

Corporate Responsibility Index — Minter Ellison's road to implementing CSR

Anton Hermann
MINTER ELLISON

*Information contained in this
newsletter is current as at
August 2006*

contents

113	Corporate Responsibility Index — Minter Ellison's road to implementing CSR
115	Giving feedback — effectively
116	Dear Duncan: <i>Inhouse insights</i>
117	Insights from ALPMA: <i>Low productivity means low profitability</i>
119	Practice development counsel: <i>Get to grips with client needs</i>
120	Letter from London: <i>Lessons in risk management for professional partnerships from the world's toughest yacht race</i>
123	Recent publications

The recent report on corporate responsibility by the Joint Parliamentary Committee on Corporations and Financial Services sends a clear message that government wants voluntary commitments from all businesses — regardless of their legal structure — to managing and balancing the economic, social and environmental impacts of their operations.

In 2003 — the same year the Corporate Responsibility Index (CRI) commenced in Australia — Minter Ellison undertook a strategic review of our community investment activities and determined to go 'beyond philanthropy' by adopting corporate social responsibility (CSR) principles for our organisation.

The CSR agenda for a professional services partnership is somewhat different from that of a publicly listed company, but this did not deter us from pursuing a common goal — maximising the positive and minimising the negative impacts of our business without losing sight of our core objective of excellent client service in a highly competitive commercial market.

So, when the St James Ethics Centre approached us to be a founding participant in the Australian CRI, the answer was clear. Having already made the internal commitment to CSR principles in 2003, it was timely for us to adopt a comprehensive framework for assessing our processes, performance and impact in this field. The St James Ethics Centre describes the CRI as a roadmap. For us, the CSR journey began with a clear sense of direction.

But participation came with some reservations. First, the CRI is best suited to publicly listed companies already accustomed to public reporting requirements — the framework is largely geared towards public disclosure of management targets and performance results. As a private partnership, we do not have the same inherent drivers to report some of the data sought by the CRI. Perhaps this partially explains why we remain the only professional services firm in Australia to participate in the CRI. Interestingly, however, most of the leading accounting firms take part in the UK CRI — so the private partnership model is certainly not a barrier to participation.

A related reservation was participating in a 'benchmarking' exercise with no industry colleagues and where most of the players were already recognised as Australia's CSR leaders. We knew that on a direct comparison with the other participants we were not going to top the CRI 'league table'. On a 'glass half empty' analysis we were setting ourselves up for failure. This probably explains why the CRI chart largely features Australia's 30 or so leading CSR exponents — many others probably balked at the idea of benchmarking against the league champions from a standing start.

Ultimately, we took the 'glass half full' view. Rather than being distracted by external perceptions, we considered internal benefits. The CRI provided us with a well-recognised internal management tool to implement our CSR vision and created an imperative (the annual reporting and verification cycle) to achieve continuous improvement. And that is precisely what happened. Our overall score has improved each year and we are now within reach of a bronze or silver ranking in 2006, instead of just 'being there' alongside the leaders.

Quite apart from our index score, the benefits of participation are already apparent. Since 2003, gains from our involvement in the CRI have included:

- public commitment to CSR principles;
- adoption of an environment policy;
- firm-wide participation in Australia's Greenhouse Challenge;
- strong lift in internal perceptions of our community commitment (measured by periodic surveys);
- positive feedback from clients and the wider community; and
- regular internal review of performance, with CSR issues becoming 'embedded' within our culture.

We have also detected a noticeable shift in the expectations of our clients — leading Asia-Pacific companies. Social and environmental issues and 'cultural fit' are now core aspects of tenders. This is an inevitable

consequence of the CSR cycle — companies seeking not only to improve internal performance, but also to influence the performance of their suppliers (including suppliers of professional services). And these requirements do not end with the tender. Companies with advanced CSR programs seek regular dialogue on CSR issues and performance updates to check rhetoric against reality. We welcome this trend and are extending the principle to our own suppliers.

Despite these positives, our CRI participation and overall CSR journey

an office-based business, simply because the environmental risks and opportunities differ markedly from one industry to the other. Yet we are all measured against the same exacting criteria. Greater industry tailoring of the CRI model may result in a higher participation rate.

On balance, Minter Ellison is a better organisation for our participation in the CRI. Historically active in the community through traditional models of providing pro bono legal services and financial assistance to worthy causes, we now

Rather than being distracted by external perceptions, we considered internal benefits

have also included doubts and frustrations. There is an ongoing debate about certain industry sectors (for example, tobacco) utilising the CRI to enhance the legitimacy of their products. Whether this is right or wrong (an issue for a separate article), the motivations of some participants have the potential to cloud the CRI and CSR more generally.

There is also the 'one size fits all' issue. Although helpful as an internal management tool, some requirements of the CRI do not sit comfortably with all industry sectors. For example, a resources company's environmental processes will always exceed those of

approach these issues from a broader perspective — maximising positive impacts and minimising negative impacts across the whole business. And, in the belief that what gets measured gets done, we have incorporated the CRI into our management matrix. ●



*Anton Hermann,
National Director,
Pro Bono & Community
Investment,
Minter Ellison,
<anton.hermann@
minterellison.com>.*