

RED SKY THINKING

FIVE WAYS BRANDS
CAN DO CORPORATE
PURPOSE ON PURPOSE

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Dear Reader,

Before we dig in, what do we mean by corporate purpose? Simply put, it's the idea that a company's larger purpose is to make a positive difference in the world. For each company and each industry, this will mean different things.

However, all companies that define a purpose for their existence — and then do the hard work of aligning their strategies and operations to that purpose — stand to gain things like greater innovation, better collaboration, more engaged employees, more loyal customers and better financial performance.

The way we see it, companies hold vast money, power and responsibility. They employ people, for whom they're fully responsible for treating equally, paying fairly and at least partially responsible for their health and well-being. They supply materials and create products. And it's now widely agreed upon that companies have a moral obligation to do so in a way that's positive for people and planet.

As our engines of commerce, corporations also have a duty to help employees and communities start again when those engines grind to a halt. Of course, many a wrench has been thrown into these engines over the past decade. The whole world has weathered acts of violence, terror, racism and homophobia. Tsunamis, floods, earthquakes, tornados and wildfires. A global pandemic, Brexit, supply chain disruptions, labor shortages, the #MeToo and Black Lives Matter movements. Now, Russia's ongoing invasion of Ukraine and the demise of Roe v. Wade in the U.S.

These events and others have triggered a global aha! moment, during which it became apparent that corporations should be addressing these things with words and actions. (We believe the same goes for small and medium enterprises. However, throughout this white paper, we refer primarily to corporate purpose.) It appears that time is up on trial runs and best intentions. Fortunately, now that we're on the other side of a steep learning curve, we can all be more sure-footed in our approach to purpose.

Red Havas Resources on Purpose

"From Pledges to Progress"

white paper (issued in 2021)

"2022 Red Sky Predictions" report

("Corporate Purpose or Bust" prediction)

"Red Sky Fuel for Thought"

podcast episode No. 11 ("Proving Brand Purpose")

"PRovoke Media PR Podcast"

episode feat. James Wright ("The Evolution of Purpose: Organizations' Progress Beyond Well-Intentioned Pledges in 2022")

PRWeek roundtable discussion

("Communications Pros Juggle Purpose and Employee Engagement")

LOVE

WHAT YOU DO

AND

DO WHAT YOU

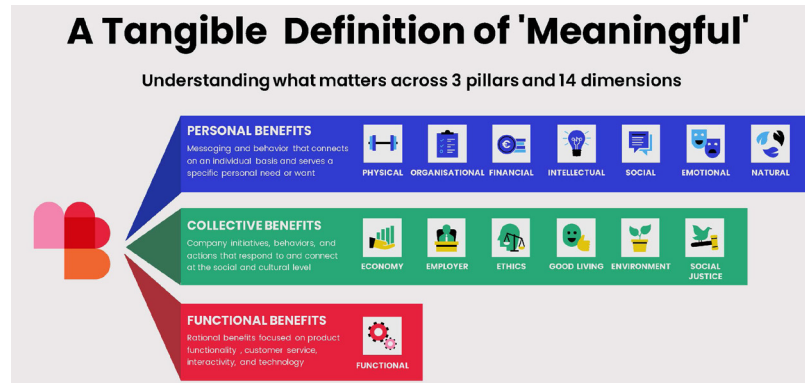
LOVE

Red Havas has covered this topic in earnest over the past few years (see sidebar on page 3). We've been inspired to do so in part by Havas Group's 12-year **Meaningful Brands** study, which looks at how brands tangibly improve peoples' lives functionally, enhance their personal well-being and contribute to wider society. Unfortunately, for the twelfth year, there was a decline in the value most consumers see from brands. At this point, people would not care if 75% of brands disappeared.

Despite this cynicism, consumers are desperately seeking brands that will make a meaningful difference — with 73% saying brands must act now for the good of society and the planet.

For those companies still struggling to determine their “why,” much less their “how,” Meaningful Brands provides a tangible definition of what consumers consider “meaningful.” The answer: Benefits. As in, can they clearly see what a brand is doing to benefit them personally, collectively and functionally?

