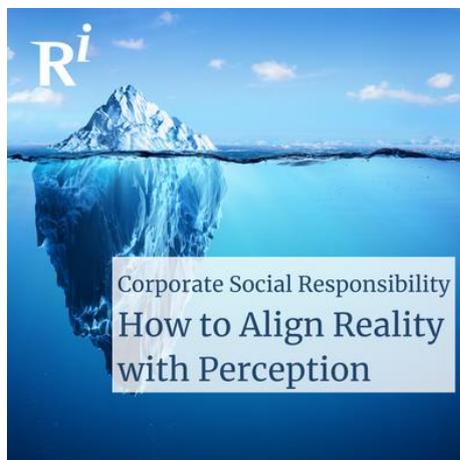


Insights from Reputation Institute



Corporate Social Responsibility – How to Align Perception with Reality

[August 1, 2018](#) [Reputation Institute](#)



In his recent annual letter to CEOs, Blackrock Chairman and CEO Larry Fink, stated that “society is demanding that companies, both public and private, serve a social purpose.”

Companies achieve and serve social purpose primarily through their corporate social responsibility (CSR) initiatives. CSR is fundamental for companies to consistently be given a license-to-operate. And as a main driver of corporate reputation, CSR creates business value and drives results.

Globally, corporate social responsibility (CSR) drives 40% of corporate reputation.

Companies that excel in CSR receive massive levels of support, with over 90% of the general public willing to purchase their products or over 80% willing to give the company the benefit-of-the-doubt in a time of corporate crisis.

The bottom line: **companies *must* deliver on more than just fiscal goals.**

The challenge is that companies, even those with robust CSR programs, are only able to engender these levels of support if they successfully communicate and are perceived to deliver on CSR.

The CSR Perception Challenge

One-fifth of the general public does not know what companies do in terms of CSR and 48% are unsure. This means **over 60% of the general public does not have a formed opinion of companies' CSR initiatives.**

Clearly, there is a CSR perception challenge. And it's not like consumers, investors, and other stakeholders are clamoring to familiarize themselves with your company's ongoing commitment to sustainability.

To get the credit and benefit of their CSR initiatives, companies **must take control of their narrative and communicate their CSR story.**

4 Ways to Align CSR reality with Stakeholder Perception

What can companies do to align CSR reality with stakeholder perception?

- 1. Align CSR initiatives with brand purpose.** Stand for something that directly ties to your work, industry and products.
- 2. Leverage the voice of your CEO.** CSR drives over 40% of corporate reputation, and responsibility drives a third of your [CEO's reputation](#).
- 3. Be genuine,** open and transparent in your communication. Your audience can tell the difference and will judge you harshly for insincerity.
- 4. Communicate** often but do not over sell your message. Be truthful about your accomplishments without embellishment.

Companies Getting CSR Right – TOMS®, The LEGO Group, Adidas

TOMS®

For some companies, it's easy. Shoe corporation TOMS®, for example, calls itself "The One for One® Company. *With every product you purchase, TOMS will help a person in need.*"

The company's entire business model and existence is based upon a social purpose: "TOMS' mission to help improve lives through business is a core value and is embedded in everything we do."

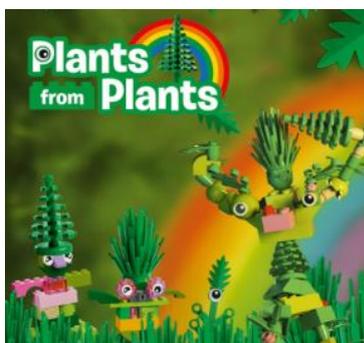
For most other companies, sharing their CSR story is a bit more nuanced.

The LEGO Group

Recently rebranded with a new CEO, mission, and vision, The LEGO Group is a company that delivers on all alignment points and leads by example. Recently named the company with the most [socially responsible reputation](#) worldwide, The LEGO Group continues to push CSR expectations.

The LEGO Group exists “to inspire and develop the builders of tomorrow,” and it achieves this through its four promises: to people, to the planet, to play, and to its partners.

As part of its [Planet Promise](#), The LEGO Group focuses on having a positive impact and earning a trusted position among its stakeholders. In 2018, the company started to materialize their promise by replacing the source material for its products, creating LEGOs from plant-based plastic.



This is a clear example of a company whose **products are in complete alignment with its values on societal contribution.**

Adidas

In 2016, Adidas launched its first product made from recycled bottles in partnership with Parley, an environmental organization that focuses on the sustainability of our oceans. Two years later, Adidas announced that it will be only using [recycled plastics](#) in apparel and shoe production by 2024.



Adidas ranked 18th in the [2017 Global CSR RepTrak®](#). Adidas is succeeding at securing its license-to-operate, especially among European regulators, where the anti-plastics movement is gaining influence.

Eager to learn more about the alignment of corporate reputation and CSR? Stay tuned for our upcoming 2018 Global CSR RepTrak® release.



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