Executive Brief on Community Interaction Options

Community Advisory Panels

An Option for Community and Industry Dialogue

DSW 133687

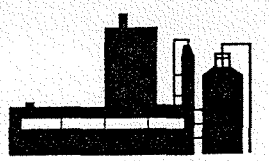
A Prudential Resources Management Company

STLCOPCB4033645

Overview on Community Advisory Panels

Understanding the Interaction Between Companies and Their Communities

Defining the Issues and the Need for Communication



Industrial Companies

Focus on Control and Stewardship

- Communication on chemical use, emissions, and worst case scenarios
- Cost effective regulatory compliance
- Obtain environmental permits
- Demonstrate corporate citizenship
- Positive image and press coverage
- Support of industry environmental stewardship initiatives

Potential gap in understanding and trust can result in...

- Unfounded perceptions
- Potential shift to special interest groups as information source
- Over reaction to an incident
- Potential for litigation
- Limitation to facility growth
- Adverse press coverage



Local Community

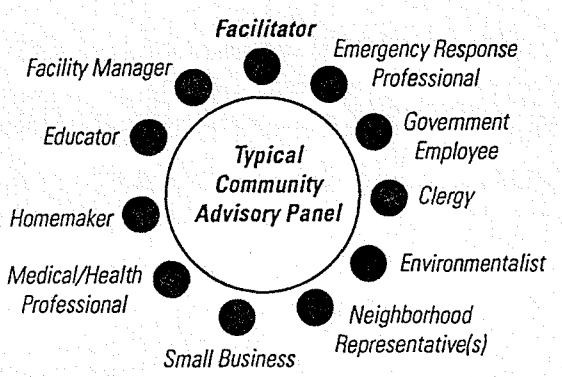
High Awareness and Concern

- Potential risks to community
- Understand chemical hazards
- Impact on property values
- What happens in an accident
- Value of company to community
  - Economic impact
  - Support to quality of life

Definition and Purpose of a Community Advisory Panel (CAP)

Profile of an Effective Community Advisory Panel

- Diverse representation of the local community (based on profession, demographics, etc.)
- Members have credibility in the community, understanding of issues, and a cooperative spirit.
- Participates in a facilitated meeting with company management on a regular basis
- Discusses issues and opportunities related to the company and the community
- Identifies effective methods of communication between company and community



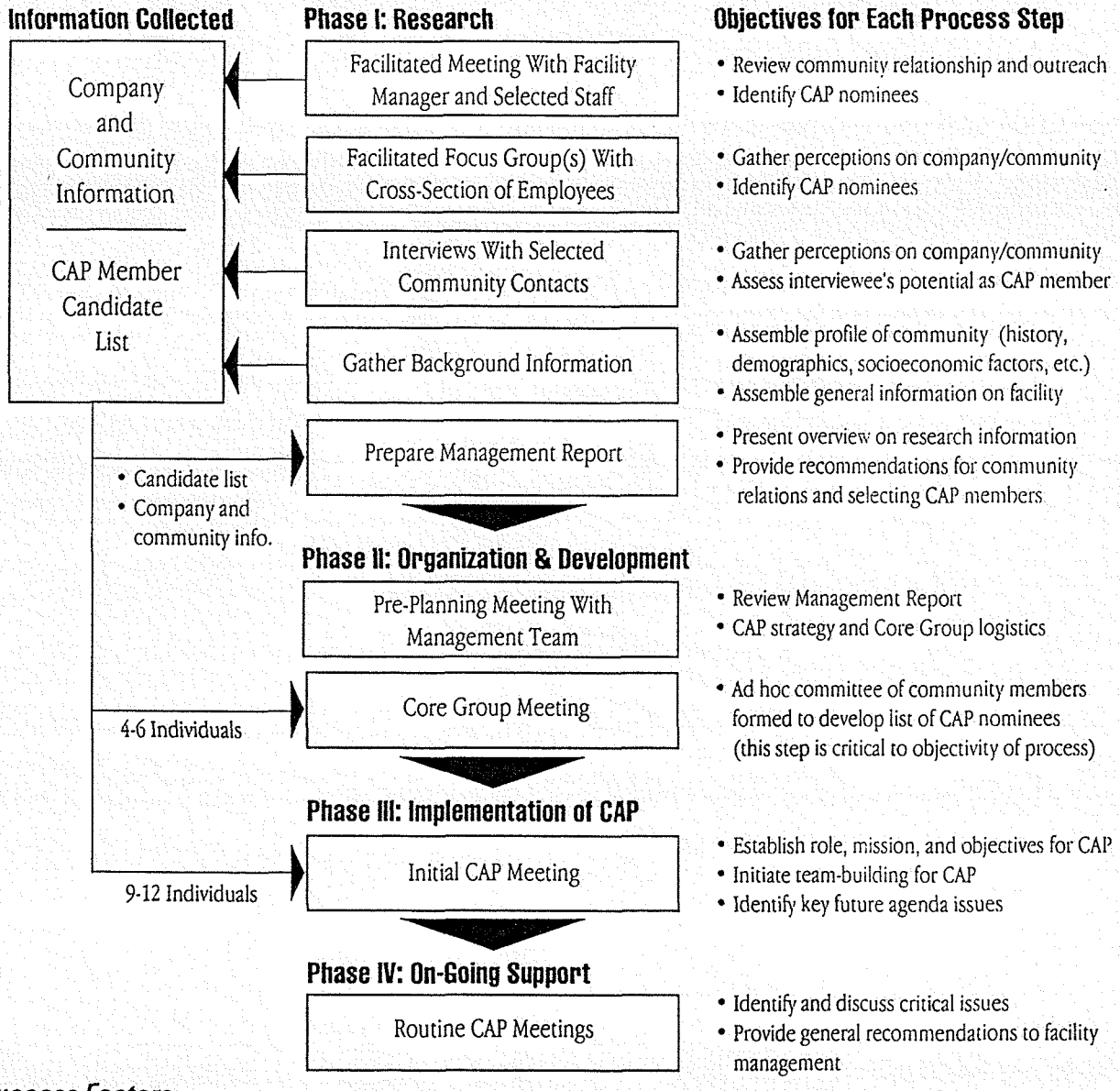
A CAP Provides an Effective Link Between Industry and the Local Community that Results in....

