

Walden University
College of Management and Technology

July 2008 Speaker Series
Featuring

Chris Deri

Presenters



Chris Deri, Executive Vice President and Global Leader,
Corporate Social Responsibility & Sustainability at Edelman



Dr. Wanda Gravett, Associate Dean, Walden University School
of Management



Edelman CSR & Sustainability



About Edelman

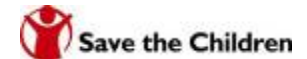


Relevant Experience

Business



NGOS & Associations



Terms, Concepts and Definitions



Many Terms



Corporate
Responsibility



Corporate Social
Responsibility



Sustainable
Development



Sustainability



Corporate Social
Responsibility



Social &
Environmental
Responsibility



Making a
Difference



Sustainable
Value



Citizenship



Soul



A Range of Regional Definitions



“A concept whereby companies voluntarily integrate social and environmental concerns in their business and the way they interact with stakeholders. This implies going over and **above legal requirements**, integrating economic, social and environmental concerns in their business, and **adopting new approaches to business management.**”

– *European Environment Agency (EU)*



“Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Social Responsibility is a **guiding principle** for every decision made and in every area of business.”

– *Business for Social Responsibility (USA)*



“A company's **commitment** to operating in an economically, socially and environmentally sustainable manner whilst **balancing the interests of diverse stakeholders.**”

– *CSR Asia*

CSR
ASIA



Three Consistent Themes Emerge

1. Improving Business Practices

2. Exceeding Standards

3. Interacting with Stakeholders



Our Research



BOSTON COLLEGE
CARROLL SCHOOL OF MANAGEMENT
Center for Corporate Citizenship



World Business Council for Sustainable Development



Corporate Responsibility & Sustainability Communications:
Who's Listening? Who's Leading? What Matters Most?





Who We Spoke To

Global Survey: Opinion Leaders

Geographies:

- 400 people in the U.S.
- 300 in China
- 150 each in Brazil, Canada, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, Poland, Russia, South Korea, Spain, Sweden, and the United Kingdom

Demographic profile:

- College-educated
- 35 to 64 years of age
- Report a household income in the top quintile of their country
- Report a significant interest in and engagement with the media, and economic and policy affairs

Global Survey: Prospective Talent/ Recruits

- 778 Net Impact members from around the world
- Demographic profile:
- College-educated
- 44% have or are pursuing advanced degrees
- 87% currently reside in U.S.
- 13% reside in Europe (61 respondents), Asia (27 respondents), Central or South America (17 respondents), Africa (8 respondents) and Australia (3 respondents)
- 82.4% report that they are currently highly-moderately applying business skills to create a better world

In-Depth Interviews: Corporations, NGOs, Media, SRIs

- Executives from global Fortune 500 companies in a variety of functions, including public affairs, corporate responsibility, government relations, communications
- Senior executives at global NGOs, focused on environmental, human rights, social and development issues
- Journalists who cover business, |the environment or CR /sustainability for global, top-tier English-language media
- Analysts from socially responsible investment (SRI) funds



From Technical Issues to Leadership Behaviors

CR must be a corporate priority emanating from the top



“ The environment is now being seen increasingly as a potential value-add, not merely a cost to be minimized. Hence, green leaders are emerging throughout companies, not just in the environmental departments. ”

–Joel Makower
Co-founder and Executive Editor, GreenBiz.com

56.5%

of employees would prefer to learn about their company’s CR activities through leadership messages than from any other source.

–Net Impact
2007 Membership Survey



“ At a very early stage, the board and the CEO recognized how important these issues are to a business like IKEA. It’s a great value having the [corporate responsibility] role report to the CEO because there is no question in the organization as to whether this is important or not. ”

–Thomas Bergmark
Director of Corporate Responsibility, IKEA



To Be Trusted, Tell the Truth

Transparency and treatment of employees are most watched CR behaviors

“**Balance is the key word.** If the executive summary (of a CR/ sustainability report) is 100% positive, I worry and put a filter on when viewing the report. **If it is all good news, then they do not understand the evolving nature of CR.**”

–NGO Executive
Survey Respondent





Stakeholders Still Frustrated with Engagement

CR influencers, stakeholders complain that communicating with companies is often difficult



“ Too often companies will only communicate what they have done in a very specific time frame. They don't report the benchmarks they are trying to achieve or explain their overall efforts in a context where stakeholders can really understand the impact of what they are doing. ”

– Marjorie Victor
Policy Advisor, Oxfam

..but it's not always easy for companies either



“ We're a big company in a very small state; we do a lot to contribute to the community. Because of that, no group is eager to speak and give us open honest feedback. There's a fear of losing their funding. But we need their feedback, we want to be sure that we are doing everything we can to invest our resources effectively. ”

– Mike Dupee
VP CSR, Green Mountain Coffee



From “Do No Harm” to... “Do Good”

Companies are expected to lead – not just manage risk – on key global issues

“ We are much better as a company **getting ahead of [climate-change policy]** than we are pretending like it doesn't exist... [GE will] develop and drive the technologies of the future that will protect and clean our environment. ”

–Jeffrey Immelt
CEO, General Electric



Going Beyond Do No Harm | Top Issues for Companies to Address

Rankings:	Global Total	EU	North America	Latin America	Asia
Poverty alleviation	1	2	3	2	1
Human rights	2	1	1	3	2
Global warming	3	3	2	1	2
Security	4	4	4	4	4
Natural disasters, such as hurricanes or earthquakes	5	5	5	6	5
The AIDS epidemic	6	6	7	5	6
Immigration	7	7	6	7	7
Pandemic flu, e.g. bird flu	8	8	8	8	8



Top Talent Looking for Responsible Employers

Employees make personal decisions on social performance

80%

said they would take a **pay cut** (10-25%), to work for a **socially responsible organization**

60%

said they would be **“very likely”** to leave their current job to work for a greater **corporate responsibility leader**

86%

said they would **quit their job** if their company was **guilty of unethical labor practices**

46%

of respondents said, **“poor environmental performance”** would be grounds for quitting



– Net Impact 2007 Membership Survey



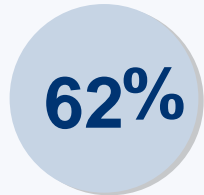
Prospective Employees Hungry for Information Often Go Unfed

Companies often neglect providing CR information to prospective employees

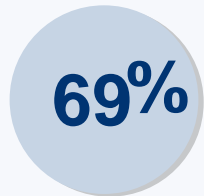
“**Corporate responsibility efforts have absolutely had a positive effect** on recruitment. Candidates are asking about citizenship... Everything that goes into citizenship is an important piece of who our company is.”



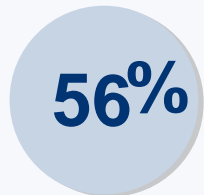
—Jules Andres
Senior Manager Corporate Communications, Mattel



of MBA students surveyed reported that recruitment presentations and/or materials failed to emphasize CR.



reported that they have asked about CR practices in interviews.



said they thought their current employers communicated somewhat or very effectively about CR.



– Net Impact 2007 Membership Survey

“ Business owes its foundation to an advancing society and thus needs to invest in that advancement. ”

– 2007 MBA Survey Respondent



Beyond “Just Communications”

- Quantify the “opportunity,” not just the risk
 - What’s the business opportunity at Bottom of the Pyramid (BOTP)?
- Evangelize to mainstream investors
- Don’t just discourage irresponsible employee behavior
 - Incentivize sustainable behavior
- De-couple CR/sustainability factors
 - The business case for capital and trade is different than for enforcing a human rights policy



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