



Community concerns over operational expansion...

Employee turnover...

Attracting top talent...



LATER THAT DAY...



I've been talking with my team about a more comprehensive approach to corporate citizenship. We're ready to work with all of you to make progress on these issues.



STORY CONTINUES INSIDE...

THE STATE OF CORPORATE CITIZENSHIP 2020

Executive Summary



ONE MONTH LATER...



TWO MONTHS LATER...





STORM HITS GULF COAST

- OPERATIONS SHUT DOWN
- FACILITIES DAMAGED
- CUSTOMERS UNHAPPY
- EMPLOYEES WANT TO HELP



ONE YEAR LATER...



FOUR YEARS LATER...

Community Relations is yielding great results for kids in the community college and boosting our reputation...
...we've already seen this reflected in our recruiting.



Shareholder Relations reports successful engagement on ESG shareholder proposals.



We've made great progress toward GHG targets! We're so close to carbon-neutral.

We make a great team.

AND SO...

Hm, shareholder proposal for climate action...



I'll talk to Betty about our resilience plans...

Barry can handle the carbon accounting...

I'll connect them with investor relations...



Good thing we had Betty, her team, and this research from the Boston College Center for Corporate Citizenship to support our strategy!



THE STATE OF CORPORATE CITIZENSHIP 2020

EXECUTIVE SUMMARY



Thinking more broadly about the impacts and opportunities that emanate from our operating context can lead us to more sustainable and stable prosperity for all.

The Boston College Center for Corporate Citizenship defines corporate citizenship as how a company exercises its rights, responsibilities, obligations, and privileges within society. Rights and privileges are commonly understood to relate to corporate identity and the pursuit of profit. Obligations of the firm are typically related to requirements of law (such as paying taxes and observing other statutory and regulatory requirements, which vary significantly by industry). Responsibilities are more open to interpretation and are often governed by societal norms and expectations, which can be fluid. As social and environmental conditions change, societal expectations change. Responsibilities and obligations are the areas within which environmental and social impacts, and multi-stakeholder governance processes, are most likely to intersect with the common understanding of corporate citizenship or corporate social responsibility (CSR). Thinking more broadly about the impacts and opportunities that emanate from our operations can lead us to more sustainable prosperity for all.

Conducted since 2003, the State of Corporate Citizenship study analyzes how executives perceive corporate citizenship—including what corporate citizenship practices add business value and where business should be investing. This study summarizes the views of more than 750 executive respondents from global companies headquartered in the United States, Canada, and Europe about the environmental, social, and governance (ESG) aspects of business.

Consistent with previous studies, the data suggest that executives understand that well-designed and

effectively executed corporate citizenship both helps to accomplish business results and create social value. Across a wide variety of measures, the data suggest that companies are more successful in achieving key business objectives when they select issues that are most related to their purpose and operating context; when they implement corporate citizenship as an integral part of their business strategy; and when they maintain their ESG commitments for a sufficient duration.

Most executives in the study report that their cor-

porate leaders have taken stands on environmental and social issues. Among those whose leaders have taken public stands, support for doing so is higher, suggesting that those who have experienced corporate engagement with public policy see the benefits of doing so.

Selection

Effective corporate citizenship is not “one size fits all.” Companies investing in corporate citizenship activities most material to their context and business objectives are more successful than those who pursue a scatter-shot or duplicative approach.

Integration

Executives who consider corporate citizenship activities to be part of their business strategy are more successful in achieving most business outcomes; these effects are most pronounced in employee retention, customer retention, and recruiting top talent.

Time

Time is a significant factor in the equation for corporate citizenship and business value-creation. There is a positive relationship between the duration of investment in specific corporate citizenship practices and reported success in achieving related business outcomes (see Figure 1 for employee health and wellness). We observed statistically significant and positive causal relationships* between commitments to several corporate citizenship practices and related business outcomes.

