

Corporate social responsibility: Merely window dressing?

Many companies today are being called on to improve their corporate citizenship and go above and beyond the requirements set forth by regulators and environmental groups to have a greater social impact across the world. This business practice is referred to as corporate social responsibility (CSR) and continues to grow in prominence and importance in the hearts of stakeholders. But, is CSR merely window dressing for companies to increase profits through the guise of clever, disingenuous marketing? Or, does it provide a meaningful impact on and material value to the communities around us? That was the question at the heart of the Financial Services Forum's event held on 13 December 2016. A panel of experts provided insights and examples of how CSR is changing and how companies benefit the greater good.

Transforming lives

One such organisation that firmly believes in the value of CSR is the Charities Aid Foundation. As explained by Lucy Mantella, Senior Corporate Client Manager, the CAF, "works to motivate society to give ever more effectively, helping to transform lives and communities around the world."

To accomplish this, they partner with companies in order to assist them with navigating CSR. Lucy stated there's a notable gap organisations need to address in order to change the perception of how they contribute to society, particularly making up for a trust deficiency among stakeholders. According to consulting firm PwC, nearly 50% of people have lost trust in businesses because they fail to contribute to the greater good!

However, CAF contends that an effective CSR programme can help bridge that gap with an authentic approach, the appropriate investment in resources, and lastly the patience to ensure that the effort and benefits are sustainable over the long term. The business case for companies taking a positive attitude and deliberate path to implementing an effective CSR strategy helps mitigate risk and bolsters a firm's reputation.

Lucy stressed that at a time when CSR is more relevant than ever, a conscious effort by companies implementing a full CSR strategy in their operations will also work to win and retain customer's hearts and minds.

Global goodness

Global Media has a unique term it prefers to use instead of CSR: Global Goodness. And as Director of Global Goodness Emma Bradley rhapsodised, the most effective way Global can make a difference in society is by harnessing its assets and massive reach as one of the U.K.'s premier media companies.

Among the vehicles to achieve this are the Global Academy, the Big Music Project and Global's Make Some Noise. These are intended to embolden those without access to the means to achieve great things and instigate change for the better. In fact, Make Some Noise was able to raise £2.2 million in 2015 to give a voice to small charities that otherwise wouldn't have had the resources to!

But Global's efforts don't stop there. Another way in which it's able to help is through strategic partnerships. The benefits of these further compound its Global Goodness efforts as a non-profit impact investor through built-in communications plans for charities and increased staff engagement.

With its unique 3 part promise, Global is able to make some noise to raise awareness of the small charities it supports, make some noise to raise money for their vital work, and build sustainability by helping them to make some noise themselves through marketing and media masterclasses. With this model Global is impacting 38 new projects every year.

When it comes down to it, the core tenets of Global Goodness are quite simple: integrate, communicate and measure. This approach has helped Global give back to its community and provide high-impact products and services for those in need across the world.

Integral operations

Graham Precey, Head of Corporate Responsibility & Ethics at Legal & General Group Plc, contends that CSR is an integral function that helps run the shop. L&G believe investing in organisations with a similar mission not only promotes balance sheet transparency to its stakeholders, but more critically provides a safety net for those in need. One distinguishing factor of L&G's efforts is its view of CSR as a long-term commitment to their customers and communities around them.

L&G isn't afraid to reach beyond its core business operations to accomplish its goals of giving back. It's invested billions of pounds through direct investment into causes that include housing, income support for pensioners and health benefits for those who otherwise don't have access.

As a result, in 2015 L&G invested £7 billion of its proactive balance sheet into economic, social and environmental projects, further adding to the long-term stability its CSR campaigns. This work has gone on to assist 5 million people with basic financial services and over 11,000 people have remained in their homes for longer. They've also helped a million retired customers create a £1 billion fund for students to live, learn and grow for years to come.

CSR: The real deal

So, what did we learn about CSR from these three experts?

If anything, it's far from window dressing. Not only is it a critical component to servicing and empowering those in need, but it furthers each organisation's efforts to maintain long-term stability, providing a longer lasting positive impact on those in need. Certainly, the by-product of an improved image and perception can be beneficial, but there's no question that the public's call for CSR to be a greater focus for businesses is integral to everyone's long-term prosperity.

While this blog could list the seemingly innumerable ways these three companies contribute to society and create a better world around them, we encourage you to read more at each of their websites:

Charities Aid Foundation: <https://www.cafonline.org/giving-as-a-company/spotlight-on-the-city>

Global: <http://www.thisisglobal.com/charities-and-communities/>

Legal & General Plc: <http://csr.legalandgeneralgroup.com/csr/>

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