



## Corporate Social Responsibility

# Beyond Your Bottom Line

What is all the fuss about corporate social responsibility (CSR)? Isn't it enough for security solution providers to make security products and deliver services? Not anymore. CSR is a global phenomenon that security players should be aware of.

BY JESSICA KAO

The concept of corporate social responsibility (CSR) is frequently misunderstood. Though commonly confused with corporate philanthropy, CSR comprises a broader range of actions and beneficiaries. CSR means considering the interests of all stakeholders in company decision-making, even those not traditionally seen as company stakeholders. In addition to executives, employees, investors and

clients, the environment and society as a whole are factored into company undertakings. CSR is not only the traditional support of nonprofit organizations and charities, but also the restructuring of business policies and models to reflect corporate values and responsibilities.

CSR matters — it is no longer the domain of hippies and radical activists, nor is it a flash-in-the-pan destined to fizzle out. Notice how

in the last few years, concepts such as fair trade, carbon footprints and social entrepreneurship have entered our public consciousness. The rise of CSR is a reflection of changing times, and businesses need to pay attention. CSR is becoming increasingly important in the eyes of the people, and thus increasingly relevant to businesses. Given how widespread CSR is becoming, not participating is becoming less of

an option. It is no longer enough to just play by the rules; you need to act in the best interests of society or risk public antagonism. As Brennan Peyton, Category Manager of Europe Imaging Group, Panasonic System Networks, reminded us, "The corporation, as a public institution, is only able to exist if it receives the support of society and therefore, in turn, must contribute to society."

Businesses with CSR initiatives do not have to start out with a substantial war chest. Using management expertise, employee manpower and available resources, a company can increase its CSR profile. Several security players shared their CSR experiences, with ideas suited for businesses of all sizes.

## SUPPORTING WORTHY CAUSES

Little steps go a long way. A little time, some money and human capital are what Canadian manufacturer and installer i3 International gives in its corporate-giving program. The company chooses charities that will receive monetary donations raised by employees that are then matched by the company. One such recipient of its generosity was the Lupus Foundation. The connection between i3 and this charity was forged after the passing

of a staff member afflicted with lupus. Employees have also helped to raise money following various natural catastrophes. Grace Baba, GM said, "This past year, our staff members raised more than US\$1,600 themselves, which the company matched, to help in the relief efforts for the victims of the Japanese tsunami/earthquake/nuclear disaster."

Along with fundraising, i3 holds food drives for its local food bank. It also supports Habitat for Humanity, an international nonprofit that builds or repairs houses by partnering with homeowners. Some i3 employees have used their personal time to participate as volunteers in house-building projects.

Mobotix had a different take on donation in its latest CSR endeavor. Greenpoint Reformed Church, located in New York, is home to a soup kitchen, food pantry, and a variety of activities, including children's art and music classes, a youth soccer league, a runner's club, a meditation group and 10 different 12-step groups. By running programs like these, the Greenpoint Reformed Church is able to foster a better sense of community and help those in need. However, this also means that the church is opening itself up to security risks.

This is when Mobotix stepped in with cameras and accessories; security equipment the church would have been unable to afford otherwise. Greenpoint Reformed Church was able to continue its programming, helping those in need in the community. Mobotix did not need to stretch far beyond its expertise to make a positive contribution. Steve Gorski, MD of the Americas, said, "We provided the church with a complete high-resolution, IP surveillance system to enable the organization to monitor activity and research events after the fact to close investigations quickly and easily, and they have allowed us to promote the success they have had with our technology."

## SUSTAINABLE POLICIES

With an ever-expanding global population of more than 7 billion, the depletion of natural resources and the buildup of waste are becoming serious problems. Global warming is a serious concern that affects everyone. The environment is an important stakeholder in all of our lives, and many companies are taking steps to address environmental concerns.

CSR initiatives targeting the environment often take the form of sustainability policies, including



▲ Brennan Peyton, Category Manager of Europe Imaging Group, Panasonic System Networks



▲ Grace Baba, GM of i3 International



▲ Steve Gorski, MD of the Americas, Mobotix



▲ Margaret Lantz, Investor Relations and Corporate Communications Manager, Axis Communications



▲ Simon Siew, MD for APAC, HID Global (Assa Abloy)



more efficient manufacturing processes, recycling, resource conservation and responsible waste disposal. Axis Communications published a sustainability report for the first time this year. Publicly available on its website, its sustainability report looked at how sustainable operations were from a business perspective, as well as an environmental perspective. It found that the impact of transportation on the environment was higher in America than Europe, so Axis decided to create a shipping center based in the U.S.

One particularly interesting evaluation that Axis undertook was a life cycle analysis for products to determine when, during their lifespan, they were most environmentally damaging. By evaluating the environmental impact of the product during production, usage

and disposal, Axis is able to reduce its environmental impact. It found that cameras were most environmentally harmful during usage because of the amount of energy they consume, and are now working on reducing the energy needs of its cameras. As Margareta Lantz, Investor Relations and Corporate Communications Manager, said, "Axis' ambition is that environmental considerations must be applied to the entire value chain, from the selection of materials for components to the use of the final product."

