

Lundquist 2009 CSR Questionnaire

Communicating CSR online is key to corporate reputation in recession, Lundquist survey shows

Milan, 26 May 2009 - Corporate social responsibility (CSR) is growing in importance during the current global recession and is considered fundamental both to corporate reputation and for attracting and retaining employees. Furthermore, communicating CSR is increasingly happening online – and especially on corporate websites, which are considered a primary source of information about a company’s non-financial performance.

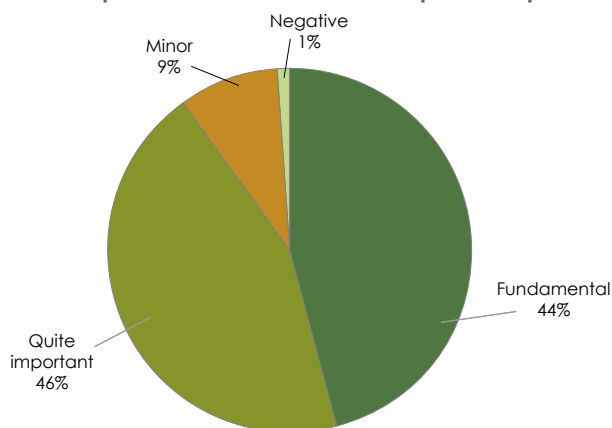
These are among the key findings of a survey of almost 200 CSR professionals and experts worldwide conducted by Lundquist, a financial communications consultancy in Milan. Respondents were overwhelmingly convinced of the importance of CSR for many aspects of corporate success – from reputation to human resources – underscoring the key role that can be played by successfully communicating CSR policies and initiatives, both internally and externally.

The survey revealed how experts are convinced CSR has a vital impact on the good name of a company, with 90% saying that CSR has a “fundamental” or “quite important” impact on corporate reputation. This “good name” is vital not only for external stakeholders but also for company employees: about two-thirds of respondents said that a solid CSR reputation is either the most important factor or a major influence in attracting and retaining employees.

Key findings

- CSR is seen to be gaining public attention in the economic and financial crisis
- Corporate websites considered a key source of information by CSR professionals
- Priority website content includes CSR report, code of ethics and environmental data
- Corporate governance viewed as core component of CSR-related information
- Imbalances emerge over online communications between views of CSR managers and needs of external audience

What impact does CSR have on corporate reputation?

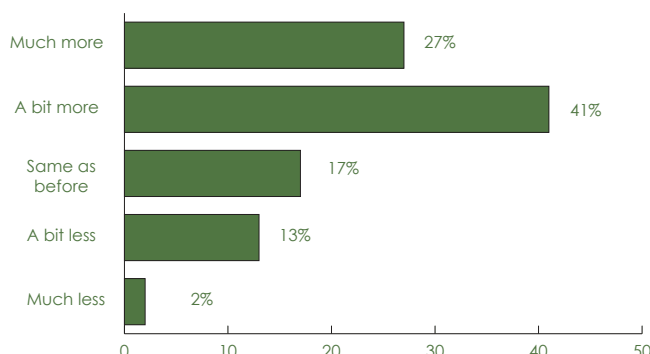


Source: CSR Online Awards Questionnaire 2009

As regards the economic benefit of CSR, 96% of those in the survey thought that a correct, integrated approach to CSR has a “fundamental” or “quite important” role to play in generating value added.

Even more importantly, there is a clear sensation that questions of corporate responsibility are gaining importance in public opinion in the current economic climate. This may be due to way an excessive focus on short-term financial results is blamed for instabilities in the global financial system and that more ethical business practices – whether imposed by regulation or voluntarily adopted – are seen to be essential for economic sustainability.

Is there more or less public attention on CSR because of the credit crisis and recession?



Source: CSR Online Awards Questionnaire 2009

In the survey, more than two-thirds of respondents felt that public opinion in their country or region was more focused on CSR issues because of the credit crisis and recession, compared with 16% who felt this attention had diminished.

