

PRESS RELEASE

Inquiry report advocates wider role for tomorrow's global company

LONDON, UK - 18 June 2007 - Tomorrow's global companies should work with governments, non-governmental organisations (NGOs) and others to create stronger frameworks of law and regulation for the world's markets, according to a report launched today by a group of prominent business and NGO leaders.

The report, *Tomorrow's Global Company: challenges and choices*, argues that stronger frameworks are needed to enable companies to create wealth and shareholder value at the same time as delivering practical solutions to global issues such as climate change, persistent poverty and human rights abuses.

It says that this is particularly important at a time when the world is undergoing a period of unprecedented change, with a rising population, rapid economic growth, the spread of globalisation, pressure on the environment and continuing social, political and cultural divisions.

The report is the result of an 18 month inquiry by a team drawn from people working for businesses and NGOs based in Europe, North America and Asia. These included: ABB, Alcan, Anglo American, Amnesty International Business Group, BP, Dr. Reddy's, Ford, the International Institute for Sustainable Development, Infosys, KPMG, Leaders' Quest, McKinsey, Standard Chartered, SUEZ, and SustainAbility. The inquiry has been initiated by Tomorrow's Company, a think-tank focused on business issues, to generate ideas and promote debate on the role of global companies in society.

The team members state that they have shared their diverse perspectives and experiences as well as trying to use learning from past mistakes to build aspirations for the future.

They say that global companies have a distinct role to play in society as a result of their scale, power and influence. It says: "They can use their global presence, power and expertise to deliver practical solutions such as developing low-carbon power, ensuring decent working conditions and creating products specifically designed for low-income consumers."

The report argues that while the market has proved the most powerful means of stimulating innovation and meeting immediate consumer needs for goods and services, there are major issues relating to long-term sustainability which it has left unresolved - such as global warming, the depletion of natural resources, persistent poverty and human rights violations.

Progress in such areas depends on creating stronger frameworks for the market through international agreements and national regulation. The report calls for global companies to use their power to help create such frameworks, rather than resisting them.

It says: "The full creative potential of the market can only be realised if governments - supported by companies and others - put in place effective frameworks of regulation and incentives in the short-term. These are essential for companies to be able to compete on equal terms and to deliver new and innovative goods and services. It is therefore in the interest of global companies to be proactive and work in partnership with civil society, policy makers and others to help international organisations and governments create the frameworks necessary to strengthen and guide the market."

The report says that to fulfil their potential, companies need to focus on three specific priorities:

- * **Redefining success** - defining and measuring success in a way that aligns and integrates the social, environmental, human and financial aspects of companies' work;
- * **Embedding values** - defining, living by, and being judged by values that are publicly espoused and applied rigorously in challenging situations; and
- * **Creating frameworks** - supporting sound national regulatory frameworks and international agreements, working with governments, NGOs and others to create them.

The team said that together these actions would reinforce each other and enable companies to "expand the space" in which they operate - having greater impact and influence over a longer timescale.

The report adds: "This is not about philanthropy or companies being seen to be 'doing good'. These are actions that serve the long-term interests of any company."

One of the team's two Co-Chairs, Nandan Nilekani, CEO and Managing Director of Infosys Technologies, said:

"We are witnessing profound change in the way we live, work and interact in an increasingly global, interconnected world. This changing landscape presents us with challenges and opportunities we need to work with, and status quo is not an option. Business, as a force for good, has to respond to this changing landscape and make a positive impact on society and the environment. Truly global companies will need to develop a compelling vision which enables sustainable, profitable development of their business whilst benefiting the society at large. Those of us involved in creating Tomorrow's Global Company are determined to create a business community that will be a source of economic, social and environmental progress."

The team's other Co-Chair, John Manzoni, who was CEO of BP Refining & Marketing during the inquiry, and is to become President and CEO of Talisman Energy Inc. in September, added:

"Progressive companies choose to play their part in solving the global challenges of the 21st century and so grow their business. They do this best when it becomes part of their core

purpose - by developing better goods and services to meet the needs of more customers. That is how they can make the biggest difference."

Sir Mark Moody-Stuart, Chairman of Anglo American, added:

"Global businesses, operating in a market system, can be a tremendous force for good in the world - so long as the market is shaped and regulated in the right way. So it's up to us to work with governments, NGOs, academic experts and others to make sure we work within a system that delivers progress and helps to resolve the world's most difficult issues."

In launching the report, the group invites other business leaders - as well as leaders of government and civil society - to consider and discuss the key findings. The report sets out a framework for discussion, which Tomorrow's Company will now take forwards. The launch of the report represents the first major step in broadening these discussions beyond the Inquiry Team.

For Tomorrow's Company, Founder Director Mark Goyder commented:

"A decade ago the first Tomorrow's Company inquiry argued for an inclusive approach to sustainable success. This helped to shape discussions on the role of business in society. Our hope is that the Tomorrow's Global Company inquiry will have a corresponding influence, especially for that new generation of companies emerging from countries such as India, China and Brazil. We want to promote a constructive dialogue that helps business leaders make sense of their new role in the world."

In the coming months Tomorrow's Company will be launching the findings of the inquiry in India and then from September it will be running a series of events and roundtable discussions exploring how this framework can be implemented within companies. More information about the inquiry can be found on the Tomorrow's Company website.

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Notes to Editors:

1. About Tomorrow's Company

Tomorrow's Company is a not-for-profit research and agenda-setting organisation committed to creating a future for business which makes equal sense to staff, shareholders and society. Its business-led programme of publications, events and other activities focuses on three issues fundamental to the future success of business:

- * an improved investment system
- * an inclusive approach to leadership and governance
- * and closing the gap between business and society.

Having had a strong influence on business leadership and governance in the UK, Tomorrow's Company is now approaching these issues on an international basis under the theme of Tomorrow's Global Company.

2. About the Tomorrow's Global Company inquiry

- * The inquiry process has involved interviews, consultations, desk-top research, and a call for evidence via websites
- * This included a programme of 55 interviews and 16 consultations conducted internationally with members of the Inquiry Team, their executive team, senior representatives from other influential organisations, and experts including internationally renowned writers, academics and key-influencers.
- * Copies of the full report can be obtained by emailing david@tomorrowcompany.com or writing to:

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