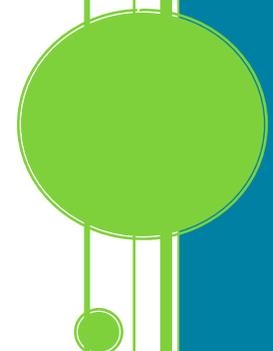


2010 SURVEY OF SUSTAINABLE EFFORTS OF LARGE BUSINESSES IN WISCONSIN

The Wisconsin Department of Natural Resource's Green Tier Program, in conjunction with the WI Sustainable Business Council and the Wisconsin School of Business gathered information on "sustainability" efforts from businesses in Wisconsin. This survey captured efforts made to "green" businesses, improve environmental and social performance, address interest in corporate citizenship and respond to interests in corporate responsibility.

Authored By: Angela Dybdahl and Thomas Eggert

9/1/200



2010 SURVEY OF SUSTAINABLE EFFORTS OF LARGE BUSINESSES IN WISCONSIN

EXECUTIVE SUMMARY

We received responses from 70 of the 145 contacts that we emailed. This 48% response rate is very encouraging, indicating that both large and medium to small sized Wisconsin companies are paying attention to sustainability. 70% of respondents indicated that they are leading their sectors in their understanding and implementation of sustainability efforts and 94% of companies have taken the initial steps to develop a corporate sustainability strategy.

33 companies identify themselves as small to medium sized businesses while 37 identified themselves as large businesses. The results were separated between large and small to medium size companies and yielded no significant differences in responses between company size and sustainability efforts. Where major differences occurred, results have been added within the survey. In addition the results between large, and small to medium companies signifies that companies of all sizes are participating in various areas of sustainability.

Sustainability initiatives are being driven by concerns about corporate image, and brand reputation, and interest in cost reduction and efficiency improvement. Wisconsin companies are above the national average in identifying executives to lead corporate sustainability strategy.

Over the last year there has been an increase in the business community's level of understanding regarding sustainable principles and practices. This increase reflects the growing adoption of sustainability in the corporate world.

Though companies appear to be doing well in understanding, respondents stated availability of funds and cost/ perceived lack of return and complexity of implementation as barriers companies face in developing and implementing sustainable strategies.

As compared to 2009 Companies have increased their use of renewable energy by 7%. In addition, companies appear to be focusing on energy use reduction, recycling waste and development of sustainable metrics.

More Wisconsin companies are embracing sustainability practices, which is a quite encouraging given the impact of the recession on businesses in the state.

“In a world of constrained natural resources and pollution pressures, the business case for sustainability grows stronger every day.”

—James Gustave Speth—

BACKGROUND

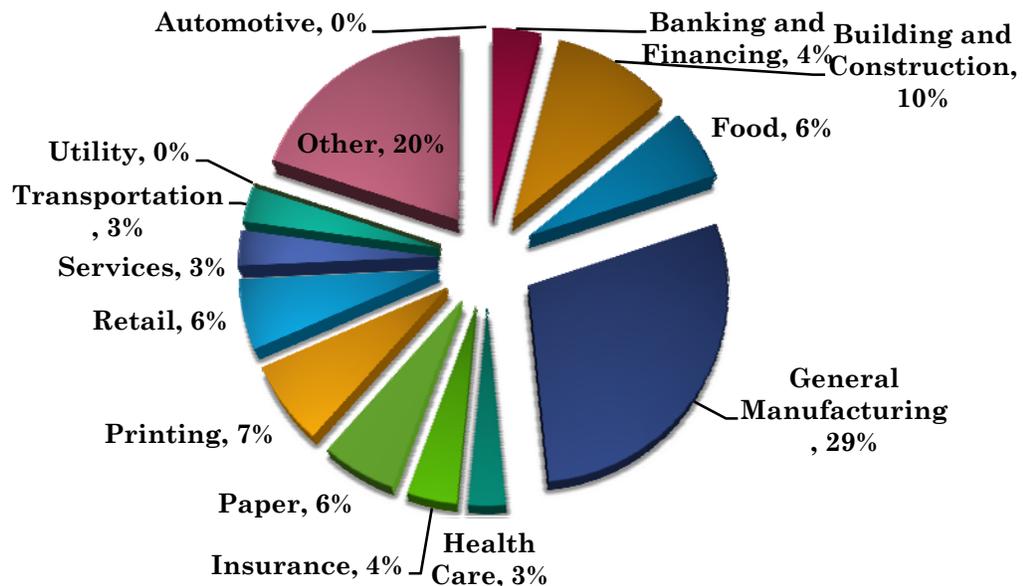
In summer 2010, the WI Department of Natural Resource's Green Tier Program, the UW Business School and the WI Sustainable Business Council conducted a survey on "sustainability" efforts of businesses in Wisconsin. The survey is intended to be both a snapshot in time, and also serve as a baseline against which companies can measure future sustainability efforts.

The target respondents were 145 companies in Wisconsin. This list combined Corporate Report Wisconsin's (2009) 100 largest companies in the state with additional companies that had been linked in an interest in sustainability. The survey was then sent via email to the identified contacts four separate times over a series of several weeks.

This survey used the term "sustainability" but is meant to encompass efforts of companies to green their business, to improve their environmental or social performance, or in other ways to respond to stakeholder pressures to be better citizens or be more responsible.

SURVEY RESULTS

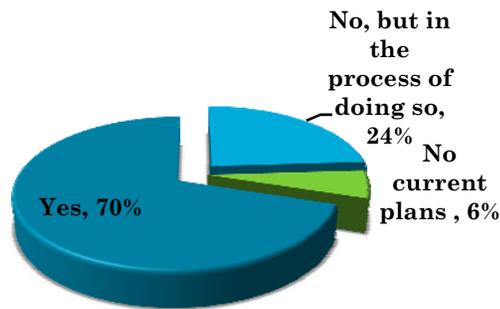
SURVEY RESPONDENTS BY SECTOR (RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)



Our Survey gathered 70 completed responses, yielding a 48% response rate to the survey. When compared to 2009, the response rate increased by 3% for 2010. According to the IAR (Institutional Assessment Resources) the response rate for 2010 is 18% over the national average in response rates for email administered surveys.

