

DON'T BE LATE TO THE PARTY: THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY AND BEING MORE THAN A BOTTOM LINE

In the age of the Millennials and social media, corporate social responsibility (“CSR”) is becoming an increasingly important factor in the public’s opinion of companies. Companies have begun to make public statements about their values, from Nike cancelling the sponsorships of disgraced athletes to the NFL only choosing host cities of the Super Bowl that align with its values. However, this voluntary exercise of social responsibility has the potential to turn into a requirement. The European Union (“EU”) took such a stance in 2014 when it enacted a law that requires publicly traded companies to annually report their impact on “social, environmental and human rights” issues.¹ This Perspective will discuss the importance of social responsibility and its effect on corporations’ sustainability.

Consumers—especially Millennials—support companies that foster social responsibility and sustainability. A study conducted by Horizon Media’s Finger on the Pulse found that “81% of Millennials expect companies to make a public commitment to good corporate citizenship.”² Because credibility with consumers affects a company’s bottom line, companies should take social responsibility seriously. After all, studies show that consumers will pay more for brands connected to social conscience.³ Being that employees are essential to a business’s success, companies should also concentrate on cultivating a socially responsible image to attract the best employees as “increasing social responsibility while communicating your business’s higher level purpose is a key to attracting best talent.”⁴ Thus, the bottom line is no longer the only thing

¹ *It’s the law: Big EU companies must report on sustainability*, GREENBIZ (April 17, 2014), <https://www.greenbiz.com/blog/2014/04/17/eu-law-big-companies-report-sustainability>.

² Ryan Rudominer, *Corporate Social Responsibility Matters: Ignore Millennials at Your Peril*, HUFFINGTON POST (Feb. 5, 2016, 2:43 PM), www.huffingtonpost.com/ryan-rudominer/corporate-social-responsi_9_b_9155670.html.

³ *Doing Well By Doing Good*, NIELSEN (June 17, 2014), <http://www.nielsen.com/us/en/insights/reports/2014/doing-well-by-doing-good.html>.

⁴ Mark Horoszowski, *64% of CEOs Are Increasing Investment in Corporate Social Responsibility in 2016—Here’s Why*, HUFFINGTON POST (Feb. 9, 2016, 3:25 PM), www.huffingtonpost.com/mark-horoszowski/64-of-ceos-are-increasing_b_9161924.html.

that companies must focus on. They now must also focus on the “triple bottom line’ of the corporate world . . . profit, people and the planet.”⁵

Companies exercise social responsibility through both environmental and social policies. For example, the COP₂₁ climate conference in Paris made a substantial effort to encourage corporations to address climate change.⁶ Coca-Cola, Sony, and other large players in the private sector made commitments to work towards managing climate change.⁷ This reflected a shift in corporate perspective from fighting against environmentally sound policies, to beginning to accept that consumers expect corporations to enact green initiatives. What was alarming about the conference was that a survey of the 10 summit sponsors revealed that most did “not publish data on their CO₂ emissions, half don’t track their lifetime carbon footprint, and only one is reducing its emissions in line with the EU’s targets.”⁸ Companies should steer clear of such disregard for environmental unconsciousness because they could potentially lose credibility among their consumers.

Instead, companies should follow the lead of Las Vegas company, Sands ECO360, which launched a global corporate sustainability program entitled, “I Will If You Will.” The purpose of the program is to “collaborate[s] with the company’s team members and encourage[es] them to take action to reduce their impact on climate change.”⁹ In addition to environmentally sound initiatives, companies should stay accountable for their emissions. For example, Cisco has begun “aggressively targeting greenhouse emissions,” by installing solar photovoltaic systems in some of its facilities.¹⁰ In the past five years it has achieved a “30% absolute reduction in Scope One and Two GHG emissions worldwide.”¹¹ Additionally, it is working towards developing new

⁵ *Corporate Social Responsibility: The Ultimate Marketing Tool*, EUROPEAN CEO: BUS. & MGMT. (Feb. 13, 2015), <http://www.europeanceo.com/home/corporate-social-responsibility-the-ultimate-marketing-tool/>.

⁶ Susan PcPherson, *5 CSR Trends That Will Blossom In 2016*, FORBES (January 8, 2016, 10:26 AM), <http://www.forbes.com/sites/susanmcperson/2016/01/08/5-csr-trends-that-will-blossom-in-2016/#2cd3f9a2742a>.

⁷ *Id.*

⁸ Arthur Neslen & Emma Howard, *Paris Climate Summit: Survey Reveals ‘Greenwash’ of Corporate Sponsors*, THE GUARDIAN (Dec. 1, 2015, 11:24 AM), <http://www.theguardian.com/environment/2015/dec/01/paris-climate-summit-survey-reveals-greenwash-of-corporate-sponsors>.