HID Global (an Assa Abloy company) also undertook an evaluation of its company's environmental sustainability by setting up a company-wide, cross-functional task force. Simon Siew, MD for APAC, said, "HID selected a cross-functional team since we thought it was important to understand and improve the environmental footprint of our operations and products by setting ambitious goals for certifications and business process improvements as well as measuring our progress routinely." Since then, HID has implemented multiple measures to increase its environmental sustainability. It has installed printer authentication,



▲ Christine Hsu, VP at Planet Technology



▲ Aravind Sitaraman, President of Inclusive Growth, Cisco Systems

so that people can only print with HID credentials. This helps reduce the amount of paper waste at the company.

HID has also sought to include sustainability measures into its products. Some of its products have energy saving modes that help reduce energy consumption by 75 percent compared to normal operating modes. HID uses recycled materials in some of its products, which have helped it earn leadership in energy and environmental design (LEED) credits. The plastic cards that it manufactures use BioPVC, which degrades five times more quickly than standard PVC. In combination, these measures help to reduce the environmental impact of HID's products.

#### DIY CSR

Sometimes, instead of donating to existing worthy causes, companies identify a need and create projects to fill that need. Panasonic's Kids Witness News program lends kids video cameras and other equipment necessary to make their own videos. Around 10,000 children from more than 650 schools in 26 countries and regions around the world participate in Kids Witness News. By giving kids the ability to make their own videos, Kids Witness News allows children



▲ Reducing energy consumption can help lower environmental impact.

from Singapore to Russia to the U.S. to express their own points of view.

On the Kids Witness News YouTube channel, people can see Russian children testing water quality for their fish, or Chinese school children exploring bullying and classroom social dynamics. One video featured a high-school student from Singapore who conducted a social experiment on water conservation. Over the course of 30 days, he challenged himself to use only 27 liters of water a day. Not only are these students developing their creativity and communications skills, they are also lending a voice to issues that are important to them — such as water conservation.

However, not all meaningful programs require multinational

funding or global reach. Some creativity, knowledgeable partners and a little heart go a long way.

**Planet Technology** a medium-sized R&D, marketing and outsourcing enterprise in Taiwan, received local recognition for its commitment to CSR, from environmental site cleanups and trash sorting, to running an after-school activity program for children.

One of its CSR initiatives focuses on children's education. The first of its kind in Taiwan, its education trust is comprised of 10 percent of the money raised from the company's IPO in 2004. After looking at community issues, Planet Technology found a community need it could do something about. The solution was services for

disadvantaged children who, due to broken home lives, get caught up in drugs, gangs and end up struggling throughout their lives. These children were broken down into different categories depending on whether they were from financially struggling families, and whether the children had suffered from neglect, or physical and emotional trauma. Depending on their individual situation, children are given counseling services and homework assistance to help them catch up and adjust in school. These children also participate in group activities to teach them how to socialize with other children. "The cause of each child's problems is different, and their needs are unique. Therefore, we need to use different ways to help

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each of them," said Christine Hsu, VP.

Hsu recognized that the company itself did not have the expertise to teach and counsel these children, but it knew there were nonprofit organizations that did have the expertise. Planet Technology uses its business know-how to coordinate these different groups and run this program. A stone's throw from the company, this program is small and local but makes a big difference in the lives of those children.

## OUTCOMES

CSR helps to distinguish a company as "good." It personalizes a company. Mobotix found CSR helpful for establishing their presence in the Americas. Gorski said, "Since Mobotix is still fairly new to the Americas market, it is important for us to get involved with local initiatives, and support our customers and partners when possible."

CSR may help attract and retain talent. The younger generation has been raised with values of respect and tolerance. Concepts of environmentalism, philanthropy and respect of different peoples and cultures have been engrained from an early age. As a result, many youth want to work for companies that do good in the world. Not only do they want to earn a paycheck; they want to contribute positively to the world at the same time.

CSR can also be fun. Often, CSR initiatives that involve employees can give them a chance to bond over a common cause. i3 found that some of its CSR efforts boosted company morale. Baba said, "We enjoy seeing the competitiveness between some teams or between individuals to be



▲ CSR can be good for company morale.

the best 'giver.' Among our sales people, there is often banter back and forth encouraging to give more."

Sometimes, CSR initiatives lead to unexpectedly positive outcomes, such as new business opportunities. This is exactly what happened with Cisco Systems, when it lent a hand after the Sichuan earthquake in 2008. After the earthquake, Cisco decided to step in and started the Connecting Sichuan project. During this project, Cisco used its IT expertise to put 60 million insurance records online, build 21st century classrooms for 135,000 students and technology-enabled 60 health care and 102 educational organizations.

Aravind Sitaraman, President of Inclusive Growth, Cisco Systems, said, "The goal of the project was to create and deliver innovative solutions in health care and education that could be scaled and replicated throughout Sichuan, as well as other parts of China and beyond." The productive project

was concluded in June 2011 and was the first public-private partnership between an American business and the Chinese government.

Given the economic outlook for 2012, many may consider adjusting their CSR strategies. Baba commented on how i3 adjusted its CSR policies. "Even in recent years, i3 has continued to support causes by asking staff to donate time and energy as opposed to money," she said.

Companies just getting started should start small. **Planet Technology's** disadvantaged education and counseling program took seven years from the program's inception, with continual adjustments, to bring the program to where it is today. "Don't think too much about trying to change the entire world," Hsu said. "Just focus on small, meaningful contributions you can make within arm's reach. Just do it."

PHOTOS