



Executive Report

Corporate Social Responsibility

MONITOR 2001

**Global Public
Opinion on the
Changing Role
of Companies**

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The 2001 Corporate Social Responsibility (CSR) Monitor, which builds on our 1999 Millennium Poll on CSR, is based on surveys of representative samples of about 1,000 citizens in each of 20 countries across 5 continents. The field work in each country was conducted by respected social research

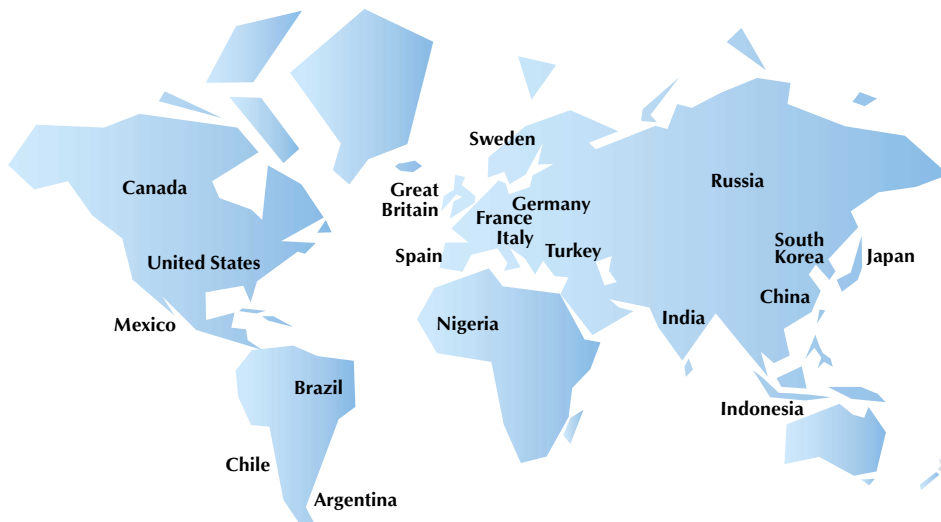
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The CSR Monitor provides companies with insights into the attitudinal context within which they operate in societies around the world, examines where companies are particularly vulnerable on social responsibility, and

explores the business case for good corporate citizenship.

The findings from this year's research deliver critical insights and tools for developing corporate strategy and action, including:

1. Compelling elements of the business case for companies to emphasize social responsibility
2. A global perspective on the relative importance of CSR across countries
3. A predictive view from societal Opinion Leaders
4. A description of six segments of consumers who differ according to their social expectations of companies



Significant numbers of investors take a company's social performance into consideration when making investment decisions.

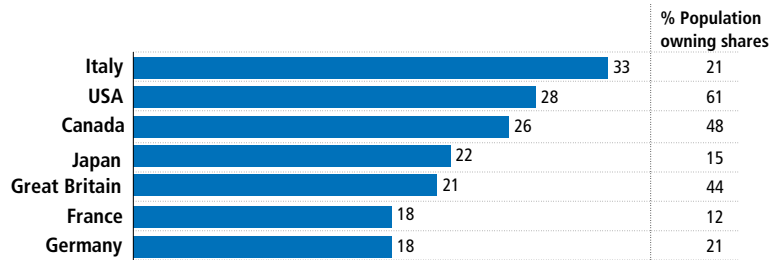
Most of the world's investors live in North America and Europe, where there appears to be a significant socially responsible investment community. Indeed, appreciable proportions of investors in these regions report having made investment decisions based on a company's social performance.

Consequently, a company's social performance is already considered an important component of shareholder value.

