Corporate Social Returns

junXion

#ShiftYourThinking *Let's make responsible business mainstream*

This guide helps senior-level decision-makers in medium to large companies decide what 'next steps' to take in their ongoing journey towards socially responsible corporate citizenship.

This guide helps you understand:

- **What CSR issues are "material" for your company and stakeholders?**

- **Is your approach to CSR incremental or disruptive? Which approach is the best fit with your strategy, goals, culture, and tolerance for risk?**

- **What is "social innovation" and how can you harness its power to improve your company and the communities where you operate?**

- **What are the best practices for communicating about your CSR activities, appropriate to your stage of development, for both internal and external stakeholders?**

Junxion's international team has developed this practical guide to showcase these concepts.

This guide contains case studies of leading companies, guiding questions to help you self-assess your performance, and concrete next steps you can take.

At the end of this guide you will know where you stand, where you want to go next, and what you need to do to get there.

This guide presents the questions to ask and actions to take that will shift your company's position on the "CSR continuum[1]":

1   http://corostrandberg.com/wp-content/uploads/files/CSR%20Continuum%20Draft_23.pdf

Understanding where your business sits in each of these dimensions helps you identify the best practices, tools, and strategies that will prepare you for your next steps along the continuum.

In your commitment to embracing a socially responsible approach to business, you're joining a global community of practice whose hallmarks are a spirit of collaboration and empathy. These two themes emerge consistently across industries and levels of development as key determinants of success. The global movement for socially responsible business practice emerges against a backdrop of a mainstream business culture that has taken a mechanistic approach since the industrial revolution—viewing people and nature as 'resources,' without consideration for their wellbeing. Changing this unfortunate status quo requires not only business acumen but also a high EQ (emotional quotient)—a trait shared by 90 percent of the most successful business leaders today.

Whether you're making cautious investments in a CSR programme for the first time or you're an early adopter at the cutting edge of social innovation, there are myriad opportunities to show leadership in your company, community and industry. We hope you will find new insights and best practices here that revolutionize your approach to CSR and help you to lead a truly transformational company.

Collaboration and empathy. These two themes emerge consistently across industries and levels of development as key determinants of success.

	THE MATERIALITY SPECTRUM	BURNING "HOW" QUESTIONS AT THIS STAGE?
STAGE 1	**Pre-CSR / mainstream** Non-financial issues or outcomes not considered in operational decisions / "one-dimensional" decisions	• **How do you choose a social cause to support?** • **How do you constrain the number of issues you take into consideration (i.e., not get overwhelmed by possible stakeholders/fall down the "slippery hippie slope")?** • **How do you make confident first steps; how do you avoid a PR blunder?** • **How do you make a business case for CSR efforts?**
STAGE 2	**Basic CSR** CSR priorities are determined by leaders' personal preferences and/or are an afterthought to normal operations	• **How do you get buy-in from shareholders?** • **How do you engage employees?** • **How do you engage outside stakeholders?**
STAGE 3	**Proactive CSR** CSR is regularly considered in brand, strategy and operational decision-making	• **How do you lead conversations on our material issues?** • **How do you choose strategic collaborations and partnerships?** • **How do you attract and retain the right leadership for further CSR and business development?**
STAGE 4	**Integrated CSR** CSR is a strategic requirement for every part of the company's brand, strategy and operations	• **How do you keep ahead of best practices in emerging fields?** • **How do you embed and lock-in positive changes you've attained? Or how do you keep mission from eroding over time?**
STAGE 5	**Transformational CSR** The company is one component in a mission for social change that transcends the bounds of the corporation	• **How do you engage effectively with complex and systemic social problems?**

CSR SPECTRUM

STAGE 1

- Make initial public commitments to philanthropic or social causes
- Dedicate time and budget to CSR activities; draft a statement that acknowledges your impacts
- Convene an internal discussion or workshop of leadership team
- Conduct internal surveys on employee values and interests, market surveys on customer values and interests
- Consider cause marketing opportunities that are well-suited to your brand and market

STAGE 2

- Conduct a basic materiality analysis
- Produce a basic CSR report that addresses your material issues
- Take action to build CSR culture in the workplace

STAGE 3

- Develop a consistent issues monitoring and engagement programme
- Have regular cross-functional internal CSR briefings
- Engage your risk management team with your CSR team

STAGE 4

- Participate in sector initiatives and cross-sector collaborations
- Engage in policy development (e.g. liaison with government policy makers)

STAGE 5

- Continuous reassessment of emergent opportunities for intervention and impact in complex systems

Materiality: Choose Your CSR Commitments Wisely

You may have heard the terms "Stakeholder" and "CSR" before, but it's important to cover the definition of these core concepts here as they're a foundation for the rest of this guide—especially for understanding the concept of materiality.

What is materiality analysis?

Materiality analysis evaluates the costs, benefits and risks associated with your business activities from both your company's and your stakeholders' points of view. The purpose of materiality analysis is to help you decide which CSR activities, policies and investments you should prioritize.

Does it make strategic sense to improve working conditions for your employees? To reduce your carbon footprint? To invest in social programmes in your community? Which has the most 'bang for the buck' in terms of your social or environmental impact, or your competitive advantage? A materiality analysis helps answer these questions.

Who are your stakeholders?

The term "stakeholder" was originally introduced in R. Edward Freeman's 1984 book *Strategic Management: A Stakeholder Approach*. In short, the book attempts to address the "Principle of Who or What Really Counts."[2] Stakeholder theory argues that, beyond its fiduciary duty to shareholders, every company has a duty to engage and increase value for parties including customers, employees, communities, governmental bodies, political groups, trade associations, unions, financiers, and suppliers. The range of whom or what to include among stakeholders is highly contested,[3] with hundreds of definitions existing in the academic literature.[4]

Materiality analysis helps you prioritize CSR activities in a clear, consistent way that isn't over-reliant on your personal preferences or on strictly financial outcomes.

Material issues are....

- Important to stakeholders

- Important to the success of the business (and this is understood in more broad terms than simply financial success)

- Reasonably within the ability of the business to influence.

Visualizing these three dimensions of materiality in the form of a graph (see page 13) helps make them easier to understand. The highest priorities will be where the business and the stakeholders are aligned on the importance of an issue (towards the upper right corner), and where there are concrete actions the business can take that will be impactful.

Defining the criteria for the success of the business and deciding whether it's reasonable to expect the business to have an influence can be subjective, controversial, and a test of leadership—and best carried out before there is a camera and microphone in front of you. Environmental, social, and governance criteria all come into play; materiality analysis isn't a formula for reducing complex social issues into a formula for the ROI of your CSR programme.

2   Freeman, R. Edward (1984). *Strategic Management: A stakeholder approach.* Boston: Pitman.

3   Miles, Samantha (2012). "Stakeholders: essentially contested or just confused?". *Journal of Business Ethics* 108 (3): 285–298

4   Miles, Samantha (2011). "Stakeholder Definitions: Profusion and Confusion". *EIASM 1st interdisciplinary conference on stakeholder, resources and value creation, IESE Business School, University of Navarra, Barcelona.*

With materiality analyses in place, companies can be more consistent and transparent about why and when they choose to take action (or not) on social and environmental goals. Sound materiality analysis leads to actionable impact goals and meaningful evaluation and metrics, which help to mitigate 'green-washing' risks.

While materiality analysis has evolved into a technical, formalized process that drives large-scale corporate reporting standards (like Global Reporting Initiative[5], Integrated Reporting[6], and others) that are predominantly aimed at investors, conceptually it's not complicated. Indeed, it's an essential foundation for developing your CSR strategy and programmes in a way that's consistent and transparent for your stakeholders.