Meaningful Brands has compiled the most desired of these benefits into a colorful chart, dividing them across three pillars and 14



dimensions, so you can see exactly what's being expected of companies these days.

For this white paper, we also conducted numerous interviews with thought leaders on the subject.

Are we preoccupied with purpose? Yes. But only because we believe it's at the heart of any truly great business. These are the kind of businesses we wish to work with, and it's most certainly the kind of business we aspire to be ourselves.

— James Wright, Global CEO of Red Havas Group and Global Chairman of Havas PR Global Collective

The next era of purpose asks that you:

1. Get purposeful about your purpose. Align it to corporate values, business strategy, performance metrics, and essentially everything else.
2. Make your purpose a two-way conversation and always-on endeavor that evolves in response to what's happening near and far.
3. Take a “glocal” approach to purpose, abiding by a global overarching framework that can be made personal to the communities where you operate.
4. Act as multipliers, bringing your vendors, suppliers, partners, employees and customers/clients along the purpose journey to create a ripple effect.
5. Make big, bold audacious goals — but only if you're prepared to be completely transparent with stakeholders about how you're going to get there.



1.

Get purposeful about your purpose. Align it to corporate values, business strategy, performance metrics, and essentially everything else.

The biggest shift in recent years has been from a focus on the “why” of corporate purpose to the “how.” Now is a time of reckoning. Both internal and external stakeholders want to know exactly what actions are being taken. What’s the outcome of programs and initiatives? And where’s the proof that an impact was made?

It’s about what’s substantive versus performative, what’s being shown versus what’s told. Purpose must be done on purpose. Companies need the help of communicators who are able to speak to the issues of the day in the context of their core business. It should be clear to see how company values and positions connect to their operations — e.g., where they’re making investments in R&D or technology. Communicators are also needed

to bring transparency and accountability to any reporting or statements about values.

If not, corporations will be called out for their cheap talk. Employees, especially, are all ears. A recent **Conference Board survey** found that — following the recent U.S. Supreme Court rulings in *Dobbs v. Jackson Women’s Health Organization* on women’s reproductive rights and *New York State Rifle & Pistol Ass’n v. Bruen* on gun regulation — the vast majority of pressure to take a stand has come from employees, either individually or through employee resource groups (ERGs).

Gen Z consumers and employees, in particular, are more likely to recognize and take a stand against hollow or performative marketing tactics.

Companies don't necessarily need to speak out about every issue, but they do need to be purposeful with their purpose by determining which set of issues to stand for, where they have the right to engage, where they've earned a place in the conversation, and what's material to the business so they can speak up in a credible way with their audiences.

Appearing disingenuous or out-of-touch can create a new crisis. After the murders of George Floyd, Breonna Taylor and Ahmaud Arbery, for example, many companies issued public statements in support of the Black Lives Matter movement, voicing concern for employees, customers and local communities. But companies who had already embedded purpose into their core philosophy were best able to win the confidence of the public and build on their strong reputations of activism.

Airbnb, for example, began its **award-winning #WeAccept campaign** back in 2017 to address discrimination across its platform. It also pledged to

provide short-term housing for 100,000 displaced people when President Trump temporarily closed America's borders to refugees (and then made the same pledge to Ukrainian refugees in 2022). So when Airbnb laid out **its plan to support racial justice** in the weeks that followed Floyd's death, the company had more credibility that its actions would follow its words.

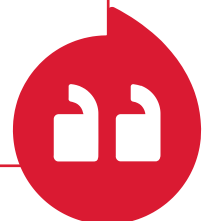
One caution: Corporate responses need not always be rushed. Silence certainly isn't golden, but everyone can appreciate a thoughtful pause. In the days following Russia's invasion of Ukraine, **the majority** of executives went silent as they reevaluated their business strategies. In some cases, the silence preceded announcements of divestment.

