Ethical CORPORATION

The 6th Annual Responsible Business Summit New York 2018

Post Conference Report

March 26-27, 2018
Marriott Brooklyn Bridge

- #RBSNY in numbers
- Executive summary
- THEME 1: New models for industry change
- THEME 2: Working together to drive wholesale change
- THEME 3: Leverage communications to boost trust and lead industry change

#RBSNY

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INTRODUCTION

The 6th Annual Responsible Business Summit New York took place on March 26-27, 2017 in Brooklyn, New York.

Ethical Corporation's US-based event is widely recognised as a conference that tackles the key issues and opportunities in an honest and frank manner with key stakeholders from B2C, B2B companies as well as leading investors, NGOs, Academics and Governmental representatives. The two-day conference brought together 350+ attendees eager to network, learn and discuss ways in which to collaborate and deliver transformational strategies. There were many sponsors offering a breadth of innovative sustainable solutions to help accelerate these impacts.

We challenged all attendees to think big, think bold. Business models of old are no longer fit for purpose and limited sustainability wins won't do. Businesses and industries must undergo large-scale change and that can only be achieved through ambitious thinking and collaborations.

Across the two days we ran case study sessions, Chatham-House rules workshops, innovative networking sessions as well as more informal networking breaks to help facilitate the connections that will deliver the future collaborations.

We are already working on our 2nd Annual Responsible Business Summit West 2018 (November 13-14, San Diego) as well as the 7th Annual Responsible Business Summit New York 2019 (March 18-19, New York). We have ambitious plans for both events to deliver discussions, debates and collaborative approaches to address the digital, societal and environmental opportunities that are present to business. If you would like to be involved in these events then please do contact Krina Amin who heads up our US Operations.

BY LIAM DOWD

Ethical CORPORATION

#RBSWEST

2nd Responsible Business Summit West 2018 | Sheraton Mission Valley, San Diego

The Responsible Business Summit West 2018

Ethics and Responsibility in digital business

400+ attendees

60+ CEO and senior executive speakers

15+ hours of networking

2017 SPEAKERS INCLUDED:

Bill Weihl
Director Of Sustainability

Facebook

Kate E. Brandt
Lead For Sustainability

Google

Liz Maw
CEO

NET IMPACT

Matt Horton
Chief Commercial Officer

PROTERRA

Cecily Joseph
VP, Corporate Responsibility

Symantec.

Patsy Doerr
Global Head, Corporate Responsibility, Sustainability

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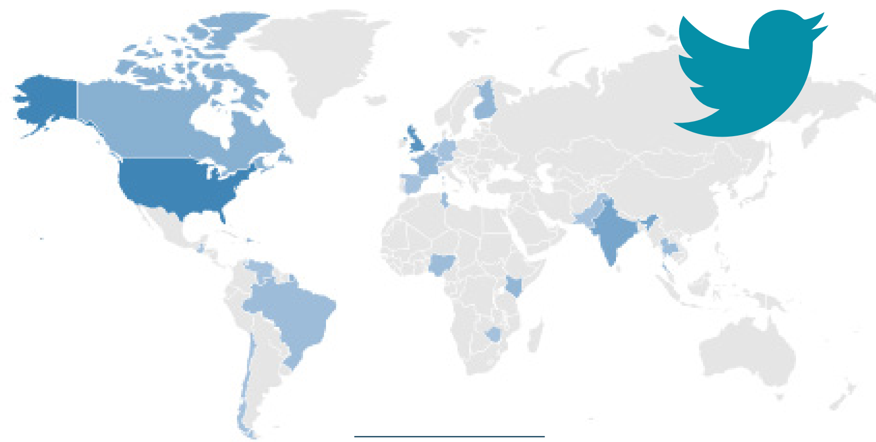
HANES Brands Inc

Anita Househam
Senior Manager, Supply Chain Sustainability & Decent Work

UN Global Compact Network Canada

Contact krina.amin@ethicalcorp.com for sponsor and speaker opportunities

THE 6TH ANNUAL RESPONSIBLE BUSINESS SUMMIT IN NUMBERS



1M+ REACH

240+ COMPANIES

TOP COUNTRIES

1. USA
2. UK
3. CANADA
4. FRANCE
5. NETHERLANDS

95% of attendees said they built useful connections and learnt ideas to take back to their office

500+ TWEETS USING #RBSNY BY **187** USERS

96 SPEAKERS

350+ DELEGATES FROM **17** COUNTRIES

#RBSNY HIGHLIGHTS

Daniel Perry @DanielRossPerry · Mar 27
Don't ever ask a supplier to do something you're not willing to do yourself" wise words from Bruno Sarda @bruno68 Chief #Susty Officer @nrgenergy talking #SupplyChain #Sustainabilty assessments & #ResponsibleSourcing at #RBSNY

1 11

Helle Bank Jorgensen @HelleBankJorgen · Mar 26
#RBSNY @LiamDowd10 welcoming to the most wellattended @Ethical_Corp event ever. Revealing that #sdgs are indeed on the #biz agenda but we need real #action not #SDGwash. #ESG

2 11 17

Susan McPherson Retweeted
Bruno Sarda @bruno68 · Mar 26
Powerful and honest #RBSNY panel on the value of diversity moderated by the fabulous @susanmcp1. It's time to recognize and elevate all talent, it only makes us stronger. Diverse ecosystems are more resilient in nature as in business.

