

## Questions posed during our “Sustainability Dashboards” Webinar, May 27 2009

### About Sustainable Business

Q: Do all these sustainability efforts create value for the corporation shareholders or it should be seen as a contribution to the common good?

A: For many companies, sustainability efforts do create value for corporate shareholders, for many reasons: sustainability commitments often mean happier, healthier, and more productive employees; awareness and reduction of environmental impact is increasingly a differentiator in the marketplace, if not a minimum requirement for doing business; engagement in sustainability often means a company has a better understanding of itself and its risks, making it simply a better managed company, which is good for shareholders.

Q: How big of an issue do you see water being for the companies that you work with? Is this the next big sustainability topic, following the current urgency around climate/carbon related issues?

A: We see many companies paying a lot of attention to the conversation, both about the developing standards of the environmental impacts related to water availability, quality, location, as well as the for how to assess impact to the business. We also see a higher level of interest in some market sectors than others— for example, food and beverages companies and pharmaceutical companies are taking a closer look at the issue. The current interest in water issues may also demonstrate a renewed understanding for the need to review multiple impact indicators, not just carbon, when developing strategies and performance goals.

Q: How do you define product stewardship vs sustainability?

A: Like many definitions, it often depends on the person you're asking. Product Stewardship in some circles focuses on product end-of-life issues, like 'extended producer responsibility', product take back, recyclability, etc. It does tend to focus on environmental issues no matter who you ask, whereas true sustainability will include considerations of social impacts (community development, employees, etc)

Q: What external measurement /rating tools beyond the DJSI are evolving as leading indicators of company performance in sustainability?

A: There is no single way to become and be recognized as a sustainable business. FTSE4GOOD functions much like DJSI for investors. B-Corporation is also setting some interesting standards for how companies can be assessed and certified for their sustainability activities. Other organizations propose sets of principles for sustainable business, and becoming a signatory of the principles demonstrates a level of commitment and also often requires certain reporting/ transparency requirements (e.g., Ceres, Global Compact). Still more organizations exist for establishing rankings for specific issues, like Climate Counts.

Q: Regarding the benchmark you did for Armstrong, how was Five Winds able to obtain the information to do an accurate rating of Armstrong's clients, suppliers, and partners?

A: Our CSR Insight rating system includes a combination of a review of all publicly available material about a company, as well as detailed interviews. The focus is directional - we gain a better understanding of where internal opportunities for communication are by comparing the detailed internal review from a purely external review of publicly available material. The company can also evaluate how they compare based on external stakeholder review (because external stakeholders develop opinions/understanding based on that publicly available information).



Q: Back to the quote at the beginning, how are companies using their sustainability leadership to provide confidence in business? Who is doing a strong job?

A: GE and IBM are great examples of companies who are using their sustainability leadership to shape the future, and propose solutions to world problems, like water shortages. GE's recently announced earnings report for its Eco-magination campaign suggests that its stakeholders are rewarding those efforts. There are also hundreds of niche companies, who have moved into the marketplace and are showing how sustainability can be a profitable business model.

Q: V.1 Many small to medium size companies are not willing to completely integrate sustainability. What tools are you using to provide a convincing argument?

V.2 For companies struggling to gain internal buy in for sustainability initiatives, what is the best path forward?

A: We use a variety of techniques, depending on the company, its culture, and its position along the value chain. For example, for those who are metric driven, we find that our quantitative risk:opportunity analyses and tools can be a good solution. As another example, for those who are downstream consumer facing companies an approach more oriented toward marketing and telling good stories about existing wins can be effective. And, as another example, for cash strapped organizations (e.g., a public sector client) getting some quick wins with immediate paybacks can be a means to kick start and capitalize future programs.

Q: How should you use tools and foundational data to help build the Vision without getting lost in the details? ie They is a need for backwards approach in the beginning to use tools for the scan but then migrating away to more appropriate ones if needed?

A: When companies start with tools and foundational data, they get lost in the details and that is why building the vision first is so important. We also find that the process is iterative – start at the top defining the vision and work down the pyramid – and then revisit the benchmarking phase and filtering phase to add in more detail. It's also critical to look at the maturity model to define where you want to be.

## About the PSRT

Q: How do you distinguish the value of PSRT involvement from other organizations, eg BSR or WBCSD?

A: The PSRT is distinguished by its small interactive group setting, participants who represent companies across the value chain, its focus on the business case for sustainability, member defined topics, and opportunities to build a network of local peers. The regional PSRTs offer the added advantage of having local meetings.

Q: Are roundtables being planned for other regions of the US, or in Canada?

A: We welcome your participation, and suggest you contact the manager of the roundtable most convenient to you to inquire about participating.

Q: Do you have general dates of when the meetings are each year?

A: The Northeastern PSRT meeting is scheduled for October 19-20, 2009, and the Midwestern PSRT meeting is scheduled for September 14-15, 2009. Both roundtables are hosting their second meeting in May 2010

