



Environmental Risk -The Realities

Conducted by StrategicRISK for ACE European Group

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Strategic**RISK**





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Executive Summary

Environmental liability risks are an important concern for Europe's industrial base. For this survey, StrategicRISK interviewed 40 risk managers in European business organisations. Most worked in large industrial or quasi-industrial companies. Even among the four respondent companies mainly involved in finance, media, retailing or business services, however, three had direct practical exposure to environmental risk through their business operations – while the fourth had concerns about potential for indirect exposure under the EU's evolving environmental liability regime.

Exposures

Of these 40 interviewees, 35 per cent rated their potential environmental exposures 'high' or 'very high', 35 per cent 'average' and 30 per cent 'low' or 'very low'. Many interviewees seemed to believe that although the environmental risk from their operations was theoretically high, tight risk management processes drove the actual residual risk to a lower level. Judging by the results of this survey, however, a significant new environmental liability loss can be expected to affect about one in ten major European companies each year.

Legacy issues are just as much of a problem. A full 60 per cent of interviewees said their companies had known environmental liabilities arising from past operations. Forty-five per cent said they had known liabilities through the previous operations of acquisitions or subsidiaries. Those companies that seem to have avoided liabilities through their own operations also appear to be avoiding exposures through subsidiaries or acquisitions.

Confidence

One respondent in three was willing to state 'complete' confidence that his company had identified all potential environmental liabilities under current regulation. Many of those opting for 'reasonable' confidence, however, expressed a high level of confidence in their potential liability

investigations that fell only just short of 'complete'. The survey showed, not surprisingly, that the higher the company's perceived risk, the less likely the interviewee was to be fully confident in its identification of potential environmental liabilities under current regulation.

Of our 40 interviewees, 15 said that they were aware of changes affecting them that could arise from the new EU Environmental Liability Directive. Most of these 15 worked in companies they rated 'average' to 'very high' in environmental liability risk. Most European companies seem ready to take the Environmental Liability Directive in their stride, though some risk managers expressed concern about proposals to hold companies liable for the loss of or 'significant' damage to natural habitats.

Procedures

So how well are companies managing their potential environmental liabilities? Only one respondent said that his company did not have a formal, written environmental management strategy. Sixty per cent said that their companies had 'detailed and well-rehearsed' processes for dealing with sudden pollution accidents. The majority carried out regular training exercises to rehearse procedures – and some had had occasional additional 'rehearsals' in the form of responses to live incidents.

For most companies, responses to sudden, accidental pollution were an integral part of their wider crisis management or incident management planning. Many respondents spoke of having IT systems in place to support the internal reporting and management of incidents. Interviews also revealed many different approaches to processes for dealing with sudden, accidental pollution incidents.

Insurance

Of our 40 respondents, 32 were able to discuss their insurance arrangements. All of these made some provision for transferring environmental liability risk. Only 35 per

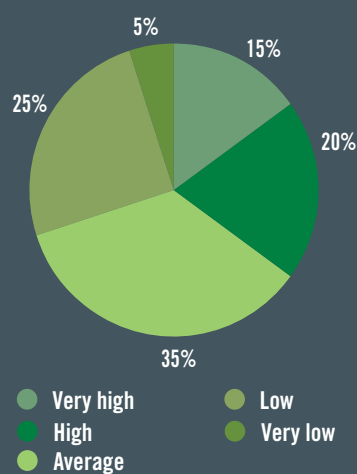
cent had specific environmental liability policies, however. The remainder relied on such limited coverage as existed in their standard product liability or public liability policies. Many respondents complained that transferring their gradual environmental liability risks to the commercial insurance market was either impossible or prohibitively expensive. But several said they kept the situation under annual review – indicating an interest in offloading such risks as soon as the chance arises.

Varying national regulatory regimes affect how companies view and manage their insurance. In Germany, companies are legally required to separate their environmental liability and general insurance. Specific, standalone environmental management cover is mandatory.

Communication

Many companies are putting a real effort into communicating their environmental

Thirty-five percent rated their potential environment liability high or very high

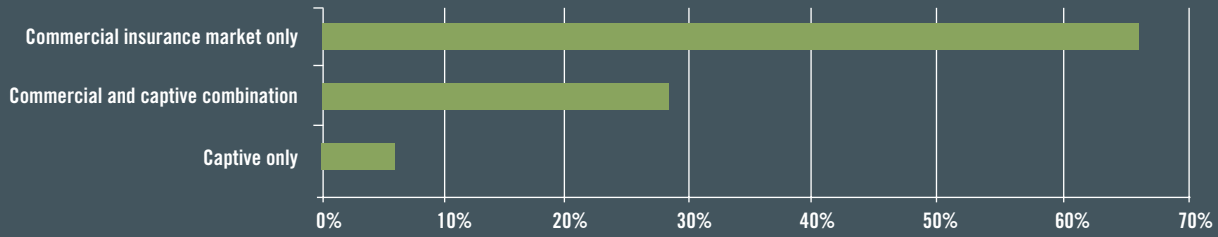


How would you rate your company's potential exposure to environmental liability risks?

	Number	Percentage
Very high	6	15%
High	8	20%
Average	14	35%
Low	10	25%
Very low	2	5%
Total	40	100%



A third of respondent business were using captives for environmental liability risk



Do you transfer any environmental liability risk to the commercial insurance market?

	Number	Percentage
Commercial insurance market only	21	66%
Commercial and captive combination	9	28%
Captive only	2	6%
Total	32	100%

management policies to the public, interest groups and – not least – investors. Where environmental matters are concerned, reputation management seems to have a strong commercial rationale. One third of respondents said that their companies now produced a free-standing environmental impact management report and several French respondents, plus one each in Denmark and Ireland, said that this was now mandatory for them. Twenty-one per cent said they included a section on environmental impact management within a wider-ranging Corporate Social Responsibility (CSR) report, while the largest group – 38 per cent – said they included information on their environmental impact management within their general annual report. Only three interviewees said their companies published no environmental impact management information at all.

Most posted their environmental management reports on their website. Quite a few – French firms in particular – had website sections, or even entire dedicated websites, addressing environmental and sustainability issues, often as part of wider Corporate Social Responsibility initiatives.

Companies are using many other, often quite innovative methods to communicate

their environmental management strategies and establish reputations as good corporate citizenships. Some had dedicated public relations officers at key plants, ran visitor centres for the public, conducted exhibition tours of local towns or published community newsletters. Others supported charitable foundations, got actively involved with community environmental improvement projects or engaged with interest groups through regular liaison meetings and discussion forums.

To what extent were companies relying on external environmental consultants? Forty-one per cent of interviewees said their company used external environmental consultants in M&A due diligence, while 23 per cent said they had them in regular use at all sites. Fifteen per cent said they had them in regular use at critical sites. Only eight per cent said their company never used them.

The Future

Today, the march of 'globalisation' is shifting much of Europe's industrial activity to lower-cost operating bases in the East. Several manufacturing companies we spoke to were running down their European production and opening new plants in China or India, where

industrial pollution regimes are, of course, lax by today's western standards. But in time, that will change. Several interviewees we spoke with insisted that their companies would be applying European standards of environmental management wherever they operated. That approach will help avoid reputational damage today and heavy decontamination bills tomorrow. ■

Respondent Profile

The Interviewees

During August and September 2006, Strategic RISK and Newsquest Specialist Media's research team worked together to conduct structured interviews with 40 risk managers from industrial companies right across the European Union. Respondents were talked through a questionnaire but were also encouraged to discuss issues freely. The following section outlines the people on whose responses this report is based and the turnover, employment scale and perceived potential exposure to environmental liability risks of the companies for which they work.

The Participants

The full list of interviewees was as follows:

Daniel Bertaux	Manager of Business Risk Control	Arcelor
Adrian Simmonds	Manager - Operational Risk Management Services	BOC
Keith Labbett	Head of Audit	British Waterways
Jean-Michel Paris	Corporate Risk Manager	Bureau Veritas
Jens Herping	Insurance Manager	Cheminova
Catherine Veret	Chief Operational Risk Officer	CIC
Jonathan Cassidy	Insurance Consultant	ConocoPhillips
James Blair	Risk and Compliance Manager	Dairy Crest Group plc
Noel Johnston	Group Insurance Manager	Dairy Gold Cooperative
Steen Christensen	Vice President	Danisco
Thierry van Santen	Executive VP - Business Risk Management Division	Groupe Danone
Peter Berring	Director of Group Risk	De La Rue plc
Sally Russell	Global Supply Risk Director	Diageo
Mr X	Insurance Manager	Benelux utilities group
Bengt Svensson	Chief Risk Officer	EON
Franck Baron	Director of Risk Management & Insurance	Firmenich
Nigel Graham	Group Insurance Executive	Foseco International
Mr Y	VP - Corporate Insurance & Risk Management	International pharmaceuticals group
Gerhard Bugla	Head of Insurance	Heidelberger Druckmaschinen AG
Nicholas Smith	Insurance Manager	ICI
Olivier Sorba	Director of Risk	Lagardere
Lars Bille	Corporate Risk Manager	Lego
Ralf Oelssner	Vice President - Corporate Insurance	Lufthansa
Francois Hubsch	Risk Manager	Michelin
Dr Ivan Baxter	Environment Manager	Nestlé UK & Ireland Ltd
Caroline Donaldson and Peter Stanton	Head of Risk & Safety Risk Advisor	Network Rail
Brian Crocker	Associate Director & Head of Environment	Pfizer Global R&D
Anne-Marie Fournier	Risk Manager	PPR
Rafal Rudnicki	Group Risk & Insurance Manager	Raben Group
Jean Philippe Bosquet	Risk Manager	Renault
Michael Hårte	Risk Manager	Saab
Nigel J Hitchborn	Group Risk & Insurance Manager	Shepherd Building Group Ltd
Georges Le Corre	Senior Safety Officer	SIAAP
Frank Baer	Group Insurance Manager	Solvay
Alexis van den Abeele	Director, Corporate Insurance	Suez
Augusto Pérez Arbizu	Risk Manager	Telefonica
Nigel Wilkinson	Health, Safety & Environment Manager	T-Mobile
Geoff Miller	Strategic & Operational Risk Manager	United Utilities North-West
Hans Brandt	Corporate Risk & Insurance Manager	Veolia Transport
Jakob Larsen	Environmental/ Health & Safety Manager	Vestas Wind Systems



What is your company's main industry sector?