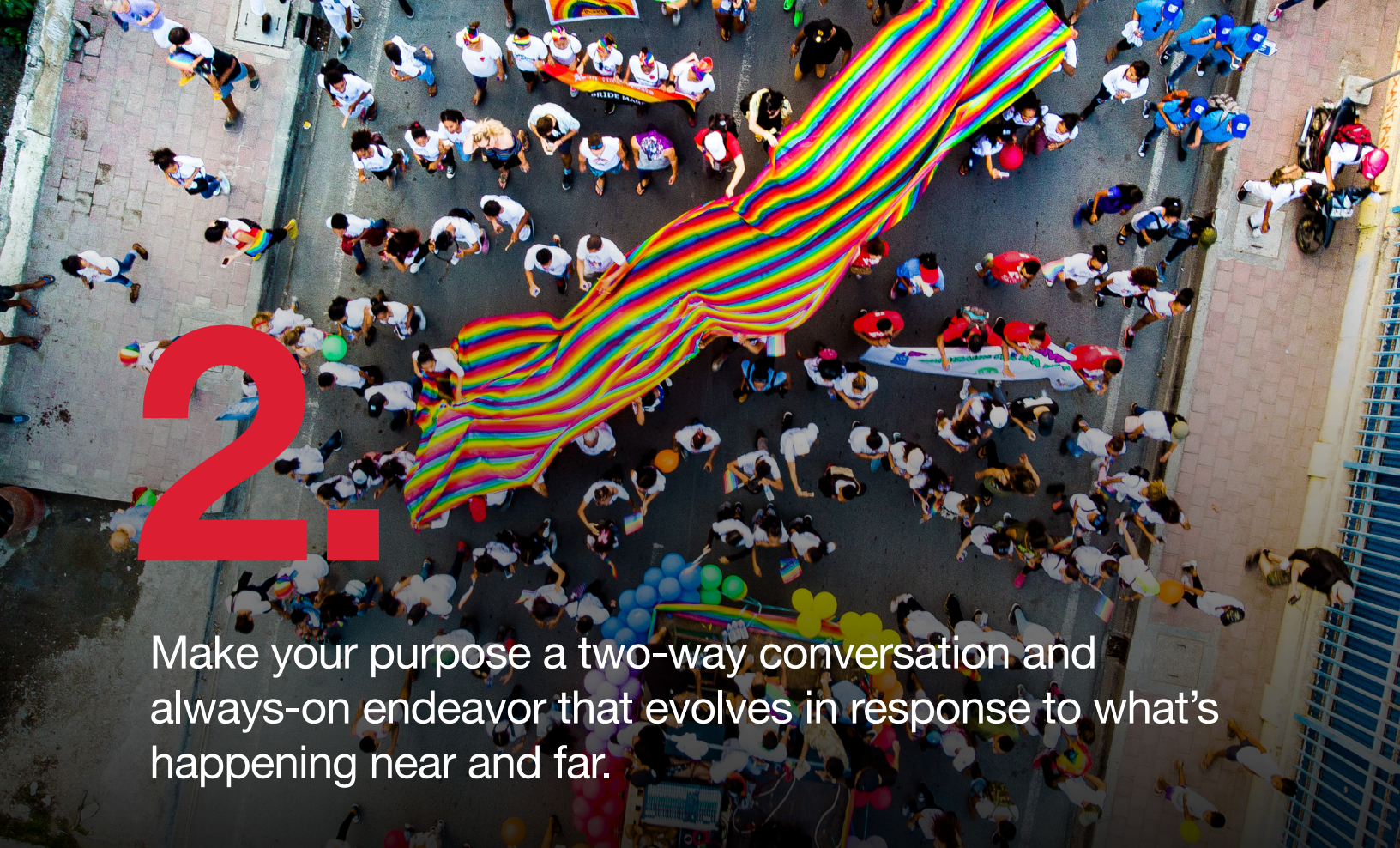
Companies that are genuinely invested in the issues they stand for, rather than only supporting issues as a means to an end for business purposes, will be the ones that succeed.



We've seen almost an arms race in terms of companies making a statement and a vision. The problem is that while the marketing departments embraced that and wrote all the messaging around it, I actually don't think they had an operational plan. A lot of CEOs are sitting there now, scratching their heads and saying, 'How the hell are we going to do this? We've gone out and said we're going to do this, this and this by 2035.' They were running a huge risk of being accused of greenwashing.

—**Terry Paule**, Co-founder and Chairman, Findex





2. Make your purpose a two-way conversation and always-on endeavor that evolves in response to what's happening near and far.

