



BSR®

The Business of a Better World



State of Sustainable Business Poll 2009

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Highlights

- Climate change and human rights are the most significant priorities for business' sustainability efforts in the next 12 months
- Those surveyed are increasingly optimistic that sustainability will be a core part of business strategy in the years ahead
- To regain the public's trust, business should demonstrate positive impacts and innovate for sustainability
- Nearly nine out of ten people said their companies' sustainability budgets would stay the same or increase next year
- Most companies either measure the ROI of their sustainability efforts or plan to do so soon

Executive Summary

Executive Summary

Climate change and human rights are the most significant priorities for business' sustainability efforts in the year ahead

- Respondents see more significant opportunities than barriers in addressing climate change, especially in terms of cost savings and efficiencies, suggesting increasing activity among companies in this key area.
- Human rights and workers' rights are both high priorities for companies in the year ahead, indicating growing awareness among business leaders of the need to broaden companies' responsibilities in this area.

Those surveyed are increasingly optimistic that sustainability will be a core part of business strategy in the years ahead

- Majorities expect increased activity in key areas—especially in internal and external communications—suggesting wider recognition of the need to expand the role of CSR/sustainability throughout their organizations.
- Optimism about the growing strategic importance of CSR/sustainability may suggest a broader acknowledgement of the potential role of business to contribute to progress on pressing global challenges.

Executive Summary

Rebuilding trust in business requires innovation and positive impacts

- Companies should take two key actions to rebuild the public's trust in business that dropped as a result of the economic crisis: demonstrate positive social and environmental impacts, and innovate for sustainability.
- The consumer products industry is by far seen as having acted most responsibly in recent years, reflecting efforts by companies such as Wal-Mart to demonstrate real results in advancing the sustainability agenda.

Most companies either measure the ROI of sustainability efforts or plan to do so soon

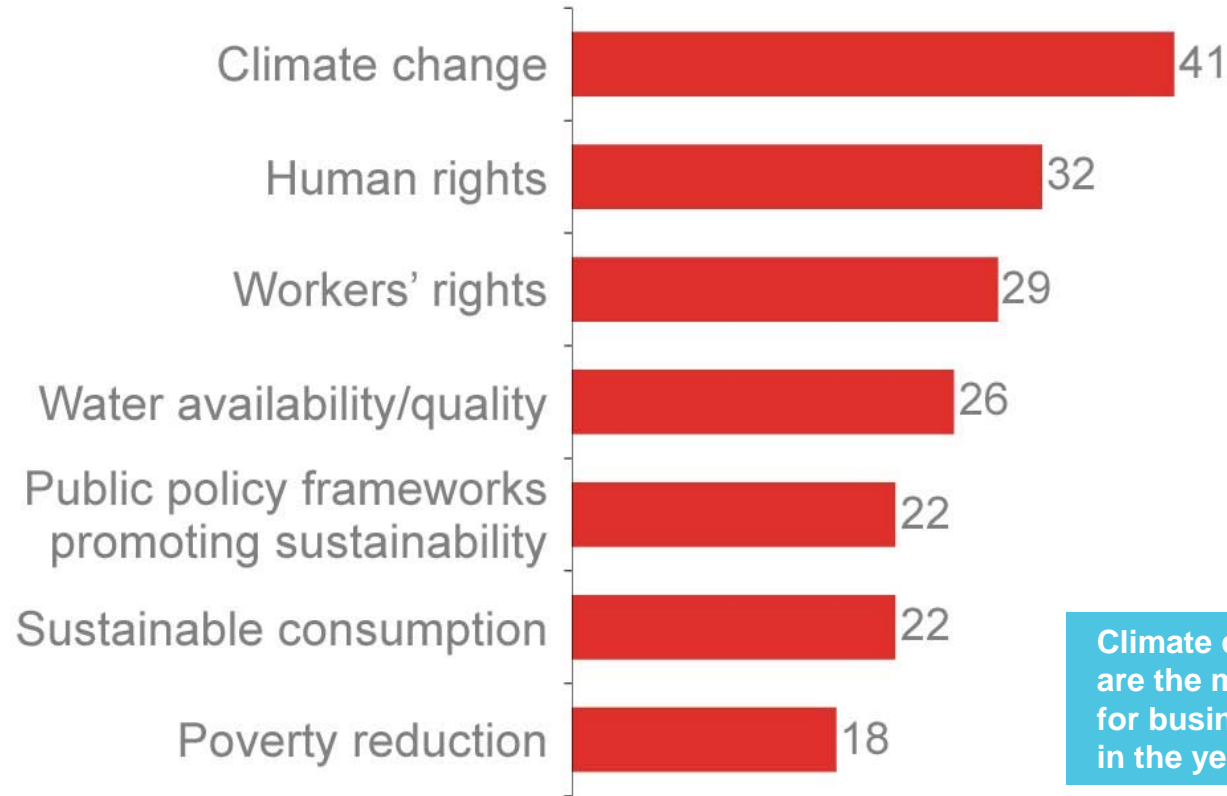
- The ROI of sustainability initiatives is currently measured mostly through reputational benefits and employee morale and satisfaction, indicating broad recognition of the benefits of sustainability beyond the bottom line.