Our 40 interviewees worked overwhelmingly in industrial or quasi-industrial companies of one sort or another. The chart below divides the respondent companies into eight groups: manufacturing and engineering; energy and utilities, including oil and gas; food and drink production; transport, infrastructure and construction; chemicals; pharmaceuticals; telecommunications; and finance, media, retailing and business services. The greatest number of respondents – 25 per cent – fell into the manufacturing and engineering category, with energy and utilities the next largest group. Even among the four respondent companies mainly involved in finance, media, retailing or business services, three had direct practical exposure to environmental risk through their business operations.

(SEE CHART BELOW LEFT)

How many employees does your company have?

Our interviewees came from medium-sized and large companies. Sixty per cent practised their risk management skills within organisations employing more than 10,000 people.

(SEE CHART BELOW RIGHT)

What is your company's annual turnover?

Corporate turnover figures reflected a similar picture. Only six of our 40 interviewees worked in companies with turnover of less than €1 billion. Of these six companies, one turned over about €300 million, while the remaining five all turned over at least €500 million.

The remaining 34 interviewees worked in companies with over €1 billion in annual turnover. Of these, 22 came from companies turning over more than €5 billion a year. Our interview sample therefore included many of Europe's biggest industrial groups.

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Would you describe your company's potential exposure to

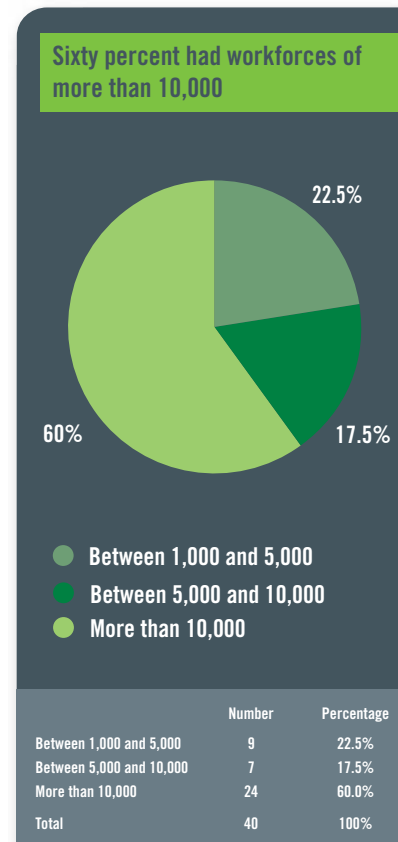
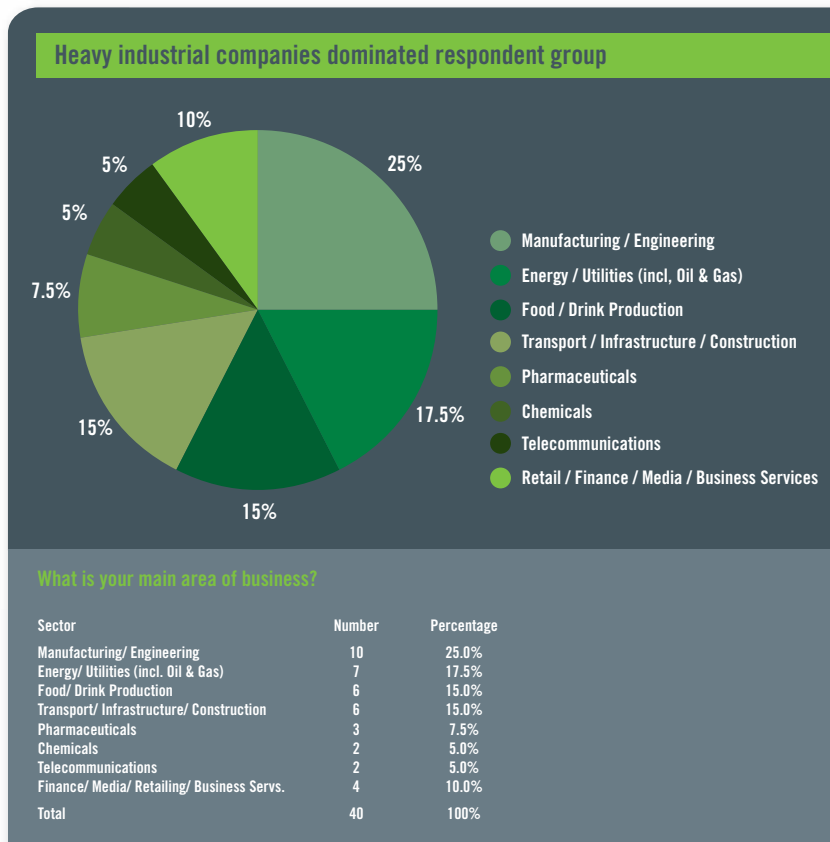
environmental liability risks as: very high/ high/ average/ low/ very low?

To establish a baseline, we asked interviewees how they rated their companies' potential exposure to environmental liability risks. Thirty-five per cent rated their potential exposure 'high' or 'very high', 35 per cent 'average' and 30 per cent 'low' or 'very low'.

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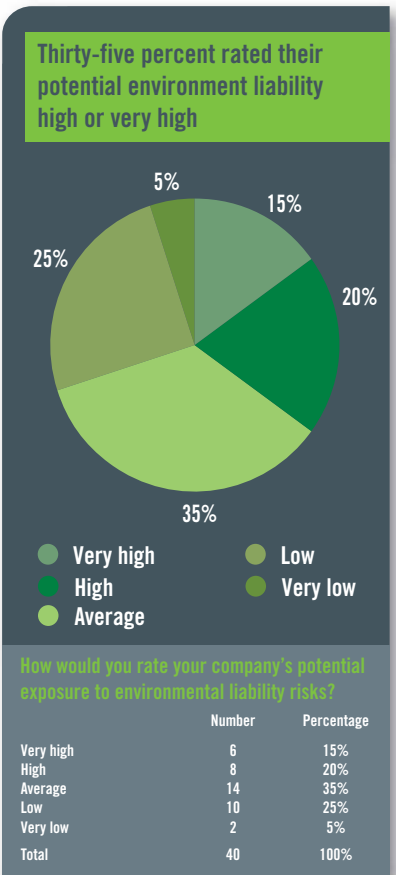
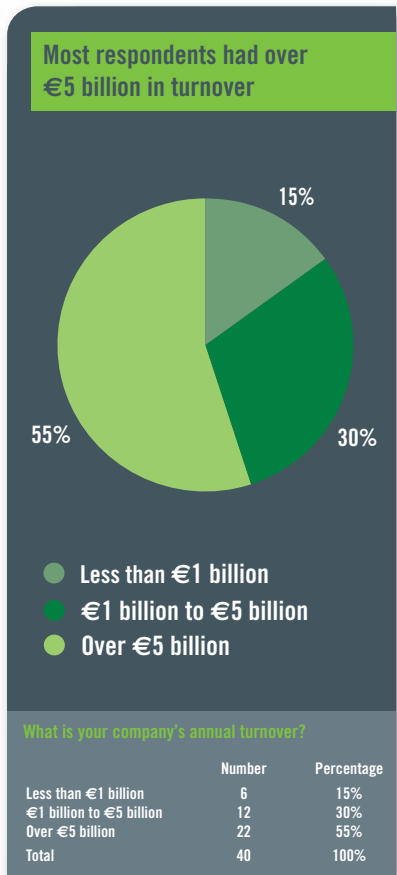
Of the 14 respondents who rated their company's potential exposure to environmental liability risk as high or very high, five were in manufacturing or engineering, two in food or drink production, two in pharmaceuticals, two in transport or infrastructure, two in energy or utilities and one in chemicals.

Of the 12 respondents who rated their company's potential exposure to environmental liability risk as low or very low, two were in telecommunications and three were in finance, business services



or media. It seems obvious that a banking office should have less potential exposure to environmental liability risk than an oil refinery. But of the remaining seven 'low' or 'very low' risk companies, two were in energy or utilities, two were in food or drink production and one each were in pharmaceuticals, transport or infrastructure and manufacturing or engineering. Some companies may well have managed to reduce their potential exposures to a much lower level than others in the same industries, but interviewees also seem to have varied in their interpretation of the meaning of subjective terms such as 'low' and 'high'.

The responses here might understate the extent of potential environmental liability risk among these companies. Many interviewees seem to have reasoned that while the underlying environmental risk from their operations was theoretically high, tight risk management processes drove the actual, residual risk down to a lower level. ■





Liabilities – Past, Present and Future

The following section deals with the extent of companies' environmental liabilities through their past operations and mergers and acquisitions. It also addresses the emergence of fresh liabilities through new national and EU legislation, including the impending EU Environmental Liability Directive.

Does your company have any known environmental liabilities through its own past operations or through the previous operations of acquisitions or subsidiaries: yes/ no?

Sixty per cent of interviewees said that their companies had known environmental liabilities arising from past operations. Forty-five per cent said they had known liabilities through the previous operations of acquisitions or subsidiaries. Environmental liability as a result of past operations is, it seems, a headache for much of industry.

(SEE CHART BELOW)

Three-quarters of respondents admitting to knowing of environmental liabilities through

their company's own previous operations also said they knew of liabilities through past operations of acquisitions of subsidiaries. But no companies seem to have avoided liabilities through their own operations only to be blindsided by them through a subsidiary or by acquisition.