"A sustainable global economy should combine long term profitability with ethical behavior, social justice, and environmental care."
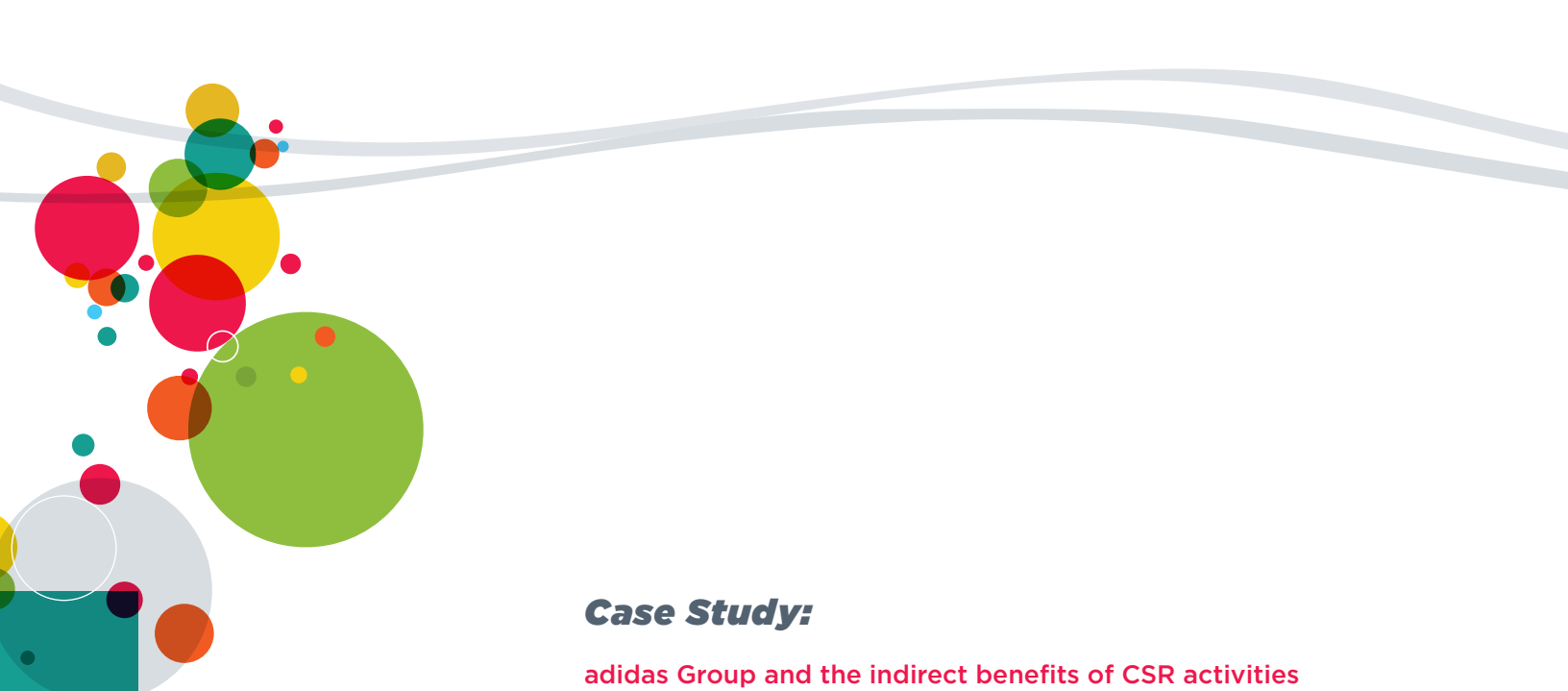*— Global Reporting Initiative*

What is corporate social responsibility?

Corporate social responsibility (CSR)[7] is a form of corporate self-regulation integrated into a business model. CSR functions as a built-in, self-regulating mechanism, whereby a business monitors and ensures its active compliance within the spirit of the law, ethical standards, and international norms. CSR aims to embrace responsibility for the company's actions and encourage activities that leave a positive impact on the environment, consumers, employees, communities and all other members of the public sphere who may also be considered stakeholders.

5   https://www.globalreporting.org/Pages/default.aspx/
6   https://www.theiirc.org
7   D Wood, 'Corporate Social Performance Revisited' (1991) 16(4) *The Academy of Management Review* http://www.jstor.org/stable/258977

Case Study:

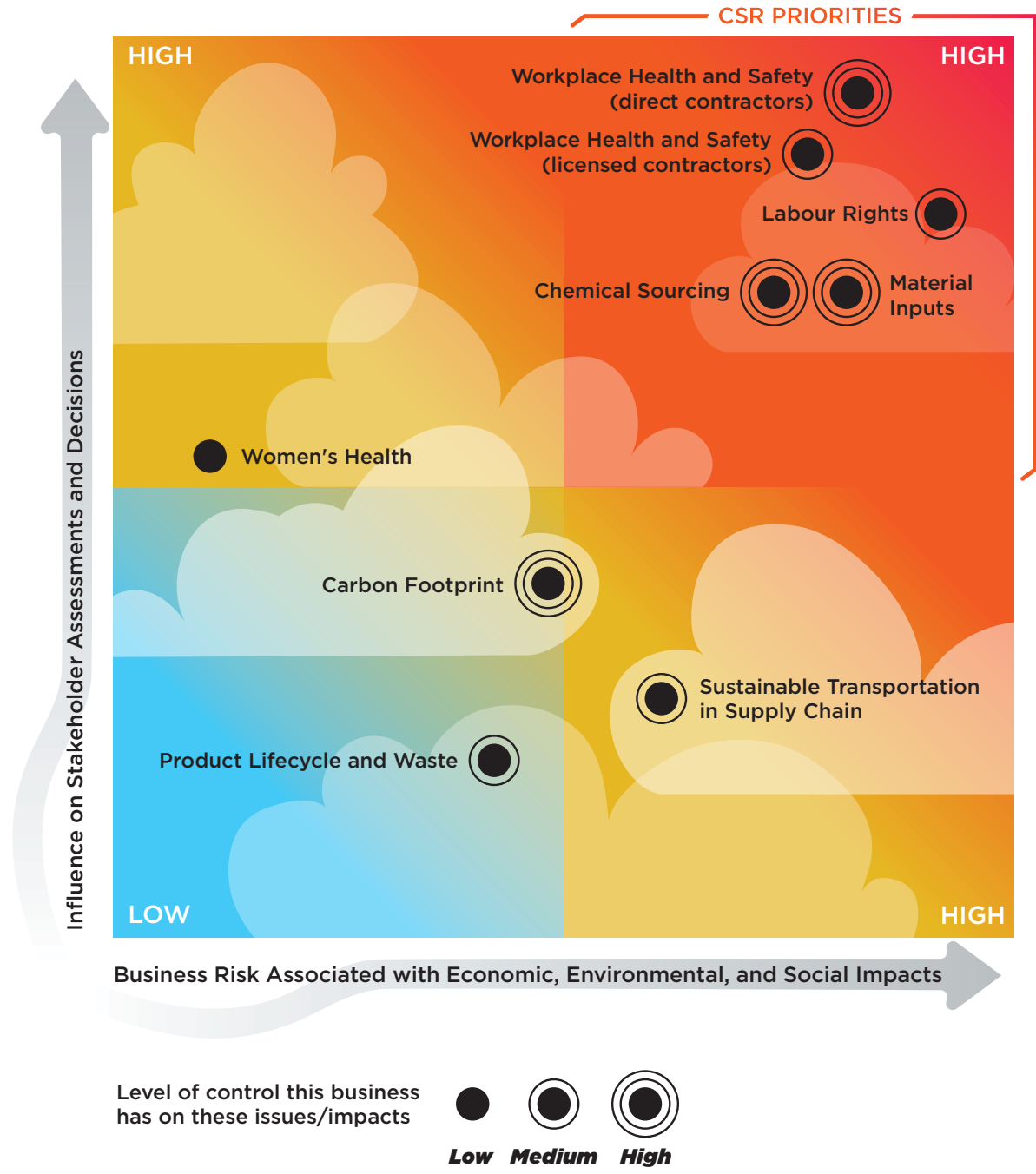### adidas Group and the indirect benefits of CSR activities

The adidas Group's[8] investment in partnerships and engagement with stakeholders gives them access to the on-the-ground information they need for a solid understanding of business risks and stakeholder impacts that go into a materiality analysis. They're in ongoing dialogues with NGOs, trade unions, pressure groups, and regulators. They maintain working relationships with some of their harshest critics. For example, along with NGOs and universities, they're members of the Fair Labor Association, which conducts independent audits of suppliers' factories.

The adidas Group's good works aren't about changing the world. They're about changing the business. Step-by-step. T-shirt-by-t-shirt. Taking care of the social and environmental risks in its supply chain and on its own sites supports the company's HR ambition to be a 'world-class recruiter.' They want to attract the best—and retain them. A strong sustainability or CSR programme can help with that, as long as it's communicated well and people know about it. Talent engagement and positive PR are just two examples of the fundamental motivators that prompt companies to act more responsibly and in their own self-interest.

The task of sustainability is a marathon, not a sprint.

8   http://www.adidas-group.com

Matrix for Prioritizing CSR Issues
Illustrative example based on a garment manufacturer

CSR PRIORITIES

Influence on Stakeholder Assessments and Decisions

HIGH

HIGH

Workplace Health and Safety (direct contractors)

Workplace Health and Safety (licensed contractors)

Labour Rights

Chemical Sourcing

Material Inputs

Women's Health

Carbon Footprint

Sustainable Transportation in Supply Chain

Product Lifecycle and Waste

LOW

HIGH

Business Risk Associated with Economic, Environmental, and Social Impacts

Level of control this business has on these issues/impacts

Low   Medium   High

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Communicating CSR: Describing Your Commitments

Choosing the right CSR approach for your company is one challenge. Developing a communication strategy that effectively complements and reinforces your CSR activities is another one entirely.

Your presentation of your CSR activities to the public will vary depending on your industry, your experience, and the complexity of your sustainability challenges. There are rarely simple answers to the complex, systemic problems faced by business and society today.

While it takes some skill to develop a great story about your company's CSR approach that'll play well for different audiences and situations, developing a story is a bit like creating a logo. It can happen relatively quickly, and it isn't the most challenging part of creating a strong and lasting brand.

Internalizing your story, getting your team on side, and building relationships and trust with the audiences of your story (who may also be a part of your story) are the elements of a successful CSR strategy. They can only be built over time, and they require negotiation of some sensitive power dynamics. In this section we describe approaches to communicating early, intermediate and advanced stages of CSR activity that consolidate your gains and prepare you for your next steps.

