

CHAPTER 2: LMD logistics operations and impacts

UNIT 4: Society Current Demands and Trends

Capsule 2.4.4

Corporate Social Responsibility



To be done prior to this capsule:

No previous additional knowledge is needed

Capsule linked with:

1.3.5, 1.4.6, 2.1.2, 2.1.3, 2.3.2, 2.5.1, 2.5.2,
2.5.4, 3.3.1, 3.3.3, 3.4.5. Special direct link
with capsules from this Unit 2.4.

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Objectives of the Capsule

This capsule presents the concept of Corporate Social Responsibility (CSR), its importance and how it can be applied by businesses.

Category	E-learning	EQF		
		4	5	6
			X	X

Exercises included	YES
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Effort for the capsule	Content 20 Min.	Exercises 4 Min.	Extra material - Min.
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Contents

1. Corporate Social Responsibility (CSR)
2. Benefits of CSR
3. Examples of CSR initiatives
4. How to implement effective CSR
5. Tools for CSR reporting

1. Corporate Social Responsibility (CSR)

What is Corporate Social Responsibility (CSR)?

CSR is a management concept whereby companies **integrate social and environmental concerns in their business operations and interactions with their stakeholders**. CSR is generally understood as being the way through which a company:

- **achieves a balance** of economic, environmental and social imperatives (“Triple-Bottom-Line Approach”),
- while at the same time, **addressing the expectations of shareholders and stakeholders**.

CSR  charity, sponsorships or philanthropy

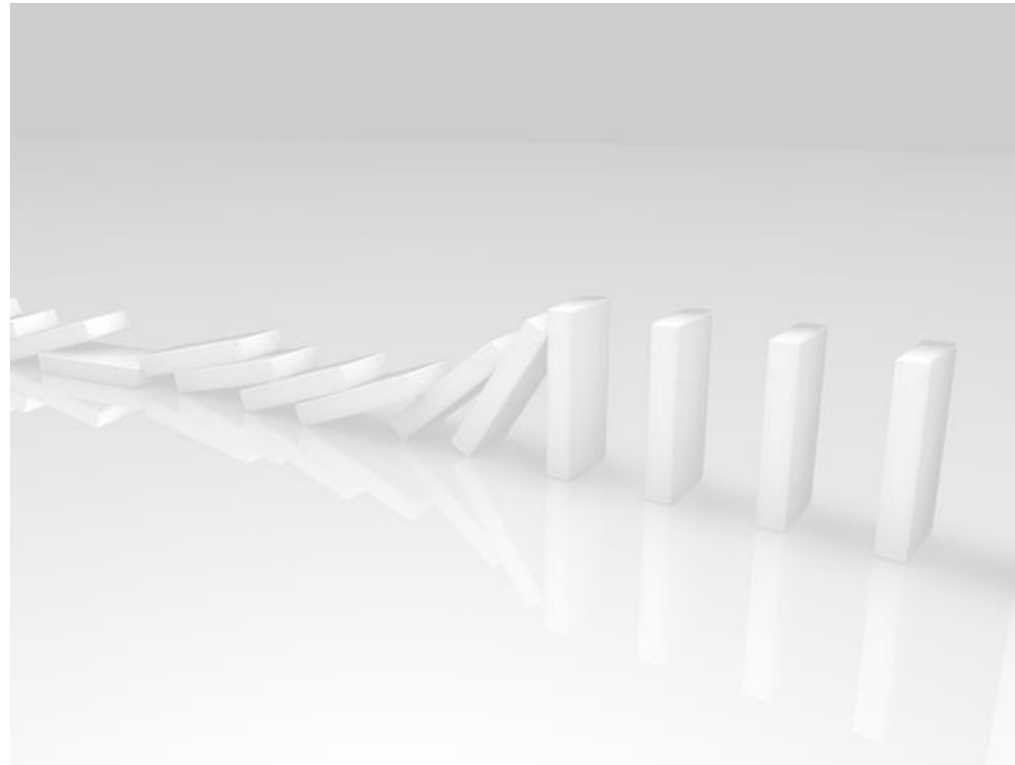
IT IS NOT THE SAME: Charity can make a valuable contribution to poverty reduction and will directly enhance the reputation of a company and strengthen its brand. However, CSR goes beyond that, as it is a strategic business management concept (1).

1. Corporate Social Responsibility (CSR)

Impact and performance

Companies have **significant impacts** on the planet, society and the economy.

Not just in terms of the products and services they offer or the jobs and opportunities they create, but also in terms of **working conditions, human rights, health, the environment, innovation, education and training.**



1. Corporate Social Responsibility (CSR)

Impact and performance

Implementing CSR and measuring and reporting on corporate performance against economic, social and environmental performance will help companies to **minimize (and avoid) negative impact, while creating positive impact** (2).