Companies that have run a tight ship where their own environmental risk exposures are concerned seem to have been applying the same discipline to subsidiaries and in their M&A activities, of which Europe has seen a great deal since the realisation of the single market.

One interviewee from a northern European food company, for instance, said they had had thorough environmental review and due diligence processes for 20 years to ensure that they identified any issues during the acquisitions process – and then deal with them appropriately. Due diligence works both ways, of course. As one French-based interviewee remarked: "The time residual liabilities tend to show up is when we sell or close a business."

Interviews unearthed some interesting detail on the sort of environmental liabilities that

had landed on companies through previous operations of their own, or of acquisitions or subsidiaries. For several major infrastructure, utility and manufacturing companies, contamination of land and groundwater was a prominent issue.

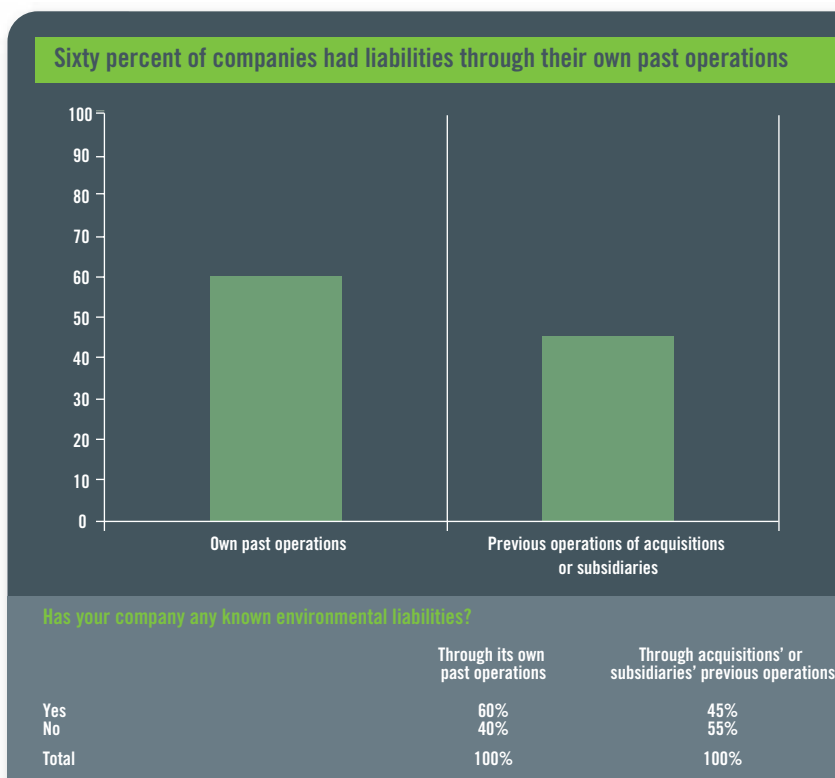
Some companies have been investing a great deal of work in dealing with past pollution. One utilities interviewee, for instance, said his company was wrestling with an historical legacy of polychlorinated biphenyl (PCB) contamination through cable sealants and had carried out 'level one' investigations on all its sites using documentary archives, following up with 'level two' work – physical sampling – where the 'level one' enquiries indicated there may be a need. "Even small concentrations can give indications. And even after flushing, those indications can return after a few months."

Another utilities interviewee said his company had been carrying out remediation work over many years and now had no outstanding liabilities. But contamination can be a stubborn enemy. One risk manager described the battle his manufacturing company had had with solvents that had seeped into the soil and water decades earlier. "We have been working with the authorities trying to clean the groundwater for ten or fifteen years. It has cost millions and is a never-ending story."

How confident are you that your company has identified all potential environmental liabilities that could arise under current national and EU regulation: completely confident; reasonably confident; not confident at all?

One respondent in three was willing to state completely confidence that his company had identified all potential environmental liabilities under current regulation. Many of those opting for 'reasonable' confidence, however, expressed a high level of confidence in their potential liability investigations that fell only just short of 'complete'.

The chart overleaf illustrates the overall response to this question, but also splits



responses in accordance with interviewees' perceptions of their companies' potential environmental liability risk exposure. The higher the company's perceived risk, the less likely the interviewee was to be fully confident in its identification of potential environmental liabilities under current regulation.

No surprise there, perhaps. What may be more interesting is that the only two respondents to admit that they were 'not confident at all' perceived their companies' exposure to be 'average': neither low enough to allow them to relax, perhaps – nor high enough to force the issue of environmental liability risk management far enough up the corporate agenda.

Interviews revealed some unease among risk managers on this point. "You never know what's going to pop out and bite you," said one heavy industrial respondent. "With some older refineries, you don't know what's sitting in the ground from 40 or 50 years ago." Another

interviewee – from food manufacturing – had a similar view: "We cannot be 100 per cent sure."

For many companies, establishing potential liabilities under current law is an ongoing project. As one utility respondent commented: "There are a lot of issues that we don't know about and are still investigating." Other concerns raised included the impact of the EU's REACH (Registration, Evaluation and Authorisation of Chemicals) regulations and of the IPPC (Integrated Pollution Prevention and Control) Directive, affecting all gaseous, liquid and solid waste, which all EU member states must fully implement by October 2007.

Where laws have tightened, of course, they can tighten further. "What was acceptable 20 years ago isn't now," said one respondent from a multinational heavy industrial group. "While we've identified all liabilities under current legislation, that may change and become more stringent again."

The possibility of further retrospective tightening in standards can present

management with difficult decisions. "We have one or two sites that we need to clean up," said an interview from another large, international heavy industrial concern. "Given that laws are getting gradually tougher, the question is how far to go. We don't want to spend money now and find that we have to do more remediation in five years because the laws have been tightened even further."

Are you aware of any changes in the environmental liability regime affecting you that could arise from the new EU Environmental Liability Directive – and if so, which?

Of our 40 interviewees, 15 said that yes, they were aware of changes in the environmental liability regime affecting them that could arise from the new EU Environmental Liability Directive. Most of those 15 worked in companies they rated 'average' to 'very high' in environmental liability risk.

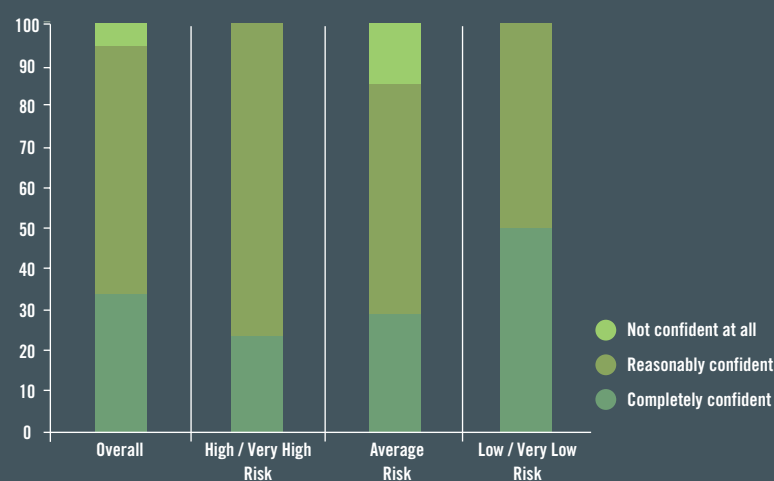
The great majority of those unaware of any such changes, on the other hand, worked in companies they perceived as having 'average' to 'very low' environmental liability risk.

Interviewees in companies operating in northern Europe – particularly Scandinavia and Germany – or in companies with a US parent often said that their companies' own internal standards, or the national regulations to which they were subject, meant they were already meeting, or exceeding, the standards laid out in the new Directive. Scandinavian governments for example have apparently long been insisting that companies meet ISO certification standards before being eligible for public sector contracts.

"We're mostly aiming at complying with national laws, which are typically stricter than the EU directives," said one Scandinavian-based firm. "As long as we comply with those, our liabilities are pretty much covered."

Respondents from companies operating in southern Europe, especially France, on the other hand, tended to believe that

'Lower risk' companies were more confident they'd identified all regulatory liabilities



How confident are you that your company has identified all potential environmental liabilities under national and EU regulation?

	Overall	'V. High' / 'High' Risk	'Average' Risk	'Low' / 'V. Low' Risk
Completely confident	33%	23%	29%	50%
Reasonably confident	62%	77%	57%	50%
Not confident at all	5%	0%	14%	0%
Total	100%	100%	100%	100%



implementation of the Directive would have a heavier impact both on national legislation and on their own activities.

Consequences of the Directive

Exactly what changes, then, did interviewees anticipate as a result of the Directive? Many were simply monitoring matters without great concern. "We don't see anything specific coming out of it in addition to what we already do," said one infrastructure respondent. A chemicals sector interviewee commented: "We have done formal assessments to determine if we need to do more to comply. We might have to report slightly differently, but we feel we're on top of the game because of what we're already doing."

An interviewee from a logistics group gave a similar assessment: "No major change. The main impact will be technical – changes in terms of reporting, registering and other day to day activities." Another interviewee, from Scandinavia, said: "The Directive won't change our risk profile. But it will make it easier to get money from the Board when we want to be proactive, rather than reactive."

Others do expect a tangible impact, however. One northern European utilities respondent expected to have to do more sampling at sites where there are gaps in documentary records, while a risk manager from the chemicals sector said: "The Directive will create additional obligations for us – particularly in terms of clean-up."

Plenty of companies have been investigating aspects of the Directive thoroughly to ensure timely compliance: "We have carried out a thorough analysis in line with the requirements on hazardous substances and have confirmed that we're fully compliant," said a telecoms industry respondent. Two UK industrial interviewees mentioned that they were aiming to achieve de facto compliance with the Directive through ISO14000 accreditation – and one also mentioned the usefulness of their environmental management IT system in flagging up legislative changes as they take effect.

French respondents tended to expect more impact from the Directive than most. "France is quite late in tackling environmental issues,"

said one French-based interviewee. "There will be stricter controls on the quality of water discharged into rivers. We will have to build new plants to handle this."

