

## Expectations for Corporate Responsibility: Raising the Bar

A study conducted by APCO Worldwide (APCO) highlights the American public's lofty expectations for businesses abroad. The Global Business Diplomacy Study reveals a consensus that business success brings with it an increased responsibility to address global challenges.

The study findings demonstrate the American public's belief that global expansion necessitates a greater emphasis on corporate responsibility, a renewed focus on environmental and human rights and an expectation that companies strive to be valued corporate citizens in the markets hosting their operations. In fact, on a wide range of these challenging topics, the American public expects more from business than from the U.S. government.

In spite of these high standards, APCO's study reveals that Americans are skeptical of a corporation's ability to foment change. Though expectations are high, the public does not trust the business world to implement meaningful programs. Nongovernmental organizations (NGOs) are the most respected arbiter of change, followed by government and then business.

In many cases, the business community is not effectively communicating its significant role in working to address global challenges. Smart communication is critical to improving domestic appreciation of the positive impact of American corporations' global presence.

A vast majority of Americans believe that there is a general attitude of anti-Americanism abroad. However, most believe that the American business community is, on the whole, helping the nation's international image. They also perceive businesses

as well positioned to continue improving global sentiments towards the United States.

The world of international business today is challenged like never before. Multinational firms acquire, divest, open plants, close others, move facilities and establish new research centers in developed and emerging markets everywhere on the planet. Multinational corporations are larger than many of the world's nations, and they continue to expand across the globe. Within this context, they must strive to be responsible citizens in their home markets while working to be valued suppliers and active participants in new markets.

One critical tool for navigating this complex global landscape is credible corporate responsibility. APCO's study explores the connection between actions abroad and sentiments at home. Consumers demand that businesses do the right thing. And, more often than not, corporations of sound policies and practices are assumed guilty until effective communication proves their commitment to global progress.

These emerging "corporate superpowers" face a significant need for a diplomatic corps to help their representatives open the right doors, say the right things and reach the right audiences abroad – and tell that story effectively back home.

APCO's study reveals that the bar has been raised. Global pressures are ushering in a new era for the communication counseling arena. Business diplomacy has become a strategic initiative adopted in the boardrooms of the most forward-looking companies. In the future, these strategies will be recognized as an essential tool for global business success.