First and early steps are as valuable as more advanced ones. Basic charitable giving programmes play an important role in the community while building commitment from staff. A charitable gift speaks volumes; accompanied by a thoughtful communications campaign, charitable giving can help you identify employee engagement and marketing opportunities that are aligned with your charitable goals.
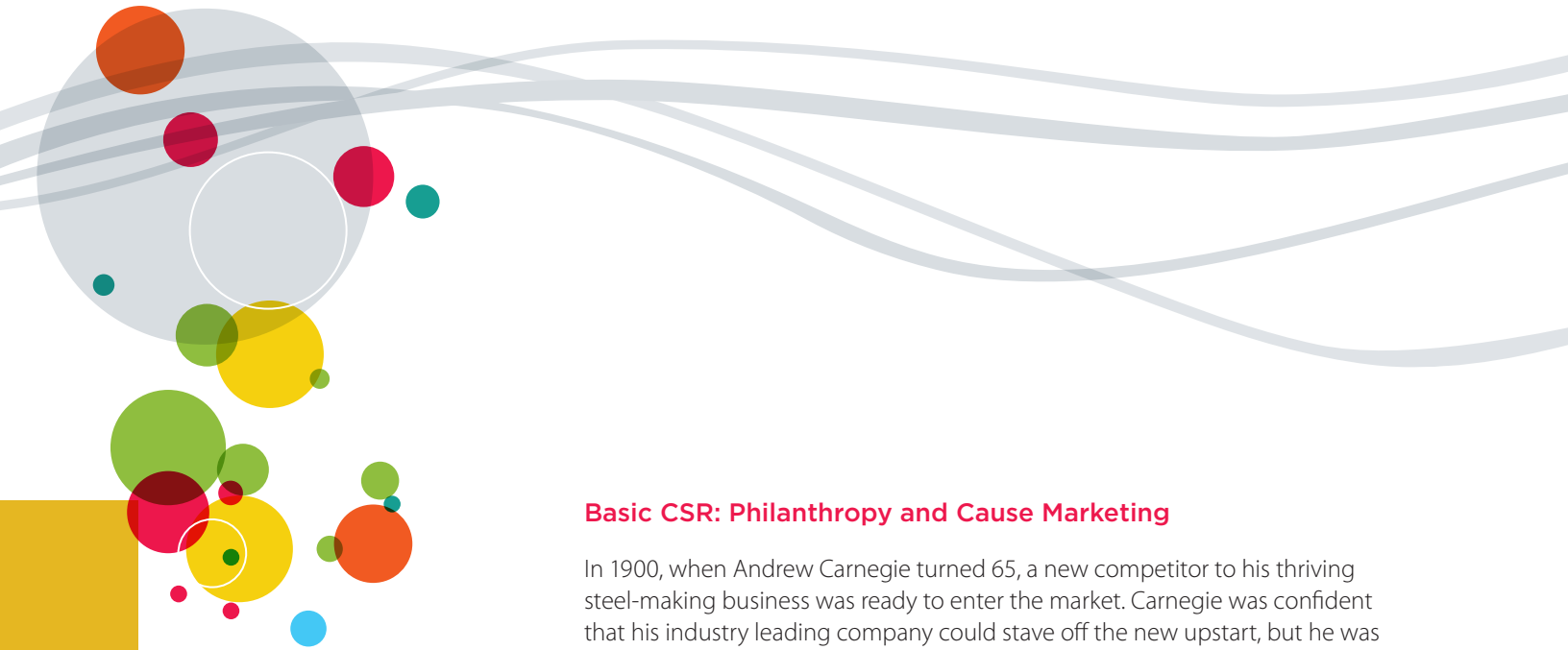
Basic CSR: Philanthropy and Cause Marketing

In 1900, when Andrew Carnegie turned 65, a new competitor to his thriving steel-making business was ready to enter the market. Carnegie was confident that his industry leading company could stave off the new upstart, but he was ready to retire. So he chose instead to sell his company to his new nemesis. "Congratulations," said JP Morgan's letter to Carnegie. "Your are now the richest man in the world."

The selling price of $480 million would be equivalent to just less than $10 billion today, a massive fortune that parallels modern day heroes of business like Bill Gates, Warren Buffett[9] and Azim Premji[10]. But money isn't all these four have in common: They also all committed to giving most of their fortunes away.

Carnegie was visionary for his time, and he's now recognized as a pioneer of sustainable investment—a form of philanthropy that applies the fundamentals of business to important and diverse issues around the world. In fact, as the trend toward sustainable business continues, leading organizations are wedding the needs of their businesses to the social needs of the communities in which they work.

More often today, companies are engaging in philanthropy long before their founders and leaders execute their 'exit strategies.' Whether as an expression of shareholders' generosity, as a means to show their goodwill to their communities, or as an opportunity to curry favour among potential employees, companies are giving to good causes. Whatever their motivation, corporate philanthropy is a valuable support mechanism for community projects.

Responsibility begins with a dedication to local communities.

9   http://givingpledge.org/
10   http://www.azimpremjifoundation.org

There are many important parts to a successful and impactful corporate philanthropy programme besides the gift itself.

Remember to....

- engage senior management in developing a philanthropy strategy, and make a business case for your chosen programme

- think broadly about what other assets you have that could help an organization besides cash donations (e.g., facilities, skilled volunteers, professional networks)

- seek opportunities for employee engagement and volunteering

- conduct internal and external communications about your programme

- build partnerships with others investing in the same area of impact (e.g., housing, education, health, arts and culture)

via Committee Encouraging Corporate Philanthropy (CECP)
http://cecp.co/research/best-practices/giving-officer-quick-tips.html

Corporate Philanthropy: Finding the Right Partner

Above all else, choose an organization that you believe is doing the best work in the field or impact area of interest to you.

A strong organization should be able to make a clear and compelling case for why the actions they take will lead to a particular set of outcomes or impacts—this is sometimes called their 'theory of change'[11]—and provide stories and data 'from the field' that support their case. The organization with the best approach may not always be the largest or the oldest.

You are not limited to charities; there are many impactful opportunities to support nonprofits and community groups if you are not bound by needing a tax receipt. If you restrict your corporate gifts to registered charities, there are several websites that can help you compare their financials, administration, and programme outcomes, including:

United States
http://greatnonprofits.org/
http://www.myphilanthropedia.org/
http://www.givewell.org/

Canada
http://www.charityfocus.ca/
http://www.charityintelligence.ca
http://www.smartgiving.ca

UK
http://www.thinknpc.org/
http://www.guidestar.org.uk/

India
http://guidestarindia.org/

How do you choose a charitable cause?

Carnegie's early exposure to the plight of the unskilled worker drove him to fund education, which he viewed as the surest route to liberation from the shackles of poverty—an interesting sentiment for a self-made entrepreneur. Most of his fortune transformed into 2,500 libraries; much of the rest went to support many colleges and universities.

Following the process for a basic materiality analysis earlier in this guide may help you identify the causes or charities that are the best fit for your company and employees.

It's also important to choose a cause that fits with the values and interests of your employees. Surveys and focus groups are effective ways to gather this information. Kevin Kruse's Employee Engagement 2.0[12] provides an excellent guide to initiating a conversation with your employees to understand, before you make a splashy donation to a charity, whether appeals for further employee engagement will be met with enthusiasm, resistance, or indifference.

Start with the issues you and your team care about.

How do leaders move from philanthropy to social impact?

If corporate charitable giving is tactical or project-focused, what might be the next step toward a more strategic approach? Many companies align their philanthropy not only with leaders' preferences, but also with corporate public relations. By tying giving to reputation building or brand equity, companies can design programmes that lift both the cause and the company.

This 'cause marketing' often takes the form of extended sponsorships of public events. Lifebuoy used Kumbh-Mela[13], a mass Hindu pilgrimage event, to spread awareness about personal hygiene in a very innovative manner. Kumbh-Mela is held in India every three years and attracts upwards of 100 million people. Lifebuoy partnered with more than 100 restaurants and cafés at the festival, as part of its on-going campaign to raise awareness about good hand washing habits (and symbiotic brand awareness).

For every food order placed, the first roti carried the branded message "Lifebuoy se haath dhoye kya?[14]"—Did you wash your hands with Lifebuoy? The words were heat stamped onto the baked roti, without the use of ink, to ensure it was completely edible. As well, Lifebuoy placed soap in the washrooms of each of the eateries and used banners and billboards to reach millions more people at the event.

There's a marketing calculus—a product placement of sorts—at play that's fairly traditional. But there's also a broader social impact calculus here: Clean hands help stop the spread of germs that lead to preventable diseases. In both the marketing and social impact frames, this is a scalable, measurable programme.

Still, cynics might cry foul: Aren't they just shamelessly promoting their brand for commercial gain? That may be true, but there's also no arguing that millions of Indians die each year because they lack knowledge about the importance of hand washing. So while there certainly are marketing returns to the sponsors, those can't be separated from the community value that's also cultivated.

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13 http://en.wikipedia.org/wiki/Kumbh_Mela
14 http://www.unilever.com/brands-in-action/detail/Lifebuoy-creates-innovative-roti-reminder/346332/

How do companies decide between cause marketing opportunities?

These kinds of engagement programmes create the win-win of building goodwill for business, while also doing some real good in the community. There are three characteristics that seem to make these initiatives work:

1. Matching audiences: Ensure that the charitable programme reaches the same audience to which your products or services appeal. The Lifebuoy Kumbh-Mela example mentioned earlier is a brilliant example of this principle in action.