- The longer a company is committed to inclusion and diversity, the more likely respondents are to report success in reducing employee turnover.
- The longer a company has been committed to employee health and wellness and stakeholder engagement, the more likely respondents are to report success in enhancing corporate reputation.
- The longer a company has been committed to reducing greenhouse gas (GHG) emissions, the more likely respondents are to report success in enhancing corporate reputation.

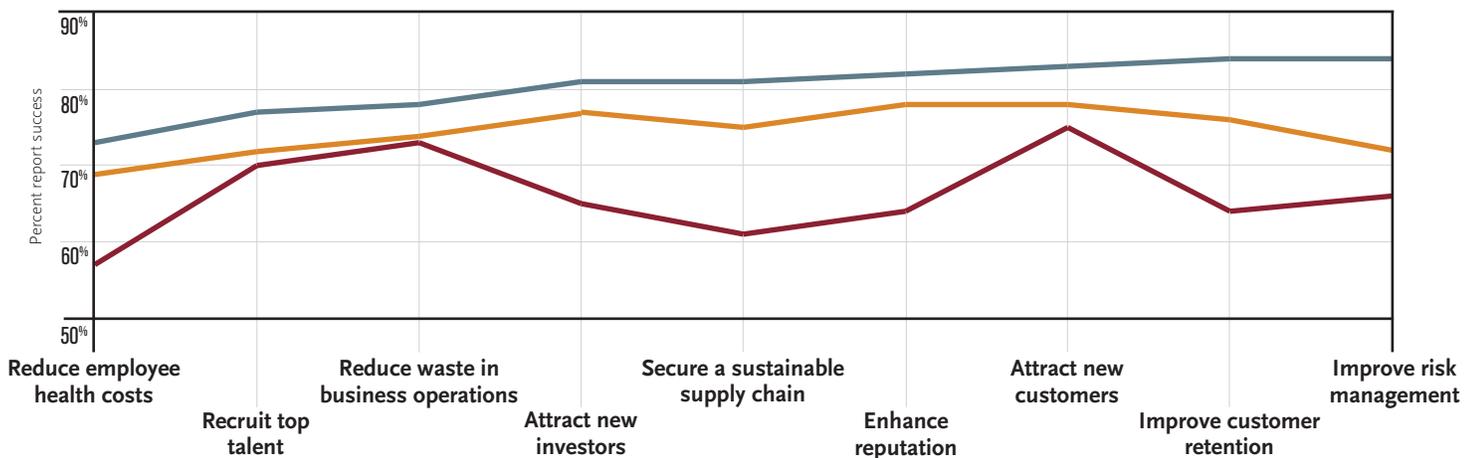


The longer a company has been committed to employee health and wellness, the more likely respondents are to report success in enhancing corporate reputation.

FIGURE 1

Employee health and wellness commitments

■ Less than one year ■ 1 – 4 years ■ 4 years or more



*For regression analysis, see full report.

Other selected findings

- Employees and customers emerge as key audiences for corporate citizenship commitments.
 - Consistent with the previous study, the relationship to employee outcomes are most pronounced.
- A majority (59%) of executive respondents report that their corporate leaders have taken public stands on issues. The overwhelming majority of those who report this engagement—95%—agree that corporate leaders should.
- Firms are setting goals to reduce global climate impacts. Nearly 75% of respondents report their companies have quantitative goals to reduce GHG emissions in place or are in the process of establishing these targets.
 - A majority report that their companies either are or are planning to incorporate GHG reduction targets into annual development plans or performance reviews.
 - Nearly 70% of respondents report that their companies have maintained a commitment to reduce emissions, including taking actions such as signing the “We Are Still In” declaration.
- Executives view employee health and wellness commitments as being the most likely corporate citizenship dimension to contribute to achieving business goals.
 - Nearly 45% of executive respondents include inclusion and diversity among the top five corporate citizenship dimensions contributing to firm success.
- Respondents also consider employee health and wellness to be the highest priority corporate citizenship dimension for their companies over time. They generally view traditional community involvement efforts—including corporate giving—as lower priority.
 - Environmental and social issues prioritized by executives as important to business differ significantly from commitments made by corporate community involvement programs, suggesting there may be an opportunity to increase alignment.
- Compared to 2017, executive respondents report a more challenging environment for corporate citizenship.