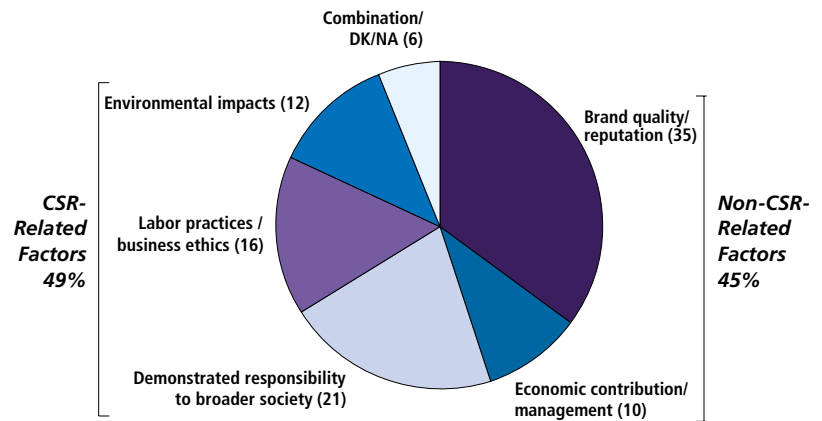
Social responsibility makes a greater contribution to corporate reputation today than brand image, especially in wealthy countries.

According to consumers in wealthy countries especially, a company's social performance (i.e., its commitment to labor practices, the environment, etc.) has a significant impact on their impression of the company. In contrast, brand quality outstrips social performance as the most important determinant of corporate reputation in the developing world.

Bought or Sold Shares Because of Company's Social Performance
Subsample: People Who Own Shares Directly or Indirectly in G7 Countries

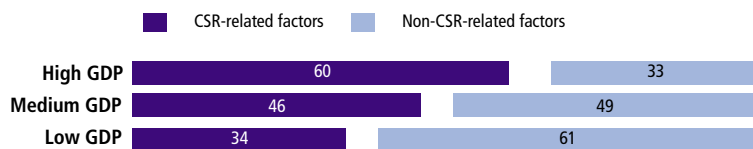


Most Important Factor When Forming Impression of a Company
G20 Countries Surveyed



See Notes to Reader for list of G20 countries surveyed.

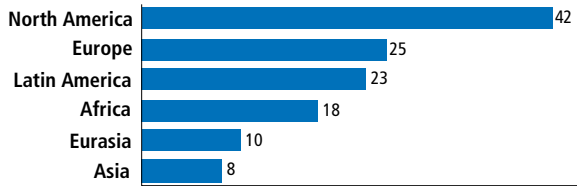
Most Important Factor When Forming Impression of a Company
Most Important Factor By GDP per capita



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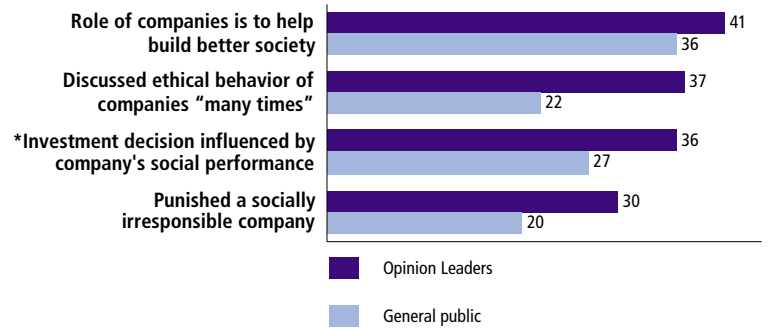
Punished Companies for Being Socially Irresponsible

"Have Done" by Region



Staying Ahead of the Curve on CSR

Opinion Leaders vs General Public: G20 Countries Surveyed



Companies that ignore social responsibility place market share at risk.

Not only are consumers worldwide increasingly paying attention to the ethical behavior of companies, many, particularly in North America, have punished companies in the marketplace for being socially irresponsible.

North American consumers are also the most inclined to pay more for socially responsible goods.

Boycotting is the preferred method of punishing a socially irresponsible company in wealthy countries; developing country consumers are more likely to just speak critically about the company.

Views and behaviors of Opinion Leaders indicate that consumers' social expectations of companies will continue to grow.

Environics' proprietary "Opinion Leader" typology identifies the 13-15 percent of the population in each country that most influence the opinions of their fellow citizens.

As we found in our 1999 Millennium Poll on CSR, these Opinion Leaders continue to expect more from companies than the general public and they are more engaged in issues related to corporate social responsibility.