(Sheehan, K. (2001). E-mail survey response rates: a review. *Journal of Computer-Mediated Communication*, 6 (2).)

QUESTION 1: HAS YOUR COMPANY DEVELOPED A CORPORATE SUSTAINABILITY STRATEGY?

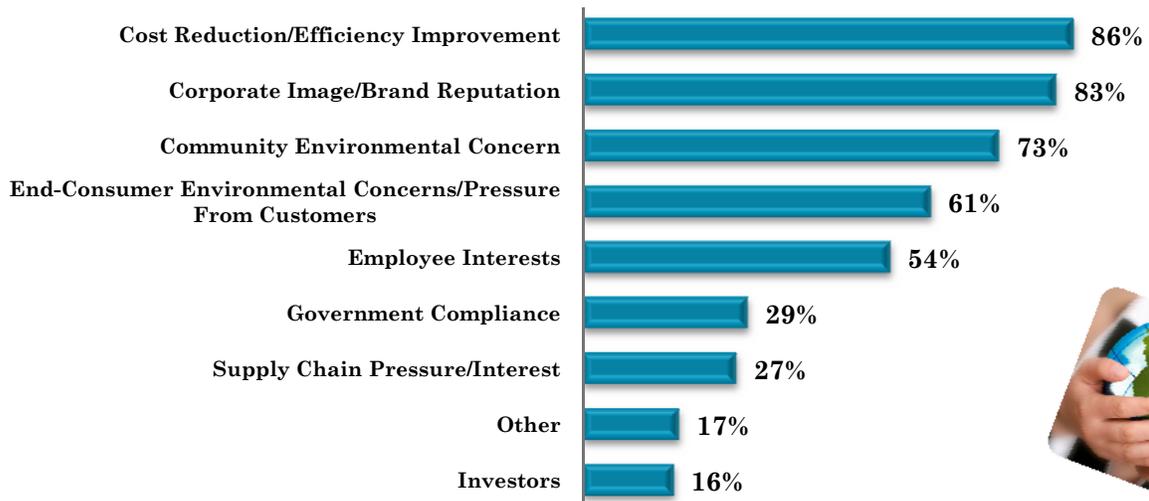


94% of respondents either have a formal corporate sustainability strategy in place or are in the process of developing one. 90% of large companies have a developed sustainability strategy while 52% of smaller to medium sized businesses have a developed strategy.

This is a 12% increase from 2009 in companies who have or are in the process of developing a corporate sustainability strategy.

QUESTION 2: WHAT ARE THE DRIVING FACTORS

BEHIND YOUR ORGANIZATIONS SUSTAINABILITY INITIATIVES? (RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)

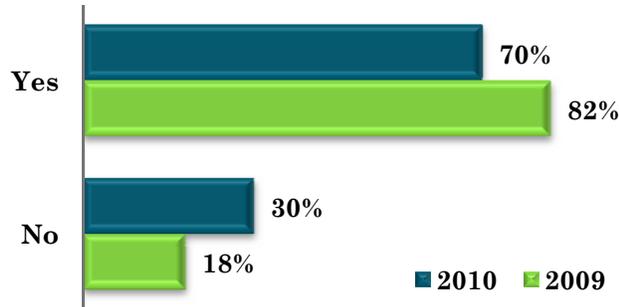


A survey conducted by Accenture in conjunction with the UN Global compact (CEO survey 2010), **72% of CEOs cite “brand, trust and reputation” as the top factors driving them to take action on sustainability issues. Revenue growth and cost reduction was next with 44%.**

Community shows up in third place in our survey at 73% (as compared to 59% in 2009) While 39% of CEOs identified community as a driver.

Smaller to medium size Wisconsin businesses reported community environmental concern at 90% as the main sustainability driver while large businesses stated community concern at 70%. The increase in community environmental concern is being driven by the small to medium sized Wisconsin companies.

QUESTION 3: DOES YOUR COMPANY HAVE AN IDENTIFIED LEAD EXECUTIVE TO LEAD CORPORATE SUSTAINABILITY STRATEGY?



From 2009 the number of identified lead executives has fallen 12% from the identified 82% in 2009.

The majority of the identified executives are President's, VP's, CEO's and upper management. 70% of large businesses and 68% of small to medium size businesses are about equal in identifying lead executives.

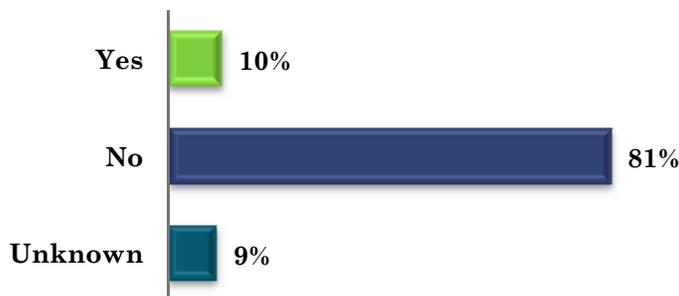


According to Corporate Responsibility Magazine's 2010 survey *The State of Corporate Responsibility: Setting the Baseline:*

35% of US based corporations report having a dedicated CRO (Chief Responsibility Officer) compared with 65% in Europe, 64% in Asia Pacific/Australia, and 47% in Canada.

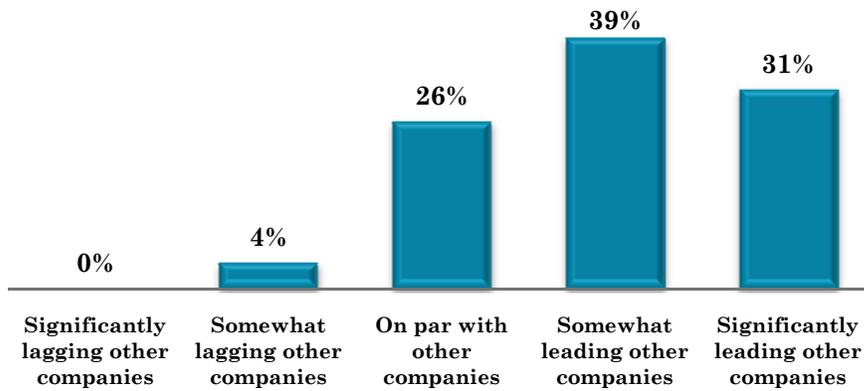
Wisconsin Companies at 70% are way ahead of their counterparts in other states in this area.