2. Matching markets: Ensure the geographic market your charity partner reaches overlaps the market you serve. Honda sponsors the annual Festival of Light[15] fireworks competition on Vancouver's downtown waterfront. Their support for a family-friendly, publicly accessible event in a relatively well-to-do market means their brand gets exposure to a market that buys their cars.
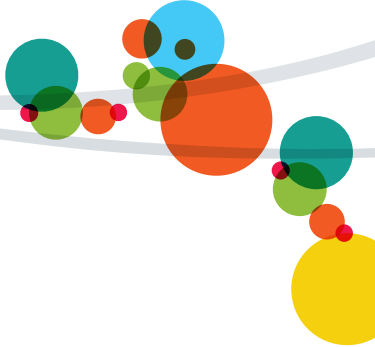
3. Matching objectives: Ensure the goals of the charity align with your goals as a business. Deutsche Bank's "born to be[16]" campaign in the UK helps young people develop their confidence and employability skills. This supports young adults' objective of financial stability and independence, and supports Deutsche Bank's objective of acquiring financially stable customers.

Lastly, well-crafted engagement strategies build value that is clearly greater than the sum of the parts. Their contribution both to financial and social bottom lines make them a remarkable engine both for marketing and for social value.

There's undoubtedly a social mission that aligns with your company's profit mission. Can you see an opportunity to build value, while doing good?

15 http://hondacelebrationoflight.com/
16 https://www.db.com/unitedkingdom/content/en/born_to_be.html

How do you confidently go public with your CSR commitments?

While exposés of corporate inconsistency in CSR make headlines (labeled 'greenwashing' when it's seen as deliberate), a more common problem is companies 'underselling' their efforts—situations where a company's CSR strategy is aligned with core business strategy, but the related outreach falls short or misses opportunities for engagement, often for fear of being exposed to criticism.

Perhaps the most effective thing you can do to insure yourself against unforeseen backlash or criticism is to take the time to listen—really listen—to your stakeholders. Whether via direct engagement, monitoring social media conversations or via a third party in the form of market research or other outreach, it's important that you have a sound understanding of how people experience your company and brand before making a public commitment to a particular goal or CSR priority.

If you've never released one, your first-ever CSR report is both an important milestone that's both risky and rewarding. By declaring what's important to your business, you become vulnerable to critics whose priorities and values differ. You can avoid some common pitfalls by ensuring that when you do release your first CSR report, it's complete and comprehensive.

The top ten things to include in your first-time CSR report

1. A statement from your CEO, ideally with genuine personal commitment, to drive the business to being more sustainable.

2. An assessment of the most material, or relevant, issues that your company has to address.

3. A clear expression of your company's vision or ambition for sustainability, in the context of the big picture social, environmental and economic challenges the world faces.

4. A clear sustainability strategy demonstrating how and where this is linked to your company's overall business strategy.

5. Governance structures and processes that show readers this stuff really matters and is reviewed, managed and acted on, just like other important areas of your business.

6. Clear goals and targets in each of the main issue areas.

7. An overview of performance against key indicators, with some analysis and explanation of trends over time.

8. Stories that inspire your readers about your progress. It's not all facts and data.

9. Real people's voices, both your own and external stakeholders', to make your work much more tangible and engaging.

10. A good, not too limited, assurance statement from a recognized, independent provider to lend credibility to the report, and give you some great tips of things to improve.

The further you go, the more complicated the challenges. And the greater the rewards.

From Cause Marketing to Proactive and Integrated CSR

When strong cause marketing campaigns gain momentum, they can rally support across the organization. In some cases, this can catapult CSR conversations into the executive boardroom. The opportunity to blend community engagement, social impact and business strategy is the best means of bringing CSR into the heart of business planning.

You can integrate CSR more deeply into your work by initiating regular cross-functional internal CSR briefings. Issues often cut across organizational siloes, and no department has all the information. All departments must understand and play their part in bringing CSR goals to fruition.

For example, when CSR teams work closely with HR teams you can select the volunteering opportunities that provide the skills development your HR team has identified as a need for particular cohorts within your business. Importantly, do the work to ensure that your risk management and finance groups are aligned with your CSR team. They speak different languages, but may in fact be aligned.

By working to add a measure of transparency and accountability into their supply chain, Starbucks has taken an integrated approach to their CSR strategy. They have earned significant positive publicity and customer loyalty for their big investments in fair trade, their work with farm co-ops, and for providing health care benefits to employees. CEO Howard Schultz has successfully defended these initiatives from activist shareholders who may view CSR as nothing more than a cost centre. But there is room to improve their level of integration. As much as they have been good corporate citizens in one respect, they have also been implicated in tax avoidance schemes[17].

It's also important to remember that the further you go, the more complicated the challenges tend to get. The communication challenges for Starbucks are coherence and consistency in their CSR messages. There's no 'paper wall' that allows them to make distinctions between their supply chain and their tax remittances where public perception is concerned. Once you start taking an integrated approach to CSR, you need to be prepared for high public expectations. A visible brand that is seen to be abusing the public purse during tough economic times will attract the wrong sort of attention. In the UK, Starbucks has become something of a poster child for those calling for tax reform in the run-up to the UK's 2015 general election[18].

17 http://www.marcgunther.com/tax-avoidance-and-corporate-responsibility/
18 http://www.independent.co.uk/news/business/news/exclusive-starbucks-beware--union-leader-seeks-jail-terms-for-overseas-tax-avoiders-9752101.html

Vancity Credit Union[19], an $18 billion dollar credit union in Canada's western-most province, British Columbia, is an exemplary model of telling their own story of integrated CSR. Vancity has a continuum of grant-making programmes (some administered through the arm's length Vancity Community Foundation[20], some directly from the credit union) that foster the growth of community-based social enterprises and community-owned real estate projects. If the beneficiary organizations successfully grow to scale, they may become customers for the credit union's for-profit financial services, but the grants and support aren't offered with a requirement to be a Vancity customer.

Vancity benefits through improved reputation and credibility as an expert on local sustainable business issues, which is at the core of their value proposition as a credit union serving small to medium enterprises. The network of community-builders they have nurtured through their foundation's activities are doing just that—building stronger, more resilient communities—which in turn mitigates the risks in Vancity's sizeable portfolio of residential and commercial mortgages across the city.

Vancity helps their customers "connect the dots" between customer deposits, funding pools for grants and loans, and positive impacts in their community through their "Make Good Money" brand story. It's a win-win situation where the growth in "multiple capitals" in the community (social, financial, cultural, etc.) improves the performance of the credit union, which increases the amount of grant funding available in the next cycle.

How do you lead conversations on your material issues?

Becoming a trusted and influential voice in the public conversation about CSR issues requires participation that's both timely and authoritative. A consistent issues monitoring and engagement programme, including social listening and content sharing, is essential. Being absent from, or ignorant of, online conversations on topics relevant to your CSR programs is a potentially costly risk to the company. By the time most 'breaking stories' have made it to mainstream news outlets, they've already been circulating on social media for 24 to 48 hours – the lead time you need to ready with a response.

For your contributions to be authoritative, you'll need to display comprehensive expertise in your relevant CSR topic area. Comprehensiveness is challenging, but if you've invested in reporting to a standard like GRI, you'll already have investigated material issues in a systematic way.

Standards like GRI help you communicate where you stand on an issue in a way that's both accountable and comparable. GRI is at once a valuable 'how to' resource that includes great advice both on content to include and principles of reporting, and the leading reporting 'badge' currently available. Since the fourth edition ('G4') was published in May 2013, the focus on materiality means you report only what matters to your business, not a one-size-fits-none checklist of data points. And there's significant value in working under a shared framework across broader collaborations: partners are more easily able to share and compare data and bolster their collective impact.

"Culture eats strategy for lunch." Sustainable cultures drive exceptional results.

How do you attract and retain the right leadership to advance CSR and business goals?

Attracting the right people requires "walking the talk" in your HR practices. Ensure that your environmental, social and governance (ESG) performance criteria show up in staff performance reviews, especially for senior leaders. Are people who advance the CSR agenda being recognized and rewarded?

Public confidence in the banking sector has been severely damaged by apparently endemic corruption – at times the problem seems to be rooted in a broken institutional culture, beyond the power of outside regulators to influence. The solution lies, in part, in rewarding those who would change that culture.

Colin Fan, co-head of investment banking at Deutsche Bank told the Financial Times: "Take somebody who's produced millions of revenues but is sometimes a bit disruptive: how do you judge them against somebody who has lower financial performance but is a great culture carrier? We used to have those debates. Today, it's not even a debate. The first group gets knocked out of that year's promotion process." [21]

This is a sensible approach in terms of both avoiding (further) regulatory action, and regaining public confidence. Lloyd's Banking Group now includes performance against value-based criteria in formal annual reviews [22]:

"All colleagues, including the Group Chief Executive, complete formal performance reviews at least twice a year. They're assessed in terms of their performance against set objectives and our Values, Codes and required behaviours, using a Balanced Scorecard, which includes risk management. Their remuneration and reward is based on these performance reviews. Specific responsible business targets are built into our Group Chief Executive's scorecard and these are cascaded to Group Executive Committee members and their leadership teams."

How do you keep ahead of best practices in emerging fields, or rapidly changing social contexts?