Even though **expectations of brands** have evolved and deepened, many companies haven't known how to manage these expectations. This has led to many a faux pas, awkward moment and epic fail; it's easy to see why crisis comms and corporate purpose go hand in hand.

Workers at Walt Disney Company, for example, staged a walkout in protest of the company's stance on Florida's "Don't Say Gay" bill after they believed the company didn't do enough to oppose the legislation. These actions caused the company to react and better align with its purpose; CEO Bob Chapek has **said** the company is "reassessing our approach to advocacy — including political giving in Florida and beyond."

It may be a good idea to rethink — and therefore replan — for purpose comms and crisis comms as "always on" functions that need to be looked after almost daily and certainly with regularity.

Creating space for this dialogue begins during communications planning. Many companies have already become quite practiced at developing internal communication plans that adapt in real

time to address employees' concerns about safety and wellness in the workplace, diversity, equity and inclusion, and remote and hybrid work. In many cases, using the CEO to communicate regularly and transparently with employees has helped them to keep a steady and engaged workforce throughout COVID-19 and into our post-pandemic working world.

While it's great for a CEO or executive to share their POV internally, more impact will be made when a company communicates externally on those issues, especially when they've earned the right to have a position. A history of transparent reporting on progress often provides brands with the authority they need to speak up.

Companies need steady counsel from communicators who can help them understand the expectations of all stakeholders, identify where their pledges don't necessarily align with progress, and respond when purpose is put to the test. This will require having a plan for monitoring and keeping track of the ways sentiment and issues are evolving.

While communications are often considered an outbound activity, investors very much want to hear the inbound feedback that comms can bring. To help stakeholders feel like they're a part of a community that supports the brand and its causes, invite in outside perspectives that can inform the decision- and campaign-making process and build in community involvement through ambassadors.

Tactics that allow for transparency and feedback with stakeholders include sharing behind-the-scenes content, explaining research processes and releasing extra data. These, in turn, can build trust with them that translates to their financial support.

Brands should go beyond reputation management and acute crisis situations (i.e., a product defect or natural disaster) to consider the myriad of issues that companies now face when their purpose is challenged. Everything from employee health and safety to workplace culture and norms, personnel issues and future-of-work discussions, social justice and diversity, equity and inclusion, and global and national political and humanitarian movements is fair game.

These issues are dynamic, and brands need a process in place to maintain a pulse check on how issues are evolving and where the “hot spots” are so that they can respond thoughtfully on their front foot versus reactively.

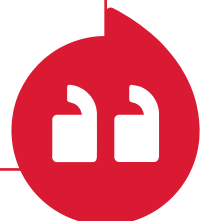
Alicia Escudero, marketing and product manager at Bosch Thermotechnology Spain & Portugal, told us that as a company with global operations and a wide product portfolio, the requirements of Bosch's different stakeholders are often very divergent. For that reason, Bosch maintains an ongoing dialogue with its stakeholders that allows it to check its sustainability commitment against society's expectations and to evaluate its work.

Purpose is not something to accomplish, tick the box and move on. It's best to think of it as an ongoing, two-way conversation between a brand and its stakeholders.



Purpose marketing and communications have become a perfect culmination of an art and a science. In the early days of my career, it was essentially about an art — building a narrative, telling a story about impact. There was a kind of a saviorism lens to nonprofit comms. The development communications landscape has matured over the last several years, and it's become more about sustainability, not about saviorism; it's about cocreating solutions with communities, about scaling up innovative approaches with partners and about finding shared value. On the other hand, companies are being more intentional about building a brand narrative with and for their stakeholders beyond traditional PR. Instead they are asking ‘How is this aligning with our core business? How is it enabling us to attract top talent or build investor confidence for our business?’ ‘How is it supporting our brand purpose?’ That is where the science comes in. I also see a lot of data being used for evidence-based advocacy, which lends credibility to the discipline and helps to shape communications in an authentic way.

— **Sohini Roychowdhury**, Head, Strategic Communications and PR for Fundraising, UNICEF, Geneva





Take a “glocal” approach to purpose, abiding by a global overarching framework that can be made relevant and personal to the communities where you operate.