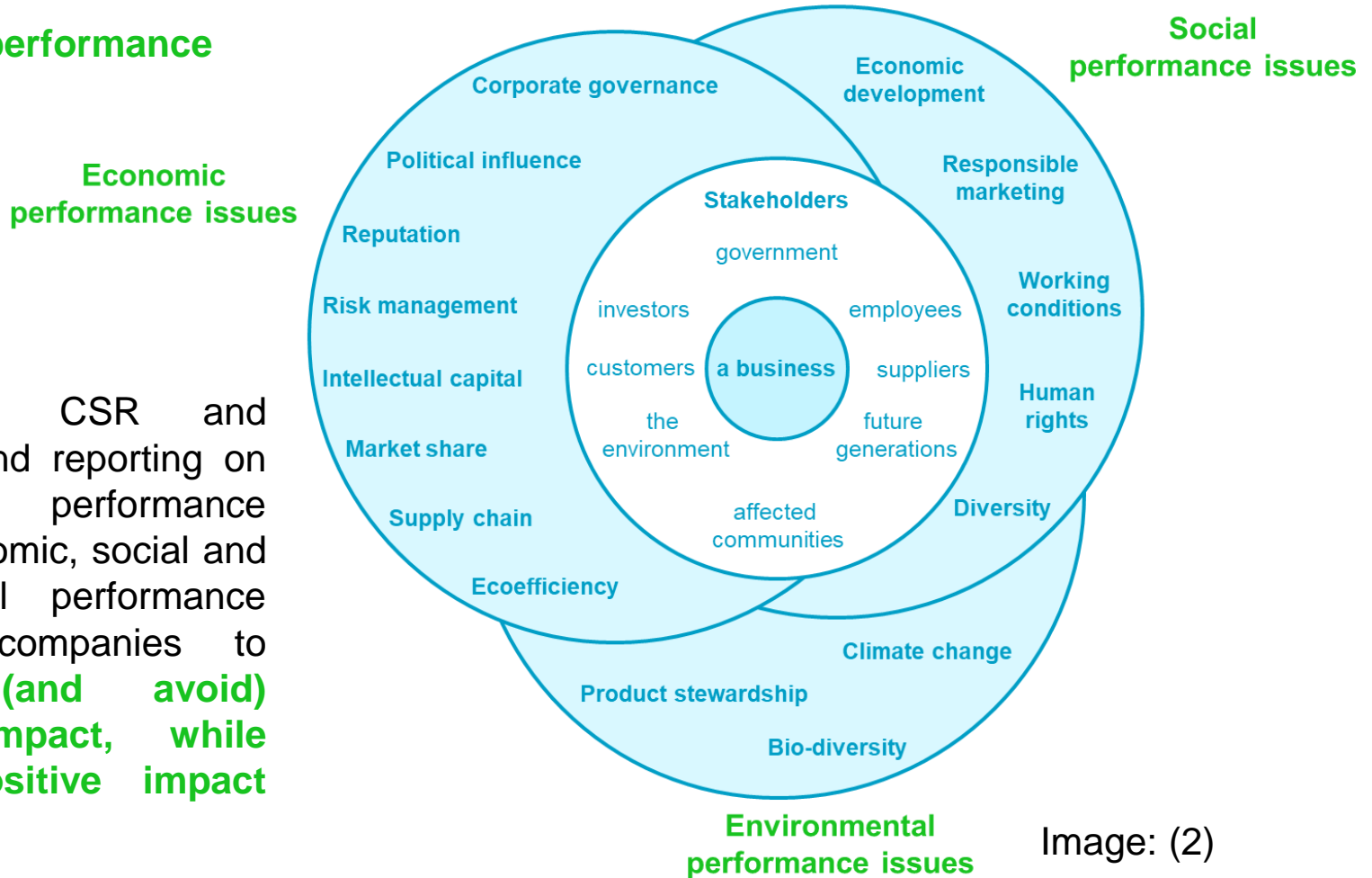


Image: (2)

1. Corporate Social Responsibility (CSR)

Watch this illustrative video to know more about CSR!



(3) https://www.youtube.com/watch?v=E0NkGtNU_9w&t=410s (duration: 10.57).

2. Benefits of CSR

Why is CSR important? Benefits for companies

Beyond the clear impacts on a more cohesive society and a more sustainable economic system, a properly implemented CSR concept can bring along a variety of **competitive advantages** for companies, such as:

- enhanced access to capital and markets
- increased sales and profits
- operational cost savings
- improved productivity and quality
- efficient human resource base
- improved brand image and reputation
- enhanced customer loyalty
- ability to innovate
- sustainability of operations
- better decision making and risk management processes



(1) (2)

2. Benefits of CSR

But... how are companies benefited? Some examples that justify these benefits (4)

Responsible business reputation:

- Companies often favour suppliers who have responsible policies, since this can reflect on how their customers see them. Some customers don't just prefer to deal with responsible companies - they insist on it.

