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THE WORLD BEST CSR EXAMPLES

The World's Most Reputable Companies of Corporate Responsibility 2019

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LEGO

Some of the world's biggest businesses were in crisis management mode last year, picking up the pieces of reputations shattered by scandal. While many corporations have yet to regain the trust of stakeholders, others have made significant strides, propelled by a commitment to corporate responsibility.

"In 2018 we saw an erosion of trust, and now companies are being more transparent and are adhering to higher ethical standards," says Stephen Hahn-Griffiths, chief reputation officer of the <u>Reputation Institute</u>, a reputation measurement and management services firm. Since 2011, RI has published the CR RepTrak, an annual study of companies with the best corporate responsibility reputations in the world. This year's ranking revealed a 1.6-point increase, just enough to offset the average 1.4-point decline recorded in 2018.

"It's not necessarily that companies have done anything dramatically different, but they're doing a better job of providing reasons to believe that they have good intentions," Hahn-Griffiths says.





"Companies have chosen to pick one thing that matters, rather than trying to address all things, and that has caused an increase in corporate responsibility scores."

In today's world, corporate responsibility is as essential to business success as financial performance, and organizations that have adopted a more thoughtful approach to corporate responsibility have undoubtedly positioned themselves to win hearts and minds in the court of public opinion. "That is the strategic opportunity for any given business today," Hahn-Griffiths says. "Explain to the world what you're doing to have a positive impact on society in a way that's unique to your organization— that can make a big difference."

No company has demonstrated its commitment to corporate responsibility quite like Lego. The Danish toymaker rose two spots to claim the No. 1 position on this year's list thanks to its steadfast environmental sustainability efforts, evident even in the colorful building blocks with which the business has become synonymous. Last year, Lego started producing pieces made from plant-based polyethylene, the first of many steps toward achieving its mission of making all bricks sustainable by 2030. The company also came within seven percentage points of reaching its goal of recycling 100% of its operational waste by 2025. It also was ahead of schedule in meeting its target of generating as much renewable energy as its business consumes—doing so by means of investments in offshore wind farms in Germany and the United Kingdom. "Lego has raised the bar in its commitment to the planet of tomorrow," Hahn-Griffiths says. "It has made corporate responsibility a priority for the company, and it's implicit in everything it does."

DANONE



Another organization that has made sustainability a business priority is Danone. The 100-year-old food conglomerate may be based in France, but evidence of its "One Planet. One Health" initiative— which, as the name suggests, looks to improve the health of the world and all those who inhabit it—is as omnipresent as the yogurt for which it is best known. In Argentina, for example, Danone has collaborated with nonprofit organizations and local government officials to <u>build the city of Salta's</u>





<u>first early childhood center</u>, one where nutritionists and pediatricians are available to guide parents during the first 1,000 days of their children's lives. And in New Zealand, the company has taken steps toward its goal of reaching carbon neutrality by 2050, <u>investing \$20 million in a factory</u> that converts raw milk to baby formula to reduce the plant's CO2 emissions by 20,000 tons each year. Danone's U.S. business, Danone North America, became a <u>certified B Corp</u> last year, and as the organization works to ensure all its entities receive the same distinction by 2030, it may not be unreasonable to think that the company ranked No. 19 will continue to climb the reputation rankings. "Danone is truly a company that stands for a movement," Hahn-Griffiths says. "Not only is it established as a B Corp, but it has truly embraced the ESG goals that the United Nations set out."

The goals to which Hahn-Griffiths is referring are the <u>UN Sustainable Development Goals</u>, a list of 17 economic, environmental and social targets that signatories aim to achieve by 2030. Just as Danone has aligned its sustainability objectives with that of the UN, so too has ExxonMobil, and that's made all the difference in the eyes of the general public. While the American oil and gas giant has yet to break into the top 100 of this ranking, it has shown enough of a <u>commitment to the UN goals</u> to earn the title of most-improved company, its reputation for corporate responsibility increasing 4.9 points since last year. And having recently <u>invested \$100 million in lower-emissions research</u> and development with the U.S. Department of Energy's National Renewable Energy Laboratory and National Energy Technology Laboratory—one of <u>\$16.5 billion worth of investments</u> the company has made in energy-efficient technologies since 2000—ExxonMobil may very well be on its way toward bucking the trend of energy companies being among the least reputable. "A big part of why we're seeing a lift in energy industry companies is them understanding that the real story is not about petroleum—it's about other sources of energy, what they're doing to respect the planet," Hahn-Griffiths says. "Corporate responsibility is no longer optional—it is critical for any business, but especially important for companies looking to improve their reputations."

While 2019 was certainly a better one for the global business community than 2018, with its collective reputation on the upswing, most organizations still have a long way to go. Those companies with any hope of making progress cannot afford to consider corporate responsibility simply a concern of the C-suite. "The reality is every employee who works at a company has a role to play in delivering on corporate responsibility. Otherwise, it can actually create risk for the company," Hahn-Griffiths says. "Commitment to corporate responsibility can define the legacy of a company."

Methodology

To determine the list, RI surveyed more than 230,000 individuals in 15 countries from January to February 2019. Companies considered typically have revenue in excess of \$1 billion, a presence in all surveyed countries and brand familiarity among at least 20% of the general population.

Gallery: The World's 10 Most Reputable Companies for Corporate Responsibility 2019





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