September 24, 2015

Edelman Business + Social Purpose

PREPARED FOR THE 2015 EHSICC CONFERENCE

Edelman

About Edelman

INDEPENDENCE

Founded in 1952, family operated for more than

60 +
YEARS

GLOBAL NETWORK

67 OFFICES **31** COUNTRIES **4,800** EMPLOYEES

AFFILIATES IN MORE THAN **30 +** CITIES

INTELLECTUAL PROPERTY

8095

Edelman trust barometer 2013

brandshare

goodpurpose

CONSUMERACTIONISM
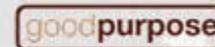
8 CORE COMPETENCIES

Technology
Consumer Marketing
Digital
Business + Social Purpose
Corporate
Crisis & Issues
Health
Public Affairs

SPECIALTY FIRMS

Edelman Berland   **Blue**

RESEARCH   ADVERTISING

MATTER

EVENTS, SPONSORSHIP,
ENTERTAINMENT AND
INTEGRATED MARKETING

What We Believe

- We live in a real-time, hyper transparent , highly connected world where word travels in an instant, competitive barriers shrink, and consumers are more informed, empowered and vocal than ever before.

- To succeed in this world, companies need a new playbook for bringing their CSR and sustainability efforts to life, and they need to rethink what public relations means.

- Today, public relations means authentically listening to, engaging and activating people around a company's most pressing issues.

- It means inspiring consumers and influencers to not just trust a brand, but to advocate for it – going out of their way to shop it, remain loyal to it and spread the word about it.

- To do this effectively, companies need to approach sustainability and CSR not as forms of altruism, but as forms of currency. Purpose is a strategy for profit and growth, in that it links an organization's reason for being to its ability to innovate, improve lives and impact society.

Our Experience

We Work With Leading Companies
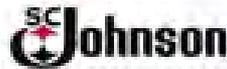
We're the Team Behind:

|			
ecomagination	**BEST BUY**	**Dove**	**Adobe**
Successfully launching and sustaining GE's "ecomagination" corporate positioning campaign	Transformed the Best Buy sustainability brand positioning and reporting	Redefining "Real Beauty" for Dove	Building a comprehensive employee engagement and CSR platform
Strengthening Levi's reputation as a responsible corporate innovator via launch of "waterless jeans"	Successfully launching "Shared Planet," Starbucks' CSR commitment and consumer engagement platform	Developing a roadmap to align Samsung's CSR & citizenship efforts around the world	Guiding Chiquita to understand and better address key stakeholder concerns
LEVI'S	**Starbucks**	**SAMSUNG**	**Chiquita**

Our research reveals an important theme...

...consumers' trust is declining – they want more corporate engagement
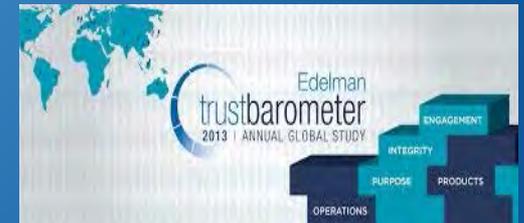
COUNTRY OF ORIGIN:
BRIC COUNTRIES REMAIN DISTRUSTED
TRUST IN COMPANIES HEADQUARTERED IN THE FOLLOWING COUNTRIES

Most Trusted

Country	Value
Sweden	76%
Canada	75%
Germany	75%
Switzerland	74%
U.K.	70%
Netherlands	69%
Japan	68%
U.S.	65%
France	62%
Italy	51%
South Korea	51%
Spain	50%
Brazil	38%
China	36%
Russia	35%
India	34%

90% of people want brands to share

10% of people think brands do it well

Millennials & Purpose

**BRAND PREFERENCE** is the #1 personal identifier Millennials are willing to share online.

1 in 3 look for brands to make a positive impact on the world.

