

## ***Why are we needed?***



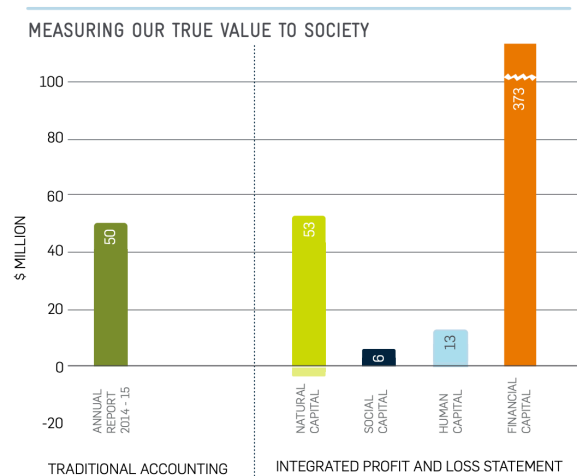
***"Yes, the planet got destroyed. But for a beautiful moment in time we created a lot of value for shareholders."***

# “Capitals Thinking” Led to New Insights & Methods for Better Business Decisions at Yarra Valley Water...

“IP&L” : Changed How YVW Measures Value..



Impact Evaluations: Changed how YVW Plans to Improve Social Value



Source: Yarra Valley Water (2016) Integrated Profit and Loss Report (IP&L). GIST Advisory and Trucost



Sustainability Strategy....

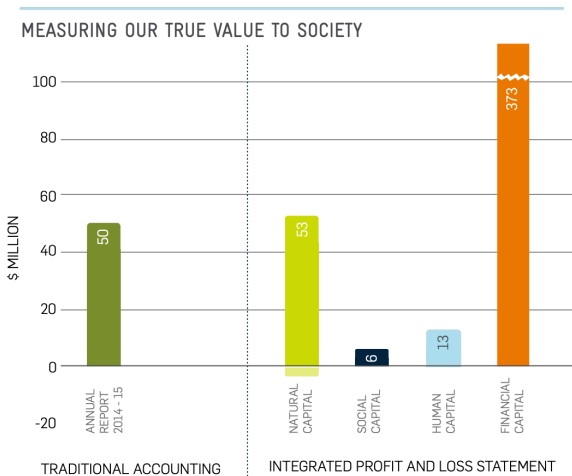
Program	Sub-Program	FY 15-16			Total NPV up to 2020 (@3% Discount Rate)		
		SCX	Cost	SROI	SCX	Cost	SROI
Program 1: WaterCare	URGS	\$ 0.56	\$ 0.02	2800%	\$1.52	\$0.07	2080%
	Arrange & Save	\$ 1.41	\$ 2.11	67%	\$4.42	\$6.57	67%
	Water Audits	\$ 0.25	\$ 0.02	1044%	\$1.74	\$0.07	2447%
	Concessions	\$ 2.44	\$ 0.18	1328%	\$6.88	\$0.56	1224%
	Hardship Grants (Other)*	\$ 3.41	\$ 3.24	105%	\$10.35	\$9.86	105%
ChooseTap Program*		\$ 1.87	\$ 0.51	367%	\$5.68	\$1.56	364%
Program 2: Customer Contribution	Right to Reject (Rounding-up to next 50 Cents)	N.A.	N.A.	N.A.	\$3.36	\$0.07	4724%
Program 3: Education Sessions for New Arrivals		N.A.	N.A.	N.A.	\$7.60	\$1.30	583%
Program 4: Early Learning Kits		N.A.	N.A.	N.A.	\$1.74	\$0.15	1198%
Program 6: Inform & Educate Public on Water Efficiency	SWEP	N.A.	N.A.	N.A.	\$4.18	\$0.12	3389%
Program 9: Corporate Volunteering		N.A.	N.A.	N.A.	\$0.09	\$0.08	103%
TOTAL		\$ 9.94	\$ 6.28	158%	\$ 47.56	\$ 20.41	233%

Source: GIST ADVISORY, Yarra Valley Water (2017) Thriving Communities Program. Social Capital Externalities (SCX™) Evaluation

- ✓ Energy Neutrality by 2025
- ✓ **Doubling Social Value Creation by 2020**
- ✓ **Using multi-Capitals-based Business Decision Making Framework**

