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Corporate Social Responsibility: Emerging Expectations for Public Companies

Foley Hoag LLP

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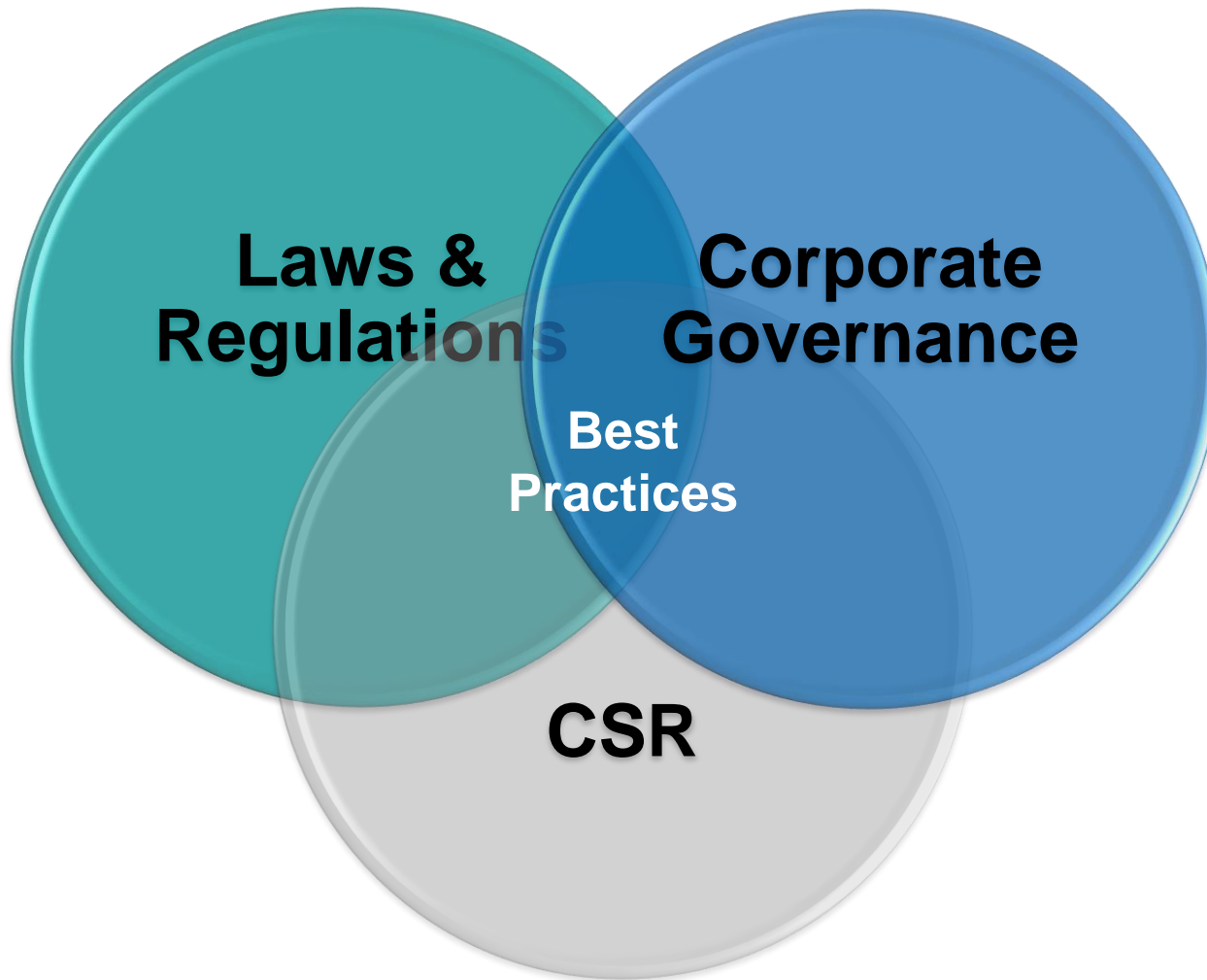
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What is Corporate Social Responsibility?

“Corporate social responsibility encompasses not only what companies do with their profits, but also how they make them.

It goes beyond philanthropy and compliance and addresses how companies manage their economic, social, and environmental impacts, as well as their relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm.”



- Corporate Social Responsibility Initiative, Harvard Kennedy School

What Types of CSR Expectations Exist for Companies?