1 5

Amanda Gardiner Retweeted
Yesh Pavlik Slenk @yeshpavlikslenk · Mar 26
Great advice! 'While building a culture of innovation, you have to give people enough space to fail' @Amanda_Gardiner #RBSNY

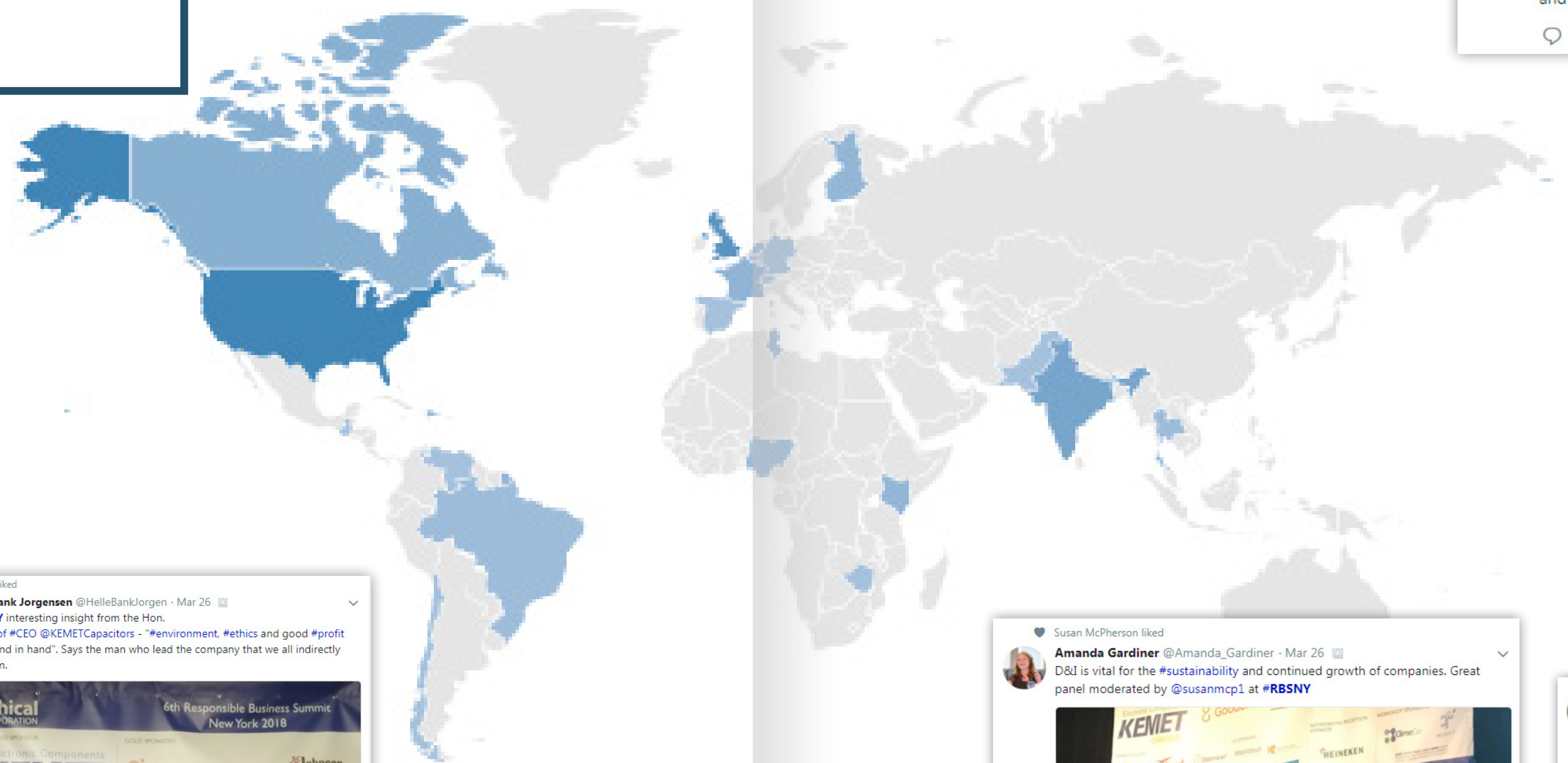
2 6

Ethical Corporation @Ethical_Corp · Mar 26
If you are doing something disruptive it takes time and money. Collaboration can help accelerate progress @todadogs #rbsny #ClimateAction

3 4

Minna Aila liked
Shefali Kapadia @skapadiaDC · Mar 26
The way forward to #sustainability is through collaboration between companies and non-profits, says Richard Ellis of @Walgreens #RBSNY

7 4



Goodera @wearegoodera · Mar 26
"Technology will help companies continuously evaluate their sustainability performance and we should move from looking at Sustainability reports once in a year" - @GinaTesla from @IBM at #RBSNY @Ethical_Corp

1 10 15

Bruno Sarda and 1 other liked
Mia Overall @miamiaki · Mar 26
Toasting to day 1 of #RBSNY ceo if @HEINEKENCorp @ronalddenelzen says about his competitors: "we can fight over market share and over innovation but we have 1 planet and we have to leave it better off...coalitions make business sense"

3

Dave Stangis @DaveStangis · Mar 27
Good dialogue on #ESG and what's important to #WallStreet in #sustainability #materiality #rbsny

1 4 15

Per Loof liked
Helle Bank Jorgensen @HelleBankJorgen · Mar 26
#RBSNY interesting insight from the Hon.
@perloof #CEO @KEMETCapacitors - "#environment, #ethics and good #profit goes hand in hand". Says the man who lead the company that we all indirectly buy from.

2 7

Susan McPherson liked
Amanda Gardiner @Amanda_Gardiner · Mar 26
D&I is vital for the #sustainability and continued growth of companies. Great panel moderated by @susanmcp1 at #RBSNY

5

Sue Collard @SueatDell · Mar 27
Great panel speaking about Impact of #ArtificialIntelligence on Business & Society. It's a partnership w HUMANS & TECHNOLOGY. What's behind the tech, who's training it...be transparent about methodology. @BrianKReaves @suekatus @michaelperry Al Naqvi @amin_krina #RBSNY

10 19

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RBSNY EXECUTIVE SUMMARY

BY DIANA ROJAS

If the current geopolitical climate heightens the need for bold progressive business leadership to create long term impacts, then the opening salvo at the 6th Responsible Business Summit in New York in March may be heartening: 69% of respondents globally are trying to integrate the U.N. Sustainable Development Goals into their business strategies, according to The Responsible Business Trends 2018 findings.

The majority of those companies are engaging on SDG 13 on climate action (64% in North America, 69% in Europe and 64% in Asia). Goals 12 and 3, on responsible consumption and production and good health and well-being respectively both get 59% in North America, with goal 8 (decent work and economic growth) coming in second place in both Europe and Asia, followed by SDG12.

But Ethical Corporation's managing director Liam Dowd said companies risked leaving themselves open to accusations of SDG-washing if they simply put an SDG badge on action they are already taking, rather than setting stretch goals to make a meaningful contribution to the goals.