"We may lag behind in our awareness," said another French respondent. "Environmental risk is not a focus of our business."

According to yet another French respondent, the Directive could have knock-on effects on commercial lending to and insurance of companies adversely affected by it.

Biodiversity Provisions

Overall, European companies seem ready to take the Environmental Liability Directive in their stride. Interviews, however, did reveal two areas of genuine confusion and concern. One related to proposals on third party liability for radioactive contamination – likely to become an important matter as Europe faces a choice between commissioning new nuclear plants or relying ever more heavily on imported, CO2-generating natural gas.

The other specific worry concerned the draft Directive's clauses on the protection of biodiversity. Some risk managers are concerned about proposals to hold companies liable for the loss of or 'significant' damage to natural habitats. What will the final text say? And how will it be interpreted? Much is not yet clear – but one utility interviewee said that his company was already looking to set up financial instruments to cope with any biodiversity-related liabilities the Directive might lay at its door. ■



Risk Management Strategy and Tactics

This section deals with companies' approaches to developing and implementing environmental management strategy and their preparations against incidents of sudden accidental pollution. It also addresses the extent to which and the means by which companies transfer environmental liability risks.

Does your organisation have a formal, written environmental management strategy?

Of all our 40 respondents, only one – from an energy business – said that his company did not have a formal written environmental management strategy. The respondent rated his company's environmental risk exposure 'average', though it had suffered several illegal discharge incidents in recent years.

Such strategies tended to aim beyond minimisation of regular pollution and prevention of accidental discharges, towards a broader CSR and sustainability agenda. "We don't tend to look at environmental issues as problems, but as opportunities to improve our effectiveness and efficiency in use of raw materials, to deliver sustainability," said one interviewee

from a French-based business. Another respondent described the new eco-friendly, solar-powered campus headquarters his telecommunications company was developing.

If so, who within your organisation is most directly responsible for implementing this: environmental manager/ operations manager/ health & safety manager/ risk manager/ chief risk officer/ other - please specify?

Whose job is it to make this strategy a reality? In a full 41 per cent of cases, environmental managers (or people with very similar titles, such as Head of Environmental Policy) were responsible for implementing environmental strategy. Some of these environmental managers headed dedicated teams, while others formed part of an internal health and safety unit. In other companies, however, dedicated environmental managers were absent or were limited to an advisory and training role, responsibility for implementing environmental policy falling to operational managers (23 per cent) or health and safety managers (15 per cent).

Only one respondent attributed responsibility to a chief risk officer. Not one pointed to the risk manager option.

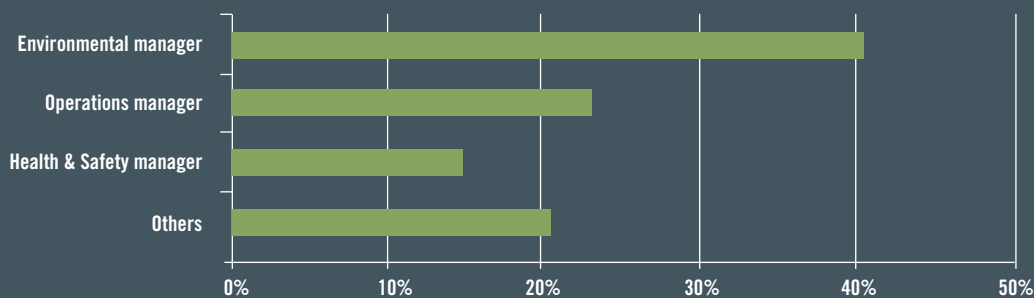
(SEE CHART BELOW RIGHT)

The 'others' group included: one Head of Safety, Security, Health & Environmental; one Governmental Director; one Vice President of Health, Safety and Environment; a Technical Director; a Head of Quality; a Corporate Governance Manager, and an Executive Board which supervised the environmental strategy work done by the various business units' Technical Directors.

What sort of models do companies work on? Here are a few examples.

- A pharmaceutical company that makes site leaders and unit heads responsible, supported by the Environmental, Health and Safety (EHS) department in an advisory role, with the EHS Director reporting on performance to senior management.
- A utility group where the CEOs of each division and the managers of individual plant sites have responsibility, but receive support from environmental specialists.

Implementing environmental management strategy usually falls to Operations or Environmental managers



Who is most directly responsible for implementing environmental management strategy?

	Number	Percentage
Environmental manager	16	41%
Operations manager	9	23%
Health & Safety manager	6	15%
Others	8	21%
Total	39	100%



- A printing and media company where the legal team handles tracking initiatives and compilation of reports but responsibility for implementation lies with operational managers.
- An oil company where operational business unit managers are responsible to the CEO for their own areas – environmental risk being a hot issue.
- A power generator with a four-strong environmental department based at head office and a dedicated environmental liability officer at each subsidiary company.
- A logistics company with a quality manager responsible for devising and implementing strategy and operational managers responsible for day to day implementation – all audited by the Quality Management Team
- A chemicals group with an environmental manager, who reports to the Safety, Health & Environmental Quality (SHEQ) Director, designing strategy with the SHEQ Director and the Board.
- A food manufacturer with environmental specialists to advise on and develop policies and ensure they are followed, with on-site audits.
- A manufacturer whose risk managers have a key role in advising operational management and whose environmental managers advise on due diligence, though environmental strategy responsibility lies with the CEO and business unit managers.

To what extent do you have a process in place for dealing with an incident of sudden, accidental pollution: detailed and well-rehearsed process/ detailed process/ outline process/ no formal process/ don't know?

Sixty per cent of respondents said that their companies had detailed and 'well-rehearsed' processes for dealing with sudden pollution accidents. The majority carried out regular training exercises to

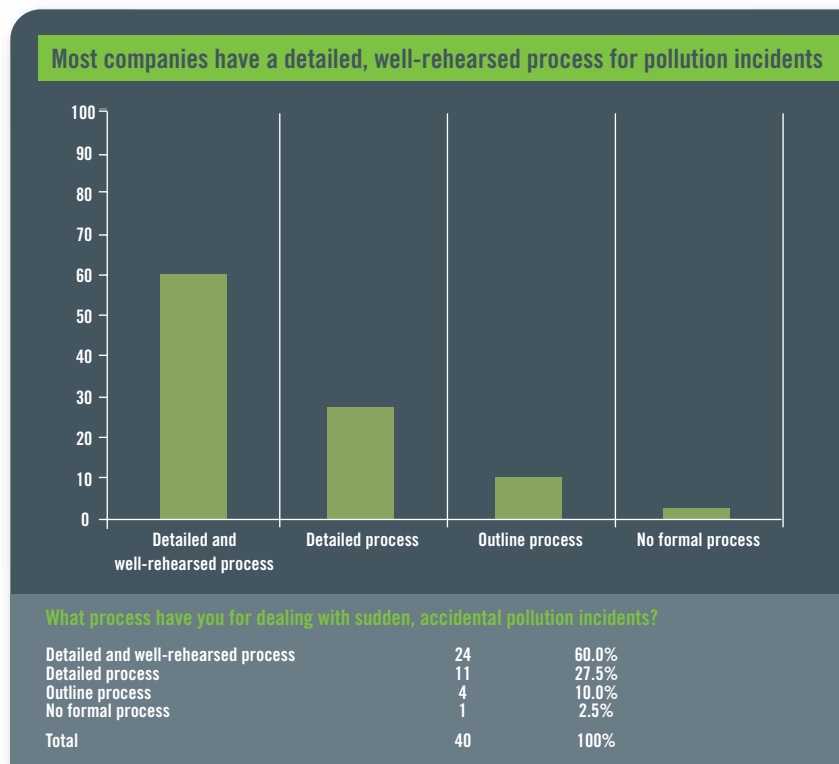
rehearse procedures and some had had additional 'rehearsals' in the form of responses to live incidents. Only one – a service company with negligible potential pollution risk – said they had no formal process at all.

For most companies, responses to sudden, accidental pollution were an integral part of their wider crisis management or incident management planning. Many respondents spoke of having IT systems in place to support the internal reporting and management of incidents.

(SEE CHART BELOW)

Interviews revealed many different approaches to processes for dealing with sudden, accidental pollution incidents. Below are a dozen typical examples:

- A retailer that delegates day to day management of pollution risk issues to its subsidiaries but has procedures for any kind of risk, a system of notification to management where risks exceed a certain monetary value and two (of 100) staff at head office dedicated to environmental issues.
- A Scandinavian manufacturer that has firm policies on how to handle the practicalities and communication issues around incidents, backed by IT systems for sharing information internally, tracking incidents in real time and suggesting follow-up options for managers.
- A French manufacturer that is implementing a risk-based approach to all operations and is currently developing procedures to tackle all kinds of incidents, ranging from local pollution to an outbreak of, say, Legionnaire's disease through the air conditioning.
- A pharmaceutical company that has detailed crisis management systems in place, tested through exercises at least annually and implemented by onsite fire and rescue teams trained as first responders and by staff trained on all relevant risks in their business units.
- A transport group that follows all legal requirements for staff training, provision of equipment for handling dangerous goods and implementation of management procedures and which does



some test exercises, “but probably not frequent or realistic enough”.

- A northern European manufacturer that has corporate procedures in place for the entire group, covering product failures as well as pollution and environmental issues, which “we don’t ‘test’ because we actually use them fairly regularly”.
- A utility with “a very robust incident management procedure covering everything from routine events to crises”. Procedures are exercised regularly and “each year brings up enough incidents to test our capabilities for real”.
- A telecommunications company that holds regular practical disaster recovery plans – for example, to ensure they can protect surface water sewers from any diesel spills from the storage tanks used to power its generators.
- A company whose main accidental pollution risk would come from a plant or warehouse fire, making the response to sudden, accidental pollution a part of the general loss prevention and crisis management plan.
- A chemicals company that frequently tests responses to spill and release

incidents and to fires and vehicle accidents, with global company standard “implemented locally for local conditions”.

