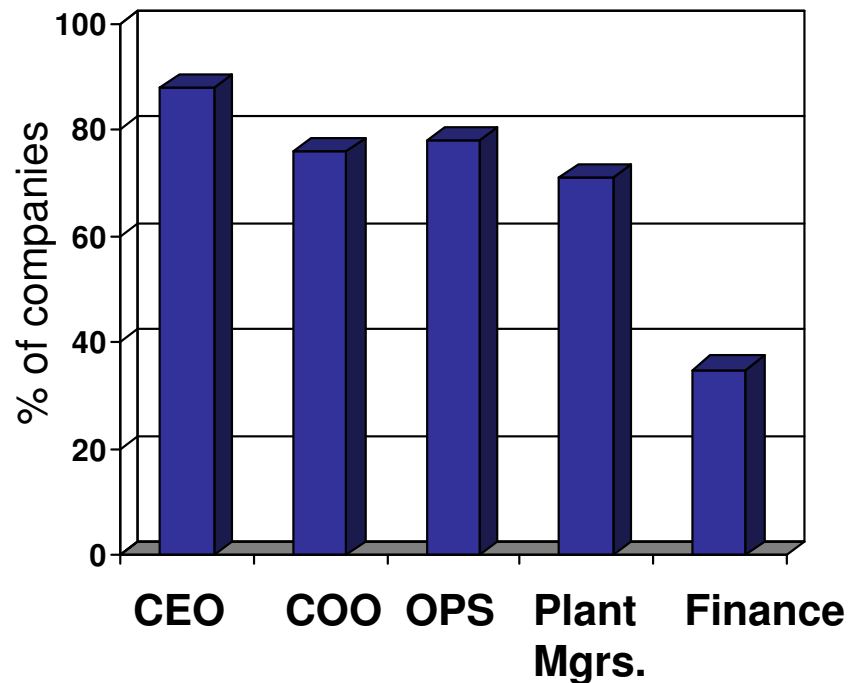


Corporate Responsibility/ Sustainability Survey Results

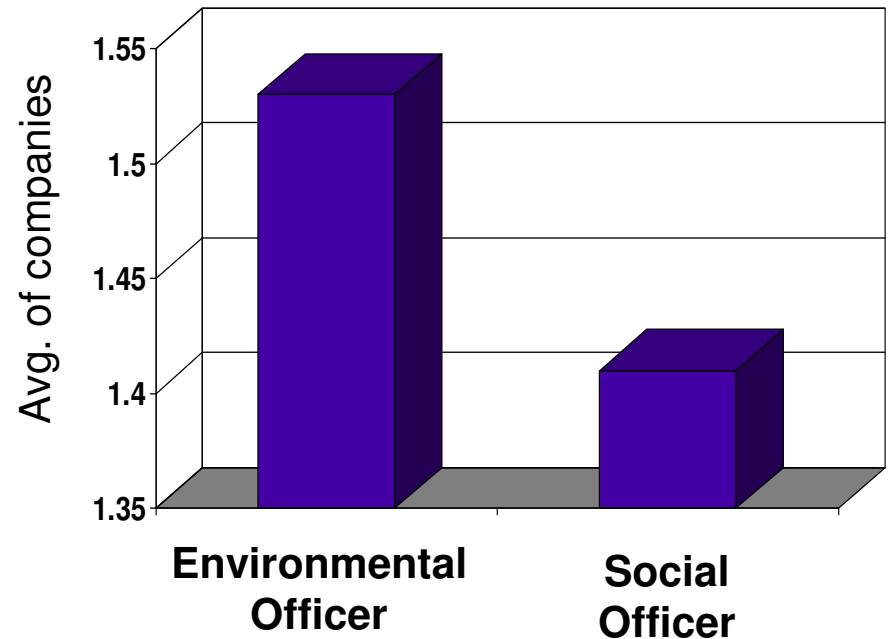
December 2003



Sustainable Value Partners Survey

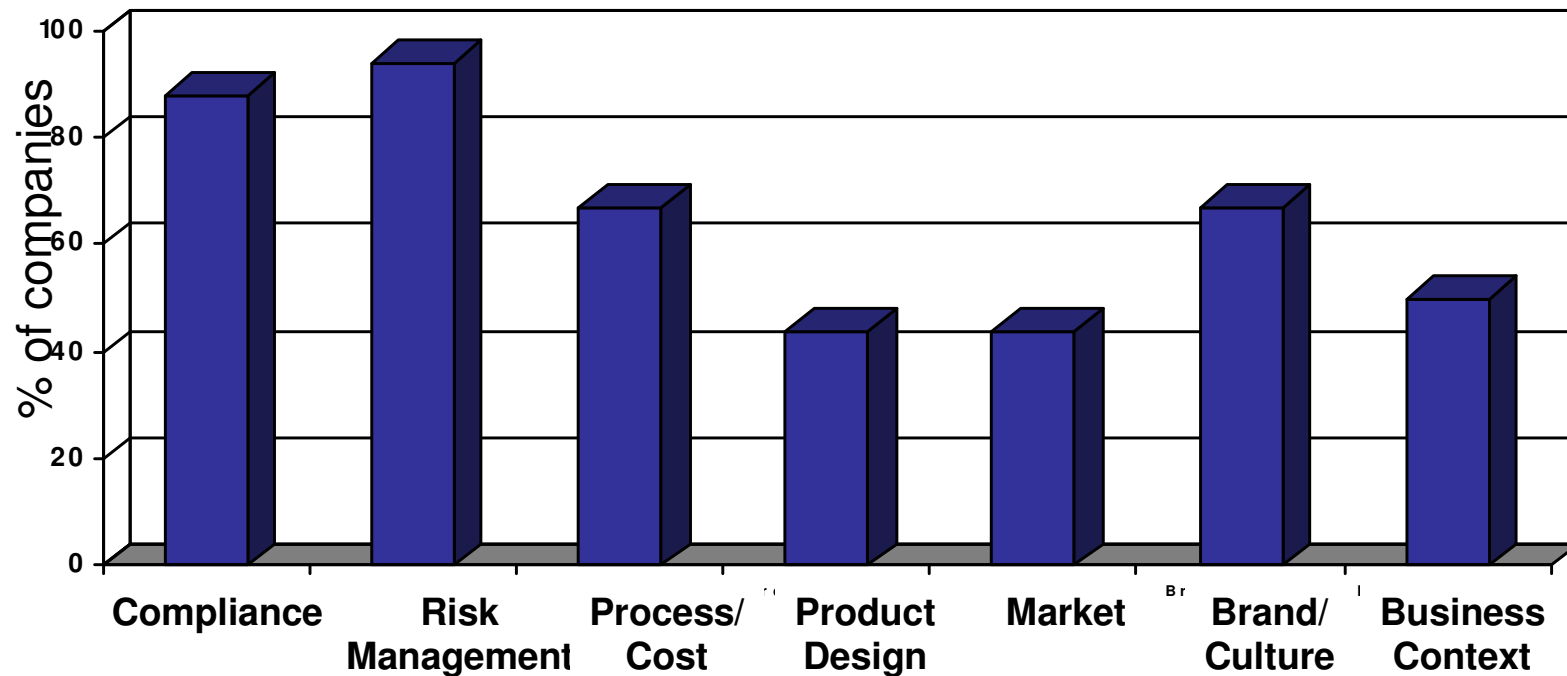


Who in the organization has significant conversations around corporate responsibility/sustainability?



How many levels below the CEO do the top environmental officer and top social officer report?

