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Subject: Lundquist CSR Online Awards 2009 UK – part 1/2

Damning report into online sustainability reporting

 Comments (1)

Major companies around the world are failing to engage with stakeholders despite the interactive opportunities provided by the web

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Companies from the Dow Jones Sustainability Index rated poorly for their use of CSR communications through the web. Photograph: Mark Lennihan/AP

I mentioned in [my recent blog](#) on online CSR reporting that a study was coming out which is pretty damning about company transparency around social, ethical and environmental performance and I would give more details when it was made public.

Well, the [report by Milan-based communications consultancy Lundquist is now out](#) so I thought it would be useful to highlight what it says.

The agency pulls no punches: "Often CSR sections of websites don't mention certain topics at all (policy framework, SRI, human resources, etc.). But it is also a question of companies publishing a lot of 'good news' and avoiding the hard (sometimes uncomfortable) facts that stakeholders need if they are to judge how well a company is performing in non-financial matters. Respondents in our survey left comments calling for more 'honesty', warned of too much 'greenwashing' and accused companies of being 'manipulative, condescending or incomplete'. Our research reveals that, in many cases, these stakeholders are right to be sceptical about what they read on corporate websites."

Lundquist evaluated how well 91 members of the Dow Jones Sustainability Index use their corporate websites as a platform for CSR communication. Each website was assessed using a set of 76 evaluation criteria, drawn up on the basis of a survey conducted by Lundquist of 184 CSR professionals and sector experts from 30 different countries.

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The consultancy reports that most of the companies studied provided only a limited range of pertinent information online and fail to use the web to anything like its full potential.

I think Joakim Lundquist, founding partner of Lundquist makes a fair point when he says: "There needs to be a wider debate about the importance of the web for CSR because many companies struggle to break away from the standard model of one-way corporate communications. If CSR is to drive corporate reputation, it needs to be expressed systematically across the corporate website in a way that is engaging and factual. But companies must also show that they are open to feedback and prepared for a web-based dialogue."

The survey found very low scores for companies around interactivity. In fact the average score was 20 per cent for the interactivity section, 18 per cent for staff and contact information, with just over a third of companies providing no contact information whatsoever.

The highest scores in terms of content were for CSR reporting and environmental information. Lundquist concludes: "This is a form of one-way disclosure where companies feels they simply have an obligation to inform stakeholders of what is going on. Despite many slogans saying companies today are prepared to 'listen', our research reveals that this is rarely the case when it comes to the web.

"This seeming lack of interest in what goes on outside the company also means websites rarely offer news and information about the wider CSR sector in general. Internet users are rarely shown how companies are inserting themselves into a general social, environmental and economic context, whether by attending or holding events or by publishing or commissioning research."

Companies can always use the excuse that social media is still fairly new and they need to think through how to use it effectively and that takes time. But perhaps the best indication of the lack of responsiveness that Lundquist found was that a large percentage of companies are not even responding to what now seems like old-fashioned email enquiries.

It sent an email to the CSR department of all companies from a fictitious private investor asking for information about whether there were ethical funds among shareholders or about their membership of sustainability indexes.

Four companies replied within two hours, another 11 got back within 24 hours. Results trickled in from a further 11 companies during the following two days. Of the rest, 17 responded after the maximum permitted time of three days but another 48 companies – more than half of the companies failed to get back at all.

The research found companies are generally competent at providing the main information that stakeholders are looking for online but that many companies fail to go much further than this.

I don't know if Lundquist's survey is a fair representation of the state of play in online CSR reporting, but it would be interesting to get some feedback.