- A utility group where each operating company has to analyse its specific conditions and report on risk management and contingency planning annually to the central environmental department.
- Another utilities group that has a crisis management policy in place, specifically tailored and tested by each division to meet its needs.

Do you transfer any environmental liability risk: to the commercial insurance market; to a captive insurer; through any other strategy (please specify)?

Of our 40 respondents, eight were either unfamiliar with their company’s insurance arrangements or were unwilling to talk about them. But 32 did discuss them. All of these made some provision for transferring environmental liability risk.

Two-thirds relied on the commercial insurance market only. Six per cent relied solely on captives. Twenty-eight per cent used a combination of both. (SEE CHART BELOW)

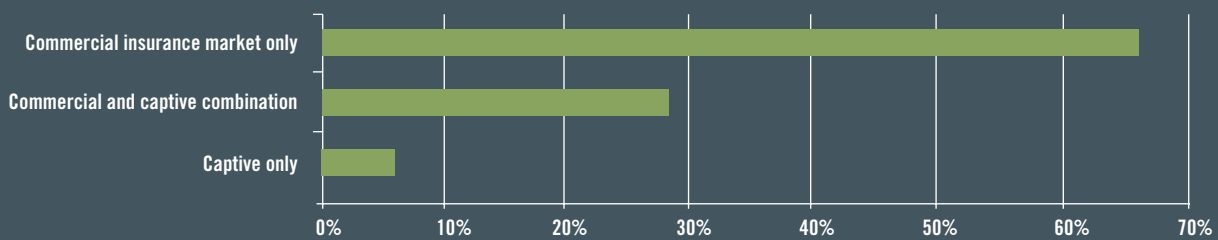
Many respondents complained that while they could get affordable cover for occurrences of environmental liability, transferring their gradual environmental liability risks to the commercial insurance market was either impossible or prohibitively expensive. Several said they kept the situation under annual review, however, indicating an interest in offloading such risks as soon as the chance arises.

One interviewee from a large food producing company said that they could purchase an environmental risk policy for five years after an acquisition quite cheaply. The sites the company had been purchasing were unlikely to have severe contamination, though some asbestos or oil pollution was possible.

Two respondents mentioned other methods of risk transfer: one said his company used alternative risk financing, while another said they transferred environmental risks ‘on a contractual basis’. Another described how his firm used all methods in series: “First the insurance market; if too expensive, then our captive; otherwise we try to make creative use of contracts.”

Two further respondents mentioned that while their companies did not currently have a captive, they were looking to establish one. One northern European heavy industry company with a range of pollution risks had tried to bring

A third of respondent business were using captives for environmental liability risk



Do you transfer any environmental liability risk to the commercial insurance market?

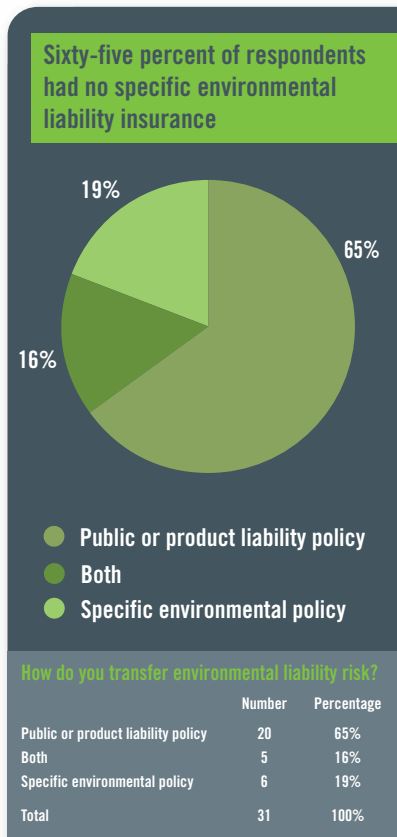
	Number	Percentage
Commercial insurance market only	21	66%
Commercial and captive combination	9	28%
Captive only	2	6%
Total	32	100%



all its potential environmental liabilities under a specific insurance policy. But capacity and premium problems had confounded it, leading it – four years ago – to investigate using a captive. No panacea there either, however: “Put those risks into a captive and you are married forever. You can’t get rid of it - and there is a tax issue too.”

If you do transfer any environmental liability risk, is this through: a public or product liability insurance policy; a specific environmental liability policy; other (please specify)?

Nine respondents wouldn't or couldn't answer this question. Of the 31 who did, however, all made some provision for transferring environmental liability risk. Twenty (65 per cent) relied on a public or product liability insurance policy only, while six (19 per cent) relied on a specific environmental liability policy only (though these would almost certainly have had some form of public liability cover, even if it was not perceived as covering any environmental risks). Five interviewees (16 per



cent) said their company used both a public or product liability insurance policy and a specific environmental liability policy. (SEE CHART BELOW LEFT)

In all, then, only 35 per cent of companies had a specific environmental policy. These policies tended to have heavyweight excesses: one chemicals group's policy, for instance, had a \$100 million excess. The remainder relied on such limited coverage as existed in their standard product liability or public liability policies.

In Germany, new environmental liability laws passed in the early 1990s forced companies to separate their environmental liability and general insurance. Specific, standalone environmental management policies became mandatory.

Below are 15 other examples of the environmental liability risk transfer situations described to us:

- A northern European utility that has public liability insurance covering sudden, unforeseen pollution incidents, but no coverage for gradual pollution, which has been looked at many times but found too expensive – though they plan to develop an environmental liability insurance programme from 2008 to run through a captive insurer and, if necessary, through the external market.
- A telecommunications group that has insurance coverage for a sudden equipment failure causing an electro-magnetic radiation burst beyond permitted levels from mobile antennae – its main environmental liability risk.
- A transport business whose sudden accidental pollution risks are covered through commercial liability insurance but whose gradual risks – such as leaking tanks in bus depots – are looked after by an Irish-based captive.
- A company that takes advantage of specific French government schemes for waste treatment liabilities and otherwise, in the main, is covered only through public liability insurance for sudden and accidental pollution.
- A chemicals group that has “discussed buying a specific environmental liability policy at the last few renewals” but still doesn't have one, relying on limited public liability coverage for environmental risks.
- An oil company whose environmental impact liability cover is generally part of its corporate liability programme – often through P&I indemnity insurance, but mainly through public liability policies.
- A chemicals business that does not explicitly transfer environmental risk beyond the minimum cover its insurers offer in public or product liability policies, but does use a captive on an ad hoc basis.
- A company which, as a public utility, has been unable to insure its environmental liabilities in the past but which is now considering it and already has insurance for other risks.
- An infrastructure group that handles environmental liability risk – which is low compared to some other potential liabilities – mostly through a captive, transferring excess into the market.
- A large pharmaceutical group has a retirement obligations scheme, which makes financial provision for closing down or mothballing sites or buildings.
- A low-risk service business that carries no environmental risk insurance “because the risks are low compared to the company's capitalisation.”
- A retailer that backs its professional liability insurance programme with limited environmental liability cover for the most likely scenarios.
- A French business that ensures that its property insurance coverage includes residual liability cover for businesses it has sold.
- A northern European manufacturer that has coverage for known pollution where identified during due diligence.
- A chemicals group that uses the commercial insurance market in the US and a captive insurer in Europe. ■

Stakeholders, Reporting and Consultants

This section deals with companies' views on the 'stakeholders' in their environmental risk management. It also covers their approach to environmental impact management reporting and general communication on environmental management matters. Finally it looks at companies' use of specialist environmental consultants.

Which of the following do you consider to be the three most important stakeholders in your company's approach to environmental risk: local/regional communities near your operating locations; the national population; special interest groups, such as NGOs; shareholders; your employees; other (please specify)?

We asked respondents to select up to but no more than three answers. Allowed an unlimited number of options, respondents might have been inclined to say 'all of them' – rendering the

answer meaningless.

So what answers did we get? Seventy-eight per cent saw the local communities near their operating locations as being key stakeholders in their environmental risk, while 53 per cent cited their own shareholders and 48 per cent, their own employees. More interviewees might have cited shareholders as key stakeholders, had it not been for a sense that shareholders' long-term interests were in fact best served by focussing direct environmental management efforts on other groups. The national population was mentioned by 33 per cent, NGOs and similar (including the media and CSR analysts) by 30 per cent.

(SEE CHART BELOW RIGHT)

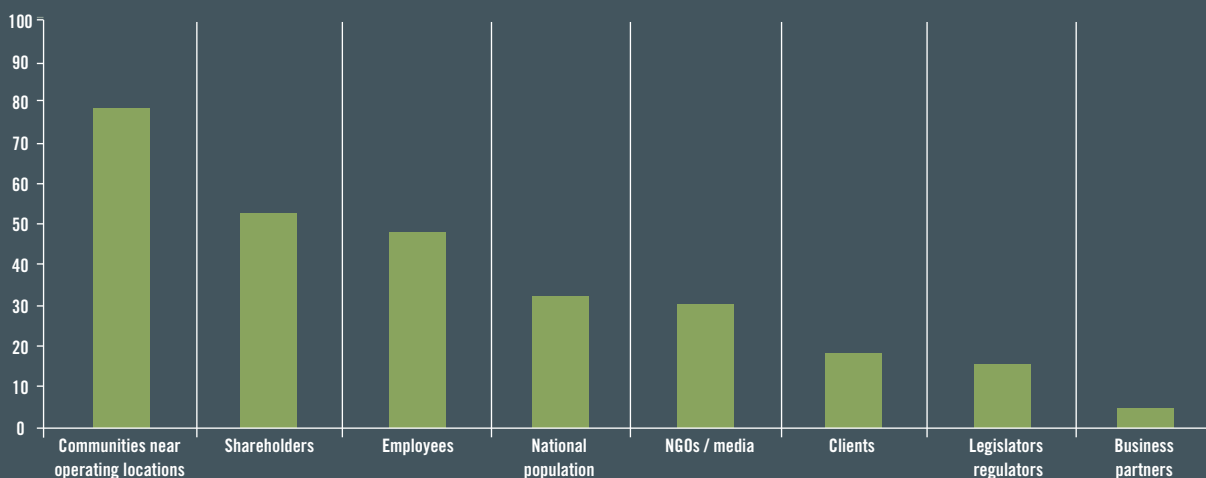
People also volunteered some answers of their own. Eighteen per cent cited their clients as being among the top three stakeholders in their environmental risk management, with 'green' and ethical credentials an important part of many companies' branding and sales strategies. "Environmental issues are a very important part of our brand when winning contracts,"

said one transport industry risk manager. Fifteen per cent – disproportionately those in the utility and infrastructure sectors – mentioned legislators and regulators and five per cent, business partners. Had they been offered in the 'set menu' of responses, these three categories would probably have attracted considerably more mentions.

