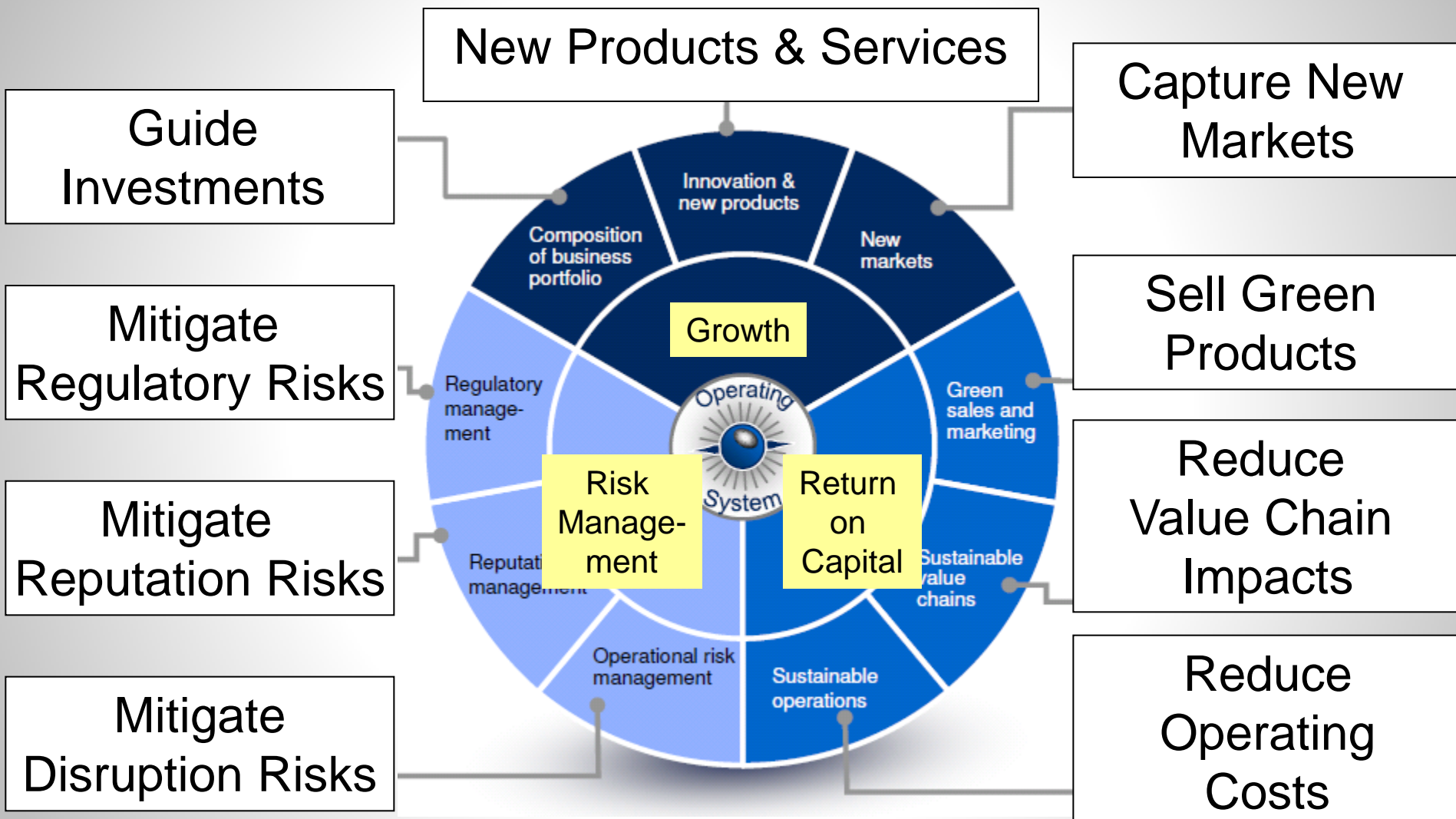




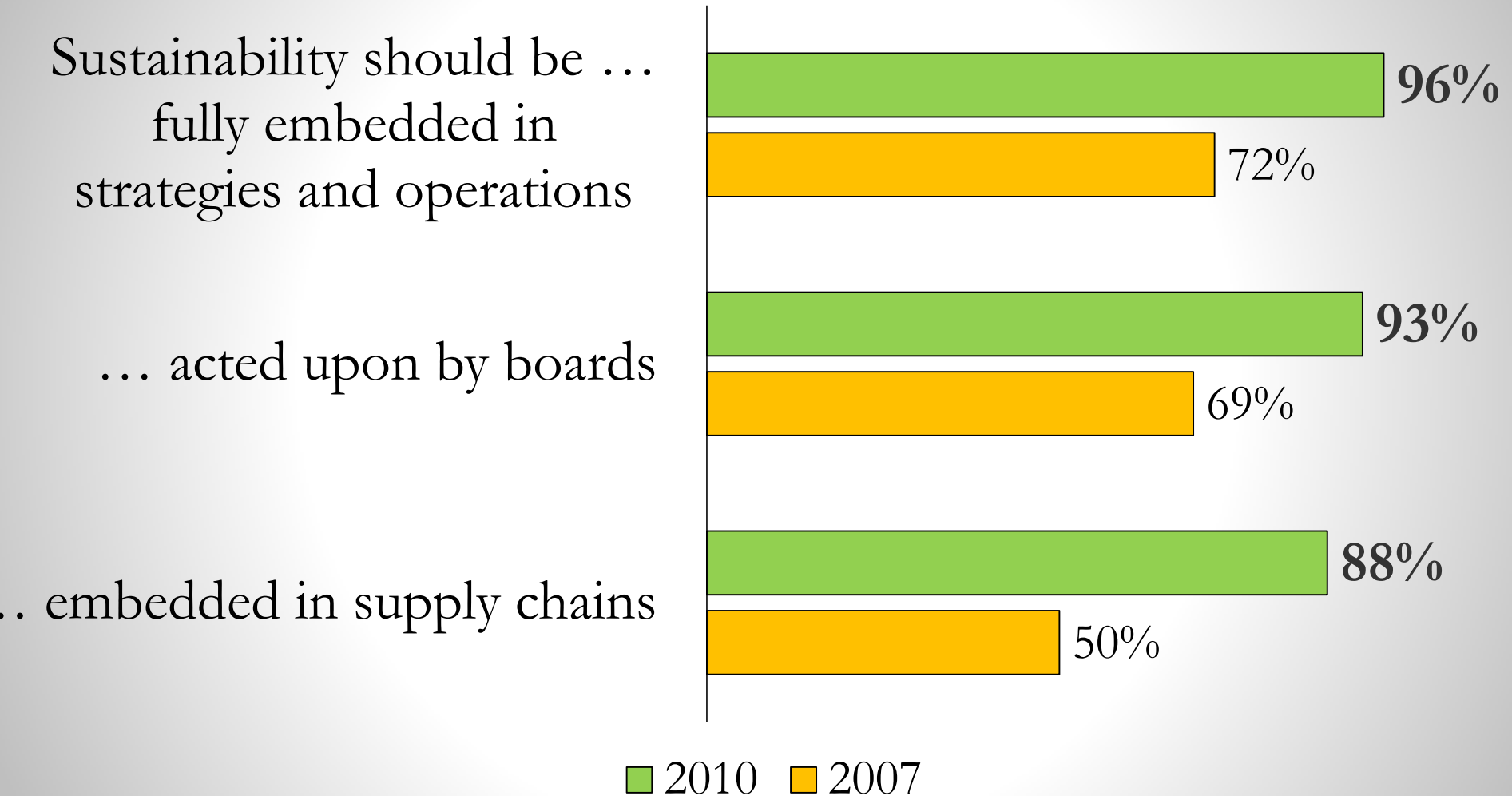
“Capitalism is under siege ...  
The purpose of a business must be redefined  
around creating shared value (CSV)...  
How to **reinvent capitalism**—and  
unleash a wave of innovation and growth”



