

2005 Manufacturing Resolution

RESOLVED: The shareholders request that a committee of independent directors of the Board assess how the company is responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide and other greenhouse gas emissions and report to shareholders, at reasonable cost and omitting proprietary information, by September 1, 2005.

WHEREAS:

Global warming is one of the most important issues facing industry today. According to the Conference Board: "The significance of global warming for different businesses and sectors will vary, but given the increasing costs of, and uncertainties surrounding, the reliability of traditional energy sources; and growing pressures for higher standards of citizenship and contributions to global sustainability, businesses that ignore the debate over climate change do so at their peril." (<http://www.conference-board.org/> executive action 107)

The US Government's Climate Change Science program wrote in 2004 that "[c]limate variability and change can profoundly influence social and natural environments throughout the world, with consequent impacts on natural resources and industry that can be large and far-reaching." <http://www.usgcrp.gov/usgcrp/Library/ocp2004-5/ocp2004-5-hi-clivar.htm>

Concern regarding the severe impacts of increased warming is prompting governments, investors and consumers to act.

The Carbon Disclosure Project reported in May 2004 that:

- the mainstream investing community has awoken to the financial implications of climate change;
- the social and economic costs have begun to emerge;
- companies are expected to feel increased pressure; and
- legislation designed to put a price on carbon increased.

<http://www.cdproject.net/report.asp>

90+ countries have ratified the Kyoto Protocol, spurring greenhouse gas emissions (GHG) controls abroad that could disadvantage U.S. companies against competitors already accustomed to operating in carbon-constrained environments. At least half of U.S. states are addressing global warming, through legislation, lawsuits against the Bush administration or programs initiated by governors.

The European Union has adopted a carbon trading program that limits the carbon emissions allowed from key economic sectors in 28 countries. [Or company insert]

In the U.S., several states have adopted legislation to address global warming and New Jersey has declared carbon to be a pollutant.

Meeting the challenge of global warming will require sustained effort by industry, which must "operate under a new paradigm where climate change will drive many decisions. Consumers will also be required to switch to a more climate-friendly products and lifestyles." <http://www.pewclimate.org/global-warming-in-depth/>

XXX is a major energy user. [Add a paragraph which is specific to your industry sector.]

As a leader in the xxx industry sector, our company must prepare to meet the global warming challenge that will demand technological innovation to maintain competitive advantage.

ETS Inserts:

For Corning (if it has facilities in EU countries)

Starting in January 2005, companies manufacturing glass and ceramic products in the European Union (EU) face mandatory carbon emissions caps. U.S. owned manufacturing facilities in the 28 participating countries will have to operate within the emissions allowances or pay for emissions offsets. *Environmental Finance*, May 2003, at 17.

For aluminum and chemical companies

The European Union (EU) has adopted an Emissions Trading Scheme (ETS) that, as of January 2005, imposes carbon emissions caps on five sectors in the 28 participating countries. It is anticipated that ETS will be expanded to the [aluminum] [chemical] sector in 2008. U.S. owned manufacturing facilities in the 28 participating countries will have to operate within their emissions allowances or pay for emissions offsets. *Environmental Finance*, May 2003, at 19.

Starting in January 2005, companies producing or processing ferrous metals in the European Union (EU) face mandatory carbon emissions caps. U.S. owned manufacturing facilities in the 28 participating countries will have to operate within the emissions allowances or pay for emissions offsets. *Environmental Finance*, May 2003, at 17.

For steel companies (w. EU facilities)

Starting in January 2005, companies producing or processing ferrous metals in the European Union (EU) face mandatory carbon emissions caps. U.S. owned manufacturing facilities in the 28 participating countries will have to operate within the emissions allowances or pay for emissions offsets. *Environmental Finance*, May 2003, at 17.