Few societies are changing as rapidly as the developing countries that Millicom [23] (under its brand Tigo) serves with mobile phone and digital lifestyle services. Adoption of these technologies is happening at an astonishing rate—they connected over 6.2 million people to data services in 2014, many for the first time. Millicom keeps ahead of the fast pace of social change with an extensive stakeholder engagement and mapping process, detailed in their 2014 CR report [24]. The resulting relationships and stakeholder maps help them to create strategies and initiatives customized to local markets, and integrated at national and international levels.

21 http://www.theguardian.com/business/2014/oct/13/deutsche-bank-moral-purge-staff-quit
22 http://www.lloydsbankinggroup.com/globalassets/our-group/responsible-business/download-centre/
    lloyds-banking-group-responsible-business-review-final.pdf
23 http://www.millicom.com/   24 http://www.millicom.com/our-responsibility/cr-reports-and-publications/

How do you choose strategic collaborations and partnerships?

Is there room for neutrality in times of moral crisis? Taking a bold stance on an issue or cause may be a great strategic option for your company. However, associating your brand with regulators, lobbyists, and activist causes and organizations has both risks and rewards.

Companies with strong CSR programmes may stand to gain from tighter regulations. For example, leading businesses have repeatedly demanded more action from governments on issues around climate change, such as setting a carbon price and trading mechanisms. Mountain Equipment Co-op[25], a leading Canadian retailer of outdoor and sporting goods, already factors a price on carbon into internal financial decisions[26]—this will put them ahead of less-prepared competitors when a tax or cap-and-trade system is implemented. They have developed this system with support from the Pembina Institute[27], a third-party not-for-profit organization that specializes in alternative energy, climate policy and climate action in Canada.

Some causes are an "easy win": retirement annuity provider Partnership Assurance Group plc[28] has consistently called for greater clarity in consumer communications on pensions[29], as in their submissions to parliamentary enquiries on the Pensions Schemes Bill. It's hard to see much downside with this position: everyone's in favour of better communication in general and in the finance sector this is particularly true. Making the point clearly and

consistently through lobbying provides some good corporate PR opportunities that Partnership has exploited. Its press releases page[30] is regularly populated with 'Partnership comments on…' press releases.

The Body Shop[31] has successfully partnered with activist and lobbying organizations to advance the cause of ending animal testing in cosmetics. They've been 'against animal testing' for a long time and lead on this message in consumer communications on the issue. They also have a subsidiary policy on 'animal derived ingredients'. But they're focused on the animal testing in cosmetics issue.

They've partnered with BUAV[32], at times a radical group, who call for the end of all experiments on animals, in running an international campaign on the issue of animal testing for cosmetics. They're also not shy of citing support from fairly radical groups such as PETA[33] (see their Animal Protection Principles one-pager here[34]).

There are more radical elements to others' agendas but the Body Shop's focus on the specific issue of concern (animal testing) is the key to keeping their message and brand on target. And since 2013, animal testing for cosmetics has been banned in the EU.

How can CSR leaders defend their programmes from erosion when corporate goals shift?

One of the most resonant cases of social responsibility in the business community is the story of Ben & Jerry's[35]. The celebrated ice cream maker chose to focus on the root causes of social issues like poverty,

which led them to consider factors like economic power, social justice, and food security in their products. From day one, they looked at their supply chain as a community of partners—itself an approach that's now a clear best practice.

One of those suppliers is Greyston Bakery[36], which claims, "we don't hire people to bake brownies, we bake brownies to hire people." In short, they're an engine for supportive employment in poor neighbourhoods of New York. They hire the people that face barriers to employment in mainstream businesses. What they needed was a venue to sell their brownies in large quantities. When Ben & Jerry's caught wind of this great social enterprise, they decided to develop a Chocolate Fudge Brownie ice cream, made with (you guessed it!) Greyston brownies.

This is but one example of using the Ben & Jerry's supply chain to drive social impact. Both parties and the community around Greyston Bakery all benefit from the exchange—so the value is generative. It's bigger than a financial transaction.

Over the years, Ben Cohen and Jerry Greenfield earned a reputation as ardent activists on numerous social change issues in America. When they finally sold their business to Unilever[37], they embedded the social values of the company's governance into an independent social mission Board whose role is to preserve and expand Ben & Jerry's social mission, brand integrity and product quality. Can it be a coincidence that Unilever has now reframed its business strategy around its Sustainability Living Plan7[38]?

25 http://www.mec.ca   26 file://localhost/cite/%20http/::www.mec.ca:AST:ContentPrimary:AboutMEC:Sustainability:AccountabilityReport:MECCarbonFootprint.jsp
27 http://www.pembina.org   28 https://www.partnership.co.uk   29 http://www.publications.parliament.uk/pa/cm201415/cmpublic/pensionschemes/memo/ps12.htm
30 https://www.partnership.co.uk/home/press/press-releases/?start=0   31 http://www.thebodyshop.com   32 http://www.buav.org
33 http://www.peta.org   34 http://thebodyshop.com/content/pdf/Animal-Protection-Principles.pdf   35 http://www.benjerry.com   36 http://www.greyston.com
37 http://www.unilever.com   38 http://www.unilever.com/mediacentre/pressreleases/2013/unileversustainablelivingplanhelpingtodrivegrowth.aspx

Benefit Corporations

Certified

B

Corporation

bcorporation.net

Most people are familiar with business corporations and nonprofit societies—the most common forms of incorporation. But the lack of a share structure limits access to capital for nonprofits with significant business activities, and fiduciary duty to shareholders can limit the ability of business corporations to firmly commit to social or environmental missions that could interfere with financial interests. Enter the benefit corporation: A new form of incorporated entity that can issue shares to receive capital investment, but also has a lock on assets to prevent "activist shareholders" or new management from taking a radical departure from the stated social mission. Benefit corporations vary by jurisdiction:

In the UK: Community Interest Corporations (CICs), enacted in 2005.

In Canada: Community Contribution Companies (CCCs), enacted on a province-by-province basis, first in British Columbia in 2013.

In India: Section-25 company, the Indian Companies Act, 1956 (restricted to promoting commerce, art, science, religion, charity or any other useful object', provided the profits, if any, or other income is applied for promoting only the objects of the company and no dividend is paid to its members).

In the US: Benefit corporations (B-corps), enacted on a state-by-state basis, first in Maryland in 2010.

This new form of incorporation should not to be confused with the international "B Corporation" designation[39], which is a standards-based certification and not related to the organization's type of incorporation.

Embedding responsibility by legal means

New legal forms like Benefit Corporations (US), Community Contribution Corporations (Canada), Community Investment Corporations (UK) and Section 25 companies in India enshrine social purpose into the articles of incorporation—perhaps the ultimate foundation for a completely integrated approach to CSR. From a communications standpoint, making your commitments legally binding is the logical extension of 'walking the talk' in CSR. (No, marketing copy isn't a legally binding commitment to CSR!) Another way to understand this level of integration: If cause marketing is akin to dating CSR, full integration's more like getting married!

There are significant pros and cons[40] to choosing an alternative to well-known types of incorporation, with implications for finance and governance. The main benefit is the ability to focus on a mission without fear of shareholder reprisals.

Some jurisdictions are friendlier than others for social enterprises. Since 2004 the Supreme Court of Canada has upheld the 'business judgment rule,' which protects directors who deem the pursuit of outcomes broader than profit alone as being "in the best interest" of the corporation—the essence of the CSR mindset. However, "testing this in court against activist shareholders driven to increase the share price could be both financially and emotionally exhausting. Shareholders are not to be ignored and they may have a justification for some activism if the broader purpose which the corporation intends to pursue has not been communicated and approved[41]."

This underscores the importance of the communication and engagement aspects of CSR regardless of your form of incorporation. A clear articulation of how CSR fits with your brand and strategy[42] will help stakeholders and shareholders create reasonable expectations around how your business will respond to different sustainability and social responsibility challenges, and ultimately build their trust in your integrity and commitment to a long-term vision of success.

39 http://www.bcorporation.net/   40 http://www.ssireview.org/articles/entry/in_search_of_the_hybrid_ideal

41 http://www.mondaq.com/canada/x/338874/Corporate+Commercial+Law Canadian+Bar+Association+Urges+
    Parliament+To+Change+The+Law+To+Encourage+The+Creation+Of+Benefit+Corporations+BCorps

42 http://junxion.com/trustbrand/

Towards transformative CSR

At the end of the CSR continuum is the truly mission-driven company—the transformational business. This kind of company transcends the narrow paradigm of zero-sum competitiveness, fear, and scarcity that underlies the old view of business and its role in society. The transformational business shares social and environmental goals with others in its sector.

Transformational business denotes an organizational transformation, but for most of us, it's also a personal transformation as we try, fail, learn, and repeat. It's a challenging journey, but there are many communities of CSR practitioners around the globe that support leaders as they navigate deeper levels of commitment to responsible business practices. Each of them cites themes of collaboration and empathy, and an open, agile and transparent approach to leadership. When business leaders look outside their companies for opportunities to make connections and support their communities, they come away with fresh perspectives on new opportunities—for both their company and their community.

The journey to transformative CSR isn't a lonely one. New ideas, insights and shared experiences around what's working (and what isn't) in social innovation and collective impact initiatives are published daily. Immersing yourself in this flow of ideas is an essential first step to identifying new opportunities for change in your company. In this connected age, there's no reason to struggle privately when you're one of millions of people engaging with complex social and environmental issues.

