Eni, UBS Win Top Slots In Global Survey Of CSR Strategy

MILAN (Dow Jones)--Italian oil giant Eni SpA (E) and Switzerland's UBS AG (UBS) are the top performers in the world of interactive corporate social responsibility, according to a new survey by Lundquist, a Milan-based consultancy.

The survey of 91 global companies from around the world found that German and U.K. companies are the best at using the Web to stoke dialogue with stakeholders, while U.S. and Asian firms lag behind.

The survey also found that most respondents - including opinion makers, executives and academics - believe that "questions of corporate social responsibility have gained importance in public opinion" as the search for short-term financial results is blamed as a cause for the global financial crisis, said Joakim Lundquist, founder and head of the consultancy.

However, the survey results were relatively dismal, with the average score less than 50 out of 100 and fewer than half of the corporate respondents claiming they even had any corporate social responsibility targets of any kind.

Mining and energy companies such as Royal Dutch Shell PLC (RDSB), Rio Tinto PLC (RTP) and BHP Billiton Ltd. (BHP) tended to fare best, largely due to their heavy focus on environmental sustainability issues, itself a function of increased public scrutiny.

UBS aside, financial services and telecommunications companies fared the worst in the survey, the first of its kind with a global scope.

More than half the companies surveyed failed even to respond to a fictitious investor's letter sent by Lundquist to their CSR departments asking whether they had "ethical" funds among their shareholders.

"Many companies are stuck in an 'off-line' mode of disclosure and reporting, with little space for feedback and dialogue," said Lundquist executive James Osborne.

The global demand for fresh capital at a time when savers and some institutional investors are concerned at the social cost of bank bailouts may spur greater attention to CSR-related issues.

The number of "socially responsible investment" retail funds in Europe jumped to 683 from 537 in the past year, a 27% annual jump that was the fastest since 2001, while assets now total EUR53 billion, up by a factor of 10 in the past decade, according to Vigeo, a French agency that provides CSR ratings.

Ten of the companies that scored 50 or above in the Lundquist survey - including Sanofi-Aventis SA (SNY), Vodafone Group PLC (VOD), Allianz SE (AZ), AstraZeneca PLC (AZN), GlaxoSmithKline PLC (GSK), Nokia Corp. (NOK) and Roche Holding AG (ROG.VX) - also figure in the top 20 holdings of those funds, according to Vigeo.

Growing interest in "ethical investing" bolsters the case for an increased role for Web 2.0 strategies.

Alessandro Teixeira, president of APEX, the Brazilian Trade and Investment Promotion Agency, made the same point at a Milan conference last week, insisting that his and kindred agencies everywhere need to "develop a consistent online strategy" to engage and attract investors.

But the current crisis may spur marketing teams to take over corporate social responsibility efforts, said Giulio Sapelli, a professor of economics and management at the University of Milan.

"The crisis will push companies to tout their CSR functions in a publicist and advertising mode rather than to consolidate their reputation," Sapelli said. One reason, he suggested, is that CSR has tended to focus so much on environmental issues rather than "use a broader definition including the welfare of employees," he added.

-By Christopher Emsden, Dow Jones Newswires;