



Driving Business Sustainability

Core Sustainability Breakfast:

Sustainable Accounting:

How Sustainability has Expanded the CFO's Role

February 8, 2012

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Topic

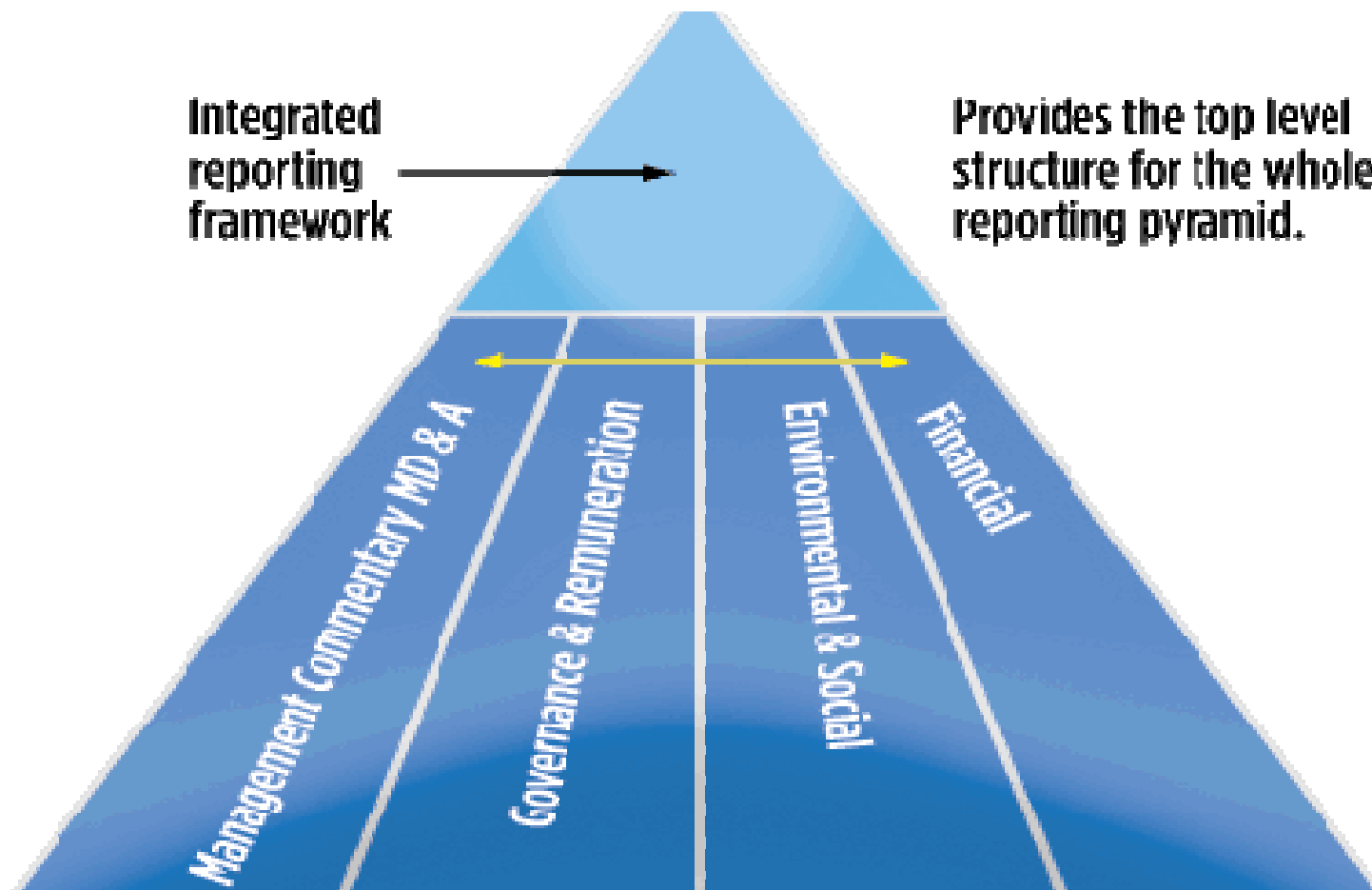
- How U.S. companies use integrated reporting to achieve operational control and monitor financial risk management.



Background – Odessa, Texas 2010



Integrated Reporting



Sustainability – Paradigm Shift

Frank and Ernest



P&G Sustainability Reporting

- Sustainability is about ensuring a better quality of life today, for people and our planet.

Products



GOAL

Develop and market at least \$50 billion in cumulative sales of “Sustainable Innovation Products,” which are products that have an improved environmental profile.⁽¹⁾

