

PHYSIC
VENTURES

investing in keeping people healthy

Transparency as a Business Strategy

Berkeley Entrepreneurs Forum

March 31, 2011



Macro Changes





The Business Case





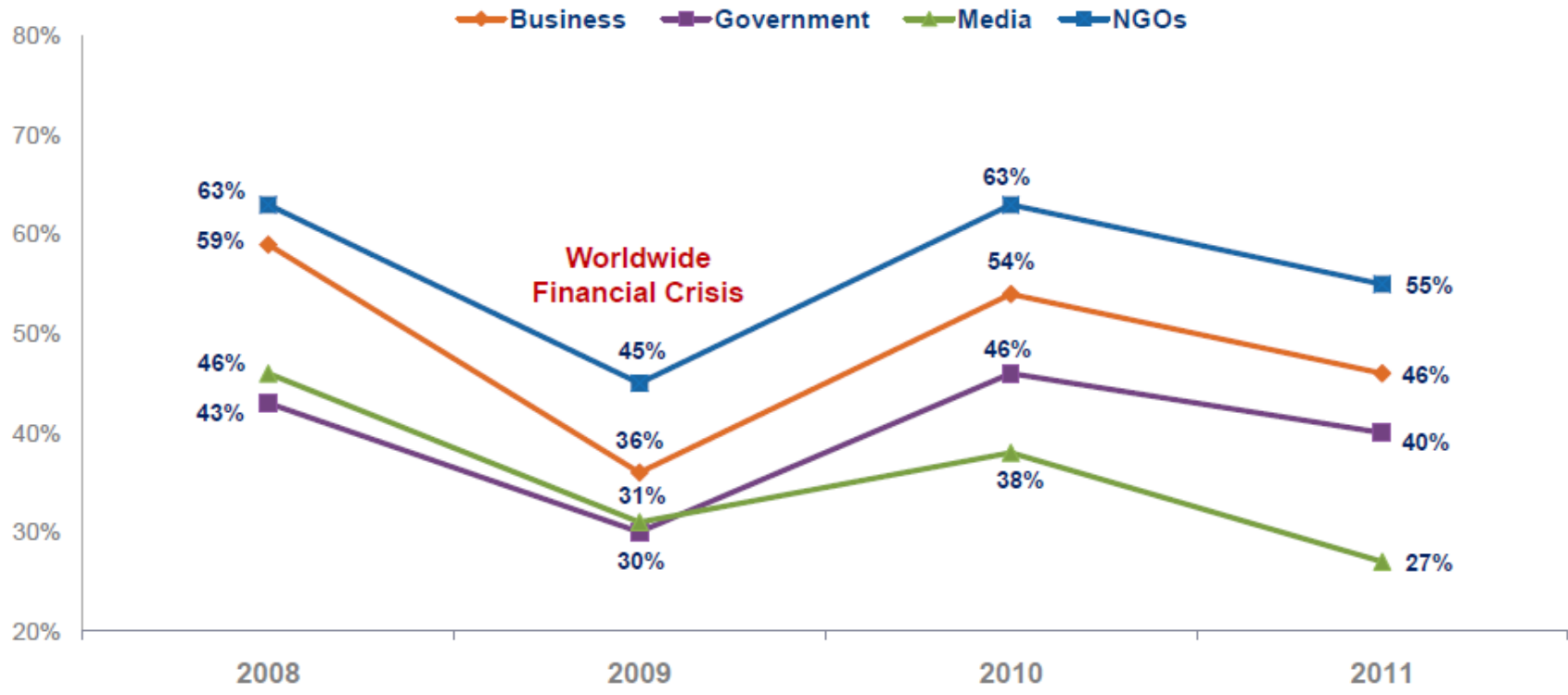
Crisis Management





