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CSR – the (possible) right way

- A definition (one of many):

"Corporate social responibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

World Business Council for Sustainable Development (WBCSD)

CSR – three main issues

- CSR and stakeholder engagement
- CSR and communication
- Business-NGO partnerships

Stakeholder engagament – a definition

Stakeholder engagement is:

- the means by which a company determines first of all
- the **views** of its stakeholders regarding its
- **method of operations**, and then moves on to
- **engage** those stakeholders to
- **discuss the issues** and
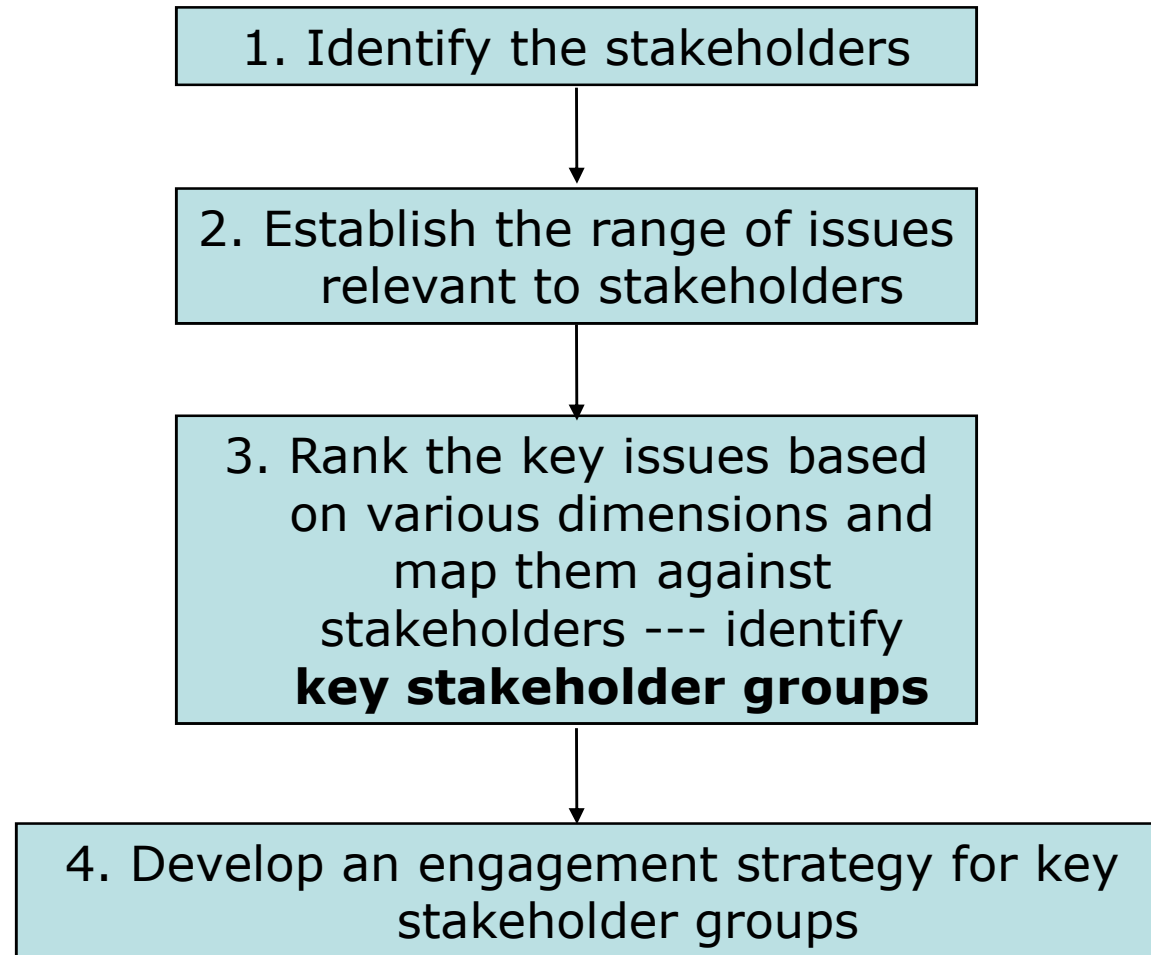- consider the possible range of **solutions**.

Stakeholder engagement...

...does

it

really

matter?

