

# Making the Pitch

*Determining ROI on CSR Initiatives*

September 30, 2021

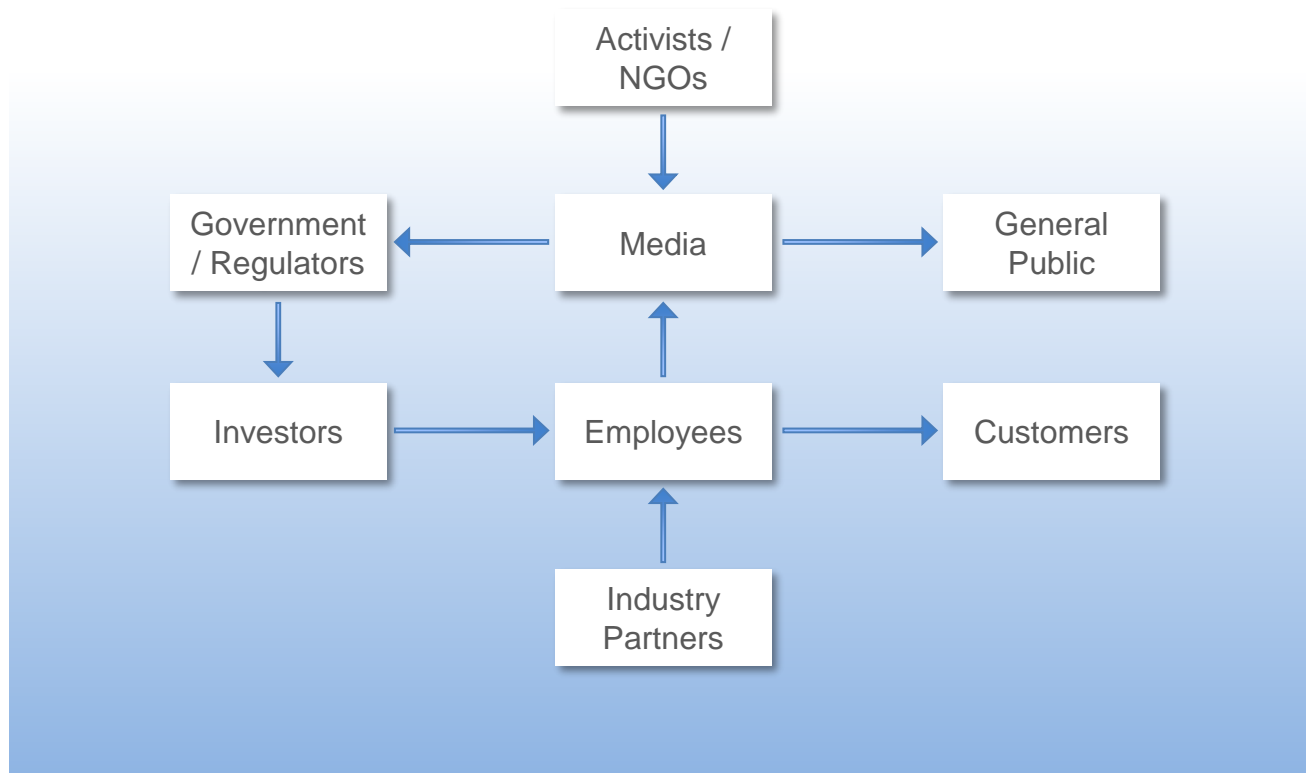
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# DISCUSSION GUIDE

- ❖ Sustainability Today - Doing Good, Driving Value
- ❖ SR & ESG – Complimentary Systems of Action
- ❖ Making the Financial Case
- ❖ Internal Integration is Key

# OPINION-SHAPING GROUPS

*All organizations have time, energy and history in the environmental, philanthropy and workforce practices that will continue to gain attention from our stakeholder groups*



