CORPORATE SOCIAL RESPONSIBILITY
CSR

- Environmental Management
- Corporate Sustainability
- Sustainable Development
- Business and Society
- Corporate Citizenship
- Business Ethics
“CSR is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”.


“The responsibility of enterprises for their impacts on society”.

(European Commission, 2011)
“Create the world you want to be part of”

WBCSD is a global, CEO-led organization of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world.

http://www.wbcsd.org/Overview/About-us
“The climate is changing. So is the climate of ideas”.

It’s a journey of leadership. Leadership through:
- Innovation
- Valuation
- Collaboration

WBCSD work with leading companies to develop high-impact business solutions across the systems of Energy, Food & Land-Use, Cities and Mobility and Redefining Value.
- Increasing market share of renewable energies
- Greater investments in energy efficiency (in businesses, buildings and transport)

- 9 billion population by 2050
- New approaches to soil and water management

- By 2030, 70% of the global population will live in cities
- Build better, smarter cities with individual access to technology, health care and connectivity

- Need to go beyond just accounting for financial value
- Developing innovative integrated approaches to natural and social capital measurement, valuation and reporting
Impact on Sustainable Development Goals

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice, Strong Institutions
17. Partnerships for the Goals
“CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy”

The European Commission is the executive of the European Union and promotes its general interest. It is composed by 28 members of the College of Commissioners (one from each EU country).

CSR brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management.

The Commission:
- endorses the UN Guiding Principles on Business and Human Rights,
- produces guidelines for small and medium-sized companies (SMEs),
- supports projects to pilot a multi-stakeholder approach to CSR in specific sectors.

Multi-stakeholder projects
Projects to pilot an approach involving all relevant stakeholders - industry, civil society, suppliers, and business partners.
They get together to identify CSR-specific challenges and come up with solutions.
“WE’RE SHAPING A SUSTAINABLE FUTURE, AND YOU NEED TO BE A PART OF IT”

The Global Compact is the world’s largest global corporate sustainability initiative, with over 9,200 companies and 4,000 non-business participants based in over 160 countries.

A call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals.

https://www.unglobalcompact.org/what-is-gc
The Ten Principles of UN Global Compact

**Human Rights**

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

**Labour**

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

**Environment**

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and

**Anti-Corruption**

10. Businesses should work against corruption in all its forms, including extortion and bribery.

The UN Global Compact’s Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
The Meaning of Corporate Social Responsibility

- A corporation should **act in a way that enhances society and its inhabitants** and be held accountable for any of its actions that affect people, their communities, and their environment.

- It implies that **harm** to people and society **should be acknowledged and corrected** if at all possible.

- It may require a company to **forge some profits** if its social impacts seriously hurt some of its stakeholders or if its funds can be used to have a positive social impact.
A Socially Responsible Business

Companies can become socially responsible by:

- following the law;
- integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations.

Creating shared value (for a business and society at the same time)

- Reducing environmental impact
- Driving cost efficiency
- Engaging further and back the supply chain
- Educating local and global communities
Starbucks’ social responsibility strategy is based on three pillars:
- Ethical sourcing
- Environment
- Community

http://www.youtube.com/watch?v=Nly_OdvORQY

Starbucks’ four areas of CSR

**Source Ethically & Sustainably**

We are committed to offering high-quality, ethically purchased and responsibly produced products.

**Create Opportunities**

We are committed to investing in paths to opportunity through education, training, and employment.

**Lead in Green Retail**

We are committed to minimizing our environmental footprint and inspiring others to do the same.

**Encourage Service & Citizenship**

We are committed to offering Starbucks as a place for public conversation and elevating civic engagement through service and promoting voter registration.
Starbucks: From 2008 Crisis to 2015 New Beginning

In 2008, Starbucks was fighting for survival (due to the financial crisis and global recession). Starbucks did not back away from commitment to responsibility.

