

Core Values and Environment and Social Governance

The Building Blocks of Performance

Organizations around the world have adopted core values. They are characterized as the guiding principles that underlie company or organizational culture and drive performance year in and year out.

The titles of core values most commonly referenced by organizations are summarized in the table below.

| Representative Examples of Core Values | |
|---|-------------------------|
| Commitment to Innovation | Diverse Workforce |
| Teamwork and Employee Satisfaction | Personal Responsibility |
| Integrity and Respect | Superior Performance |
| Safety First | Creating Wealth |
| Commitment to Communities | Meeting Customer Needs |

The purpose of this brief is to discuss the role of core values in environment and social governance.

By examining the descriptions of core values¹, they appear to provide the underpinnings for a strong environment and social governance framework:

“As a company we value diversity – in people and experience and foster dialog based on honesty, respect, and mutual trust.”

“We will conduct our business and carry out our responsibilities to customers and employees with integrity, respect, and trust.”

“We take ownership for our actions and embrace responsibility.”

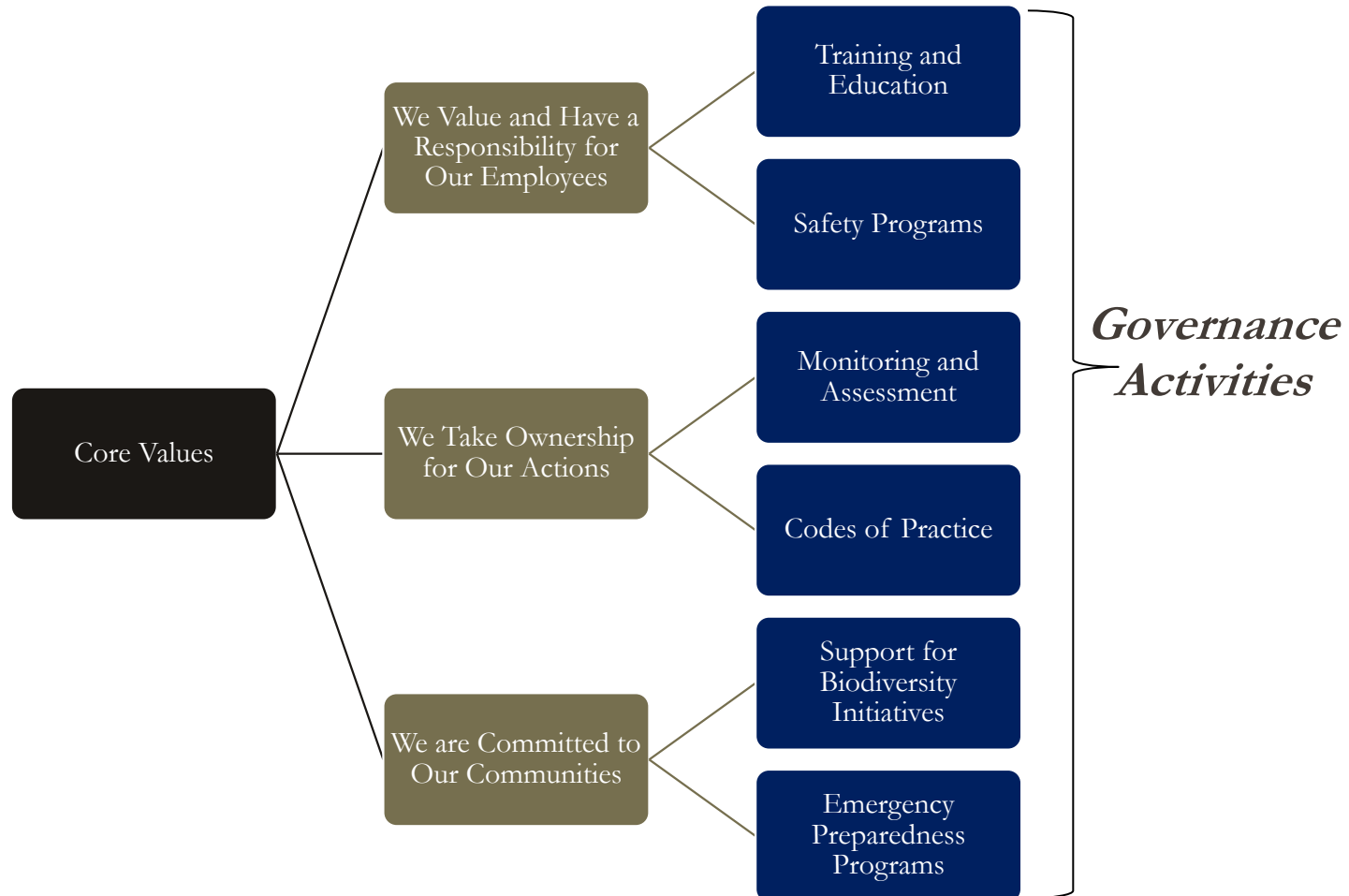
“We believe that successful companies exhibit superior safety performance.”

“As a good corporate citizen were committed to participating in and building the communities and societies in which we live.”

“Innovation matters, for our company and for the world.”

¹ Extracted from company websites and reworded for inclusion in this brief.

For example, commonly cited core values can be linked to environment and social governance activities such as:



...and to programs focused on providing social good services for individuals, employees, and society:



In terms of the innovation and wealth creation, core values translate into environment and social activities such as:

- Development of green products and services such as, but not limited to, biodegradable oils for handheld powered equipment or solar cells made from organic and nanocomposite materials.
- Vertically integrated manufacturing to reduce a company's carbon footprint.
- Installation of advanced analytics to track, measure, and forecast energy loads in building and operations to reduce costs.
- Product modifications to enhance quality and simultaneously reduce waste generation or the use of hazardous materials.

Core values have clear linkages to the evolution of a sustainable business, and for ensuring current operations provide a safe environment for employees and local communities.

Moreover, core values keep organizations on the right path towards success enabling them to define and implement winning environment and social governance strategies during calm as well as turbulent times.

In short, pragmatic and tactical, core values underlie an organization's unfailing sense of environment and social governance purpose and direction.

If you have any questions about this brief, please contact me at your convenience. Thank you very much.

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