- Understanding needs and issues through open dialogue
- Establishing a forum for sharing ideas and opportunities
- Providing a sounding board for evaluating potential company initiatives and anticipating responses to issues
- Building trust and credibility with the community to assure a positive long-term relationship

DSW 133688

Overview on the Process for Developing a CAP

There is a well defined process for establishing a Community Advisory Panel that results in a diverse group of individuals representing a cross-section of the community brought together under a third party facilitator to focus on improving the dialogue and relationship between a company or group of companies and the local community.



Success Factors

Based on experience, the most effective CAPs incorporate the following factors:

- Company management is 100% behind the process and give it full support.
- Panelists represent a cross-section of the community and are selected based on ***face-to-face interviews.***
- Membership is not hand picked by the company but selected by the community through the Core Group.
- An effective and dynamic third-party facilitator administers the startup and long term support of process.

DSW 133689

STLCOPCB4033647

Overview on Community Interaction and Community Advisory Panels

DSM 133690

STLCOPCB4033648



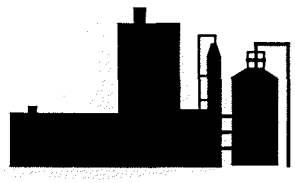
Community interaction...the next Titantic?

DSW 133691

STLCOPCB4033649

Key Elements of Community Interaction

Perceptions and Needs of Industry vs. Local Communities



Industrial Companies

Focus on Growth, Control and Stewardship

- Communication on chemical materials used, emissions, and worst case scenarios
- Obtain permits for existing and new facilities
- Cost effective regulatory compliance
- Demonstrate corporate citizenship...positive image
- Desire to maintain control
- Demonstrate support of industry initiatives

Potential Relationship Gap

- Reduced through effective community interaction
- Integral part of chemical risk management



Local Community Perspective

High Awareness, Interest and Concern

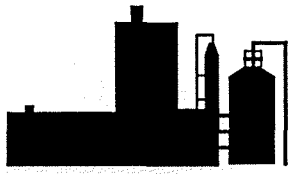
- Related risk of facility operations on community
- Understanding chemical hazards...impact on health
- Impact on property values
- What happens in the event of an accident
- Value of company to the community:
  - Economic...ability to attract other industries
  - Support to quality of life through donations and employee volunteerism

