CORPORATE SOCIAL RESPONSIBILITY (CSR)
Background & Basic Overview
CSR

- Economic responsibility
- Social Responsibility
- Environmental responsibility
CSR’ expresses more than simply the requirement that business should be conducted ethically – it refers to the notion of responsibility for the impact of corporate activity on the wider body of stakeholders, both internal and external stakeholders, and both economic (employees, customers, banks, suppliers, competitors) and social stakeholders (family members, the physical environment, the government, trade and business association, etc.) and it is this attribution of responsibility that underpins the willingness of society to legitimate business” (Gray et al., 1996).
Transforming our world: the 2030 Agenda for Sustainable Development
United Nations General Assembly
contained in document A/70/L.1, the agreement on a set of 17 goals and 169 targets would come into effect on 1 January 2016, replacing the Millennium Development Goals set in 2000

https://www.unric.org/it/agenda-2030

Agenda 2030
CSR impacts

- Exchange rates
- Consumer confidence
- Interest Rates
- Governance
- Climate change
- Waste
- Biodiversity
- Economic
- Environmental
- Social
- Regulation/Policy
- Corruption
- Communities
- Labor/Workplace
- Human Rights
- Resources

Erasmus+
CSR characteristics

Integration  Stakeholder’s perspective  Voluntary

Unilateral  Plural  Relative

“Soft law”
CSR dimensions

**Internal dimensions**
- **Economic**: Generation, communication and distribution, if applicable, of the value created among all the participants in the developed activity, including shareholders.
- **Social**: Care, development and enhancement of the quality of life at work, equal opportunities, reconciliation of work and family life, and integral development of each participant in the activity process.
- **Environmental**: Application of ecological criteria and environmental care in the use of natural and/or other resources, throughout the activity.

**External dimensions**
- **Economic**: Design, production and making useful and demanded products and services available to users or consumers.
- **Social**: Participation in investment and business projects where ethical and responsible criteria prevail in the decision-making process.
- **Environmental**: Inclusion of environmental parameters in the strategic policy of the company, assessing the positioning of the organization in the value chain.
CSR Stages

Specific characteristics of the company

Primary CSR

Secondary CSR

Tertiary CSR

Specific characteristics of the environment
Value creation for the organization and for others
Value is more than financial

![Graph showing the increase in inangible assets from 1975 to 2015. The graph illustrates a significant shift from a majority of tangible assets to a majority of inangible assets over the years.]
Socially Responsible Management

- Codes of conduct
- Management standards
- Reporting
CSR drivers

CSR-Intrinsic Orientation

Autenticity?
Ethical/Moral-led approach?

Hidden/sunken approach?

CSR-Extrinsic Orientation

Greenwashing?
Opportunistic approach?

Decoupling
Manipulation
Impression Management ...
Company sustainable behaviour & Reporting

Set of common intangibles-oriented indicators

Traditional Financial Reporting

Social/Sustainability Reporting

Environmental Reporting

Intangibles/Intellectual Capital Reporting

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The evolution of Reporting
Cnt’d
Attempting a (comprehensive ...) Picture

**FINANCIAL REPORTING**

- IFRAG/OIC/ANC/GASB/ASB-FRC
- OIV

**ACCOUNTING**
- IASB

**VALUATION**
- IVSC

**SUSTAINABILITY** (ENVIRONMENTAL/SOCIAL)
- GRI
  - UN GLOBAL COMPACT
  - PRI / A4S / CDP / GBS / CDSB / SASB
  - GBS / GLOBAL COMPACT
  - ITA

**VALUE CREATION** (INTANGIBLES/KEY VALUE DRIVERS)
- WICI
  - WICI EUROPE / JAPAN / USA / ITALY

**NON-FINANCIAL REPORTING**
The New EU Directive on «Non-Financial Information»


National legislations implementing CSR/ESG Issues in Corporate Reporting:
• France, 2001/2009 (more prescriptive)
• Denmark from 2009 disclose CSR policies on a «comply or explain» basis (quite «mild»)
• Sweden mandatory sustainability report for 55 state-owned companies from Jan 2008
• Netherlands from 2008 listed companies (and now all companies) to report on CSR issues
• UK government to publish guidance on how companies should measure and report their emissions
• More in general, implementation of the IV Directive requirement on employees and environmental issues into national accounting legislations
Cnt’d

aprox 6,000 large entities of “public interest”: all listed companies, banks, insurances with > 500 employees (average/year)
✓ Freedom to member states to extend it to non-listed companies.
✓ Flexibility on modalities (separated report; internet site) and the framework (UN Global Compact; GRI; ISO 26000; German Sustainability Code) to be utilised.
✓ Information on
  • Environmental, social (labour), respect of human rights and anti-corruption policies aspects. In particular, disclosure of the policies; the results (indicators) of those policies; the management of the risks linked to those aspects;
  • Diversity policies in the company board (gender, age, geographical balance)
Thank you for listening!