

Reasons to invest in CSR

Investing in CSR leads to greater brand awareness and commercial reputation with customers and suppliers and leads to less promotion pressure due to likely receiving favourable press coverage. Overall, European brands with a commitment to sustainability that goes beyond the actual product have on average **+19% revenue rate of change (ROC)** and purpose brands with a sustainable focus combined with shoppers' lifestyle demands **+23% ROC**.



Furthermore, CSR positively impacts employee motivation, retention, and recruitment, as well as costs savings in PR and HR. Also, interaction with stakeholders and local communities helps companies better understand their needs and regulations, decreasing their risk of overstepping boundaries. All together this makes CSR a useful management tool for implementing a business model that is resilient, even during economic challenging years.^{2, 3, 4, 5, 6}



Cost-effective promotion: A June 2022 fund-raiser for families of kids with cancer with a NYC cycling club and Ronald McDonald House. THCo. USA provided a small in-kind product donation.

Case Studies



Considered one of the world's most ethical companies, Starbucks' response to the pandemic included support of health officials, mental health and childcare, emergency relief funds and prioritizing of customer and employee health. Ongoing CSR projects include: a global farming network; an innovative college program for employees; reaching over 125,000 women & girls in Africa, Asia, and Latin America with projects to eliminate barriers to education and financial opportunities, and; achieving a level of 100% ethically sourced coffee.¹⁴



To show their dedication to a world united by sport and physical activity, helping to create a healthy planet, Nike invested over \$417 million in communities, of which \$130 million focused on initiatives that promote equality and equal playing fields for all. Moreover, NIKE, Inc. helped over 17 million children get active and has invested over \$200 million in research, development and initiatives supporting and improving the lives of adolescent girls, aiming to actively break the cycle of global poverty.¹⁵

THE HUMBLE CO.

From a single product (Humble Brush) in 2014 to a global market leading brand selling multiple products to the tune of 600k Euro per month in 2022 – The Humble Co. grew together with HSF all the way from humble beginnings.¹⁶



Organic Products, Malmö, 2015



References



HUMBLE SMILE FOUNDATION

THE CASE FOR CSR INVESTING IN THE VISION:

HEALTHY PEOPLE
LIVING IN HEALTHY SOCIAL,
ECONOMIC & ECOLOGICAL
ENVIRONMENTS

The EU Commission (EC) defines Corporate Social Responsibility (CSR) as, 'the responsibility of enterprises for their impact on society.' Combining social, environmental, ethical, consumer, and human rights with business strategy and operations, is how businesses can become socially responsible¹. When CSR is implemented as a strategy and commitment rooted in and followed-up by top management and employees, the return of investment for small and medium companies (SMEs) becomes significant.



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Leading the changing consumer market with purposeful business models

For Millennials and Gen Z, sustainability is a primary reason to either buy or not buy from a brand.⁷ Various research reports show that the COVID-19 pandemic further outsized influence on how people engaged with their health and became more interested in ethical businesses, especially those purposeful brands involved in nutrition, health & wellbeing.^{5, 8} The GfK ad hoc study (2021) of Behavior Change that was conducted in seven core countries in the EU (n=4615) identified recent shifts in consumer behaviour with 30% of consumers purchasing products that reflect social equity and positive impact on people and on the environment, and 35% looking for more balance in life by taking care of their health and wellbeing. It is expected that this behaviour will stick and increase further⁵, suggesting that by initiating CSR now, Humble Group brands can build a competitive advantage and potentially lead the FMCG market in the future.

Value in the EU

More and more SMEs incorporate CSR in their business models, not only because of consumer demands and society pressures, but also due to increased regulations and policies within the EU which is committed to the UN Sustainability Goals and Climate Target Plan. In 2019, the EC followed up on its 2011 renewed strategy for CSR which included: providing incentives for the uptake of CSR; setting benchmarks and other requirements; raising awareness; protecting human rights; providing training; increasing transparency, promoting sustainable finance (e.g., providing more information on non-financial conduct to citizens and investors), and encouraging socially and environmentally friendly business practices (e.g. through public procurement).^{1, 6, 10} The Global Alliance on Circular Economy and Resource Efficiency formed by the EC, UNEP & UNIDO in 2021, includes governments and organizations that plan to collaborate and advocate for resource efficiency and sustainable consumption and production at the political level. There will be a certain transition to a circular economy and the regulatory landscape is already speedily changing.¹¹ As an autonomous entity, HSF can showcase Humble Group's positive ESG performance for competitive advantage over other FMCG companies as well as for increased value for investors.

"Whether or not respondents believe ESG programs create value today, their expectations of future value are reflected in how they account for a positive ESG track record when comparing hypothetical M&A deals. Given a hypothetical opportunity to acquire a new business, respondents across the spectrum say they would be willing to pay about a 15 percent premium for a company with an overall positive record on ESG issues over a company with an overall negative record."

- McKinsey & Company, 2020

Collaborating with Humble Smile Foundation

The soft and hard returns of investment in CSR are clear and the necessity of businesses to anticipate needs and interests in today's rapidly changing consumer market is evident. Humble Smile Foundation is a tightly connected global team of health and development professionals that exists solely for the purpose of providing their partners with the professional guidance and resources needed for their own robust growth so they can sustainably prevent deterioration of peoples' environment and well-being.¹²



Responsible promotion: Mayu Smile Project in collaboration with the Central University of Venezuela, July 2022. The Humble Co. AB provided in-kind donations

This is true not only in our field-work, but also in your offices. By partnering with Humble Smile Foundation on your CSR journey, your brand will receive: a continual stream of proactive, creative, informative, and relevant tools to help build consumer loyalty, and quick, professional, and didactic responses to changing events whether they be in your local market or on a global scale. Daily, HSF provides partners with marketing materials such as evidence-based health tips, supply chain stories, photo opportunities for products and engagement of company employees in non-profit outreach work, even on-site. HSF is here to support healthy long-term growth of your business.

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"Some CEOs have been reluctant to embrace sustainability principles because of the age-old view that it will hurt profits. However, stakeholders are becoming more conscious of ESG, and companies taking significant action now will be rewarded in the long term ... Immediate ESG action will future-proof businesses and create tomorrow's winners."

- GlobalData Q1 2021 global consumer survey¹³

Healthy Business Map

Humble Smile Foundation's (HSF) four Smile Lines govern each activity, model and project implemented by Humble Smile Foundation, including the One Percent for Smiles promotional campaign initiated by HSF for the benefit (ESG, ROI & growth) of our corporate partners and the sustainability of HSF's own operations. The table opposite demonstrates the meaning of each Smile Line for the execution of HSF's mission plus 2 examples of how they can be applied in a company for business health.



Smile Line	HSF	HG Companies
1. Research	Innovative science-based interventions with real-time monitoring, & evaluation, contributing to global data and best practices	In-house science team for understanding the evidence to enable appropriate planning: <ul style="list-style-type: none"> - tactical (health claims) - strategic (CSR)
2. Development	Support for partners in their missions to achieve UN SDGs and increase autonomy	<ul style="list-style-type: none"> - Promotional and interactive platforms connecting consumers with communities and therefore with the brand. - Commerce to support (not harm) local economy
3. Prevention	Sustainable preventive solutions designed for the specific needs and circumstances of each vulnerable community	<ul style="list-style-type: none"> - Health & wellness product development - Humble the Healthy Hapalemur's health tips
4. Leadership	Sharing knowledge, learning and resources with local professionals to enable them to address inequities and captain healthy social and ecologic development within their communities.	<ul style="list-style-type: none"> - Humble Global Health Societies for students and young professionals in emerging economies - Humble Smile Ambassadors