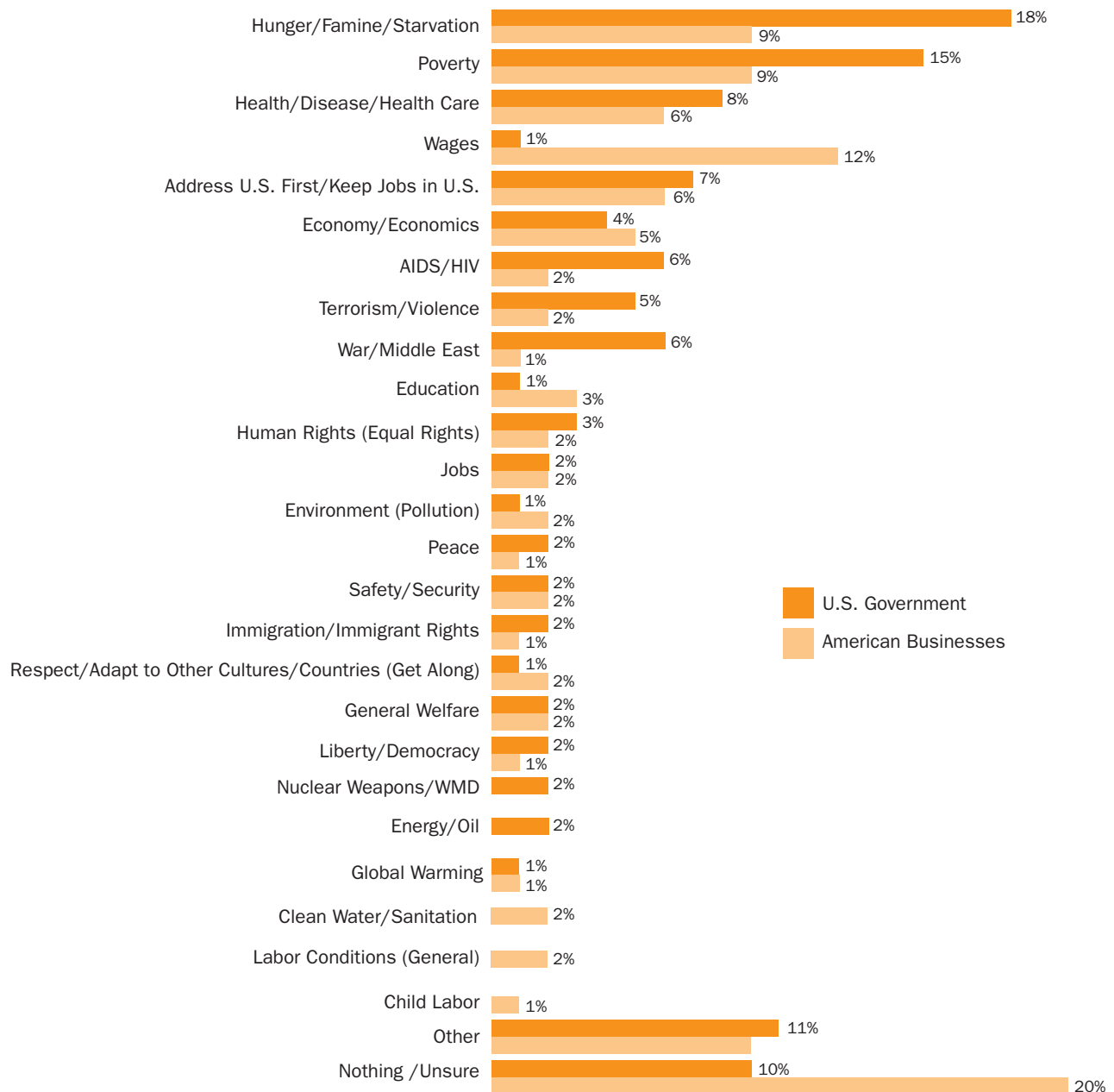
## The Issues People Care About

**Hunger, Poverty and Disease are Viewed as the Most Important Global Challenges to Address.** Hunger, poverty and disease are among the most top-of-mind global challenges the public says the U.S. government and American businesses should be addressing. However, improving wages is the single most commonly mentioned global issue the public expects American businesses to address.

When asked about specific global challenges, the public wants global health issues to be a top priority for both the

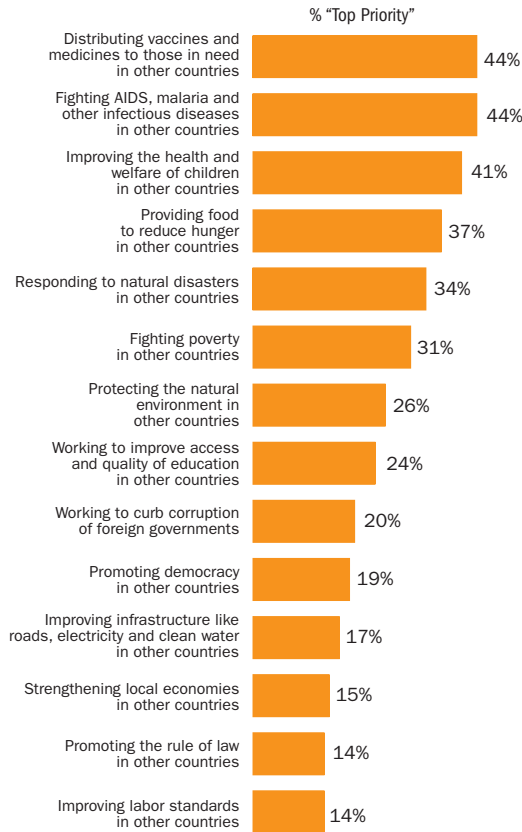
U.S. government and American businesses. Fighting AIDS, malaria and other infectious diseases in other countries ranks near the top of the list of issues to which both businesses and the U.S. government should be giving top priority. In fact, more than half (53%) expect American businesses to make this a “top priority.” A majority also say that improving the health and welfare of children in other countries should be a top priority for businesses. Improving the natural environment in other countries is much more likely to be viewed as a priority for businesses than it is for the U.S. government.

