

...  
**Corporate  
Social  
Responsibility  
(CSR)**



GREEN  
INDUSTRY  
FOUNDATION



Co-funded by  
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# Good practice in the field of education for sustainable development





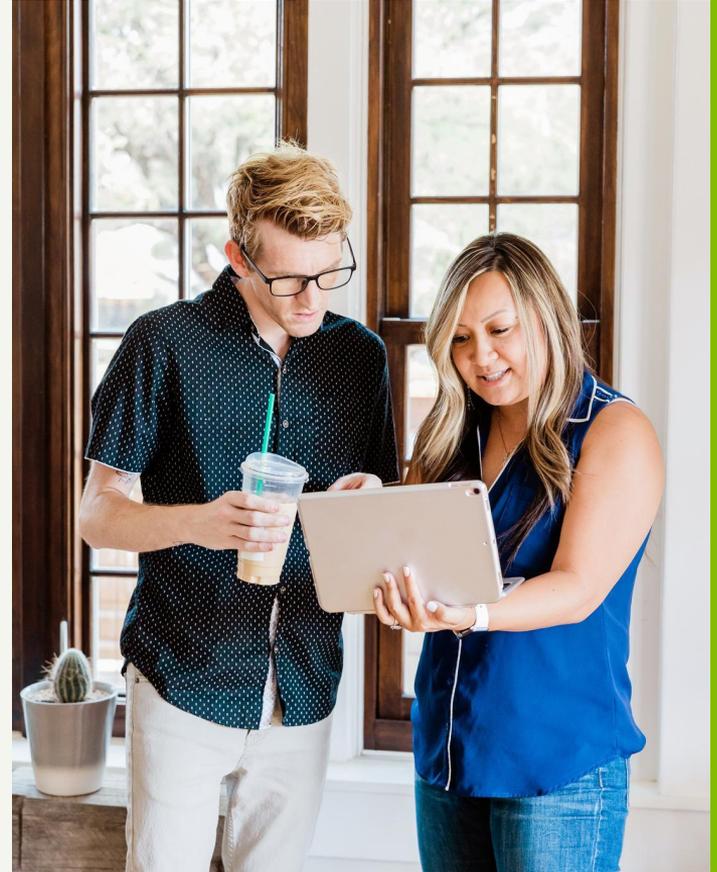
# Learning Goal

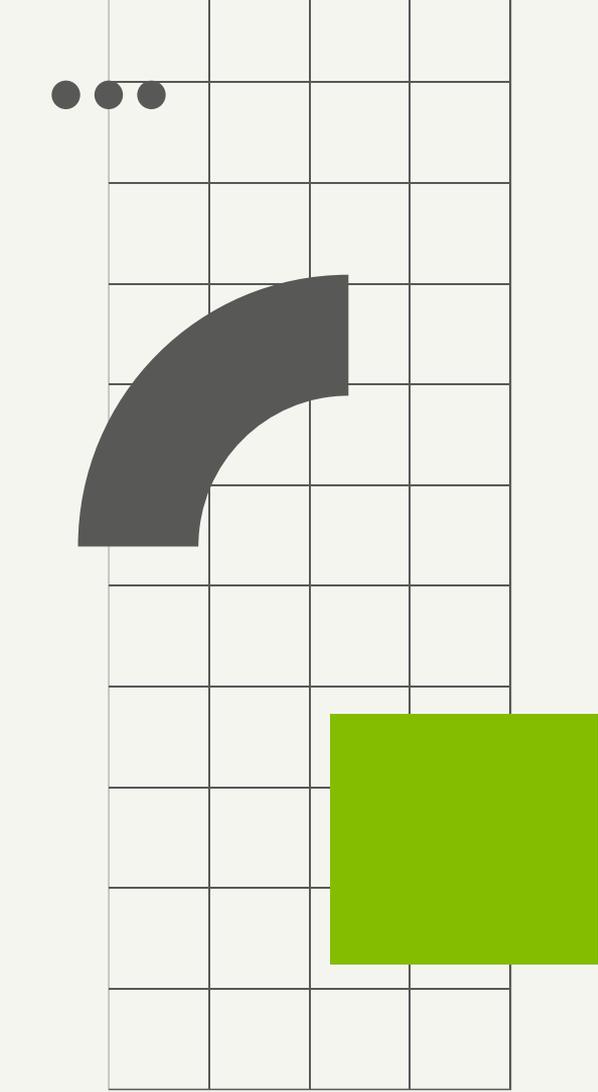


# Only 1 Thing:

Evaluating how ethics and social responsibility have an impact on management of organisations in the field of CSR

**CSR** – Corporate Social Responsibility is a concept whereby businesses and other organisations integrate their social and environmental responsibilities into their mainstream business operations and business decisions are made with reference to wider sustainability issues





# Definitions

**CORPORATE GOVERNANCE** - The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company. Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. Corporate governance is therefore about what the board of a company does and how it sets the values of the company, and it is to be distinguished from the day to day operational management of the company by full-time executives.