Source: Edelman 8095 study, 2012

YOU CAN PLACE A VALUE ON YOUR BRAND'S VALUES

92% of people want to do business with companies that share their beliefs

A strong correlation proves that people buy, use and recommend products & services whose values they share

Shared values drive customer behavior

MODERATE

LOW

STRONG

NONE ——————————— .3

correlation between brands that demonstrate shared values and consumers' intent to recommend that brand
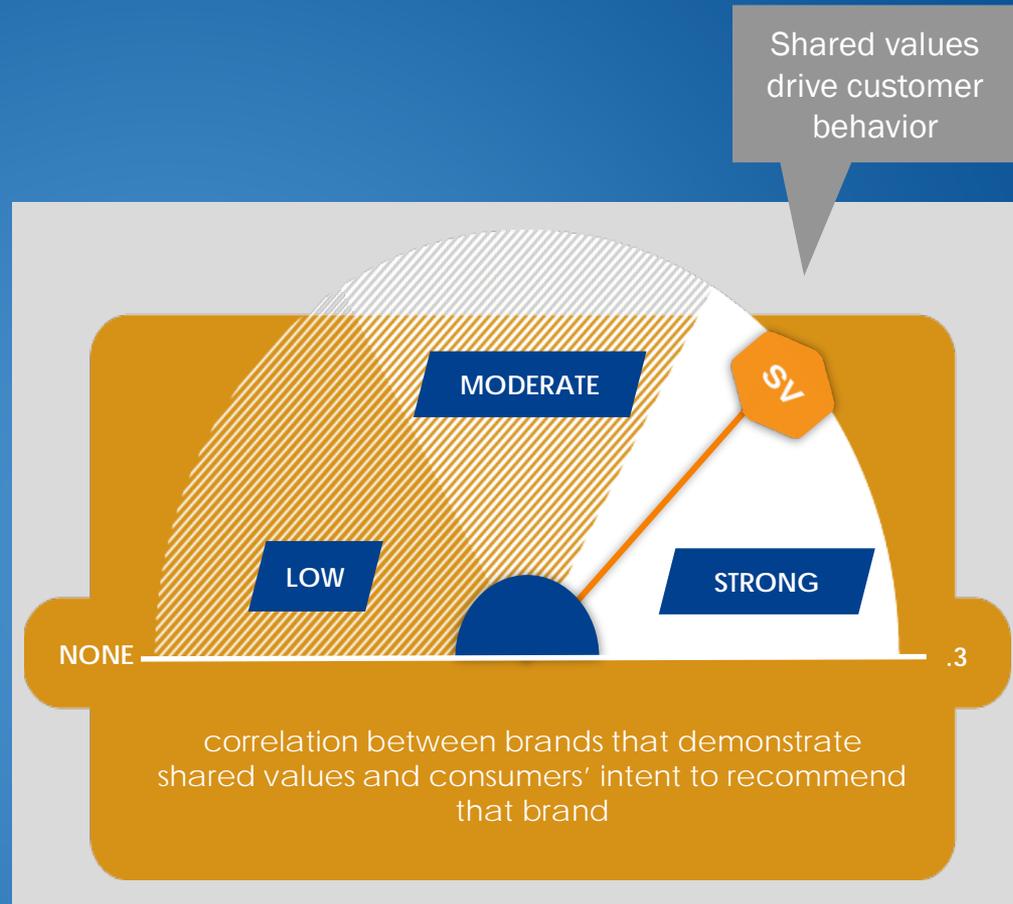
Q18a: for each [BRAND] please indicate how likely you are to recommend that brand to a friend, colleague or relative the next time you are purchasing/using the type of product or service that brand offers

11

Purpose is Evolving

FROM SILOED		TO INTEGRATED
mission oriented	→	mission critical
tied to philanthropy	→	tied to business & brand
linked to reputation & risk	→	linked to innovation & growth
follows the status quo	→	invents new rules of engagement
communicated via traditional mediums	→	shared in creative places & ways
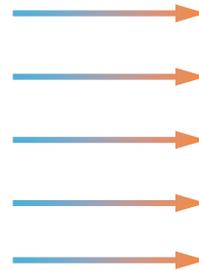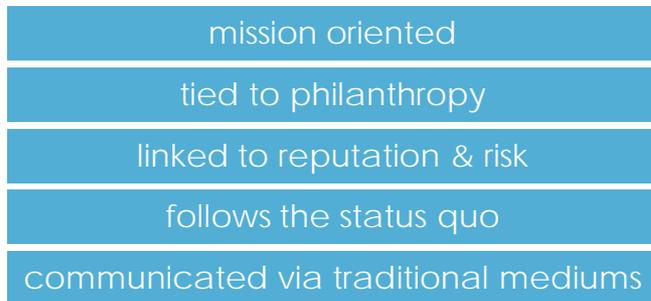
The Purpose Spectrum