By 2015:

- Doubled investments in alternative loan programs to $21.3 million from $12.5 million in 2008)
- 99% of the coffee met the ethical sourcing criteria. Starbucks built 7 new Farmer Support Centers in Latin America, Asia and Africa
- Have implemented rigorous green building in new construction projects and renovations
- Increased purchases of renewable energy from 20% in 2008 to 100% in 2015
- Have invested in communities and young people (more than 50,000 people) to make meaningful change and take action.
Starbucks’ Commitment to Community and Environment

Creating pathways to opportunity
https://www.starbucks.com/responsibility/community

Encourage citizenship
https://www.youtube.com/watch?v=KRFofwu-0o4

Water and Energy Conservation

Tackling water and energy use is a win-win proposition: it helps reduce our environmental impact and makes good business sense.
McDonald’s Corporate Social Responsibility

CSR at McDonald’s

https://www.youtube.com/watch?v=DJ6QGesUWAQ
We recognize that we are stewards of a great Company with the opportunity not only to make a profit, but to do so in a way that makes a difference in the world.

Indra K. Nooyi, Chairman and CEO Pepsico

Pepsi Refresh Project
https://www.youtube.com/watch?v=LGxkA5rTvow
Corporate Power and Responsibility

• Corporate power refers to the capability of corporations to influence government, the economy, and society, based on their organizational resources

• The tremendous power of the world's leading corporations has both positive and negative effects
  – **Positives** include commanding more resources, producing at lower costs, planning further into the future, and bring new products, technologies, and economic opportunities to developing societies
  – **Negatives** include disproportionate influence on politics, shape tastes, dominate public discourse, divide markets, and squash competition
## The Corporate Social Responsibility Debate

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<th>Arguments for Corporate Social Responsibility</th>
<th>Arguments against Corporate Social Responsibility</th>
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<td>Balances corporate power with responsibility.</td>
<td>Lowers economic efficiency and profit.</td>
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<td>Discourages government regulation.</td>
<td>Imposes unequal costs among competitors.</td>
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<td>Promotes long-term profits for business.</td>
<td>Imposes hidden costs passed on to stakeholders.</td>
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<td>Improves stakeholder relationships.</td>
<td>Requires skills business may lack.</td>
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<td>Enhances business reputation.</td>
<td>Places responsibility on business rather than individuals.</td>
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The Companies with the Best CSR Reputations in The World (2016)

• Report from global consultancy firm Reputation Institute
• Over 80,000 people in 15 countries evaluated citizenship, workplace and governance

• Results describe which companies are best regarded by consumers for having
  - a positive societal influence
  - being environmentally friendly
  - operating with openness and transparency
  - behaving ethically
  - rewarding employees fairly
  - promoting employee well-being.

Perceptions related to CSR build more than 40% of any company's reputation
Google’s CSR

“A better world, faster”

100% renewable is just the beginning

Internet Saathi: Bridging the online gender divide in rural India

Google.org: Investing to make a difference

Google Impact Challenge: Designing a world that works for everyone
100% Renewable is just the Beginning

In 2017 Google will reach 100% renewable energy for global operations — including both our data centers and offices. Google is one of the first corporations to create large-scale, long-term contracts to buy renewable energy directly.
Internet Saathi: Bridging the online gender divide in rural India

Even as the world becomes increasingly connected, rural India is witnessing a widening online gender gap — only one in ten internet users is a woman.

Google is committed to bridging this divide. Through the Internet Saathi initiative, women ambassadors will train and educate women across 300,000 villages on the benefits of internet in their day-to-day life.

https://www.youtube.com/watch?v=AUUfQy4ZIMM
Google.org: Investing to make a difference

We believe innovation can lead not only to better products, but also to a better world — for everyone.

At Google.org, they invest $100,000,000 in grants annually in organizations with bold ideas that create lasting change.
Google Impact Challenge: Designing a world that works for everyone

Disabilities invites us all to aim our collective might at creating a world that works for everyone.

Google pledged $20 million in grants to 29 nonprofits using technology to take on a wide range of accessibility challenges all over the world.

From making more books available to people with visual impairments to creating 3D-printed prosthetics.
The Social Enterprise

• A business that adopts social benefits as its core mission

• An organization that uses business strategies for the purpose of improving human and environmental well-being

• Its primary purpose is not to maximize returns to shareholders

• It can be large and established or small and new
Warby Parker originated from a frustration with the eyewear industry.