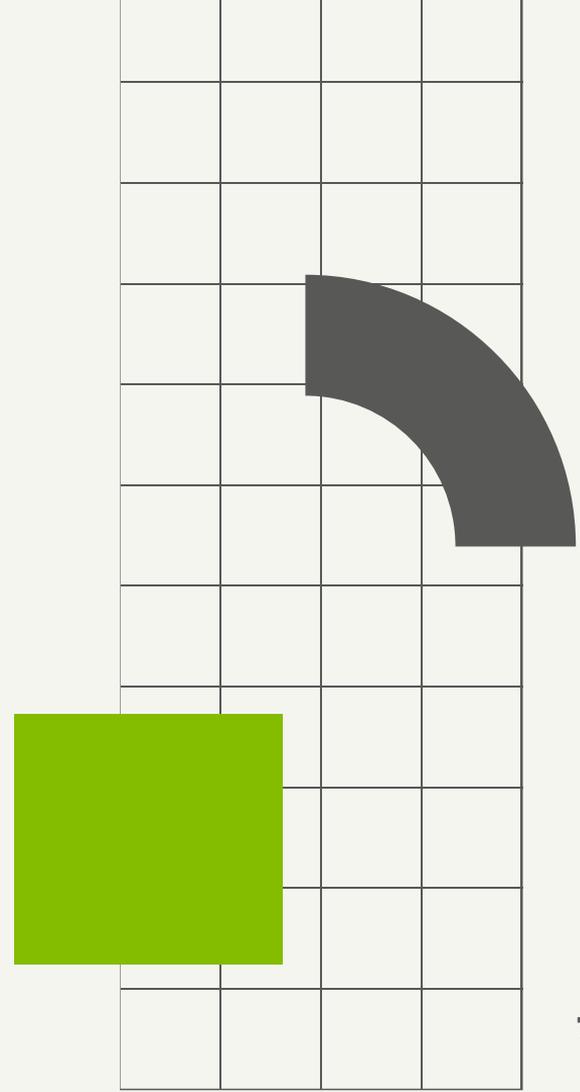
# Definitions

**BUSINESS ENVIRONMENT** – the role your company plays in the business environment based on CSR, creating economic, social, and environmental value – and ESG, which stands for Environmental, Social, and Governance. This is the picture the company build and can involve a wholesale transformation in a company's business strategy or model to integrate social or environmental goals as a key priority.



# Definitions

**SUSTAINABLE DEVELOPMENT** - in 1987, the United Nations World Commission on Environment and Development released the report "Our Common Future", commonly called the Brundland Report, which included a definition of "sustainable development" for the first time: , 'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It is an ability of the company to meet the present and the future needs of the entire environment including aims to safely co-exist on planet Earth over a long time.





# Stakeholder Analysis



When it comes to any organisation, all of the internal people and teams who the project will involve or affect are called its stakeholders