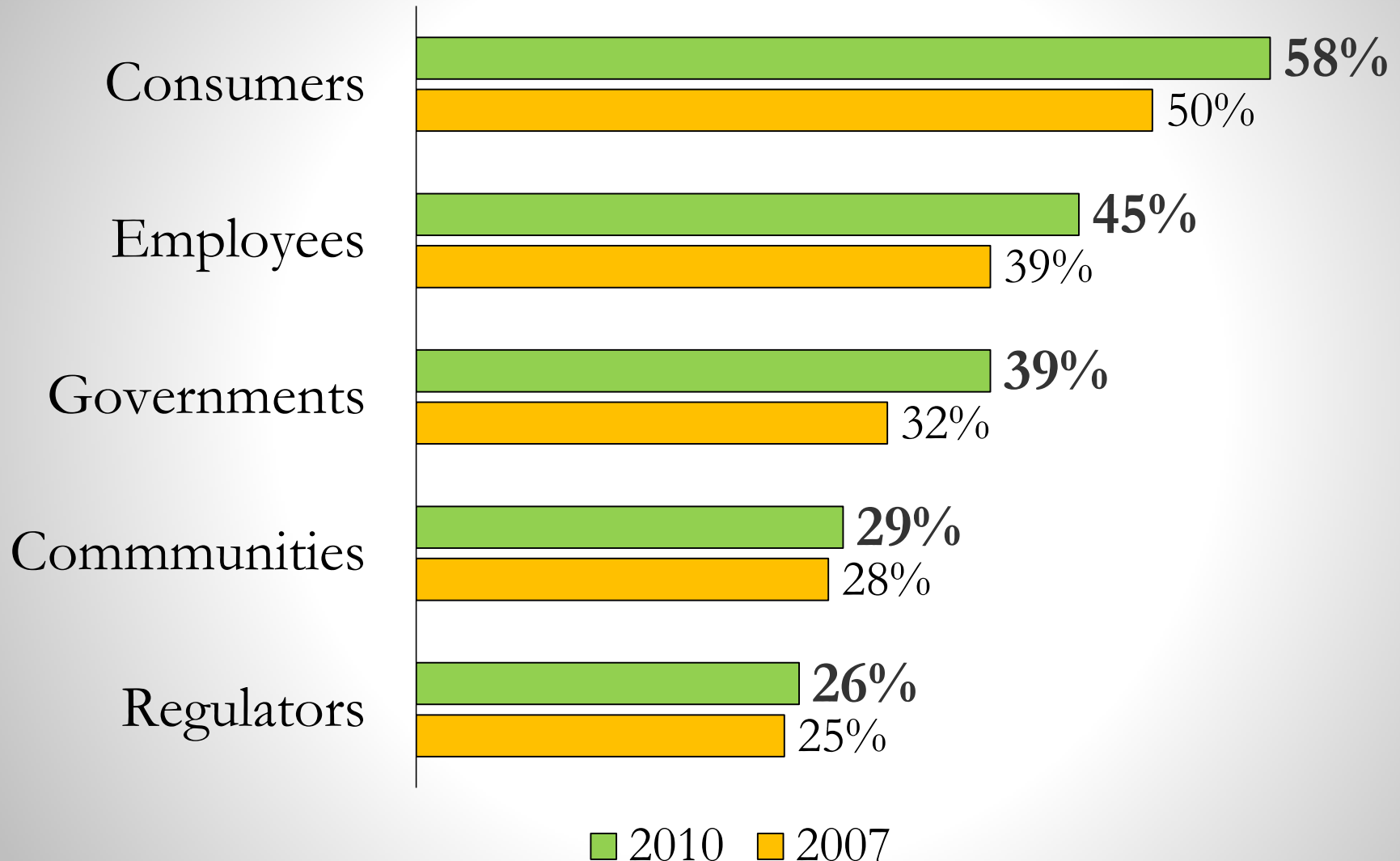
# VALUE CREATION LEVERS



# CEO MINDSET IS SHIFTING



