



HOW TO BUILD CREDIBILITY THROUGH

# **CORPORATE RESPONSIBILITY**

REPUTATIONINSTITUTE.COM



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# CORPORATE RESPONSIBILITY

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# WHAT IS CORPORATE RESPONSIBILITY (CR)?

## 1 | WHAT IS CORPORATE RESPONSIBILITY (CR)?

What does your company do to make the world a better place? Whatever the answer is, that's the start to your Corporate Responsibility (CR) efforts.

As this concept has become an increasingly important area of business, we have seen a clear shift from Corporate Social Responsibility (CSR) to the more appropriate CR.

The initial focus on protecting the environment and advancing critical social issues remains important, but not the least for which companies are held accountable. Companies need to serve a greater social purpose, make a positive impact on society, and show that they are fiscally responsible for the long haul. CR encompasses a more holistic big-picture that speaks to the good work companies must do to earn an excellent reputation from the people who matter most.

At Ri, we define Corporate Responsibility as a measure of these three reputation drivers: Citizenship, Governance, and Workplace.

Citizenship is impacted by your company's positive societal influence. Does your team support good causes? Are your business operations environmentally responsible? When it comes to Governance, we think about how open & transparent your firm is.

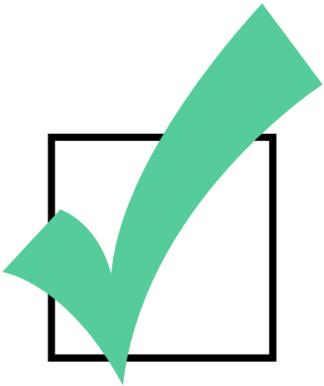
### **Corporate Responsibility is made up of three drivers of reputation: Citizenship, Governance, and Workplace.**

If you behave ethically and are fair in the way you do business, your reputation will be positively impacted. Lastly, your company's Workplace directly impacts its corporate responsibility. Your workplace wins when you reward your employees fairly, promote well-being among your workers, and provide equal opportunities for all. The people who matter most to businesses are increasingly demanding that companies serve a social purpose; companies must share their success with the world in order to make it a better place.

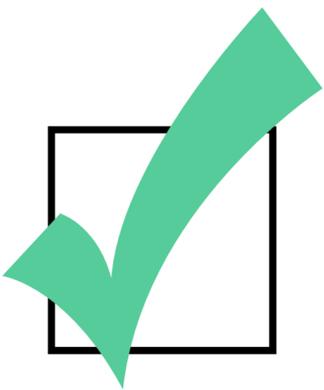


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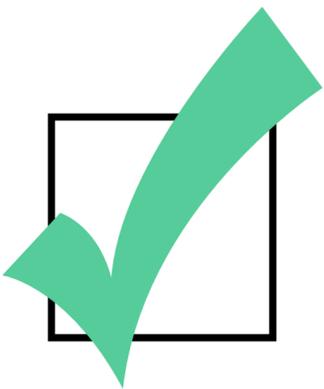
# YOUR CR CHECKLIST



Align messaging and corporate purpose: being open and transparent will increase the effectiveness of your Corporate Responsibility initiatives.



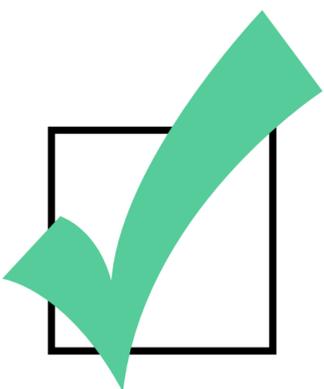
Place your CEO at the forefront of company communications. Active and vocal CEOs lead to a 9.3 point lift in CR.