DSW 133692

STLCOPCB4033650

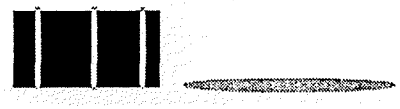
Key Elements of Community Interaction

Chemical Risk Management...Levels of Control



Control at the Source

- Minimize use of hazardous/toxic materials
- Design process to inherently contain materials
- Promote safety/environmental awareness
- Provide written procedures that are enforced



Emergency Response/Preparedness

- Early detection/communication systems
- Containment systems and response equipment
- Employee education on spill response
- Written procedures and drills
- Coordination with Local Emergency Planning Commission (LEPC)



Community Interaction

- Develop relationship with community through:
  - Dialogue with all stakeholders
  - Understanding basic needs and perceptions
  - Utilizing community support to educate and demonstrate environmental stewardship
- Optimize distance from facility to community

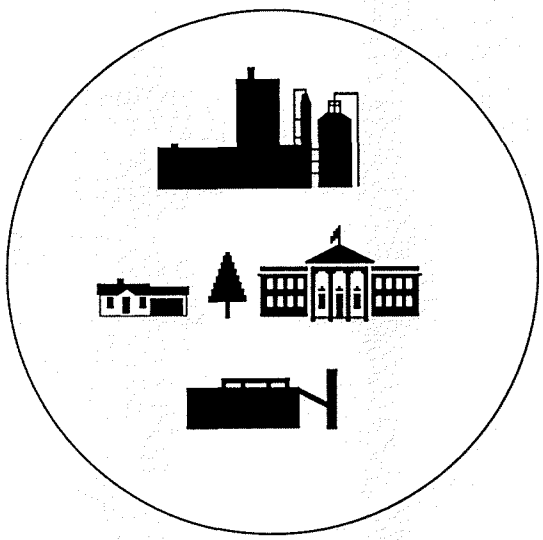
DSW 133693

STLCOPCB4033651

Factors that Affect Company/Community Interaction

- **Size of Facility vs. Community**
  - Large facility, small community
  - Small facility, large metro area
- **Proximity of Facility to Community**
  - Within city limits, fenceline neighbors
  - Suburban industrial park
  - Rural setting
- **Presence of Other Companies in Community**
  - Relative size and number of other companies
  - Types of industry (process or manufacturing)
  - "Lightning rod" facility in community
- **Geographic/Climatological Factors**
  - Natural barriers (mountains, bodies of water)
  - Wind rose characteristics
- **Community's Perceived Risk vs. Value of Facility**
  - Chemical use and environmental concerns
  - Economic value vs. long term outlook
- **Employee/Company Profile**
  - Number of employees
  - Employee/management relationship
  - Employee Residence location within community
  - Current employee involvement in community

Case A: Facility within city limits, has fenceline neighbors and other industrial facility in community.



Case B: Facility in relatively remote area...large buffer zone, nearby rural community.