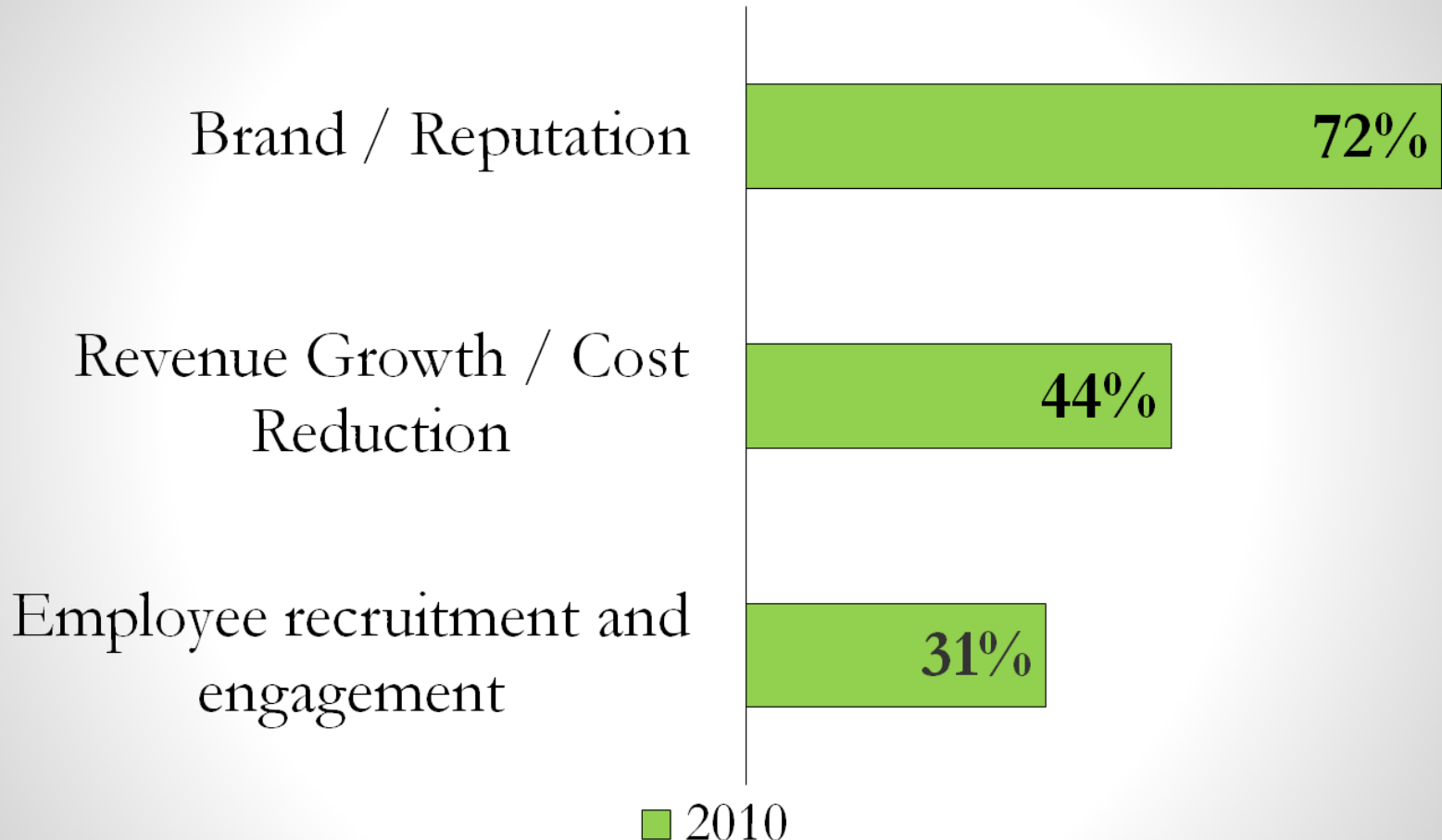
# STAKEHOLDERS INFLUENCE CEOs



UN Global Compact and Accenture study, survey of 766 