



PVH volunteers partner with educational nonprofit Publicolor to revitalize Hell's Kitchen in New York (top); high school students from the Adobe Youth Voices site in India (bottom) work on a multimedia project.

The Value Quotient



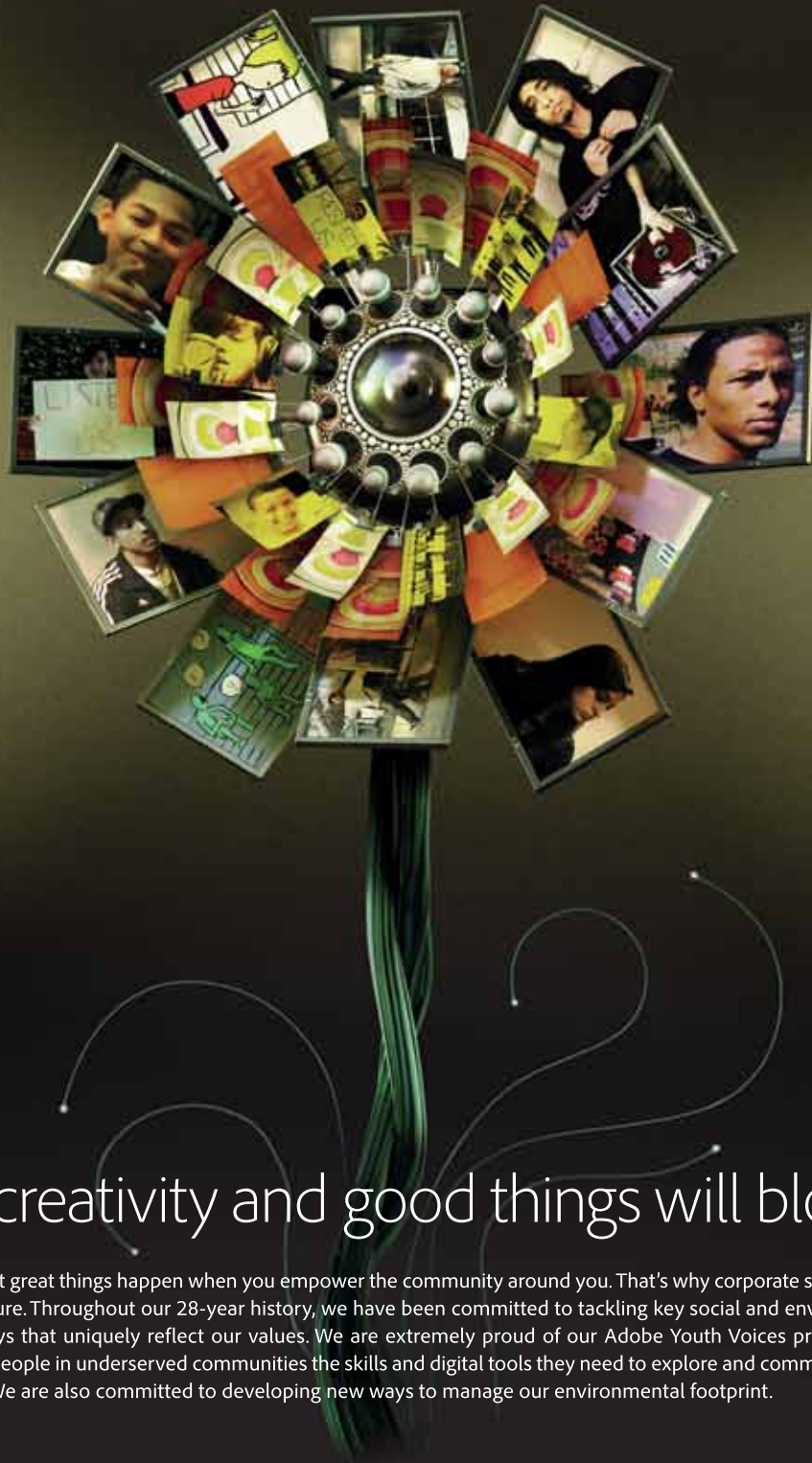
FOR LONGER THAN WE CARE TO admit, CSR—shorthand for corporate social responsibility—was a noble goal that wasn't always realized. The core idea—minimizing the negative impact a company has on society while maximizing the positive—often translated into philanthropy: Make a donation, sponsor a good cause, encourage employees to work in the community. These were good things to do, but they were often treated as side projects, peripheral to the business and followed more by the marketing department than the C-suite. Many efforts only scratched the surface

COMPANIES THAT ARE PURPOSE-DRIVEN SET HIGH CORPORATE SOCIAL RESPONSIBILITY STANDARDS THAT DRIVE GROWTH.

of what CSR could accomplish.

