

# Social and Environmental Issues & the Bottom Line

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# Overview

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### Economic Viability

- reliability of future earnings
- achievable projected growth rate
- lasting franchise/brand

# Wall Street and Sustainability

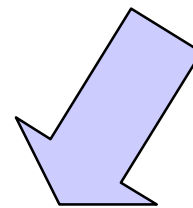
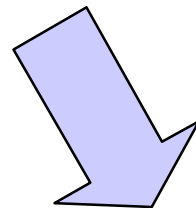
## Definition of Sustainability

### Economic Viability

- reliability of future earnings
- achievable projected growth rate
- lasting franchise/brand

### Corporate Citizenship

- inclusion of broader stakeholders
- social and environment factors



**SUSTAINABILITY**

## Perception & Reality

### Hurdles

- **Efficient Market Theory**
- **Capital Markets Theory**
- **Short-term investment horizon**
- **Lack of standardized disclosure**

### Opportunities

- **Not all information about markets is known**
- **SRI investors generally do not eliminate entire sectors**
- **Social and Environmental Innovation drives long-term competitiveness**
- **New reporting efforts**

# Drivers of "Sustainability"

## ■ Investor Perspective

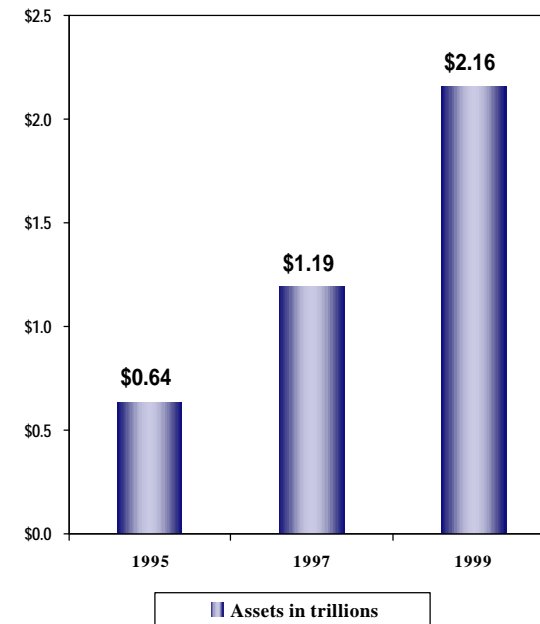
- socially responsive investors
- main stream investors

## ■ Corporate Perspective

- ↓ cost reduction
- ↑ employee
- ↑ management reputation
- ↑ public perspective

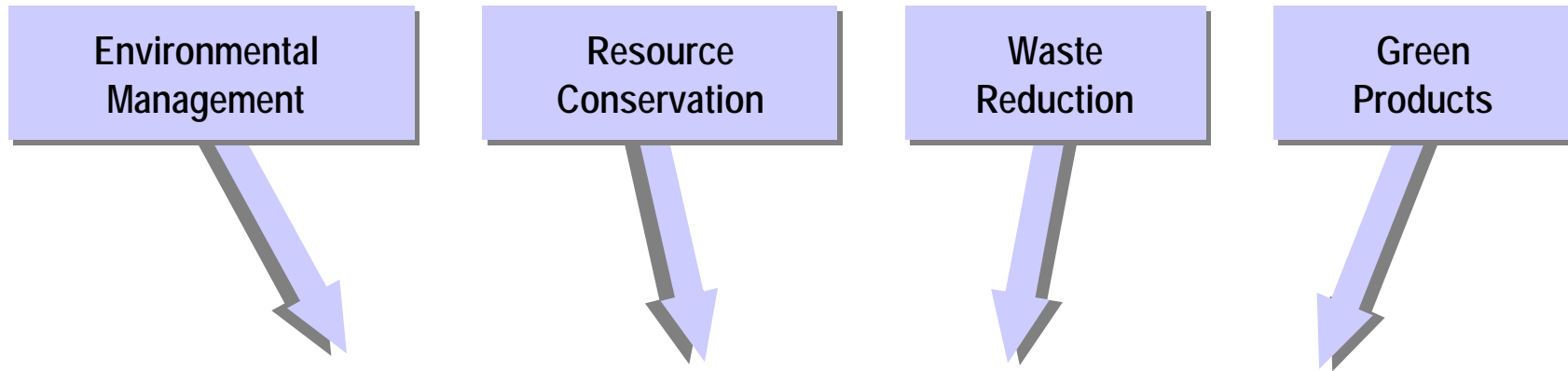
## • Size of Industry

SIF Report \$2 Trillion in US market:  
1 out of every 8 dollars is SRI.  
([www.socialinvest.org](http://www.socialinvest.org))