CSR and stakeholder engagement - 4 main steps

1. Identify the stakeholders

↓

2. Establish the range of issues relevant to stakeholders

↓

3. Rank the key issues based on various dimensions and map them against stakeholders --- identify **key stakeholder groups**

↓

4. Develop an engagement strategy for key stakeholder groups

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1. Identify the stakeholders

- Reality (often):

  Interviews ONLY with senior and/or middle managers

- Wish (mostly unfulfilled):

  BROAD public engagement -

  Anyone can have a worthwhile point to make about a company's operations/products /services etc.

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Problems with broad public engagement

- Budget
- Organisation
- Activists (orchestrating the process to their advantage)

2. Understand the needs of stakeholders

- Workshops with senior/middle managers – helping them with providing DIMENSIONS for considering stakeholders' and their views, e.g.:
  - impact on individuals (or specific groups),
  - impact on society at large.

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A broader approach

- Considering the impacts company has on the:
  - Community
  - Environment
  - Health&safety (of workers, local residents etc.)
  - Workplace
  - Clients/customers
  - Supply-chain
  - Investors etc.

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Direct stakeholder engagement

- Public meetings
- Focus groups
- Workshops
- Interviews through opinion research (quantitative and/or qualitative)

Usual result: a mismatch of views

- Internal vs. external stakeholders
- Stakeholders from different parts of the world (e.g. employees of a multinational)
- Stakeholders of different generations
- NGO's vs. customers
- etc.

NGO's vs. customers

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2. Prioritisation: who is more (most) important?

- Issues prioritisation:

- Stakeholder prioritisation:
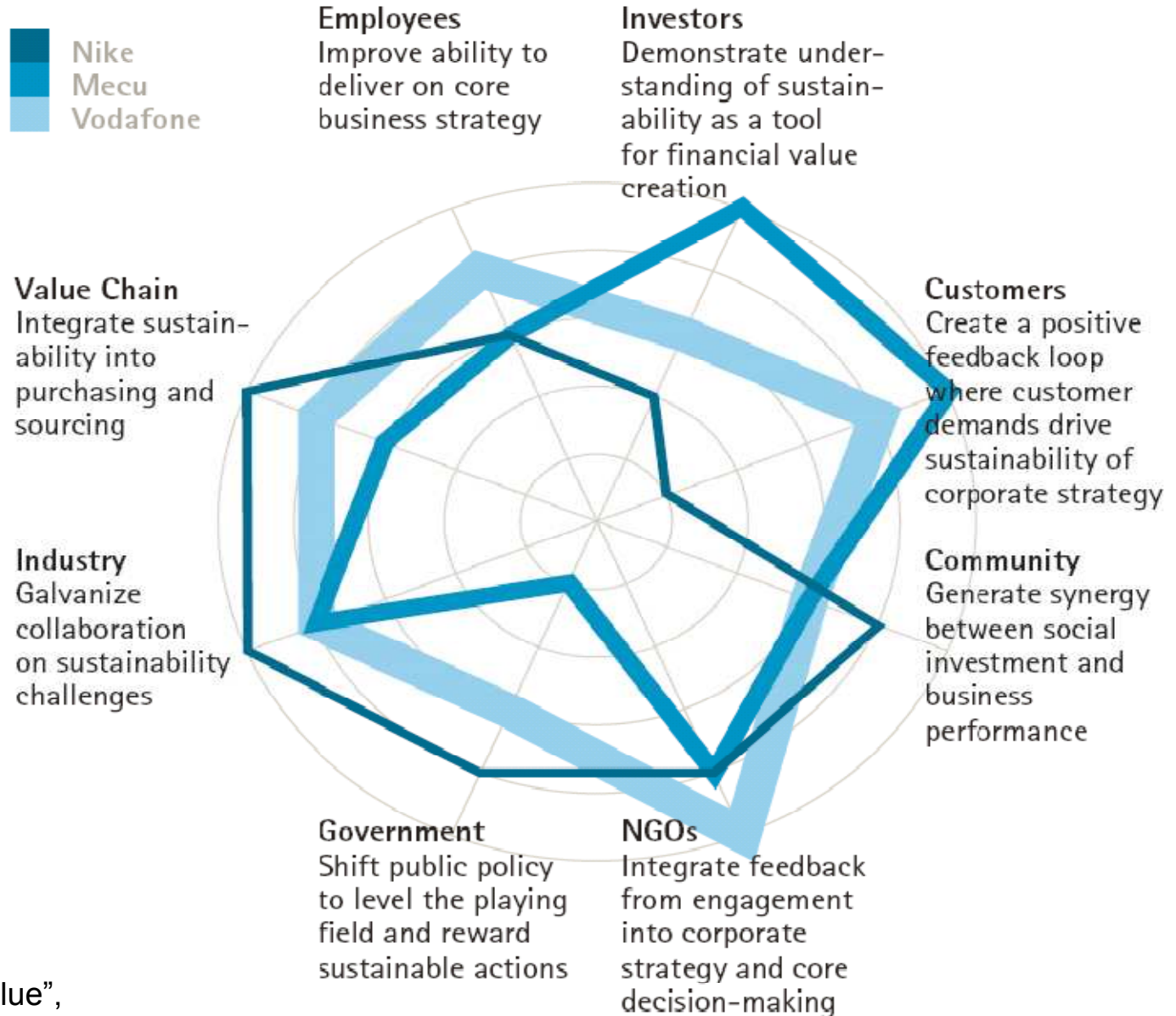
• Low priority • Medium priority • High priority	• No impact • Limited ability to have impact • Moderate impact • High impact

