

Corporate Social Responsibility: A Canadian Perspective

About the Survey

The Nielsen Global Online Consumer Survey was conducted in November 2008 among more than 28,000 internet users in 51 markets. The largest half-yearly survey of its kind, it provides insight into current confidence levels, spending habits/intentions and the major concerns of consumers across the globe.



One of the key trends shaping international business in recent years has been a push for accountable, socially responsible practices. The framework for implementing such practices is often referred to as CSR (Corporate Social Responsibility). Industry Canada defines CSR as "the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society." (<http://www.ic.gc.ca>).

Worldwide, the number of ethically active consumers is growing. These consumers are forming opinions about the social responsibility commitment of corporations and making purchase decisions based on these attitudes. The Nielsen Company conducted a survey among consumers in 51 countries in order to determine their attitudes towards corporate social responsibility. The survey also focused on one aspect of the ethical consumer market: fair trade products.

Ethical Practices and Products

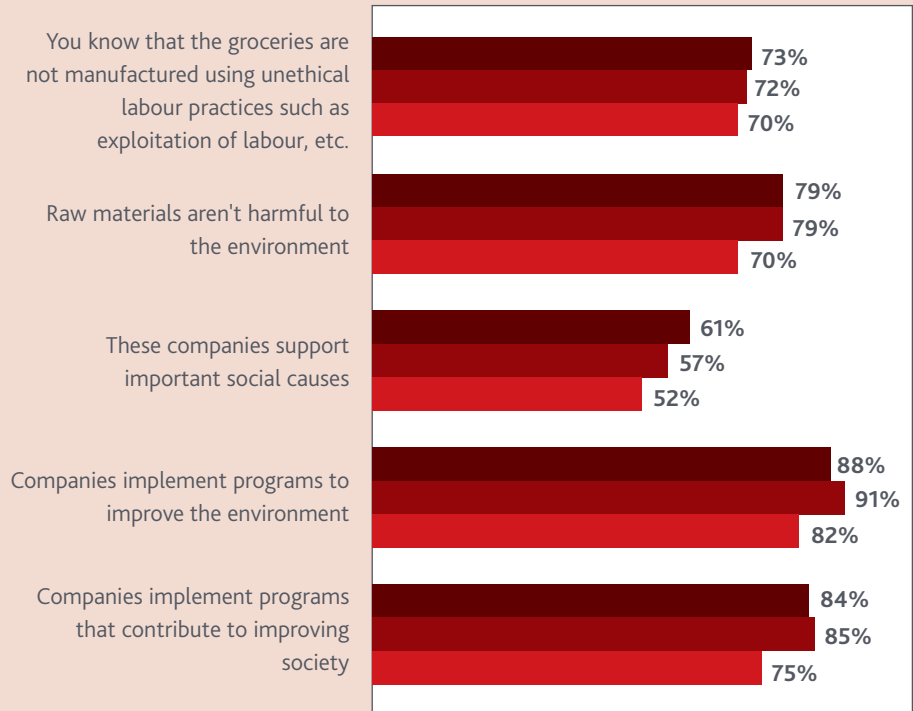
It is clear from the survey results that all over the world consumers are very concerned about the ethical practices of the manufacturers of grocery products. In Canada, consumers are especially concerned that the companies implement programs to improve the environment and less concerned that companies support important social causes.

While the vast majority of U.S. consumers are concerned about CSR it is not as prevalent a concern as in either Canada or worldwide.

Thinking about the manufacturers of grocery products, how important is it to you personally that:

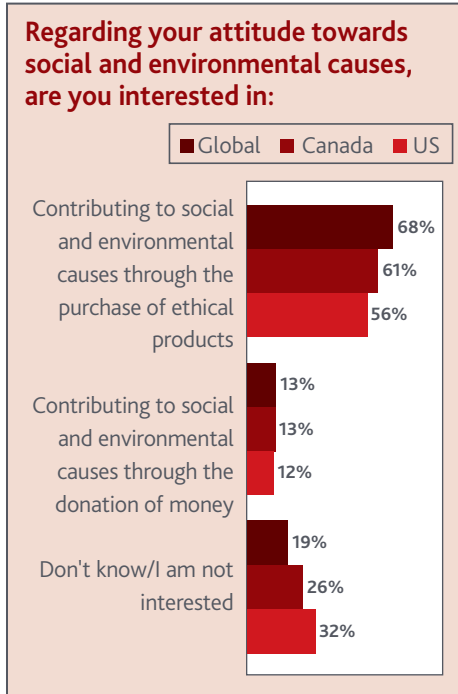
% responding very or somewhat important

■ Global ■ Canada ■ US



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Almost 70% of consumers worldwide indicated that they were interested in contributing to CSR through the purchase of ethical products. While still affirmed by the majority of consumers, this response was less common in Canada and even less prevalent in the U.S.



Fair Trade Products

Fair trade products have incorporated into their production and distribution a strategy for poverty reduction and sustainable development among the producers of the items. The items produced and marketed with the fair trade certification have made agreements with producers to ensure the implementation of sustainable production practices and equitable pricing structures so that less money goes to "middlemen" and more goes to the grower or initial producer of the raw materials. In Canada, TransFair

independently audits and certifies fair trade goods.

One of the most developed markets for fair trade products is coffee. In 2004, Canadians bought more than 940,000 kilograms of fair trade certified coffee accounting for \$28.2 million in sales, up astronomically from the \$649,000 recorded in 1998. In Europe, 2005 sales of fair trade products was reported at about \$950 million, up 154 per cent in five years or a rate of growth of about 20 per cent a year.

According to the Nielsen survey, Canadians have much better knowledge of fair trade products than either American or Global consumers.



However, although fair trade items do receive a special label marking in Canada, there is a very low level of recognition of this symbol among the Canadian consumers surveyed. As well Canadians are less likely to assume that free trade products are more expensive than other products. This is quite a common attitude among American shoppers.

Thinking about fair trade products, to what extent do you agree or disagree with the following statements.

% Agree or Strongly Agree



Conclusion

Canadians are ethically active consumers, as evidenced by their knowledge about and growing consumption of fair trade products. Overall, Canadian consumers are concerned about the reputation manufacturers of grocery products have for social responsibility. This speaks to the need for ongoing implementation of accountable CSR programs and good communication to the public of the progress of these initiatives.

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