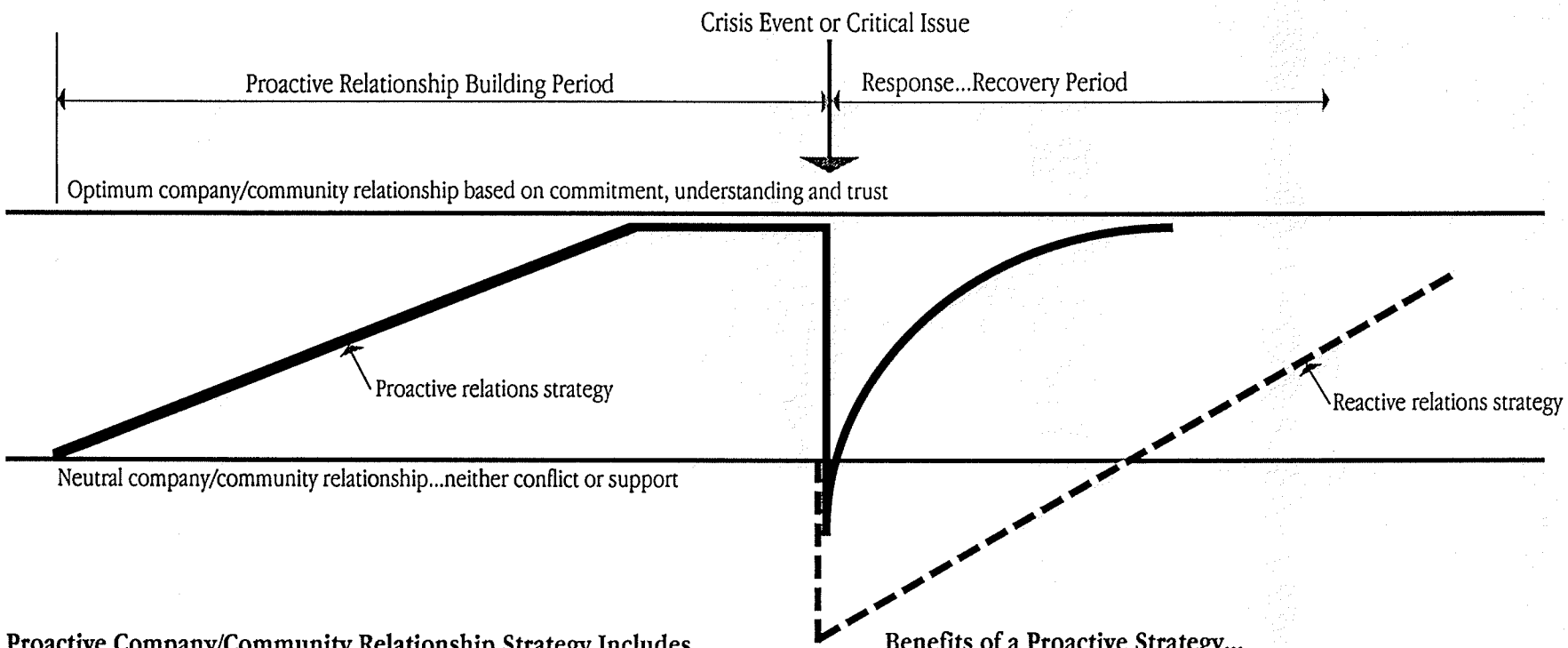


Prudential Community Interaction Consulting

DSW 133694

STLCOPCB4033652

Proactive vs. Reactive Company/Community Interaction Strategies



Proactive Company/Community Relationship Strategy Includes...

- Dialog with all stakeholders
- Proactive compliance with environmental/safety regulations
- Effective emergency preparedness and response
- Community support through contributions and volunteerism

Benefits of a Proactive Strategy...

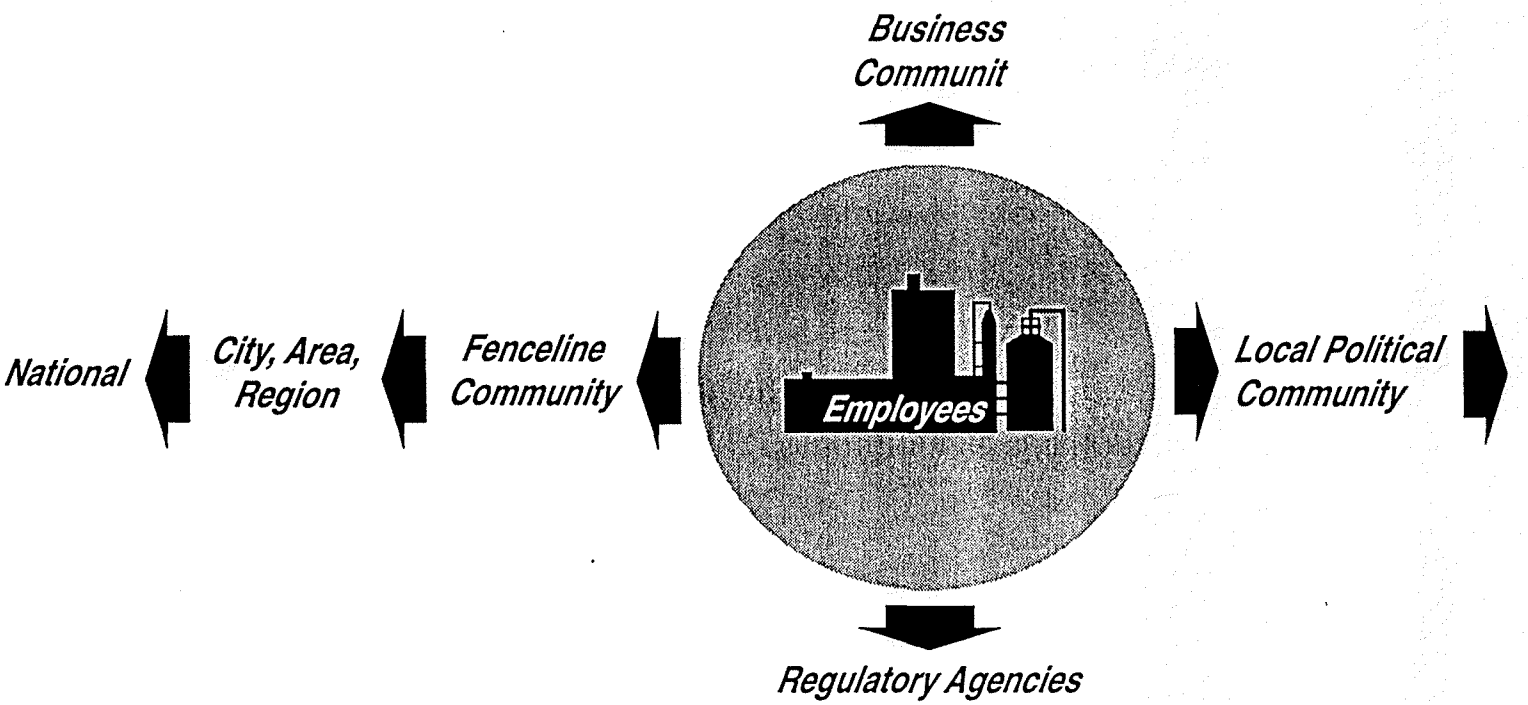
- Through earned credibility, crisis recovery is fast
- Community becomes an ally...company perceived as pacesetter
- Ability to secure permits...less chance for community concern

