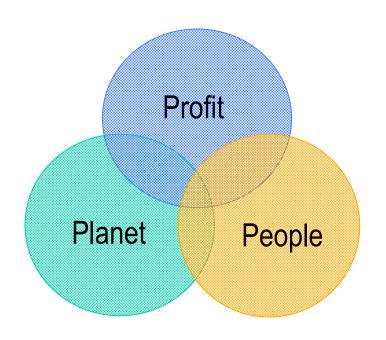
Developing a Sustainability Program

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Introduction

- Dramatic changes in a company's operating environment have made "how" companies do business an increasingly important factor in brand reputation and, in turn, shareholder value.
- Corporate social responsibility (CSR) encompasses an array of social, environmental, and governance issues across a company's operations and throughout their supply chain.
- Virtually all business operations can have negative impacts and present both risks and opportunities. Successful organizations will seize opportunities and minimize risks while meeting their financial return requirements.
- An effective CSR strategy and action plan supports the company's business strategy and corporate values in a fiscally responsible manner.

What is "corporate social responsibility" or "sustainability"



Sustainability

the practical ability to satisfy the basic needs of today without compromising the ability of future generations to satisfy their need.¹

¹ Our Common Future, Report of the World Commission on Environment and Development, World Commission on Environment and Development, 1987.

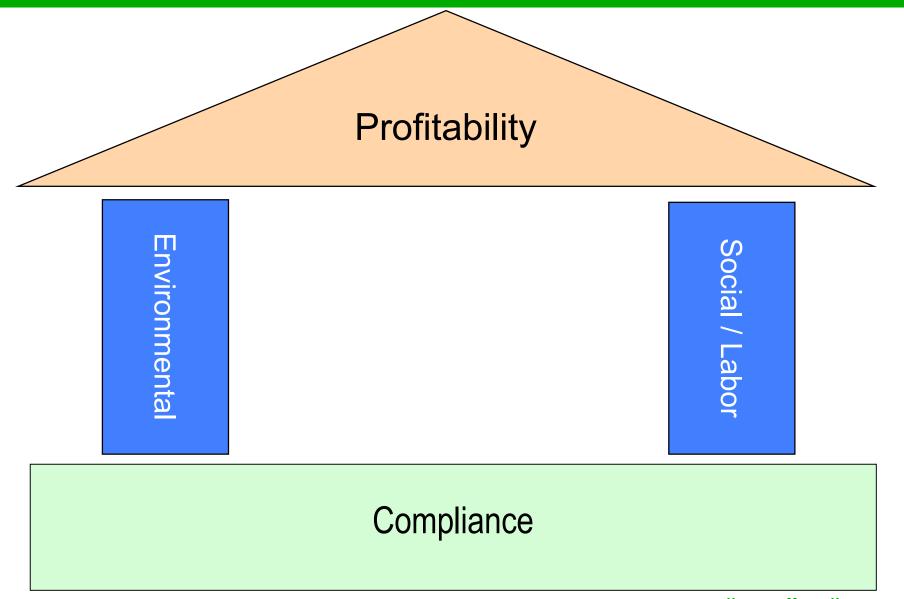
The importance of sustainability components will differ for every sector

Financial Returns
Shareholder Value

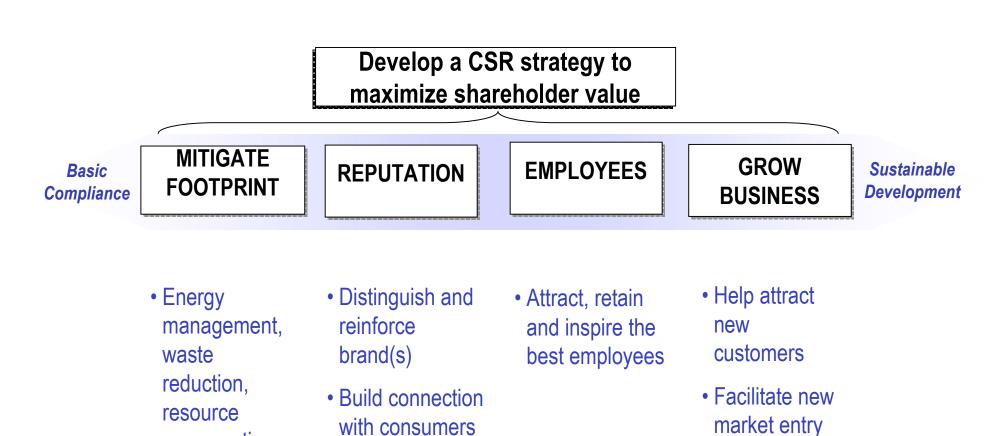
Energy / Climate Change
Natural Resources
Waste / Pollution
Biodiversity

Health & Safety
Child and Forced Labor
Discrimination
Poverty / Injustice
FOA/ Collective Bargaining

A strong compliance program is an important foundation of CSR



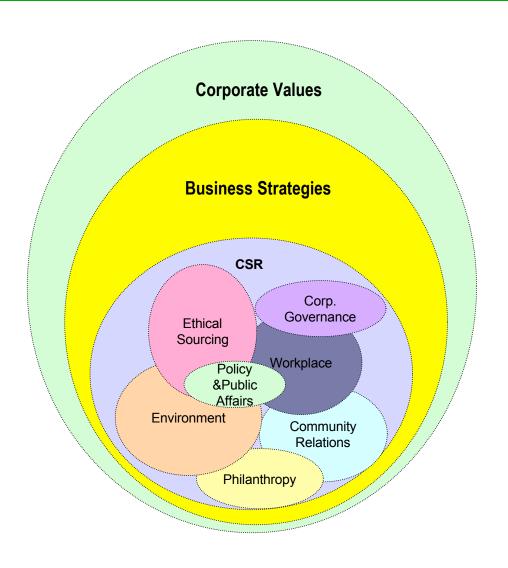
Making a case for corporate social responsibility - moving beyond compliance to maximize value



conservation,

etc.