At least temporarily, the pandemic impaired how brands and companies engaged with their internal and external communities. Now, there’s a fresh focus on bringing people back together, connecting stakeholders to their communities, and understanding their unique needs rather than applying a one-size-fits-all approach to purpose.

Community outreach isn’t as simple as it may have once been — when a one-off food drive or project may have sufficed. When creating a culture of giving back, there’s more at stake now.

Many studies have shown that employee volunteer programs boost productivity, increase employee engagement, and improve hiring and retention. And stakeholders are looking for tangible proof of companies’ impact, so companies are

looking to get it right the next time they roll up their sleeves and get to work to demonstrate their purpose in their communities.

adidas does an excellent of aligning its global purpose to its work in underserved communities. Not only does its adidas **Football Collective initiative** support grassroots football programs around the world, but this year the brand also teamed with Common Goal to pledge 1% of its global net sales of footballs to global football communities around the world and to create a more inclusive game for everyone. And to address the high dropout rate for girls of color in urban centers, adidas is working with the **Black Women’s Player Collective** and its members to host annual soccer clinics and programming for young girls.

At a time when companies are enacting global community engagement programs, brands should consider making them local and personal by allowing employees to choose where their time and money go instead of dictating a certain charity.

Likewise, when laying out global employment policies, it's important that global companies nuance their diversity, equity and inclusion (DEI) programs to consider local diversity pain points. There is no universally accepted global definition of diversity; the issues of race, ethnicity, nationality, class, age, gender, sexual orientation, physical ability, religion, etc. differ depending on the region of the world you come from.

This makes it difficult for organizations operating across multiple jurisdictions to manage local laws and cultural differences when implementing DEI programs. Great care must be taken to understand broader culture, politics and economic implications — ranging from the class and caste differences in South Asia to the variety of ethnic and religious minorities in the Middle East and North Africa, to the power imbalance, migration pressures and climate issues that plague the Global South, U.S., EU and communities of color.

Acknowledging and understanding these nuances will help organizations tailor their global strategies to be adopted locally — taking a “glocal” approach. Brands are advised to keep up to date with legislative changes and best practices, and to monitor developments in their key markets — especially where HR or DEI presence is lacking locally.

For example, Deutsche Bank created programming for people with disabilities in India, where many people suffer from polio or other diseases because medicine was not available to treat them. It now works with a non-governmental organization to train people with disabilities to work at the company.

One common denominator: Inequality is present in every geography.

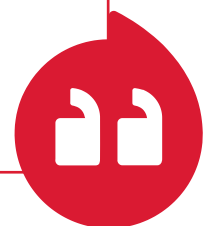
In spite of the spotlight that social justice issues have shown on diversity, equity and inclusion in the U.S., the need for DEI in the workplace isn't uniquely American. It's a global imperative that takes on different shapes in different countries, based on cultural and religious factors.

