

JKS, Delaney & Lor
answered questions on
market, regulatory environ.
etc.

Enron North America

EC004392454



Corporate Responsibility

EC004392455

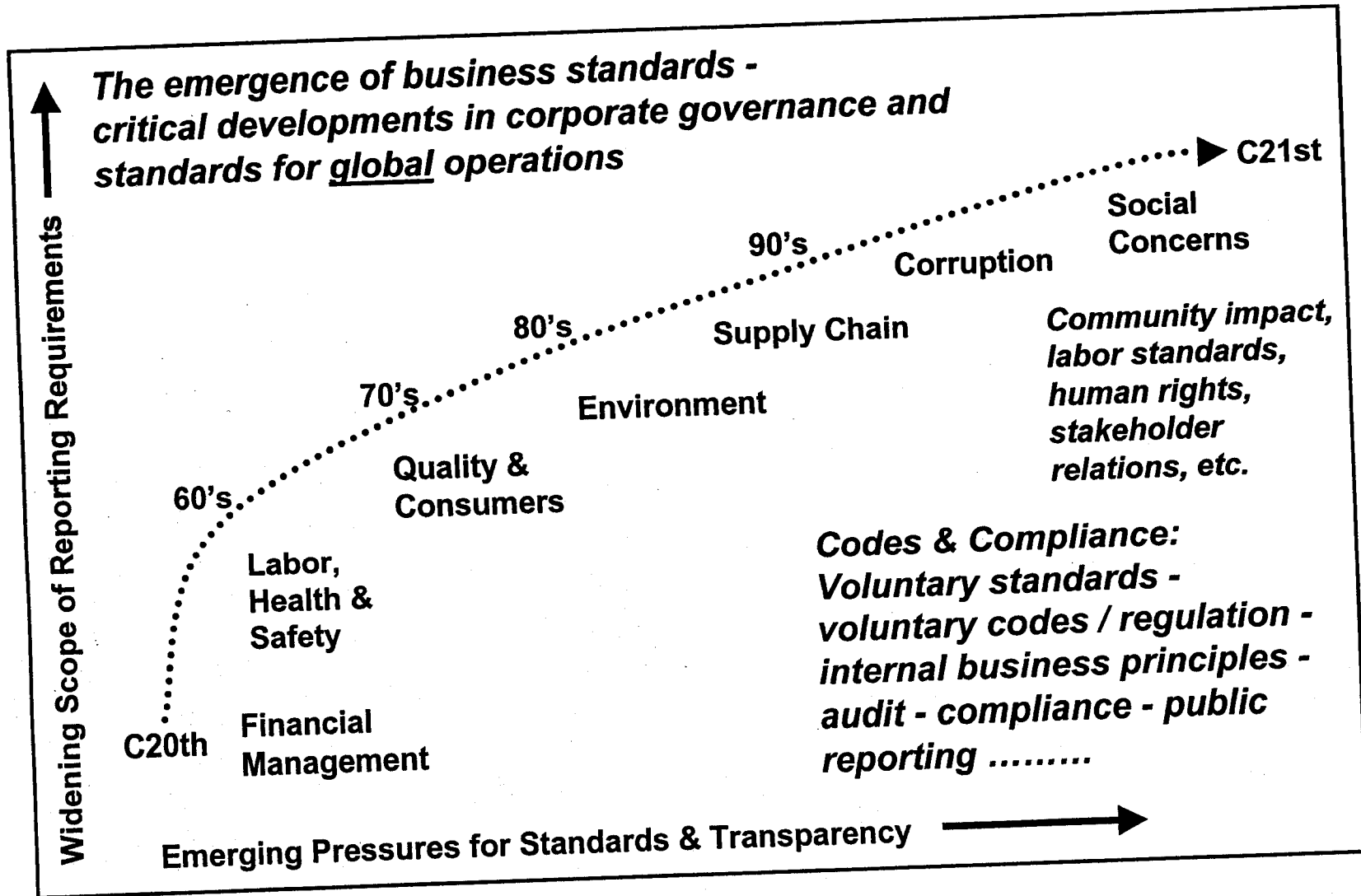
H. Kimberley

What is Corporate Responsibility?