Categories of expectations:

- Social and environmental impacts
- Public policy concerns

Expectations may be specifically linked to:

- The nature of a company's products
- Processes specific to a company's operations, including its supply chain

Expectations may also be more generic:

- "All companies should take a position on this issue..."
- Human resources concerns



Who Has Expectations for Companies?

1. Regulators, Policy Makers & Governments
2. Actual and potential customers
3. Employees
4. Business partners & vendors
5. Investors
6. Industry associations
7. Communities impacted by company operations



How are CSR Expectations Expressed?

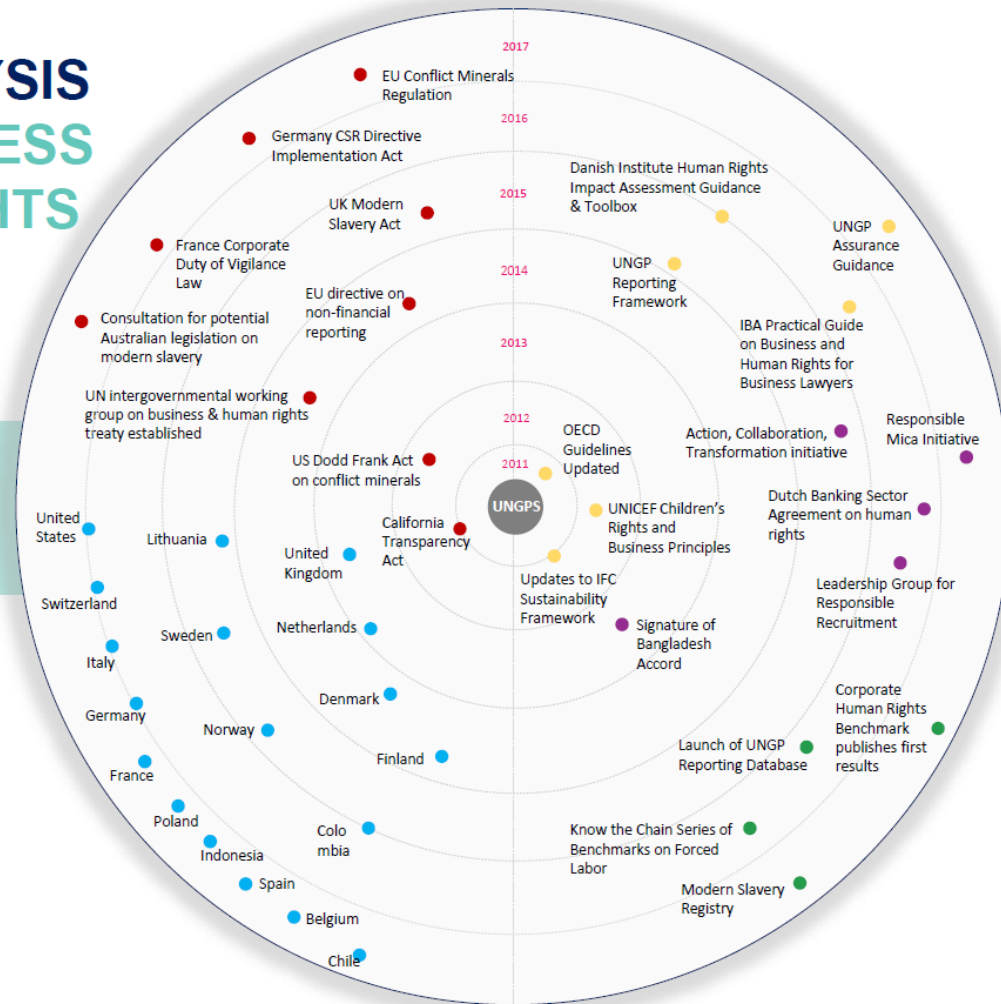
- Legislation and regulation
- Voluntary standards
- Shareholder resolutions
- Purchasing behavior
- Boycotts
- Benchmarking/ranking initiatives
- News reports
- Online activism



Where Are We Today? New Laws, Regulations, and Initiatives

WBCSD ANALYSIS OF THE BUSINESS & HUMAN RIGHTS LANDSCAPE

REGULATION



What Happens to the Information that Companies Disclose Regarding CSR Efforts?