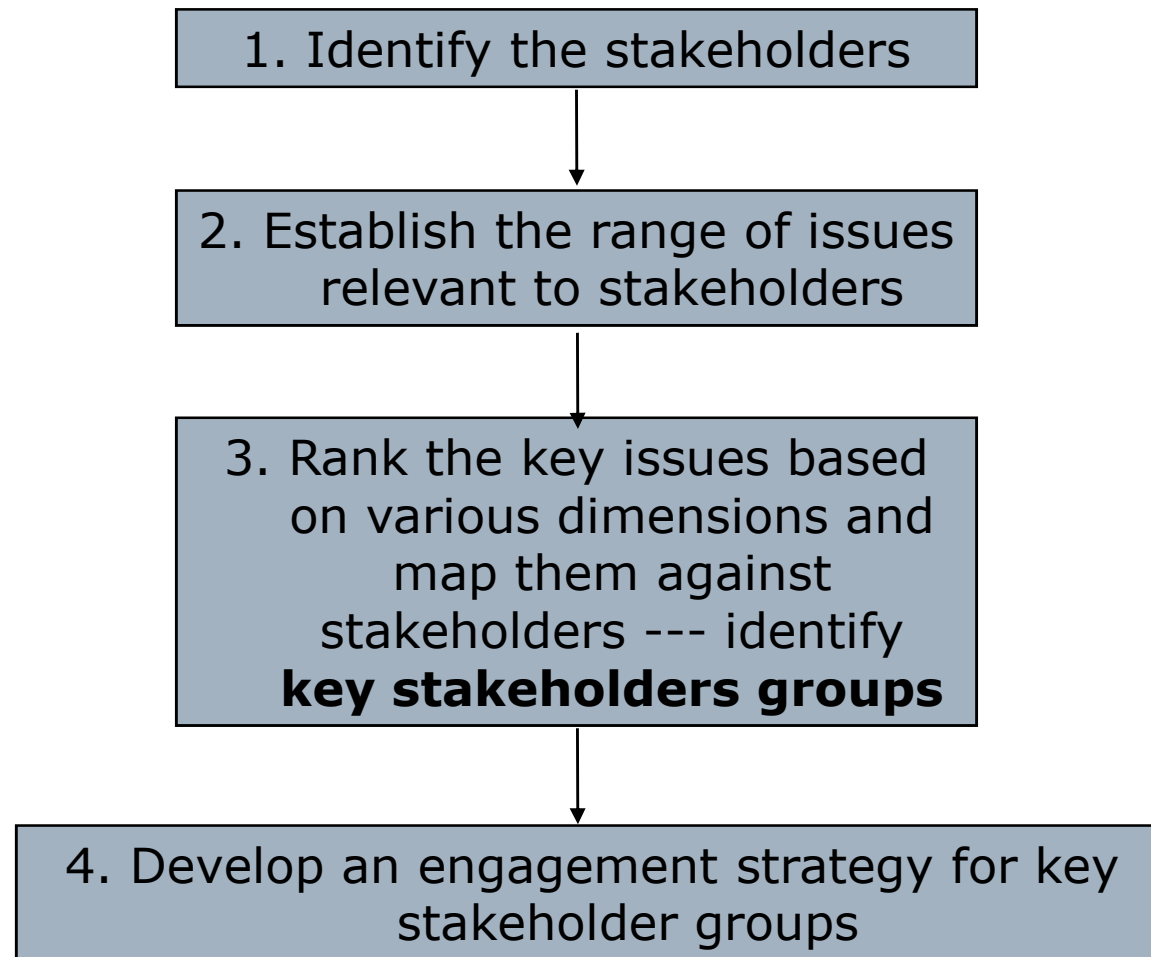consensus

Who are your (key) stakeholders?