QUESTION 4: IS EXECUTIVE COMPENSATION TIED TO ENVIRONMENTAL PERFORMANCE?



Among companies who responded yes, **Green house gas reduction (71%), Energy efficiency (57%), and Waste/recycling (57%)** were the top three areas that impact executive compensation the most.

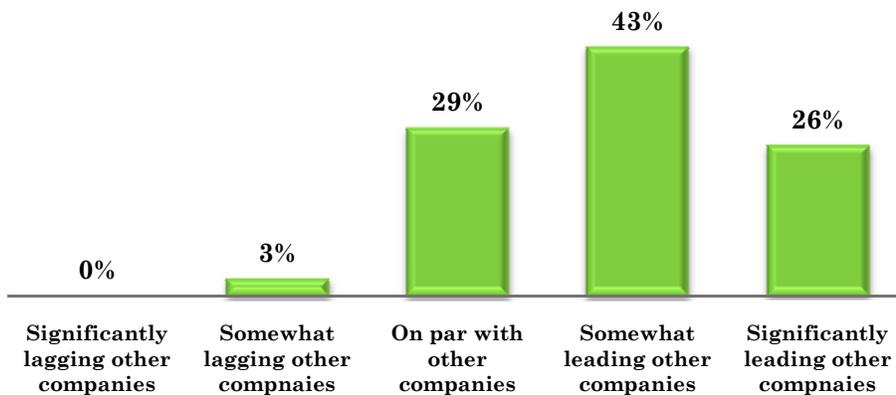
QUESTION 5: RATE YOUR COMPANIES UNDERSTANDING OF SUSTAINABLE PRINCIPLES AND PRACTICES RELATIVE TO OTHER COMPANIES IN YOUR INDUSTRY.



70% of companies feel they are leading in their level of understanding.

This is an increase from 2009 where 61% of companies felt they are leading in their level of understanding.

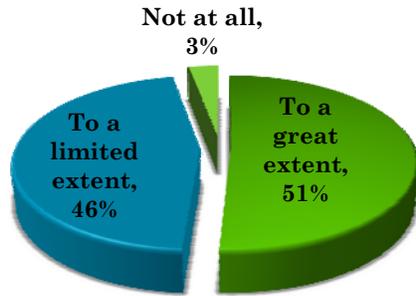
QUESTION 6: RATE YOUR COMPANIES LEVEL OF ADOPTION OR IMPLEMENTATION OF SUSTAINABLE PRACTICES RELATIVE TO OTHER COMPANIES IN YOUR INDUSTRY?



69% of Companies feel they are leading in adoption or implementation of sustainable practices compared to other companies in their industry; this is a 10% increase from 2009.

More significantly in 2009 10% felt they were lagging other companies in adopting and implementing sustainable practices. In 2010 3% felt they are somewhat lagging in adoption of sustainable practices.

QUESTION 7: TO WHAT EXTENT HAS YOUR COMPANY COMMUNICATED ITS SUSTAINABILITY GOALS AND POLICIES ACROSS THE ORGANIZATION?

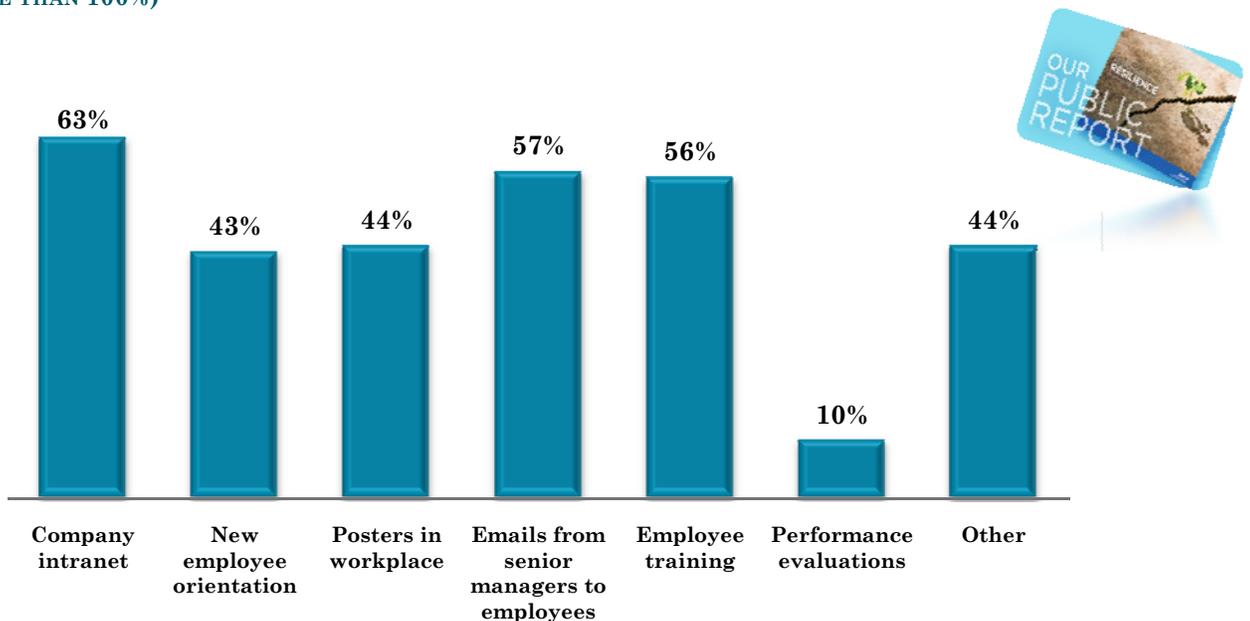


In 2009, 38% of companies had communicated goals to a great extent across the organization.

Companies have significantly stepped up internal communication efforts over the last year.

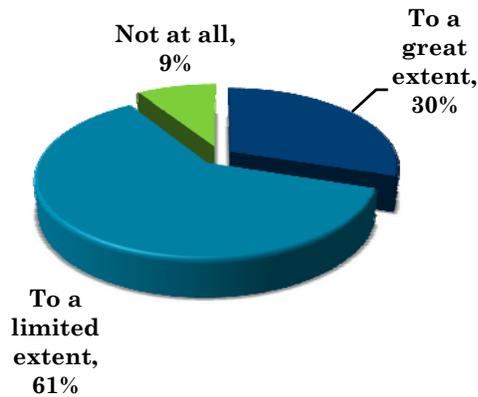
QUESTION 8: HOW HAS YOUR COMPANY GONE ABOUT DOING SO?

(RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)



Large businesses identified Company intranet (83%), Emails from senior managers to employees (70%) and employee training (53%) as the top three areas companies have communicated goals across the organization. **Small to medium sized businesses have identified the same areas for communicating sustainability goals across the organization. Interestingly small to medium sized companies rated employee training at (59%) as their top method to communicate goals across the organization while large companies identified Intranet as their top method.**

QUESTION 9: TO WHAT EXTENT HAS YOUR COMPANY COMMUNICATED ITS SUSTAINABILITY GOALS AND POLICIES TO EXTERNAL STAKE HOLDERS?



According to the UN Global compact survey 2010: **58% of CEOs identify consumers as the most important stakeholder group that will impact the way they manage societal expectations.**

OF COMPANIES WHO ENGAGE THEIR EXTERNAL STAKE HOLDERS: HAS YOUR COMPANY ENGAGED STAKEHOLDERS IN ANY OF THE FOLLOWING AREAS?
 (RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)



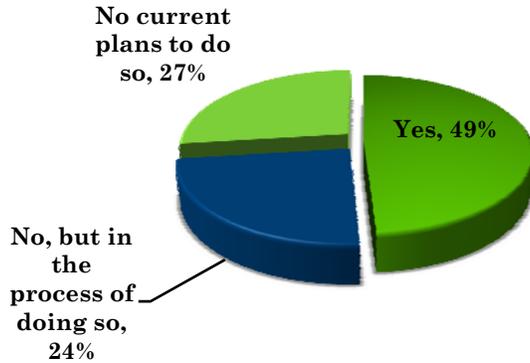
39% of companies who engage external stakeholders do so by using social marketing approaches.

COMPANIES WHO ENGAGE THEIR EXTERNAL STAKEHOLDERS: HOW SUCCESSFUL HAS YOUR COMPANY BEEN IN ENGAGING STAKEHOLDERS IN SUSTAINABILITY STRATEGIES/INITIATIVES?



69% of companies feel they have been successful to somewhat successful in engaging stakeholders in sustainability strategies/initiatives.

QUESTION 10: DOES YOUR COMPANY MAKE SUSTAINABILITY RELATED EDUCATION/TRAINING AVAILABLE TO YOUR EMPLOYEES?



Of the Companies who offer education/training only 33% of them make sustainability related training/education available to all their employees.

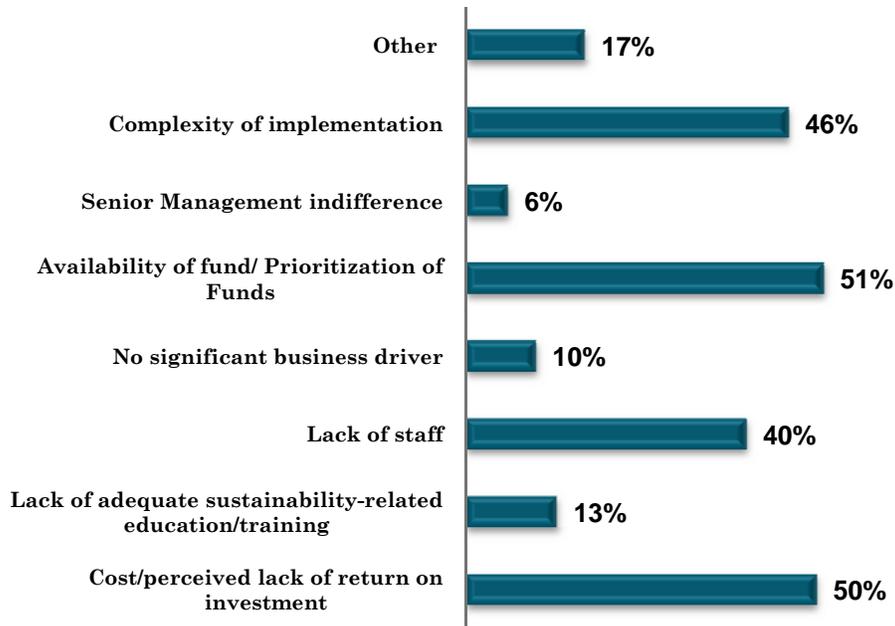
4 times the percent of companies make this training available to more than half of their employees while 27% offer education to less than half of their employees.



In 2009, 41% of companies offered sustainability related education/training to employees, with 26% of companies in the process of doing so, and 33% with no plans to make sustainability education/training available to all of its employees.

Companies have increased their commitment to education/training since 2009.

QUESTION 11: WHAT ARE THE SIGNIFICANT BARRIERS THAT YOUR COMPANY IS FACING IN DEVELOPING AND IMPLEMENTING SUSTAINABLE STRATEGIES AND PRACTICES? (RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)



These results indicate that over 90% of the companies have a designated business driver. More importantly barriers to implementing sustainable strategies are not due to Senior Management indifferences.

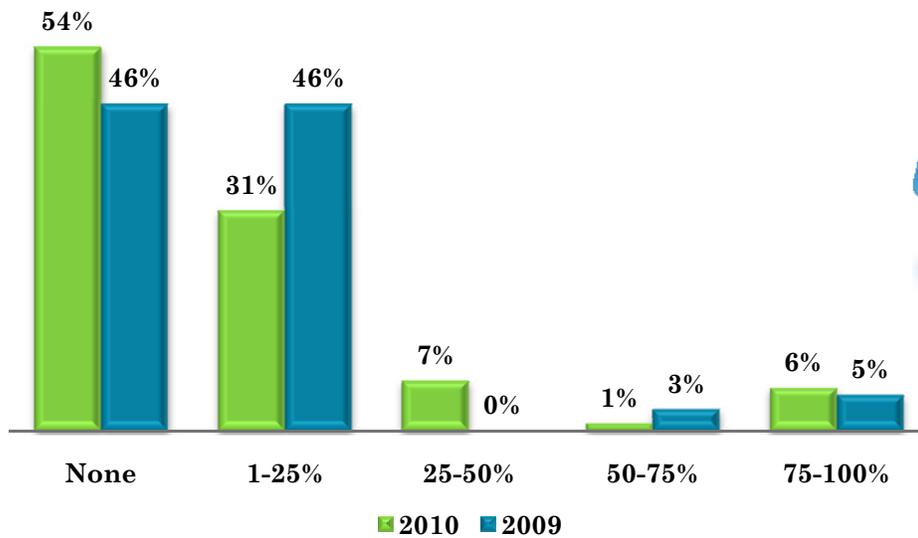
In 2009 the main barriers to developing and implementing sustainable strategies were Cost/Perceived lack of return on investment (56%), Availability to funds (44%) and Lack of staff (39%). The same barriers seem to exist from 2009 to 2010.