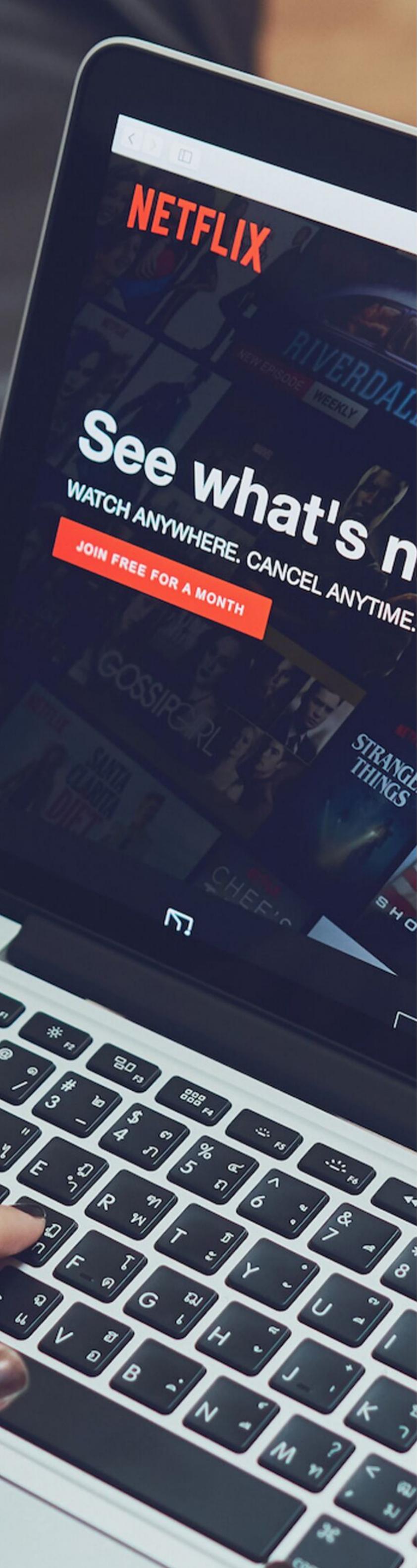
Corporate leadership must be actively engaged in CSR. CEO support is essential to rally team efforts across your organization.



Don't forget about your employee stakeholders. Turn your team into corporate ambassadors, fans of your brand who encourage friends and family to work for and buy from it.



CR must focus on human and social interests. CR is about people. And so is business. Be human in your approach to sustainability.



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CR IS NOT JUST  
ABOUT SAVING  
THE PLANET

Many believe that CR is strictly about doing good by the environment, but this is an incomplete definition. A significant part of corporate responsibility is influenced by how your company treats people.

For an example of this, we look to the entertainment content, and tech giant, Netflix. The company faced a major reputational risk when news broke of one of its star actors, Kevin Spacey, was facing numerous sexual harassment allegations.

Netflix took transparent and decisive action to remove Spacey from its hit show, "House of Cards." Despite the show's many accolades, and the financial costs that followed this decision, the company didn't hesitate to make this call.

Taking decisive action in reflection of its values was a consistent theme for Netflix in 2018, and one that should serve as inspiration for companies hoping to improve their reputation.

When reports surfaced that Netflix CCO Jonathan Friedland had used inappropriate language in private meetings, he was fired.

As a result, Netflix earned the top spot as the most reputable company in the United States by improving its Citizenship score.

From our research we can see a clear, positive shift in the perception of the company's efforts to be a good corporate citizen.

**Netflix earned the top spot as the most reputable company in the United States by improving its Citizenship score.**



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## THE MOST INSPIRING CR INITIATIVES

#### 4 | THE MOST INSPIRING CR INITIATIVES



While Ikea could do more to support its customers by simplifying its furniture assembly process, it's not slacking off when it comes to saving the world. Ikea supports global communities in crisis by building schools, donating toys, and facilitating access to drinking water.

[READ MORE by clicking the image]



The Lego Group's success in CR is a testament to its transparency and societal contribution. Thanks to efforts like partnering with the WWF, launching plant-based Legos in 2018, and investing in wind power, it is moving toward its goal of being zero-waste in operations by 2030.

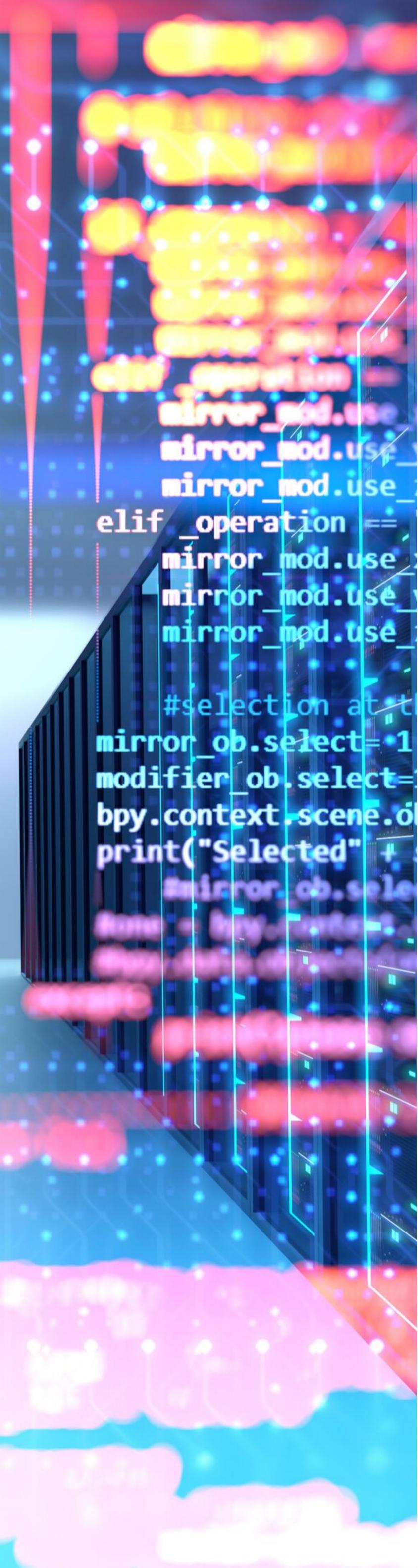
[LEARN MORE by clicking the image]