Nike
Mecu
Vodafone

Employees
Improve ability to deliver on core business strategy

Investors
Demonstrate understanding of sustainability as a tool for financial value creation

Customers
Create a positive feedback loop where customer demands drive sustainability of corporate strategy

Value Chain
Integrate sustainability into purchasing and sourcing

Community
Generate synergy between social investment and business performance

Industry
Galvanize collaboration on sustainability challenges

Government
Shift public policy to level the playing field and reward sustainable actions

NGOs
Integrate feedback from engagement into corporate strategy and core decision-making

Source: "Tomorrow's Value",
The Global Reporters 2006
Survey of Corporate Sustainability
Reporting, 2006.

CSR and stakeholder engagement - 4 main steps

```
┌─────────────────────────────────────┐
│   1. Identify the stakeholders       │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│  2. Establish the range of issues    │
│        relevant to stakeholders      │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│   3. Rank the key issues based       │
│      on various dimensions and       │
│          map them against            │
│      stakeholders --- identify       │
│     **key stakeholders groups**      │
└─────────────────────────────────────┘
                  │
                  ▼
┌────────────────────────────────────────────┐
│ 4. Develop an engagement strategy for key   │
│           stakeholder groups                │
└────────────────────────────────────────────┘
```

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4. Implementing the stakeholder engagement process (1)

- Engagement with employees:
  - Liaison with staff representatives (directly or through a Works Council)
  - Employee focus groups
  - Employee satisfaction surveys etc.
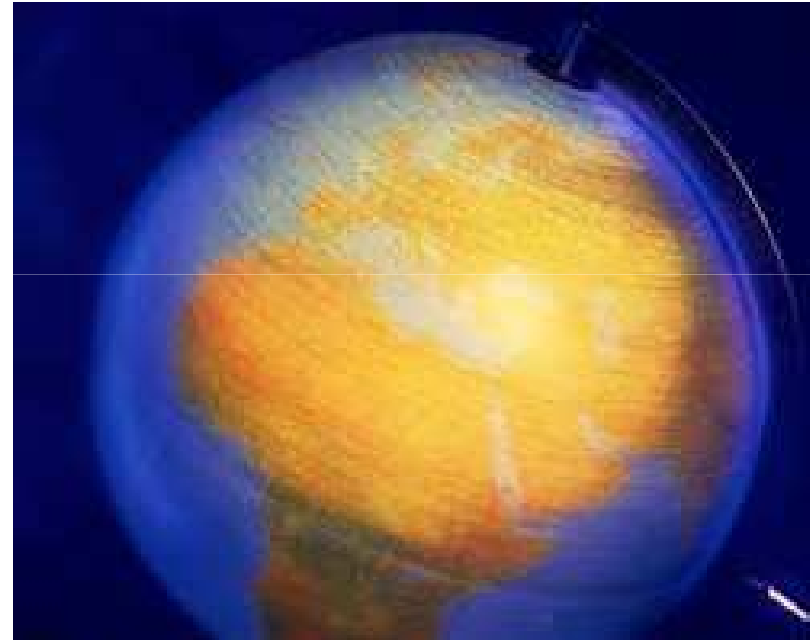

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4. Implementing the stakeholder engagement process (2)

- Engagement with external stakeholders:
  - One-to-one discussions
  - Focus group discussions
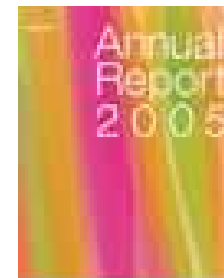 - Workshops
  - Public engagement
  - Opinion survey

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What makes the CSR world spinning?

It's communication!