UPS delivers leadership



UPS Chairman and Chief Executive Officer David Abney receives a humanitarian award from World Food Programme Executive Director David Beasley at the World Economic Forum.

In August, 2019, Chairman and Chief Executive Officer David Abney was among 180 CEOs who signed the [Business Roundtable new Statement on the Purpose of a Corporation](#). “Like my peers, I have committed to lead my company for the benefit of all stakeholders—our customers, employees, suppliers, communities, and our shareowners,” said Abney. “Jim Casey [UPS’s founder] practiced an enlightened form of capitalism—built on the belief that a company like UPS can do well by doing good. It’s a timeless value, and one that all of us in business must reinforce in our actions around the world.”

Within UPS, there is a deep commitment to ethical business practices, and fostering a fair and inclusive society. In 2017, Abney signed the CEO Action for Diversity & Inclusion™ Commitment—the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. In 2019, UPS pledged support for [United Nations Global LGBTI Standards of Conduct for Business](#) and confirmed its commitment to [The Business Statement on Transgender Equality](#), led by the Human Rights Campaign and Out Leadership.

UPS’s support of diversity—like so many of the company’s efforts—is a collaborative effort built on inclusion. UPS engages with leading non-profit organizations fostering education and economic advancement, supports employees through more than 200 business resource groups in every region of the world, and has developed a supplier diversity strategy that gives innovative entrepreneurs a chance to build success.

Methodology

Survey



- ⇒ 752 executive respondents
Mostly U.S.-based medium and large companies
- ⇒ Conducted March – May 2019
- ⇒ The 2019 and 2016 surveys used Qualtrics Panels, which has panel partnerships providing access to high-level executives across the globe
- ⇒ The 2014 survey used an e-Rewards Business Panel, a global panel of business executives accessed through Research Now

History



- ⇒ The survey has been conducted since 2003.
- ⇒ It is the eighth study to explore the attitudes and commitments of business executives toward corporate citizenship
- ⇒ The majority of executives in the survey work for companies with global operations

Criteria and Specifics



- To participate in the study, survey respondents met the following criteria:
- ⇒ Work for a for-profit private or publicly traded company, or a private nonprofit corporation
 - ⇒ Hold a position of senior executive level status or higher (at least within two levels of the CEO/president)
 - ⇒ Are familiar with their company's corporate citizenship efforts

Quotas were used for the study based on the location of company headquarters, company type, industry, employee size, and where respondents are based. Whenever possible, the company demographic data (e.g., industries and revenue) provided in the survey responses were cross-referenced with sources of information about corporate demographics, including databases and company websites.

In this report, the executive perspective on social issues is compared to the responses of corporate citizenship professionals from the Center's 2019 Community Involvement Study. In that study, corporate citizenship professionals were asked to identify which issues their community involvement programs were working to address.

KNOW MORE. DO MORE. ACHIEVE MORE.



ccc.bc.edu



BOSTON COLLEGE
CENTER FOR CORPORATE CITIZENSHIP
CARROLL SCHOOL OF MANAGEMENT

KNOW MORE. DO MORE. ACHIEVE MORE.

Based in the **Carroll School of Management**, the Boston College Center for Corporate Citizenship combines the most valuable aspects of a professional community and the resources of a leading academic institution for our members. We integrate the perspectives and experience of some of the leading corporate citizenship professionals in the field today with management best practices, helping you align your corporate citizenship objectives and business goals. Center resources support positive outcomes for your functional area, your organization as a whole, and for you as a leader.

ccc.bc.edu



© Copyright 2020 Boston College Center for Corporate Citizenship. All right reserved.
This publication was prepared by Boston College Center for Corporate Citizenship
and may not be reprinted without permission.

This report is made possible in part through the generosity of UPS.

Front cover and inside illustrations by Stephen Collins