We know this now because we are seeing, thanks to some forward-looking companies, a better way to do CSR—one that can bring bigger benefits, not just to society but also to businesses themselves. These CSR leaders all share one crucial trait: They have integrated CSR into their businesses, viewing it not as a well-intentioned afterthought but as an essential factor in corporate decision-making. For these companies, CSR is more than good deeds and good press. It's a fundamental value.

This new view of CSR is gaining traction. In a June 2010 study by the UN Global Compact and Accenture, 96% of the 766 CEOs surveyed agreed that sustainability—a term often used interchangeably with CSR—should be fully embedded into a company's strategy and operations. That's up from 72% in 2007. Another study, released this September by Weinreb Group, an



Nurture creativity and good things will blossom.

At Adobe, we believe that great things happen when you empower the community around you. That's why corporate social responsibility is a vital part of our culture. Throughout our 28-year history, we have been committed to tackling key social and environmental issues and taking action in ways that uniquely reflect our values. We are extremely proud of our Adobe Youth Voices program, which was designed to give young people in underserved communities the skills and digital tools they need to explore and comment on their world.

We are also committed to developing new ways to manage our environmental footprint.

Learn more at: adobe.com/corporateresponsibility

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SURVEYED AGREED THAT SUSTAINABILITY — A TERM OFTEN USED INTERCHANGEABLY WITH CSR — SHOULD BE FULLY EMBEDDED INTO A COMPANY'S STRATEGY AND OPERATIONS.

One of PVH's contract apparel manufacturing facilities in China, where workers are assured of fair labor conditions.

executive search and consulting firm specializing in CSR, found that 90% of the chief sustainability officers at publicly-traded companies report directly to the CEO or are one step removed. It also found that more than 40% of these CSOs sit on an executive committee responsible for corporate strategy.

"There is a realization that CSR is core to business," says Ellen Weinreb, CEO of Weinreb Group, whose clients include Clorox and Levi Strauss. "Having the CSR function close to the CEO means that decisions are made understanding their global impact. It means that business opportunities are understood, too—and there are enormous opportunities here, from savings to new products to new markets. Ten years ago, the biggest challenge was getting the CEOs on board. They are on board now."

The link between CSR and business also explains another of the study's findings: Nearly five out of six CSOs were hired internally and averaged 16 years at the company before being named to that position. Looking to company veterans to lead CSR efforts makes sense, says Weinreb: "If you're going to identify business opportunities, you really need to know the business."

Another CSR trend, the increasing focus on reducing greenhouse gas emissions, is taking businesses beyond company walls. "There is a growing recognition that cleaning up your own act is not enough," says Bob Willard, author of *The Sustainability Advantage* and a frequent speaker on CSR issues. "You really need to look at your supply chain. We're seeing some great leadership, from companies like Wal-Mart and Procter & Gamble, who are helping their suppli-

ers reduce carbon emissions. We're starting to see the U.S. General Services Administration, which purchases \$500 billion worth of goods and services each year, ask its 600,000 suppliers some pointed questions about emissions."

With natural resources becoming scarcer and political upheaval and economic challenges continuing, CSR efforts will be essential, both for the global community and for global businesses. But they have to be done right. Fortunately, there are a number of strategies—proven by CSR leaders—that guide the way.

THE ETHICAL CORPORATION

PVH Corp.'s global human rights and social responsibility program is a case study in sustainable business. It works to assure fair labor conditions in factories and what PVH—one of the world's largest apparel companies, with brands that include Calvin Klein and Tommy Hilfiger—calls "ethical sourcing." That means working with suppliers that respect human and labor rights, protect the environment, and provide a safe workplace for employees.

PVH's supply chain consists of more than 1,000 factories in 55 countries—a large global footprint. "CSR has to be tightly integrated into your business," says Emanuel Chirico, chairman and CEO of PVH. "Ethical sourcing, human rights, factory conditions, making sure a fair wage is paid—these aren't just 'good' things to do. From a business perspective, they are smart things to do. A corporation, after all, is a financially driven entity."