Detailed Findings

Key CSR/Sustainability Issues

Business' Sustainability Priorities

“A Very Significant Priority,”* 2009



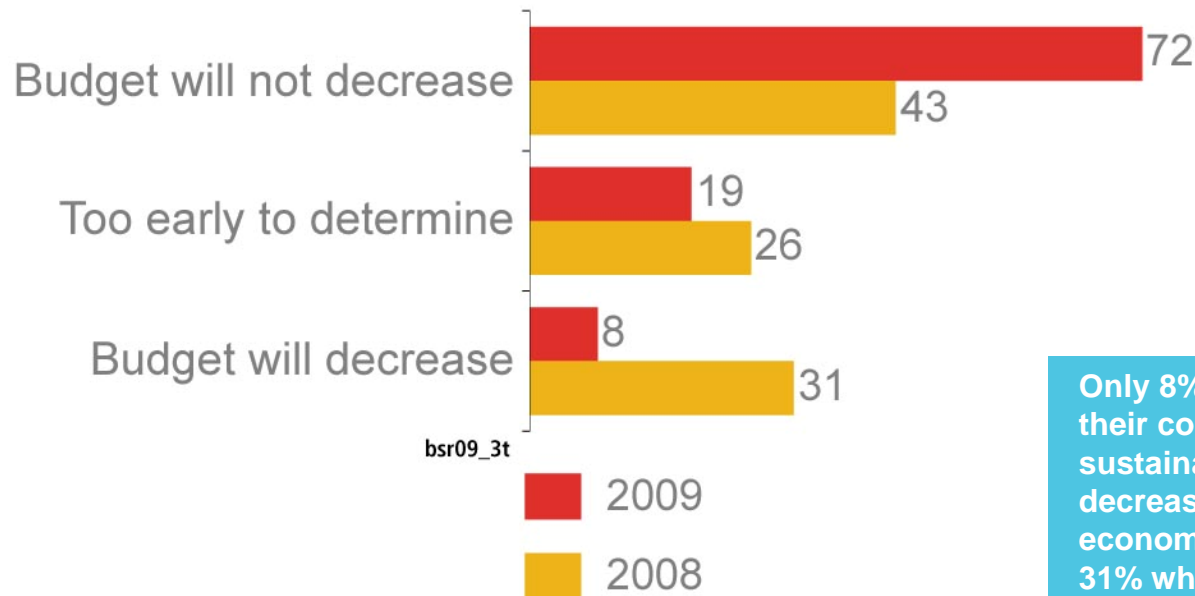
Climate change and human rights are the most significant priorities for business' sustainability efforts in the year ahead.

*Percentage of respondents who selected 5 on a 5-point scale where 1 is “not at all a priority” and 5 is “a very significant priority.”

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Will Sustainability Budgets Decrease?