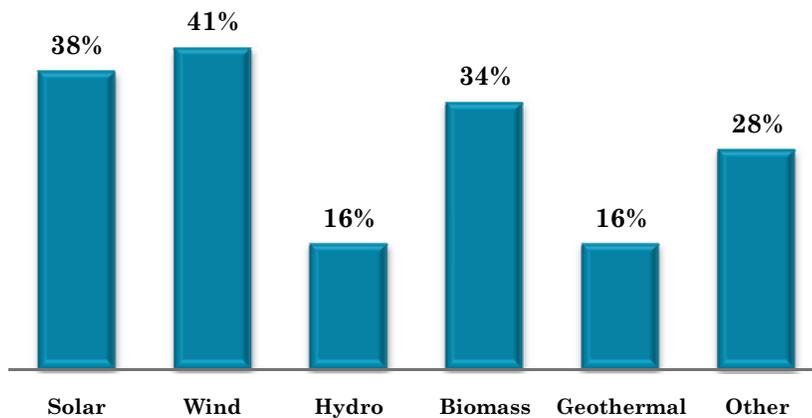
The Boston Consulting Group in Conjunction with MIT Sloan *Business of Sustainability Report 2010*:

31% of companies stated “insufficient resources” was the greatest challenge, 28% stated “competing priorities” second, and 26% stated “not convinced of business case or value proposition” was the greatest challenge.

QUESTION 12: WHAT PORTION OF YOUR COMPANIES ENERGY IS GENERATED FROM RENEWABLE RESOURCES (SOLAR, WIND, BIOMASS, HYDRO, GEOTHERMAL, ETC.)?

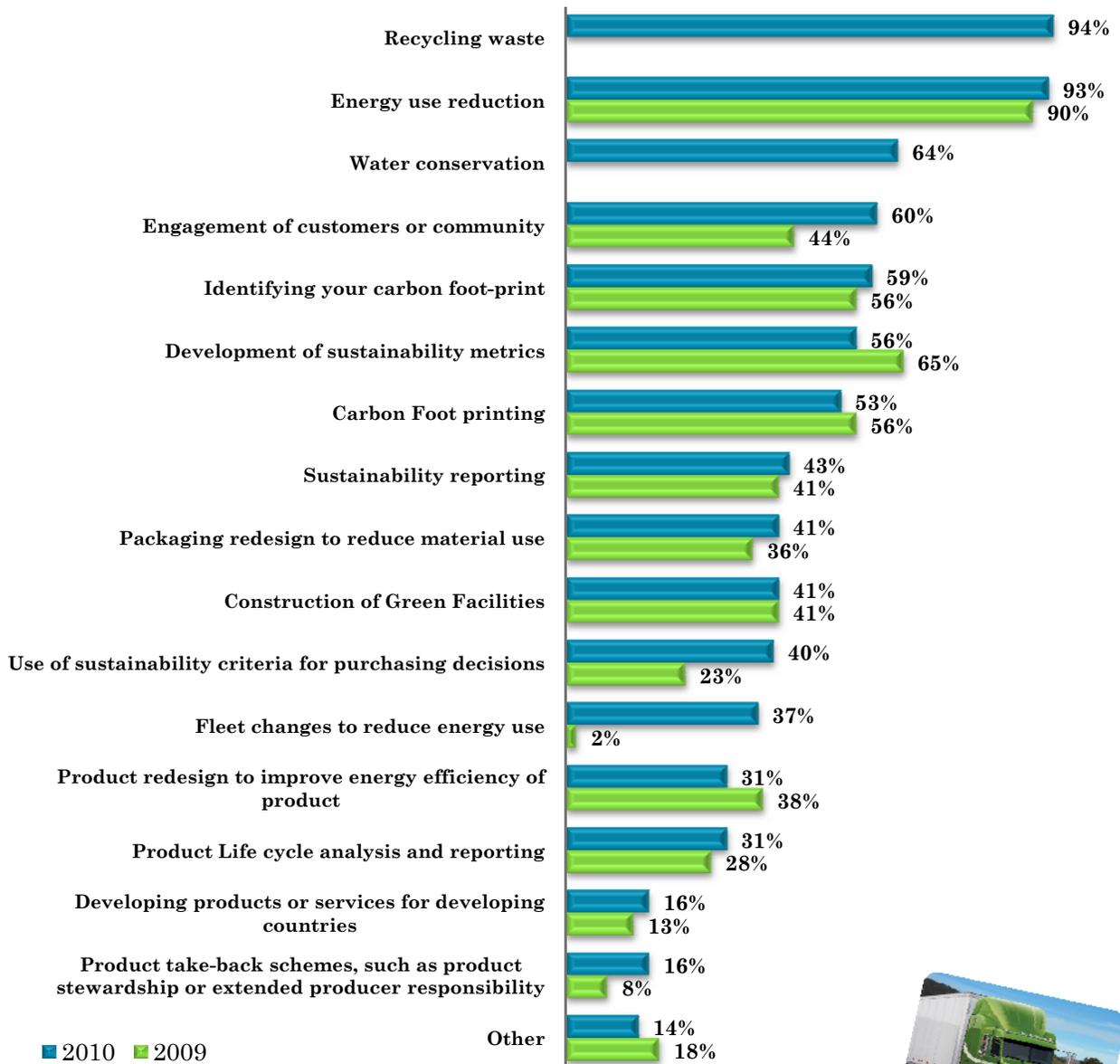


COMPANIES THAT USE RENEWABLE RESOURCES: ENERGY IS GENERATED THROUGH THESE RENEWABLE RESOURCES: (CAN ADD UP >100%)