worldwide CEOs, June 2010

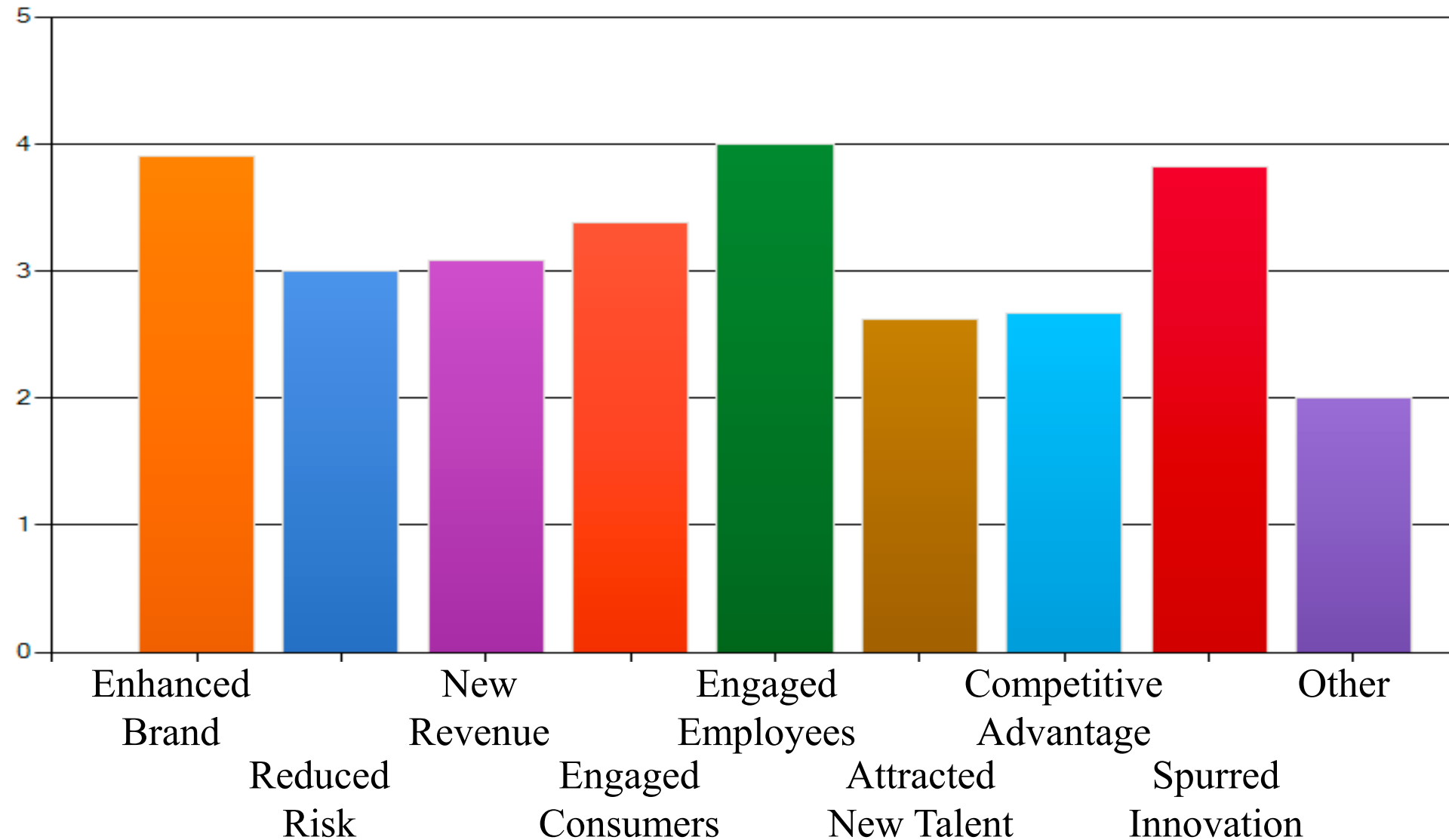


# CEOs' SUSTAINABILITY DRIVERS