Prudential Community Interaction Consulting

DSW 133695

STLCOPCB4033653

Identification of Stakeholders



Prudential Community Interaction Consulting

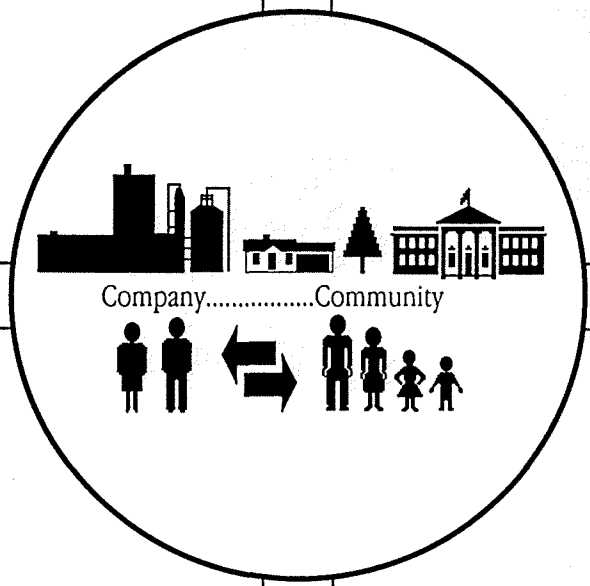
DSW 133696

STLCOPCB4033654

Community Interaction Options

Communications
- Community Advisory Panel
- Newsletters, press releases, etc.
- Community forums
- Periodic community surveys

Community Programs
- Provide financial support and volunteerism
- Address local needs: education, recreation, community projects, etc.



Mutual Support
- Joint emergency response to accidents and natural disasters
- Wellness program with local hospital
- Shared facilities and equipment with local governments and companies

Near Neighbor Programs
- Be a "neighbor" as defined by local culture
- Increase buffer zone as required
- Provide value protection of local property when needed

Prudential Community Interaction Consulting

DSM 133697

STLCOPCB4033655

The Value of a Community Advisory Panel

Measuring the return on the investment...

- Open dialogue on issues reduces risk of litigation
- Community support for permits and plant expansion is higher
- Recovery from an incident is faster...as long as company is responsive
- The level of community understanding and acceptance is substantially improved
- Company resources and efforts are focused on building an ally of the community

Examples of success stories from existing advisory panels...