# STRIKING THE BALANCE

## CORPORATE SOCIAL RESPONSIBILITY (CSR OR SR)

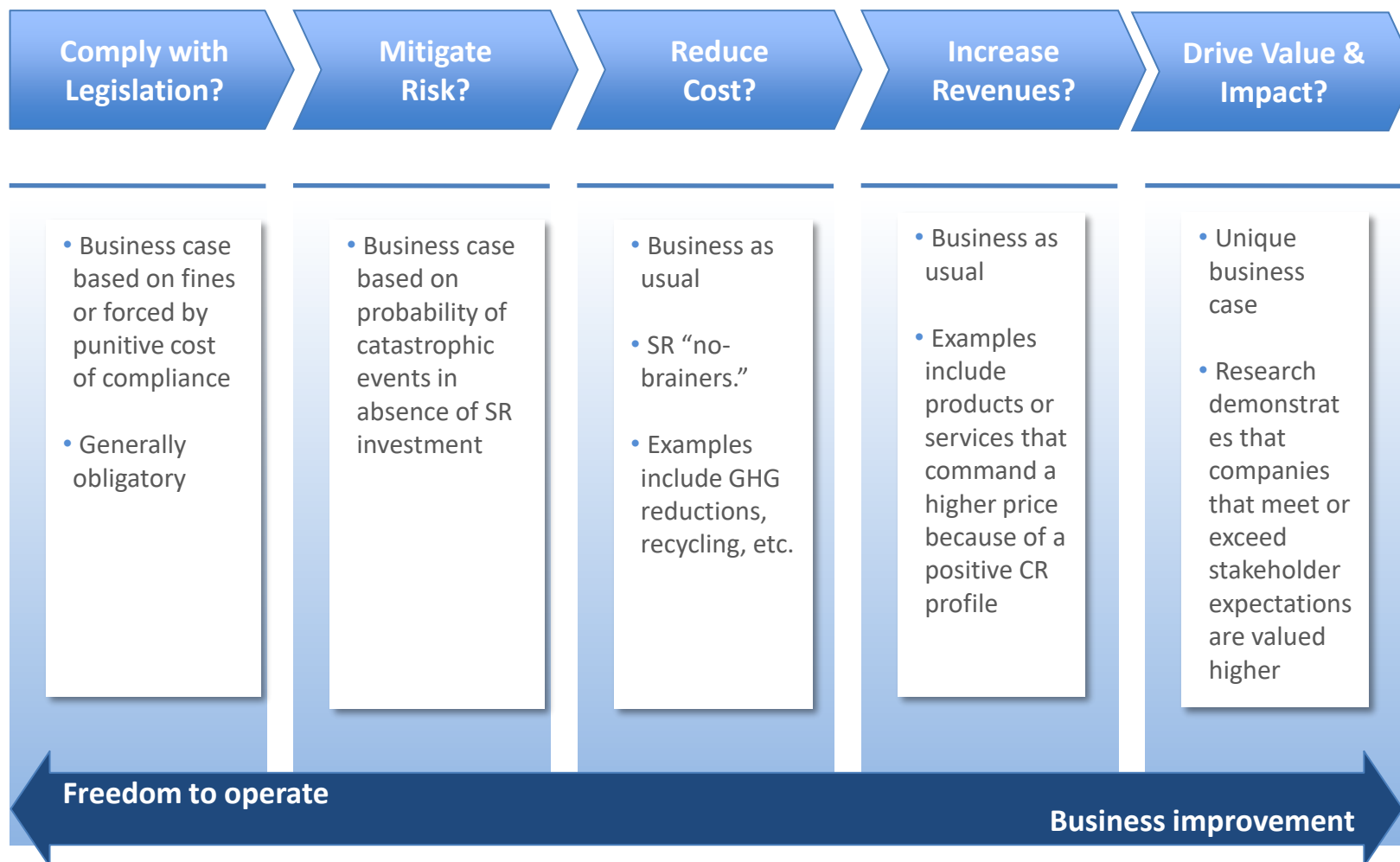
- CSR is your company's internal commitment to strong corporate values. With CSR, you're looking to build accountability *within the organization itself*.
- With CSR, the emphasis isn't necessarily on profitability. Instead, the focus is on how businesses regulate their own ethics and impact on the community.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

- ESG is a broad rating of a company's commitment to sustainability and other values that pertain to the long-term health and viability of the business.
- ESG represents a framework used by investors to better understand business impacts on a wider scale. It's how a company is viewed through a lens of sustainability, performance and liability.