SMART

BREAKTHROUGH

GAME CHANGING

Save Lids to Save Lives

Don't Buy This Jacket
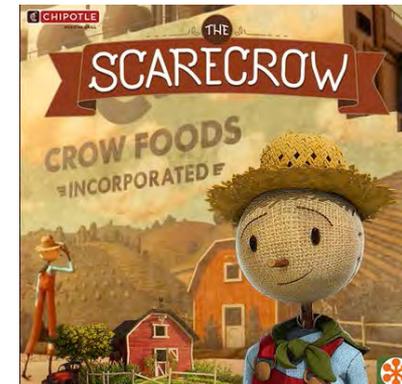
Cultivate a Better World

Our Approach and Process

Edelman's approach to reporting

Our Reporting Best Practices

Report Task Force

Materiality

Goals and Targets

Transparency

Integration

Stakeholder Engagement

Verification and Assurance

Interaction

Our Three Phase reporting process

PHASE 1:
Report &
Research
Strategy

PHASE II:
Report Content
& Design

PHASE III:
Report
Communications

Phase I: report research & strategy

Phase 1 focuses on performing due diligence and research to develop a detailed strategy for the development of the report. The strategy serves as a roadmap to be approved by the client and feeds directly into the content outline.

This phase also includes socializing plans for report content with internal stakeholders—in order to ensure all are comfortable with the values and story told—as well as laying the groundwork for the data collection process.

PHASE 1: Report & Research Strategy

- Kick-off Meeting
- Workback Calendar
- Materiality Analysis
- Goal Setting and Measurement
- Benchmarking
- KPI/Reporting Framework Selection
- Report Strategy and Content Outline
- Internal Interviews
- Internal Socialization of Report Framework and Content

Phase II: report content & design

Phase 2 focuses on aggregating information and drafting the report. This includes liaising with the client to identify and prioritize CR data and create compelling content.

In tandem, we ensure that a unified CR story is woven throughout the report.

Edelman also works with the team to design a look and feel for the report.

**PHASE II:
Report Content
& Design**

- Internal Data & Content Collection
- Editorial & Visual Content Development
- Internal Review
- External Stakeholder Review/Engagement
- Third Party Accreditation

Phase III: report communications

Phase 3 focuses on communicating the report to key audiences by highlighting relevant information.

This phase also includes the development of a long-term communications and engagement plan to highlight the client's CR initiatives and content throughout the year.

PHASE III: Report Communications

- ✓ Create Report Launch Plan
- ✓ Implement Year-Round Report-Based Communications

Communicating Your CSR Commitments

Our Philosophy: A Communications Marketing Focus

COMMUNICATIONS must operate with the emotional resonance and analytic rigor of marketing, while **MARKETING** must operate with the storytelling, stakeholder and societal mindset of communications.