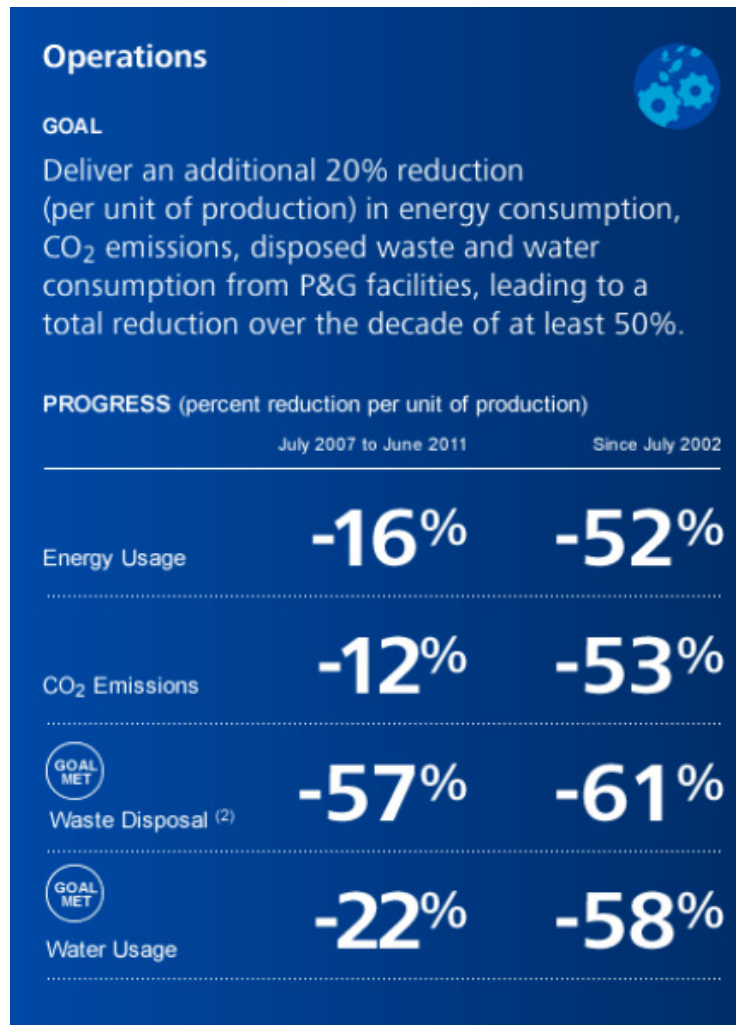
PROGRESS (in U.S. dollars)

July 2007 to June 2011

\$40 billion

Cumulative sales of Sustainable Innovation Products

P&G Sustainability Reporting



P&G Sustainability Reporting

Social Responsibility



GOAL

Enable 300 million children to Live, Learn and Thrive.⁽³⁾ Prevent 160 million days of disease from unclean water and save 20,000 lives by delivering 4 billion liters of clean water through our P&G Children's Safe Drinking Water program.⁽⁴⁾

PROGRESS

July 2007 to June 2011

LIVE, LEARN AND THRIVE

Number of Children Reached



315
million

P&G CHILDREN'S SAFE DRINKING WATER PROGRAM

Liters of Clean Water Delivered

2.9
billion

Days of Disease Prevented

115
million

Lives Saved

>14,000
lives

P&G Sustainability Report



Strategy 1: Products

GOAL. Develop and market at least \$50 billion in cumulative sales of "sustainable innovation products," which are products that have an improved environmental profile.

PROGRESS
(in billions of U.S. dollars)

Cumulative Sales
since July 2007

Cumulative sales of sustainable innovation products	\$26.5
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Strategy 2: Operations

GOAL. Achieve an additional 20% reduction (per unit production) in CO₂ emissions, energy consumption, water consumption and disposed waste from P&G plants, leading to a total reduction over the decade of at least 50%.

Progress
(percent reduction per unit production)

Since
July 2007

Since
July 2002

	Since July 2007	Since July 2002
Energy Usage	-14%	-50%
CO ₂ Emissions	-11%	-53%
Waste Disposal	-50%	-55%
Water Usage	-16%	-55%



Strategy 3: Social Responsibility

GOAL. Enable 300 million children to Live, Learn and Thrive. Prevent 60 million days of disease and save 20,000 lives by delivering 4 billion liters of clean water to our Children's Safe Drinking Water program.

Progress

Since July 2007

LIVE, LEARN AND THRIVE

Number of Children Reached	210 million
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CHILDREN'S SAFE DRINKING WATER

Liters of Clean Water Delivered	1.5 billion
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Days of Disease Prevented	60 million
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Lives Saved	7,450
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**P&G Report Card
2012 Sustainability Goals**

Interface Corporation

- Interface Corporation is a floor manufacturing company in the United States and one of Fortune Magazine's Most Admired Companies in America. They adopted a Mission 2020 goal to eliminate all negative impact on the environment. They say that:
- “Every creative, manufacturing and building decision we make will move us closer to our goal of eliminating any negative impact our companies may have on the environment by the year 2020.”

Interface Corporation

The Interface Story

Myth: You have to choose between the environment and economics

- 
- 82 % Net GHG Emissions
 - 60 % Fossil Fuel Usage
 - 44 % Energy Usage / Unit
 - 75% Water Usage

Interface



Sales increase – 66 %
Net profit increase 100%

Breaking News



Trends

- **International Integrated Reporting Council – IIRC**

- Develop Framework for Integrated Reporting
- December 2011 – Discussion Paper

Towards Integrated Reporting – Communicating Value in the 21st Century

www.discussionpaper2011.theiirc.org/summary

- **UN is proposing mandatory sustainability reporting for companies**

<http://www.environmentalleader.com/2012/01/31/un-documents-propose-mandatory-sustainability-reporting/>

Conversation