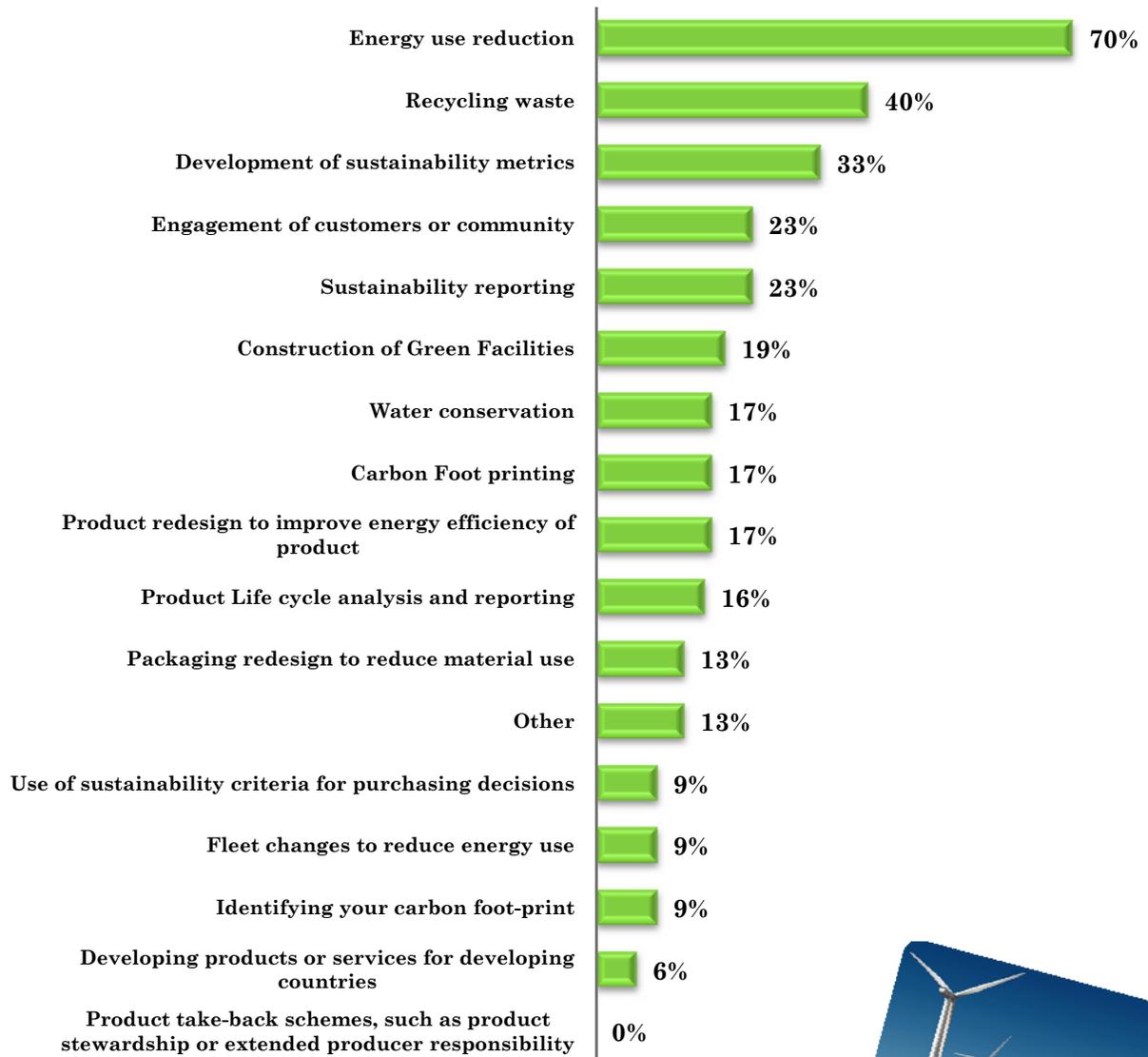
Small to medium sized businesses generate 50% of their renewable energy from solar power and 30% from wind, while 42% of large companies generate their renewable energy from Biomass Fuels and 42% from wind.

QUESTION 13: WHICH OF THE FOLLOWING ARE CURRENT (IMPLEMENTED) SUSTAINABILITY INITIATIVES AT YOUR COMPANY? CHECK ALL THAT APPLY



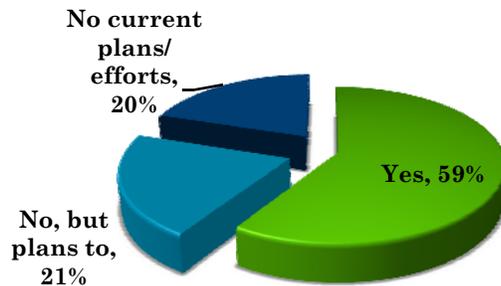
The main differences over the last year are:
Use of sustainability criteria for purchasing decisions has increased from 23% in 2009 to 40% in 2010 an overall difference of 17%. Fleet changes to reduce energy use increased from 2% in 2009 to 37% in 2010 a difference of 35%, and engagement of customers or community from 44% in 2009 to 60% in 2010 a difference of 16%.