There is no reason to struggle privately when you're one of millions of people engaging with complex social and environmental issues.
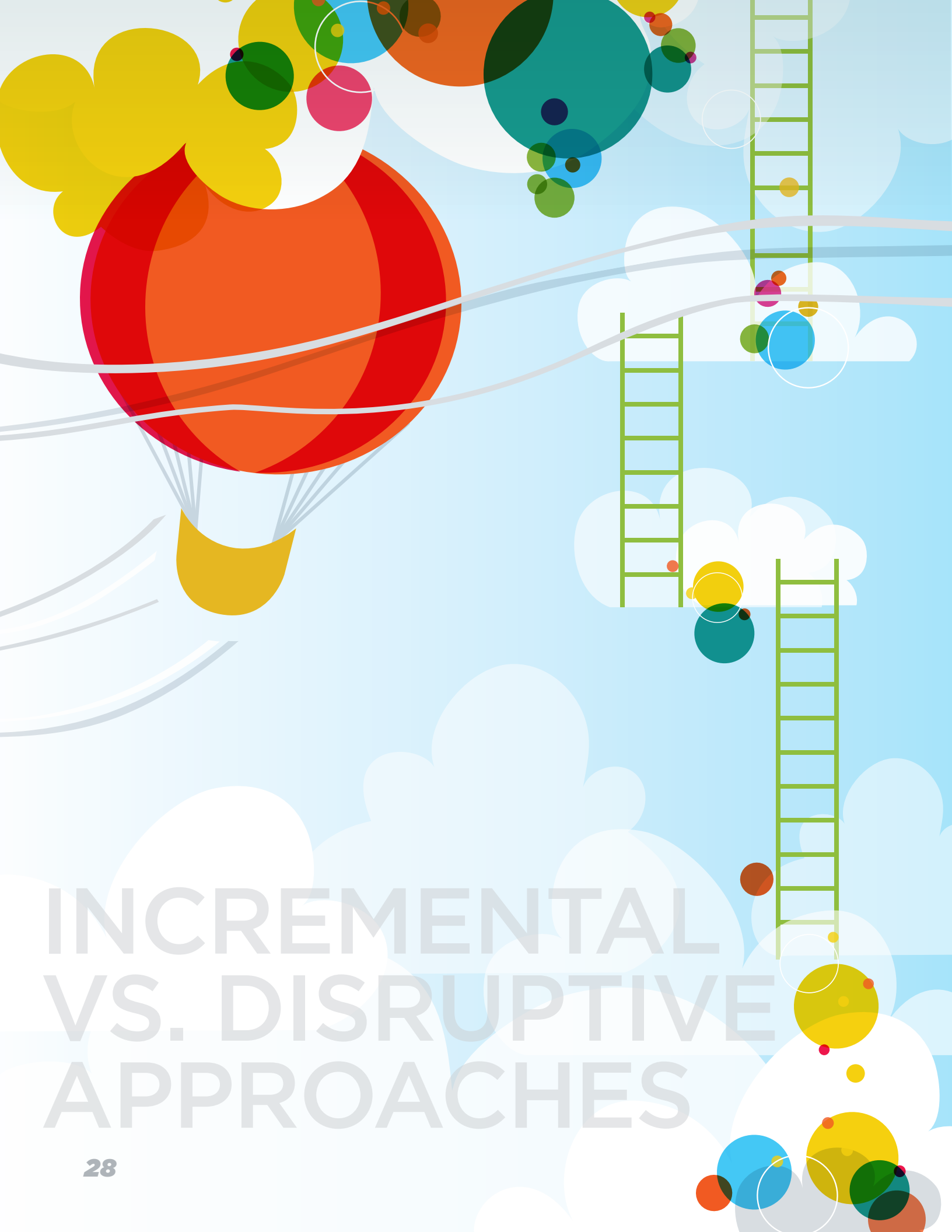
INCREMENTAL VS. DISRUPTIVE APPROACHES

How Can You Drive Change?

Your approach to change can be **incremental** or **disruptive**; the best fit for your CSR strategy will depend on your market, the type of value you want to create through your CSR efforts, your risk tolerance over the long term, and your ultimate change goals.

The incremental approach is defined by the ongoing refinement and improvement of existing business models and industry structures. Focused on risk management, it's a cautious approach that respects the status quo while responding to changes in the market and community as they arise.

In a CSR context, an incremental change strategy aims to make continuous improvements to the total value that your company creates—considered in more than just financial terms. It also means continuously decreasing the negative impacts from your operations—like energy use or carbon intensity, or other more complex social impacts related to the manufacture or use of your product or service. Promoting this kind of change is the focus of most CSR standards and legislation, and it makes up the bulk of CSR activities for modern corporations.

In contrast, *disruptive innovation aims to shatter the status quo by creating completely new markets and new "value networks"—new uses for your product or service that create value in a relationship between people in a new, and possibly unexpected, way.*

E-mail is a classic technology-based example: it disrupted postal mail by decentralizing control of message delivery and virtually eliminating delivery times. It created whole new markets for services that didn't (or couldn't) exist in a paper-based paradigm; new "value networks" emerged, based around easy and timely access to information. The market and value networks for postal services were forever changed.

In contrast, the labeling and certification standards for organic food are not a technological innovation *per se*. Nonetheless, the emergent market for organic foods has forever changed the agriculture and food retail sectors, while our social value network around food production and consumption is increasingly guided by a deeper set of values around the wellbeing of individuals and farm ecosystems.

In a CSR context, a disruptive approach to innovation sets goals for your business to tackle some social or environmental 'wicked problem,' but also contribute to creating conditions favourable to the future operation of your business in a new set of value relationships. It's an approach that embraces risk and complexity in exchange for prestige, influence, and first-mover advantage in a new market for the successful enterprise (and solving a wicked problem is its own reward, isn't it?).

Two approaches to innovation in CSR

Neither incremental nor disruptive approaches are superior. Instead, one or the other might be 'right' for your business at different points in time. Both options may be the rational, strategically superior response to the unique and complex set of factors facing your company in the markets and communities where you operate.

The disruptive case:

ACT[43] Inc.'s core business is academic skill testing; the ACT test is a standard college placement exam in the United States, like the SAT test. ACT Inc. created the charitable ACT Foundation[44] to disrupt the US market for higher education, for the benefit of "working learners"—people juggling the demands of work, life, and school—who are poorly served by the current system of higher education despite making up the vast majority of participants. The ACT Foundation's agenda for innovative disruption has profound implications for the core business model of parent ACT Inc., which will have to be agile in anticipating and responding to the social and economic changes their Foundation helps accelerate.

The incremental case:

The adidas Group has a long-term business interest in the sporting goods and apparel market as it exists today. Their CSR approach focuses mainly on risk management and incremental improvements to the quality of their brand. That said, their approach is grounded in a sound analysis of materiality and produces real, measurable cumulative impacts and social benefits.

43 http://www.act.org
44 http://actfdn.org

Collective Impact

Beyond basic partnerships and collaborations for CSR purposes there is an emerging field of Collective Impact where businesses can play an important convening role.

"Collective impact is the commitment of a group of actors from different sectors to a common agenda for solving a complex social problem… Collective impact is a significant shift from the social sector's current paradigm of "isolated impact," because the underlying premise of collective impact is that no single organization can create large-scale, lasting social change alone" *(from FSG[45]).*

There are several fascinating case studies[46] available through the Collective Impact Forum.

ACT Inc. and ACT Foundation

ACT Inc. is one of America's oldest and most prominent educational and career testing companies; they provide testing and analysis services to thousands of top-tier educational, training and workforce development clients across the US. Over the course of their 50+ year history they have accumulated an unparalleled wealth of data about how people move through the education system in different stages of life. In 2013, ACT Inc. founded the ACT Foundation exists to drive the shift to a 'National Learning Economy[47]' that recognises and supports workers' lifelong learning. The ACT Foundation aims to forever change education and workforce development across the United States.

ACT Foundation is an outstanding example of the collision of entrepreneurial innovation and social impact. Their strategy is drawing some of the best pages from the playbooks of tech sector accelerators, while ambitiously pursuing a clearly articulated agenda of social innovation.

