



BSR Conference 2008 | Sustainability: Leadership Required In My Backyard: How to Help Build Sustainable Communities

Breakout Session Summary

Wednesday, November 5, 2008 | 10-11:30 a.m.

Speakers

- **Kurt Culbertson**, Principal, Shareholder, Chairman, Design Workshop
- **Deborah Louison**, Senior Vice President, Corporate Affairs, Americas, Cadbury
- **Bob McElfresh**, Manager, Sustainability Communications, Duke Energy

Highlights

- Companies should make community investments in areas that are key to their business strategy—for example, in areas where their raw materials are sourced.
- When companies build communities, it is important to consider the impacts from the companies' corporate citizenship, products and services, operations and supply chains, and civic investments.
- Key performance indicators (KPIs) of community investment projects should be developed in collaboration with community stakeholder groups and receive the support of executive management.

Memorable Quotes

- “If communities are not thriving, then our company's not thriving.”
—Bob McElfresh, Duke Energy
- “We didn't go into Ghana with KPIs laid out because that'll presume we know what's needed in the community.” —Deborah Louison, Cadbury

Overview

Louison began the session by emphasizing that sustainability is a business strategy. In Cadbury's case, the company chose Ghana to make many community investments, as Ghana sources one of its primary raw materials, cocoa. In Ghana, Cadbury conducted research in key supplier communities, invested in those communities (for example, by providing micro-financing to suppliers), and partnered with key stakeholders.

McElfresh then introduced the Duke's Sustainable Community Self-Assessment Tool, which is available on www.duke-energy.com/environment/sustainability.asp. The free tool is a web-





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based survey that helps citizens evaluate the long-term sustainability of their community. The survey is broken down into four categories: governance and public participation, social, economic, and natural and built environment. McElfresh said that the website is intended to trigger “Aha!” moments for users—for example, the tool may help city administrators discover that a policy is not working effectively. At the end of the survey, there will be a chart that indicates the surveyed community’s strengths and weaknesses along with relevant online reference materials.

On building sustainable communities, Culbertson told the audience to consider the impacts of their corporate citizenship, products and services, operations and supply chains, and civic investments. For example, when building offices and factories, think of the following questions: Are they green? Are they supportive of inner cities? Are they set in a mixed-used context—for example, similar to the residential and office units on top of retail stores in New York? Do they redevelop unutilized asset? Culbertson cited Mumbai as a community that has been successfully built by businesses. With 5 percent of the world’s petroleum refined in this community, refineries, the local government, and NGOs identified the natural resources that existed, determined lands to protect, and developed lands based on the indigenous parts of India. In the end, Culbertson said, the city was built with stepwells, gardens, and culture.

During the Q&A, a few participants asked Louison how a company should determine KPIs in order to achieve desired results and move forward with community investments. Louison said that KPIs are developed in collaboration with stakeholder groups in Ghana; if Cadbury invested in projects in the Caribbean, the KPIs there will be different from those in Ghana. Cadbury uses KPIs such as the percentage of “well-being products” in the company’s pipeline and the number of suppliers that ethically source products. In addition, Louison emphasized that companies need KPIs that they can measure, and local presidents must be held accountable for progress against those commitments. At Cadbury, the CEO made sustainability commitments and created an executive level sustainability strategy group, requiring each representative to own and be accountable for sustainability initiatives. In the end, Louison said that people like herself become the facilitators of the process, not the owners. Cadbury’s global partnerships, such as those with the Carbon Disclosure Project and Carbon Trust, are handled by their local businesses through a corporate social responsibility (CSR) committee. In addition, the company’s human resources department engages the employees in CSR initiatives.

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This summary is also available on www.bsr.org/bsrconferences/2008/session-summaries.cfm.