5 Great Companies That Get Corporate Culture Right



access to
medicine
INDEX



KnowTheChain Benchmarks



Certified
B
Corporation



BEST
for
2017
THE
WORLD

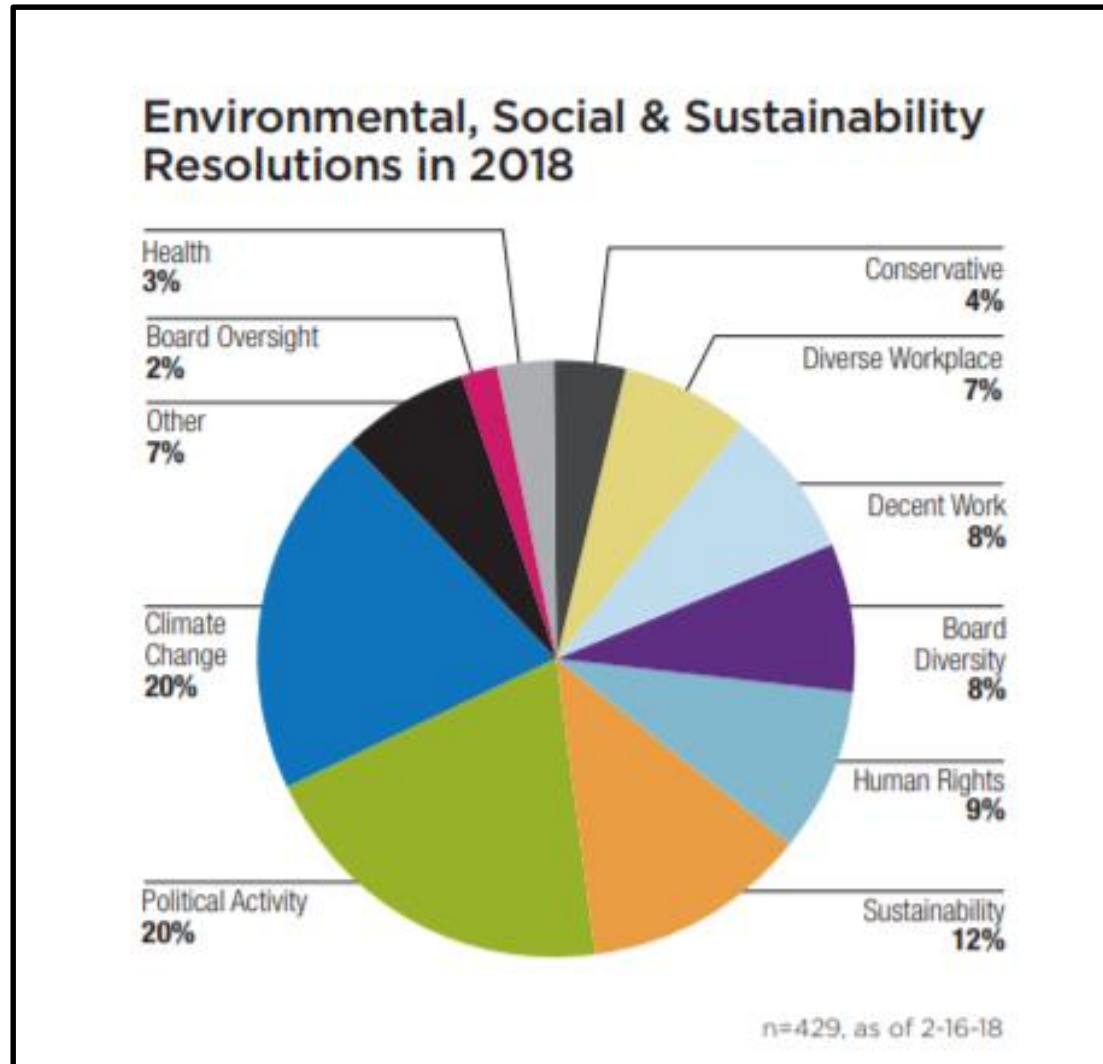


2017
CHRB
Corporate Human
Rights Benchmark



RANKING DIGITAL RIGHTS

Where Are We Today? Shareholder Proposals in 2018



Source: www.proxyreview.org

Where Are We Today?