Edelman Trust Barometer

Trust in Institutions: 2008-2011

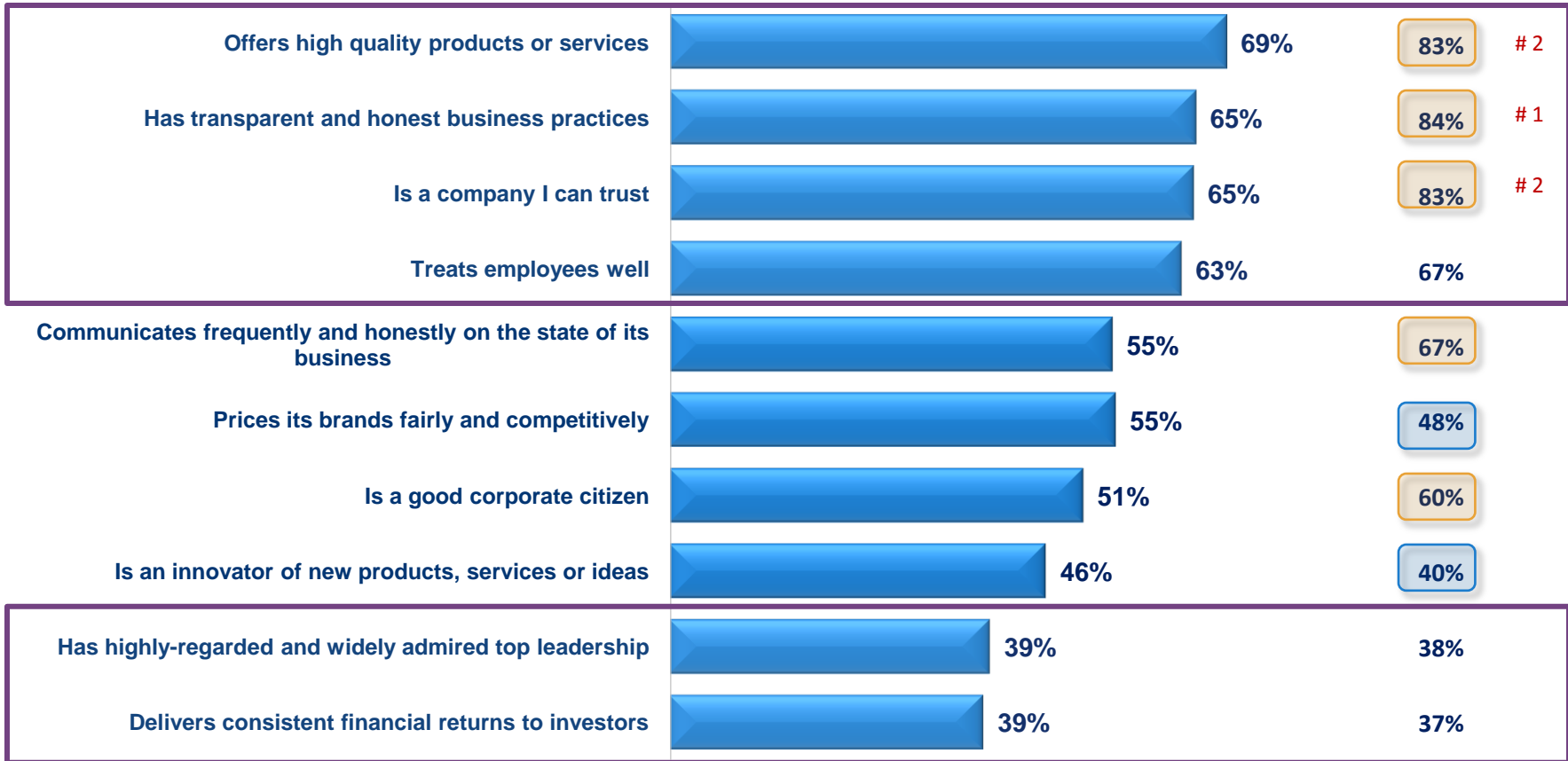


Responses 6-9 on 1-9 scale; 9=highest; Informed publics ages 25 to 64



Transparency is #1 Reputation Factor in the U.S.