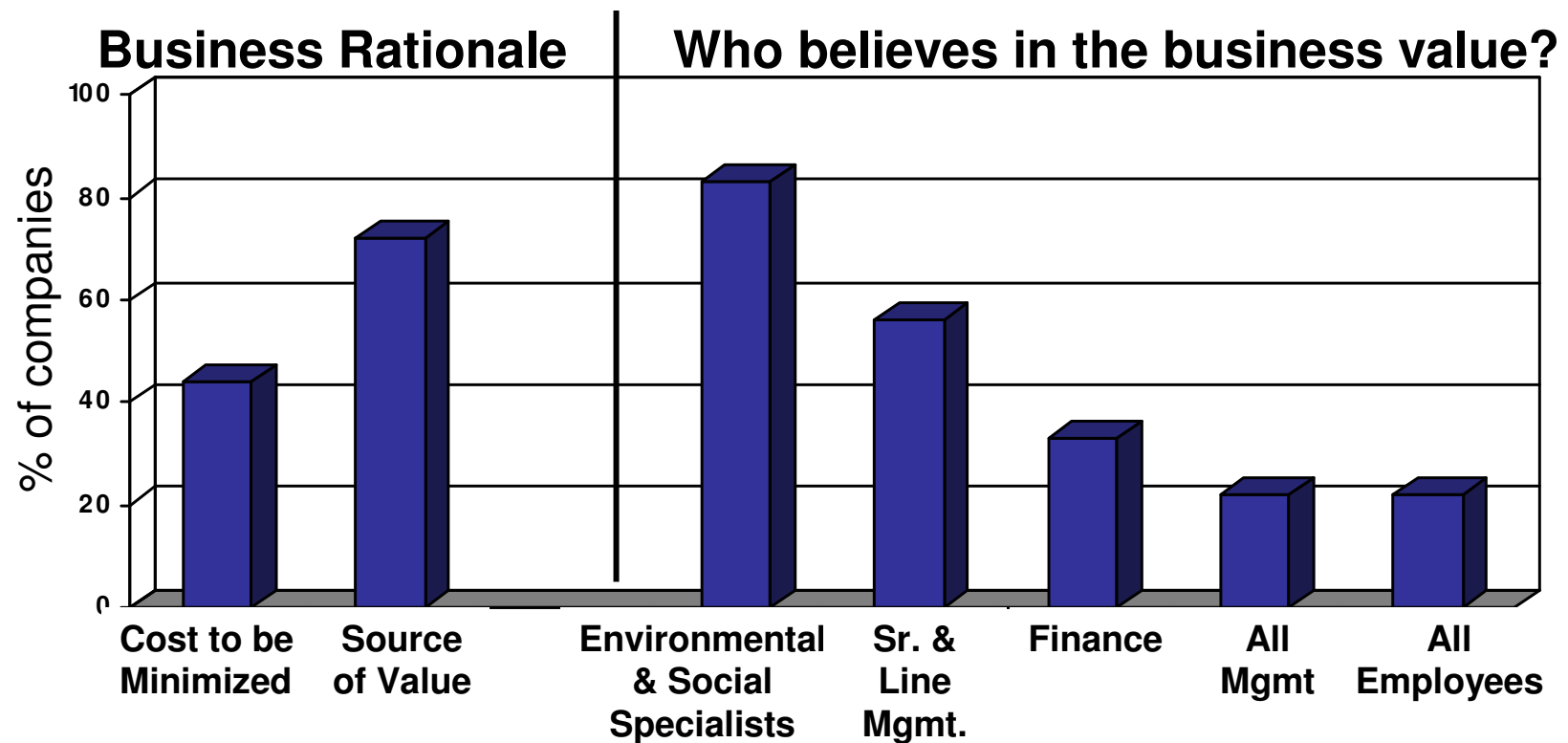
What is the focus of your company's Corporate Responsibility activity?



Other areas of focus:

- Community approval, responsible globalization, people strategy, advocacy and dialog
- Local issues such as license to operate

How is the business value of Corporate Responsibility viewed inside the company?