One of ACT Foundation's four initial investment areas, 'Moving Mind to Market[48]', convenes a group of ambitious, disruptive entrepreneurs and the companies they lead to "catalyze and advance innovative solutions." Taken individually, each of the enterprises in the programme may drastically change the specific industries they serve. Taken collectively, all of them could drive dramatic uptake of new approaches in policy, management and skills development. ACT Foundation is committing significant support to these enterprises as they develop their markets and strive for ambitious goals. By convening them as a portfolio of projects, ACT Foundation has at once delivered a peer support mechanism for each individual entrepreneur, and spread their investment risk across a portfolio of promising ideas. And it's all the more impressive in that 'risk' is still a dirty word in the not-for-profit sector.
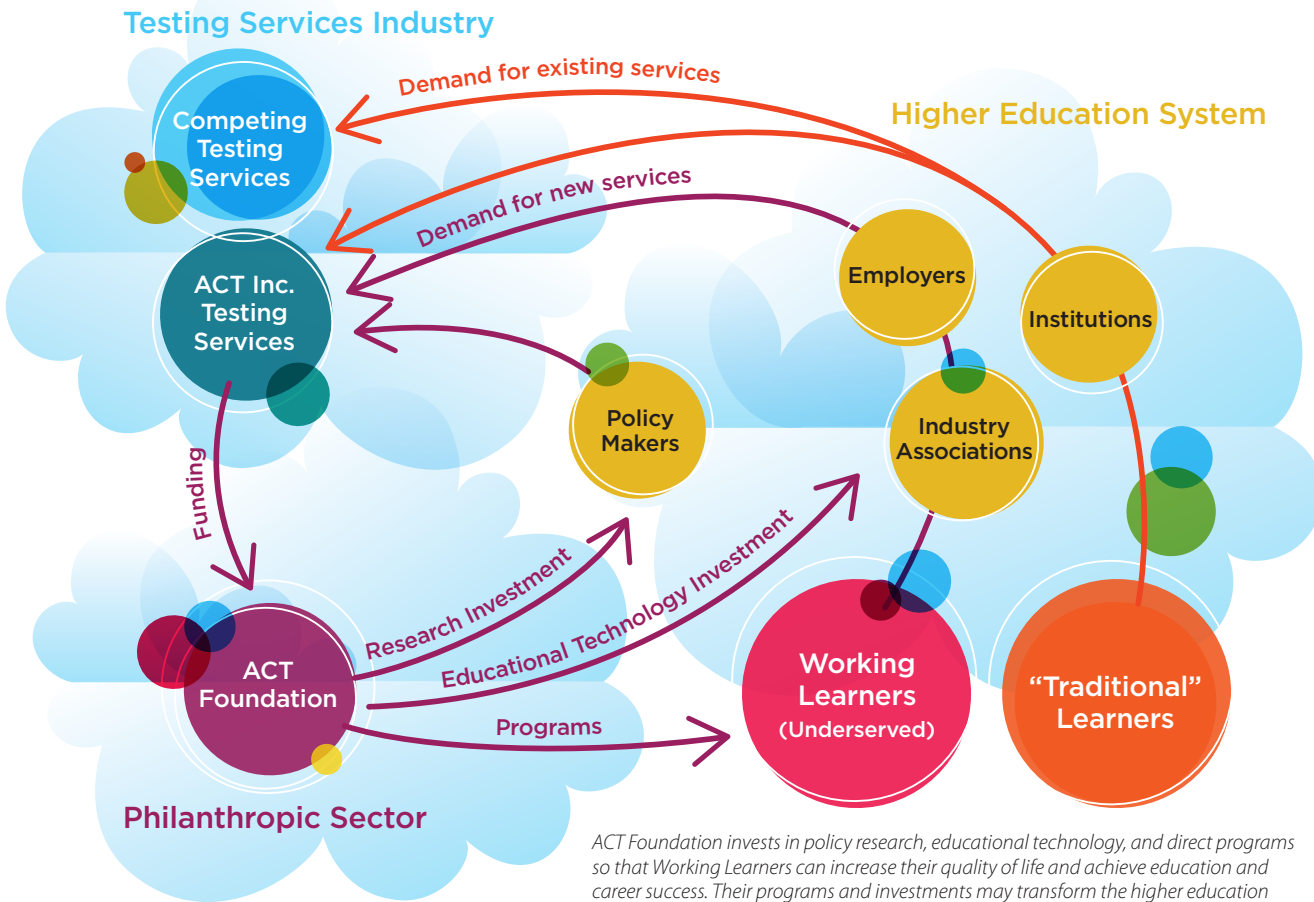
45 http://www.fsg.org/OurApproach/WhatIsCollectiveImpact.aspx
46 http://collectiveimpactforum.org/initiative-stories
47 http://actfdn.org/what-we-do/
48 http://actfdn.org/what-we-do/advance-innovation/moving-mind-to-market/

ACT Inc.: CSR investment as a part of corporate strategy

Testing Services Industry

Competing Testing Services

Demand for existing services

ACT Inc. Testing Services

Demand for new services

Funding

Higher Education System

Employers

Institutions

Policy Makers

Industry Associations

ACT Foundation

Research Investment

Educational Technology Investment

Programs

Working Learners (Underserved)

"Traditional" Learners

Philanthropic Sector

ACT Foundation invests in policy research, educational technology, and direct programs so that Working Learners can increase their quality of life and achieve education and career success. Their programs and investments may transform the higher education market and increase the demand for new testing services from ACT Inc.

How can a corporate social innovation programme serve shareholder value?

By housing their disruptive innovation programme in a corporate foundation and by carefully designing its governance model, ACT Inc. has established an arms length relationship that gives the foundation discretion to pursue a strategy that is distinct from, but still supportive of, ACT Inc.'s goals and approach.

Taken one step further, truly ambitious corporate social innovation programmes can be structured not simply as a convened portfolio of entrepreneurs, but as a holding company that owns part or all of standalone enterprises within the portfolio. This increases the upside for the company, ultimately contributing to shareholder value as well as to the social innovation the enterprises are founded to bring about.

In service of social and sustainability approaches that drive goodwill and shareholder returns, disruptive social innovation can be an effective aspect of CSR, which in turn positions CSR as a vital aspect of corporate strategy.

The adidas Group

The adidas Group is one of the world's sporting goods giants, a vast organization that strives "to help you perform at your best." As you might expect from a company that employs over 50,000 people and has sales of 14.5 billion euros a year, the adidas Group knows that it can only perform at its best if it manages the risks to its business.

Among these are challenges that come with its outsourced business model. With around 1,000 suppliers at any one time, mostly with factories in the developing world, labour rights issues for its suppliers' workers, as well as the environmental impact of a company with manufacturing operations of that scale, are high on the risk register.

"We have been working towards sustainability for many years and recognise that the task ahead of us is a marathon, not a sprint. It is about preparedness and setting the right pace, having both the drive and stamina to make the distance."

This neatly encapsulates the incremental approach adidas Group takes to addressing its responsibilities to society. But this business-focused approach is one that's also having an impact on the wider industry.

For many years now, the company has had a Social and Environmental Affairs team reporting to its General Legal Counsel. Conscious of the importance of the intangible value of its brands, which include Reebok and TaylorMade as well as adidas, this team now includes more than 60 people.

Consistent with what could be characterized as a cautious and methodical approach, the company talks in terms of "strengthening systems and processes" and sets itself improvement targets on a five-year horizon. This approach has been successful: the performance of its suppliers is improving and the company is reducing its relative environmental impact. There've been innovations too: in 2012 the company piloted an SMS-based hotline for workers[49] in an Indonesian factory to raise the alarm about breaches of workplace safety or rights; this worked so well that the company has extended it to other factories in Indonesia and Vietnam. And thanks to DryDye™ technology, the company can now dye t-shirts without using water[50], saving 25 litres of water per t-shirt dyed in this way.
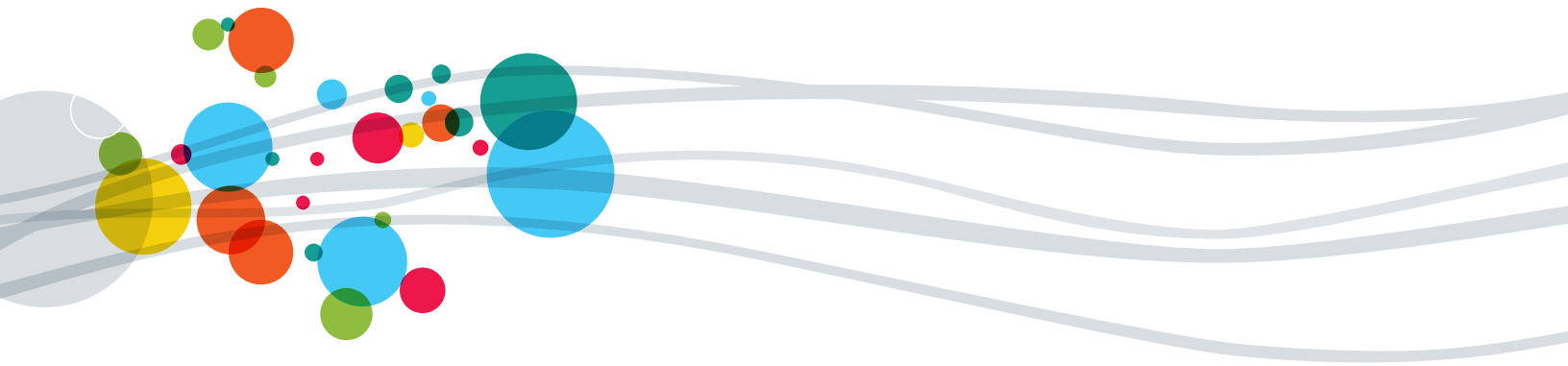
The adidas Group's attention to incremental CSR improvement is helping them to be industry leaders in a traditional business sense—their sales, market share, brand awareness, and competitive advantage are on a firm footing. And by showing others in the industry what's possible in CSR, they are also acting as leaders in that field. Their approach produces significant real, measurable cumulative impacts and social benefits.