And one of those SDGs -- #17, collaboration – may be the key to transformation change.

Consider Orsted North America. In his keynote address, company president Thomas Brostrøm described how the Danish company divested its upstream oil and gas businesses and will phase out its last coal fired power plant by 2022. Instead the company has turned to wind farms off the U.S. Atlantic coast, while working with marine biologists and environmental groups, like the Sierra Club, to ensure that there is no impact on wildlife. "We think we have to lead by example," said Brostrøm. "It's a massive and very bold move."

For their part, the Sierra Club has been changing the way it seeks to make change, said Chris Thomas, Chief Innovation Office. "We're transitioning now from going after the fight – fighting companies and fighting governments – and looking to solutions more," he said.

Going above and beyond what is expected of business to meet long term social and environmental issues might be what progressive business leadership looks like in today's world.

> "U.S. BUSINESS AND INVESTORS NEED TO TAKE THE LEAD WITH FUTURE INNOVATIONS WITH REGARDS TO CLIMATE MITIGATION ACTION

"Creating solutions that have market returns that investors demand, that create an economy that is cleaner, and an employer workforce that is diverse – these are also good for the financial bottom line," said Mark Peterson, president of Los Angeles Clean Tech Incubator, a partnership of municipal, non-profit and private partnerships.

Peterson noted that the 33 companies being incubated have created 1,700 jobs and he said that the group is looking into way to reward inclusive, green economy impacts because companies that incorporate those ideals perform better, he said.

By that same token, U.S. business and investors need to take the lead with future innovations with regards to climate mitigation action in light of EPA budget and incentive cuts, the rejection of the Paris Agreement. And it would seem that both are moving in the right direction: since green bond principles were created four years ago, some $300 billion have been issued, said Ashley Schulten, Black Rock head of Responsible Investing, Global Fixed Income. And she noted that the interest in green bonds is translating to an increasing interest in the SDGs, despite the fact that there are fewer metrics there than in climate. "I get questions all the time: 'how do my investments map against the SDGs," she said during her keynote on climate finance.

Earlier this month the World Bank launched the first-ever bonds directly linked to the SDGs, arranged by BNP Paribas. The Solactive Sustainable Development Goals World Index includes 50 companies that dedicate at least 20% of their activities to sustainable products, including Danone, Nestle, and SAP.

Rakhi Kumar, head of ESG investments and asset stewardship at State Street Global Advisors, which has $200bn in ESG assets, said they're seeing a big increase in clients wanting to "integrate ESG information into the investment process" in response to the Dodd-Frank reforms introduced by the Obama administration in 2010. "What started as a comp [compliance] issue became a governance issue and is now a sustainability and environmental issue," he said.

And to achieve this, further collaboration between the various reporting frameworks may be required. In a keynote discussion on a shift towards a more global standard and alignment, Tim Mohin, CEO of 20-year-old GRI, said the idea that there is competition is a myth. "I think it's more a matter of confusion [over what the standards do] rather than that there is a problem in the marketplace."

For example, Matthew Welch, president of the SASB Foundation, the San Francisco-based newcomer on the reporting scene, said SASB is complementary to other standards. It focuses on investors and is industry-specific; looking at what is likely to be material at a company level rather than a societal or stakeholder level. Socially minded investor may want to consult other reports, like GRI, he said

Like collaboration between reporting, creating partnerships to drive large-scale change in the value chain was another key point of the conference. Pascal Baltussen, global vice-president of procurement for Mars Inc., said the role of procurement has changed "beyond recognition" over his 25-year career. As Mars has faced into some of the big issues in its extended agricultural supply chain, such as poverty and human rights, it has had to engage in "uncommon collaboration, working with partners we haven't worked with before." What is driving the family-owned business is a group-wide belief that it will benefit from "making sure the weakest in our supply chain can thrive," he said.

Long-term partnerships are driving significant impacts across industries, regions and continents. However, to meet the required goals and achieve the impacts, long-term visions are also needed.

In a keynote on the end of partnerships and the dawn of coalitions, Ronald den Elzen, president and CEO, Heineken USA, said companies need to drive global agendas through local solutions. And they needed to be prepared to work to long time horizons to bring about radical change, and work within coalitions – like The Recycling Partnership, where even Heineken arch-competitors (Pepsi and Coca-Cola) are collaborating to help improve recycling infrastructure in the US.

"Having a time horizon of 10-20 years will drive ideas that are much, much, much bigger. Because we can solve anything so long as we have the time and the money," he said. "We fight every single day for every inch of market share… But we have one planet. We should not fight for the planet. We, together in coalitions, have to work to make it better."

1 NEW MODELS FOR INDUSTRY CHANGE

BY DIANA ROJAS

The first step in creating long term industry impact is to pilot a project to prove the concept and gain buy-in for wholesale change. Several sessions at the conference this year focused on the details: how to build the operating model to ensure a pilot program's success and finding the right partnerships with governments, NGOs, institutions and even competitors, collect and analyze data, quantify the projects' impact and gain approval for the new operating model.

Sometimes, innovation means going against decades of business thinking, proving challenging in shaping the pitch to ensure the right senior people get the right messages that prove the business benefit of new visions or partnership opportunities.

When the Florida-based and family-owned Grupo Cisneros decided to branch into sustainable, low-impact tourism a decade ago, it bucked up against seven decades of corporate culture that didn't necessarily put sustainability at the core of their decision making processes, said Maria Ignacia Arcaya, VP and Executive Director of Corporate Social Responsibility. So in the first project of her CEO tenure, Andrea Cisneros – a third generation family member – created a sustainability committee comprised of all the C-level people in the company to get buy in to apply a new decision-making sustainability lens. The result: long before hotel ground could even break, Grupo Cisneros set up a corporate foundation based in the small under-resourced community of Miches in the Dominican Republic, creating among other enhancements, the Ethical Corporation lauded I'm a Girl program to improve pre-teen self-esteem and school success. The sustainable development approach led to financing from the Inter-American Development Bank (IDB) and the International Finance Corporation (IFC) for the company's Four Seasons Tropicalia resort.