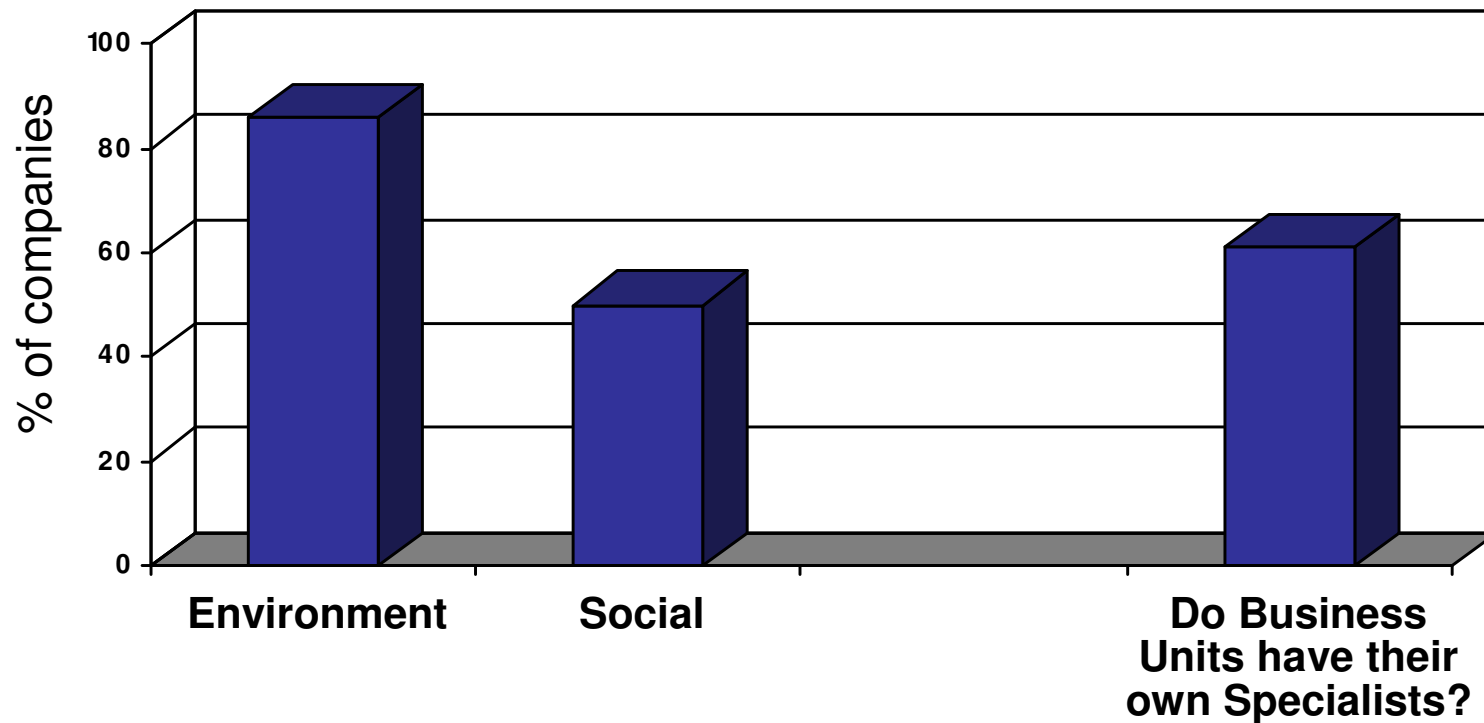


Other rationales:

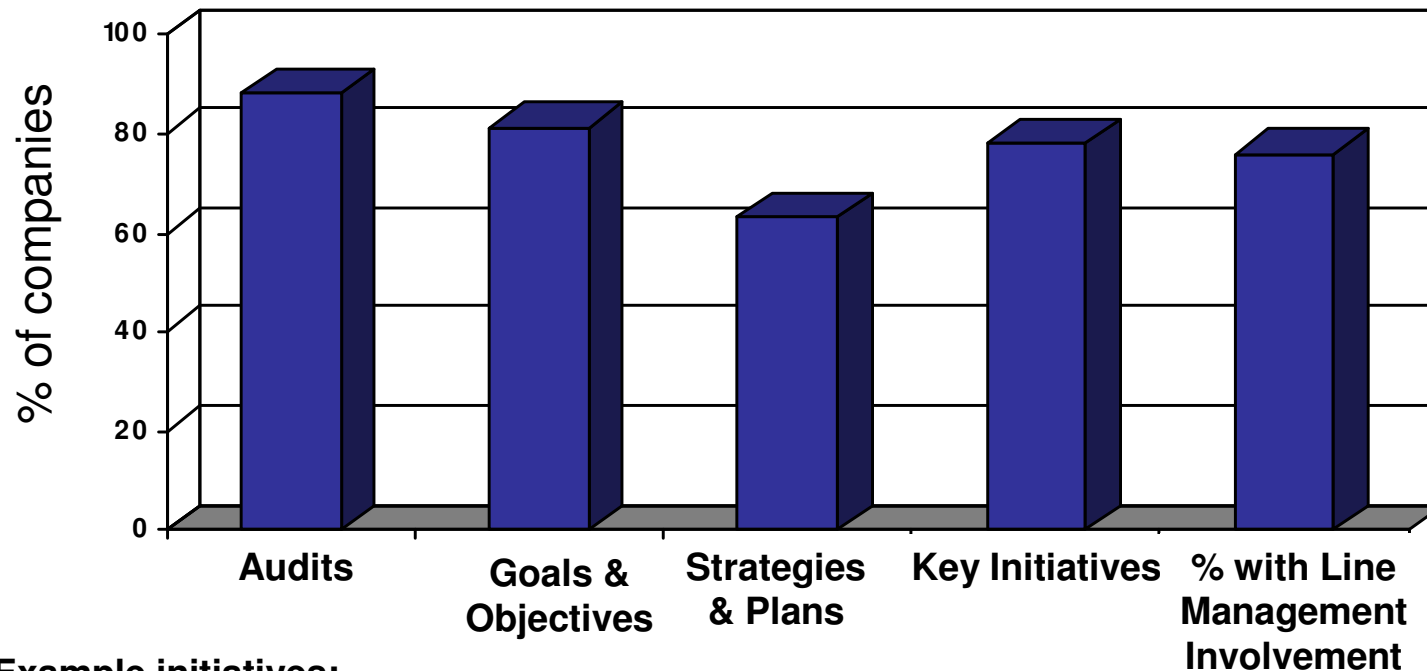
- License to operate, reputation value, required as part of the job
- Feels right but no clear link to shareholder value
- Linked to four stakeholder groups (employees, shareholders, customers, society)