# WHY INVEST IN SOCIAL RESPONSIBILITY

All SR investments should be quantified for business benefits



# MEASURING SHARED VALUE

Environmental  
Impact

Social  
Impact

Business  
Impact



# COMMUNITY INVESTMENT MODEL

*Allocation Optimal?*

## INPUTS

### HOW?

Cash, time, in-kind, management costs

### WHY?

Charitable gift, community investment, commercial initiative in the community

### WHERE?

Geographic location

### WHAT?

Subject focus and issue addressed

### Inputs: What's given?

The resources a company provides to support a community activity.

## OUTPUTS

### Community benefits:

Numbers helped, activities held, etc.

### Leverage:

Additional funds raised

### Business benefits:

Media coverage, awareness among customers, employees, etc.

### Outputs: What happens?

The activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made.

## IMPACTS

### Community impacts:

How beneficiaries are better off:

#### - For individuals:

Skills/personal development, behavior change, quality of life

#### - For organizations

New/improved services, wider outreach, raised profile

How the company is better off:

#### - Business impacts:

- Includes employee satisfaction, brand awareness, conditioning

### Impacts: What changes?

The changes that happen to individuals, organizations and the company, in short or longer-term, as a results of the activity.

# DRIVING ROI – AN EXAMPLE

## ENERGY EFFICIENCY AND CARBON REDUCTION

### WHAT IS THE MEASURE?

Save 200 million kWh of energy and 300 million lbs of GHG by 2025 from a 2015 baseline

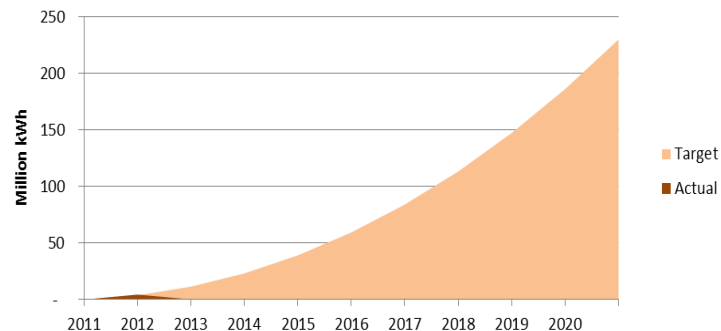
### WHY IS IT IMPORTANT?

- Cost Reduction - Managing energy in a more efficient manner has the potential to avoid over \$27 million in operational costs over 10 years
- Supply Stability – Utilizing cost effective sources of renewable energy is a mitigation against energy supply instability
- Environmental Protection – Reducing energy usage and increasing the use of renewables results in less natural resource degradation and fewer carbon emissions
- Stakeholder Expectations – Recognizing that we can't always control rising energy prices, but we can control our energy usage

### HOW ARE WE DOING?

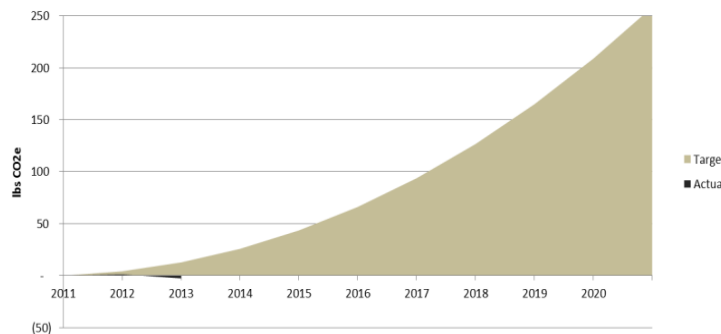
- Energy - missed 2020 target by 11 million kWh
- GHG – missed 2020 target by 15,000 lbs CO<sub>2</sub>e
- Implementing actions to achieve 2025 goals

Cumulative Energy Savings



OFF  
TRACK

Cumulative GHG Savings



OFF  
TRACK



# SUMMARY – BUILDING YOUR SR PLATFORM

## *FIVE PROCESS STEPS*