"In textbooks it all looks really easy, but when you set about to do this with COOs and CFOs who, in our case, had been around for 20,30 years and had a different way of doing business… getting buy in from the C-level executives… wasn't something that happened overnight," said Arcaya.

Overcoming resistance from internal stakeholders is a challenge sustainability professionals all must face head on, said Minna Aila, VP leading corporate affairs at Nokia, Finland. For example, she noted, Nokia has a stringent human rights policy that will not knowingly provide technology or services to limit free speech or political activity. But when a salesperson is incentivized to sell and a sustainability director needs to put the brakes on, what happens next? Aila emphasized not only drafting solid policy, but considerable training time for salespeople so that human rights can be integrated into the sales process. "Shocking people with headlines you don't want to see is not a bad idea, and screwing up is a good learning opportunity," she said.

Other steps to improve internal buy-in include transparency, and engaging in partnerships and coalitions with competitors and customers, she said.

Rodrigo Arias, Global Leadership Fellow at the World Economic Forum (WEC) said the incorporation of sustainability in business efforts has led to a fortuitous consequence: addressing the UNs Sustainable Development Goals. In a recent report on how the internet of things could help address the SDGs, Arias said WEC analysis found that 84% of some 643 deployments around the world were already addressing or had the potential to address one of the 17 SDGs, and of those 70% were driven by the private sector. The effects were "not intentional," said Arias. "They happen to be addressing the SDGs but their reason for being was commercially driven.

> “ SOMETIMES, INNOVATION MEANS GOING AGAINST DECADES OF BUSINESS THINKING

Sometimes, however, organizations first need to promote conditions that allow innovation from within or from outside to deliver large-scale internal change.

At the British-owned Pearson Education, the need to build business in the face of technological disruption and a rising global demand for education led the company to establish its sustainability plan in 2015, said Amanda Gardiner, VP of Global Sustainability and ›

› Social Innovation. The results: outside partnerships and fostering intrapreneurs in-house, both aimed at best ways to reach more underserved learners.

"That's an innovation agenda and the truth is our business wasn't built necessarily on innovation, and like most multinational companies, it wasn't built on serving the most marginalized and vulnerable," said Gardiner.

Working with Save the Children, Pearson not only donates to that NGOs programming in Jordan, but worked innovatively for two years with them, along with ethnographers to get a handle on how young displaced Syrian refugees were learning and playing. That research was used to develop and create an Arabic language math game app called Space Hero – the company's first foray into online gaming.

Through its Tomorrow's Markets intrapreneuship incubator program, Pearson aims to find ways to reach new customers while helping the company make social impact, she said. Criteria included demonstration of mid- long-term revenue potential, impact low income learners and demonstration of feasibility and scale. Some 160 teams applied, and 17 selected and given 40,000 pounds and coaching to develop the ideas within nine months (on their own time). Four of those ideas were picked to be developed, with ideas ranging from an online portal in South Africa matching disadvantaged youths with short term employee opportunities and a venture in China to support Kindergarten English teachers in rural areas. In all, 1.2 million pounds were spent on the first round, a figure some said was too low, she admitted.

"The reality is that systems and executives are really set up to expand and defend existing businesses, not to do something from scratch," said Gardiner when talking about the lessons learned from both endeavors. "One of the things we wanted to hammer home is that you can do things that have a social impact that can also generate revenue and can be the source of a growing business."

How to take proof of concept and bring about real change is a journey that starts with selecting the right strategy for the business and industry. But identifying a risk adverse strategy that offers potential for large impact can be hard.

The development of shared and safe rides led Anheuser Busch to find a way to "get into that space" and use social media to connect with people, said Katja Zastrow, VP of Corporate Social Responsibility in charge of the company's Better World campaign.

First, the company did test runs with various ride companies in early 2016 at specific events, quantifying how many people them and which companies would make good partners.

They settled on Lyft, and paired the partnership to its Budweiser brand, and expanding the program to all key holidays and weekends.

KEY TAKEAWAYS

Innovation can mean going against decades-old business thinking, so making sure the right people get the right message is key. And to improve internal buy-in for sustainable ideas, key efforts should be transparent, collaborative with partnerships and coalitions.

Most large companies are set up to expand and defend existing business, not to innovate it. So before large-scale internal change can happen, some organizations first need to set the stage fostering in-house "intrapreneurs" and outside partnerships to sell the idea that social impact can be revenue-generating.

Identifying a risk adverse strategy that offers potential for large impact can be hard, so companies need to figure out how to turn negative externalities into positives, and get the message out to customers. Making customers feel good about their purchases can help sell the social change ideas internally

Customers download a coupon on Thursdays from the Budweiser Facebook page, valid for only a week. The following weekend, customers need to re-download the coupon. So far, 150,000 rides have been offered.

A related pilot program in Columbus, Ohio, through the company's Global Smart Drinking Goals, aims to reduce the harmful use of alcohol by 10 percent by 2020 in the city, is using free Lyft rides paired with law enforcement to determine of it can actually change behavior.

"We look at this as a global to local approach: we launched it with one of the brands to show how that can lift the brand reputation and perhaps even purchase intent," said Zastrow, noting that pilot programs are more cost effective because they don't need huge resource expenditures up front, thus allowing more responsiveness.

At Jet Blue, said company sustainability head Sophia Mendelsohn, creating a power purchase agreement with a bio fuels partner in 2016 – only the second deal in the industry, and the largest, is allowing the company to tackle its carbon footprint.

Like Anheuser Busch, one of Jet Blue's sustainability challenges is to deal with an unpleasant product externality – climate change for the latter, drunkenness for the former – "that you'd rather not deal with," said Mendelsohn.

"The question is when you really begin to embrace that externality and how do you turn it into a positive," she said, noting that explaining climate change, carbon offsets and "what that has to do with your trip to Disney World" is a much more complicated task than actually getting the bio jet fuel onto the plane.

And getting the message out to customers, making them feel good about their purchases, not only resonates but can sell the product internally, they said.

