DIPCAT Intellectual Output 4
Glossary

Balanced Scorecard: a strategic business framework that encompasses drivers linked into four perspectives: financial, customer, internal processes and innovation and learning.

Business Ethics: the influence of moral values and principles on business activities.

Business Model: an organization's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term.

Business Report: a set of documents aimed to represent, measure and illustrate an organization's operative, strategic, financial and non-financial performance, characteristics and attributes.

Business Reporting: the whole set of activities, both technical, operational and managerial in nature, which are necessary to prepare a Business Report.

Code of Conduct: a guideline for how a company do things, encompassing principles, values, standards, and rules of behaviour that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations

Code of Ethics: a written document aimed to ensure that the daily activities of an organization and the conduct of all employees meet fundamental ethics driven by a set shared values and principles; a document that describes the behaviour that a company or a professional association deems appropriate and acceptable

Corporate Governance: "the system by which companies are directed and controlled" (*Cadbury Report, 1992*); "the structures and processes for the direction and control of companies" (*International Finance Corporation*). Its structure specifies the distribution of rights and responsibilities among different participants in the organization, such as the Board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs.

Corporate Identity: the system deriving from the corporate philosophy and culture, its vision and long-term business goals, relying on three pillars – the company's image, the way the company communicates and the way the company behaves.

Corporate Social Responsibility (CSR): "a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large", "the business contribution to sustainable economic development" (*World Business Council for Sustainable Development, 1987*).

Corporate Social Responsibility (CSR): "the responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behaviour

and transparency which contributes to sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current laws and is consistent with international standards of behaviour; and is integrated throughout the organization and implemented in its relations." (*ISO 26000 standards on Corporate Social Responsibility*)

Corporate Social Responsibility (CSR): "the responsibility of enterprises for their impacts on society…[which involves] having a process in place to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of: (i) maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large, and (ii) identifying, preventing and mitigating their possible adverse impacts." (*The European Commission's Communication on CSR - A Renewed EU Strategy 2011-14 for Corporate Social Responsibility," October 25, 2011*)

CSR Obligations: the company's own obligations to respect internationally recognised CSR principles.

CSR Officer and/or Chief Sustainability Officer (CSO): a manager whose primary responsibility is to oversee the creation and implementation of an organization's social responsibility objectives assisting the company in developing and managing social responsibility and sustainability-driven policies.

CSR Performance: the company's degree of compliance with the CSR principles.

CSR Principles: internationally recognised principles for environmental, social and economic sustainability, i.e., human rights, protection of the environment and promotion of anti-corruption.

CSR Report (**or Corporate Social Responsibility Report):** a periodical (usually annual) report published by companies to report their corporate social responsibility actions and results. It is a document that improves the transparency of businesses' activities because it synthesizes and makes public all the information on the actions implemented by companies regarding their contribution to the principles of sustainable development. (*examples of good CSR reports:* European Investment Bank -2017 CSR and Sustainability Report; Johnson&Johnson – 2017 CSR and Sustainability Report; Bloomberg – 2017 CSR and Sustainability Report; Pearson – 2017 CSR and Sustainability Report; Nike – 2017 CSR and Sustainability Report; IKEA – 2016 CSR and Sustainability Report)

CSR Risks: risks of adverse impacts on CSR principles.

ESG (Environmental, Social, and Governance) Criteria: measures by which companies and individual investors assess a firm's commitment to CSR goals.

EU Directive on Non-Financial Disclosure: Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 that requires companies ("public entities, i.e. large companies and groups) to disclose in their management report, or releasing a separate report (i.e., sustainability or integrated report) information on policies, risks and outcomes (as regards environmental matters, social and employee aspects, respect for human rights, anticorruption and bribery issues, and diversity) to provide stakeholders with a comprehensive picture of a company's performance.

Global Compact: an agreement between the United Nations and the world's businesses (1999) aimed to ensures a framework of values and practices that private company are called to put into practice to meet the social and economic needs of people.

Global Reporting Initiative (GRI): an independent international institution whose purpose is to help companies release the sustainability report that should cover all relevant issues of economic, environmental and social impacts. https://www.globalreporting.org

Greenwashing: a communication and marketing strategy adopted by companies or other organizations, consisting in putting forward ecological arguments in order to forge an ecologically responsible image among the public.