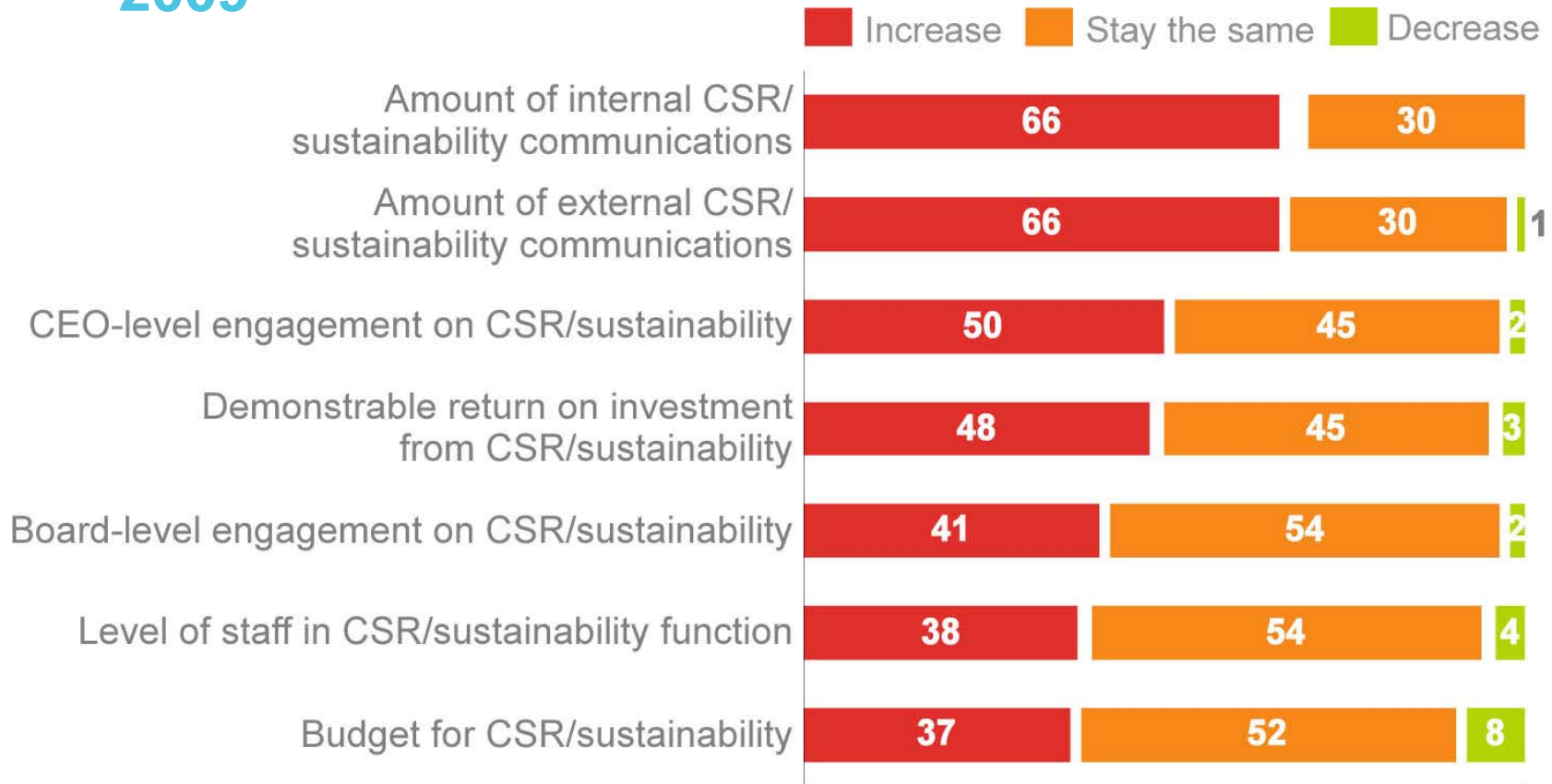
2008–2009



Only 8% of respondents expect that their companies' budgets for sustainability initiatives will decrease as a result of the current economic situation, compared to 31% who said they expected a decrease in 2008. Nearly nine out of ten people (89%) say their companies' sustainability budgets will stay the same or increase (see next slide).

Expected Changes to CSR Programs

2009



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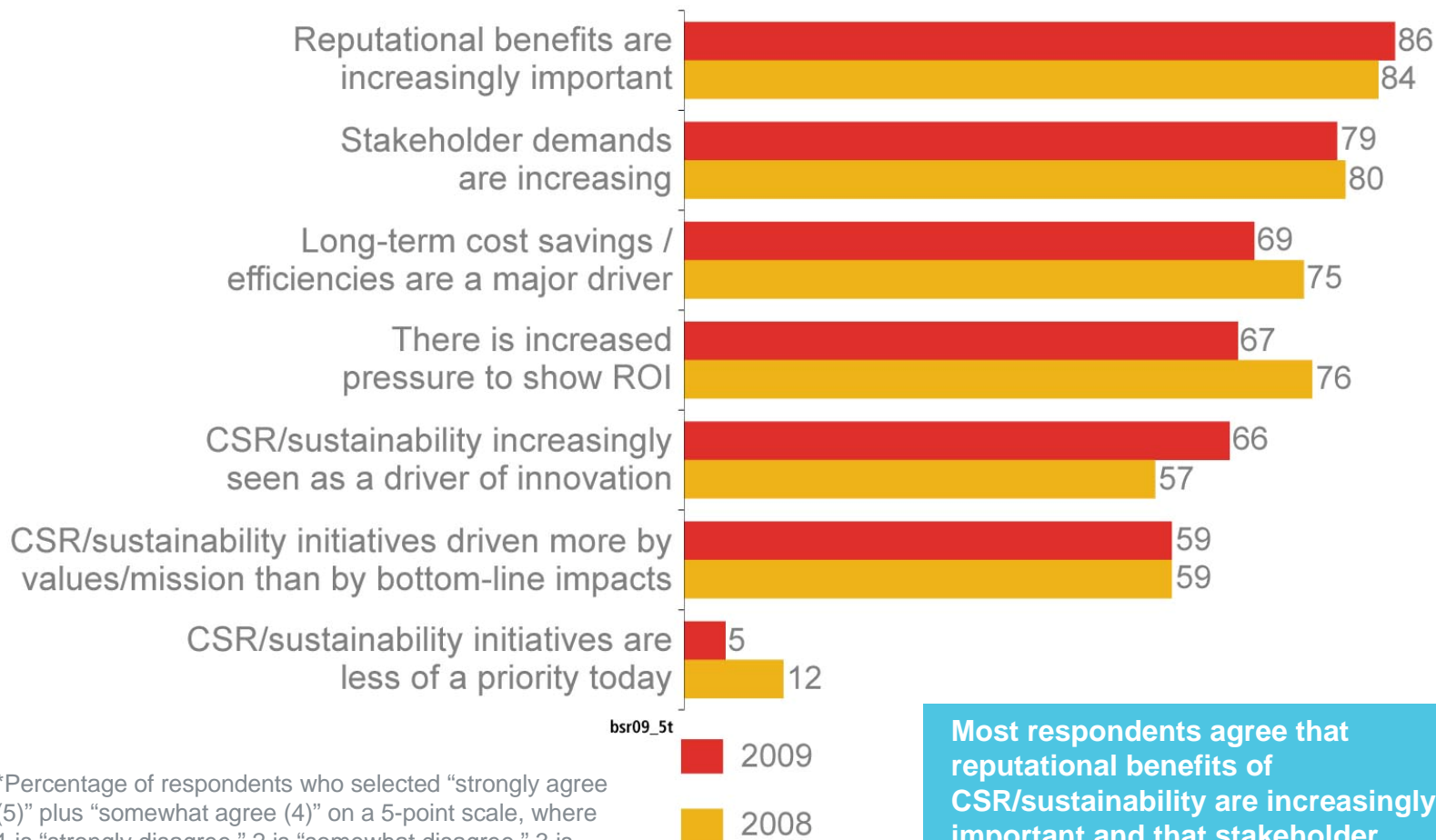
The white space on this chart represents "DK/NA."