- **Corporate responsibility integrates social and environmental considerations into business strategy, market development and decision-making**
- **Sustainable Development - “Meeting the needs of the present, without compromising the ability of future generations to meet their own needs... ” (World Commission on Environment and Development, 1987)**

Emerging Trends

lots of non-financial issues reported to be reported on



Source: Prince of Wales Business Leaders Forum



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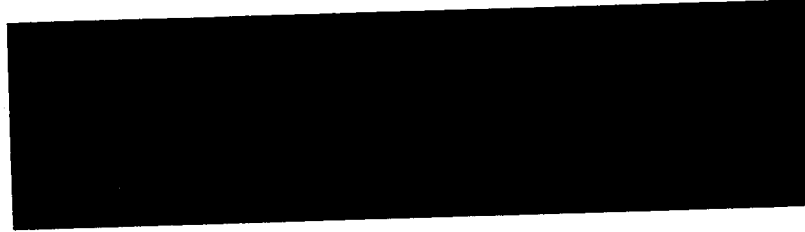
Emerging Trends and Practices

- **Shareholder, market, customer and employee interest in non-financial performance and services:**
 - **Salomon Smith Barney** *customers looking at issues*
 - **Polaroid, Starwood**
 - **University of Chicago**
 - **Friends of the Earth** *Shareholder Resolution*
- **Market-based solutions:**
 - **Demand for environmentally/socially superior products**
 - **Provision of goods and services to address sustainability concerns**

Task force identified the issues
(led by boy)

Why is This Important for Enron?

Social and Environmental Issues Present Risks and Opportunities



coal



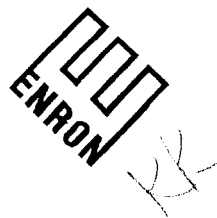
privacy issues
pornography



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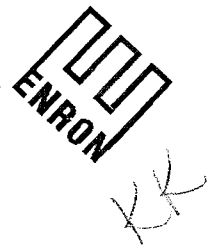
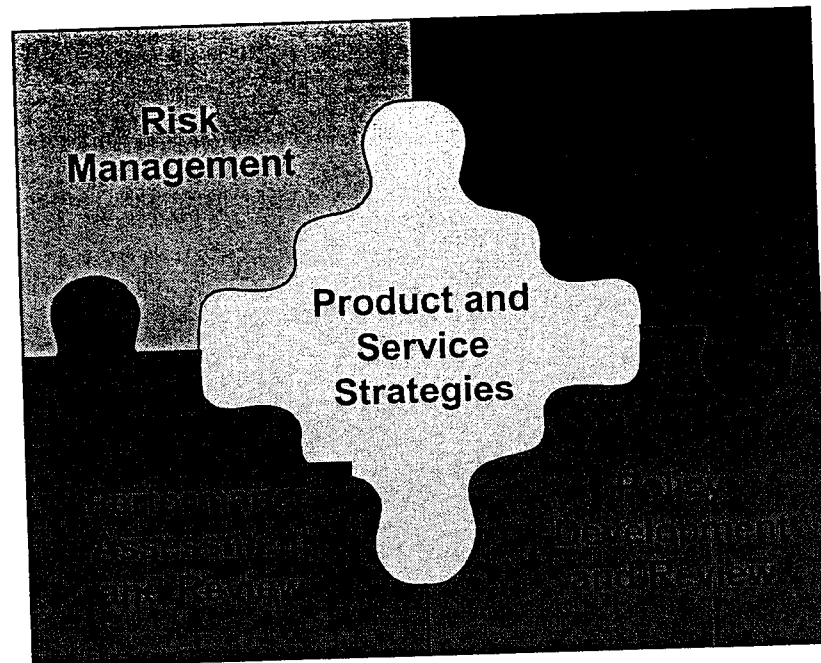
Benefits of a Strategic Approach

- **Improve ability to recruit and retain employees**
- **Create new markets**
- **Develop new products and services**
- **Mitigate product/service/operations risk**
- **Strengthen brand/reputation**
- **Maintain and improve competitive position**



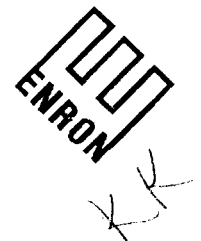
Progress to Date

- Defined mission: “To establish Enron as a leading 21st century company - best in class”
- Benchmarked leaders
- Established Corporate Responsibility Task Force
- Published first Annual EHS Report *1,700 hits to internet site*
- Developed Human Rights Policy



Goals for 2001

- **Work with business units to identify new products, services, markets and opportunities**
- **Integrate social and environmental considerations into existing business unit strategies and management systems (due diligence, risk management, stakeholder engagement, training, performance incentives, auditing)**
- **Benchmark, measure and continuously improve Enron's social and environmental performance (previous performance, customer and investor expectations, competitors)**
- **Confirm and communicate "lessons learned"**
- **Identify opportunities to improve efficiency, reduce environmental impacts and procure 'green products', while saving money**
- **Publish second Annual Report on social and environmental performance**



Proposed Next Steps

- **Expand Board Committee responsibilities**
 - **structure**
 - **scope**

Will include as a Nominating Committee responsibility
- **Establish external Advisory Committee**
 - **high level, internationally-recognized experts**
 - **provide insight and information on issues and trends**
 - **comment on corporate goals, plans, strategies**

