

Accountancy will save the world

Jeremy Nicholls, CEO



The purpose of
accounting?



- Public policy requires accounts that are ‘true and fair’
- This has been interpreted as meaning the information that an investor needs in order to maximise returns
(and made accounting be about money)
- Public policy could define true and fair as what an investor needs to maximise financial returns subject to no material social or environmental costs

Figure 2: KERING GROUP E P&L RESULTS FOR 2013 BY ENVIRONMENTAL IMPACT TYPE AND TIER OF THE SUPPLY CHAIN

	TIER 0 STORES, WAREHOUSE OFFICES	TIER 1 ASSEMBLY	TIER 2 MANUFACTURING	TIER 3 RAW MATERIAL PROCESSING	TIER 4 RAW MATERIAL PRODUCTION	TOTAL IN MILLIONS
AIR POLLUTION 	●	●	●	●	●	8% €64.5
GREENHOUSE GAS EMISSIONS 	●	●	●	●	●	35% €272.2
LAND USE 	●	●	●	●	●	27% €209.9
WASTE 	●	●	●	●	●	5% €37.0
WATER CONSUMPTION 	●	●	●	●	●	11% €83.2
WATER POLLUTION 	●	●	●	●	●	18% €106.2
TOTAL	7% €56.0	13% €100.0	4% €33.70	26% €197.6	50% €385.7	100% €773.0



Social Capital Protocol

Making companies that truly value people more successful

The IPL

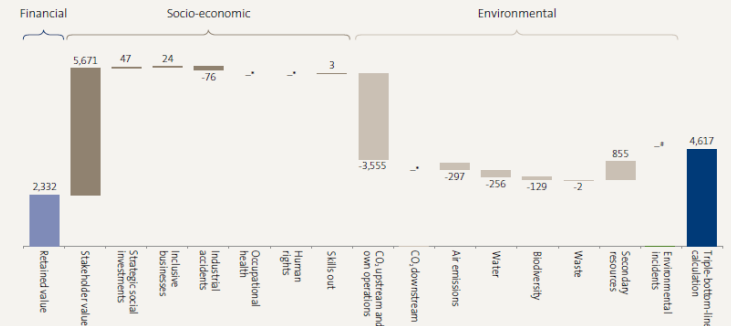
The Integrated Profit and Loss statement

Integrated profit and loss

Creating shared value with integrated thinking



Year: 2014
Scope: Holcim Global
Results in: mio CHF



Separate reports

Financial accounts		IPL	
Assets	50	Social Net	30
Liabilities	-10	Environment Net	-40
		Net	-10
Net assets	40		
Reserves	40		



Full integration

Financial accounts	
Assets	50
Liabilities	-10
SEPL Provision	-10
Net assets	30
Reserves	30

Separate reports

Financial accounts

Assets

Liabilities

Net assets

Reserves



A Discussion Document on Assurance of Social and Environmental Valuations

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Integration

Financial accounts

50

-10

Environmental accounts

-10

Social accounts

30

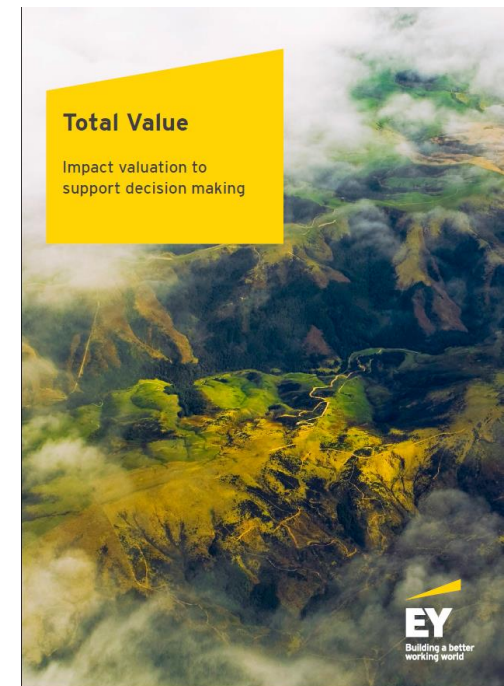
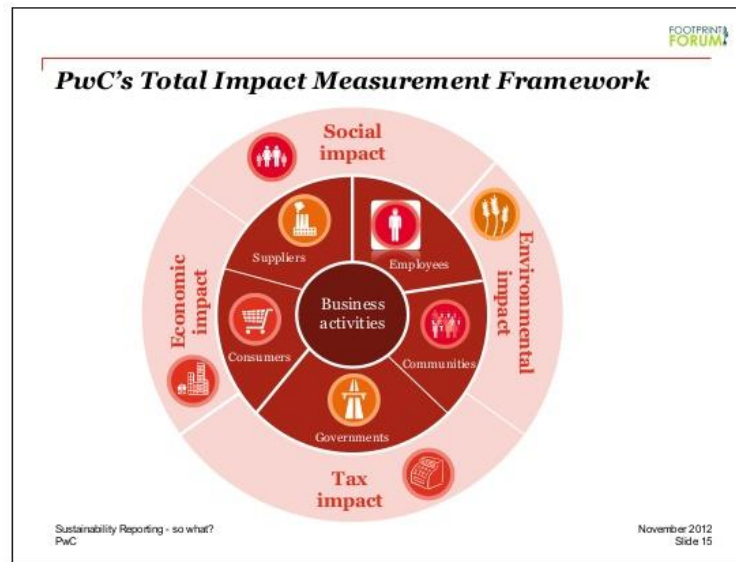
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What skills do accountants need?