CSR and communication

- The 'usual suspects':

  - CSR reports,
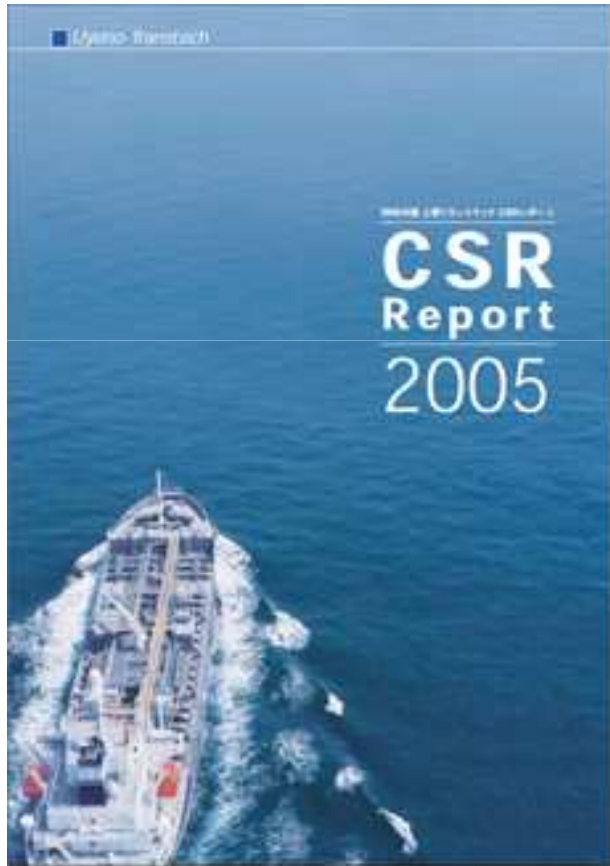 - CSR web contents,
  - events,
  - media relations.

Is that really all there is?

Searching for media-cover opportunities...

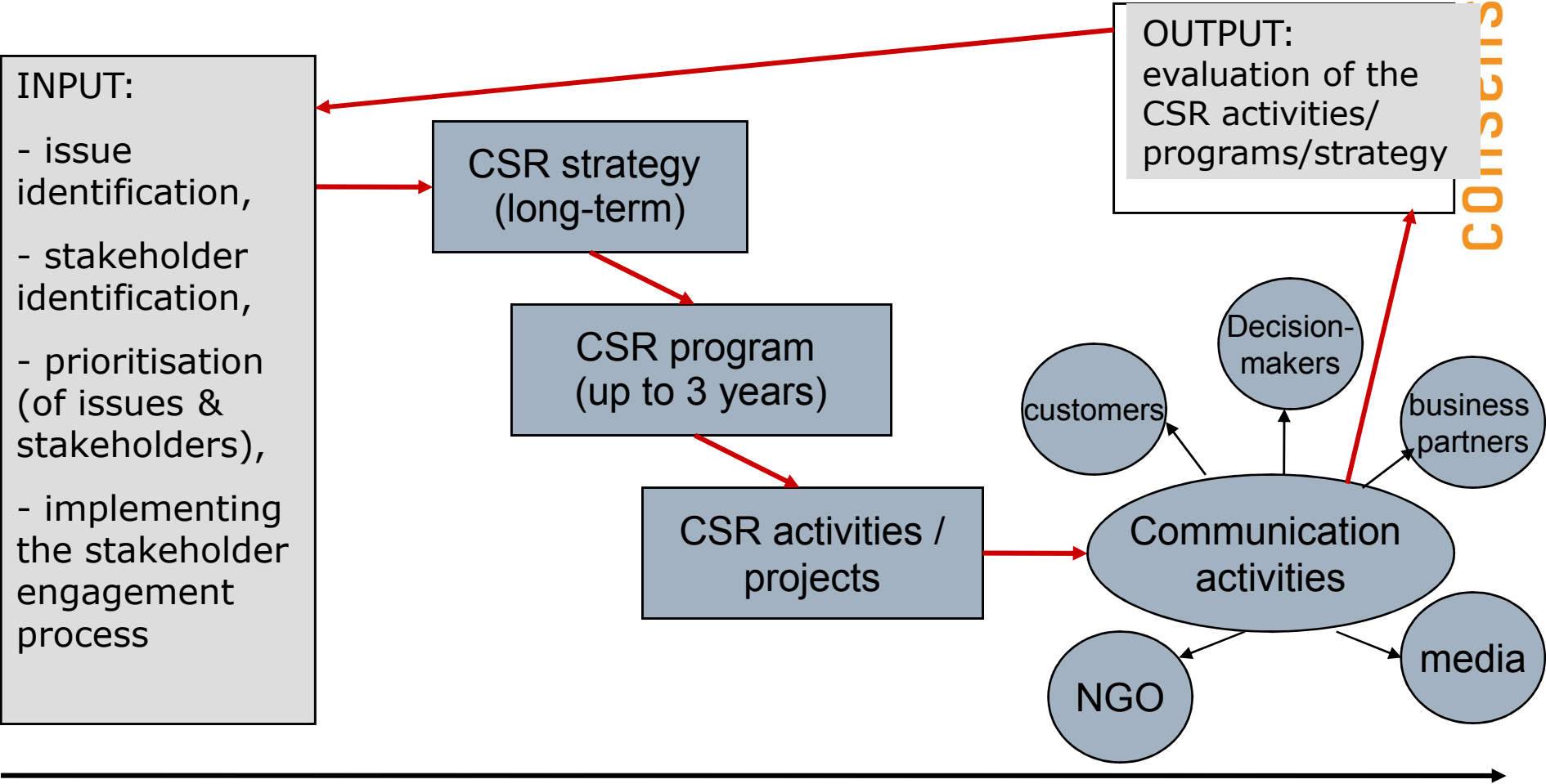# …and opportunities for publishing informative/promotional materials?