Majorities expect increased activity in key areas of their sustainability programs, including the amount of internal and external communications (66% each) and CEO-level engagement (50%).

4. In the next 12 months, what changes, if any, do you anticipate for each of the following with respect to your company's [organization's] CSR/sustainability programs?

Current State of Sustainability Initiatives

“Agree,”* 2008–2009



*Percentage of respondents who selected “strongly agree (5)” plus “somewhat agree (4)” on a 5-point scale, where 1 is “strongly disagree,” 2 is “somewhat disagree,” 3 is “neither agree nor disagree,” 4 is “somewhat agree,” and 5 is “strongly agree.”

Most respondents agree that reputational benefits of CSR/sustainability are increasingly important and that stakeholder demands are increasing.

Most Significant Development in Past Year

Unprompted, Combined Mentions, 2009

Most significant development/event/news	Number of mentions
Wal-Mart's sustainability initiatives	23
New US administration	21
Recession	21
Increasing awareness/understanding	13
Climate change legislation	8
Businesses opting out of US Chamber of Commerce	6
COP-15	6
Increasing collaboration	4

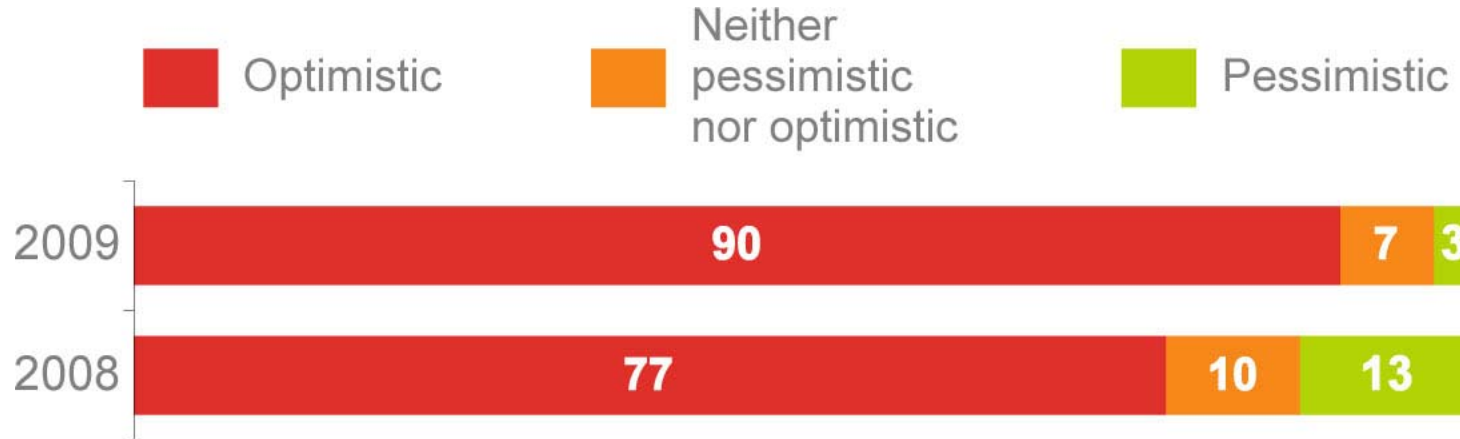
Respondents consider Wal-Mart's sustainability initiatives, including the creation of a Sustainability Index, the most significant development in CSR in the past year. This is closely followed by the election of a new administration in the United States that is more in tune with sustainability, and the effects of the economic downturn on sustainable business.

Other significant developments relate to climate change, including initiatives to introduce climate change legislation, businesses opting out of the US Chamber of Commerce over its stance on the issue, and the upcoming COP-15 summit. Several respondents also mentioned increasing collaboration as a significant development.

Public Trust and Responsible Business

Will Global Business Embrace CSR?