Microsoft operates an open-source platform that values good Citizenship and Governance, while also enhancing education. They also place socially responsible people in leadership roles; co-founder and former CEO Bill Gates is well-known for giving back through the Bill & Melinda Gates Foundation, and current CEO Satya Nadella is a proponent of social and environmental responsibility.



The Body Shop is considered a pioneer of CR because it was one of the first companies to publish a sustainability report. Founder Anita Roddick championed environmental protection, animal rights, community trade, and human rights.



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## CR REPTRAK

CR RepTrak is a global survey based on more than 230,000 ratings from the General Public across the 15 largest economies. It ranks global companies based on their performance in corporate responsibility.

In our most recent CR RepTrak study, only one company—Google—manages to attain a *strong* CR score. The rest of the companies sit in the *average* range. Among the top 10, there are five new companies: Natura, Novo Nordisk, Canon, Michelin and IKEA join the top ranks. BMW, Intel, Cisco, Rolls-Royce Aerospace and Colgate-Palmolive slip from the top 10 since the prior year.

Society is demanding that companies serve a greater purpose beyond their products and services. To earn and maintain a *strong* to *excellent* reputation, organizations must deliver in the areas of social, fiscal, environmental, and employer responsibility.

With these growing demands, we find that reputation is less about Corporate Social Responsibility and more about a holistic approach to overall corporate responsibility. The social part, by itself, is restrictive. Yes, organizations are pressed to do the right thing socially and environmentally, but increasingly in other key areas as well.

**CR RepTrak ranks global companies based on their performance in corporate responsibilities across the 15 largest economies.**



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# THE GLOBAL CASE FOR CR: BOSCH

Bosch is the largest supplier of automotive components and is a multinational engineering and electronics company. It has been in the top 10 of our Global RepTrak study for three consecutive years because the company continues to improve on measures of corporate responsibility. Their high CR score is truly a testament to the company's work to improve both the environment and education around the globe.

Bosch claims its place as one of the top 10 most reputable companies in the world, with a score of 68.1, because CR is at its core. Their continuous improvement in CR is notable especially since the company has always made this a priority. Put simply - Bosch delivered on corporate responsibility before it was cool.

Even when Robert Bosch GmbH was founded in the late 19th century, CR was a core pillar of the business. According to the founder and namesake of the company, "in the long term, an honest and fair approach to doing business will be the most profitable." This statement was made at their very start, but still influences the way that Bosch does business today. According to our research, a firm stance on CR like this will have a positive impact on corporate reputation, just as it has in the case of Bosch.

**Bosch claims its place as one of the top 10 most reputable companies in the world with CR at its core.**

**2018 CR RepTrak Top 10**





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## **ABOUT REPUTATION INSTITUTE:**

REPUTATION INSTITUTE (RI) HELPS LEADERS AT THE WORLD'S LARGEST COMPANIES BUILD CREDIBILITY WITH THE PEOPLE THAT MATTER MOST TO THEM BY DELIVERING DATA-DRIVEN INSIGHTS ABOUT HOW THEY ARE TRULY PERCEIVED. WE DO THIS WITH REPTRAK®, AN UNRIVALED TECHNOLOGY THAT PROVIDES ACTIONABLE INSIGHTS ACROSS INDUSTRY, COMPETITOR, AND COMPANY ANALYSIS.

REPUTATION INSTITUTE RELEASES AN ANNUAL STUDY OF THE COMPANIES THAT EXEMPLIFY THE STRONGEST CR WORLDWIDE

FOR MORE INFORMATION ABOUT CORPORATE RESPONSIBILITY AT YOUR COMPANY, **CONTACT US.**

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