They account (identify and value) and audit material transactions;
complete, relevant and accurate

Same thinking , wider coverage as now also account material social
and environmental outcomes

New skills are determining social outcomes from stakeholder
involvement



What skills do accountants need?

They account

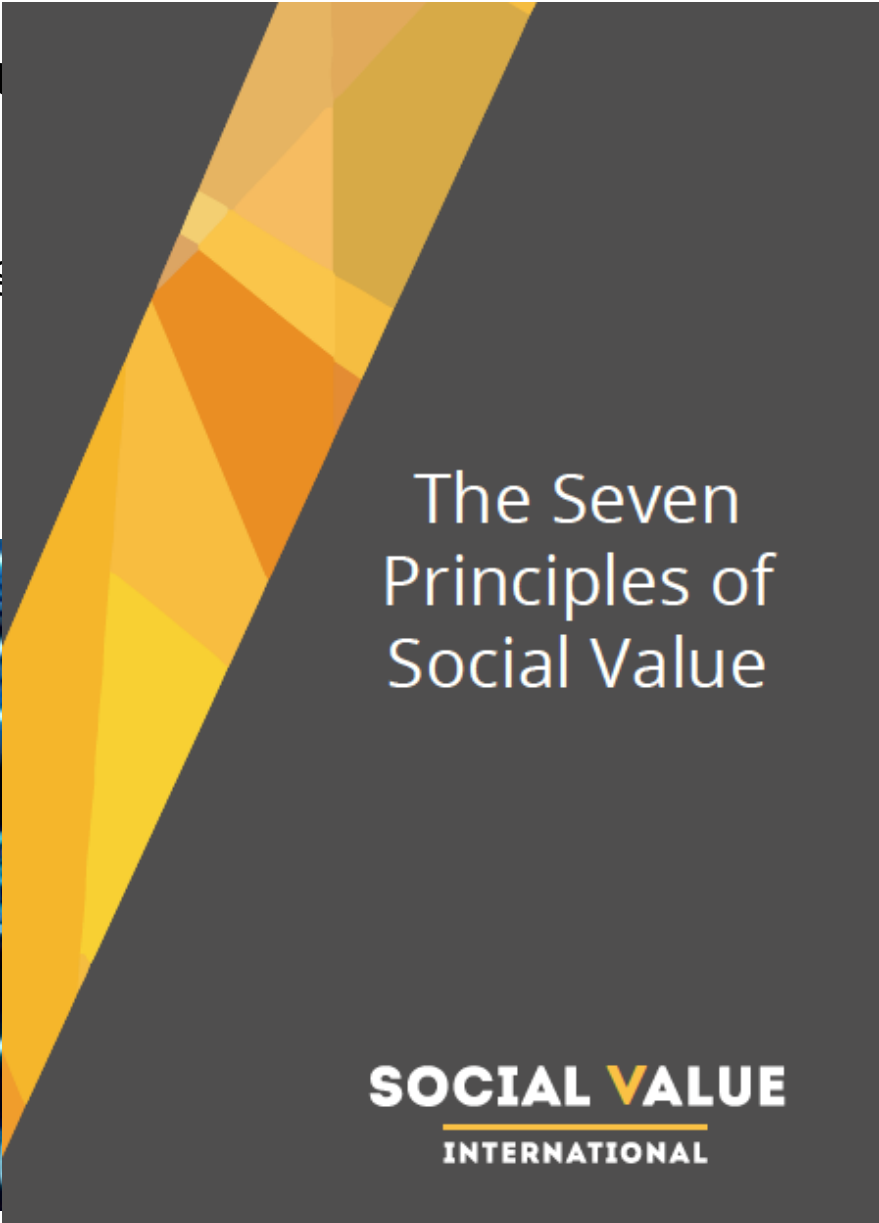
transactions;

Same thinking

material social

New skills

stakeholder



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SOCIAL VALUE

INTERNATIONAL