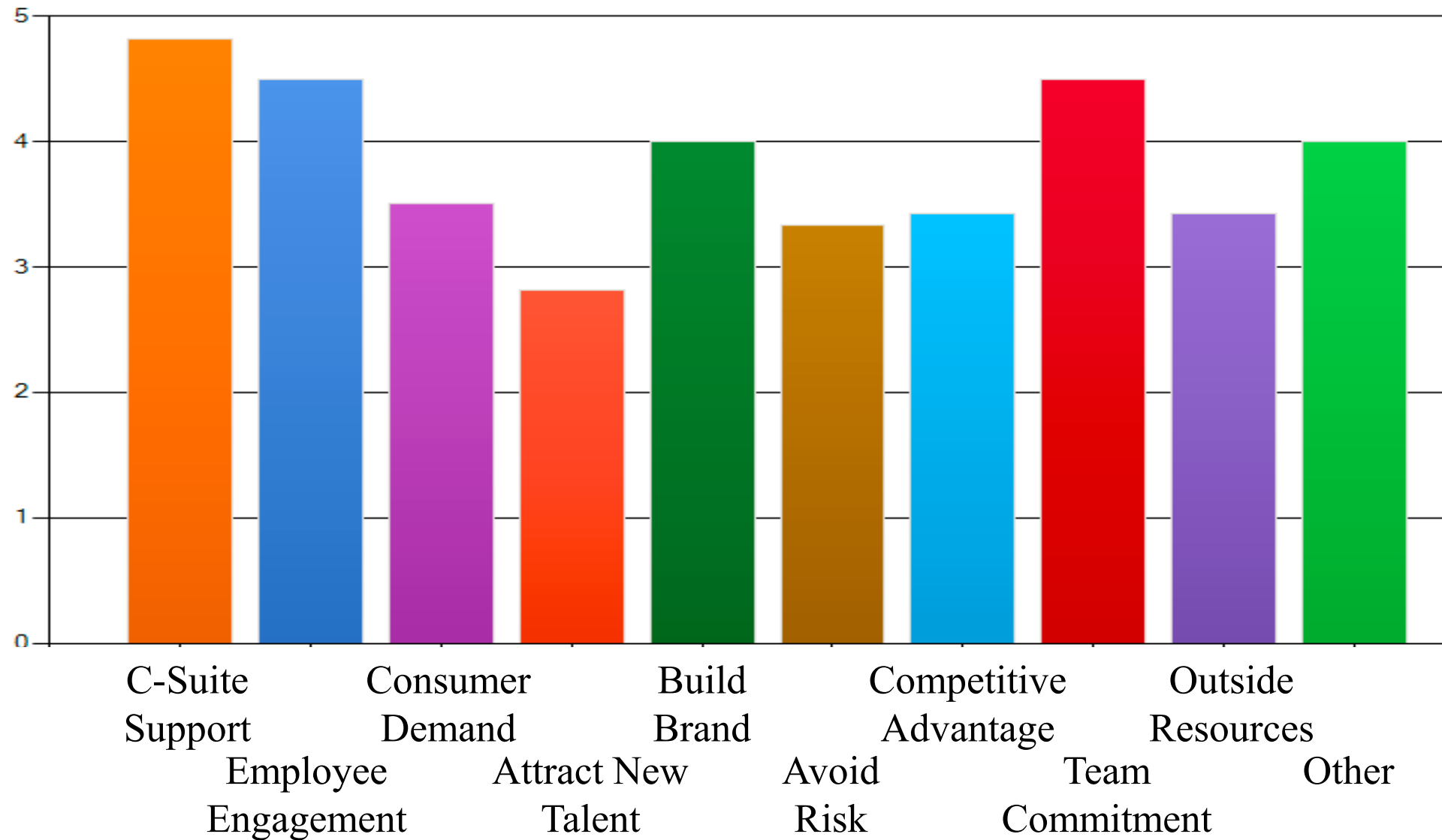
UN Global Compact and Accenture study, survey of 766 worldwide CEOs, June 2010