⁹ Kristin McLarty, *Las Vegas Sands Launches Global “I Will If You Will” Campaign in Support of Earth Hour*, CSRWIRE (Mar. 18, 2016, 2:44 PM), http://www.csrwire.com/press_releases/38794-Las-Vegas-Sands-Launches-Global-I-Will-If-You-Will-Campaign-in-Support-of-Earth-Hour.

¹⁰ *Multiplying Impact on the Bottom Line Through Sustainable Solutions*, CISCO (Jan. 2014), <http://csr.cisco.com/pages/environment>.

¹¹ *Id.*

products that are more energy efficient, which will allow their consumers to reduce their emissions.¹² Thus, in order for companies to cultivate an environmentally conscious image, they should take aggressive action towards managing climate change.

Companies have also started taking positions on issues involving social justice. Following the Supreme Court's decision on gay marriage, companies have begun asserting their positions on LGBT rights by taking actions to demonstrate that they are devoted to promoting equality. For example, in February 2016, Nike dropped prized fighter Manny Pacquiao as one of its sponsors after Pacquiao made derogatory remarks about people in the LGBT community.¹³ Nike issued a formal statement expressing that "Pacquiao's expression of homophobia and bigotry disqualifies him from being honored, endorsed and sponsored by one of the world's largest publicly-traded and owned athletic companies . . ."¹⁴ In March 2016, the National Football League (the "NFL") formally announced that its policies "emphasize tolerance and inclusiveness" and "[w]hether the laws and regulations of a state [] are consistent with these policies would be one of many factors NFL owners may use to evaluate potential Super Bowl host sites."¹⁵ This statement was made in the wake of a Georgia bill that would allow people to discriminate against LGBT members in the name of religious liberty.¹⁶ The proposed legislation also caused Disney to publically announce that it would halt all filming in Georgia if Governor Nathan Deal approved the bill.¹⁷ Disney and its subsidiary, Marvel, have filmed many movies in Georgia, such as *Ant-Man*, *Captain America: Civil War*, and *Guardians of the Galaxy 2*.¹⁸ *Ant-Man* alone employed 3,579 Georgians and pumped \$106 million into the state's economy. Governor Deal decided to veto the bill, which seemingly suggests that when large corporations like the NFL and Disney assert their positions on social issues, they have the economic power to persuade socially progressive change.

¹² *Id.*

¹³ A.J. Perez, *Nike Drops Manny Pacquiao After Derogatory Comments Toward Gays*, USA TODAY: SPORTS (Feb. 17, 2016, 8:12 PM), <http://www.usatoday.com/story/sports/boxing/2016/02/17/manny-pacquiao-nike-drops-anti-gay-comments/80511952/>.

¹⁴ *Id.*

¹⁵ Vaughn McClure, *Falcons Owner Speaks Out Against Georgia Bill*, ESPN, (Mar. 18, 2016), http://espn.go.com/nfl/story/_/id/15008690/atlanta-bid-host-super-bowl-depend-passing-georgia-bill.

¹⁶ *See id.*

¹⁷ Daniel Nussbaum, *Disney Threatens to Boycott Georgia over Religious Freedom Bill*, BREITBART (March 23, 2016), <http://www.breitbart.com/big-hollywood/2016/03/23/disney-threatens-to-boycott-georgia-over-religious-freedom-bill/>.

¹⁸ *Id.*

Finally, companies should use social media to report sustainability activities and provide consumers with an avenue to respond and give feedback about their efforts. David Stangis, the chief sustainability officer of Campbell's Soup, is easily accessible to his twitter followers and engages in conversation with consumers about sustainability issues.¹⁹ Unilever, which owns dozens of personal care and food brands, has led the way in using social media to communicate with its consumers about actions the corporation is taking to raise its social responsibility efforts.²⁰ It created the Unilever Sustainable Living program, which is "a multifaceted plan for communicating progress through a wide variety of methods, from video to Facebook to Twitter chats."²¹ Additionally, the company created the Sustainable Living Lab, an online global dialogue that generated 1,750 comments on the company's sustainability efforts.²² Thus, social media is an essential tool for a successful corporate responsibility strategy because it allows companies to tailor their actions around the feedback they receive from real consumers.²³

In today's age, consumers and potential partners not only value social consciousness, they expect it. Social responsibility fosters a greater bottom line because consumers will pay more to purchase a brand that they can identify with. Environmental and social stances are just a few of many avenues that a corporation can use to tackle social responsibility. As long as companies are diligent in identifying social issues of interest, and aggressively act in furtherance of those interests, they can remain a viable entity that is more than just a bottom line.

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¹⁹ Jen Boynton, *How the Voice of the People Is Driving Corporate Social Responsibility*, HARV. BUS. REV. (July 17, 2013), <https://hbr.org/2013/07/how-the-voice-of-the-people-is>.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

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