QUESTION 14: WHAT ARE YOUR COMPANY'S TOP PRIORITIES FOR THIS YEAR? PLEASE SELECT YOUR TOP 3



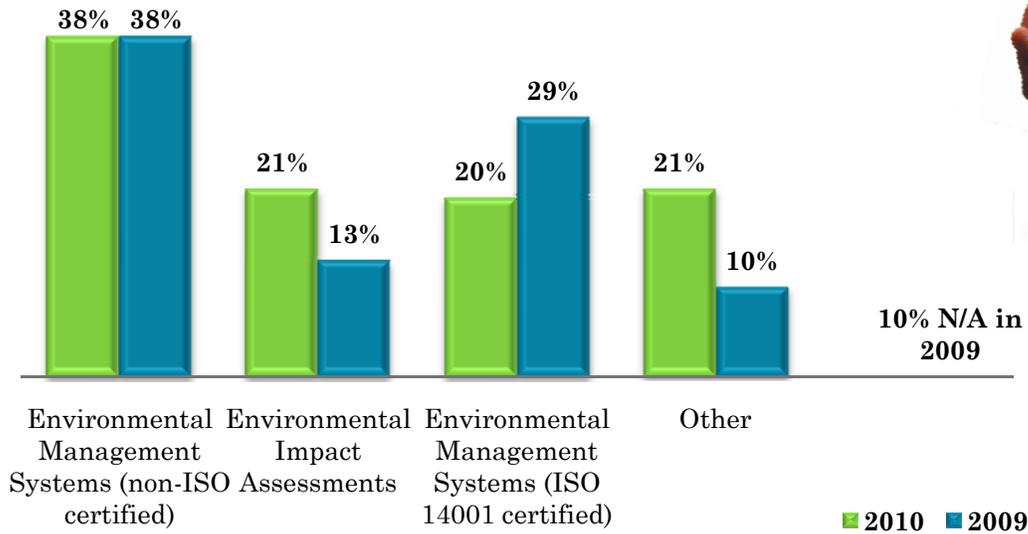
In the BSR/GlobeScan state of Sustainable Business Poll 2009: 22% of surveyed companies stated Energy Efficiency as a top priority, (although 41% indicated climate change was a top priority) and water availability and/ quality was a top priority to 26%. **Wisconsin companies appear to be focusing on Energy use reduction, Recycling waste and Development of sustainable metrics.**

QUESTION 15: DOES YOUR COMPANY HAVE SYSTEMS IN PLACE FOR ENVIRONMENTAL IMPACTS MONITORING, AUDITING, AND CONTINUOUS IMPROVEMENT?



80% of companies have systems in place for Environmental Monitoring, Auditing and Continuous improvement. This is a 13% increase from 2009. 73% of large companies have systems in place while 42% of small to medium size companies have monitoring systems in place.

OF THOSE COMPANIES WHO ANSWERED “YES” OR “PLANS TO”: WHAT SYSTEM IS IN PLACE OR PLANS TO BE IN PLACE?



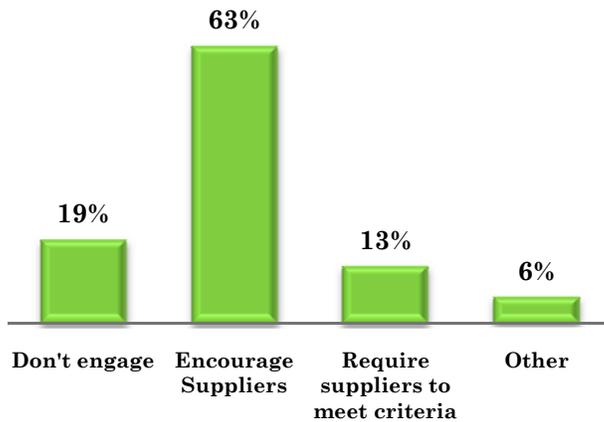
Environmental management systems continue to be of interest to WI companies. In 2009 38% had non-ISO certified systems, and 29% had ISO certified management systems.

2010 yielded 38% non- ISO certified management systems and 20% ISO certified systems.

Since 2009 Companies have made a major shift from ISO certified programs to Environmental impact assessments and other systems

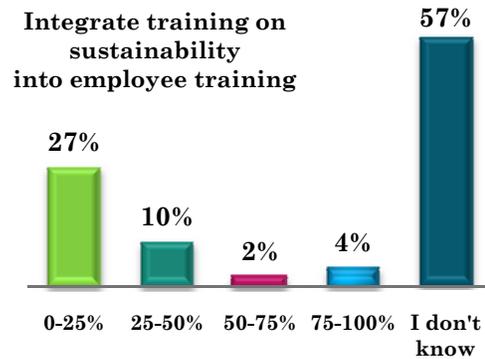
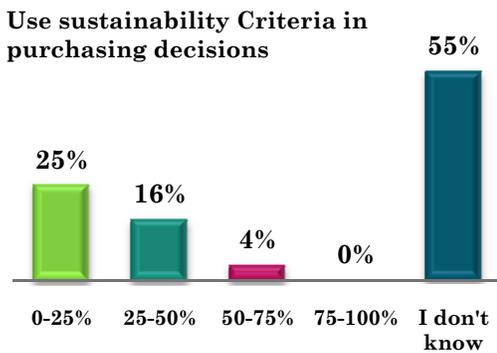
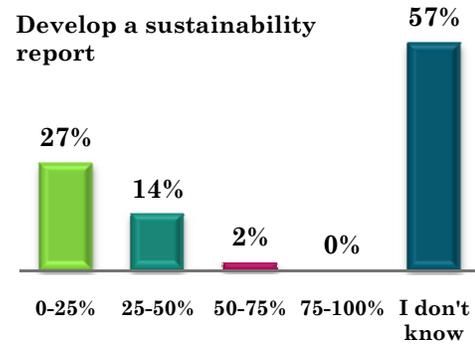
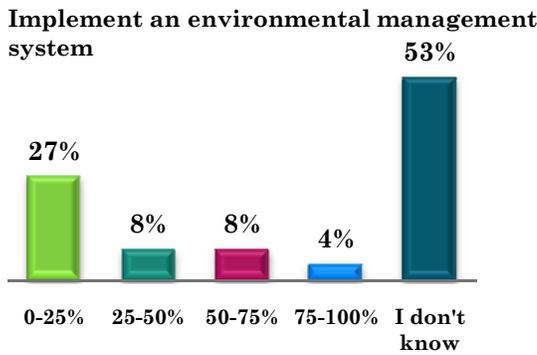
The majority of “other” responses stated a mix of ISO 14001 and non-ISO systems

QUESTION 16: TO WHAT EXTENT HAS YOUR COMPANY ENGAGED YOUR SUPPLIERS REGARDING SUSTAINABILITY?