How integrated are Corporate Responsibility activities into the business?

Integrated into Business Unit Plans



Types of actions taken to implement Corporate Responsibility



Example initiatives:

- Reduce injury/illness rates, minimize environmental impact
- Sustainability reporting, developing code of conduct, reducing environmental footprint
- Creating new business opportunities (e.g. fuel cells)
- Product enhancement, manufacturing pollution minimization, ISO 14001
- Sustainability business model pilot, ethics, codes of conduct
- Stakeholder initiatives (e.g. community economic planning, partnerships with governments, schools, and charities)

What are your biggest future challenges or objectives for Corporate Responsibility?

- Demonstrating the business value and sustaining performance
- The business case:
 - Credible, but not yet compelling
 - Has not yet to convinced the majority of senior management
- Maintaining resources/relevance in the face of a challenging business environment.
- Integrating CR more fully into the businesses.
- Setting clear goals, establishing clear accountability
- Dealing with multi-stakeholders with divergent views.
- Defining the boundary of social responsibility – what will we do, what will we not do, and why
- Climate change

How do you see Corporate Responsibility changing in the future in your company?

- Focus will continue to grow from being a risk reduction towards creating new business opportunities
- Staff reductions may delay initiatives. Business case has not yet convinced
- More integration of initiatives into the business units.
- More accountability and metrics on sustainability performance
- Deeper involvement with supply chain issues
- More transparency/reporting will be expected by stakeholders
- Much more emphasis on the social dimension, our products and their impact on society, employees and the communities we operate in

Key findings

- Corporate Responsibility is in rapid transition:
 - more emphasis on value creation, not only risk management
 - greater integration into the business
 - broader and deeper stakeholder dialogue
- Social activities are less developed than environmental ones
- Line management and finance have not “bought-in”
- Value capture is a ‘hot issue’ and is linked to greater line management and CFO involvement.
- Lack of a compelling business case is the #1 obstacle

Participating companies

3M
Ashland Inc.
Celanese
ConocoPhillips
Dow Chemical Company
DuPont
HP
Lafarge, North America
Lockheed Martin Corporation
McDonalds
NiSource
Northeast Utilities
Occidental Petroleum Corporation
Panasonic
Pinnacle West Capital Corp.
Polaroid
PPL Corporation
S. C. Johnson & Son, Inc.

About Sustainable Value Partners

Sustainable Value Partners is an international management consulting, research, and education firm headquartered in Washington DC. Our mission is to help our clients create and sustain competitive advantage by focusing on shareholder value coupled with stakeholder value. We enable companies to reduce risks, drive cost out of the business, create new products, serve new markets, and position themselves to take advantage of industry change.

We believe that a corporation's primary responsibility is to deliver sustainable value to its shareholders and that the only way to do this is to create it rather than transfer it from other stakeholders. Further, we believe that the stakeholder approach is a relatively untapped source of innovation and value creation that will be a key source of business advantage in the 21st century.

SVP brings strategic perspective, financial rigor, analytic insight, proprietary tools and processes, and a collaborative spirit to these challenges. We apply the proven, well-accepted methods of mainstream strategy and operations consulting to stakeholder issues, enabling organizations to focus attention and resources on the stakeholders and issues that really make a difference to current and future success.

We work with clients in:

- Sustainability/sustainable development strategy
- Stakeholder value risk/opportunity assessment
- Executive education
- Emerging issues management
- Market strategy
- Product and process design
- Stakeholder engagement/collaboration
- Social responsibility metrics and reporting
- Leadership and organizational alignment

We bring an average of over 20 years of management consulting and senior management experience in strategy and operations, working with Fortune 500 companies across a variety of industry sectors. We pride ourselves on long-term client relationships and delivery of demonstrated value.

For more information, please visit our website at www.SustainableValuePartners.com