What other comments did interviewees make? Several stressed their efforts to develop and maintain good community relations. One northern European utility had at each plant a communications officer, whose main task is to keep the local community and local politicians happy. For telecommunications companies, health scares linked to electro-magnetic radiation from radio masts have made relations with local community groups a particularly important and sensitive matter.

Local protests seem to rattle companies. One French utilities interviewee observed that local populations formed a stronger lobby for environmental action than the country's national regulators. Several also regarded a

Overall, local communities, shareholders and employees were seen as the three key environmental stakeholders



Who are the most important stakeholders in your company's approach to environmental risk?

	Number	Percentage		Number	Percentage
Communities near operating locations	31	78%	NGOs/ media	12	30%
Shareholders	21	53%	Clients	7	18%
Employees	19	48%	Legislators/ regulators	6	15%
National population	13	33%	Business partners	2	5%
			Total	111	



positive relationship with NGOs as useful. As one heavy industrial multinational observed, however, working with NGOs is all well and good - but it's national and regional governments that can shut you down. Two interviewees – from infrastructure and from the chemicals sector – emphasised the importance of being able to lobby national and EU legislatures, either as individual companies or through industry forums, so as to influence potentially business-critical legislation such as the Directive on Environment Noise or the REACH regulations.

The influence of shareholders was also a source of comment. Whether through idealism or long-term financial self-interest, or both, individual and institutional shareholders everywhere seem to be pushing for better environmental standards. "We want to be a responsible company in terms of sustainability," said one French respondent. "Our shareholders are making sure we have improvement plans in that area."

An interviewee from a well-known UK industrial group said this: "Safety of people is absolutely paramount. Safety of the environment is next. The shareholders are the ones that hold the cards. They have an implicit expectation that we will manage safety and environmental protection properly – and if we don't, they won't remain shareholders."

Does your company produce an environmental impact management report: as a separate, free-standing report; within a wider CSR report; within its general annual report; not at all?

One third of respondents said that their companies produced a free-standing environmental impact management report. Danish and French respondents said that this was now a requirement of their national law, while one food producer said that producing an environmental risk management report – albeit not necessarily for publication – was a requirement of their licence terms. Another interviewee said that it was "99.9 per cent certain" that his large but privately-owned manufacturing

company would publish its first free-standing environmental impact report from 2007. Many made such reports available in hard copy format and online.

Twenty-one per cent said they included a section on environmental impact management within a wider-ranging Corporate Social Responsibility (CSR) report. The largest group, 38 per cent, said they included information on their environmental impact management within their general annual report. Only three interviewees said their companies published no environmental impact management information at all.

(SEE CHART BELOW)

Several interviewees mentioned additional formal internal reports – some monitoring the number and scale of incidents annually with a view to constant improvement. This was typically done on both a site and group level.

Do you use any other means of communicating your environmental management strategies to stakeholders?

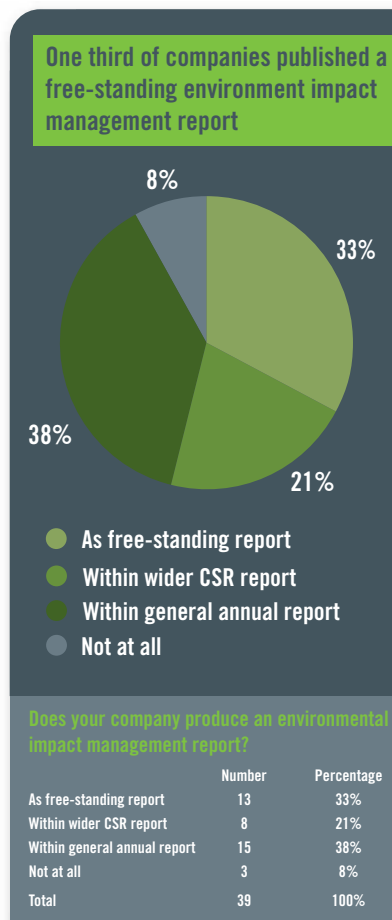
Companies are communicating their environmental management strategies to 'stakeholders' through a whole spectrum of means beyond the hard copy report. Most posted their reports on their website. Quite a few – French firms in particular – had website sections, or even entire dedicated websites, addressing environmental and sustainability issues, often in support of wider CSR initiatives.

Several companies regarded contributing industry knowledge and perspective to the general public debate as an important part of their environmental strategy. One UK utility, for instance, regularly sent staff to talk at community and NGO meetings to explain and account for the company's position. Others focussed on higher-level seminars.

Some firms had got deeply involved in community projects. One firm provided staff, expertise and money for river management initiatives. Another respondent said: "We do a lot of corporate social responsibility stuff, such as tree planting and cleaning up the local environment, on a plant by plant basis."

One UK chemicals company had a foundation which since 1990 has put over €20 million into local schools and community environmental projects, while a UK infrastructure company had a heritage centre open to the public which included information on the environmental benefits of its activities. A continental transportation company published an in-house magazine that related its own activities to planetary environmental issues.

Several companies – particularly those concerned with chemicals, pharmaceuticals, power generation and refining – provided educational visits for local schools and other groups, seeing this as an opportunity to communicate their environmental and health and safety strategy. One Scandinavian interviewee said that each of his group's plants has a communications officer whose job is to keep the local community and politicians happy. For telecommunications



companies, however, that hasn't been easy. These tended to have active community public relations campaigns, which were necessary to respond to concerns regarding electro-magnetic emissions and to get the message across that radio masts were safe.

France seems to be a hotbed for corporate environmental communications. One French interviewee said his company's communication strategy included an exhibition bus, which travels around local towns and villages, plus a community newsletter and frequent meetings with local government. Another French group took a similar line, each operating division having its own communications programme for local communities and pressure groups.

A third French respondent said that his company regards communicating environmental management strategies to stakeholders as being among the Board's key responsibilities. A fourth said that his firm made a point of responding to CSR monitoring surveys – but was trying to strike

a reasonable balance between over-inflating its 'green' credentials and under-reporting its genuine efforts.

Finally, several companies mentioned an increased frequency of environmental presentations for investors. Maybe investors believe that good environmental management literally pays dividends – or maybe they are more concerned at the damage high-profile pollution incidents can do to a company's balance sheet, reputation and stock market value. Either way, more shareholders are whistling an environmental responsibility tune - and management is dancing to it.

Do you employ specialist environmental consultants:
on a regular basis at all sites;
on a regular basis at critical sites;
on an occasional basis at all sites;
on an occasional basis at critical sites;
when considering purchasing a new site;
in due diligence on a

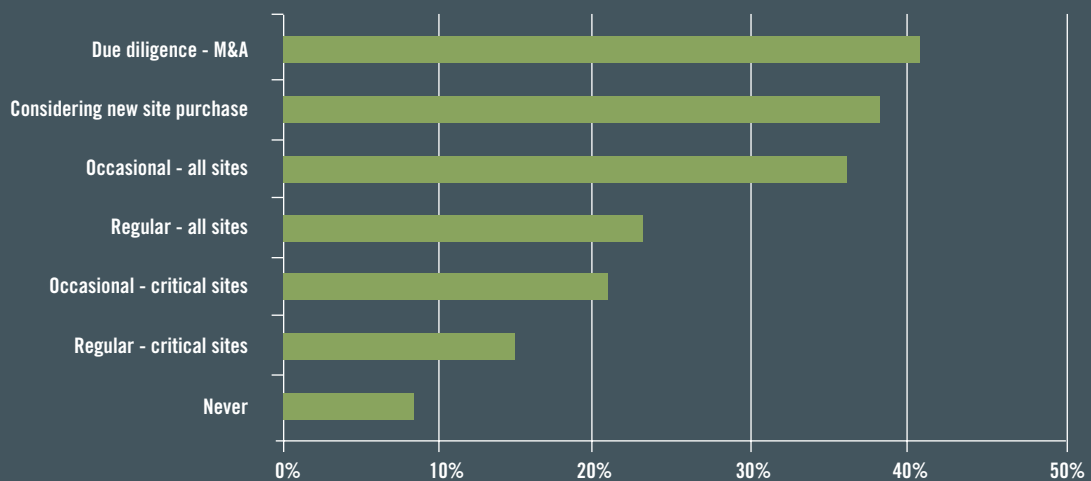
potential acquisition/ merger; never; don't know?

Forty-one per cent of interviewees reckoned their company used external environmental consultants in M&A due diligence. Twenty-three per cent had them in regular use at all sites, while 15 per cent said they had them in regular use at critical sites. Only eight per cent said their company never used them.

Many companies – particularly those with very specialised needs – employed their own experts in house or at least had a cell of specialists at head office. Indeed, one infrastructure management company was itself the main source of training and expertise in its own niche sector, while an interviewee said his telecommunications company had conducted some of the leading research on electro-magnetic radiation. Another respondent company provided specialist environmental and operational inspections for other companies as a routine part of its business.

