

CERES' 21ST CENTURY CORPORATION VISION: 20 KEY EXPECTATIONS

GOVERNANCE FOR SUSTAINABILITY

G1 BOARD OVERSIGHT

The Board of Directors will provide oversight and accountability for corporate sustainability strategy and performance. A committee of the board will carry specific responsibility for sustainability oversight within its charter.

G2 MANAGEMENT ACCOUNTABILITY

The CEO and company management—from C-Suite executives to business unit and functional heads—will be responsible for achieving sustainability goals.

G3 EXECUTIVE COMPENSATION

Sustainability performance results are a core component of compensation packages and incentive plans for all executives.

G4 CORPORATE POLICIES AND MANAGEMENT SYSTEMS

Companies will embed sustainability considerations into corporate policies and risk management systems to guide day-to-day decision-making.

G5 PUBLIC POLICY

Companies will clearly state their position on relevant sustainability public policy issues. Any lobbying will be done transparently and in a manner consistent with sustainability commitments and strategies.

STAKEHOLDER ENGAGEMENT

S1 FOCUS ENGAGEMENT ACTIVITY

Companies will systematically identify a diverse group of stakeholders and regularly engage with them on sustainability risks and opportunities, including materiality analysis.

S2 SUBSTANTIVE STAKEHOLDER DIALOGUE

Companies will engage stakeholders in a manner that is ongoing, in-depth, timely, and involves all appropriate parts of the business. Companies will disclose how they are incorporating stakeholder input into corporate strategy and business decision-making.

S3 INVESTOR ENGAGEMENT

Companies will address specific sustainability risks and opportunities during annual meetings, analyst calls and other investor communications.

S4 C-LEVEL ENGAGEMENT

Senior executives will participate in stakeholder engagement processes to inform strategy, risk management and enterprise-wide decision-making.

DISCLOSURE

D1 STANDARDS FOR DISCLOSURE

Companies will disclose all relevant sustainability information using the Global Reporting Initiative (GRI) Guidelines as well as additional sector-relevant indicators.

D2 DISCLOSURE IN FINANCIAL FILINGS

Companies will disclose material sustainability issues in financial filings.

D3 SCOPE AND CONTENT

Companies will regularly disclose significant performance data and targets relating to their global direct operations, subsidiaries, joint ventures, products and supply chain. Disclosure will be balanced, covering challenges as well as positive impacts.

D4 VEHICLES FOR DISCLOSURE

Companies will release sustainability information through a range of disclosure vehicles, including stand-alone reports, annual reports, financial filings, websites and social media.

D5 PRODUCT TRANSPARENCY

Companies will provide verified and standardized sustainability performance information about their products at point of sale and through other publicly available channels.

D6 VERIFICATION AND ASSURANCE

Companies will verify key sustainability performance data to ensure valid results and will have their disclosures reviewed by an independent, credible third party.

P1 OPERATIONS

Companies will invest the necessary resources to achieve environmental neutrality and to demonstrate respect for human rights in their operations. Companies will measure and improve performance related to GHG emissions, energy efficiency, facilities and buildings, water, waste, human rights.

1. Greenhouse Gas Emissions and Energy Efficiency: Companies will reduce greenhouse gas emissions by 25% from their 2005 baseline by 2020:

- Improving energy efficiency of operations by at least 50%
- Reducing electricity demand by at least 15%
- Obtaining at least 30% of energy from renewable sources

2. Facilities and Buildings: Companies will ensure that at least 50% of their owned or leased facilities, and all new construction, will meet rigorous green buildings standards. When siting facilities, companies will follow best practices that incorporate sustainable land-use and smart growth considerations.

3. Water Management: Companies will assess water-related impacts and risks and will set targets to improve water use and wastewater discharge, with priority given to operations in water-stressed regions.

4. Eliminate Waste: Companies will design (or redesign, as appropriate) manufacturing and business processes as closed-loop systems, reducing toxic air emissions and hazardous and non-hazardous waste to zero.

5. Human Rights: Companies will regularly assess key risks related to human rights throughout their entire operations, and will employ management systems that are aligned with internal policies and support the implementation of universal standards.

P2 SUPPLY CHAIN

Companies will require their suppliers to meet the same environmental and social standards as the company has established for itself. Companies will establish sustainable procurement criteria, catalyze improved supplier performance,

and facilitate disclosure of suppliers' sustainability information.

1. Policies and Codes: Companies will set supply chain policies and codes aligned with overall social and environmental standards.

2. Align Procurement Practices: Companies will address sustainability performance in procurement criteria and contracting.

3. Engaging Suppliers: Companies will ensure that at least 75% of the company's Tier 1 and Tier 2 suppliers and 50% of Tier 3 suppliers meet the company's standards for sustainability performance.

4. Measurement and Disclosure: Companies will disclose a list of their Tier 1 and 2 suppliers and measure and disclose suppliers' sustainability performance.

P3 TRANSPORTATION AND LOGISTICS

Companies will systematically minimize their sustainability impact by enhancing the resiliency of their logistics. Companies will prioritize low impact transportation systems and modes, and address business travel and commuting.

1. Transportation Management: Companies will develop transportation criteria that incorporate distance requirements from site to market and establish decentralized and localized distribution networks.

2. Transportation Modes: Companies will review logistics to prioritize low-impact transportation modes.

3. Business Travel and Commuting: Companies will decrease greenhouse gas emissions from business travel and employee commuting by 50% from a baseline of 2005.

P4 PRODUCTS AND SERVICES

Companies will design and deliver products and services that are aligned with sustainability goals by innovating business models, allocating R&D spend, designing for sustainability, communicating the impacts of products and services, reviewing marketing practices and advancing strategic collaborations.

1. Business Model Innovation: Companies will innovate business models to reduce material inputs and prioritize a transition to sustainable products and services.

2. R&D and Capital Investment: Companies will use sustainability as a primary filter through which all R&D and capital investments are made. 50% of the R&D investment will be focused on developing sustainability solutions.

3. Design for Sustainability: Companies will approach all product development and product management decisions with full consideration of the social and environmental impacts of the product throughout its lifecycle.

4. Marketing Practices: Companies will align their marketing practices and product revenue targets with their sustainability goals, and will market their designed-for-sustainability products and services with at least the same effort as their marketing of other products.

5. Strategic Collaborations: Companies will collaborate within and across sectors to innovate and scale sustainable products and services, and contribute to the development of open source solutions.

P5 EMPLOYEES

Companies will make sustainability considerations a core part of recruitment, compensation and training, and will encourage sustainable lifestyle choices.

1. Recruitment and Retention: Companies will incorporate sustainability criteria into recruitment protocols, employee performance processes, compensation and incentives.

2. Training and Support: Companies will develop and implement formal training on key sustainability issues for all executives and employees, and facilitate coaching, mentoring and networks for sustainability knowledge sharing.

3. Promoting Sustainable Lifestyles: Companies will promote sustainable lifestyle choices across their community of employees through education and innovative employee benefit options.