Sustainability objectives should be integrated into the Company's overall CSR efforts and support the most important business objectives



An CSR strategy has many components and should be:

- Integrated
- Balanced
- Efficient
- Strategic
- Authentic

Businesses have impacts throughout their supply chains. The opportunity lies in minimizing the impacts in a way that provides financial return







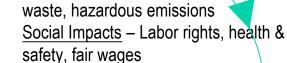
Product Production

<u>Environmental Inputs/impacts</u> – Water, energy, chemicals, materials, waste, hazardous emissions
<u>Social Impacts</u> – Labor rights, health & safety, fair wages

Raw Materials Cultivation and Production

Environmental Inputs/impacts – Water, energy, chemicals, ecosystem degradation, waste, hazardous emissions

Social Impacts – Labor rights, health & safety, fair wages



Transportation of Goods

Environmental Inputs/impacts - Energy,

Distribution/Retail

Environmental Inputs/impacts – Water, energy, chemicals, materials, waste, hazardous emissions

Social Impacts – Health & safety, benefits,

diversity

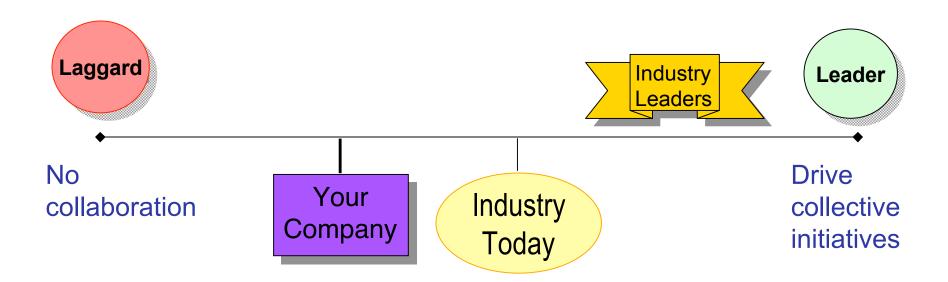
Consumer Use and Disposal

<u>Environmental Inputs/impacts</u> – Water, energy, waste, emissions <u>Social Impacts</u> – Health & safety



An inventory of your company's efforts and a benchmark against peers can provide helpful insight

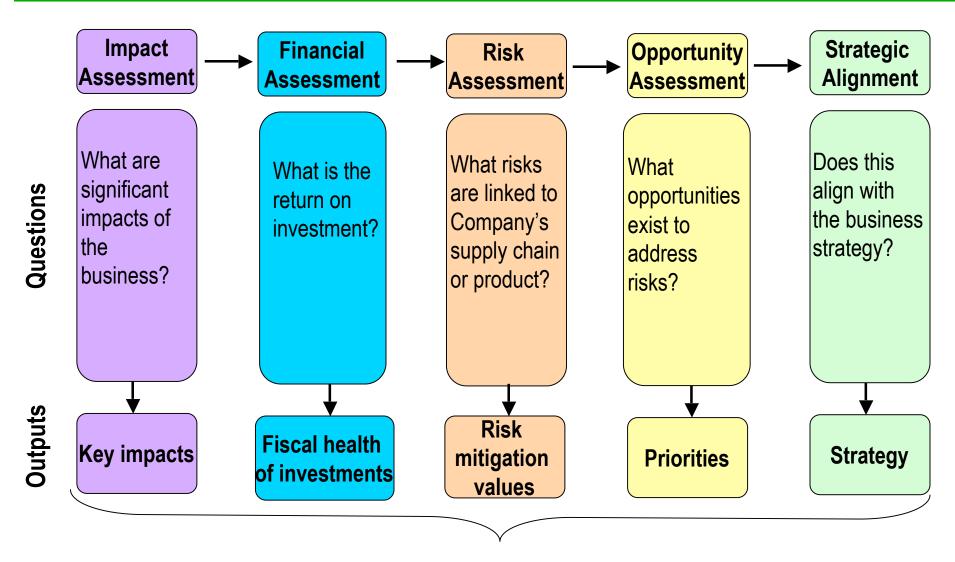
Industry Collaboration



Understanding your level of influence and opportunities to promote sustainability along the supply chain will help establish priorities

Raw Materials	Production	Transportation of Goods	Facility Construction	Facility Operations	Product Use	
↓	-	↓		↓	↓	
Weak Influence	Limited Influence	Limited Influence	Direct Control	Direct Control	Weak Influence	
↓		↓		•	↓	
Explore	Promote	Promote	Action	Action	Promote	
				liz muller , llc 10		

Assessing financial and sustainability risk and opportunities will mitigate risk, maximize efficiency and enhance business alignment

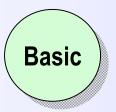


Strategic CSR program that is supported by the business.

Communicate your efforts in a way that is understood and valued by your stakeholders



Every company would benefit from developing a long-term strategy that can be supported by the business and understood by stakeholders





Short-Term

- Understand impacts/opportunities
- Create strategy and vision/mission statements
- Establish key performance indicators (metrics)
- **▶** Engage internal partners
- Develop action and communication plans

Mid-Term

- Implement strategy
- **▶** Capture metrics
- Engage external partners

Long-Term

Continuous improvement

Questions and discussion

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