

# Beyond CSR



**Putting sustainability and  
responsibility at the heart of corporate  
campaigning**

**ReputationInc Business breakfast  
March 26, 2013**

**Keynote speaker: Trevor Gorin, Head of Media, Unilever**

ReputationInc

**ReputationInc**

**83 Pall Mall**

**London SW1Y 5ES**

**+44 (0) 207 024 2600**

**[www.reputation-inc.com](http://www.reputation-inc.com)**



ReputationInc held the latest of its breakfast seminars, with more than 20 senior communicators and keynote speaker Trevor Gorin, to uncover how leading firms are putting sustainability and responsibility into the heart of their corporate campaigning.



### Transformation in sustainability

A number of recent studies in leading business and communication journals point toward a paradigm shift in this area -- whether it be the concepts of 'shared value', 'CSR 2.0', or other ideas. The underlying transformation implicit in these concepts is that companies are now **aligning societal goals with their business strategy** with the ambition of changing their **business model to fulfil sustainability objectives**. This was a key theme taken up by Trevor Gorin based upon his experience with Unilever's own sustainability journey in recent years.

Before Trevor spoke, Jeremie Guillerme from ReputationInc highlighted a multiple-stage journey to illustrate some of the key reputation challenges and opportunities around sustainability:

#### Stage 1: Impact management

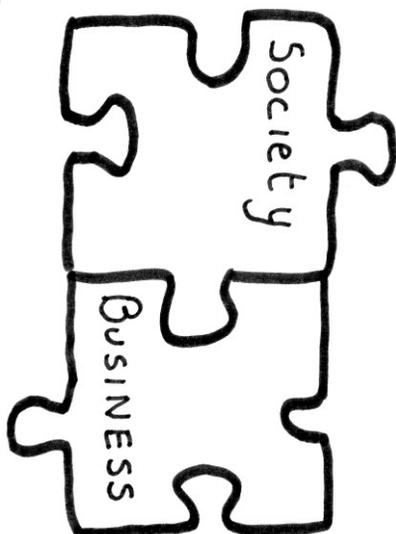
- Many (but but no means all) companies now have a clearer view of their environmental and societal impacts, and manage them across their entire value chain. To achieve this, they have acknowledged that they sometimes need to import core competencies from outside the organisation, and have therefore engaged in meaningful third-party partnerships.
- They have also aligned their operational and reporting standards following international guidelines such as ISO 14001, GRI, or AA1000.

#### Stage 2: Decreasing return on CSR

- Standardisation and positive results obtained by companies in the first stage have created a 'level-playing field' landscape. While this is encouraging on several levels, companies are nonetheless finding it hard to stand out for their CSR efforts.

#### Stage 3: Strategic alignment

- Transitioning from Stage 2 requires companies to rethink their business models by integrating societal objectives into their business strategy. This is what Harvard Business School Professor Michael Porter calls 'shared value'.
- In so doing, companies can then shift their communications of CSR away from reporting to meaningful stakeholder engagement, allowing companies to maximise their positive societal impact on sustainability.



#### Stage 4: Implementing shared value

- Strong evidence of commitment to shared value is visible when companies reflect these principles in product portfolios. It is important to highlight that there is not a 'one-sized-fits-all' way to do this. For instance, some firms have recently chosen to edit products/services out of their offer to align strategy on societal goals.
- Other companies are also seeking to identify a pathway to shared value by putting innovation and creativity at the core of their sustainability campaigns.
- Best-in-class companies are building comprehensive reputation measurement, which explores listening to stakeholders, understanding what's material to them as well as developing key performance indicators for setting goals and targets.

## Unilever's own sustainability journey

Trevor Gorin noted how combining 'doing well' and 'doing good' is deeply ingrained in Unilever's corporate DNA. He reminded the audience that William Lever, who founded the company more than a century ago, was a champion for workers:

- He built Port Sunlight village (with good housing, education, entertainment, culture, etc),
- Fought for pensions and introduced the 6-day week, and
- He set out a pathway for the company to tackle social issues – whether that be hygiene in Victorian England, or making women's lives easier.



**Fast forward 130 years, and Unilever is still considered a sustainability champion, with its ambitious 'Sustainable Living Plan'.** The plan was launched in the midst of the 2008/9 financial crisis, when a new CEO Paul Polman was appointed. Mr Polman took the time to carefully study the history of the company, understand its values, and recognised the potential this had for the future. For Trevor, 2009 **marked the end of CSR 'as we know it'.** In particular, Unilever took several major decisions:

### 1. Setting clear, sharp sustainability mission

- Firstly, Unilever took the notion of 'Doing Well By Doing Good' and the 'Vitality Mission' the company then had and transformed these into a 21<sup>st</sup> Century context with a clear, sharp, memorable vision for the company: that is, doubling the size of the business while halving its environmental impact.
- This combined hard business ambition with a conscious environmental consideration at the centre of the business.

### 2. Removing annual external guidance and company performance targets

- Unilever also removed external annual guidance and business performance targets.
- This had several consequences. It gave employees a renewed sense of ambition & purpose, tapping into their values. It also gave room and time for the company to re-focus. However a less welcome immediate impact was a fall in share price drop of around 7%.
- Taken overall, Unilever's decision to remove external annual guidance and business performance target represented a fundamental re-setting of the company's compass, shifting the priority towards re-positioning the company as a positive force for good in wider society. This decision later resulted in business growth and greater shareholder value.

## UNILEVER SUSTAINABLE LIVING PLAN



## Questions from the audience:

At the end of the session, Trevor and ReputationInc took questions. A small selection of these are summarised below.



### **What does Trevor mean when he refers to the 'end of CSR'?**

- Referring to 'the end of CSR' is a way of saying that CSR ceases to be a discrete part of the business (i.e. Unilever) to becoming 'the business' itself. In other words, sustainability now determines that way the company does business.

### **Unilever's success clearly underlines Paul Polman's strong involvement in the sustainability agenda. What can companies do if they do not have such commitment 'from the top'?**

- CEO involvement can be critical to achieving ambitious sustainability commitments, and shared societal value. However, if a firm's CEO is not interested in this agenda, an alternative might be finding another senior executive who could be the right advocate. Another suggestion to get CEOs more interested in sustainability is peer-to-peer contact with like-minded CEOs or other C-Suite officers who are interested in the sustainability agenda.

### **What infrastructure supports sustainability at Unilever?**

There is a central committee of representatives in each of the big markets. Decisions are made on a collaborative basis, centrally, and picked-up locally.

---

Many thanks for your attendance to our business breakfast.

To be updated about our upcoming events, or to learn more about our work, please get in touch:

ReputationInc

83 Pall Mall

London SW1Y 5ES

+44 (0) 207 024 2600

[www.reputation-inc.com](http://www.reputation-inc.com)

