

Children Lead in Corporate Social Responsibility

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Children at the Meshchyora summer camp giving a presentation about the environment in the Vladimir region. **Lena Smirnova**

MESHERA, VLADIMIR REGION — At first glance, the children's camp in Meshera National Park looks like any other. Children slip in and out of tents, sluggishly perform morning exercises, scream when they find snakes in their sleeping bags and knit far too many colorful thread bracelets.

But the children at this camp are here for more than just the usual summer fun. Their daily routines also include scientific expeditions through swamps, using solar panels to power kitchen refrigerators and making sure that garbage finds its way to the proper recycling container.

Another noticeable feature in the camp is that all the snacks have the Kraft Foods logo on them.

Kraft Foods has helped to fund the ecology camp at Meshera for the past two years as part of its corporate social responsibility, or CSR, program — the practice by which businesses contribute to the communities that they work in to demonstrate their commitment to the public. This year's camp brought together 45 children for one week in July and is just one example of ecological initiatives by companies in Russia.

Although corporate social responsibility activities are growing, it remains to be seen how much influence they will have on solving environmental problems. It is an activity often limited to international companies or major local corporations, while smaller Russian companies still struggle to see the short-term value of such projects.

"The general attitude about the environment is, 'Let the oligarchs save it. It's the responsibility of the government. There is enough nature to last for our lifetime,'" said Yekaterina Babina, fundraising and marketing director at the World Wildlife Fund in Russia.

The increasing interest in funding ecological projects as part of CSR is good news for non-government organizations. Given the shortage of private donations and weak state support in this sphere, corporate social responsibility could become a major factor in efforts to protect Russia's environment.

"World experience shows that it is difficult to solve these problems exclusively through business-led initiatives, but business can often be [the driver of change]," Babina said.

Some domestic environmental organizations now get a significant part of their locally sourced funding from companies. For example, WWF receives 12 percent of its local funding from corporate donors, while 8 percent comes from private individuals. In comparison, WWF offices in Western European nations receive up to 60 percent of their funding from private donations.

Recruiting Business

Companies may be putting more money into CSR locally, but the culture of donating is still lagging behind European standards. Not more than 30 percent of companies partnering with WWF do so at their own initiative. The organization has to seek out and recruit corporate partners to fund its projects.

Babina said that local companies don't fund many ecological projects because they are still primarily focused on their immediate profits rather than long-term benefits.

"There is a myriad of stereotypes and opinions that float in the consciousness of the people. Our goal is to inform people about the real situation and that they don't need to be oligarchs to help the environment," Babina said.

Company attitudes are changing, but not as fast as WWF would like, Babina added.

Organizations try to attract more business partners by explaining the benefits of corporate social responsibility to them. The benefits can include the use of the organization's logo on the company's products, which can indirectly translate into greater consumer loyalty and profits.

The Forest Stewardship Council, an international non-profit organization that promotes responsible forest management, is finding that some companies are already in tune with these motives.

"The more advanced Russian companies are interested in increasing the recognition of the FSC logo in Russia," said Tatyana Yanitskaya, deputy director at the Russian branch of the Forest Stewardship Council. "It's our future. It will come to us as it did to other countries; some companies are putting efforts and resources into promoting this brand on the Russian market."

Companies can get permission to put the FSC logo on their products if their forest management strategies correspond to the standards of certification bodies that are accredited by the organization. There are now about 300 companies with such certificates in Russia.

Most of the companies that hold local FSC certificates are multinational companies, such as Ikea and Mondi Group, or Russian companies that export to the West, where the logo is better recognized. Up to 50 percent of people recognize the organization's logo in Western European countries. In a telephone survey that was conducted among Moscow businesses about two years ago, recognition of the logo only reached 3.3 percent.

WWF also has a long list of international corporate supporters, including Yves Rocher and Coca-Cola. Multinational companies are more likely to recognize the value of corporate social responsibility and find such efforts easier to integrate into their business plans since they are already involved in CSR globally.