"There is no branding or marketing executive that will turn away an opportunity that will make a customer feel good," said Mendelsohn. ■

2 WORKING TOGETHER TO DRIVE WHOLESALE CHANGE

BY DIANA ROJAS

As businesses amp up their social responsibility and sustainable practices, it becomes apparent that to truly address areas like GHG emissions, Human Rights violations, and water usage, companies need to establish ambitious partnerships. A key part of the conference this year looked at examples of wholesale change in practice, and where companies, governments, NGOs and institutions have worked together in search of the common goal.

For most companies, the greatest risks and impacts lie within their supply chain. An effective way to deal with these is through precompetitive collaborations, where shared goals are articulated from the get go to avoid unpleasant surprises and to establish trust.

The telecommunications giant Verizon currently chairs the 17-year old Global e-Sustainability Initiative (GeSI) and is a member of the newer (since 2010) Joint Audit Cooperation association (JAC), according Jim Gowen, VP of Global Supply Chain and Chief Sustainability Officer. The first strategizes on ways to "change the way the world thinks about ICT" and the second focused on auditing human rights, occupational safety, corporate social responsibility, especially in South America and Southeast Asia – both operate in an industry not known for its collaboration, he said.

"It's about how you work together in partnerships even with your competitors because sustainability is not something that's a competitive advantage. It's something that you need to do collectively as a group," said Gowen.

The World Wildlife Fund (WWF) began a partnership with McDonald's in 2009 to focus on beef sustainability

> "IT'S ABOUT HOW YOU WORK TOGETHER IN PARTNERSHIPS EVEN WITH YOUR COMPETITORS BECAUSE SUSTAINABILITY IS NOT SOMETHING THAT'S A COMPETITIVE ADVANTAGE

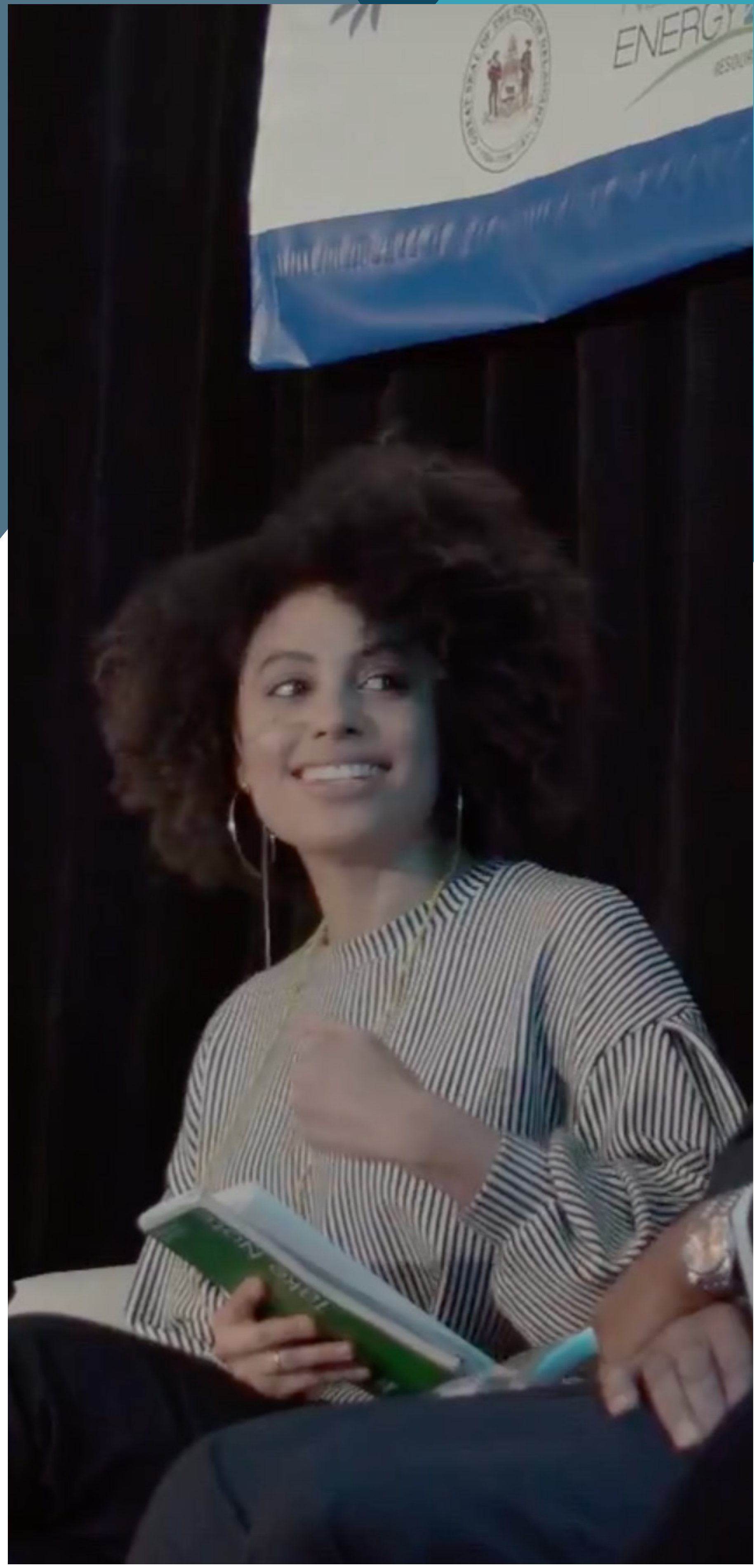
and to work on building that company's broader sustainability strategies, said Jeff Malcolm, Senior Director, Private Sector Engagement at WWF. But because ranchers are wary of environmental groups, the opening salvo of the partnership was a sustainable beef conference in Denver in 2010 that brought ranchers to the table and convinced them of a shared goal: maintaining grasslands as ranchland, and not for agriculture, he said.

Since then, McDonald's has piloted a deforestation-free beef program and is advancing a new sustainability framework, having signed onto the WWF Global Forests and Trade Initiative. And this year the company launched its Scale for Good program to reduce waste, as well as setting science based GHG emissions reduction targets.

WWF created a Supply Risk Analysis tool in 2009, which examines economics, finance and environmental issues – without applying weights to them – in order to inform potential partner companies on the holistic picture and help them establish goals. "The important thing about sustainability and supply chain partnerships is that it's about partnerships, not just one organization," said Malcolm. "There are things that McDonalds can do, and things we can do together, but ultimately it's going to take multiple organizations and the right partner at each of those different areas to get to the targets and commitments that they've made."