# FMI: KEYS TO PAST SUCCESS



Survey of FMI Executive Committee, September 2012

# FMI: KEYS TO FUTURE SUCCESS



Survey of FMI Executive Committee, September 2012

# ENABLERS vs. ONE MORE GOAL?

Profit

Share price

Growth

Revenue

Market share

Expenses



Talent wars

Productivity

Innovation

Brand image

Quality

Compliance

Supply security

~~“SUSTAINABILITY”~~



**SUSTAINABILITY STRATEGIES**



# SUSTAINABILITY BUSINESS CASE

## Opportunities

## Income Statement

## Risks

1. Increased revenue

9%

Revenue

2. Reduced energy

75%

3. Reduced waste

20%

4. Reduced materials

10%

5. Increased productivity

2%

6. Reduced turnover

25%

Expenses

7. Reduced revenue and  
increased expenses

SUSTAINABILITY  
CAPITAL RESERVE

+51 to  
+81%

PROFIT

-16 to  
-36%



<i>Company Data Profile</i>	<i>Small Professional Services</i>	<i>Large, Manufacturing &amp; Distribution</i>
Revenue	\$1,000,000	\$500,000,000
Energy expense	\$20,000	\$10,000,000
Materials and water expense	\$50,000	\$150,000,000
Total salary / payroll expense	\$300,000	\$150,000,000
Profit	\$70,000	\$35,000,000
Average salary	\$50,000	\$40,000
Number of employees	6	3,750

Potential profit increase

51%

81%

Potential profit at risk

-16%

-36%

# KRAFT PACKAGE LIGHTWEIGHTING



Using its Packaging Eco-Calculator, Kraft Foods **removed 150M pounds of material from its supply chain by 2010.**



- Oscar Meyer Deli Creations package: **30% less paperboard**



- Milka chocolate bars (EU): fewer packaging layers; shipping cases **60% lighter**

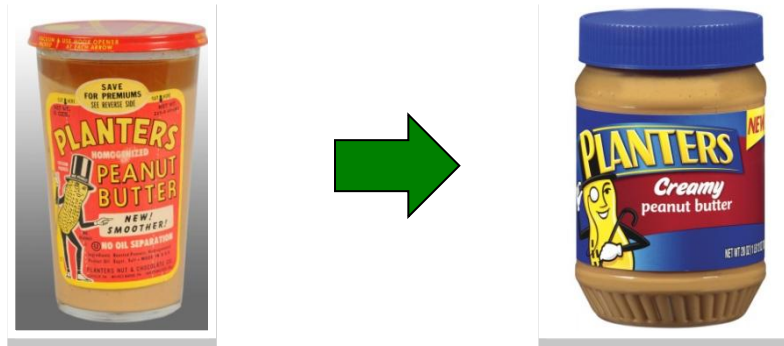


- Maxwell House, Yuban and Nabob coffee (UK): **35% lighter** composite paperboard cans vs. steel cans.

Environmental Leader, "Kraft Sheds 150M Pounds of Packaging," January 28, 2010.

# FURTHER KRAFT LIGHTWEIGHTING

Kraft Foods cut 45M pounds of packaging, 2010-2012,



New Planters peanut butter jars: 100% recyclable, BPA-free plastic; weigh **84% less than glass jars**; require **25% fewer trucks** for transportation.

Plan to cut *energy* use, *CO<sub>2</sub> emissions*, and *water* use by **15%** between 2010 and 2015

# CONSUMERS ARE CONFUSED

- 73% of consumers want companies to provide **more environmental information** on the product packaging to help inform their shopping decisions
- 71% wish companies would do a better job helping them understand the **environmental terms** they use to talk about their products and services.