What is the most important issue facing people in other countries that the U.S. government/American businesses that operate in other countries should be addressing? [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]

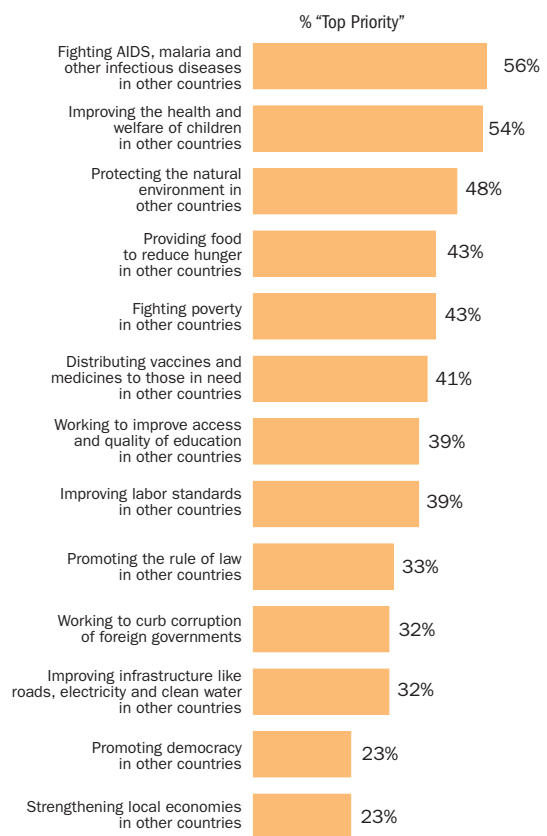


How much of a priority should it be for the U.S. government/American businesses that operate in other countries to devote resources to address each of the following challenges? (Top priority, an important priority, a less important priority, or not a priority) [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]

**TOP PRIORITIES FOR U.S. GOVERNMENT**



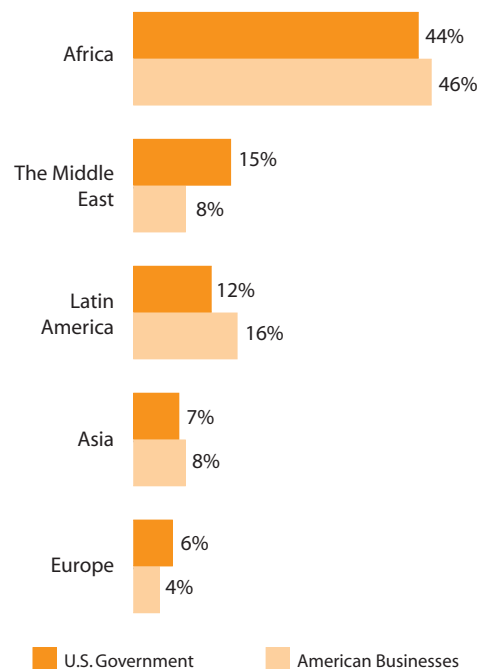
**TOP PRIORITIES FOR AMERICAN BUSINESSES**



**Where Businesses Should Focus Efforts**

By a significant margin, Africa is most often cited as the region of the world where the U.S. government and American businesses should be devoting most of their resources. In fact, Africa is almost three times more likely to be mentioned than other regions. The Middle East is more likely to be seen as an area for the U.S. government to devote resources than for American businesses.

In which region of the world do you think the U.S. government/ American businesses that operate across the world should devote most of its resources to address challenges facing people outside the United States? [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]