But Bruno Sarda, VP of Sustainability at NRG Energy, cautions against taking a solo approach towards supply chains. When NRG set a goal of 80 percent disclosure by Tier 1 suppliers on carbon and water by 2020, they became the first power company to join the CDP's supply chain program to identify and manage such risks. NRG then partnered with the MJ Bradley and Associates Natural Gas Supply Collaborative to develop key performance indicators. Suppliers, he said, "aren't super excited" about the extra oversight.

"Don't go in and ask them to do things you won't do yourself," he said. ›



“…All this stuff we’re talking about is purely voluntary. We’re going to do these things because we think they’re the right thing to do, no because we have to. …So there has to be some give and take.”

Moving within companies to drive change also requires give and take, trust, scoping, and articulating shared goals -- and the use of rapidly expanding technologies to drive scalable impacts can benefit such efforts.

At Siemens, Bob Dixon, Head of Sustainability, described how technology is helping the company achieve its corporate goal of reducing carbon emissions 50% by 2020 and becoming carbon neutral by 2030 in its real estate portfolio. To do that, aside from buying offsets and certificates, and creating their own energy,

Dixon said Siemens is using internal technology that allows for autonomous buildings that can self-diagnose and self-heal, saving the company on the need to dispatch workers in emissions producing vehicles.

Dixon said Siemens have received internal push back on the emissions mandate from a financial perspective as well as a business one. But advancing corporate sustainability is a lesson in persuasion, he said.

“It cannot be the same way we’ve always done business. We’re using technology to say that we don’t need to put people on the road. We can do it differently. There are no sacred cows,” he said. “(But) you’re going to run into people who say we’ve always done it this way. Well, this is the time to really change.”

When Joe Verrengia got to Arrow Electronics five years ago, that company didn’t have formal CSR program, he said, but it did have a

goal: Arrow desired to become a broader tech solution provider, not just the distributor of technological components.

So as Global Director of Corporate Social Responsibility, Verrengia launched Arrow’s first branding effort – Five Years Out – and set up a brainstorming session at Arrow’s annual North American engineering conference to come up with tech project for the disabled community. The result: the Semi-Autonomous Motorcar (SAM) – a racecar that can be operated by a quadriplegic using only head movements, integrating existing components and systems for a new purpose. The car and story -- paralyzed race car driver Sam drives again – belie a larger humanitarian purpose: the technology is being evaluated by wheelchair companies, by Arrow, in conjunction with the Paralyzed Veterans of America, to test it for use in warehouse forklifts and other repetitive motor vehicles.

Next up: a 3D printed house for the very poor, showcased at South by Southwest this year, which Arrow is helping to Sherpa from prototype to scalable model.

“What we do has become a metaphor for what the company does,” said Verrengia, noting that he CSR department is now located within the brand, he said… “These CSR projects, which are really tech development projects for a humanitarian purpose, serve as stories for what Arrow is…. They’re emotionally appealing and tend to lift us up and appeal to a broad audience.”

Companies can engage customers in order to change behaviors, inform future innovations and to advocate their ambitions in a holistic and sustainable way.

Although consumers are centric to business, sustainability initiatives need to be imperative to the business strategy and data driven. At Mondelez International – home of the Oreo cookie – Rob Hargrove, senior VP of Research, Development, Quality and Innovation, shared that customers have moved on from health and wellness to well-being, which includes “purchase choice and the impact of that purchase choice,” be it on health or sustainability.

So Mondelez partners with Cocoa Life, a sustainable cocoa sourcing program, and created the Harmony Charter in Europe, a sustainable partnership along the wheat chain. In addition, it had been using the Fair Trade (another partnership they participate in) on their packaging, but added the Cocoa Life logo, too.

“(Customers) want better choices. They want to know the provenance of the ingredients, they want them to be as little processed as possible, they even want to know who was in the supply chain and what role they played,” said Hargrove, noting that their sustainability partnerships and in house efforts are fully integrated into their business strategy. “This isn’t some sort of corporate social responsibility, or just doing the right thing, or philanthropy… The activities in a business like ours need to be fully integrated with business and the growth of the business.”

But sometimes, panelists said, making an audacious public statement can be the catalyst for change within a company. Monsanto’s VP of Global Sustainability, Pam Strifler, described how few people even within the company had a head’s up in 2015 that the company was setting a six year goal to become carbon neutral industry-wide. The announcement cause confusion on the part of farmers, and required Monsanto to set up a carbon collaborative, which meant creating verifiable systems on farms to measure data. Now the company has more than 100 initiatives with farmers to reduce carbon.

“When you make the audacious goal… now we’ve taken our research and development pipeline and are not only measuring the impacts to the farmers, but we’re putting the metric and data collection into how were going to contribute to those goals,” said Strifler.

Part of staying on track with goals – both audacious ones and more modest ones – is looking at data, said Andrew Troup, director of corporate giving at Blackbaud, a cloud software company for the social good sector. And not just looking, but readily pulling together the various data sets that are available and consolidating different sets of data, he said. “We might have set out with one goal at the beginning of a research project, but we might come out with something totally different in the end depending on what data tells us,” he said. “We have to have flexibility.”

Like building strong partnerships and collaborations externally and internally, and making customers part of the solution, engaging employees in transforming community involvement builds leaders, develops problem solvers and strengthens teams.

In2017 Ethical Corporation global awards, Sea Land, the differentiated ocean carrier, received a highly commended distinction for Employee Engagement of the Year in recognition of the community service program it developed with The Collaboration Vector (TCV).

Because Sea Land did not have a CSR department, in 2015 it partnered with TCV to create a program that integrated community service within the corporate culture: the company partnered with local non-profit partners with employees (known internally as Champions) leading specific efforts, from working with indigenous artisan women in Columbia to help them “own” the export process, to building microbusinesses in Honduras, to teaching English in high schools in Myanmar.

Sabrina El-Chabini, TCV founder and president, said the program -- currently in its second year with 11 partnerships in 10 countries – revealed Champions to be some of Sea Land’s top talent.

