

PR and sustainability briefing Part 2: Industry trends - Ethical specialists gaining ground

Posted by [Stephen Gardner](#) [1] on Sep 1, 2011

Ethical public relations generally means choosing to work for ethically minded clients, though some overlap between PR and sustainability consulting is starting to develop

Public relations is a business of many niches. There are PR firms and divisions of PR firms specialising in areas including health, information technology, social marketing, the public sector, China, and even golf. All aim to bring a particular knowledge of a market or media segment to their clients.

One of the niches is ethical PR. But rather than leveraging better corporate responsibility practice in their clients, ethical PR firms tend to work with clients that are already recognisably ethical.

Goodworld Communications, for example, highlights its work with Fairwind, an ethical online retailer, and ScotsCare, a charity for Caledonians who find themselves down-and-out in London. Greenhouse PR lists ethical brands such as Ecotricity, Neal's Yard Remedies, the Soil Association and Triodos Bank among its clients.

Goed en Groen (Good and Green), meanwhile, is a Dutch ethical PR firm. Co-founder and partner Reinhoud Wolff, who is a "modern hippy marketing maniac" according to the company's website, says he was inspired by work that he did with responsible ice-cream makers Ben & Jerry's.

"We want to work for and with companies who work with corporate social responsibility from the heart," Wolff says. "We are not for greenwashing." He accuses larger PR companies of viewing corporate responsibility as a mere marketing tool. Goed en Groen will turn down potential clients if it suspects them of not being genuine about their ethics, he says.

"Ben & Jerry's worked with companies that worked just like them, with the shared values," Wolff says. "We also work with people who work and think in the same way." He adds that greenwashing has made consumers "confused and a bit tired of green". Companies must respond by being genuine in their efforts to be sustainable.

Goed en Groen tends to work with smaller brands that it believes can find a niche alongside mainstream competitors. Clients include Oggu, an Amsterdam maker of wholly organic soft drinks; Optivolt, an installer of efficient energy systems; and Fortress, a property company that specialises in inner-city redevelopment.

Reputational risks

Richard Ellis of the UK Public Relations Consultants Association says that PR companies offer tailored services because they "know how different stakeholders will respond to different issues, and they understand how to change attitudes and opinions accordingly using different forms of communication".

For clients, ethical issues represent a “huge reputational risk capable of bringing companies down, as the recent News of the World scandal shows”, Ellis says. PR professionals can help their clients “look at the cost-benefit of each risk and prepare accordingly. Sometimes the risk is intrinsic to the nature of the work and it will be a case of preparing responses in case the potential issue becomes more than that.”

He adds that PR agencies can play “a strategic adviser role or an implementation role”. This is the point at which ethical communications advice can cross over into consulting on sustainability, something that has been recognised by Chime Communications, which is the parent company for many of Britain’s best-known PR brands, including Bell Pottinger, the UK’s biggest PR agency.

Within its portfolio, Chime includes strategic corporate responsibility consultancy Corporate Citizenship. Karin Laljani, Corporate Citizenship’s managing director, says the company helps clients “embed sustainability into their business practices,” which is an “ideal fit with Chime”.

The corporations that are most exposed to reputational risk over their ethics are the major brands that “go out in the open and share” what they have been doing, Laljani says. She gives the examples of Marks & Spencer and Unilever. Both have high profile corporate responsibility programmes: Plan A in the case of Marks & Spencer, and Unilever’s Sustainable Living Plan.

“Sustainability is clearly not a constraint” for these companies, Laljani says. To help others follow their lead, Laljani says Corporate Citizenship will sometimes start with the claims that brands are making about themselves and then “we’ll backtrack and see what they need to do to become that organisation”.

“Most organisations are not perfect,” she says. “We will always find areas where we say you really need to do something about this.” If companies have been over-claiming about sustainability, it can be a “fantastic opportunity” for the PR firm to make sure the reality matches the hype, Laljani says.

Different approach

Corporate Citizenship thus takes a back-to-front approach to public relations. Rather than starting with what the client wants to promote, and exaggerating its virtues to the maximum, it starts with how the client ideally wants to be perceived, and sets about creating a solid foundation for that.

Referring to sustainability, Laljani says that marketing and PR is “the last discipline and function that gets it”. The PR role is changing from the promotion of products and “making sure positive achievements are noticed, with profit as the focus” to an approach that is “fact-based and transparent”.

Companies with a gap between what they claim and what they do “will be exposed really fast”, Laljani says. Companies are no longer just keeping their shareholders happy, but must be concerned about the risks arising from the need to meet the interests of a wide variety of stakeholders.