Impact Measurement: the process of quantitatively and qualitatively evaluating the impacts of an organization.

Integrated Performance: a company's environmental, social and governance performance to be assessed, and disclosed in parallel to financial performance to create a holistic view of the company`s results and value.

Integrated Reporting: a process founded on integrated thinking that results in a periodic *integrated report* by an organization about value creation over time and related communications regarding aspects of value creation, the main target audience of integrated reporting being the investment community. https://integratedreporting.org

International Integrated Reporting Council: the entity responsible for the preparation of the Integrated Reporting

ISO 26000 Social Responsibility: a standard that offers guidance in supporting organizations to assess, monitor and develop their commitment to CSR sustainability and their overall performance. https://www.iso.org/iso-26000-social-responsibility.html

Management System: a framework that refers to a set of policies, processes and procedures used by an organization in order to develop and implement its strategy; to enhance innovation processes and continuous improvement; to ensure customer satisfaction and maintain; to increase competitiveness and results' growth; and to achieve sustainability.

Materiality Analysis: a method to identify and prioritize the issues that are most important to an organization and its stakeholders.

Materiality: "those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large". (*GRI G4 guidelines*)

Non-Financial Reporting: a form of transparency reporting where businesses formally disclose certain information not related to their finances (organisations report information that allow them to measure, understand and communicate their human rights, social and environmental impacts, as well as set goals, and manage change more effective to contribute to a sustainable growth).

Non-financial declaration (non financial statement): the name used by the European Council to refer to transparency reporting companies (public entities, i.e. large and listed companies and groups) should release to comply with the non financial disclosure regulations. Key drivers for non-financial reporting include demand from stakeholders, including investors, regulators and customers, peer pressure, as well local regulation and global trends. EU Business: http://www.eubusiness.com/topics/finance/non-fin-info Council of the European Union: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/144945.pdf

Non-Governmental Organizations: organizations with social goals that are not dependent from a governmental entity.

PRI (Principles for Responsible Investing): a UN organization that promotes and assesses responsible investment, whose foundation is a document of “voluntary and aspirational” principles for institutional investors.

Social Organizations: Firms that address a social problem and they are financially self-sustainable with profits realized by the firm being reinvested in the social business (or used to start other social businesses), with the aim of increasing social impact.

Stakeholder: individual, group or organisation that have an impact and/or are likely to be affected, directly or indirectly, by the company’s activity, including: customers, shareholders, employees, banks, non-profit organizations, NGOs, local community, civil society, business partners, suppliers, state and local government representatives, interest groups, the media, trade unions and international organizations.

Stakeholder Engagement: an engagement in an open, two-way dialogue with company’s stakeholders, seeking to understand and find solutions to issues of mutual concern in order to align business practices with societal needs and expectations.

Stakeholders Dialogue: a method (based on different tools and practices) used for managing change processes through cooperation with stakeholder that allow an organization to identify stakeholders needs and mapping their expectations.

Sustainability: an approach to manage an organization commonly conceptualised as having three dimensions, symbolised as overlapping circles: social, environmental, financial (in fact, society, economy and environment are the interdependent and interconnected pillars of sustainability).

Sustainability Strategy: a coherent strategy, based on integrity, sound values and a long-term approach aimed at generating value for all stakeholders; it relies on the alignment of corporate goals with those of society.

Sustainable Development Goals (SDGs): a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all".

Sustainable Development: a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable Value Chain: the full lifecycle of a product or process, including material sourcing, production, consumption and disposal/recycling processes; it enables both business and society to better understand and address the environmental and social challenges associated with the life cycle of products and services.

Triple Bottom Line (TBL or 3BL): a term used to describe the financial, social and environmental "bottom lines" of companies (also referred as three Ps: people, planet and profit, or the "three pillars of sustainability”).

Note: Triple-bottom-line, CSR, sustainability, environmental, social and governance (ESG) and integrated performance are terms often used interchangeably.


RESOURCES
SUSTAINABILITY
RESPONSIBILITY
CSR
CORPORATE SOCIAL
RESPONSIBILITY
GOAL
MARKET
LONG-TERM
ETHICS
SELF-
POLICING
SINCERITY