Reputation Factors

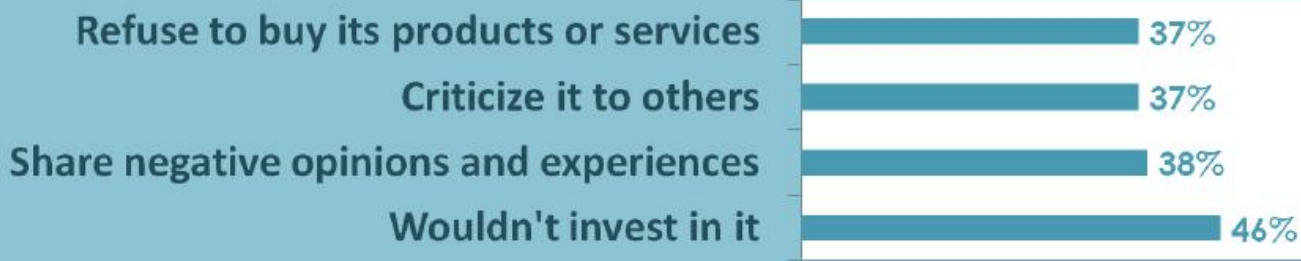


Significant at 95% confidence level compared to global

- B72-81. [TRACKING] How important are each of the following factors to the overall reputation of the company? Please use a nine-point scale where one means that factor is “not at all important” and nine means it is “extremely important” to overall reputation. The first one is [INSERT FIRST]. How important is this factor to overall reputation on a 9-point scale where one means “not at all important” and nine means “extremely important”? (Top 2 Box, Very/ Extremely Important) Informed Publics ages 25-64 in 23 countries and the U.S.



Consumers Response: The Punishment



Q45-49. (Top 2 box, Likely) Global (excludes UAE)





Consumers Response: The Reward



Q39-44. (Top 2 box, Likely) Global (excludes UAE)



The Business Case





Seventh Generation

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Our Inspiration

"In our every deliberation, we must consider the impact of our decisions on the next seven generations."

From the Great Law of the Iroquois Confederacy

The Great Law of the Iroquois gave us our name more than twenty years ago and it's what continues to inspire us every single day.

Our Mission

To inspire a more conscious and sustainable world by being an authentic force for positive change

From the very beginning, we've pushed to have a real impact on our competitors, suppliers, communities, and government. Products may be the vehicle, but far-reaching, genuine change is the mission.

Our Focus

'The Change We Want to See'

Global Imperatives

Restore the Environment

Restore is the next reduce, reuse, recycle. We are working to ensure that our products have a circular lifecycle, meaning natural resources are being used and renewed at a rate that is always below their rate of depletion.

Inspire Conscious Consumption

Our focus is to inspire thoughtful consideration of each purchase—from the immediate impact of the products you buy (is it safe? Is it gentle on the earth? Does it work?), to the broader impact throughout their lifecycle.

'The Different Way We Operate'

Operating Principles

Systems Thinking

As suggested by The Great Law of the Iroquois, we strive to act with the knowledge that our business belongs to a larger system in which everything is interconnected, and that everything we do affects everything else.

Radical Transparency

We believe that the best way to ensure that we live up to our aspirations is to be completely transparent about our business and product practices. You should expect to see all of our values and principles in everything we make, say, and do. It's really that simple.

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*Kills over 99.99% of household germs, specifically: Influenza A, H1N1, Staphylococcus aureus, Salmonella enterica, Pseudomonas aeruginosa and Escherichia coli on hard, nonporous surfaces. Powered By CleanWell™ -



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▼ Features and Benefits

- Kills Influenza A Virus including H1N1
- EPA Registered
- Quick and easy cleaning
- Disinfects while you clean
- Effectively controls odors
- Will not harm hard, nonporous surfaces

▶ [Available Sizes](#)

▶ [Available Scents](#)

+ WE DISCLOSE ALL INGREDIENTS

- Thymol (component of thyme oil)
- Sodium Lauryl Sulfate
- Copper Sulfate Pentahydrate (Bluestone)
- Citric Acid
- Origanum vulgare (Oregano) Oil
- ...click below to view all ingredients

[View All Ingredients.](#) ▶
[See All Material Safety Data Sheets.](#) ▶



Clorox Ingredient Inside Campaign

THE CLOROX COMPANY CORPORATE RESPONSIBILITY

Ingredients Inside

Products:

- Ingredients Inside
- Product Safety
- Product Sustainability
- Fragrances

INGREDIENT TERMS

Clorox uses ingredient names adopted by the Consumer Specialty Products Association (CSPA) and the cosmetics industry (International Names for Cosmetic Ingredients, or INCI) whenever possible for consistency and simplicity. Where it is appropriate, ingredient listings are supplemented with names that are likely to be more meaningful to consumers.