# WALMART PACKAGING SCORECARD



Packaging Attributes	% Weight
GHG / CO <sub>2</sub> per ton of Production	15
Material Value	15
Product / Package Ratio	15
Cube Utilization	15
Transportation	10
Recycled Content	10
Recovery Value	10
Renewable Energy	5
Innovation	5
Total	100

Based on consultations with the Packaging Sustainable Value Network  
<http://www.walmartstores.com/sustainability/9125.aspx>



# WALMART PACKAGING GOAL

Reduce packaging in its supply chain by 5%, 2008-2013

## Benefits

- More product on shelves
- Keep 200,000 trucks / year off the road (660,000T of CO<sub>2</sub>)
- Reduce warehousing costs

Save the company more than **\$3.4B**

“Nothing Says ‘Green Supply Chain’ Like Innovative, Sustainable Packaging,”  
July 8, 2011, [sustainablebusinessforum.com](http://sustainablebusinessforum.com);



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# RESOURCES

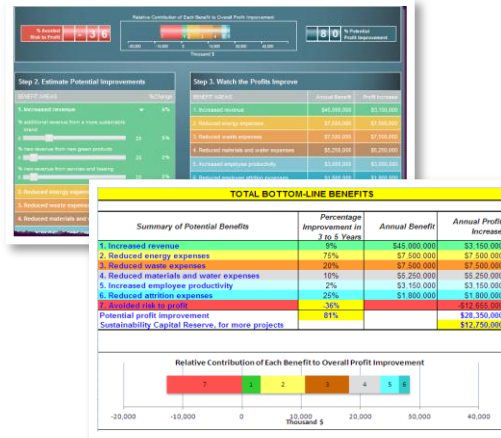
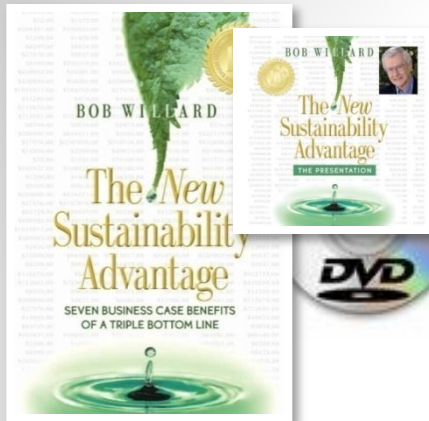
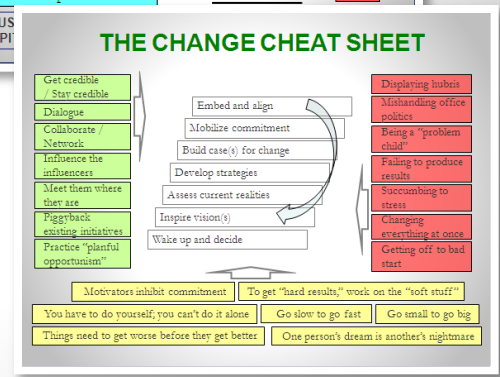
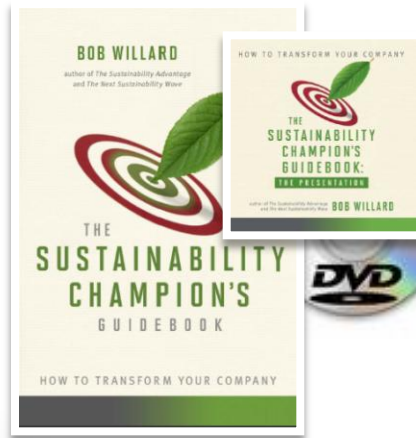
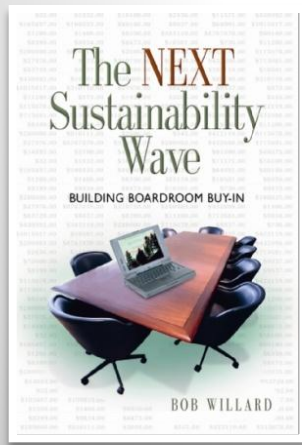
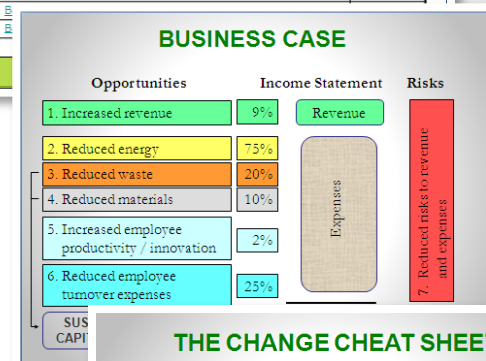


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