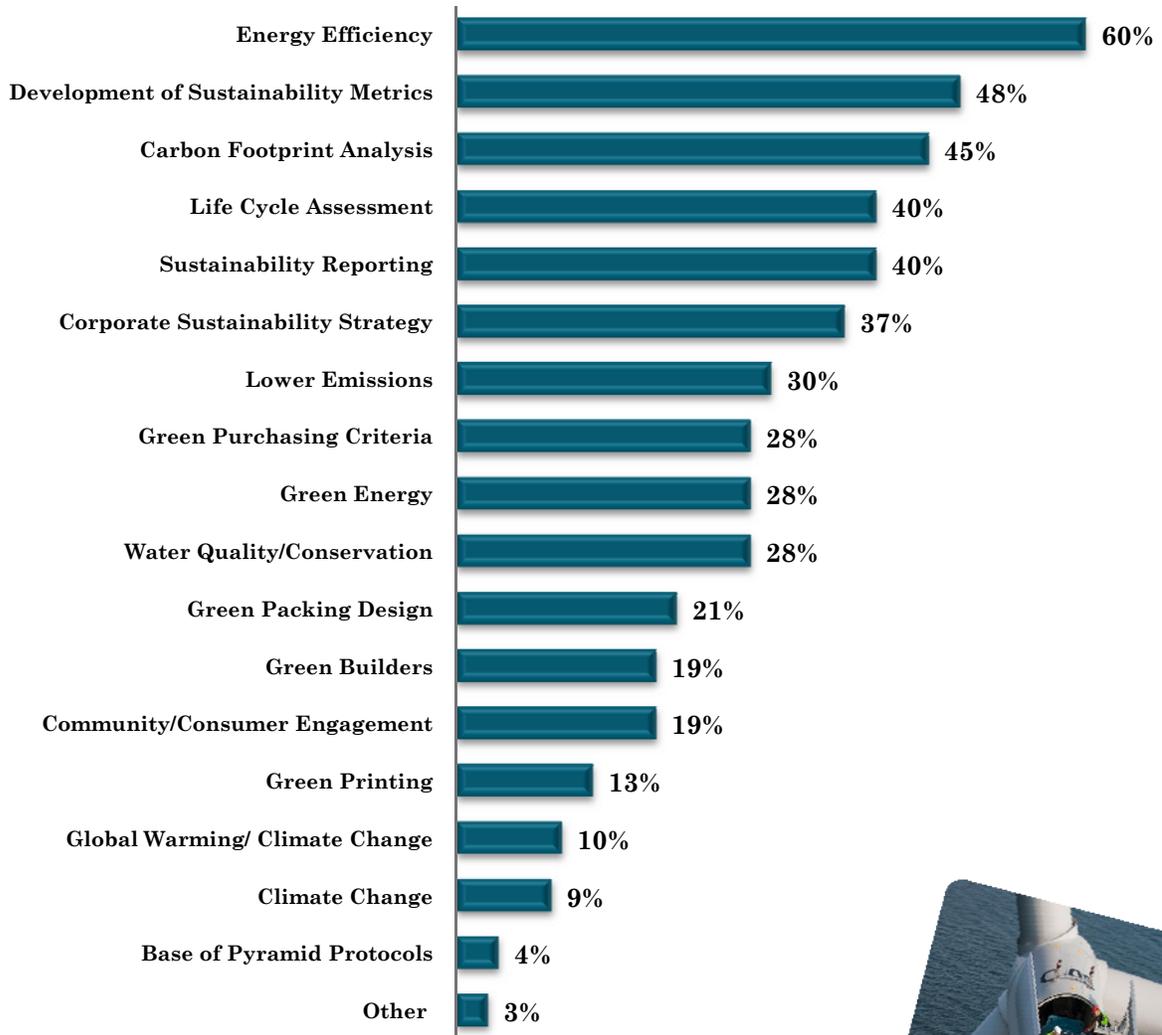
Wal-mart's supply Chain initiative involves a questionnaire to more than 100,000 supplies and polls them on four categories: Energy and greenhouse-gas emissions, waste and quality initiatives, "responsibly sources" materials, and ethical production.

OF COMPANIES WHO ENGAGE THEIR SUPPLIERS: WHAT PERCENTAGE OF YOUR SUPPLIERS....



The Boston Consulting Group in Conjunction with MIT Sloan Business of Sustainability Report 2010:
29% have limited engagement, 29% encourage suppliers with some degree of success, 19% Suppliers must meet specific sustainability criteria, 11% don't engage supplies, and 11% don't know. This indicates that a large majority of Wisconsin companies do not know their suppliers initiatives in sustainability.

QUESTION 17: WHICH OF THE FOLLOWING IS YOUR COMPANY INTERESTED IN EDUCATION/TRAINING AND TECHNICAL ASSISTANCE FOR? (RESPONDENTS MAY HAVE SELECTED MORE THAN ONE CHECKBOX, PERCENTAGES MAY ADD UP TO MORE THAN 100%)



A large majority of companies cited an interest in educational/training and technical assistance in Energy Efficiency at 60% and Development of sustainability metrics at 48%.
45% of companies are interested in Carbon footprint analysis but only 17% listed Carbon footprint analysis as a one of the Top 3 company priorities.
 37% of large companies are interested in water quality/conservation while only 19% of small to medium size business expressed interest.

CONCLUSION

The second annual survey by The Wisconsin Department of Natural Resource's Green Tier Program, UW Business School and WI Sustainable Business Council revealed Wisconsin company's "sustainability" efforts. Wisconsin companies have showed major improvements from 2009. Wisconsin companies appear to be focusing on

- **Energy use reduction**
- **Recycling waste and**
- **Development of sustainable metrics**

With an expressed interest in,

- **Carbon Footprint analysis**
- **Engagement of customers and community and**
- **Life Cycle Assessment**

With over 70% of companies having an identified lead executive, Wisconsin companies are excelling in sustainability leadership compared to the national average. As respondents revealed there were no significant differences between large and small to medium business responses. In addition the results between large, and small to medium companies signifies that companies of all sizes are participating in various areas of sustainability. 94% of companies either have or are developing a corporate sustainability strategy. This is a 12% increase from 2009 and promising evidence that more companies are aware and actively pursuing sustainability strategies.

As compared to 2009 it is not surprising to see companies stating cost, and availability of funds as the major barriers to sustainability initiatives given the current state of our economy. We are encouraged though that even in the face of two crippling recessions companies are able to make improvements to better green their businesses.

In summary, the results of 2010 show promise in sustainable improvements by Wisconsin companies and trends are projected to improve annually.