Learn More

THE CLOROX COMPANY CORPORATE RESPONSIBILITY

Ingredients Inside

Formula 409® Antibacterial All-Purpose Cleaner

Ingredients:

- Water
- Propoxypropanol
- Cocamidopropylamine Oxide
- Alkyl C-12-16 Dimethylbenzyl Ammonium Chloride
- Dimethicone/Silica/PEG Distearate Antifoam
- Ethanolamine
- Fragrance
- Liquitint® Blue HP Dye
- Liquitint® Bright Yellow Dye
- Tetrapotassium EDTA

View Material Safety Data Sheet (MSDS)



Formula 409® Antibacterial All-Purpose Cleaner

"This additional information about our products is a natural next step to take for our Ingredients Inside program as we continue to **drive transparency and industry leadership** in the area of product ingredient communication."

--Clorox CEO and Chairman, Don Knauss, February 8, 2011



PepsiCo – Performance with a Purpose

BUSINESS PUTS PURPOSE OUT FRONT



Performance with Purpose

“Our belief that our financial success — Performance — must go hand-in-hand with our social and environmental responsibilities — our Purpose.”

Indra Nooyi
Chairman &
CEO, PepsiCo.





The Business Case





GoodGuide



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- Food ▾
- Household ▾
- Babies & Kids ▾
- Pet Food ▾
- Apparel ▾
- Electronics ▾
- Appliances ▾
- Community

Announcement: GoodGuide now rates [apparel](#), [cell phones](#), [appliances](#), and [lighting](#). Check it out!

Find healthy, green, ethical products according to scientific ratings.

Search scientific product & company ratings...



Mobile Activity Feed

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- 7.8** Burt's Bees Chemical-Free...
7 minutes ago in Greater Sudbury, ON
- 6.9** Degree Antiperspirant & D...
6 minutes ago
- 7.1** Crystal Body Deodorant Ro...
1 minute ago in Southall, England

High Rated

Low Rated



8.1

Green Works Natural Dishwashing Liquid, Free &...
See all household cleaners ratings →

- 10** Health
- 7.5** Environment
- 6.7** Society



3.8

Dawn Ultra Concentrated Dish Liquid, Antibacte...
See all dishwashing ratings →

- 0** Health
- 5.6** Environment
- 5.9** Society



7.7

Levi's
See all jeans ratings →

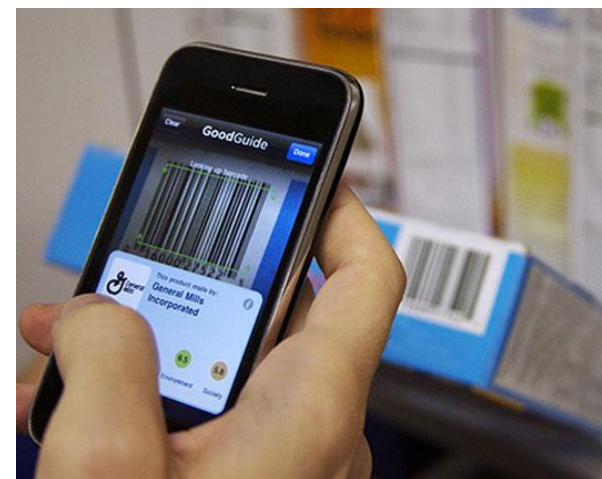
- N/A** Health



4.0

Polo
See all jeans ratings →

- N/A** Health





Castlight Health



Take charge of
your health care

Know your options

Get more for your
money



Panel



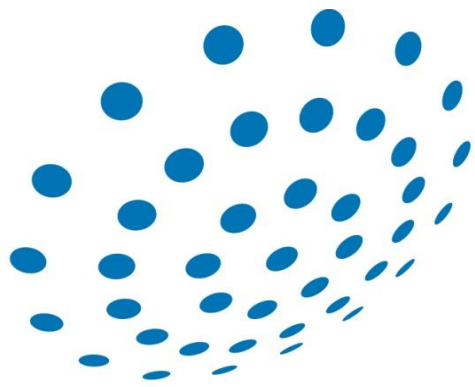
Michael Slaby
Executive Vice President, Global Practice Chair
Edelman Digital



Frank Cooper III
Senior Vice President, Chief Consumer Engagement Officer
PepsiCo Americas Beverages



Nita Sommers
Vice President, Strategy & Business Development
Castlight Health



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investing in keeping people healthy