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BUSINESS AS A FORCE FOR GOOD: ---

UNPACKING SOCIAL SUSTAINABILITY

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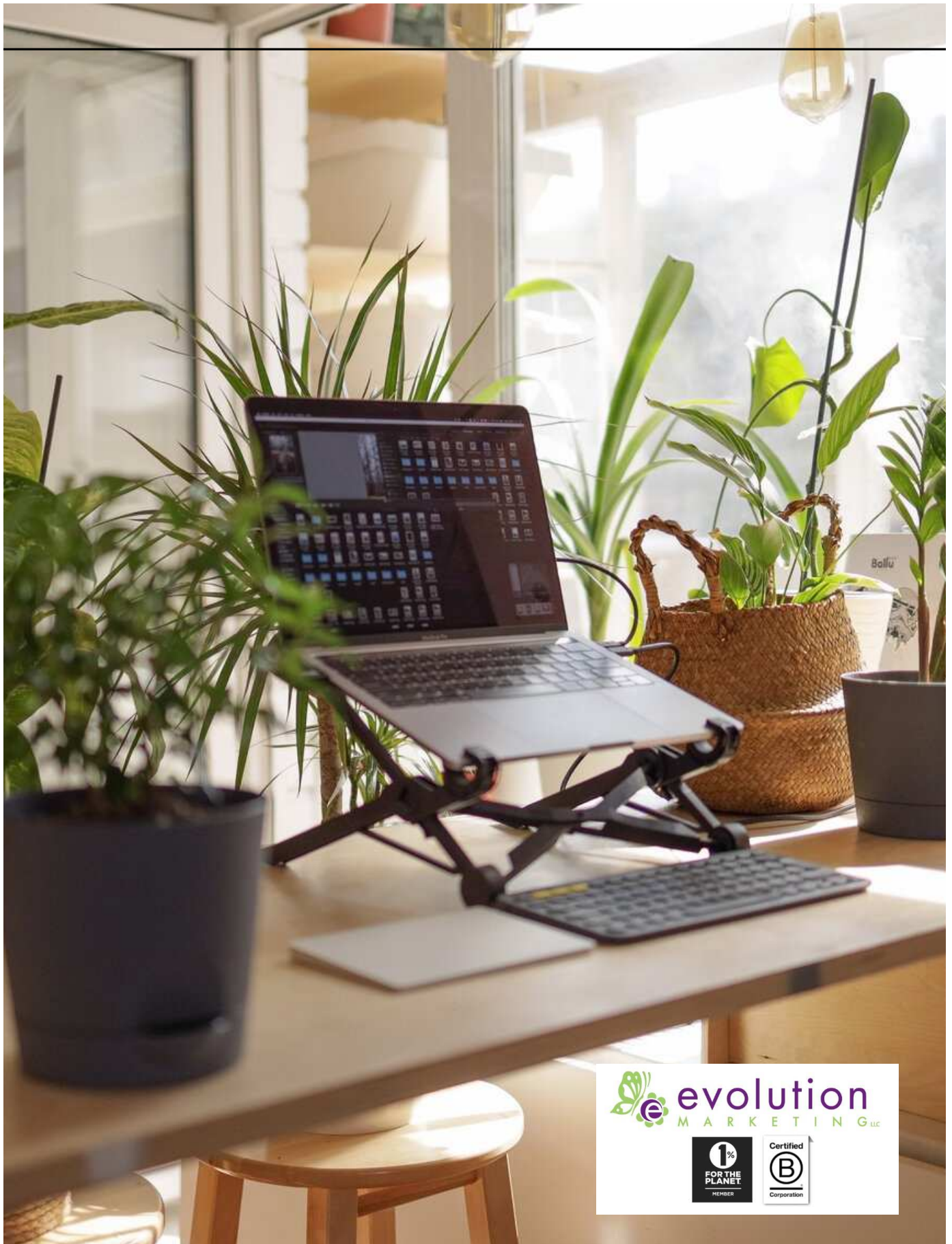
In a world where so much is uncertain and the dynamics of the global economy are evolving so rapidly, many businesses today are facing a critical junction regarding their purpose and role in society. This is with good reason, as corporations and businesses have historically been driven by greed and profitability as demonstrated by the widespread adoption of Milton Friedman's shareholder theory which states, "a business's primary commitment was first and foremost fiduciary, to its investors." In other words, business success has been based solely on achieving financial gain/returns at the cost of society, the Earth, and humanity.

Over the last couple of years, many things have changed in the business world where businesses today have or are in the process of shifting how they think about their stakeholders (i.e. their customers, employees, greater community, society and their investors). Affirming this sense of change, in 2019, the Business Roundtable released a statement officially redefining the purpose of corporations to serve not only investors, but also their workers and community. The gravity behind the largest corporations in America acknowledging that it was time for the commercial world to start taking accountability for greater social problems was revolutionary, and it shook the business community to its core.

This statement was signed by 181 CEOs and demonstrates the internal shift among the world's leading corporations. Sustainability and corporate social responsibility are no longer trends in business, but are now viewed as legitimate strategies that all businesses can use to address risk and create opportunities. As they strive for positive impacts on all stakeholders rather than simply fulfilling financial responsibilities, business is truly becoming a force for good.

Why Sustainability In Business, Now?

Sustainability in business can take many forms, but what they all have in common is the drive to achieve more than just financial gain. The United Nations defines sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" as well as "harmonizing three core elements: economic growth, social inclusion and environmental protection." While more and



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more people are aware of the environmental aspect of sustainability, as well as the necessity of balancing these efforts with financial success, the third pillar of sustainability, social inclusion, is not as well understood.