As consumers, Opinion Leaders are significantly more ethically

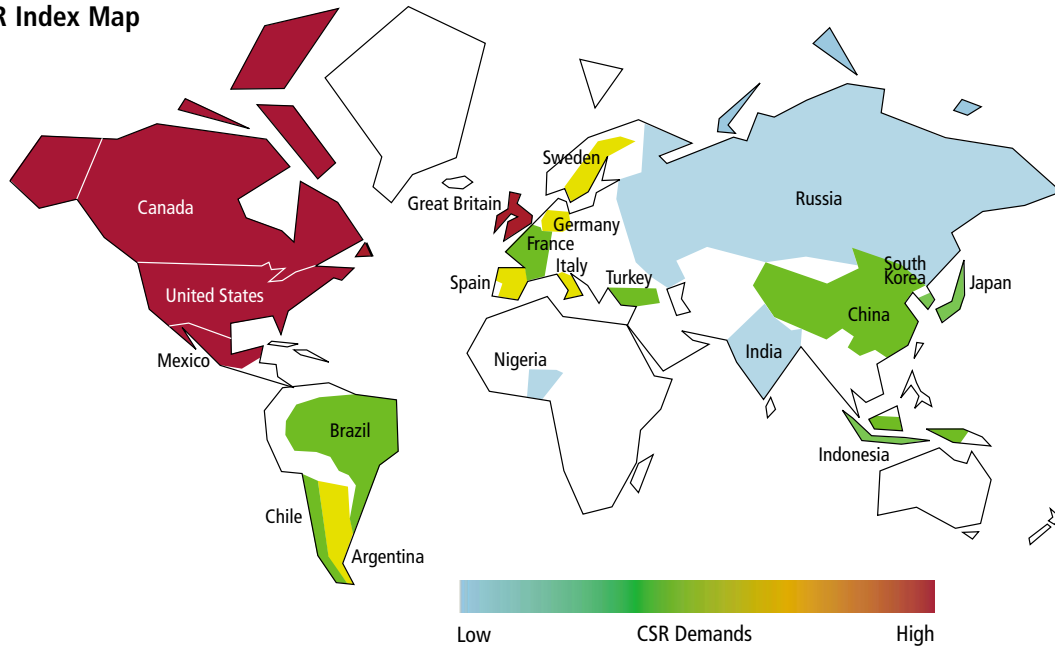
demanding than the general public; in fact they are 50 percent more likely than the general public to punish socially irresponsible companies.

These findings suggest that in coming years companies will come under even greater public pressure to deliver on their broader social responsibilities. Certainly, the strengthening of views since our 1999 survey suggest this is happening.

In addition, Environics predicts that ethical consumption and investing will grow as the general public follows the lead of Opinion Leaders, creating expanded market opportunities for socially responsible companies.

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Environics' CSR Index Map



North American consumers represent the most socially demanding market for companies.