2008–2009



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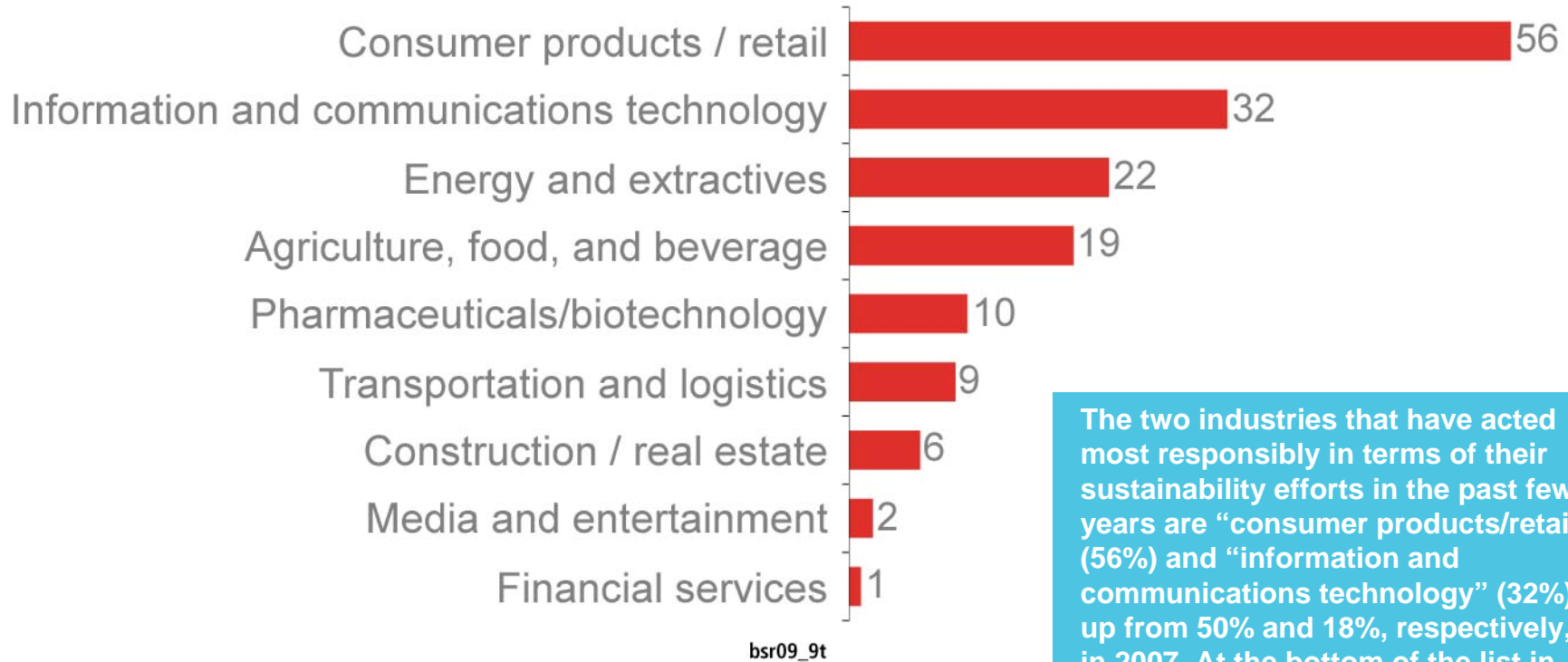
Nine out of 10 respondents (90%) are somewhat or very optimistic that global businesses will embrace sustainability as part of their core strategies and operations in the next five years, which is an increase from the 77% who felt that way in 2008. Within that group, the increase in the number of respondents who are very optimistic was even more dramatic, up from 11% in 2008 to 26% this year.

The “Neither pessimistic nor optimistic” category includes “DK/NA.”

8. On a scale of 1 to 5, where 1 represents “very pessimistic” and 5 represents “very optimistic,” please rate your outlook regarding the extent to which global businesses will embrace CSR/sustainability as part of their core strategies and operations in the next five years.

Which Industries Are Most Responsible?

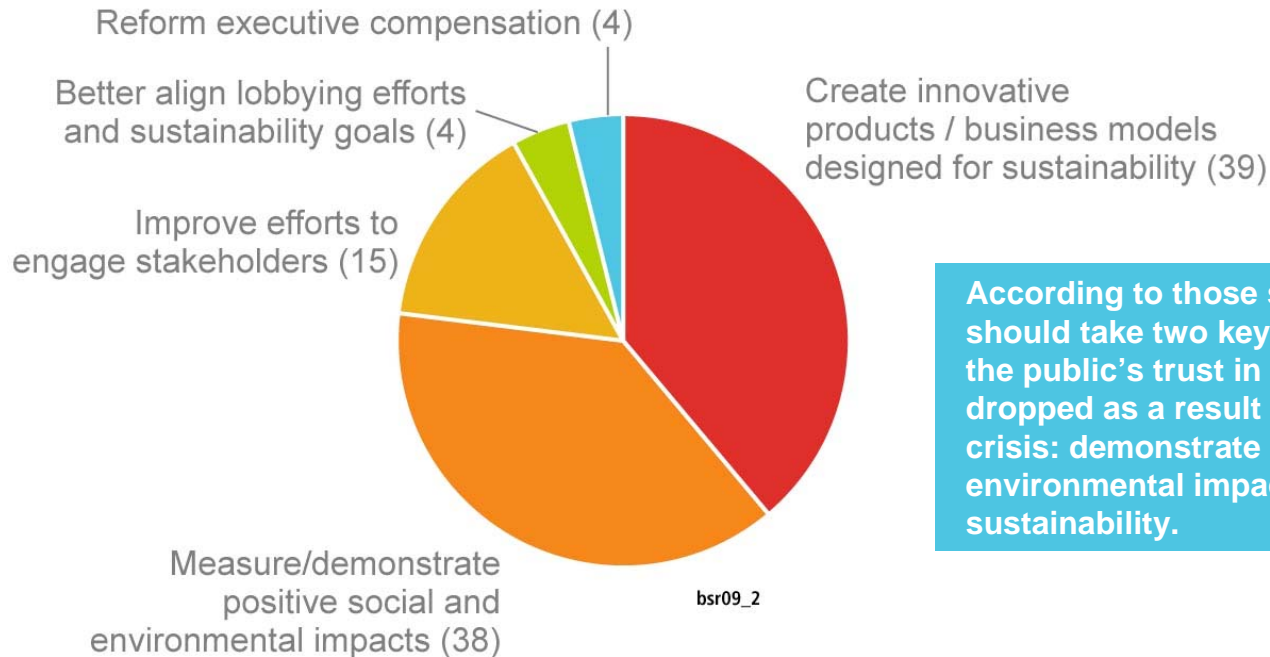
Combined Mentions, 2009



The two industries that have acted most responsibly in terms of their sustainability efforts in the past few years are “consumer products/retail” (56%) and “information and communications technology” (32%), up from 50% and 18%, respectively, in 2007. At the bottom of the list in 2009: “financial services” (1%) and “media and entertainment” (2%).

