

Doing Good in Not-So-Good Times

The US government launched a stimulus program last summer, and local governments struggled to implement it. Under the Neighborhood Stabilization Program (NSP), communities could buy foreclosed homes, fix them up and sell them to low-income families. A great plan – if only the communities knew where to start.

Along came Citigroup with a \$1 million grant to local housing organizations to help communities secure portions of the \$3.9 billion NSP fund. Citi employees also began giving seminars to non-profit organizations on such topics as government relations, advocacy and lobbying. “These are specific things you can do in this economic environment that can make a difference,” says Natalie Abatamarco, director of North American community programs for Citi’s global community relations group. In the fall, Citi will continue to hold non-profit management workshops for CEOs and senior staffers of community organizations across the country.

The global recession is influencing the direction of Corporate Social Responsibility (CSR) programs. Grant-making

is only one aspect of CSR. All over the world, more and more companies are giving back in various ways – from getting involved in their communities to focusing on green initiatives. The recession underscores the need to make every dollar count and for the results to contribute to sustainability.

For General Electric, that’s meant rethinking and fine-tuning priorities. GE Foundation contributed \$10.5 million this year to United Way, restricting use of the funds to providing basic needs such as food, clothing and shelter. In previous years, the company’s contributions to the volunteer-led, non-profit organization were unrestricted.

GE traditionally matches employee contributions to qualified organizations dollar for dollar but is increasing – two-for-one – the company match for employees’ donations to their local shelters or food banks. “It’s a simple short-term adjustment that will enable our employees to make a greater impact by addressing the basic needs in their communi-

ties during these difficult times,” says Bob Corcoran, vice president of corporate citizenship and president of the GE Foundation.

Elsewhere, GE employees are on a companywide “energy

Justifying Corporate Social Responsibility in a Challenging Economy

By Marilen Cawad

treasure hunt." Factory workers look for pumps and motors that can be switched off whenever possible. They also are identifying where energy-saving light bulbs can be installed.

Many Faces and Many Places

In Asia, property developer CapitaLand is helping ease the impact of the recession on public schools by contributing to a welfare fund that provides uniforms, textbooks and meals for underprivileged students. The company's contribution to the fund is based on the schools' recycling efforts. For every kilogram of waste that Singaporean schools recycle, CapitaLand Hope Foundation donates S\$2 (US\$1.35). The year-long project, Green for Hope, began in July 2008 and as of June, about 644,000 kilograms of paper, plastic and aluminum cans had been collected, bringing the total company donation to more than US\$690,000.

"Green for Hope is an innovative campaign to encourage our young children to practice good environmental habits and to help their less-fortunate classmates," says Lim Chin Beng, chairman of CapitaLand Hope Foundation. "This worthwhile project is in line with our focus on supporting the living, education and health-care needs of underprivileged children in Singapore and overseas." In China, the company runs similar programs in 10 CapitaLand Hope Schools, including a temporary school in Sichuan province for children affected by the May 2008 earthquake.

Even in the face of the recession, more projects of this kind are expected. According to a survey in January and February of 250 companies by the American Marketing Association (AMA) and public relations firm Fleishman-Hillard, companies will continue to increase their involvement in environmental sustainability initiatives in the next two to three years.

"At a time when the economy requires everyone to stay fo-

cused on the essentials, it's noteworthy that businesses are putting sustainability programs into that must-do column," says Nancy Costopulos, the AMA's chief marketing officer. "It is a signal that the business community is embracing environmental sustainability in a way that this country has probably never seen before."

Making CSR Pay

Companies find that in a difficult market environment, maintaining a CSR strategy makes good business sense. For one thing, it helps companies attract and retain top young talent.

In recruiting last year to fill its 2009 ranks of first-year associates, international law firm Orrick, Herrington & Sutcliffe promised high-paying jobs to hundreds of soon-to-be attorneys in New York. While rescinding those offers might have been the easiest way to cut costs, Orrick management instead offered to pay its first-year associates to pursue full-time work for a nonprofit for a year.

"Given the economic downturn, we designed a public-interest fellowship program for our associates who wouldn't be fully utilized in this economic climate," says René Kathawala, pro bono counsel at Orrick. "In the long run, our firm and our paying clients will reap the benefits. We will end up with very successful attorneys with great training, vast experience and polished skills."

Fellows will be paid less than half the salary they would have made had they been hired as full-time associates. Still, many chose to participate in the fellowship rather than join the ranks of the unemployed.

Pam Flaherty, president and CEO of Citi Foundation, agrees that CSR programs are good business initiatives. "In good times and in bad," says Flaherty, "it's important to be viewed as a responsible corporate citizen." ■

Bringing CSR into the Bottom Line

More companies disclose data on their programs' performance **By Richard Westlund**

Amid tough economic times and shareholder demands for increased accountability, more multinational companies are adopting global standards to evaluate the effectiveness of their corporate social responsibility (CSR) initiatives in energy efficiency, environmental sustainability, community service and other sectors.

"As we face a sustainability crisis that could ultimately even threaten our very existence as a species, we need to know how our companies are positioned to rise to the challenges, provide solutions and adapt to coming changes," said Ernst Ligteringen, chief executive of the Netherlands-based Global Reporting Initiative

Sustainability Reports; Top 10 Countries

1	Spain	128
2	US	100
3	Brazil	64
4-5	Australia	56
4-5	UK	56
6	Japan	49
7-8	Germany	41
7-8	S. Africa	41
9	Italy	38
10	Canada	36

Source: Global Reporting Initiative (GRI)

(GRI). "Public access to organizations' economic, environmental and social performance is necessary if we are to inform ourselves of the effects of the choices we make in the purchase of products and services and the effects of the business models we adopt."

According to GRI, the number of companies publicly disclosing their performance against a range of key sustainability indicators has risen markedly over the last year. In 2008, more than 1,000 organizations worldwide issued sustainability reports based on the GRI G3 Guidelines, which cover such issues as greenhouse gas emissions, labor standards and human rights. That was an increase of 46 percent from 685