“Transformation is not so daunting. It’s possible. It’s feasible,” said El-Chabini. “It helps people build their potential. … When we build a leader in the office, we’re also building a leader in the community.

KEY TAKEAWAYS

As sustainability is not about getting a competitive advantage, precompetitive collaborations help companies deal with risk and impacts within their supply chain. Importantly, all partners need to see some benefit from the collaboration or the partnerships will not succeed.

Using technology to drive scalable impacts can help in companies’ sustainability efforts. But as important as technology – or collaboration and trust – is persuasion both internally and externally, and getting efforts to become a metaphor for what the company does.

Making an audacious public statement can be the catalyst for change within a company, forcing efforts to succeed in order to save face. But all sustainability efforts need to become fully integrated into the whole business strategy and data driven if companies are to stay on track with goals, both audacious and modest ones.

Engaging employees in transforming community involvement builds leaders, develops problem solvers and strengthens teams.

3 LEVERAGE COMMUNICATIONS TO BOOST TRUST AND LEAD INDUSTRY CHANGE

BY DIANA ROJAS

Throughout the two days of the conference, numerous ways to leverage a new communications strategy that responds to uncertain political times were presented. Amongst these: boosting trust with consumers, promoting transparency with investors and gaining internal recognition across various business functions.

Putting a value on impacts and sustainability data will be hard in true accounting values, even though it's necessary to show the value of investing in sustainability projects. NYU Stern School of Business' Center for Sustainable Business has been working on a methodology that identifies what sustainable strategies might be, what positive practices emerge from those, what kind of financial benefits come from them, and then how to monetize them, said Tensie Whelan, Clinical Professor for Business and Society Director.

"We're very interested in figuring out how we can help businesses transfer all this great work into actual numbers, to move beyond what we see in the correlation between good ESG (environmental, social and governance) performance and good financial performance, which shows very strong correlations but no causality," said Whelan. "And it doesn't show causality because corporations aren't actually tracking the impacts."

The Center for Sustainable Business has been working with British luxury automaker, Aston Martin (in addition to Volkswagen and GM) to analyze this. The 105-year old privately owned company is currently growing very fast – increasing production from 5,100 units last year to 10,000 units by 2022 – and is transforming its Lagonda brand into a premium market EV by 2021, according to James Stephan, company director of Global and External Affairs.

He said as it grows, Aston Martin is going beyond just doing the right thing and trying "to pause, take stock and figure out what sustainability really means," focusing on retention, gender equality and waste management. "We've always done sustainable activities – we've always looked after our employees, we've always looked at the general work/life balance, we've always looked at the environment, not be legislation says you have to but because it's the right thing to do," said Stephan. "…but now it's putting a package around it."

The "packaging" can help to better value sustainability within companies from the investor point of view.

Paula Luff, Director, Sustainability and Impact at the Inherent Group – a NY based ESG hedge fund – said finding the correlation between ESG performance and financial performance is the Holy Grail. So having a company like Aston Martin be able to tout "amazing" safety metrics -- something that inherently links ESG and finances, unlike, say a great employee volunteer program – "gives us a window into the quality of the operations," she said.

> "WITH INVESTORS DEMANDING MORE THOROUGH REPORTING, THERE IS ALSO A DEMAND FOR MORE TRANSPARENCY

On the challenging lack of standardization of data, Luff said her group doesn't care which reporting framework is used, but wants them to be clear for the issues that are material to the business. "Whatever those metrics are, I want to know the total universe and the denominator," said Luff. "(I)f there is no compelling financial reason to invest, ESG is not going to make us invest."

With investors demanding more thorough reporting, there is also a demand for more transparency.

The Cleveland, OH headquartered KeyBank is the 13th largest in the U.S. and the only major bank to have a woman at the helm. But for years, that information was put in the index of their corporate responsibility report on material topics, said Andrew Watterson, Senior VP and Head of Sustainability. But after a stakeholder questioned why that information wasn't more front facing, the bank put that fact on their website, he said.

Ensuring accuracy and a "full picture" is critical in reporting sustainability, said Watterson, who cautioned not to make such reports too long or "indigestible." In addition, he noted that active reporting is "a double edge sword," adding tasks and sometimes costs for the business every year. And while passive ratings rankings don't require reporting from a company, they're important to get onto for businesses because investors and stakeholders see them.

"We've seen a lot more direct engagement by the investment community and by shareholders on wanting to have dialogue. And if a shareholder comes to us and says this is an important thing that we think you should be involved in, we'll look at it," said Watterson. "Figuring out what transparency means is different depending on what stakeholders you're talking to. It's different stakeholder voices that are driving where individual companies choose to play."

There is no "one size fits all" approach, and in order to magnify the impact of what you're doing so that the marketplace, consumers and investors are going to choose your brand, the message needs to get out there. But the way to talk to consumers is different from how to communicate with employees and investors.

At Campbell's, Dave Stangis, VP Corporate Responsibility and CSO, communicating the company's philosophy – "real food that matters for life's purpose" – with investors and consumers means designing communications specific to the audience, not en masse.

With investors, for example, that communication is often one on one and addresses not only marketplace performance, but what it looks like from a portfolio perspective. But consumers, said Stangis, › understand brand, so that means a lot more visual and storytelling communications, like the company's UnCanned digital marketing campaign that gives consumers the opportunity to hear different stories on things from sodium content to waste mitigation. And critical to these stories are "trust, transparency and the authenticity of what we're saying," he said.

"We are basically trading on trust in the food sector," said Stangis.

Sharing sustainability success stories with employees can require a different tack. At Oath – a media tech company born of the merger of AOL and Yahoo in June 2017 – Sara Link, president of the company's foundation Oath: For Good said they started from scratch to create a new set of eight values. That allows Oath to align its 50 brands on cause. The brands, in turn, get to tell their own stories to connect to consumers in order to be authentic.

But to reach employees, Link said the company has found that its "call to action" value resonated with them and Oath: For Good has been central to weekly employee town halls "infusing cause and social impact" into everything that's done, she said. "We use cause as a way to infuse values into our employees and really bring it to life."