About the respondents

A total of 184 people answered the Lundquist online CSR survey between January and April 2009, with many successfully contacted via social media websites such as Facebook and LinkedIn. About 30 nationalities are represented in the survey with 56.5% of respondents coming from mainland Europe (i.e. excluding the UK). Other important groups included those from North America (20.4%) and Great Britain (13.9%). There were also answers from Asian countries (4.9%).

A wide range of professional categories were represented in the questionnaire. The most common job descriptions were CSR officers and managers (30%), followed by consultants (15%), journalists (12%) and financial analysts specialising in Socially Responsible Investment (SRI) or Environment, Social and Governance (ESG) issues (11%). Universities were represented both by teachers (7%) and students (7%). Other respondents identified themselves as institutional investors, carbon analysts, human resources managers as well as non-profit advisors and fundraisers.

Respondents were able to draw on many years of experience in CSR – 41% of them have worked in this area for at least five years and another 18% for between three and five years. More than one in 10 has more than 10 years' experience in the field. Almost three quarters of respondents were aged between 30 and 55, evenly split between the thirty-somethings (34%) and those between 40 and 55 (36%). There was a good representation from the younger generation (22% between 18 and 30 years) with a further 8% aged over 55.

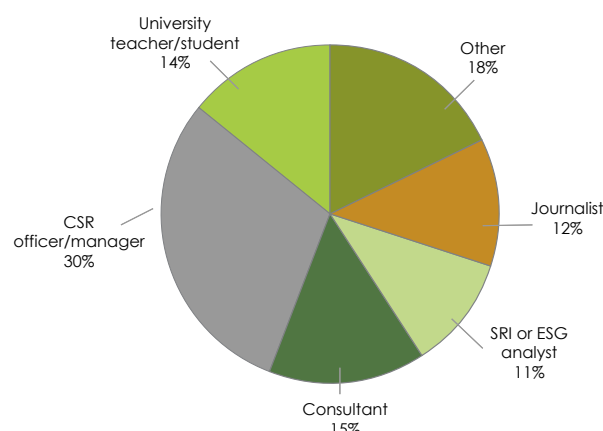
Survey reveals priorities for CSR communications

Respondents said they regularly search for information about CSR online – seven out of 10 at least several times a week. This search often leads them to corporate websites for information – more than half consult company sites at least several times a week. Indeed, for three quarters of respondents, a corporate website is either the primary or an “important” source of information about CSR.

Their answers also provide a useful guide about what priorities to adopt for online CSR communications. CSR sections of many corporate websites are rapidly expanding because of the wide range of content that needs to be provided, both to stakeholders and the public in general; but this content must also be structured and organised in a way that aids navigability and makes the most sought-after elements easiest to find.

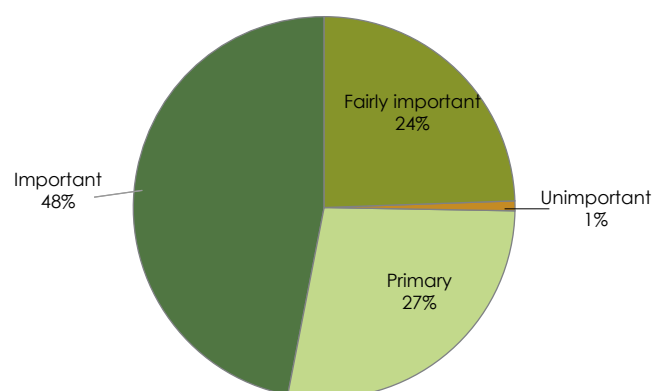
When asked what is the most important information companies can provide on their CSR activities, the clear winner was the **CSR or sustainability report**. The questionnaire didn't consider the quality of the report itself and clearly it's an open question as to what information is therefore provided inside the report. However, respondents were keen on having a rich history of previous reports available online in order to assess a

Respondents by job description



Source: CSR Online Awards Questionnaire 2009

How important are corporate websites as a source of CSR information?



Source: CSR Online Awards Questionnaire 2009

company's progress over time. Almost half of those who answered said companies should provide an archive going back five years or more.

Aside from the CSR report, respondents signalled the need above all for a **code of ethics** (often called a code of conduct or of practice) to be published online as well as **environmental data**. A letter or declaration from the CEO, lists of awards received and a stakeholder map were considered to be less essential.