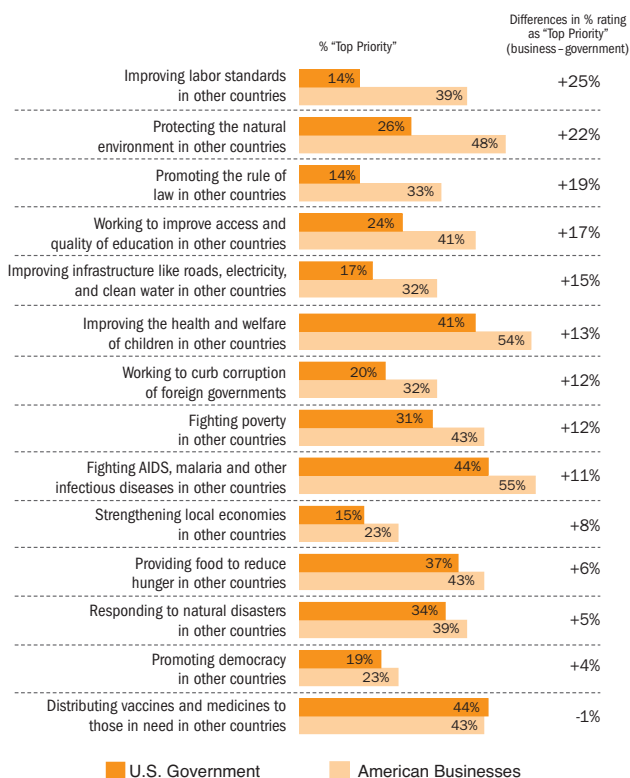


## High Expectations, Global Implications

### The Public Expects More From Businesses than the U.S. Government.

On a wide range of challenges affecting people in other countries, the American public has higher expectations for businesses than it does the U.S. government to address these challenges. Whether it is improving labor standards, the environment and health, or promoting the rule of law and curbing government corruption, Americans are more likely to say these are a “top priority” for businesses than they are for the U.S. government. However, Americans have roughly the same expectations for businesses and government when it comes to distributing vaccines, promoting democracy, responding to natural disasters and providing food to the hungry.

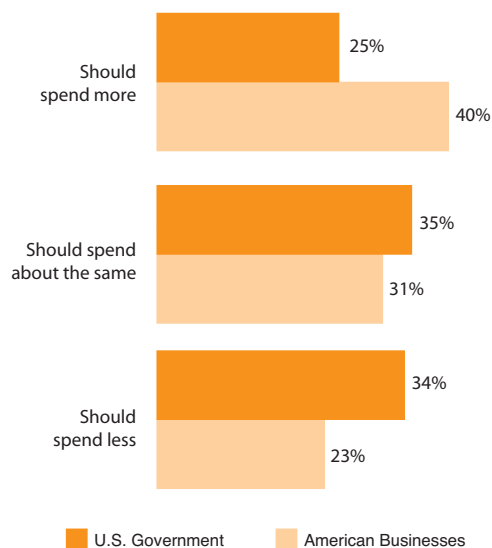
How do the priorities of the U.S. government and American businesses differ? [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]



### The Public Wants a Greater Commitment from Businesses.

While Americans want less government spending on foreign aid, they would like to see businesses devoting more resources to addressing global challenges. A plurality (40%) want American businesses to spend more in addressing challenges facing people in other countries, while only 23 percent think businesses should be spending less in addressing global challenges.

Should the U.S. government/American businesses that operate in other countries be spending more, less or about the same in assistance to help solve global challenges? [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]



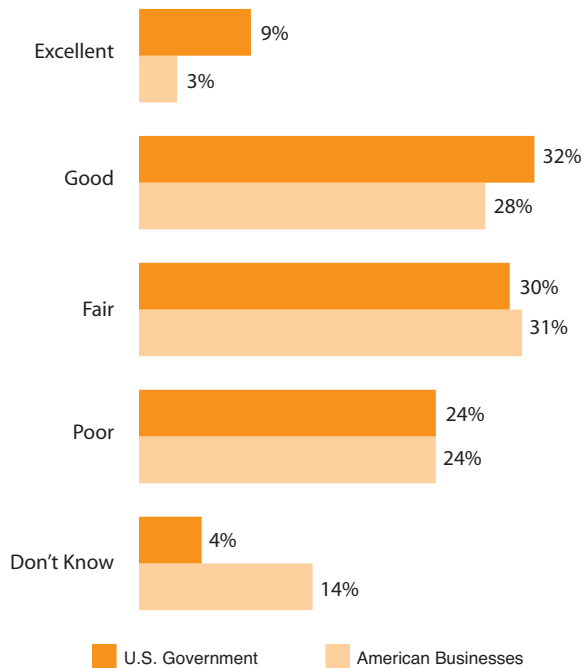
## The Public Demands More

### Businesses are Perceived to Be Falling Short of Public Expectations.

Only one-in-three Americans believe businesses are doing a good or excellent job in addressing global challenges. A majority (55%) give American businesses a rating of “only fair” or “poor.” Fully, 14 percent do not know enough about what businesses are doing to rate them.