- Effective communication materials and public relations efforts provided a better community understanding of company/industry
- Community forums sponsored by the advisory panel stimulated input from the community
- Education partnerships formed that were well received
- Increased awareness of industry workforce qualifications for current and prospective employees
- Inputs on community involvement for the company resulted in best use of resources with maximum impact

Prudential Community Interaction Consulting

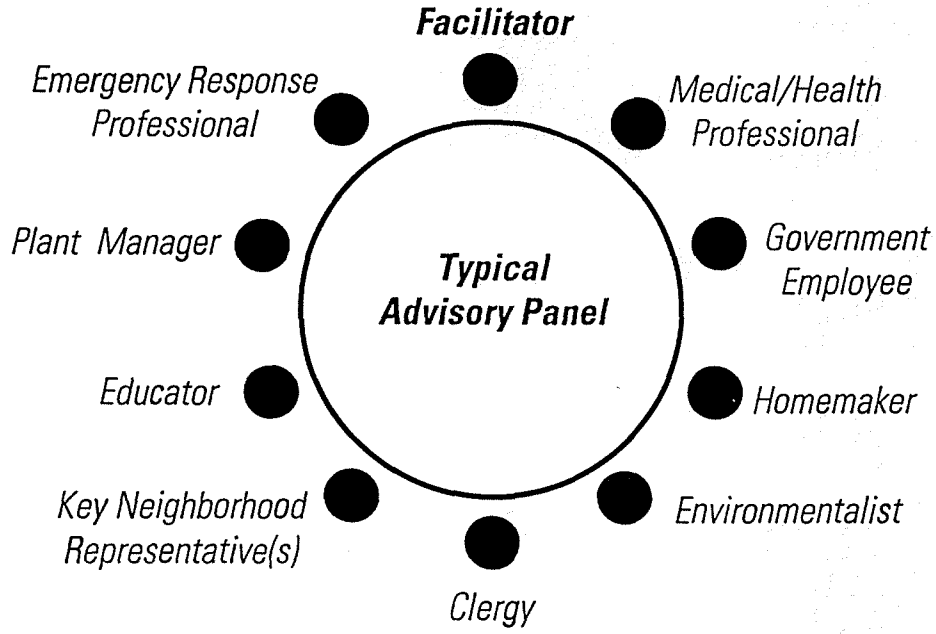
DSM 133698

STLCOPCB4033656

Defining a Community Advisory Panel

An effective Community Advisory Panel (CAP)...

- is a diverse representation of the local community
- participates in a facilitated meeting with company management on a regular basis
- discusses issues and opportunities related to the company and the community
- has members with credibility in the community, understanding of issues, and a cooperative spirit.



PrudentialCommunityInteractionConsulting

DSW 133699

STLCOPCB4033657

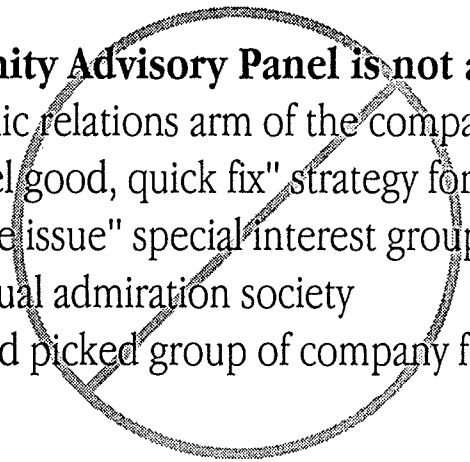
Defining a Community Advisory Panel

A Community Advisory Panel is a...

- Vehicle for effective community dialogue
- Sounding board for "real" community issues
- Conduit for public input and community education
- Forum to discuss and test new ideas
- Diverse representation of the community

A Community Advisory Panel is not a...

- Public relations arm of the company
- "Feel good, quick fix" strategy for community interaction
- "One issue" special interest group
- Mutual admiration society
- Hand picked group of company friends



DSM 133700

STLCOPCB4033658

Factors in Developing a Community Advisory Panel

Key Success Factors

Based on experience, the most effective CAPs have included the following factors:

- Management 100% behind process...critical to success
- Panelists are a diverse representation of the community... diversity of insight and skills
- Membership not hand picked by company...selected by community
- Use an effective and dynamic third-party facilitator...needs objectivity and facilitation skills
- Each member comes with open mind and a desire to work together and achieve results
- Define key roles, goals and objectives early in the process
- Gain an objective view of company and community needs and issues
- Let the panel define the agenda once the process begins
- Company must be responsive...open to innovative ideas

