

Cultivating trust through CORPORATE SOCIAL RESPONSIBILITY

Communications trailblazer Arthur W. Page famously professed, “Public perception of an organization is determined 90 per cent by what it does and 10 per cent by what it says.” While we can debate the math, what remains irrefutable is that actions speak infinitely louder than words alone. Communicators must ensure alignment between actions and words.

Today, we live in an age where environmental and social issues are not only top of mind, they are a business driver. Consumers, investors and employees now demand that companies invest the time and intellectual capital into developing robust Corporate Social Responsibility (CSR) programs.

People want to work for companies that pursue more than profits; they want to be a part of something bigger, a social enterprise that is making a difference in some way. According to the 2016 Cone Communications Employee Engagement Study, 76 per cent of millennials would choose to work for a socially responsible company, even if it meant taking a pay cut.

CSR, in essence, is the responsibility an organization has for the impact of its decisions and activities on society and the environment, through transparent and ethical behavior.

CSR as a movement has continued to evolve considerably over the last decade, from an exercise in writing philanthropy cheques and cause sponsorships, to becoming a key factor in decision making that directly impacts a consumer’s likelihood to purchase and recommend a company and its products or services to others.

I had an opportunity to interview Kym Klopp, the owner of Ecoexistence, a popular retail store in midtown Toronto devoted exclusively to socially responsible products. “I started this business eight years ago to help people make smarter choices, because there is so much misinformation out there,” she says. “The concept of the store is to really help educate consumers and let them know that alternatives exist to reduce their impact, one room at a time, from the kitchen and bedroom to bathroom and laundry room.”

The store features more than 5,000 products, and before they ever reach shelves, Klopp thoroughly researches them to ensure they meet her strict criteria. In addition to product quality, Ecoexistence examines the environmental impact, whether the companies give back a percentage of revenue to causes, considers the lifecycle of the product and packaging, and she prefers, where possible, to support local businesses.

As a result of these changing consumer preferences and expectations, many companies are now measuring and redefining success through the holistic lens of the triple bottom line — the economic, environmental and social impact of business, rather than just a conventional profit and loss accounting mindset. Today’s smart, trusted organizations are finding new ways to rebalance profit and purpose to gain a competitive edge.

CSR goes far beyond legal and regulatory compliance to a broader range of board-approved policies, actions and employee expectations, that helps define the character and reinforce the company mission, vision and values.

An expert in this area who has seen CSR evolve is Sonya Fiorini, senior director, Corporate Social Responsibility at Loblaw Companies Limited. “Loblaw has been on a CSR journey for many years now. As Canada’s largest retailer, we understand the unique position we’re in to help Canadians through the products and services we offer and by the strong commitments we make to the environment, to our product sourcing and to our communities,” she says.

“Truly, it’s about conducting our business in a sustainable manner to ensure our colleagues and our customers are proud of our actions and our impact,” she continues. “Over the past few years, we’ve seen greater interest from our customers about CSR initiatives. Stakeholders and customers are more aware, better informed about CSR and there are greater requests for transparency and accountability.”

Early in the CSR movement, many companies were accused of greenwashing; making marketing claims that were not substantiated. Fiorini emphasizes that CSR decisions need to be based in fact, so Loblaw collaborates with a team of scientific advisors who help guide their decision making. “We recognize that we don’t have all the answers, and we look to the experts to help and align with the most credible certification bodies to provide unbiased assurance to our customers.”

As a result, Loblaw’s CSR programs and products now undergo sophisticated ISO Certifications, and adopt robust CSR reporting to quantify and track progress over time. The process includes measuring a company’s carbon footprint, examining ethical sourcing of materials or ingredients, and examining the entire lifecycle of products, from manufacturing to landfill.

This focus on greater measurement has prompted companies to invest more time, staff and capital into CSR strategies and programs in recent years. Executives are seeing the impact CSR has on building reputation, mitigating risk, reducing employee turnover and achieving cost savings such as reducing energy, water and gas consumption, to name just a few.

In fact, a 2013 global study by Accenture with 1,000 CEOs from 103 countries found that 76 per cent believe that embedding sustainability into their core business drives revenue growth and new opportunities.

Similarly, a McKinsey study cites that 66 per cent of chief financial officers agree that environmental, social, and governance programs create value for shareholders, and that environmental and governance programs will increase in the next five years.

Ultimately reputation is the by-product of good behaviour, rock solid communications and successful business performance, gradually building trust over time with a plethora of divergent stakeholders.

Trust is not a message; rather it is an outcome based on acts of integrity, and we must advise senior executives that our words have little substance if they are not built on a carefully planned and executed foundation of action over time.

Perhaps we should heed the wise words of British industrialist William Lever, who opined, “Nothing can be greater than a business that is governed by conscience.”



Sonya Fiorini from Loblaw offers the following advice for communicators that are tasked with sharing CSR initiatives and accomplishments:

1. Authenticity and transparency go a long way. It’s important to be candid, and to recognize that it’s not about perfection, but about progress. A lot of CSR issues are complex and can’t be fixed with a simple commitment.
2. Communicators need to be able to make the average customer understand the full issue and care about the outcome.
3. Work with experts. The difference between fact and greenwashing could be as simple as a wrong word choice.

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ABOUT
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Heath Applebaum, ABC, BA, MCM, OCGC, is the President of Echo Communications Inc. a reputation management consulting firm based in Toronto. Heath has 20 years of experience developing and leading reputation strategies for companies across North America, from start-ups to Fortune 100 firms. He is also a university PR Professor, Gold Quill winner, award judge and industry thought leader who has spoken at more than 60 industry conferences around the world.