- CSR reports
- Corporate promotional brochures
- CSR Newsletters etc.

The communicators' point of view

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INPUT:

- issue identification,

- stakeholder identification,

- prioritisation (of issues & stakeholders),

- implementing the stakeholder engagement process

CSR strategy (long-term)

CSR program (up to 3 years)

CSR activities / projects

OUTPUT: evaluation of the CSR activities/ programs/strategy

Communication activities

customers

Decision-makers

business partners

NGO

media

Different channels for communicating CSR

Employees
CR report
Internal magazine
Intranet

Investors
Annual report
Briefing
Press release
Questionnaire
Roadshow

Value Chain
Tender document
Supplier meeting

Core data set
e.g. GRI

Community
Site newsletter
Local press article

Industry
CR report
Purchasing guideline

Employees
CR report
Internal magazine
Intranet

Government
Briefing
CR report
Regulated disclosure

NGOs
CR report
Face-to-face meeting

Source: "Tomorrow's Value",
The Global Reporters 2006
Survey of Corporate Sustainability
Reporting, 2006.

Communicating CSR –
what is the REAL challenge?

The central challenge is not to report,
but to communicate, engage and learn.

STANDARD
&POOR'S

UNEP

SustainAbility

Tomorrow's Value
The Global Reporters
2006 Survey of Corporate
Sustainability Reporting

Who is your KEY stakeholder?

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Nike
Mecu
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Industry
Galvanize collaboration on sustainability challenges

Value Chain
Integrate sustainability into purchasing and sourcing

…who do you trust most when it comes to environmental issues?

- **Most:**
  - **environmental NGO's**
  - scientists

- **Least:**
  - companies
  - trade unions
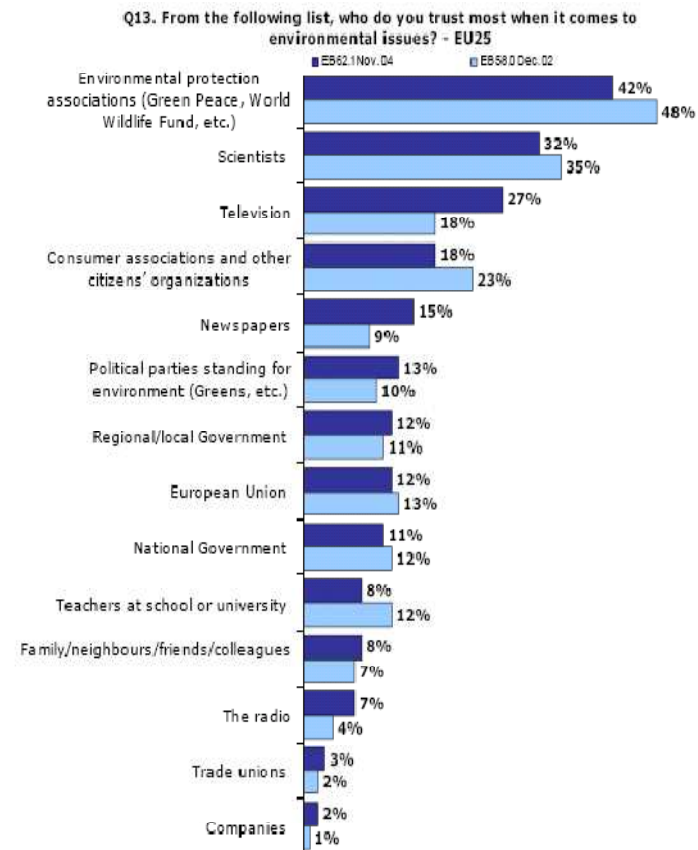
(source: Eurobarometer / Environment, 2005)