Most Important Action to Improve Trust

2009

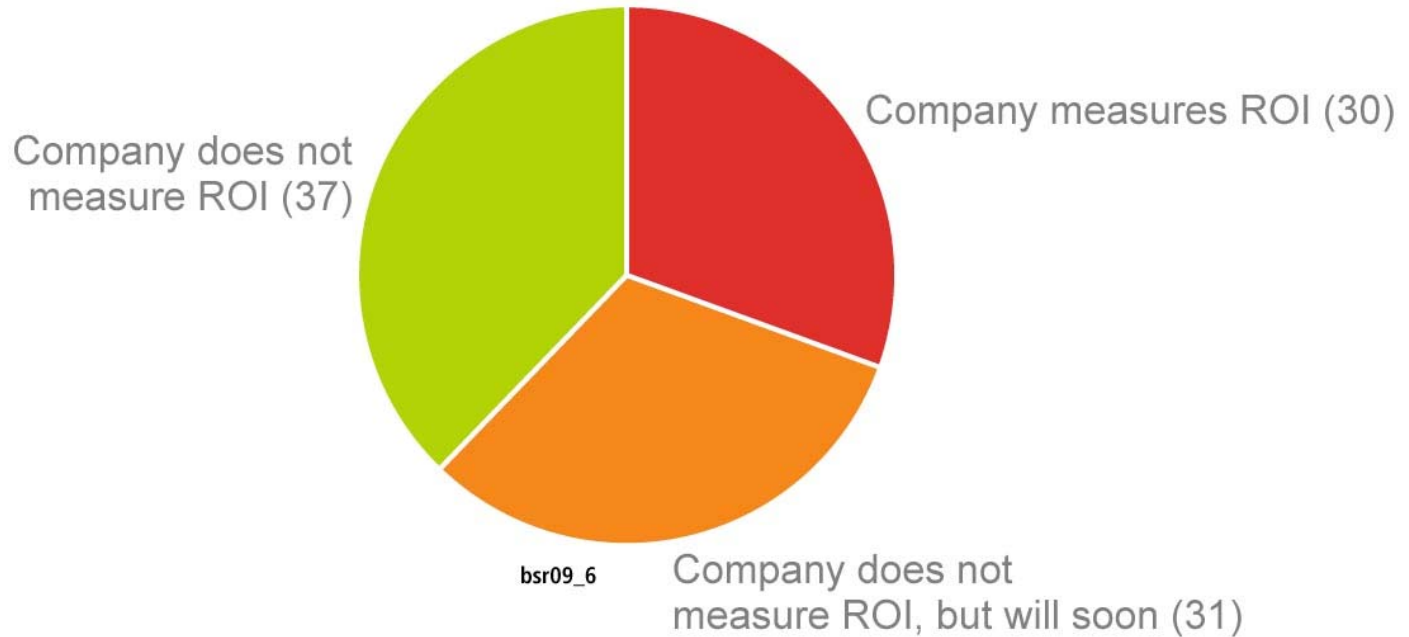


According to those surveyed, companies should take two key actions to rebuild the public's trust in business that dropped as a result of the economic crisis: demonstrate positive social and environmental impacts, and innovate for sustainability.