One example of a subject that ultimately becomes a PR issue is tax, according to Corporate Citizenship. In a paper published in May, the company argues that corporations need to communicate appropriately about the amount of tax they pay because it has become a corporate responsibility issue in the age of austerity. Organisations such as UK Uncut threaten to embarrass

corporations that do not fully appreciate the reputational risk, the paper says.

When it comes to tax, “the traditional defence of compliance is dead; the distinction between evasion (illegal) and avoidance (lawful) has dissolved in the eyes of governments, NGOs and citizens,” Corporate Citizenship says. “We believe that companies need a new approach to manage and communicate tax effectively.”

Comfortingly for the world’s biggest corporations, the paper adds: “This does not, in essence, involve paying more tax.” However, it does mean that companies must “identify a coherent and credible position on tax and find a language to defend it”.

Few firms have done this so far. “Most companies have been woefully silent on the issue,” the paper says. “They have failed to put in the public domain a clear position on why their tax policy is sensible for investors or society at large.”

Tax mapped

To remedy this, Corporate Citizenship sets out a “tax map”. Are companies engaged in what could be construed as evasion, or setting up structures purely for tax planning purposes? Or are they in fact paying more tax than they could legally get away with, because they believe it is the right thing to do?

Companies in a more risky place on the tax map can decide to move to where they want to be and put the necessary policies in place. Only then will the company be “ready to speak to the outside world”, and it should do so in language that can be “understood by stakeholders like your employees and customers – not just the lawyers and tax authorities,” Corporate Citizenship says.

The challenges faced by some corporations in this area are shown by examples cited in the paper. Vodafone, Corporate Citizenship says, has articulated a new approach to tax, promising to align its tax risk policy with its corporate values, while HSBC has highlighted its “role in collecting taxes such as VAT and stamp duty”.

But these companies are among the top targets for tax campaigners. UK Uncut says Vodafone is “fighting tooth and nail” to avoid paying tax bills in Britain and India, while HSBC channels money through tax havens, and is threatening to move its domicile to Hong Kong to avoid tighter British financial regulations. Some companies clearly have work to do to bridge the gap between the ethics they profess and the actions they take.

Additional research by Boris Peters.

For more on tax see strategy and management p38.

In the wash

Setting the washing machine to lower temperatures as an energy-saving measure is now commonplace, but it was not always so. **Procter & Gamble** is credited with helping to convince its customers that clean clothes at lower temperatures are possible through its **Turn to 30** campaign for **Ariel** washing powder.

PR company **Hill & Knowlton** worked on the campaign. The message was based on Hill & Knowlton research that showed that 60% of Ariel's target consumers wanted to do something to mitigate climate change, but only if it didn't mean less-white whites.

Hill & Knowlton's Flic Howard-Allen says the company "recruited high profile ambassadors for the campaign, including **Helena Christiansen**. People were asked to sign up to a 'do a good turn' website, and a national roadshow showed people how simple washing at 30 could be."

The campaign claims to have achieved success in stimulating a small, but widespread and persistent, **behavioural change**. Procter & Gamble received an HBOS Responsible Marketing Award, and post-campaign research found that, by 2007, **17%** of consumers were washing at 30 degrees, compared with 2% five years earlier. Most 30-degree converts said they would continue washing at lower temperatures. Energy savings from this shift were estimated at **41%**.

Monsieur Nature

NewsLab is a strategic communications agency based in Amsterdam. NewsLab's senior PR consultant, Isabelle Los, says that corporate responsibility is "clearly on the agenda of the companies we work for. But sometimes we have to tell clients that it is something worth telling others about. They are doing something but don't always realise that it is worth communicating about."

An example of this is the firm's work for holiday provider **Center Parcs**, which is one of Europe's largest importers of tropical plants. Center Parcs spokesman Michel Busman says that each park includes a sub-tropical area, but that the plants that populate it are imported for **conservation** and **educational** purposes. The company often rescues plants that would otherwise be destroyed. "People who are on holiday can learn about this," Busman says.

NewsLab pitched stories to journalists about the care taken by Center Parcs to source and transport tropical plants. The company says its "**environmental specialists** trek into the jungle themselves, in order to remove the trees carefully ... Center Parcs never sources plants or trees from nature reserves or protected regions." The plants then go on a long sea voyage to Europe, which they spend "in a state of suspended animation". This, Center Parcs says, is part of its ethos that "makes sure that nature runs its own course".

Center Parcs has given its conservation work a human face in the person of **Monsieur Nature de Center Parcs**, Belgian biologist Jean Henkens. He has been the focus of short films about Center Parcs and biodiversity, maintains a blog on conservation matters, and is much easier for customers and the media to relate to than a dry corporate responsibility strategy.

Links:

[1] <http://www.ethicalcorp.com/users/stephen-gardner>