Profile of an Effective Facilitator

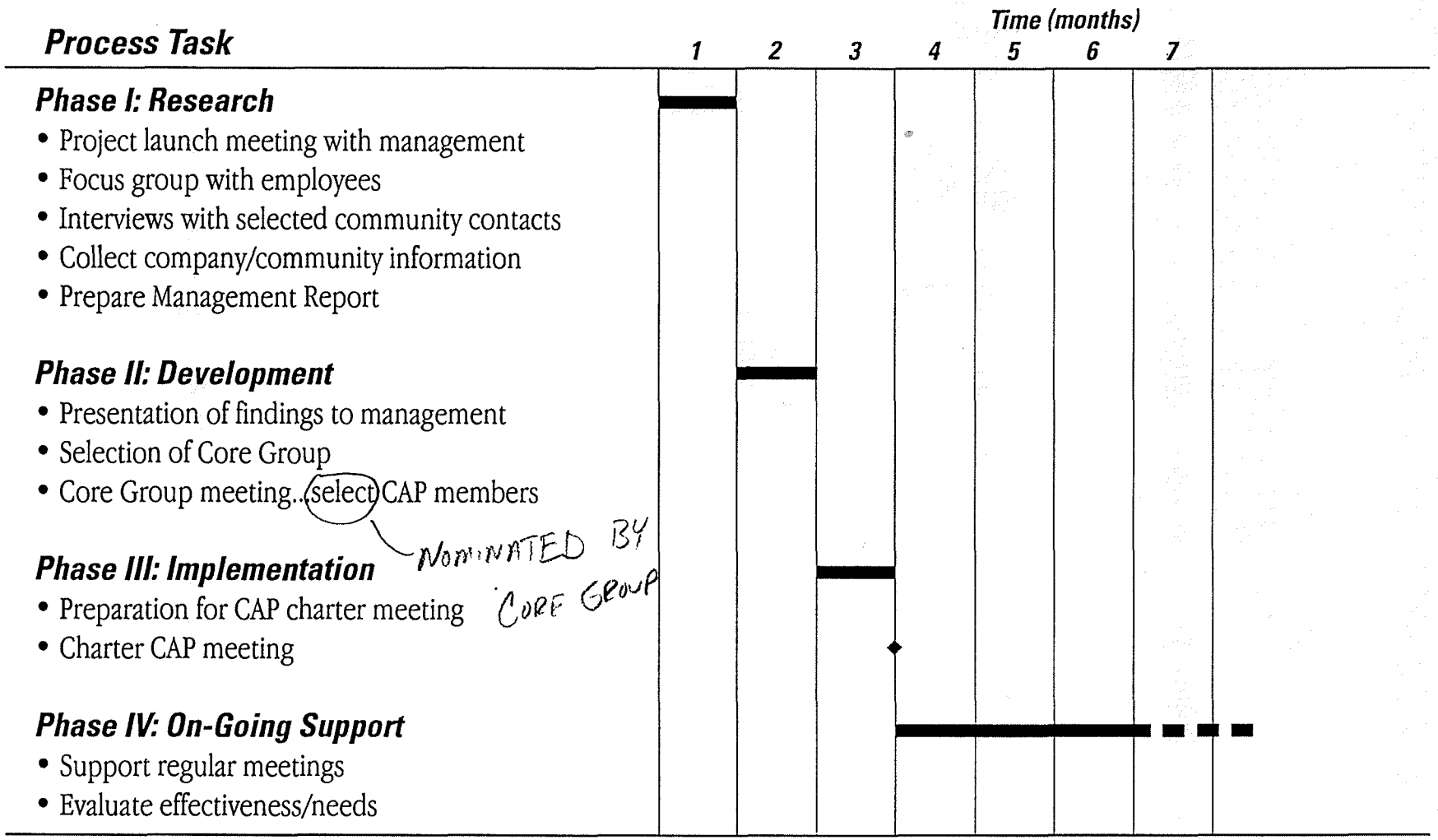
Selecting an effective facilitator is critical to the success of the advisory panel. Facilitator should be:

- Perceived as "neutral" to the panel with no alignment with any of the individuals represented
- Available to potentially serve on a long term basis
- Trained in facilitation/conflict resolution skills
- Able to integrate the efforts of a diverse group
- Understanding of the CAP process and the key objectives and role of the panel

DSW 133701

STLCOPCB4033659

Community Advisory Panel Startup Process



Prudential Community Interaction Consulting

DSM 133702

STLCOPCB4033660