Q13. From the following list, who do you trust most when it comes to environmental issues? - EU25

■ EB62.1 Nov. 04   ▣ EB58.0 Dec. 02

	EB62.1 Nov. 04	EB58.0 Dec. 02
Environmental protection associations (Green Peace, World Wildlife Fund, etc.)	42%	48%
Scientists	32%	35%
Television	27%	18%
Consumer associations and other citizens' organizations	18%	23%
Newspapers	15%	9%
Political parties standing for environment (Greens, etc.)	13%	10%
Regional/local Government	12%	11%
European Union	12%	13%
National Government	11%	12%
Teachers at school or university	8%	12%
Family/neighbours/friends/colleagues	8%	7%
The radio	7%	4%
Trade unions	3%	2%
Companies	2%	1%

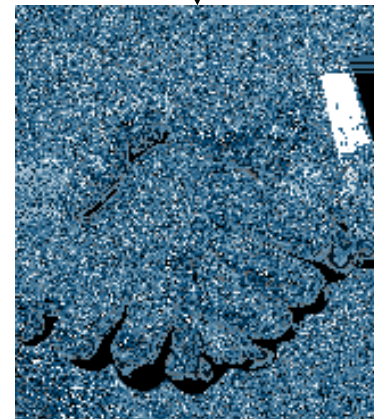(EB58.0 covered the former 15 Member States)

CSR and NGO's –
what is the relationship?

From (merely)

WATCHDOGS

↓ to

PARTNERS

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Once:

GREENPEACE CLIMBERS ON BRENT SPAR PLATFORM.
NORTH SEA./PHOTO D.SIMS.

Brent Spar, North Sea, june 1995

Today (or a few years ago)…

From left to right:

- Charles C. Nicholoson (Group Senior Advisor,BP),

- Achim Steiner, (Director-general, IUCN) in

- Remi Parmentier (Political Director, Greenpeace International).

Johannesburg, August 2002

Google **GREENPEACE**

GREENPEACE 🌱 World Business Council for Sustainable Development

Call for Action

Throughout the Johannesburg preparatory process, Greenpeace International and the World Business Council for Sustainable Development, despite our well known differences, we have found ourselves frustrated by a lack of political will and decisiveness of the governments to fulfil their commitments under the Rio agreements

including *Agenda 21*.

We both share the view that the mixed, and often contradictory signals sent by governments on the environment, especially on greenhouse gas emission reductions, is creating a political environment which is not good for business nor, indeed, for the future of humanity.

Given the seriousness of the risks of climate change, and the need to reduce greenhouse gas emissions, we are shelving our differences on other issues on this occasion and call upon governments to be responsible and to build the international framework to tackle climate change on the basis of the UN Framework Convention on Climate Change and its Kyoto Protocol. We both agree that this is the essential first step.

In making this statement together before the Heads of State and Government are expected to arrive here in Johannesburg, we are also calling upon governments to put their own differences aside, and to co-operate more fully to make the goal of greenhouse gas reduction a reality.

Bjorn Stigson, President, WBCSD

Rémi Parmentier, Political Director, Greenpeace International

28 August, 2002

Dilemmas, obstacles, threats...

- **Corporations' viewpoint:**

  - It's waste of time and money.

  - Our corporate information/secrets might be disclosed.

  - They don't understand our mission and sphere of activity (their views are too extreme etc.)…

- **NGO's viewpoint:**

  - Such partnership with a profit organization could ruin our reputation (we will no longer be neutral/unbiased if we get paid by a corporation)

  - Can we retain a critical position towards our partner?