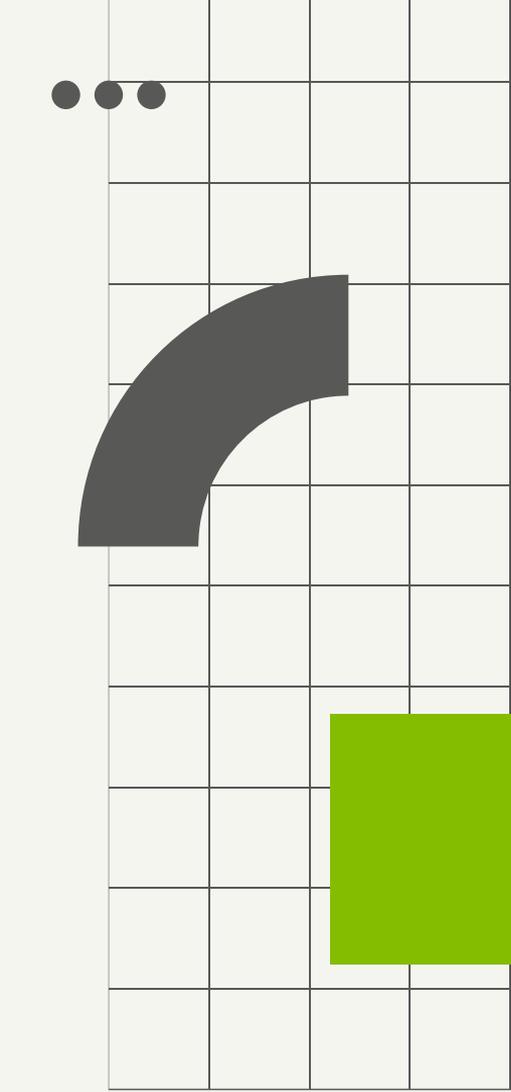
# What is it?



# Power-Interest Grid



Stakeholder Analysis



# What is Ethics in CSR?

An ethical organization in its activities has the duty to respect stakeholders' rights and to create a better framework for the development of employees, managers, and owners, fostering the customers' and suppliers' evolution strategies, offering new perspectives to local community, and providing environmental protection. Ethical CSR is based on the strong relationship between rights and ethical responsibilities in order to attain legitimacy.

# What is Ethics?



Ethics:

**A code of moral principles used to set standards of „good“ and „bad“**



Ethical Behavior:

**What is accepted as good and right according to the governing moral code**

# Views of CSR Ethical Behaviour

**Utilitarian view** – greatest good to the greatest number of people

**Individualism view** – primary commitment is to one's long-term self-interests.

**Moral-rights** – respects and protects the fundamental rights of all people.

**Justice view** – fair and impartial treatment of people according to legal rules and standards.

# Companies that go against Ethics?

## Jamboard Activity

Bribery  
Fraud  
Harassment/Corruption  
Polluting

Enron (RIP)

Enron





## Is it Legal?

- Will you be violating any criminal, civil laws or company policies by engaging in this activity?
- Does the company have processes to prevent recurring problems regarding health and safety issues?
- Do the employees have official representation in the company?

## Is it Balanced?

- Is it fair to all parties concerned both short term and longer term? Is this a win win situation for those directly or indirectly involved?
- Does the company identify its main economic, social and environmental impacts?

## Is it Right?

- How does this decision make you feel about yourself? Are you proud of yourself? How would you feel if this posted on social media? Will it stand test of time?
- Does the company have a recycling programme?
- Does the company have an action plan regarding human resources and evaluate it on a regular basis?

The **Classic CSR Assessment Tool** evaluates business performance across 8 categories and 224 parameters, which are based on the requirements of leading CSR codes and standards such as ISO 26000, the Global Reporting Initiative (G4), UN Global Compact and BITC Corporate Responsibility Index.

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**„It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.“**

**- Warren Buffet**



**Remember! Supply chain concerns have become prominent in recent years and particularly for larger companies that outsource their goods and services. This can be a big reputational concern (and growing legal concern in some contexts). It is important for companies to understand the risk to their businesses from contracting parties who do not uphold an adequate level of the mentioned practices.**

