

# Trends in CSR

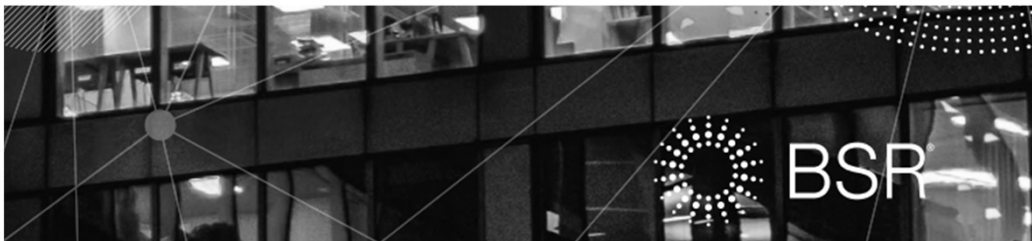
From CSR to Redefining Sustainable Business

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## Three Pillars: Act, Enable, Influence

Whether it is new energy systems, disruptive technologies, new business models, changing demographics, hypertransparency, or rising geopolitical uncertainty, the context for business is radically different than it was when BSR was established 25 years ago. Resilient business strategies will be most effective if they are based upon an “act, enable, influence” approach to company strategy, governance, and management. We see key trends emerging based on this approach.



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## Act

To create resilient business strategies, governance, and management approaches that ensure achievement of sustainable business goals, companies “act” within their own boundaries

### Strategy and value creation

- Resilient business strategies address sustainability challenges and take into full account all the ways that the world around us is changing
  - Sustainability as a business development opportunity
  - Materiality and enterprise risk assessment (ERM)

### Governance

- Boards and senior executives have the expertise, insights, and information necessary to plan for a sustainable future over the long term, while also overseeing sustainability performance today
  - Scenario planning and strategic foresight

### Leadership and management

- Structures, processes, and relationships exist that make sustainability an essential part of company decision-making and operations, built upon an ethical organizational culture that sustains integrity and supports sustainability innovation
  - Provide training on material sustainability issues

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## Enable

Companies can “enable” sustainability beyond their own company boundaries by building positive relationships with external stakeholders and maintaining transparent communications



- Engagement and collaboration: Mutually beneficial relationships exist with stakeholders and systemic challenges are addressed through collaboration with others
  - Use stakeholder relationships as a source of innovation
  - Engage a broad range of stakeholders beyond the “usual suspects”— and use business functions beyond the sustainability team
  - Develop coalitions to advance progress on major sustainability challenges o Provide disclosures that inform diverse audiences
- Reporting and disclosure: Company disclosures provide decisionuseful sustainability information for shareholders and other stakeholders. Ethical organizational culture that sustains integrity and supports sustainability innovation
  - Focus company reporting on value creation and performance improvement

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## Influence

Companies can “influence” sustainability beyond their borders by promoting policy frameworks that strengthen the relationship between commercial success and the achievement of a just and sustainable world

### Know: Company law and regulation

- Support for regulatory frameworks and rules for due diligence and disclosure that drive sustainable business
  - Identify the legal and policy instruments that support sustainable business



### Show: Advocating for sustainable business

- Speaking out in favor of policies that enable a just and sustainable world and promoting the interests of sustainable business, especially during times of political uncertainty, economic nationalism, and protectionism
  - Communicate internally and externally about company ethics, vision, and values
  - Advocate for sustainable and resilient business models
  - Advocate for sustainability policies at the regional, national, and global levels
  - Demonstrate sustainability as an enabler of business strategy and social benefit

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