Return on Investment (ROI) of CSR/Sustainability

Company Currently Measures ROI of CSR

2009

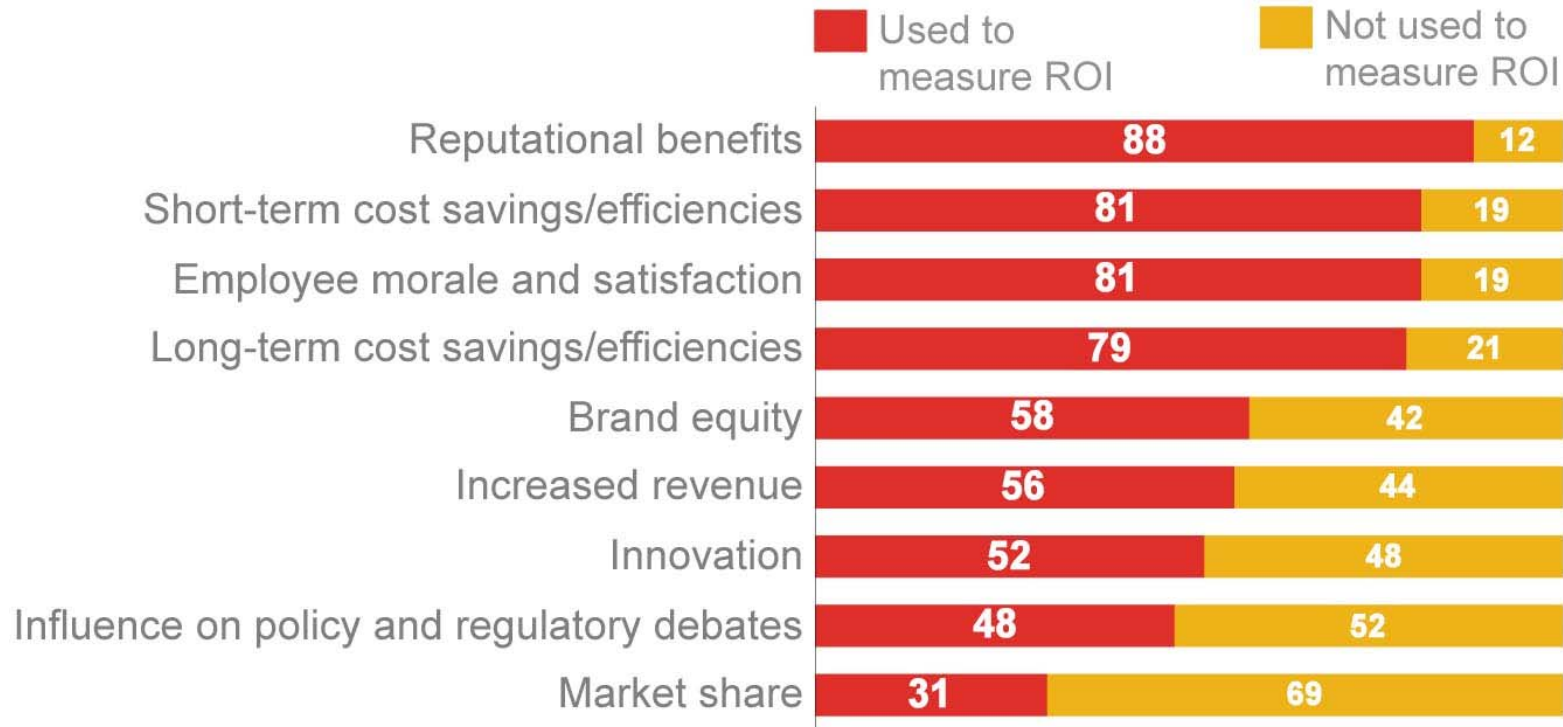


Most respondents (61%) said their company/organization either measures the ROI for its CSR/sustainability efforts or expects to do so soon.

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How is ROI of CSR Currently Measured?

2009



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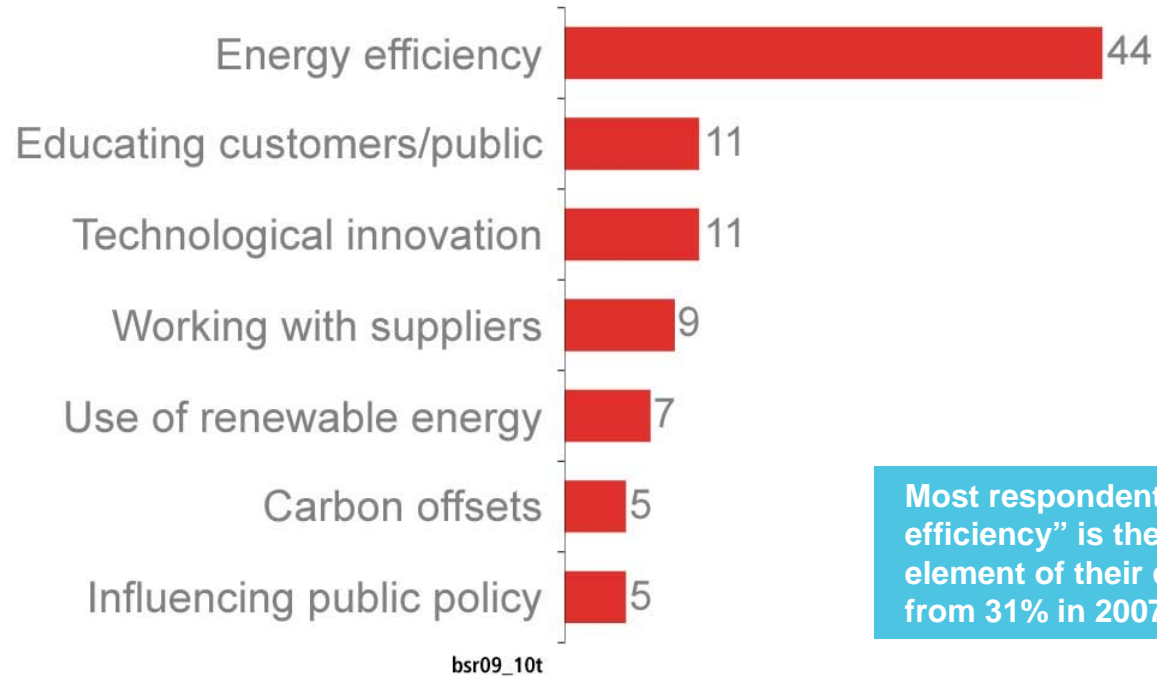
Subsample: Respondents who currently measure the return on investment (ROI) for any of their CSR/sustainability efforts and who responded to question (n=80)

The ROI of CSR/sustainability initiatives is currently measured mostly through reputational benefits, short-term cost savings, and employee morale and satisfaction.