(SEE CHART BELOW)

Most companies instruct environmental consultants during M&A and when considering site purchases



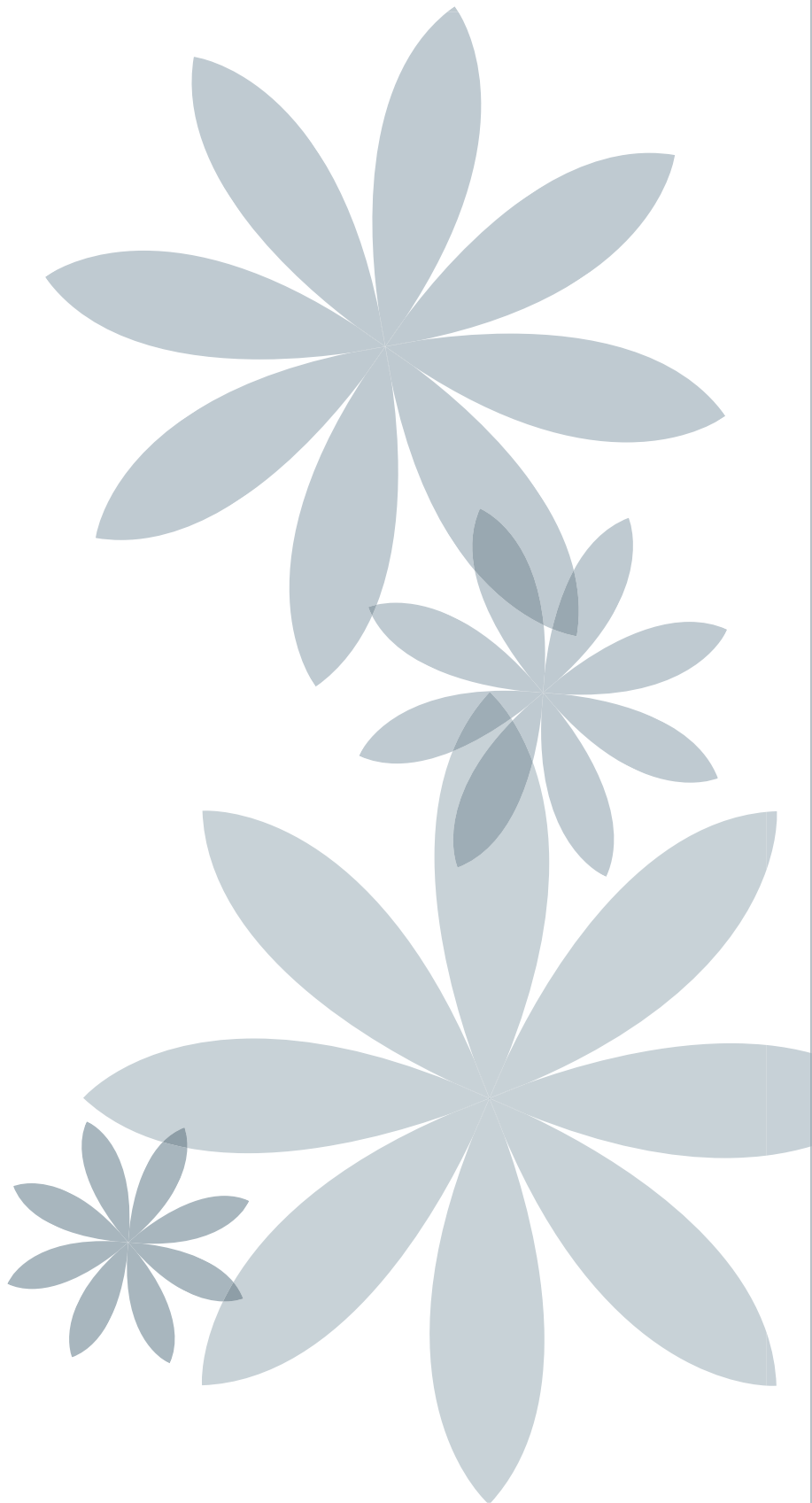
When does your company employ specialist environmental consultants?

	Number	Percentage		Number	Percentage
Due diligence - M&A	16	41%	Occasional - critical sites	8	21%
Considering new site purchase	15	38%	Regular - critical sites	6	15%
Occasional - all sites	14	36%	Never	3	8%
Regular - all sites	9	23%			



Interview discussion revealed that most companies turn to external environmental consultants for one of three reasons: specialist knowledge of a particular issue normally outside the scope of their industry (dealing with asbestos or PCBs, say); local knowledge of national or regional regulations; and to provide a supplementary resource, or an independent view, for specific projects.

Environmental due diligence, of course, is vital when considering the purchase of an industrial site. The potential liabilities can be eye-watering. One risk manager from a German manufacturing company mentioned that a few years previously, a planned acquisition had failed solely because of an environmental liability issue. Realistically, however, almost any established industrial site will have some degree of contamination. Many issues can be traded off against the purchase price. The same company had previously bought a group with huge environmental issues: expert due diligence ensured that it made the purchase with its eyes open. ■



Environmental Liability Losses and Preparedness

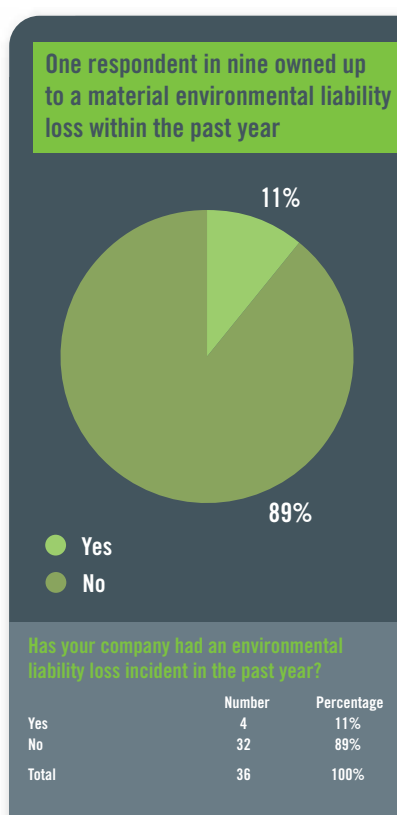
This section assesses the prevalence and severity of environmental liability losses in the interview sample. It also explores the perceived effectiveness of companies' environmental liability risk management and of their planning for dealing with pollution incidents. Finally, it looks at the training personnel receive in managing environmental risks.

Has your company experienced an incident of environmental liability loss during the past 12 months: yes; no; don't know?

Four respondents – ten per cent of our respondent group – said they weren't sure of the answer to this question. Of the remaining 36, another four – 11 per cent – said that yes, their company had suffered an incident of environmental liability loss within the past 12 months.

(SEE CHART BELOW)

If so, what was the nature of the incident(s) or liability and how large was the total actual (or estimated) loss?



Of the four companies whose interviewees admitted to environmental liability losses in the past year, one was in food or drink production, one in manufacturing or engineering and two in utilities or infrastructure management. The first had had an incident involving a medium-sized food product spillage from a road tanker. The second had had a large vehicle vent 200 litres of gearbox oil onto a green field site – plus a few other smaller spillages necessitating clean ups, including of streams – though nothing on a scale sufficient to affect wildlife or ecosystems. In both cases, the respondents estimated the loss to their companies at under €500,000. Indeed in the former case, the loss was estimated at just €15,000.

The third company had suffered a diesel spillage from an oil store. The fourth had suffered several fines for pollution in the lower Courts; the respondent mentioned that their usual policy was to plead guilty, avoiding legal escalation and further bad publicity. At least the latter company had recently improved sufficiently to get itself off the national regulator's 'top ten polluters' list. In both these cases, the respondents estimated the financial loss at between €500,000 and €1million.

However, the qualifications 'environmental liability loss' – as opposed to 'incident of pollution' – and 'during the past 12 months' were both significant. Several respondents mentioned incidents during the past year that had not led to a 'quantifiable' or 'significant' environmental liability loss – though the first two responses mentioned above could also be argued to fall into that category. Examples quoted included small accidental pollution incidents, such as spills, fires or goods vehicles overturning, as well as instances of exceeding permitted emission or discharge levels. Others mentioned instances of health and safety liability losses within the past year.

Several other companies had had incidents of environmental liability loss within the past five years, but not the past year. In all, 12 additional companies mentioned incidents that either occurred more than a year ago, or failed to trigger what they regarded as a material environmental liability loss.

Would you describe your environmental liability risk management and your planning for dealing with pollution incidents as: fully effective; fairly effective; fairly ineffective; don't know?

Interviewees' general confidence in environmental liability risk management seemed high – though many respondents showed the risk manager's characteristic reluctance to describe any system as 'fully effective'. In all, 41 per cent rated their environmental risk management 'fully effective', with the remaining 59 per cent rating it 'fairly effective'.

"We're not 'completely confident', but we are at the high end of believing ourselves effective," said a respondent from a French manufacturing company. "Improvements can always be made," said another risk manager at a UK industrial company. "We can always do more," said a third typical respondent, from a steel business. "But what we currently have is fit for purpose."

(SEE CHART OPPOSITE PAGE)

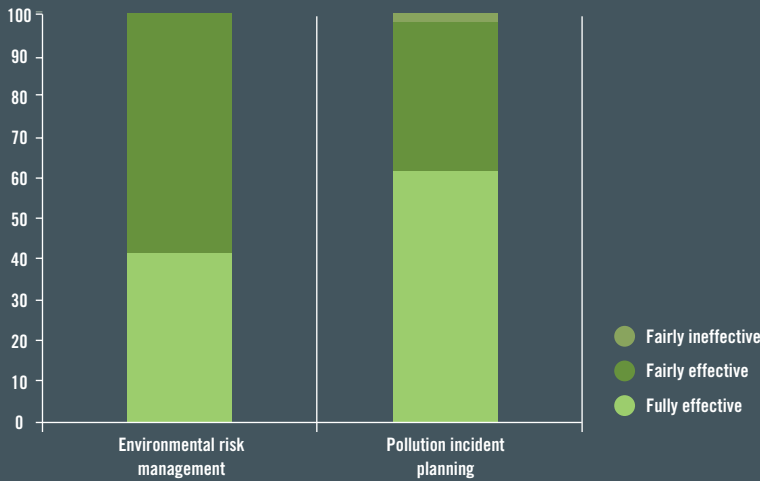
Interviewees tended to be a bit more sanguine about their pollution incident planning. Sixty-two per cent rated their company 'fully effective' here, while only one respondent – who worked for a manufacturing company he considered to have a very high level of potential environmental liability risk – opted for 'fairly ineffective'.