  - It's waste of time (if there are no positive results)…

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Benefits, opportunities…

financing + opportunity
for real
change/improvement

company

NGO

knowledge +
reputation + trust
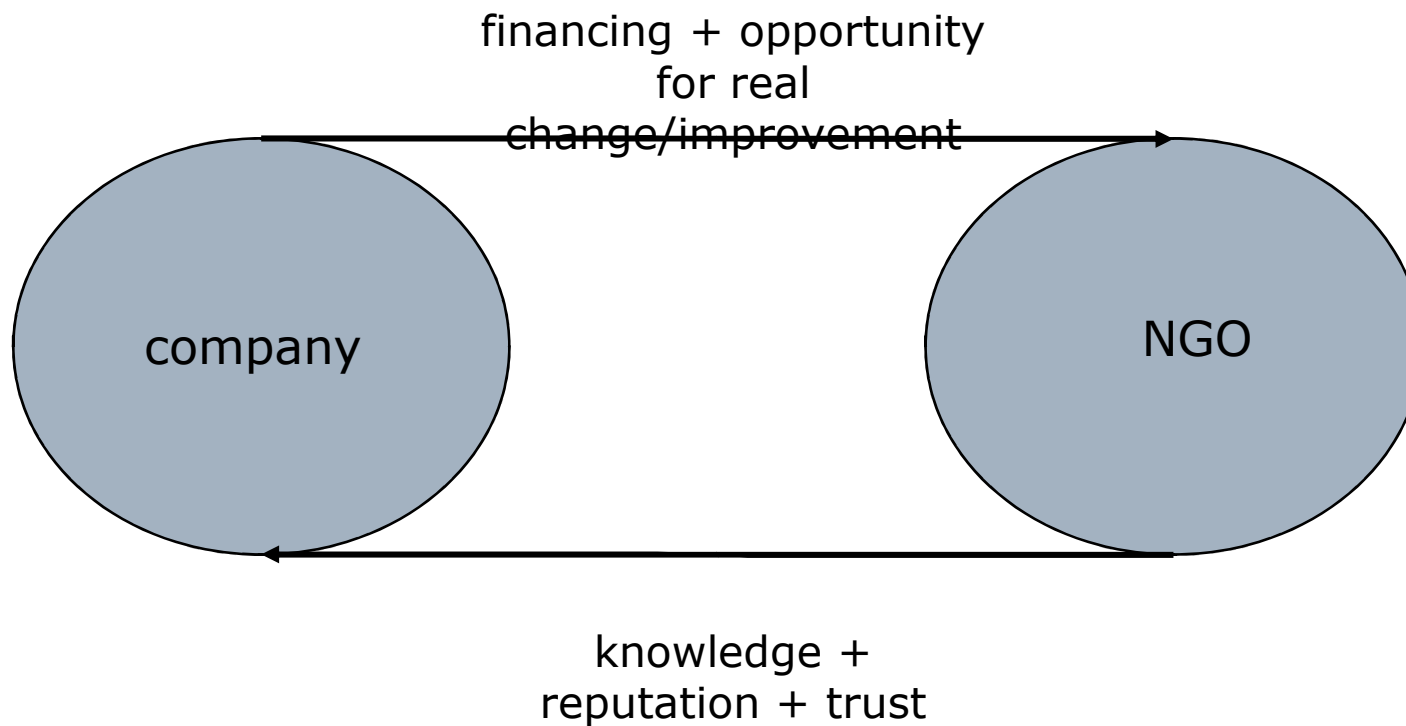
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Companies	2%	1%

(EB58.0 covered the former 15 Member States)

(vir: Eurobarometer /Environment, 2005)

A business-NGO partnership should be more than:

- a financial transaction (sponsorship, donation),
- an *ad hoc* cooperation (e.g. event)
- just a communication/promotional opportunity.

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The Partnership Continuum

Levels of Engagement Activities

Strategic Partner
- Executive Sponsorship[3,6]
- Joint Partnership[3,5,6]
- State Education Lobbying[3]
- Major Gifts[3,5,6]
- Business Development[2,5]

Sponsorship
- University Initiative Sponsorship[3]
- Undergraduate Research Program Support[3]
- Graduate Fellowships[5]
- Collaborative Research Program[5,3]
- Outreach Programs[6]
- Support for Proposals for Education (NSF, NASA, etc.)[3,5]
- BETA Programs[3]

Support
- Student Consultant[4]
- Hardware Grants[3,5]
- Curriculum Dev/ABET Support & Fundraising[3]
- Workshops/Seminars[4]
- Support Contract[3]
- Student Organizations Sponsorships[3]
- Philanthropic Support[6]
- Guest Speaking/Lectures[4]

Involvement
- Industry Affiliates/ Advisory Program[3]
- Research Grants[3]
- Internship/Co-op
- Software Grants[3]

Awareness
- Career Fairs[1]
- Interviews[1]
- EDU Account[2]

KEY
1. Recruiting
2. Education Sales
3. UR Account Managers
4. UR Programs
5. HP R & D
6. Other (Philanthropy, Alumni, Executive)

Phase One	Phase Two	Phase Three	Phase Four	Phase Five

Traditional Engagement   **Holistic Engagement**

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Five levels of partneship

1. Awareness
2. Involvement
3. Support
4. Sponsorship
5. Strategic Partnership

BUSINESS DEVELOPMENT

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