One of the co-founders lost his glasses while on a trip, and had to squint and struggle the entire semester because he couldn’t afford another pair:

Glasses are too expensive. The eyewear industry is dominated by a single company that has been able to keep prices artificially high while reaping huge profits from consumers who have no other options.

Warby Parker circumvents current methods of manufacturing and distribution, designing their eyewear in-house and selling them straight-to-consumer at extremely affordable prices.

They partner with non-profits like VisionSpring, training individuals in developing countries to give basic eye examinations and sell prescription glasses. This helps to create jobs and spread awareness for affordable eye care.
Oliberté – Empowering locals to make their own living.

Create a system that employs local people and uses local materials

Founder Tal Dehtiar takes a firm stand against traditional charity models in Oliberté:

Africa doesn’t need donations — it doesn’t need anything. It has everything it needs. What it requires is the right support system. While knowledge is key and important, the best long term solution for local development is hiring and focusing on hiring locally from the start.

Oliberté is an ethical sustainable brand based in sub-Saharan Africa. They create a community and system in Africa that employs local people and uses local materials to make excellent shoes.

In 2013, they became the world’s first Fair Trade Certified™ footwear manufacturing factory!
31 Bits – Using fashion and design to empower people to rise above poverty.

The idea to start 31 Bits came from an eye-opening trip to Uganda:

Our classmate, Kallie, had just gotten back from a life-changing trip to Uganda. She met women who grew up in a war and had nothing. They were single moms with no education and no job, and they were our age. OUR AGE. Our lives couldn’t look more different.

31 Bits sells beautifully-crafted jewelry made by women partners in Uganda from recycled bits of paper.

31 Bits’ five-year development program in Uganda, then ensures that each partner receives health education, finance training, counseling, and business training.

Upon graduating, their partners are equipped with the emotional, social and technical skills to run their own business.
The B Corporation

“Responsible for each other and future generations”

Also called a “benefit corporation” - a new type of corporation that seeks to blend its social objectives with financial goals.

- A B Corporation must *prove* its socially responsible by meeting the B Lab standards
  - B Lab is a non-profit organization that assesses a corporation’s social and environmental performance standards.

https://www.bcorporation.net/what-are-b-corps
The B Corporation

Global Movement:

More than 900 companies in 29 countries redefine success in business

• B Corporations use the power of business to solve social and environmental problems

• B Corp is a certificate that helps consumers to identify these corporations change makers

• Investors make money and make a difference
The B Corp Declaration

DECLARATION OF INTERDEPENDENCE

We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation – the B Corporation –
Which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

That we must be the change we seek in the world.

That all business ought to be conducted as if people and place mattered.

That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.
Serving the Bottom of the Pyramid

• The term bottom of the pyramid refers to the poorest people in the world—nearly 4 billion who earn less than $2.50 per day

• Business can carry out its responsibility to society by bringing products and services to these underserved people

Example: Grameen Bank uses microfinance to serve the bottom of the pyramid
- microfinance occurs when financial organizations provide loans to low-income clients or solidarity lending groups who traditionally lack access to banking or related services
1) **A commitment to sustainability regardless of political changes**
Today most big companies are committed to reporting on their environmental and social impacts and continuously improving their performance.

2) **Corporations stepping up as advocates and problem-solvers**
Finding innovative solutions to global problems and worldwide issues ("the fit for the future").

3) **New, rising expectations of the CSO**
The role of the CSR leader continues to grow more sophisticated report directly to the CEO.
4) A shift from “corporate social responsibility” to “social impact”
There is a growing consensus that the key driver for a company’s pro-social program should be not some generic standard of responsibility, but rather unique, measurable, positive impact – human, environmental, societal, and financial.

5) Accelerating the transition to the circular economy
Incentivizing businesses to increase resource efficiency (e.g., find ways to eliminate waste and reuse valuable materials endlessly).

6) More investment in consumer and employee buy-in
Getting employees and customers to know about CSR programs isn’t always easy. It needs telling compelling, multidimensional stories about who companies are, what they do and how they pursue it.
Thank You!

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