

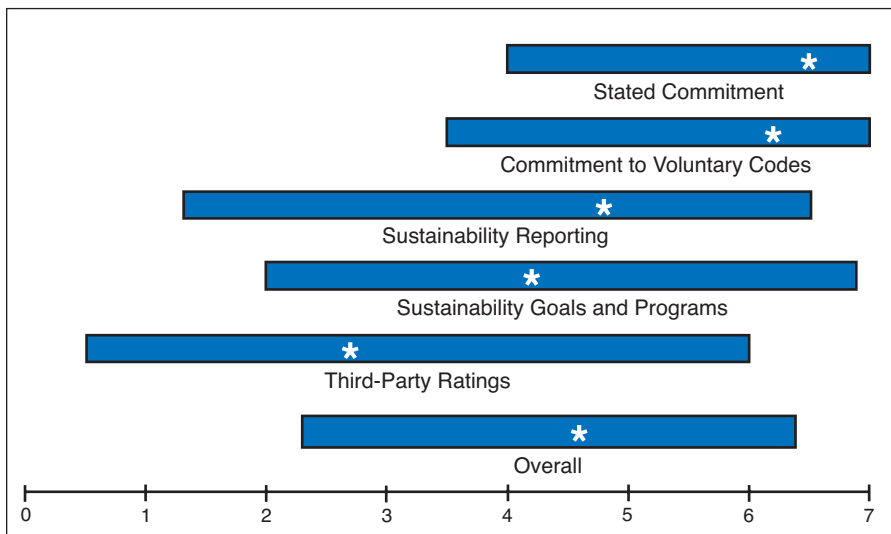
AIChE Sustainability Index: Strategic Commitment to Sustainability

The AIChE Sustainability Index (SI) (*CEP*, Nov. 2007, p. 13, and Jan. 2008, p. 20) assesses sustainability of companies in the chemical industry with respect to strategic commitment, environmental performance, safety performance, product stewardship, social responsibility, value-chain management, and innovation. In this issue, we examine strategic commitment to sustainability based on five criteria (not all are weighted equally):

- *Stated Commitment* — public commitment to excellence in environmental and social performance throughout a company's value chain
- *Commitment to Voluntary Codes* — public commitment to voluntary codes and standards, including Responsible Care, Global Compact, and others
- *Sustainability Reporting* — timely and comprehensive public reporting of sustainability performance
- *Sustainability Goals and Programs* — comprehensive set of goals and programs that are specific and challenging
- *Third-Party Ratings* — other respected agencies' ratings of company-wide sustainability management and reporting.

The figure shows average scores (asterisks) and ranges (blue bars) for the eleven major chemical companies* included in the inaugural analysis. On average, the companies received high marks in Stated Commitment and Commitment to Voluntary Codes, and lower scores in Sustainability Reporting and Sustainability Goals and Programs. The companies also scored somewhat poorly in economy-wide Third-Party Ratings (such as the Dow Jones Sustainability Index and FTSE4Good). The ranges, however, show considerable gaps between the top and bottom performers under each criterion.

All of the major chemical companies in this analysis have made public commitments to some aspects of sustainability, and nine out of the eleven evaluated have extended these commitments beyond internal environmental, health and safety (EHS) performance and product safety to include resource efficiency, product environmental performance and supplier performance. Nevertheless, commitments need to be supported by systems in place, including accountability through public reporting and clear targets and initiatives. While a few of



these companies have published well-respected, award-winning sustainability reports, many remain limited to reporting internal EHS performance and anecdotal success stories. Only a handful of chemical companies have developed clear and comprehensive sustainability targets.

The AIChE SI provides practical benchmarks along a number of well-defined metrics. Individual companies can subscribe to the indexing service to learn how they compare their peers by contacting ifs@aiiche.org.

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*The initial analysis included: Air Products, Akzo Nobel, Ashland, BASF, Celanese, Dow, DuPont, Eastman, Lyondell, Praxair, and Rohm & Haas.