Communicating CSR online often runs into the problem of having to divide corporate websites by theme (media, investors, governance, etc.) while CSR is an aspect of business management that cuts across all areas. This is borne out by the fact that almost half of respondents in our survey agreed that **corporate governance** falls entirely within CSR and is one of its fundamental dimensions. Another third thought that corporate governance falls only partly within CSR but remains a separate business domain.

Looking only at environmental information, priority was given by respondents to the publication of **data relating to energy, waste, water and emissions**. This was closely followed in importance by a description of the company's **environmental management system**, which was judged more important than detailing certifications or NGO partnerships.

As regards information about Socially Responsible Investment (SRI), respondents highlighted two areas above all others: the details of a **profile or report by an SRI ratings company** along with **membership of sustainability indexes**. Of lesser importance was the amount of shares held by SRI funds or other ethical investors, perhaps reflecting the difficulty in providing reliable information on this issue.

The survey also highlighted how CSR managers in most cases agree with their audience – analysts, journalists, researchers – on what priority to give their communications. But some interesting **imbalances emerge**. For example, company officials tend to ascribe too much importance to providing SRI information but not enough to social and environmental certification; they over-emphasise the necessity of providing a generic email address (such as csr@companyname.com) but underestimate the use of video presentations for the SRI and ESG financial community.

Internet and the potential for dialogue

The survey also examined some specific aspects relating to interactivity and how CSR information is presented online to users. Good online communications isn't only a question of what is published on the web but also how content is presented and to what degree interactivity is exploited to create a dialogue with users.

As regards **interactive CSR or sustainability reports** (in HTML format), respondents said they tended to use them when available, rather than read or download a PDF document or consult a hard copy. Almost half of respondents said they always or often use them compared with a fifth who said they never or hardly ever read interactive reports.

The much-debated issue of **corporate blogs** was one of the few questions to split questionnaire respondents. While only a small minority find them either very useful for companies or of no use at all, 35% said they are "fairly useful" while 42% found them only of "limited use." This may account for the fact that the success of corporate blogs hinges on many factors, including how they are managed, who contributes and what kind of topics are covered.

In terms of CSR-related **video content** that could be published online, respondents stated that it would be most appropriate for companies to provide videos about specific case studies and initiatives or else videos explaining key topics such as climate change and sustainable development and the company's approach to them. In these cases, video is a dynamic and engaging way for companies to show policies in action rather than management speeches or presentations.

When companies are providing updates about their CSR programmes, website users in the survey expressed a preference to receive an **email alert** over all

CSR professionals & online communications

Professionals searching for CSR information online are most interested in finding...

- CSR / sustainability report with five-year archive
- code of ethics
- environmental data
- profile or report by SRI ratings company
- information on corporate governance

Internet users focusing on CSR prefer...

- interactive reports
- videos presenting case studies or approach to hot topics
- news distributed via email alert
- details of where CSR officers are placed in the corporate organisation
- personal email addresses to contact CSR officers

other forms of communication, followed by the publication of a press release or an article in the company newsletter.

As for information about CSR staff, respondents said they wanted to know above all where they are placed in the **corporate organisation**. After this, most preferences went to having a personal email address of the CSR manager.

Towards a best practice resource for online CSR communications

The responses provided in the questionnaire have been used to compile a protocol of 76 evaluation criteria with which to assess companies' online CSR communications. The priorities indicated in the questionnaire responses allow for the criteria to be weighted in order of importance to reach a maximum score of 100 points. The second edition of the **Italian CSR Online Awards** were published in May 2009 in Italian business daily *Il Sole 24 Ore*, covering the 40 members of the benchmark S&P/Mib index.

In coming weeks, Lundquist will also use the protocol of criteria to compile a ranking of the **best CSR website sections of 91 of the world's most sustainable companies**, based on members of the Dow Jones Sustainability World 80 Index plus super-sector leaders of the wider Dow Jones Sustainability Index.

An analysis of the results of each ranking will be available in a report that will also include complete details of responses received in the questionnaire as well as a criterion-by-criterion presentation of international best practice. The research therefore provides a comprehensive guide to successful online CSR communications.

For further information

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