# Mapping YVW's Capitals Impacts in terms of SDG Impacts

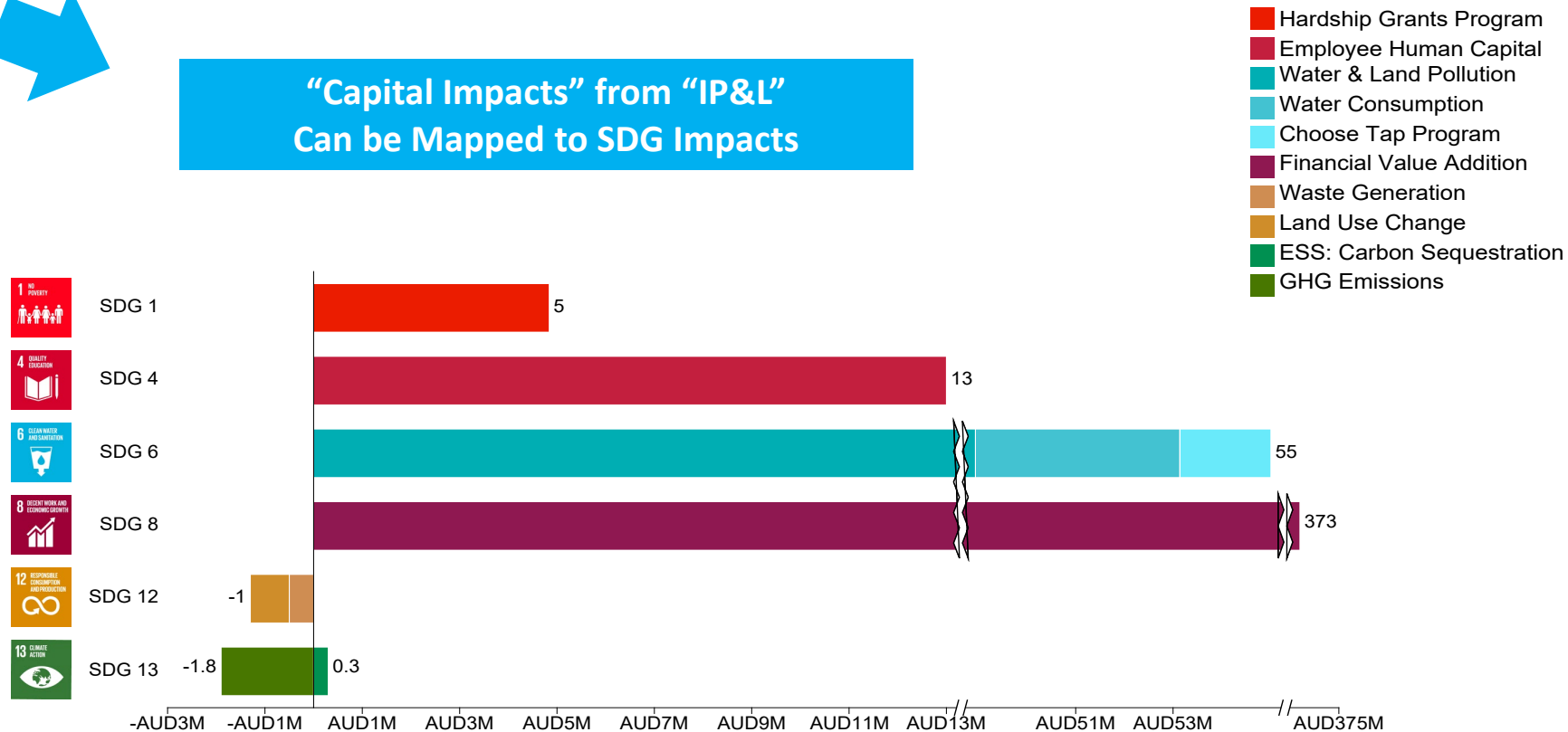
## "IP&L" : Changed How YVW Measures Value..



Source: Yarra Valley Water (2016) Integrated Profit and Loss Report (IP&L). GIST Advisory and Trucost



## "Capital Impacts" from "IP&L" Can be Mapped to SDG Impacts



# Why are we needed?

**“Capital Impacts” measure Corporate Sustainability: Its Impacts on Produced, Natural, Human & Social Capital:-**

Ownership Category	Capital Class	Produced Capital	Human Capital	Natural Capital	
Private Ownership:		<ul style="list-style-type: none"> <li>Factories, Buildings</li> <li>Cash, Securities, Investments</li> <li>Patents, Software, Licences</li> </ul>	<ul style="list-style-type: none"> <li>Health</li> <li>Education</li> <li>Job Skills</li> </ul>	<ul style="list-style-type: none"> <li>Mines</li> <li>Fields, Water bodies</li> <li>Private Forests</li> </ul>	
		<ul style="list-style-type: none"> <li>Market design, regulations, rules, etiquette</li> <li>Exchange &amp; OTC rules for delivery and settlement</li> </ul>			Social Capital
Community Ownership: (“Club Goods”)		<ul style="list-style-type: none"> <li>Community Centres &amp; Schools</li> <li>Shared infrastructure for village or neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>Traditional Community Knowledge</li> <li>Community health</li> </ul>	<ul style="list-style-type: none"> <li>Community Forests</li> <li>Grazing Commons</li> <li>Community water bodies</li> </ul>	
		<ul style="list-style-type: none"> <li>Community rules, norms, customs, culture, quality of living</li> <li>Institutions to secure and optimize shared resources</li> </ul>			Social Capital
Public Ownership: (“Public Goods”)		<ul style="list-style-type: none"> <li>Roads</li> <li>Bridges</li> <li>Public Hospitals</li> </ul>	<ul style="list-style-type: none"> <li>Public Databases</li> <li>Non-patent Knowledge</li> </ul>	<ul style="list-style-type: none"> <li>High Seas Fisheries</li> <li>National Parks &amp; Forests</li> </ul>	
		<ul style="list-style-type: none"> <li>Constitutions; Judiciary; Law &amp; order systems; Taxation &amp; public investment systems</li> <li>Social equity; Communal harmony; Cultural diversity</li> </ul>			Social Capital

**NOTE:** The ‘four capitals’ model of <IP&L™>, covers and maps across **all** the six capital of the IIRC’s Integrated Reporting <IR> **framework**, and it is wholly consistent with the **“Inclusive Wealth” (IW)** Reporting capitals framework of the United Nations.