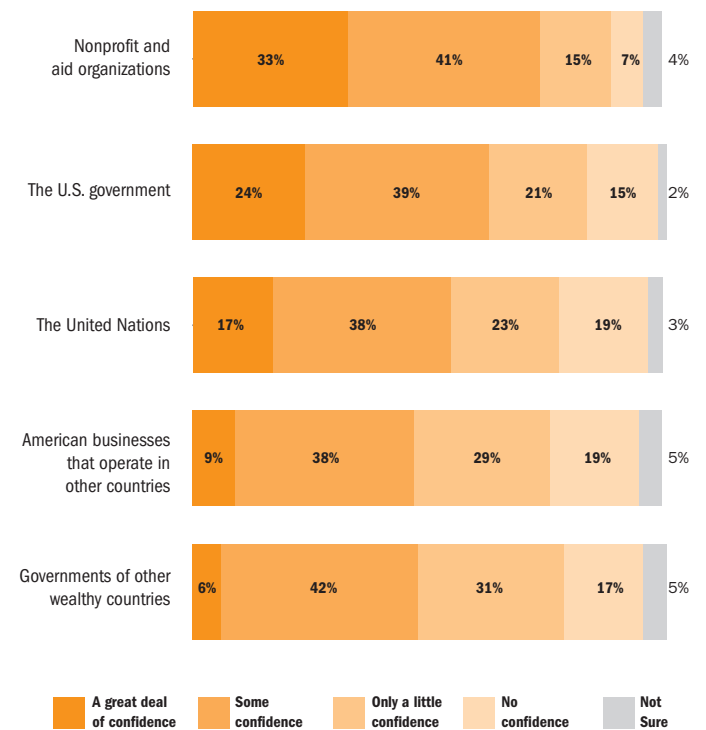
On the other hand, Americans give the U.S. government higher ratings for how it is addressing these global challenges (41% saying “excellent” or “good”). The data suggests American businesses have failed to effectively communicate the significant role they play in working to solve global challenges.

How would you rate the job of the U.S. government/American businesses that operate in other countries to address global challenges facing people outside the United States? [Split Sample: n=412 asked about U.S. government; n=393 asked about American businesses]



**Confidence in Businesses is Low.** Not only do businesses receive poor marks for how they address global challenges, Americans currently have less confidence in businesses to solve the challenges facing people in other countries than other institutions, including nonprofits, the U.S. government and the United Nations. Only nine percent of Americans say they have a “great deal” of confidence in American businesses to solve these challenges. Despite very high expectations for businesses to help solve these problems, few Americans today are convinced businesses are meeting the challenge.

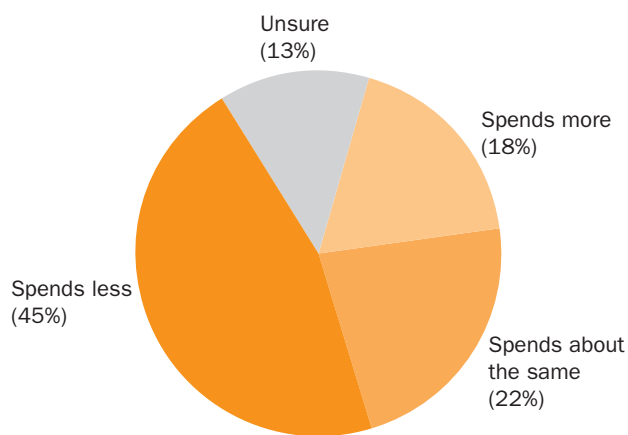
How much confidence do you have in each of the following organizations to help solve the challenges facing people in other countries? [Asked of full sample; n=805]



# Business Diplomacy Improves America's Image Abroad

**Effective Communication Protects Against False Perceptions.** Only 18 percent of Americans believe that American businesses spend more than the U.S. government in assistance to address global challenges. A plurality (45%) believe that American businesses devote less resources than the U.S. government to address these global challenges. Lower confidence in businesses to address global challenges may be explained by the perception that businesses are spending less than the U.S. government to solve these global challenges.

Do American businesses spend more, less or about the same as the U.S. government in foreign assistance to address challenges facing people outside the United States? [Asked of full sample; n=805]