Marketing Communications = **Demanding attention**

Communications Marketing = **Earning attention**

The communications game has changed

Explosion of media channels

Multi-screen world

Content needs to be social and sharable

Consumers need to hear information 3-5 times to believe messages

Millennials trust non-traditional media

Technical expert in the company and person like yourself are more trusted

Need for Transmedia Storytelling

TRADITIONAL

HYBRID

OWNED

SOCIAL
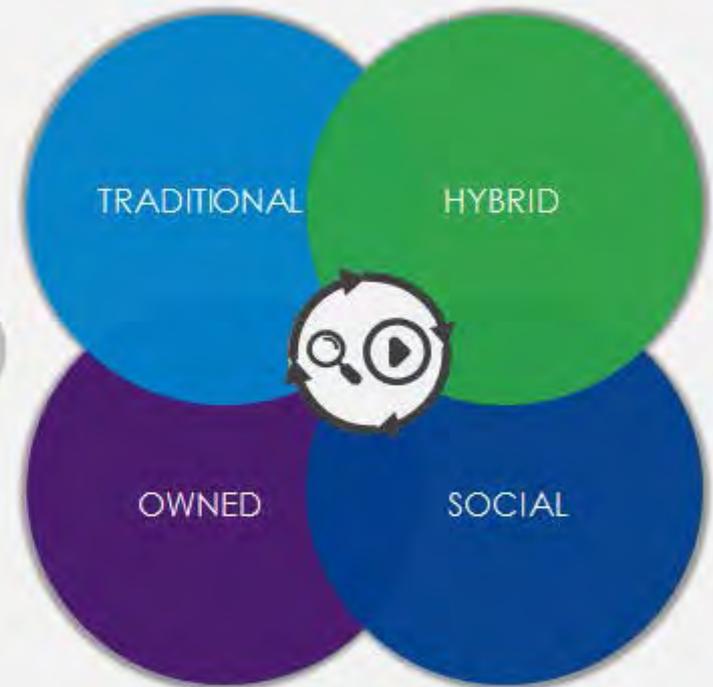
Reporting case studies

Telling a Comprehensive CR Story

BOMBARDIER

In 2012, Bombardier came to Edelman to help reimagine the company's approach to CR reporting. With ever-evolving reporting expectations, Bombardier needed its corporate responsibility communications to be more accessible to stakeholders and more focused on the core of the business.

Edelman started by taking a more holistic view of the business, digging deeper into how Bombardier's core business creates value in the short- and long-term to tell a more comprehensive sustainability story.

Bombardier published an online web report with comprehensive CR information – including an interactive materiality matrix and a GRI index, designed for stakeholders requiring detailed CR information. Accompanying the web report was a brief, visual summary report for stakeholders less sophisticated in CR, centered on the story of the Bombardier value chain.

The report was exceedingly well-received by all stakeholders. Soon after the 2012 report was published, Bombardier was recognized by Corporate Knights as one of Canada's Top 15 Corporate Citizens (the company had not been in the top 50 the year prior) and added to the Global 100 Most Sustainable Corporations in the World list. Corporate Knights pointed specifically to Bombardier's improved reporting practices as the reason the company was named to the list.

For the 2013 and 2014 reporting years, Edelman worked with Bombardier to publish their first integrated reports, telling a more comprehensive story about the company's financial and non-financial impacts.

Demonstrating a Commitment to Corporate Social Responsibility

Best Buy sought to demonstrate a robust commitment to environmental sustainability, social issues, a motivated workforce, and outstanding products through a sustainability report. Using Edelman's strategic reporting approach, the team sought out to:

- Highlight Best Buy's most current sustainability efforts through online sustainability report and news updates and hard copy full and summary reports

- Meet increasingly sophisticated digital expectations by using diverse expertise to produce an engaging online experience

- Use examples and images to illustrate progress in Best Buy's focus areas: product stewardship, sustainable solutions access through connections, and inspired workforce

- Secure traditional, online and influencer coverage at launch that reflects Best Buy's leadership positioning

The report helped Best Buy:

- **Demonstrate legitimacy**: By showcasing a consistent dedication to CR throughout the company, the report reinforces authenticity to readers.

- **Interconnect strategies**: The report synthesizes connections between Best Buy's business and CR strategies.

- **Consolidate the online experience**: This report merges all relevant initiatives, goals, and stakeholder voices into the strong online and digital format that Best Buy users now expect.

- **Connect with key influencers**: Through hosting a webinar, the team directly engaged with top influentials (more than 500 unique views) garnering 32 media placements with more than 600 tweets discussing the report and validating Best Buy's sustainability approach.

Creating a Strategic Sustainability Communications Platform

Following a request from a key investor, Owens-Illinois (O-I), the world's largest glass manufacturer, approached Edelman in September 2014 to create its first-ever sustainability report. The team was asked to highlight O-I's environmental, health and safety, innovation, employee engagement, and community engagement efforts using the latest GRI G4 reporting guidelines.

Working closely with members of O-I's communication team, Edelman helped further define already-established material indicators and validate the material indicators with external stakeholders, including nonprofit partners and industry organizations. Edelman then led the content development for the final 57-page report and managed the visual design process.

O-I published the report on its website and internally distributed print copies worldwide in April 2015. Through the editorial process, Edelman helped to more clearly define O-I's short and long-term sustainability objectives and goals. The report increased transparency and created a communication platform for O-I to have meaningful dialogue with its stakeholders. It also helped substantiate O-I's claim that glass is the preeminent sustainable packaging material.

Thank You