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Corporate

CSR moves from planting trees to credible strategies

By Brittaney Kiefer
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A survey by Cone Communications revealed 86% of consumers wanted companies to tell them more about results of CSR efforts, while 55% did not understand the impact of buying products from companies that claimed to be socially responsible. The findings prompted Cone to revamp its corporate responsibility offering and develop the CSR Dashboard, a measurement tool that shows CSR campaigns' return on business, brand, and society.

CSR "has to go beyond trees planted or dollars donated. Companies also have to show how it impacts sales, brand, reputation, and efficiency," says Cone EVP Alison DaSilva. "To be embraced as a credible business strategy, those will be the things that help sustain CSR versus being a passing trend."

Cone's dashboard is one example of firms attempting to evaluate CSR efforts, but it also demonstrates the complexity of doing so. Because companies have stakes in different areas of CSR depending on their business, it can be difficult to measure corporate responsibility across industries, DaSilva explains.

Cone Communications developed the CSR Dashboard to show campaigns' return on business and brand.

Sustainability reports

A key way many companies communicate their CSR efforts is through annual sustainability reports. Fifty-seven percent of *Fortune 500* companies now report on their environmental, social, and governance impacts, marking the first time non-reporters were in the minority, according to analysis released in December by the Governance & Accountability Institute.

Yet some executives believe CSR reports often fall short in showing demonstrable results. While the Global Reporting Initiative nonprofit provides a set of guidelines for CSR reports, it does not score companies based on performance. Instead, firms using this system self-declare a grade based on how much information their reports disclose.

"The general consensus has been if you are disclosing those things, then you are going to be more motivated to have better performance," says Cone SVP Liz Gorman. "The [initiative] is coming out with its next iteration of guidelines and is considering doing away with that [grading system] because it has motivated companies to disclose for disclosure's sake and not focus on things that are most material to the companies."

A new system

Led by professor Prakash Sethi, researchers at Baruch College's Weissman Center for International Business have developed the CSR-Sustainability Monitor, a system for evaluating CSR reports. Unveiled in January, the framework scores reports based on 11 areas, such as transparency, environment, corporate governance, human rights, and supply chain management. Reports receive a score out of 100, but the monitor also shows a breakdown of each area and compares companies by industry and region.

TOP SCORERS IN CSR

Company	Global HQ	Score
Vale (mining)	Brazil	70.75
Sony (electronics)	Japan	68.75
Enel (power)	Italy	66.50
Telefónica (telecoms)	Spain	66.25
L'Oréal (beauty)	France	65.00
Alcatel-Lucent (telecoms)	France	65.00
Vattenfall (energy)	Sweden	64.75
Tiffany & Co. (jewelry)	US	64.75
LG Electronics (electronics)	Korea	64.50

Source: Baruch College Weissman Center for International Business CSR-Sustainability Monitor

"It will pressure companies to provide substantive, objective, and verifiable information, just like financial results," he says.

Some companies have begun publishing financial and CSR results together, but others, such as Campbell Soup Company, say CSR cannot be evaluated in the same way as financial earnings.

"There's a whole movement toward integrated reporting," says Dave Stangis, VP of public affairs and corporate responsibility at Campbell's. "It makes sense to combine some elements, but overall the stories we're trying to tell from a sustainability perspective are interesting to a different audience than the common shareholder."

Demonstrating CSR progress should be "much more about trying to have a conversation," Stangis explains.