Climate Change

Emphasis of Climate Strategy

2009



Most respondents (44%) say “energy efficiency” is the most significant element of their climate strategy, up from 31% in 2007.

Barriers* to Addressing Climate Change

Combined Mentions, 2009



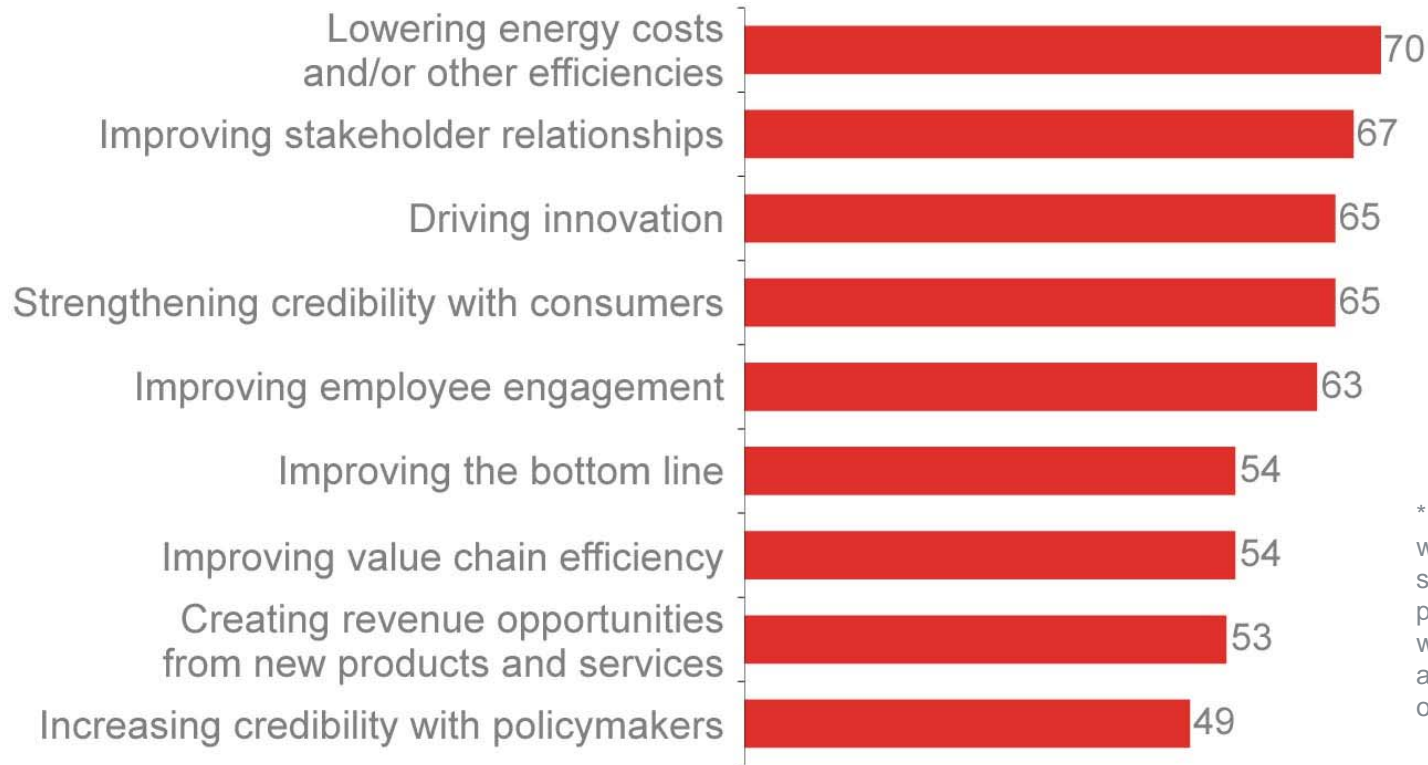
*Percentage of respondents who selected "a very significant barrier (5)" plus "(4)" on a 5-point scale, where 1 is "not at all a barrier," and 5 is "a very significant barrier."

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The largest barriers to addressing climate change are competing strategic priorities and short-term financial pressures / recession, followed by complexity of implementation, and uncertain or insufficient policy frameworks.

Opportunities* in Addressing Climate Change

2009



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*Percentage of respondents who selected "a very significant opportunity (5)" plus "(4)" on a 5-point scale, where 1 is "no opportunity" and 5 is "a very significant opportunity."

Lowering costs and/or other efficiencies is considered the principal business opportunity of addressing climate change, followed by improving stakeholder relationships, driving innovation, and strengthening credibility with consumers.

Methodology

- The BSR/GlobeScan State of Sustainable Business Poll 2009 was conducted from October 5 to 15, 2009, and on October 21, 2009, among a sample of corporate responsibility professionals who attended the BSR Conference 2009 in San Francisco.
- The sample population was comprised of 274 representatives from business, NGOs, government, and academia, representing 15 countries.
- A total of 28% of Conference attendees were surveyed in this project.
- Unless otherwise noted, figures in charts refer to percentage of respondents.