New Influencers in the CSR Scene

- Social advocacy and organization are increasingly online
- “Instant” broadcasts of incidents that may be linked to companies
- Companies are increasingly expected to speak out on issues related to public policy
- There is a new level of attention to corporate impacts on society

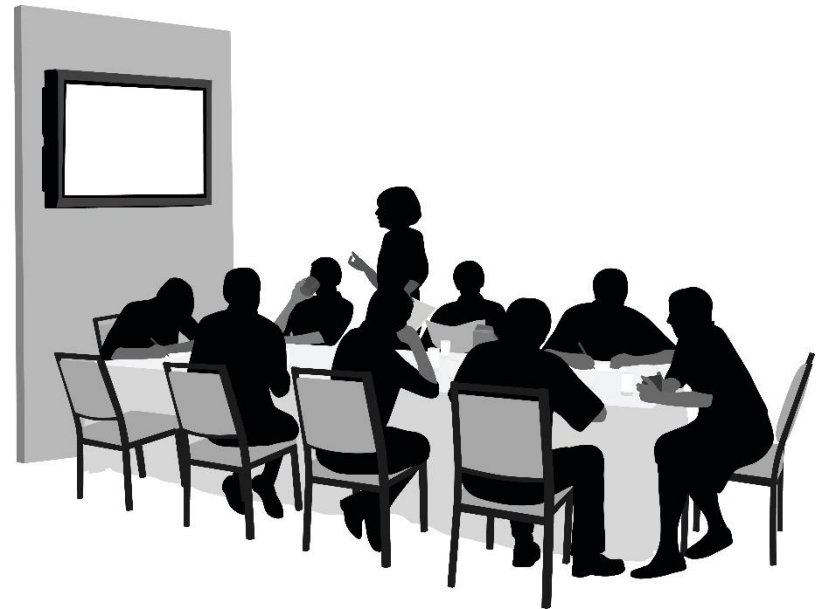


Companies in the News



Key Questions

- How is a company responding to shifting expectations?
 - What resources are applied to new compliance obligations?
 - How is the company assessing which stakeholder concerns are/may be relevant to its business?
- For new commitments, including compliance obligations, how well resourced are appropriate people/functions?



Key Questions

- Who is making decisions? Who *should* be making decisions?
- What legal standards are relevant to the decision-making?
 - What legal standards apply to the relevant substantive issues?
 - What legal standards apply to the process for decision-making?



Key Questions

- How well informed are key decision-makers regarding the relevant issues?
 - What blind spots exist?
 - What resources are available to inform decision-makers?
- What capacity does the company have to make decisions within an appropriate period of time?
 - Who has the authority to “move quickly”? With respect to which issues?
 - Which internal/external stakeholders need to be consulted?
- What values guide the company’s decision-making?
- How will the company explain its decisions to key internal and external stakeholders?

Examples of Board Committees

The Coca-Cola Company – Public Issues and Diversity Review

Committee: “The Committee will review the Company’s human and workplace rights policies and how the Company demonstrates respect for human and workplace rights in our business system, in our supply chain and in the communities in which we operate. The Committee will receive at least annually, presentations related to progress in this area.”



Alliance One – Social Responsibility and Corporate Affairs Committee:

“The Committee shall monitor the Company’s strategy regarding, and management of, issues relating to good corporate citizenship, environmental sustainability, human rights and labor practices, health and safety and other emerging social issues (collectively, “Corporate Social Responsibility Issues”).”



HP - Nominating, Governance and Social Responsibility Committee: “to review, assess, report and provide guidance to management and the full Board regarding HP’s policies and programs relating to global citizenship (which includes, among other things, human rights, privacy, sustainability and corporate social responsibility) and the impact of HP’s operations on employees, customers, suppliers, partners and communities worldwide, as well as reviewing the annual Global Citizenship Report.”



Examples of Ways that We've Helped

- We helped an international financial services company develop a values statement and set of guidelines to guide internal decision-making and stakeholder communications on controversial public policy matters.
- We have helped companies in diverse industries conduct comprehensive assessments of the human rights impacts of their operations, both comprehensively and at the site-specific level.
- We have helped companies develop due diligence documents to facilitate that assessment of potential social and environmental risks that may be linked to specific business relationships.
- We have helped companies in diverse industries comply with new legislation, including the California Transparency & Supply Chains Act, the U.K. Modern Slavery Act, and the French Duty of Vigilance Law.

Corporate Social Responsibility | AND THE LAW



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Join Us at NewCo Boston!

By Stacie Aarestad

The Foley Hoag IPO, Then What? blog focuses on the issues facing companies going public, but recognizes that the IPO is the start and not the end of the story.

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Thank you!

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