Connecting and communicating directly with youth has been metals and mining company Teck's effort to ensuring community support because "if youth are interested in what you're doing, that's going to come up at the dinner table," said Jeff Hanman, VP of Corporate Affairs.

But how does a company of engineers and geologists make these connections? By realizing that, perhaps, Teck couldn't do it well and needed to partner with someone who was already doing it well.

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IT'S ABOUT COMMUNICATING SUCCESS, BUT ALSO COMMUNICATING YOUR DILEMMAS AND THINGS YOU'RE NOT VERY GOOD AT YET

KEY TAKEAWAYS

Putting a value on impacts and sustainability data will be hard in true accounting values, but necessary in order to show the value of investing in such projects. Putting a "package" around projects can help better value efforts from an investor point of view.

Although there is a lack of standardization of data, reporting an accurate and full picture of the issues that are material to the business is critical for investors and stakeholders to understand what and how sustainability efforts are enhancing the business. But figuring out what transparency means depends on which stakeholder is listening.

As there is no "one size fits all" approach in reporting, correct messaging is important and communications need to be designed to be audience specific.

So Teck partnered with social good organization WE, and honed in on an emotive message that kids could relate to: diarrheal disease as a leading cause of child death worldwide. Together WE and Teck created a youth-led battery recycling project that, ultimately, leads to TECK to extract zinc from those batteries and use the revenue to donate back to zinc-base anti-diarrheal nutrition programs. The results: through the campaign, the company has engaged with more than 400,000 young people.

"Building community support is really critical to maintaining capacity of operations, and to have social license to build new operations," said Hanman. "That makes youth a pretty important stakeholder: they're opinion members, future community leaders, and also future potential employees."

When Dutch banking company ABN-AMRO needed to update its one-size-fits-all communications strategy in 2015, trust in the company and the banking sector as a whole was low, said Hera van der Laarse, company Sustainability Reporting Specialist. So they adopted a tailored approach, and ensured they had a good content foundation. Their ambition with the strategy: to be recognized for their transparency and sustainability, focusing on sustainability practices for corporate lending and investing opportunities. As such, they created a sustainability newsletter for their clients and invited NGOs to share in their newsletter and share concerns with them. They've also pared down their 400 page investor report to 80 pages, while not compromising information. The results: the bank's efforts have served to repair a little bit of the trust, she said.

"It's about communicating success, but also communicating your dilemmas and things you're not very good at yet," said van der Laarse.

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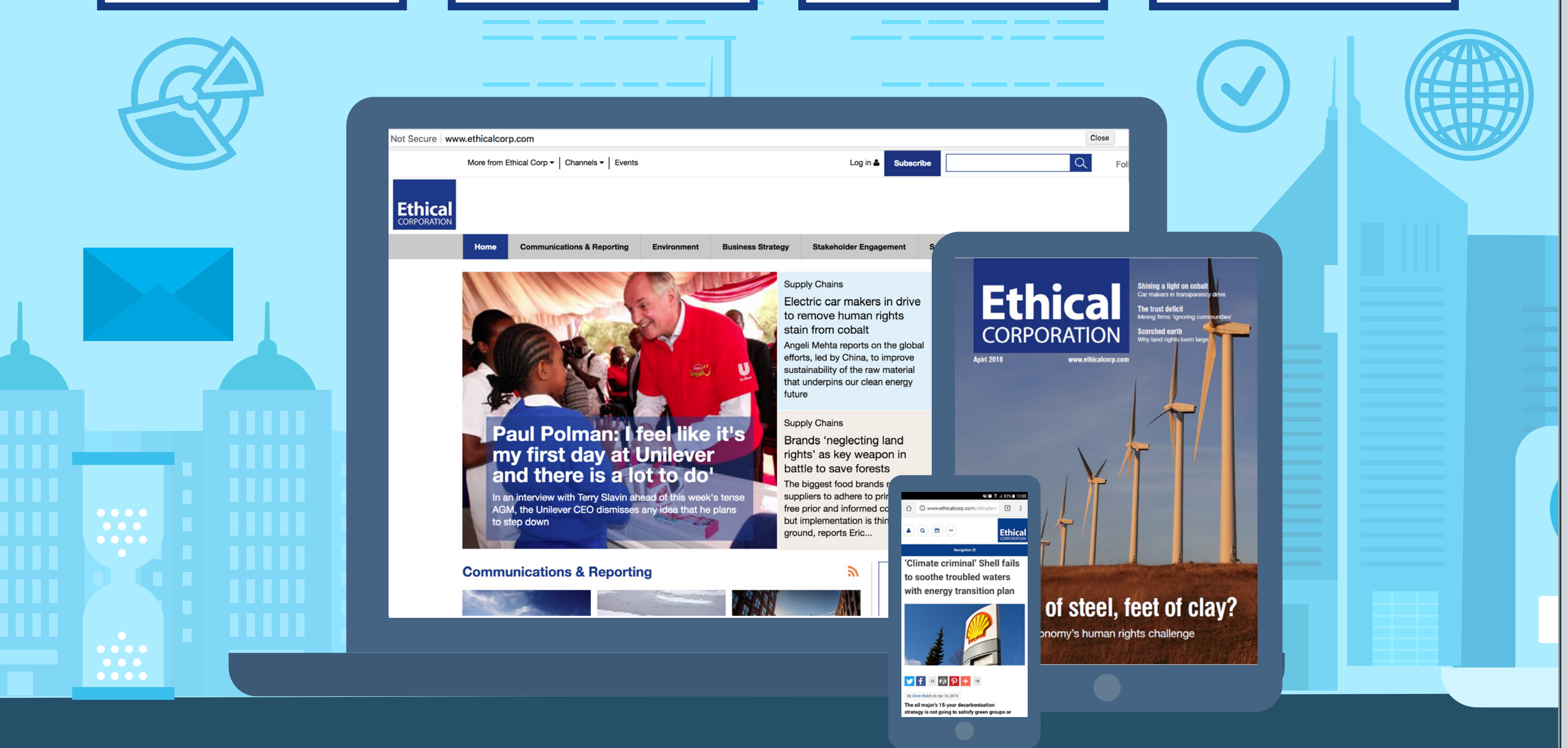

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