As Chirico sees it, this is a win-win situation. By understanding the social and environmental impact of business, and incorporating this into its decision-making, PVH can make strides on two fronts—improving lives while improving its own bottom line. Upon learning that workers had been underpaid wages in Karnataka, India, PVH worked with civil society organizations, local industry, and other brands to ensure that proper wages and back pay went to 14,000 workers who were employed at 17 contract factories.

Transparency and collaboration are also key ingredients. "If you don't hold yourself accountable, then everything is just words," says

PVH



PVH

At PVH Corp, we are guided by the principle that success in business is dependent on putting human issues first.



TOMMY HILFIGER



Calvin Klein

IZOD



VAN HEUSEN



ARROW
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Bass

Central to our identity is a genuine commitment to corporate responsibility, a fundamental component of how we run our business that is directly linked to our strategies and practices.

Read our complete corporate responsibility report at www.pvhcsr.com

Chirico. “We report on what we have accomplished and how we are faring against our goals. That helps us stay focused. It’s important, too, to engage with our stakeholders—associates, communities, NGOs, and labor rights groups—to identify problems and understand what your goals should be. CSR is an ongoing process, not something you pick up once a year when you issue a report.”

PURPOSE-DRIVEN CREATIVITY

In recent years, Adobe Systems has achieved notable successes in environmental sustainability. In June 2006, the software giant was the first company to earn the U.S. Green Building Council’s LEED (Leadership in Energy and Environmental Design) Platinum certification, the highest level possible, through the permanent LEED for Existing Buildings program. Today, almost 50% of the company’s facilities have achieved LEED certification. At its San Jose,

California, headquarters the company now diverts more than 99% of its solid waste from landfills. Water use has been reduced by 53%.

Adobe’s CSR program stands out for another reason: The company leverages its human, technological, and financial resources to make communities stronger, and help underserved youth express their creativity and comment on the world around them.

The Adobe Foundation’s signature philanthropic program, Adobe Youth Voices, was created in 2006. To date, the program has helped more than 76,000 underserved youth in 45 countries discover their voice—and their ability to influence others—through digital technologies. Participants have produced videos, animations, photo essays, and web content, sharing their perspectives and experiences on crucial social issues.

“Creativity is in Adobe’s DNA; it is fundamental to our business and our philanthropic vision,” says Holly Campbell, vice president of

corporate affairs and communications at Adobe. “Adobe Youth Voices aims to empower youth in underserved communities with the experience and 21st-century tools they need to communicate their ideas, take action in their communities, and cultivate their long-term potential.”

To measure the effectiveness of its program, Adobe commissions independent third-party evaluations. More than 90% of Adobe Youth Voices participants say their opinions matter; 86% believe their work could make a difference. “These results are rewarding, but nothing compared to the results we’ll see from these kids in the years to come,” adds Campbell.

DRIVING AWARENESS

A final key component of CSR, understanding your customer, is a mission that has been wholeheartedly embraced by SCA, the global hygiene company and maker of the Tork brand of away-from-home paper products. SCA has been on the forefront of sustainability, providing customers with napkin, tissue, and towel products made from 100% recycled paper, many of which hold certifications from EcoLogo, Green Seal, and the Biodegradable Products Institute. Over the past decade, SCA has used more than 12 billion pounds of recycled paper.

SCA’s customers—among them, restaurants, office buildings, schools, and hotels—are equally concerned about their impact on the environment. “Our customers want reliable information to support their business development, so we have made it our job to help them understand how they can make a difference for the environment and their bottom line,” says Don Lewis, president of SCA Tissue North America.

To this end, SCA has taken some innovative steps. Two years ago it created the Tork Green Hygiene Council, a panel of sustainability and hygiene experts who share insights and advice through social media venues such as blogs, Facebook, and Twitter, as well as at industry events and in SCA publications like the 2011 Tork Report: *Healthy People, Healthy Planet*. “It’s a way to give our customers a window into the latest sustainability trends and green practices,” says Lewis. “By driving awareness, we can drive change. And that’s good for all of us.” ●

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Gone platinum: Adobe’s eco-friendly campus in San Jose (top); two of 20 wind turbines at the headquarters that help generate clean electricity on-site (bottom).





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