Opportunities ahead for adidas Group

The adidas Group still has a distance to go before they fully integrate their sustainability ambitions with their core business strategy. The two are aligned, but the adidas Group has not set a corporate agenda to solving a major societal issue. Something in the health and wellbeing area would seem to be a natural fit for a sporting goods company, but so far the company is committed to doing what it does with commitment and integrity, and getting better at it over time.

adidas Group 2013 sustainability progress report: *http://tiny.cc/7jc2nx*

49   http://blog.adidas-group.com/2013/05/marking-a-new-milestone-in-the-management-of-our-supply-chain-%E2%80%93-the-sms-worker-hotline-project/
50   http://blog.adidas-group.com/2013/06/one-million-yards-of-water-saving-drydye-fabric-and-counting/

Social Innovation

Toronto's *Centre for Social Innovation*[51] provides a clear and practical working definition for social innovation:

"Social innovation refers to the creation, development, adoption, and integration of new concepts and practices that put people and the planet first. Social Innovations resolve existing social, cultural, economic, and environmental challenges. Some social innovations are systems-changing—they permanently alter the perceptions, behaviours, and structures that previously gave rise to these challenges.

Even more simply, a social innovation is an idea that works for the public good.

Social innovations come from individuals, groups or organizations, and can take place in the for-profit, nonprofit and public sectors. Increasingly, they are happening in the spaces between these three sectors as perspectives collide to spark new ways of thinking."

Social Innovation, Disruption and Collaborative Ecosystems

"Innovative" and "disruptive" have become buzzwords to describe just about anything that's in some way new. However, the terms "social innovation" and "disruption", have specific connotations in a CSR context that are notably different from their more common uses in the technology sector. The main differentiating factor in the CSR context is the focus on fundamentally resolving social or environmental challenges with new concepts and practices that go beyond simply treating the symptoms of these ills. The 'grander purpose' of disruptive CSR and social innovation differentiates them from the disruptive market competition (and sometimes novelty for its own sake) that we sometimes observe in the technology sector.

Let's compare two leading conferences on innovation and disruption: the annual Global Innovation Summit (GIS) in Silicon Valley, and the Sankalp Forum[52], held in New Delhi in April 2015. The similarities, and differences, are striking.

Corporate CEOs, economic development officials, academics and researchers from around the world gather at GIS to learn how "to unleash systemic, sustainable innovation across their organizations and communities." Since the 1950s, the Valley has been the world's most productive 'innovation ecosystem,' a hotbed that connects research, education and venture capital. Silicon Valley works because it's an ecosystem of innovation. Stanford teaches entrepreneurs the skills to develop an enterprise. Venture accelerators bring together cohorts of startup entrepreneurs to learn from one another, and connect them to the venture capitalists that provide the funding to further develop their ideas and scale up. And large-scale companies hold out the promise to a lucky few of 'exit' through acquisition.

Like their tech sector brothers and sisters, the social entrepreneurs that convene for Sankalp are interested in disruption. Sankalp is a forum for theorists, activists and policy makers to consider what it takes to deliver scalable, durable social innovation. A similar ecosystem of trainers, entrepreneurs, seed-stage funders, incubators and private and philanthropic investors are represented.

In both cases, the cooperation of these various players is perhaps the most important characteristic of an innovation ecosystem. Whether explicit or implicit, the cooperation across multiple supporters to nurture entrepreneurial ventures gives rise to disruptive potential.

51 http://socialinnovation.ca/about/social-innovation
52 http://www.sankalpforum.com/summit/global-summit-2015/

Two things differentiate the 'social innovation' at Sankalp from that of GIS.

First, individual leaders and organizations at Sankalp are generally more willing and able to turn their organizations' skills, assets and opportunities into shared skills, assets and opportunities. Collaboration across organizational boundaries is distinct from the cooperation within a tech sector accelerator in that the former implies the sharing of capacity, as opposed to the relatively simple sharing of advice. There are two key factors essential to enduring social innovation: Collaboration, or the capacity to bridge across organizations to develop ideas and support them through scale; and empathy, the very human trait required to persevere through setbacks and lead a resilient team.

Second, 'disruption' in a technology context may be agnostic to social impacts. A new technology that circumvents existing regulations, provides a consumer convenience, or facilitates certain types of market transactions may 'disrupt' existing regulations, markets, and relationships in a way that is profitable to the company, but the value of the disruption that accrues to the company may come at the expense of existing systems of social or environmental value. In a CSR context, systems or institutions that withhold resources from more productive or socially beneficial uses are the target of 'desirable disruption.'

The Rules of the Rainforest

The conveners of GIS list these guiding principles for fostering and navigating collaborations for innovation:

1) **Break rules and dream**
2) **Open doors and listen**
3) **Trust and be trusted**
4) **Experiment and iterate together**
5) **Seek fairness, not advantage**
6) **Err, fail, and persist**
7) **Pay it forward**

Learn more in their book, *The Rainforest*[53].

53 http://www.amazon.com/Rainforest-Secret-Building-Silicon-Valley/dp/0615586724/ref=sr_1_1?ie=UTF8&qid=1411577596&sr=8-1&keywords=the+rainforest

Communities of Practice

1% For the Planet
http://onepercentfortheplanet.org/

Business for Social Responsibility
http://bsr.org/

Canadian Business for Social Responsibility *http://cbsr.ca/*

Corporate Knights
http://www.corporateknights.com/

CSR India *http://www.indiacsr.in/*

Ethical Corporation
http://www.ethicalcorp.com/

Social Impact Analysts Association
http://www.siaassociation.org/

Social Return on Investment (SROI) Network
http://www.thesroinetwork.org

Social Venture Institute
http://svn.org/attend-an-event/social-venture-institutes

Social Venture Network
http://svn.org/

Social Venture Network India
http://www.svnindia.org

Sustainable Brands
http://www.sustainablebrands.com/

Triple Pundit
http://www.triplepundit.com/

Two Degrees Network
https://www.2degreesnetwork.com/

Is there a 'desirable disruption' that could result from your business or CSR activities?

In recent years, consumer interest in local and organic food has taken off. In India, where food is central to the culture and air, soil and water pollution are at worrying levels, many consumer who can afford it are going organic. Ethnic lifestyle retailer, Fabindia[54], know for its apparel, furniture and housewares, is now preparing to sell organic fruits and vegetables online.

Why? A study the company commissioned shows that by the time many items arrive at markets in cities like Delhi, their prices go up by around 100% or more. According to Fabindia Managing Director, William Bissell, "Organic farming provides an opportunity to reduce food arbitrage by around 30% or more."

If Fabindia succeeds, they'll bring better quality food to a wider array of consumers while tapping into a lucrative market where consumers are prepared to pay extra for organic.

Who are the collaborators in your 'innovation ecosystem?'

At the same time you question whether there's a desirable disruption you can generate, it's important to consider the organizations and changemakers essential to your innovation ecosystem. In the above example, Fabindia is leveraging their positive reputation as a values-based enterprise to develop close relationships with credible suppliers of organic food. Yes, it may take more work initially to invest in those relationships but the returns are invaluable. It means that Fabindia has trust and collaborative relationships with farmers to ensure the quality and variety customers demand while cutting out middlemen who add little value for the margin they expect. And that's a tasty way for Fabindia to build its business and delight customers.

54 http://www.fabindia.com

Making Next Steps

Assessing the readiness of your leadership team for a shift in CSR thinking is an important next step. Making time for reflection and conversation around leadership and values with your peers and colleagues may be a challenge at first, but it awakens the appetite for change and movement along the CSR continuum, and opens the door for sustainability and social responsibility to become ingrained into the culture of your organization.

Moving from thinking to action means having a plan and making a commitment to change. We hope this guide has provided some fresh ideas about the size and direction of your next steps in developing a CSR strategy.

Countless companies are engaging in philanthropy and cause marketing to support good works in their communities. Social innovation is fertile ground for learning and development for advanced CSR. Wherever you or your organization stands on this spectrum, you're in good company.

With offices in Vancouver, London and Delhi, Junxion exists to catalyze social and environmental progress. The company's international, interdisciplinary team has spent nearly twenty years supporting mission-minded founders, pioneers of corporate social responsibility and sustainability, nonprofit executives, and philanthropists.

To learn more about Junxion and to draw on their team's expertise, visit *junxion.com* or call us:

Vancouver: +1 604 681 8308
London: +44 (0) 7866 555429
Delhi: +91 88 2664 9963
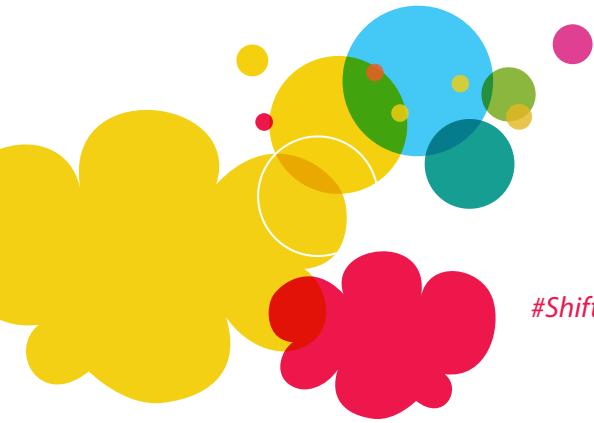
#ShiftYourThinking *Let's make responsible business mainstream*

Junxion.com
info@junxion.com

VANCOUVER
+1 604 681 8308

LONDON
+44 (0) 7866 555 429

DELHI
+91 88 2664 9963

junxion