**What is your idea to build trust and good reputation in the business environment nowadays?**

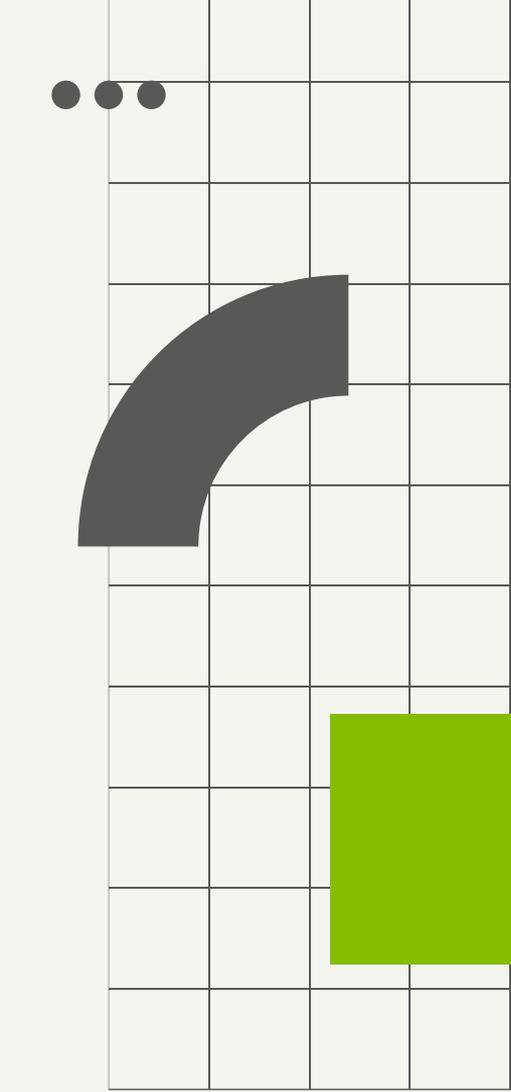


# CSR

- CORPORATE
- SOCIAL
- RESPONSIBILITY

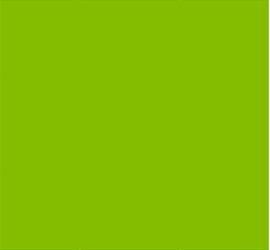
ISO 26000





# ISO 26000 & CSR

The ISO 26000 guidance introduces and explains the principles of social responsibility - CSR. ISO 26000 addresses two practices of social responsibility: an organization's recognition of its social responsibility, and its identification of, and engagement with, its stakeholders. It provides guidance on the relationship between an organization, its stakeholders and society, on recognizing the core subjects and issues of social responsibility, and on an organization's sphere of influence.



The guidance explains the core subjects and associated issues relating to social responsibility. For each core subject, information has been provided on its scope, its relationship to social responsibility, related principles and considerations, and related actions and expectations.



# Good practices in using ISO 26000

**Good practices of using ISO 26000 are found in organisations that:**

1. Recognize social responsibility and adopt the principles as defined in ISO 26000;
2. Review the core subjects, and address relevant/significant issues and expectations of behaviour;
3. Identify and engage stakeholders;
4. Communicate their practices and behaviour towards core subjects and relevant/significant issues.

## **Good tools in support of ISO 26000 are those that are:**

- 1. Stakeholder based – the tool is developed taking the views of relevant stakeholders into account.
  2. Comprehensive – the tool
- recognizes social responsibility and the principles
- promotes stakeholder engagement
- facilitates a review of the core subjects
- facilitates identification of relevant/significant issues
- Transparent – the tool is open about what has been done, what has been included and who has been involved.

# What are possible consequences for ISO 26000?

Logically, ISO 26000 needs to describe all possible issues and express them in a way understandable for all people in all countries.

ISO 26000 faces a much bigger challenge because it is supposed to cover **all** social responsibility issues and be applicable to **all** organisations regardless of their type, size and location.

This is a lofty intent but forces users to first select those issues which are relevant and applicable to their specific case; e.g. guidance on respect for human rights is a large section in ISO 26000 but it may not be relevant in locations where human rights are covered by government regulation.

In other words, ISO 26000, due to its self-imposed comprehensiveness, cannot be directly applicable like the above-mentioned codes of conduct created by companies.

ISO 26000 is not a management system standard. It does not contain requirements and, as such, cannot be used for certification. Any offer to certify, or claims to be