There are five principles of social sustainability: quality of life, equality, diversity, social cohesion, and governance. The social side of sustainability encompasses a business' commitment to people and purpose. Businesses accomplish this by making social investments in communities to improve quality of life, create jobs, and partner with other businesses to solve social problems. A company's diversity and inclusion efforts are often viewed as one of the aspects of social sustainability, as well as working with local government or the nonprofit community to help build resilient and equitable local social systems (i.e. via educational or workforce development programs). It could also refer to a company's impact on community development structure through housing, investment, and equity.

Mutual Benefit For Businesses and Society

In 2020, U.S. businesses large and small stepped in to address social problems that are not being tackled by governments that are having a direct impact on their workforce, consumers, and the local community.

Businesses engaging in socially responsible practices experience a plethora of benefits and positive results. One of the increasingly relevant benefits being that as a new generation of employees enter the workforce, many expect that their employers have values which align with their own and are taking measures to positively engage with their communities. Working for a company they can be proud of is something that Generation Z-ers prioritize during their job search. Moreover, there's not always a dichotomy between financial viability and doing good. In actuality, there has been a huge shift in recent years as investors are not only attracted to businesses which are sustainable and socially responsible, but actively turning away from those which are not. Additionally, like employees and investors, customers are increasingly utilizing community impact, sustainability, and commitment to a higher purpose to help them differentiate between brands. The idea of voting with your wallet has truly come to fruition as consumer purchases today reflect their values and political beliefs more so than ever before.

Social Sustainability Business Models

Today, social responsibility has manifested itself in a great variety of ways among businesses. Whether it be as a Certified B Corporation®, a social enterprise, or a comprehensive corporate social responsibility policy, an increasing number of businesses are seeking to make a positive impact on the world around them. Each of these operational systems serve to hold the business accountable for more than just profit-based metrics of success,

meaning that success in business is based on the impact the organization has on all of its stakeholders: employees, consumers, community members, citizens of the world and more.

A Certified B Corporation® is a business which is legally bound to balance purpose and profit by considering the impact of business decisions on all stakeholders involved including employees, suppliers, customers, the environment, and community. Companies are audited by a third party, the non-profit B Lab. The audit is based on a comprehensive B Impact Assessment that measures all facets of one's business operations and how its business model impacts the company's stakeholders. Certified B Corporations® are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability.

In the same grain of purpose and profit being inseparable, social enterprises seek to maximize profits while also maximizing social benefit, usually by using profits generated to fund socially responsible endeavors. Social enterprises that you may be immediately familiar with include Goodwill, which uses profits to fund employee training for people with disabilities.

A social enterprise is unique in that it directly addresses a social need and is profitable, it does not rely on charitable donations. Instead, they leverage innovative business skills and sources of capital to alleviate certain societal problems. They achieve financial success by making a social impact and one cannot be accomplished without the other. In Milwaukee, Cream City Conservation and Consulting works with environmental and community service organizations to address internal cultures and practices that

One example of a Certified B Corporation® making a positive impact on communities globally is Cora. Cora seeks to provide eco-friendly feminine hygiene products, increase widespread access to feminine products in developing countries, advocates for female education, and speaks against taxing these types of products as non-essential goods. Since the company's inception, they have donated over one million sanitary products to women in Kenya and India. They have also donated over 100,000 feminine products to women living below the poverty line in the United States. Other Certified B Corporation® companies range from huge household names such as Danone North America, Ben & Jerry's, to local Wisconsin product makers such as Rebel Green, Zyn, Just Coffee Cooperative, and Tribe 9 Foods, demonstrating that this business model is achievable and scalable.



Cream City Conservation Corps Conservation & Trails Crew collects firewood for sugar maple harvesting at Neighborhood House Nature Center in Neosho, WI.

contribute to workforce homogeneity. Additionally, the Cream City Conservation Corps program trains and employs young girls 15-25 whose social identities are traditionally underrepresented in the environmental industry. The Corps program is supported by community partnerships and profits from the consulting end.

Other companies which may not have incorporated social commitments directly into their business model take steps to demonstrate it nonetheless through strong corporate social responsibility policies. For instance, Whole Foods has established the Whole Planet, Whole Kids, and Whole Cities Foundations to contribute to initiatives promoting healthy eating and broader food access in under-served communities. Original CEO John Mackey has been an icon in the social sustainability space and advocates for identifying a higher purpose for your business.

What Can You Do

Businesses can, should, and are becoming a force for good... The role of business is evolving, and with it, so can your buying decisions. In the space where businesses are beginning to recognize their impact and adjust for it, there is an equally important movement among consumers.

- Support people first business organizations (i.e. employee owned cooperatives)
- Check labels and certifications on products in your home and in stores
- Invest in ESG (Environmental social, governance) funds
- Seek employment from socially responsible businesses
- Buy from minority and women owned businesses
- Buy local and from ethical companies

Evolution Marketing, a Wisconsin based sustainability, marketing, and communications consultancy, has worked hard to establish reputable third party credentials, that are audited and publicly demonstrate their environmental and social impacts. In 2019, Evolution Marketing donated 2% of their sales to environmental nonprofits, and .5% of sales to Wisconsin based socially minded nonprofits. Additionally, members of the team donated 238 hours of time/services to Wisconsin based nonprofits and their environmental and social programming. On a yearly basis these efforts are verified by third parties including 1% For the Planet. ■



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As a women-owned Certified B Corporation® we are using the power of business to build a more inclusive and sustainable economy in Wisconsin.

Want to learn more, call Lisa @ 414-915-3931 for a complimentary consultation.





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