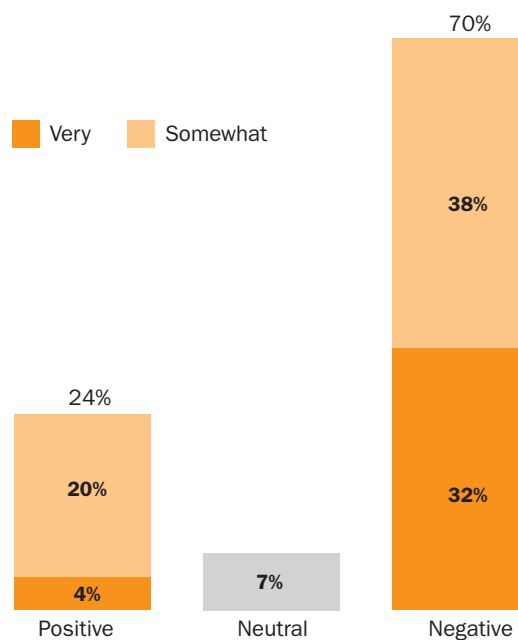


**Businesses Can Play an Important Role in Improving America's Image.** The public clearly recognizes the uphill battle America must climb to improve its image abroad. The vast majority (70%) believe people in other countries have negative views toward the United States. Fewer than one-in-four believe the United States has a positive image abroad, with only four percent saying the United States is viewed "very" positively.

**What Businesses are Getting Right.** Despite the significant challenges America faces in improving its image, the public believes that American businesses can have a positive impact. While a majority believe the policies and practices of the U.S. government are hurting America's image abroad, the policies and practices of American businesses are more likely to be seen as helping, rather than hurting America's image.

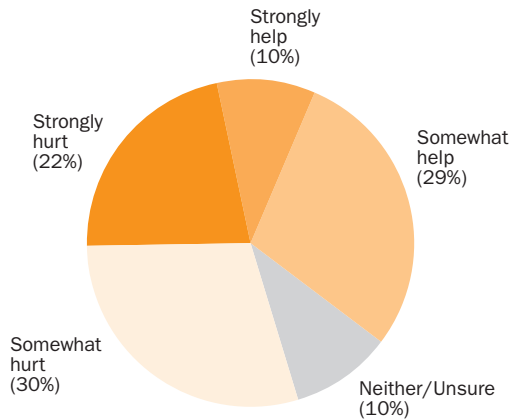
Do you think views of people living in other countries are generally positive or negative toward the United States? [Asked of full sample; n=805]

## PERCEIVED IMAGE OF AMERICA ABROAD

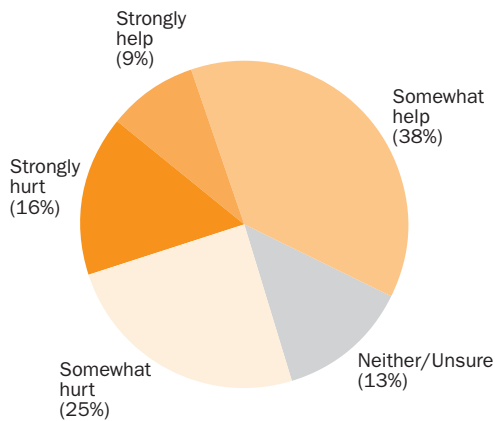


Overall do the policies and practices of the U.S. government/ American businesses that operate in other countries generally help or hurt America's image abroad? [Asked of full sample; n=805]

**EFFECTS OF U.S. GOVERNMENT PRACTICES ON U.S. IMAGE**



**EFFECTS OF AMERICAN BUSINESS PRACTICES ON U.S. IMAGE**

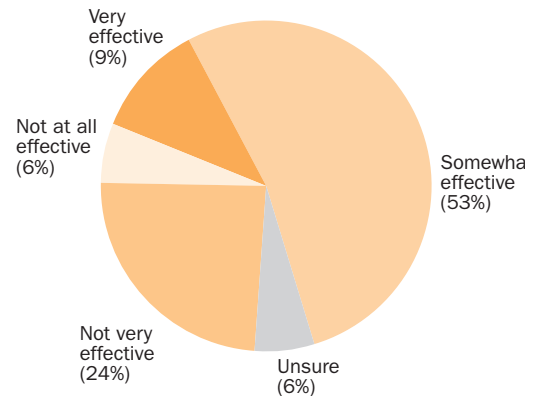


**Business Diplomacy Perceived as More Effective than Government Aid.** Contributions made by businesses are rated slightly more effective in improving America's image than U.S. government foreign aid. Nearly two-thirds (65%) of Americans say that contributions made by American businesses to people in other countries are effective in improving America's image. On the other hand, Americans have greater doubts