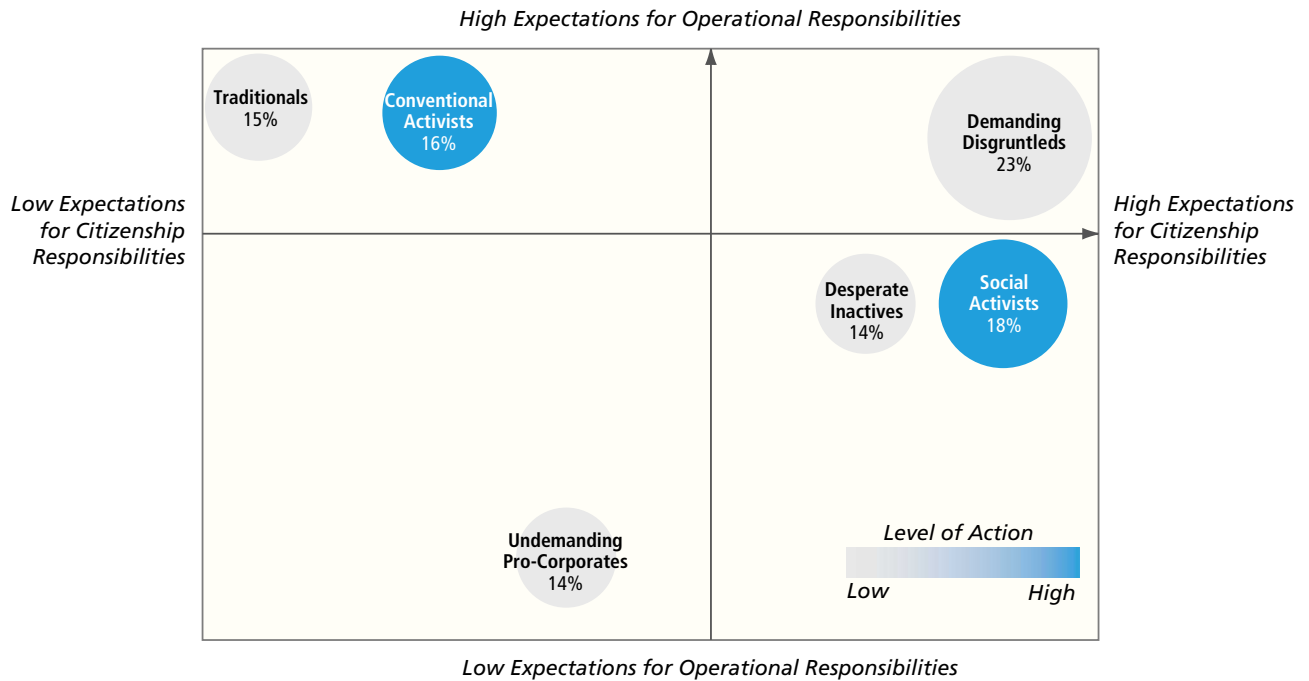
To determine which markets are the most demanding of companies with respect to social responsibility, Environics International created a single metric: the Corporate Social Responsibility (CSR) Index. The CSR Index is composed of the following dimensions:

- Consumer behavior toward socially irresponsible companies
- Expected role of companies
- Influential factors in forming impressions of companies
- Ability to name a socially irresponsible company

From the above CSR Index map of countries, the United States, Canada, Great Britain, and Mexico are clearly the markets which demand the most of companies. Most European countries, as well as Argentina, are ranked as second-tier countries on the CSR Index.

Companies can expect relatively modest demands for being socially responsible in Asia, France, Turkey, Brazil, and Chile. India, Russia and Nigeria represent markets where there is the least demand for companies to be socially responsible.

CSR Segmentation Map



Two distinct groups of citizens, making up a third of consumers across the world, are engaged in pressuring companies to assume greater social responsibility.

Using factor and cluster analysis, Environics discovered two activist segments of consumers. The first group—Conventional Activists—demand that corporations fulfill their operational responsibilities, that is, duties they encounter in the normal course of their business

operations (e.g., treating employees fairly, protecting the environment, etc.).

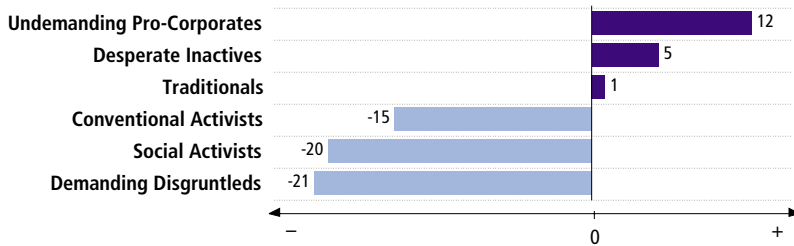
The second group—Social Activists—expect companies to exercise “citizenship” by going beyond the sphere of their everyday operations and playing a socially minded leadership role to improve conditions for everyone (e.g., reduce the gap between rich and poor, solve social problems, etc.).

While both of these groups are highly active as ethical consumers and tend to be over-represented by Opinion Leaders, Conventional Activists are more likely to be North Americans with high levels of education and income. Social Activists, however, are equally represented across most demographic groups and are fairly evenly distributed across all of the 20 countries surveyed.

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Trust in Global Companies to Operate in Society's Interest

Net Ratings ("Trust" Minus "Don't Trust") by Segment



These two activist groups have emerged from a broader analysis of six distinct segments which hold differing attitudes towards companies (see the "CSR Segmentation" section).

