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CSR - Need to know

Concerns about corporate social responsibility (CSR) occupy not only consumers but managers too. Public expectations of ethical standards in business - especially with regard to the environment and fair trade - are running high. But what exactly is the business case for CSR? How should companies go about shaping their ethical policies?

Erica Hauver, lead partner of the sustainability and climate change practice at Price Waterhouse Coopers:

Attention on environmental protection and the scarcity of resources has improved the business case for CSR. Organisations that are more environmentally efficient can be financially efficient too and should be able to cut costs. Consumers want affordable sustainable products; that's a challenge, but equally it presents a business opportunity.

Companies must understand what the issues are in their sector. These could be about raw materials or labour and human rights issues in the supply chain.

Ty Jones, head of corporate responsibility, Bank of Scotland Corporate:

CSR policies are now closely related to corporate reputations so they're a part of business risk. In shaping CSR policies, organisations must have a clear vision of what they want to do and be realistic about their goals. Ambitions can mushroom and be difficult for smaller enterprises, especially, to manage.

Getting an independent assessment of your policies is useful and you need to maintain the dialogue with key stakeholders to keep abreast of public expectations.

Brendan May, managing director of Planet 2050, the corporate and sustainability practice of Weber Shandwick:

CSR affects a wide range of business relationships. A vital factor now is the ability of companies to attract and retain talent. People want to know about the ethical credentials of potential employers - they don't want to work for companies who end up with bad press on page one of newspapers. And investors want to move away from businesses that are high-risk to those that are more sustainable and don't fall foul of regulation.

Jessica Sansom, head of sustainability, Innocent drinks company:

Minimising the negative impact your company has on the environment and the communities it deals with helps you save money and improve your business relationships - from suppliers to employees. We sell drinks on the basis of taste and health. If consumers like our ethics too, that's good.

People also need to be aware of the accusations that can be made against them. We've been accused of 'greenwash' recently over transport. We blend drinks in Holland and bottle in the UK. We think it's actually more efficient and environmentally sound transporting in bulk, but we've had this challenged. You have to be able to explain your policies.

Richard D North, writer and broadcaster, media fellow, Institute of Economic Affairs:

CSR policies can bring companies peace and quiet with consumers and regulators, so in that sense there's a business case for it. But consumers can be suspicious now that CSR programmes are used to justify the charging of premiums for goods and that it's just a business "bolt-on".

Businesses should not pretend to be something they are not and consumers are now asking who is actually paying for some of these policies. I believe that there's a growing appetite for people to speak honestly to their own self interests.