Costs savings:

- By reducing resource use, waste and emissions, companies save money.

Finding and keeping talented staff:

- Being a responsible, sustainable business may make it easier to recruit new employees or retain existing ones. Employees may be motivated to stay longer, thus reducing the costs and disruption of recruitment and retraining.

2. Benefits of CSR

But.... how are companies benefited? Some examples that justify these benefits (4)

Access finance:

- Investors are more likely to back a reputable business

Attract positive media attention:

- When taking part in community activities

Reduce regulatory burden:

- Good relationships with local authorities can often make doing business easier

Identify new business opportunities:

- For the development of new products or services

3. Examples of CSR initiatives

CSR is a **broad business concept**. It describes a **company's commitment** to carry out their business in an **ethical way**. For instance, a company might do activities to protect the planet or support their local communities.

Here are **some examples** of CSR activities (5):

- environmental management, eg waste reduction and sustainability
- responsible sourcing, eg using only fair trade ingredients
- improvement of working standards and conditions
- contributing to educational and social programmes
- employee volunteering
- socially responsible investment
- development of employee and community relations



3. Examples of CSR initiatives

Specific initiatives from the logistic sector are presented below (6):



“**An Environmentally Friendly Distribution System**”: reduction of CO2 emissions and decrease of the impact of the distribution process on the environment, such as optimization of transportation and loading methods or changing means of transport to more environmentally friendly ones.

“**Promoting Safe and Eco-Friendly Driving**”: through a truck operation dynamic management system.

“**Ensuring Safe Driving Through Check Up of Drivers' Health**”: conducting sleep apnea syndrome screening for drivers, in addition to semiannual health check ups, to detect early signs of illness and ensure safe driving.

4. How to implement effective CSR

A CSR strategy to be effective, needs to be **a realistic long-term strategy** that has a positive effect and creates interest. It must establish direct communication channels with both internal and external stakeholders, to make sure that it fits with their needs and expectations. 5 key steps (5):

1) Define a cause/ problema: Listening to your stakeholders and talking to them is a key aspect at this first stage.

2) Define Value: What can my business do to solve the problem? What value can I get from this?

3) Make a plan: Do a research. Look for other successful and inspiring strategies. Ask employees and other stakeholders. An effective CSR strategy must be part of your business strategy.

4) Set Goals: Use Specific, Measurable, Achievable, Realistic and Time-Relates measurable objectives.

5) And Implement!



5. Tools for CSR reporting

Companies have **different tools to communicate their contribution to sustainability** and to **report the performance** of their activity in relation to the produced impact on the planet, the society and the economy. Below some examples of the tools that companies can implement to present and **evidence their commitment** with the planet and people.

- UN Global Compact (7)
- ISO 26000 (8)
- ISO 14000 Family (9)
- B Corp Certification (10)
- GRI Standards (11)
- Ecovadis (12)



More tools exist, as for instance different type of ecolabels and other organisations' certifications.

Capsule 3.3.3 gives more information of the labels and certifications to acknowledge CSR, and CSR logistics.

Capsule's validation quiz

The following quiz represents 5 questions you will have to answer to confirm your understanding of the present capsule.

Each correct answer is worth 1 point. No point for errors.



Self-evaluation quiz

Question n°1 :

What is not true about Corporate Social Responsibility (CSR)?

CSR is a management concept that integrates social and environmental concerns into business

CSR is not the same as charity

Addressing stakeholders' expectations is not important when talking about CSR

CSR helps a company to achieve a balance of economic, environmental and social imperatives

Self-evaluation quiz

Question n°2 :

Which of the following issues is not considered as part of the social performance issues, when implementing and reporting CSR?

Human Rights

Working conditions

Diversity

Biodiversity

Self-evaluation quiz

Question n°3 :

Which of the following options are considered a benefit of implementing CSR?

Responsible business reputation

Costs savings

Access finance

All options are benefits of implementing CSR

Self-evaluation quiz

Question n°4 :

Which of the following options is not an example of CSR activities?

Socially responsible investment

Employee volunteering

Contributing to educational and social programmes

All options are examples of CSR activities

Self-evaluation quiz

Question n°5 :

Which are the tools that companies have for CSR reporting and to communicate their contribution towards sustainability? Select all that apply

GRI Standards

Ecolabels

ISO 26000 or ISO 14000 Family

Only third party certifications

References

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