

# CSR Leaders or Hypocrites? What is Net Sustainability Gain?

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*Alcoa is company who demonstrates year after year a commitment to dialogue, accountability and transparency, in pursuit of sustainability, and delivers tangible measurable results, but has built a highly criticized smelter in Iceland, which is in conflict with good environmental practice. Does this make them hypocritical or simply a business which delivers more benefit to society via its core activities than the damage it does?*

by Elaine Cohen is the Joint CEO of BeyondBusiness Ltd  
Martin asked the questions on Twitter.

"What do you think of alcoa? hypocrite? trying to do the right thing? CSR leader?" and of course I can never resist a direct invitation to respond.

 @christinearena @elainecohen what do you think of alcoa? hypocrite? trying to do the right thing? csr leader? #csr  
9633 <http://jim.lw3RILsi>  
BusinessBetter, [+] Sat 20 Feb 10:18 via web

I was in the middle of writing my response to [this post by Amelia Timbers](#) to which he referred, but my reply was getting rather long, so here it is in full uninhibited reporting blog style.

Amelia described how the **Alcoa Company** is a great CSR communicator, progresses great CSR programs and appears to be doing all the right things, with the exception of a highly criticized smelter built in Iceland which apparently was in conflict with good environmental practice. Amelia says: "The reality is that, even at its cleanest Alcoa still may be a top polluter," and that we should give them credit for trying.



I admit that I didn't know too much about Alcoa. It's not one of the companies or sectors I track. However, Amelia's post could be written about many companies that are advanced in CSR practices and communications, but, are apparently not perfect. If the only way to achieve no impact is to stop doing business, then we are being unrealistic about what CSR and sustainability means. What we should be aiming for is a business which delivers more benefit to society via its core activities than the damage it does – e.g. a **Net Sustainability Gain**. Unless we are all prepared to go back to being cavemen (and women), (come to think of it, Fred and Wilma seemed to have a great ole time), we will always have industry which pollutes, uses non-renewable resources and creates inequal economic and social benefits. Even the best of social and environmental life-cycle thinking will not eliminate all the direct impacts of all businesses.

Of course, there are no good tools to calculate the **NSG (Net Sustainability Gain)** (this is my term – you saw it here first! – good - eh ?) of

a company, so all we can do is make a judgement. Amelia refers to the many awards and high places in sustainability rankings that Alcoa has won, questioning whether this could be an indication of their CSR standing relative to other companies. But I have long since maintained that sustainability rankings serve the rankers more than the ranked. They are all positive, in that they highlight some aspect of sustainability

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Covers industries engaged in all forms of energy,

performance and serve to drive awareness and competition for higher ranking. but by and large, they do not give us a balanced or complete picture. The only ranking from which we can hope to gain true insight is the calculation of a company's total sustainability impact and the advances it is making to improve this, against its own performance. It is not for a business to legislate itself out of business. If aluminium, or tobacco, or alcohol, or gambling or defence systems are inherently undesirable or unsustainable businesses, Governments should outlaw them. Until they do, what we can expect of such businesses is to do what they do in a way which maximizes their contribution to society and their **NSG. (Net Sustainability Gain)**. The methodology for making such a calculation sounds impossibly complex, though some basic tools exist, such as the GRI performance indicators, SROI tools and so on. But no combination of these today goes quite far enough to bottom out all sustainability performance impacts into one multiple bottom line equation which is meaningful in any way.

You can read the [Alcoa 2008 Sustainability Report online](#). Alcoa has reported on sustainability since 2003, both at global and individual country level. They conduct stakeholder engagement panels and report openly on the feedback they have received. [They give voice on their website to over 70 employees](#) of different levels and regions. They [have gone from 2% women senior executives to 14% in 10 years](#). They [have reduced absolute carbon emissions by 36% since 1990](#), and significantly reduced absolute levels of energy and water consumption. Yes, they seem to be doing a lot of the right things and getting a lot of the right results. But, yes, producing aluminium cannot be done without taking something from the planet. Just as none of us can live without doing the same. (Unless, perhaps, we are Fred and Wilma).

As a consultant, I work with many types of companies and sectors, including those who are not the sexiest or the most obvious in terms of sustainability. It's sometimes a challenge. But, for me, a company who demonstrates year after year a commitment to dialogue, accountability and transparency, in pursuit of its own **NSG (Net Sustainability Gain)** improvement, and delivers tangible measurable results, earns my respect.

Thank you to Amelia for the inspiration for this post, and to Martin for inviting me to repond. Got more than you bargained for, huh?

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 Elaine Cohen is the Joint CEO of [BeyondBusiness Ltd](#), a leading CSR consulting and reporting firm, offering a wide range of consulting services for the strategic development of social and environmental responsibility of businesses, reporting and assurance using the GRI and Accountability frameworks, and reporting on application of Global Compact principles. Elaine writes a blog on [CSR reporting](#), expert CSR report reviews for [CorporateRegister.com](#), tweets on CSR topics at [@elainecohen](#) and has specialist knowledge of governance, ethics, diversity, advancement of women, responsible workplace and use of social media for csr communications.

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**Don B.** • 5 years ago

Aluminum smelting requires huge amounts of electricity for the process and a deep water port to bring in the bauxite. Fortunately all around that hydro and geothermal electricity are excellent long term, low cost power sources, allowing an economic decision to be consistent with an environmentally advantaged energy source. don bain, p.e.

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**elaine cohen** • 5 years ago

oops, sorry about the million typos in that last response... clicked send too quickly! But you get the picture! elaine

^ | ▾ • Reply • Share >



**elaine cohen** • 5 years ago

Hi Adam, feel free to use the term, though remember where you saw it first!! I have been thinking of this for a while and am planning to develop the concept to greater clarity about what it means, what are the conditions for it to exist, and how it can be measured in a preliminary way. Glad to hear about Alcoa, Their approach certainly shows up in their reporting.

warm regards, elaine

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**Adam** • 5 years ago

Elaine, well said. Can I have permission to use NSG? I really like it. I work with Alcoa all the time here in Connecticut and they are great corporate citizens. In fact, our Make An Impact project which Alcoa sponsors with the Pew Center for Climate Change won a huge grant to run green projects in communities throughout Northwest CT.

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