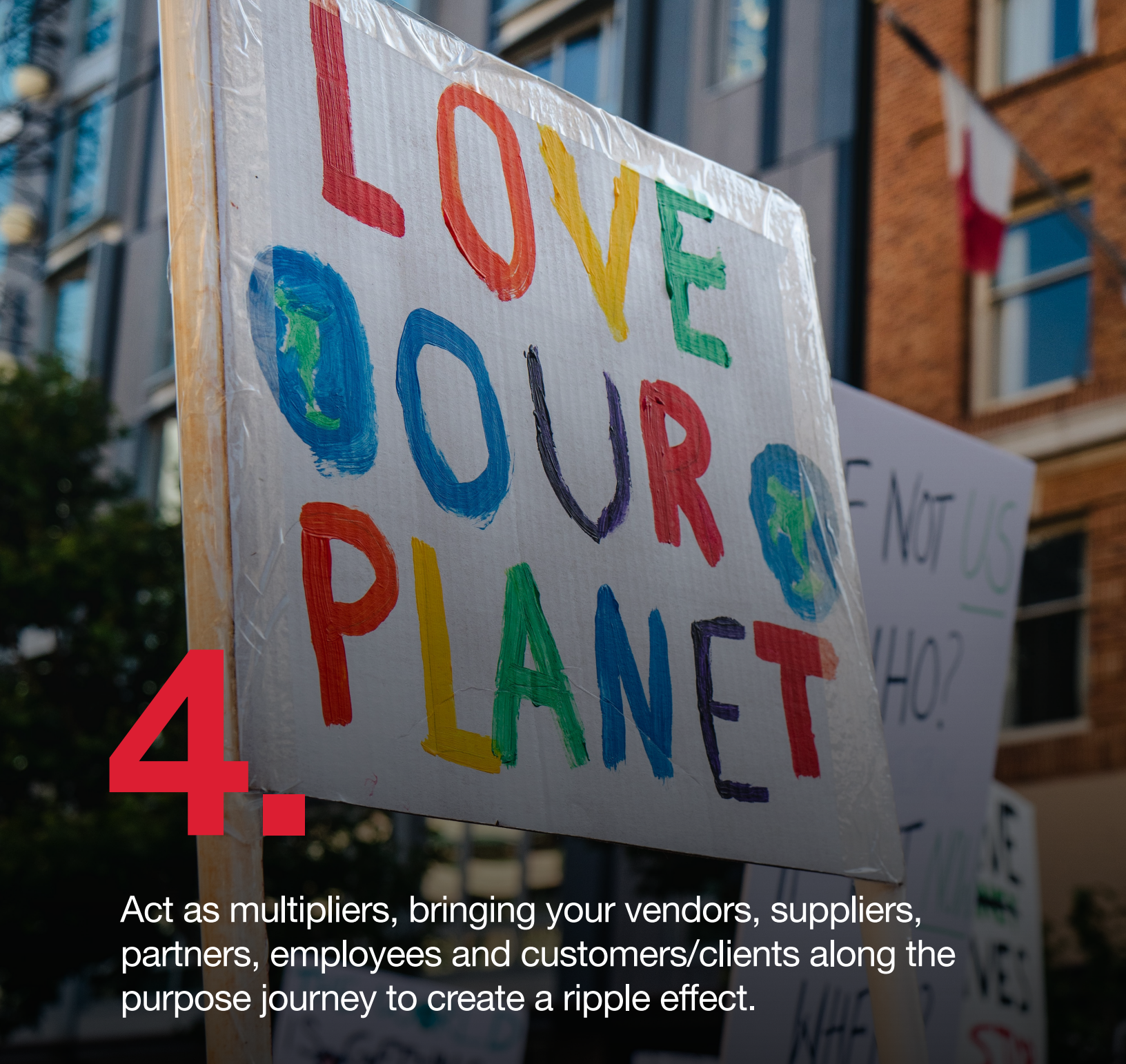


Unfortunately, in many organizations, the DEI programs take a very local U.S.-centric view. But for us to really make progress, we all have to take a global position on this. Because by taking a global position, you're looking at the bigger picture and understanding how things like classism, cultural norms and cultural nuances will impact how we progress an organization through the diversity, equity and inclusion lens.*

— **Camille Chang**, Vice President, Human Resources and Global Chief Diversity Officer, Boston Scientific

*From the Workplace Intelligence and Oracle report
“[Addressing Diversity and Inclusion: Going Beyond the Benchmark](#)”





4.

Act as multipliers, bringing your vendors, suppliers, partners, employees and customers/clients along the purpose journey to create a ripple effect.

Purpose is best built from the inside out, starting with employees and fanning outward. To get a range of stakeholders to take the purpose journey with a brand, there's an art to communicating about it. Simplification is key. Data and transparency are your guiding lights.

As **Daryl Brewster**, CEO of Chief Executives for Corporate Purpose, told us, "People want purpose to be underpinned with goals. They want

to understand how you're going to achieve those targets, and ultimately can you connect it from an investor perspective to value? Not just to the company's values but value to its business, from a revenue and opportunity perspective."

Once employees are clear on all these things, brands have a much better shot at having them act as multipliers. One of our agency's clients quite literally launched an internal campaign called

“Sustainability Multipliers,” made to activate its employees and embed sustainability principles at all levels. And many companies rely on ERGs to get employees involved in their DEI efforts.