Three of the segments, Undemanding Pro-Corporates, Traditionals, and Desperate Inactives, are favorable towards corporations in general. The other three segments, Demanding Disgruntleds, Conventional

Activists, and Social Activists, tend to be anti-corporate.

Those segments that are more approving of the corporate sector tend to trust global companies more than others and are also more likely to support economic globalization.

Companies can use the insights from this segmentation analysis to better design and target their corporate responsibility policies, programs, and communications

to the specific concerns of their key audiences. For example, both "Activist" segments have very high levels of Internet use, suggesting this medium is key to reaching them.



METHODOLOGY

The following table gives a more detailed description of the methodologies used in each of the 20 countries.

Country	Sample Size (unweighted)	Field dates	Sample frame	Survey methodology	Type of sample
Argentina	1000	Jan.8-22, 2001	18 years or older	Face to face	Nation-wide
Brazil	1002	Jan.20-28, 2001	18 to 74 years old	Face to face	Urban ¹
Canada	1015	Dec. 11-19, 2000	18 years or older	Telephone	Nation-wide
Chile	1200	Dec. 1-12, 2000	18 years or older	Face to face	Nation-wide
China	1800	Dec. 8-15, 2000	18 to 65 years old	Face to face	Urban ²
France	1020	Dec. 1-10, 2000	15 years or older	Face to face	Nation-wide
Germany	1000	Nov. 30 – Dec.18, 2000	18 to 70 years old	Telephone	Nation-wide
Great Britain	1000	Nov.23 – Dec.8, 2000	18 years or older	Telephone	Nation-wide
India	1003	Dec.11 2000 – Jan. 2, 2001	15 to 65 years old	Face to face	Urban ³
Indonesia	1000	Nov.18-Dec.8, 2000	15 to 55 years old	Face to face	Urban ⁴
Italy	1008	Nov.26 – Dec.6, 2000	18 years or older	Telephone	Nation-wide
Japan	1030	Dec. 16-24, 2000	20 years or older	Face to face	Nation-wide
Mexico	1008	Dec. 10-15, 2000, Jan. 5-10, 2001	18 years or older	Face to face	Urban ⁵
Nigeria	1100	Dec. 4-14, 2000	18 years or older	Face to face	Nation-wide
Russia	1072	Nov.30 – Dec.17, 2000	18 years or older	Face to face	Nation-wide
South Korea	500	Jan.12-27, 2001	20 to 65 years old	Face to face	Urban ⁶
Spain	1004	Nov.27, 2000 – Feb. 9, 2001	15 years or older	Face to face	Nation-wide
Sweden	1000	Jan.3-25, 2001	15 to 74 years old	Telephone	Nation-wide
Turkey	1200	Dec. 04, 2000 – Jan. 08, 2001	15 years or older	Face to face	Urban ⁷
United States	1000	Nov. 28-Dec.8, 2000	18 years or older	Telephone	Nation-wide

¹ In Brazil, the survey was conducted in Sao Paulo, Rio de Janeiro, Belo Horizonte, Fortaleza, Belem, Recife, Salvador, Curitiba, Brasilia, Goiania and Porto Alegre, representing 32% of the total population.

² In China, the survey was conducted in Beijing, Shenyang, Shanghai, Hangzhou, Wuhan, Chengdu, Guangzhou, Zhengzhou, and Xi'an, representing 30% of the population.

³ In India, the survey was conducted in Mumbai, Delhi, Calcutta and Chennai, representing 17% of the total urban population.

⁴ In Indonesia the survey was conducted in Jakarta and Surabaya, representing 15% of the total urban population

⁵ In Mexico, the survey was conducted in 37 cities, representing 30.3% of the total population.

⁶ In South Korea, the survey was conducted in Seoul, Pusan, Taegu, Incho, Dwangju, Taejon and Ulsan representing 48.2% of the total population.

⁷ In Turkey, the survey was conducted in Adana, Ankara, Antalya, Bursa, Diyarbakyr, Erzurum, Ystanbul, Yzmir, Konya, Samsun and Zonguldak, representing 45% of the total population.

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