Packaging giant Tetra Pack opened a photo exhibition about forests last week on Chistoprudny Bulvar in collaboration with WWF and FSC. The company also released its first FSC-certified product in Russia this year.

"It's part of our strategy," said Alexander Barsukov, vice president of environmental protection at Tetra Pack. "We have a forest program in our corporation that is in effect across the world, on all continents, so it's part of our global politics and our global view."

Localization of Action

It's not only foreign companies that are getting involved.

Russian companies in WWF's Corporate club include financial outfits like Alfa Bank and Troika Dialog, and even Aeroexpress, the privately owned company that runs rail services to Moscow's airports.

One of the most active is electronics retail chain M.Video, which supports several nature reserves, donated money to combat poaching and forest fires and bought clothing and equipment for "Bear Patrols" who monitor polar bear populations in Chukotka. In 2010, the company donated 10 percent of revenues from sales of a line of gift cards to tiger conservation. And perhaps most importantly for an electronics firm, it has backed the WWF's annual earth hour — when everyone on earth is encouraged to cease consuming electricity for 60 minutes.

WWF's Babina sees the benefits of having large corporations lead ecological initiatives. WWF specifically targets market leaders who can set an example for smaller companies, she said.

"Large companies set the trend," Babina said. "Our job is to turn it from a trend into a norm of life."

But even when companies get onboard for such ecological projects, it is not always guaranteed that they will support the most urgent issues.

WWF has a list of projects that they consider high priority, such as protecting leopards in the Caucasus. Around 80 percent of the companies that work with the organization support its priorities, but picking the right project for partnership usually requires a compromise, Babina said.

The business partners tend to focus on the European portion of Russia because their production facilities are usually located there, but WWF wants them to fund projects in more remote areas. The organization has started to insist more on its own priorities, so if a company wants to fund a project on a European site, it is also asked to support another project of higher importance to WWF.

Some organizations are hesitant to partner with any businesses. Greenpeace does not do corporate partnerships because of possible conflicts of interest, a representative of the environmentalist group said.

WWF and FSC are selective about who they work with. Companies that have a history of environmental violations can be automatically excluded as potential partners.

That does not stop such firms from trying to burnish their environmental credentials on their own.

Gazprom, which is currently in conflict with both Greenpeace and WWF over its development of its Prirazlomnaya oil field in the Pechora Sea, boasts extensive environmental policies and spent 20.5 billion rubles (\$643 million) on environmental protection in 2010, according to its website.

Norilsk Nickel, long criticized by environmentalists for emissions from its plants in the country's Far North, supports green projects including the Norilsk Fish Hatchery and the Taimyrsky and Putoransky nature reserves. In May, the company announced that it was backing a scientific expedition to survey polar bear populations in the Russian Arctic.

Changing Mindsets

As fires raged through Russia in 2010, workers at the World Wildlife Fund started to get more calls with offers of assistance — not just from individuals, but also from corporations. The phones were not ringing off the hook, but businesses started to show more interest in protecting the environment because their customers were demanding it, Babina said.

Getting more companies to support ecological projects will ultimately come down to how mindful society is of the environment, business and NGO experts say.

"Too much is said about what companies can do. Now let's look at ourselves and see what each of us can do in making our life better. How we bring up our children, how we care about our health, about our neighbors, about the environment ... how we treat the waste that we produce at home," Andrei Bader, corporate director of Nestle in Russia and the Eurasia region, wrote in an e-mail. Nestle funds water-protection projects in Russia.

Yanitskaya agreed that more companies would try to get the FSC logo on their products if customers demanded to see such certification.

"The main driver of certification is customer demand," she said. "One of our primary goals now is for the Russian consumer himself to create this demand. Then business will have no other way to go."

The experts at the Meshera camp teach children to be more ecologically conscious about the environment, including waste disposal and energy use, said Yana Guskova, director of the corporate section at Kraft Foods Russia.

By the end of their week at the camp, the children had even developed a Buddhist do-no-harm attitude towards beetles, she added with a laugh.

"Children leave here with the knowledge that they need to protect the nature around them, and be more mindful of the environment that we live in," Guskova said.

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