Bank of America’s **philosophy** is that everyone is part of driving inclusion and it’s baking this into its company culture with DEI bootcamps and inclusive learning opportunities for employees. In 2021, the company also hosted 350 virtual chat sessions called Let’s Get Real Conversations, which invite employees to discuss topics ranging from LGBTQ pride to women’s leadership.

And we’ve heard of many organizations that have launched industry initiatives to rally stakeholders around a cause. Through the **Columbia-Pfizer Clinical Trials Diversity Initiative**, for example, Pfizer aims to reduce health disparities by

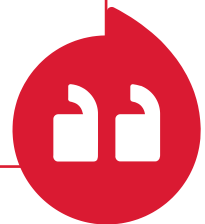
increasing the participation of underrepresented minorities in clinical trials and enhancing the diversity of clinical researchers. The program aligns to a core Pfizer value — diversity of representation in clinical trials — in partnership with community health workers and clinical research faculty and staff.

On the sustainability front, EDF, which is Britain’s largest generator of zero-carbon power, is working with numerous suppliers and sub-suppliers to get them on board with its net-zero ambitions. This includes implementing a series of interventions, learning opportunities and conference calls — essentially **a mini-awareness campaign** to educate these suppliers.



We encourage all employees to contribute and promote sustainability in their areas of influence. In this way, sustainability becomes a shared feeling within the company, inherent in all processes and decisions. To achieve this, effective internal communication is necessary.

— **Alicia Escudero**, Marketing and Product Manager, Bosch Thermotechnology Spain & Portugal





5.

Make big, bold, audacious goals — but only if you're prepared to be completely transparent with stakeholders about how you're going to get there.

Companies are under pressure, for the right reasons, to ground the entirety of their business in purpose, to back their talk about everything from abortion rights to DEI with consistent, everyday action, and to factually report on their targets and progress.

Brands should report on purpose much the same way they approach financial guidance: Lay it out and then have a dialogue, with regular updates on how they're tracking, so they don't start from zero every year and limit dialogue to when there is an annual ESG or CSR report.

Time and specificity are of the essence. While many companies are laying out their purpose plans over many years, they're not always outlining the milestones and metrics where they'll demonstrate progress along the way. When it comes to sustainability benchmarks in particular, it's more important for brands to set short-term goals than longer-term, sweeping promises.

To take the long view, **Mike Tyrell**, editor at SRI Connect, advises brands to take each of their stakeholder groups in turn and to consider whether or not they're managing the relationship with them for the long term as well as the short term.

The NewClimate Institute **suggests** focusing on emissions-reduction targets for the next five to 10 years and setting specific emissions-reduction targets with transparent accounting rather than stating ambiguous net-zero goals.

And where stakeholders aren't holding brands' feet to the fire on reporting, governments around the world are interceding to do so. After all, sustainability is a key decision-making tool for investors; if a company doesn't have sustainability creds, they won't be able to raise capital.

This past summer, amongst increasing concerns about greenwashing, members of the European

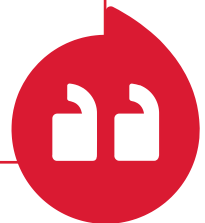
Parliament and EU governments struck a provisional **agreement** on new reporting rules for large companies that aims to end greenwashing and lay the groundwork for sustainability reporting standards at the global level. And in the U.S., the Securities and Exchange Commission has **proposed** requirements that companies provide an accounting of their greenhouse gas (GHG) emissions, the environmental risks they face, and the measures they're taking in response.