# ••• EU GREEN DEAL AS PART OF CORPORATE SOCIAL RESPONSIBILITY



fresh air, clean water,  
healthy soil and  
biodiversity



renovated, energy  
efficient buildings



healthy and affordable  
food



more public transport



cleaner energy and  
cutting-edge clean  
technological  
innovation



longer lasting  
products that can be  
repaired, recycled and  
re-used



future-proof jobs and  
skills training for the  
transition



globally competitive  
and resilient industry

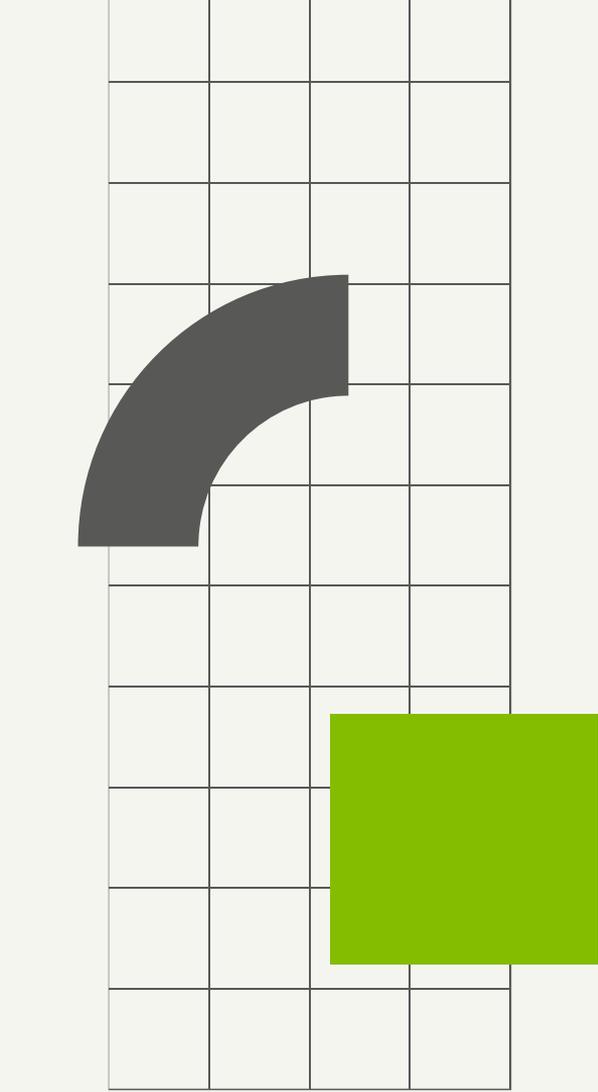
- **Various types of methods have been implemented by the EU depending on the industry.**



### **Power stations and economy**

In order to reduce emissions from power plants and manufacturing plants, the EU has established the first significant carbon market. Companies must purchase permits under the Emissions Trading System (ETS) to emit CO<sub>2</sub>, therefore the less pollution they produce, the less they pay. 40% of all greenhouse gas emissions in the EU are covered by this scheme.

The scheme is now being reviewed by Parliament in order to meet the Green Deal's stricter carbon reduction goals.

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- As part of the reduction of carbon footprint in the CSR strategy, reductions in other industries, including construction or agriculture, will be attained by national emissions targets that have been set and are determined based on a country's gross domestic product per person. MEPs supported increasing the carbon reduction target for these industries from 29% to 40% by 2030 as part of the Fit for 55 package.
  - "The Fit for 55 package is a set of proposals to revise and update EU legislation and to put in place new initiatives with the aim of ensuring that EU policies are in line with the climate goals agreed by the Council and the European Parliament"

# CSR and Modern Day Slavery

It is now beyond question that businesses are a key player in the fight against modern slavery. The question of whether large commercial companies have some responsibility for these conditions has been replaced by what they need to do to address and prevent them, despite the fact that statistics and definitions surrounding the issue are frequently ambiguous and unclear. These revelations have revealed widespread labor exploitation, to which large commercial companies are frequently linked.

For example the Modern Slavery regulations in Ireland require any commercial organizations to declare the measures it is taking to ensure that there is no slavery within its supply chains or operations.

Before the Modern Slavery regulations were passed , a few especially progressive businesses had already started to address issues of labor exploitation and human trafficking inside their supply chains. This is especially true for people who work in industries that have historically been the focus of media exposés, like the fashion sector.

## **Modern day slavery refers to any form of forced human exploitation for labor or service, such as human trafficking and forced labour**

Examples of Modern Day Slavery against CSR standards include:

- Working without a contract
- Being exploited for monetary gain
- Having ID documents held against the employees will by the employer
- Getting paid below the national minimum wage
- Being forced to work overtime
- Employing underage workers
- No breaks, bad work conditions, bullying at work
- No clear health & safety standards
- Getting paid cash in hand





# Boundaries of CSR

The boundaries of accountability—the actions that stakeholders may expect an organization to report on—boundary is a crucial but understudied term. Adopting a strict border will prevent many impacts from being disclosed, decreasing the value of CSR reports. Based on the financial reporting notions of control and considerable influence, the boundary has historically gone uncontested. Recent theories contend that rather than being applied uniformly across the board, organizational boundaries should vary depending on the specific situation at hand. Factors can be arranged and categorized into three boundary constructs: ownership and control, responsibility, and reputation management.

