

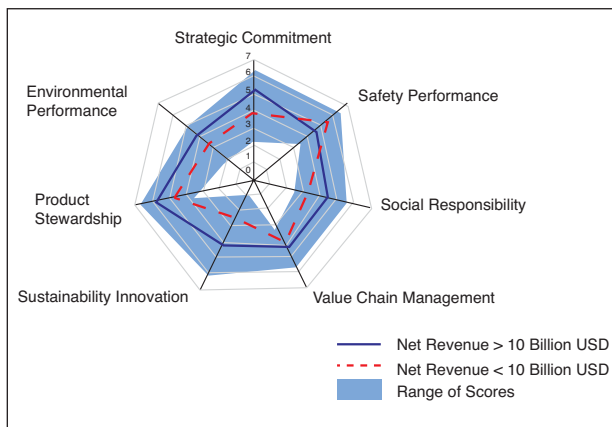
AICHe Sustainability Index: Effects of Company Size

The AICHe Sustainability Index (SI), rolled-out in the November 2007 issue of *CEP*, assesses sustainability of the chemical industry along factors fundamental to the industry. In this issue, we examine the effect of company size, based on net revenue, on the perceived sustainability performance of a company.

The figure at the right shows the range of scores for the eleven chemical companies included in the inaugural analysis*, as well as average scores for those with net revenue greater than and less than \$10 billion.

Results from the analysis reflect that companies with net revenues in excess of \$10 billion lead in most of the categories examined. With greater stakeholder pressure, most of these companies have committed themselves to aggressive sustainability goals and targets, and produce comprehensive sustainability reports — giving them higher scores on the category of Strategic Commitment.

The largest difference between the average scores of companies more than and less than \$10 billion is seen under Sustainability Innovation. Sustainability has become a driver of innovation for most of the larger chemical companies, which focus R&D on solutions that improve their customers' environmental, health and safety, and, in some cases social, performance. Furthermore, these companies also have the most access to and experience in using sustainability tools,



such as sustainability screen and lifecycle assessment, in their R&D and design activities.

The larger companies in the industry also lead on aspects of Environmental Performance and Social Responsibility. These companies, based on self-reported data, have made significant progress in reducing resource use and emissions, in line with the aggressive sustainability goals that many of them have set.

In the Social Responsibility category, while companies of all sizes are actively engaged with communities surrounding their operations and are sensitive to local concerns, the larger firms are more involved in strategic stakeholder-engagement activities designed to address issues around their products' value chains.

However, larger companies fall short in Safety Performance, lagging behind their smaller counterparts in various workplace and process safety metrics. Companies of all sizes also perform about equally in Value-Chain Management — meeting (but not exceeding) a majority of the Responsible Care requirements for environmental management system and supply-chain management.

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 to their peers by contacting ifs@aiche.org.

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

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