Why the higher level of confidence? Perhaps pollution incidents, unlike broader environmental risk management, are seen as distinct, manageable events that can be prepared for through detailed planning and realistic exercises and, with sharp work, contained. "Our staff know exactly what to do," said one interviewee from the food and drink industry. "When we do have an incident," said a respondent from the infrastructure sector, "we're pretty good at sorting it."

A third risk manager, from a chemicals group, said: "If our pollution incident planning wasn't fully effective, we would expect high-profile issues to be surfacing. They aren't."



Respondents had more faith in their pollution incident planning than their environmental risk management



How would you describe your environmental liability risk management and your planning for dealing with pollution incidents?

	Number	Percentage
Environmental risk management		
Fully effective	16	41%
Fairly effective	23	59%
Fairly ineffective	0	0%
Total	39	100%
(Don't know 1)		
Pollution incident planning		
Fully effective	23	62%
Fairly effective	13	35%
Fairly ineffective	1	3%
Total	37	100%
(Don't know 3)		

What training do your staff receive in managing environmental risks?

As a final question, we asked interviewees about the training their companies gave staff in managing environmental risks. What did they tell us?

At most companies, environmental risk management training seems to be integrated within regular health and safety or crisis management training programmes, tailored to the different practical needs of front-line plant staff, operational managers, head office personnel and senior executives. "Environmental risk is a strong component of our training," said one utilities interviewee. "But it is not isolated when considering our

operational response to incidents." Another interviewee said that his heavy industrial group was in the process of merging its environmental risk and health and safety risk teams. Training was often supported by practical exercises conducted once or twice a year.

Many companies had a central cell of in-house experts who determined environmental risk management training needs and managed their delivery. In-house environmental specialists will often provide relevant briefings and presentations to technical, operational and management staff. One risk manager from the pharmaceuticals sector said that his company had industry-leading experts on certain chemical products who, in a well-established procedure, kept

their expertise current by attending all accidents involving those products – even ones involving competitors' plants and vehicles.

Two respondents mentioned that training in materials handling and incident management was integral to their ISO14000 accreditation. Several also mentioned initiatives to share information on best practice through a company intranet.

Below are eight typical responses from interviewees on the subject of staff environmental risk management training:

- "All operational employees – 30,000 out of 40,000 – get environmental risk awareness training as part of our Safety, Health and Environmental Quality (SHEQ) programme. Everyone who has a need to deal with environmental issues gets specialist training from the central SHEQ team and each region also has a fully qualified environmental specialist who gives extra training to local staff. Local operations also use external training consultants." Chemicals group.
- "We have an in-house 'managing safely' course, which includes environmental responsibilities. The course content gets refreshed every three years and all people managers must attend. There are plans to add additional specific environmental training for the company's health and safety champions and facilities managers - probably using an external training provider to deliver a course tailored for the company." Telecoms group.
- "We train our people in different emergency procedures depending on their job. All factory staff are trained in dealing with chemical leaks and how to prevent them having an impact on the environment – for example, through the sewerage system. We have specialists at each depot who are trained in how to handle an emergency involving a major environmental impact." Manufacturer.
- "Stakeholder and partner comfort requires a tight and robust environmental management system. As a specialist infrastructure manager and developer, we



depend on our own systems and our own people's skills - and these need constant regeneration and maintenance. We have our own environmental management training centre." Infrastructure management business.

- "At each site, we have local training to simulate and test whether local employees and local partners will respond appropriately. Our head office staff, accountants and legal people also go through a training programme. We also have regular checks to ensure we carry appropriate equipment for our activities." Utilities group.
- "We have a four-strong Business Risk Control Department and a senior Environmental Risk Manager who is very close to top management. We have detailed internal emergency procedures and ISO 14001 for environmental risks and people are training to be internal auditors for that standard." Manufacturing business.
- "We deliver general basic training during staff induction and then we focus subsequent training on people's roles in areas such as emergency response, waste management and Integrated Pollution Prevention & Control. We're intending to widen the scope of our general environmental awareness training." Pharmaceuticals firm.
- "Our staff training ranges from training engineers on new legislation for protected species to waste management training. It tends to be tied in to new legislation or to a specific issue the company is having." Infrastructure operator. ■





What is the job title of the person to whom you report?

To whom did our respondents report? Although most were either by title or de facto senior risk managers, there seems to be a great deal of variety in reporting lines. The responses of the 34 individuals who answered this question were as follows:

- Chief Corporate Officer and Company Secretary
- Chief Engineering Manager
- Chief Financial Officer
- Chief Financial Officer Northern Europe (and to Head Office)
- Chief Risk Officer
- Company Secretary
- Corporate Deputy Chairman for Treasury, Risk and Insurance
- Director of Environmental, Health & Safety
- Director of Human Resources
- Director of Insurance
- Director of Operations
- Director of Risk Management
- Director of Strategic Change, Head of Health & Safety Systems
- Economic Director
- Executive Director
- Finance Director
- Financial Controller (who reports to Financial Director)
- General Manager
- Global Governance Director
- Group Chief Financial Officer
- Group Financial Director
- Group Risk & Insurance Manager
- Group Risk & Insurance Manager
- Group Senior Vice President - Organisation and Central Services
- Head of Legal
- IP & Insurance Manager
- Main Board Finance Director
- No one (the CFO himself being the Head of the Supervisory Board)
- President of People and Culture
- Purchasing Manager
- Senior Group Vice President (sitting on Management Board)
- Senior Vice President
- Vice President
- Vice President, Corporate Compliance

APPENDIX 2

The Questionnaire

This report was based on the responses to the following, 29-point questionnaire.

- 1/ Would you describe your company's potential exposure to environmental liability risks as: very high/ high/ average/ low/ very low?
- 2/ Does your company have any known environmental liabilities through its own past operations: yes/ no?
- 3/ Does your company have any known environmental liabilities through the previous operations of acquisitions or subsidiaries: yes/ no?
- 4/ How confident are you that your company has identified all potential environmental liabilities that could arise under current national and EU regulation: completely confident/ reasonably confident/ not confident at all?
- 5/ Are you aware of any changes in the environmental liability regime affecting you that could arise from the new EU Environmental Liability Directive: yes/ no?
- 6/ If so, which?
- 7/ Does your organisation have a formal, written environmental management strategy: yes/ no/ don't know?
- 8/ If so, who within your organisation is most directly responsible for implementing this: Chief Risk Officer/ Risk Manager/ Health & Safety Manager/ Environmental Manager/ Operations Manager/ other – please specify?
- 9/ To what extent do you have a process in place for dealing with an incident of sudden, accidental pollution: detailed and well-rehearsed process/ detailed process/ outline process/ no formal process/ don't know?
- 10/ Do you transfer any environmental liability risk: to the commercial insurance market/ to a captive insurer/ through any other strategy (please specify)?
- 11/ If you do transfer any environmental liability risk, is this through: a public or product liability insurance policy/ a specific environmental liability policy/ other – please specify?
- 12/ Which of the following do you consider to be the three most important stakeholders in your company's approach to environmental risk: special interest groups, such as NGOs/ shareholders/ the national population/ your employees/ local or regional communities near your operating locations/ other - please specify? (Please tick no more than three.)
- 13/ Does your company produce an environmental impact management report: as a separate, free-standing report/ within a wider CSR report/ within its general annual report/ not at all?
- 14/ Do you use any other means of communicating your environmental management strategies to stakeholders? (If so, please give details below.)
- 15/ Do you employ specialist environmental consultants: on a regular basis at all sites/ on a regular basis at critical sites/ on an occasional basis at all sites/ on an occasional basis at critical sites/ when considering purchasing a new site/ in due diligence on a potential acquisition or merger/ never/ don't know? (Please tick all that apply.)
- 16/ Has your company experienced an incident of environmental liability loss during the past 12 months: yes/ no/ don't know?
- 17/ If so, what was the nature of the incident(s) or liability?
- 18/ How large was the total actual (or estimated) loss: less than €500,000/ between €500,000 and €1m/ between €1m and €5m/ between €5m and €10m/ more than €10?
- 19/ Would you describe your environmental liability risk management as: fully effective/ fairly effective/ fully ineffective/ don't know?
- 20/ Would you describe your planning for dealing with pollution incidents as: fully effective/ fairly effective/ fairly ineffective/ don't know?
- 21/ What training does your company's staff receive in managing environmental risks? (Please give details below.)
- 22/ What is your company's main industry sector: manufacturing or engineering/ energy or utilities/ construction or raw materials extraction/ pharmaceuticals or healthcare/ transport or infrastructure management/ food or drink production/ public sector/ telecommunications/ retailing/ financial services/ business or professional services/ media/ software/ other - please specify?
- 23/ How many employees does it have: fewer than 100/ 101-200/ 201 to 1,000/ 1,001 to 5,000/ 5,001 to 10,000/ more than 10,000.
- 24/ What is your company's approximate annual turnover: less than 50 million/ €50 million to €500 million/ €500 million to €1 billion/ €1 billion to €5 billion/ over €5 billion?
- 25/ What is your company's name?
- 26/ If you wish to be sent a free illustrated PDF report of the StrategicRISK Environmental Risk Study please give your email address below.
- 27/ What is your name?
- 28/ What is your job title?
- 29/ What is the job title of the person to whom you report?