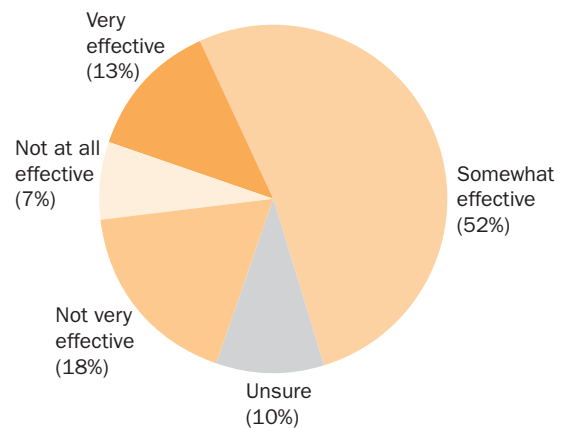
about the effectiveness of U.S. foreign aid in improving America's image. Thirty percent of Americans say U.S. foreign aid and assistance is either "not very" or "not at all" effective in improving America's image, while 25 percent believe businesses contributions to be ineffective.

How effective is foreign aid and assistance by the U.S. government in improving America's image abroad? How effective are contributions that American businesses make to people in other countries in improving America's image abroad? [Asked of full sample; n=805]

**EFFECTIVENESS OF U.S. GOVERNMENT FOREIGN AID**

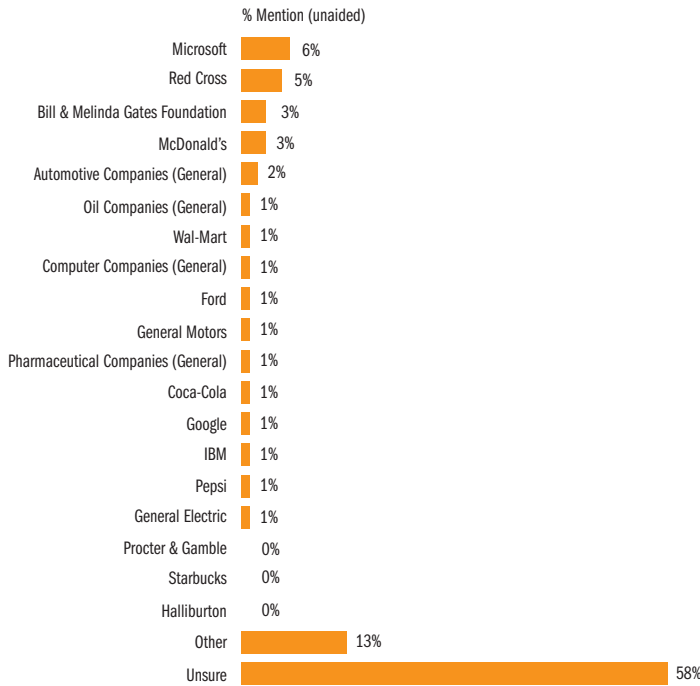


**EFFECTIVENESS OF CONTRIBUTIONS BY AMERICAN BUSINESSES**



**Microsoft and Bill Gates Viewed as Leaders.** Although a majority of Americans can not identify a single company that is doing the best job of working to improve America's image abroad, Microsoft (and Bill Gates) are mentioned more often than other companies.

Which American company do you think is doing the best job of working to improve America's image abroad? [Open-ended question; Asked of full sample; n=805]



## About APCO

Founded in 1984, APCO is an independently owned global communication consultancy with offices in major cities throughout the Americas, Europe, the Middle East, Africa and Asia. APCO was named 2006 Agency of the Year by *PR Week*, 2005 and 2006 European Consultancy of the Year by *Public Affairs News* and 2004 Public Affairs Agency of the Year by *The Holmes Report*. Clients include corporations, governments, industry associations and nonprofit organizations. Headquartered in Washington, D.C., APCO includes among its clients seven of the top 10 companies on *Fortune's* Global 500. Core services include corporate, investor and internal communication; crisis management; issue management; government relations; litigation communication; media relations; coalition building; opinion research; market entry; corporate responsibility; business diplomacy; and, online communication. APCO is a majority women-owned business.

## About the Study

APCO Insight®, the opinion research division of APCO Worldwide, conducted the Business Diplomacy Study among a random sample of 805 Americans. The study was conducted over the telephone between January 31 and February 4, 2006. The study was conducted using a Random Digit Dial methodology to extract a random sample of U.S. households. A randomly selected individual from each sampled household was asked to complete the study. The maximum margin of error for questions asked among the entire sample is +/- 3.5% at the 95 percent confidence level. The margin of error for questions asked among a "split sample" is +/- 4.9%.



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