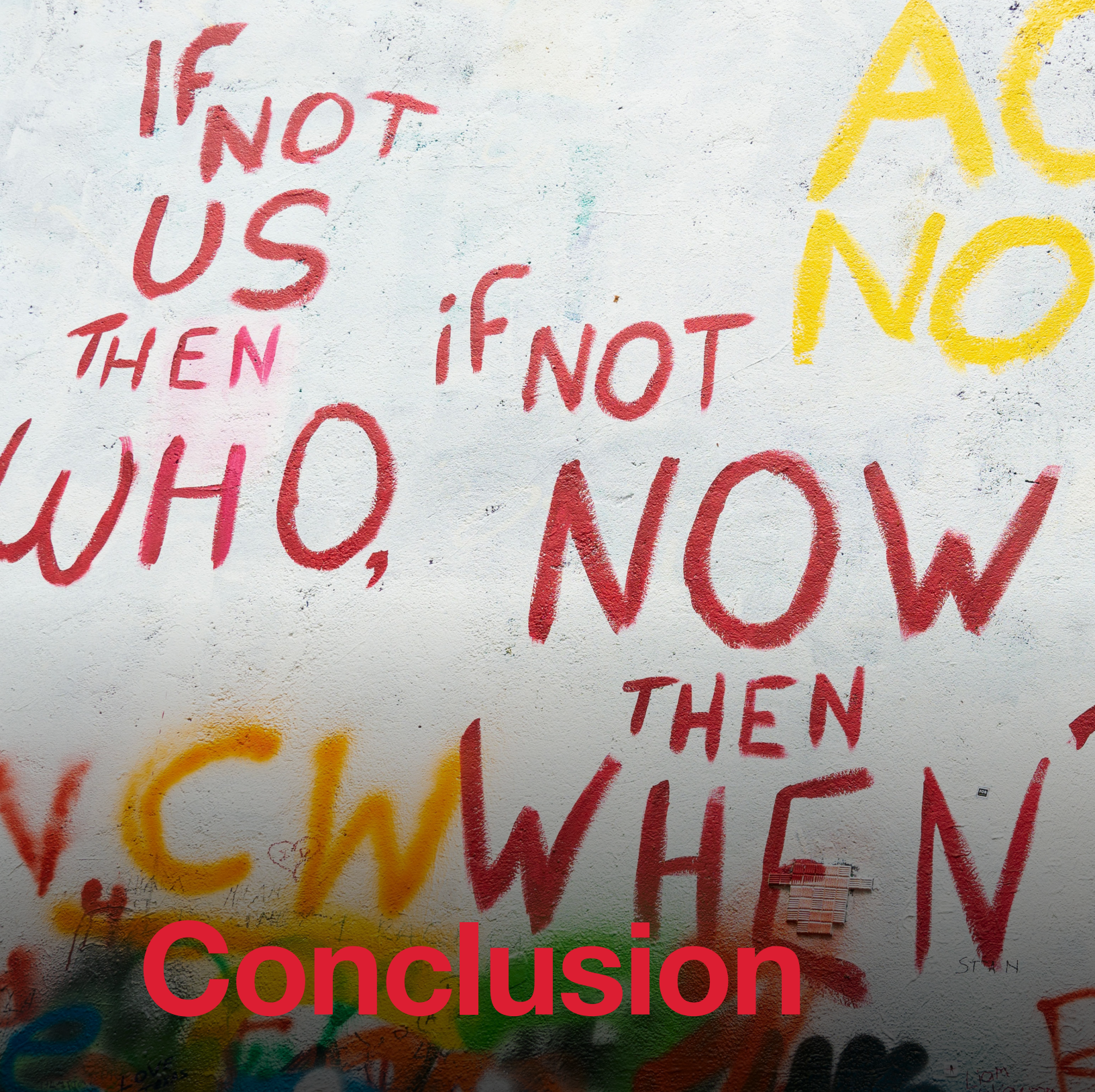
Companies that don't take it upon themselves to be transparent about how they're tracking toward their targets will find that stakeholders of all stripes will step up to keep them honest.



The moment we lose trust in what we're doing is when this all disintegrates. All of the work we've put in over a decade goes away the second we're not making sure that what we talk about is happening on a meaningful scale.

—**Jeffrey Whitford**, Head of Sustainability and Social Business Innovation, Life Science, Merck KGaA, Darmstadt Germany





Conclusion

When it comes to purpose, it's best done on purpose — putting integrity, honesty and people first. Decision making becomes broader and more complicated but ultimately much better when a company starts to look at not only its shareholders,

but its employees, community and customers. By taking a wider view, we will end up with a better planet, better businesses, better relationships, and better services and outcomes.



UNBLINKERED THINKING UNEXPECTED IDEAS

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