# Environment and the Bottom Line

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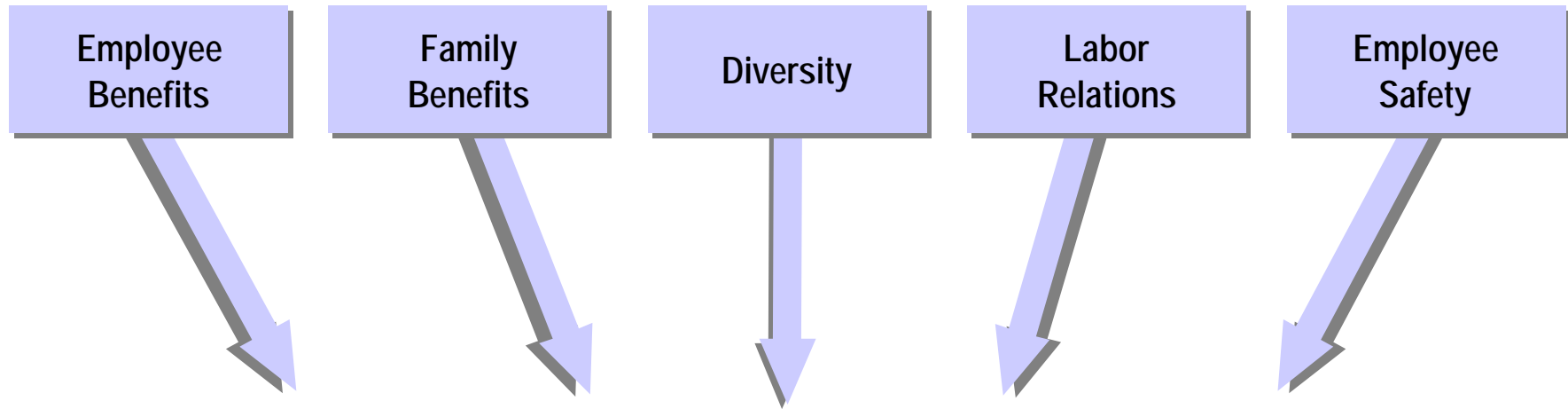


## MAY RESULT IN:

- Reduced Resource & Disposal Costs
- Decreased Penalties & Liabilities
- Access to New Markets

# Workplace Issues and the Bottom Line

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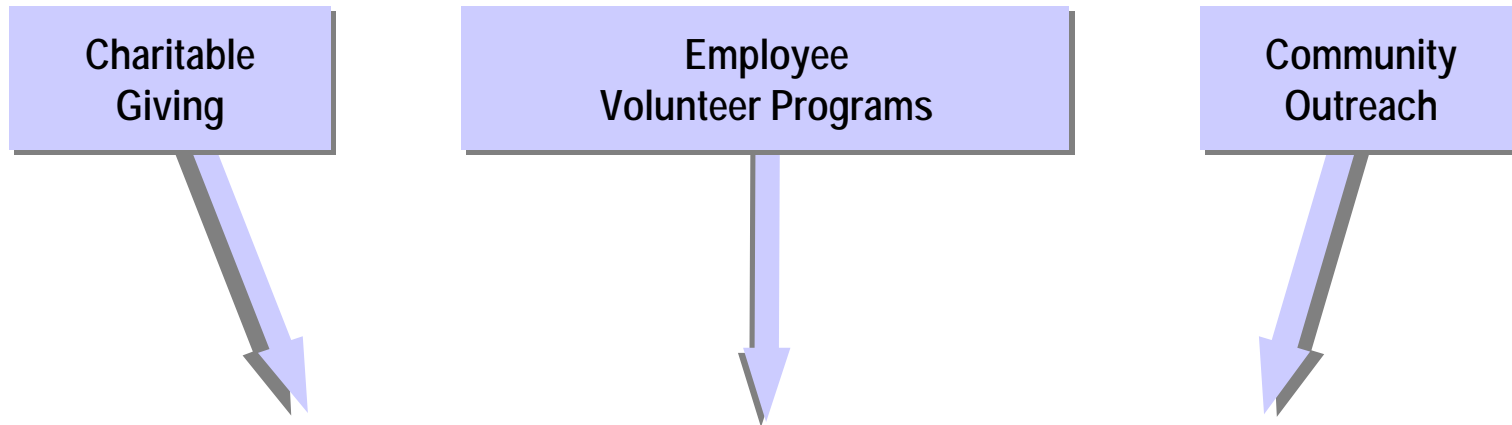


## MAY RESULT IN:

- Lower Turnover and Absenteeism
- Higher Productivity
- Innovation

# Community and the Bottom Line

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## MAY RESULT IN:

- Improved Corporate Image
- Heightened Product Visibility
- "Right to Operate"