1. What is CSR?
2. How has CSR evolved?
3. Which companies are leaders in CSR?
4. Who is driving development of CSR?
Corporate Social Responsibility (CSR)

“The notion that a company has responsibilities to society that go beyond its legal obligations and its duties to shareholders. These include the company’s impact on the environment, any ethical issues arising from its trading or investment practices, and the policies of the company internally, e.g. with regard to transparency and the fair and equal treatment of employees.”

Corporate Social Responsibility

- Businesses of all scales
- Human society or the life or welfare of a community
- Living organisms (e.g. animals and plants) and the natural environment
- Businesses being held accountable for what is subject to their power, control, or management.
- Being held accountable to society.

NCEA Business-related concepts

Enterprise

Social

Sustainability

Responsibility

Citizenship

Globalisation


Associate Professor Valentina Dinica, School of Government
Evolution of Corporate Social Responsibility

- **Greed** – **Defensive** – Ad hoc inventions
- Philanthropy – **Charitable** – Charitable programmes
- Marketing – **Promotional** – Public Relations
- Management – **Strategic** – Management systems
- Responsibility – **Transformative** – Business models

**CSR 2.0 - Corporate Sustainability and Responsibility**

Dinica et al. (2019) Based on to work of Wayne Vissner
The development of CSR is being driven by:

- Consumers
- Employees
- Businesses
- Investors
- Government
Businesses
Businesses

Annual Review of the State of CSR in Australia and New Zealand

Business Outcomes from CSR

Annual Review of the State of CSR in Australia and New Zealand (2018)

- Strengthened reputation: 89%
- Reduced risk: 84%
- Strengthened competitive advantage: 80%
- New value through new products/markets: 69%
- Reduced costs: 59%
- Reduce complaints/disagreements with stakeholders: 49%
- Active groups more willing to negotiate: 36%
- Less government interference: 29%
- Litigation/strikes/boycotts avoided: 26%
Q. Which New Zealand companies do you associate with CSR?
TOP PERFORMERS

New Zealand

AIR NEW ZEALAND

Fonterra

Dairy for life

othl

IS FOR NEW ZEALAND
Development of CSR has been driven by:

- Consumers
- Employees
- Businesses
- Investors
- Government
Consumers
Consumers

“90% AGREE

“If I heard about a company being irresponsible or unethical, I’d stop buying their products or using their services.”

BETTER FUTURES

Celebrating a decade of tracking New Zealanders’ attitudes & behaviours around sustainability

The headline issue for New Zealanders is...

Plastic waste

72% are concerned

"I'm noticing a general change in people's attitudes and practices towards reusable materials like containers or straws or gladwrap."

"It's a lot more visible ... things like how we need to do something fast to save our environment, especially when it comes to plastic."
Macca's shrugs off straw request

Kelley Tantau and Ruby Nyika · 13:04, Aug 05 2018

Three Hamilton Girls’ High students – from left, Chelsea West, Haydee Anson and Abbey Hurwai – are on a mission to stop McDonald’s dishing out straws with every drink.
McDonald's New Zealand moves to reduce plastic straw use

Tuesday, 16 October 2018, 9:15 am
Press Release: McDonald's

https://corporate.mcdonalds.com/corpmcd/scale-for-good/using-our-scale-for-good.html

Thinking circular with more sustainable Packaging and Recycling

Manufacturing and transporting packaging for over 37,000 restaurants in more than 100 countries requires significant natural resources, including water, trees and fossil fuels. How can we work to ensure the impact on the planet is as small as possible?
Concerned about the environment, partners and customers called for straws to be phased out.

Straws are out, lids are in: Starbucks announces environmental milestone.

Say hello to the lid that will replace a billion straws a year.

https://stories.starbucks.com/stories/social-impact/
McDonald's paper straws cannot be recycled


Employees

86% AGREE

“It is important for me to work for a company that is socially and environmentally responsible”

BETTER FUTURES

Celebrating a decade of tracking New Zealanders’ attitudes & behaviours around sustainability

COLMAR BRUNTON

CAPITAL THINKING. GLOBALLY MINDED.

VICTORIA UNIVERSITY OF WELLINGTON
TE HERENGA WAKA
64% won't work for a company that doesn't have strong CSR commitments (vs. 51% U.S. average)

76% consider a company's CSR commitments when deciding where to work (vs. 58% U.S. average)

75% would choose to work for a responsible company, even for less money (vs. 55% U.S. average)

https://www.conecomm.com/research-blog/2016-millennial-employee-engagement-study#download-the-research
Businesses are better at articulating their stories around sustainability to employees than consumers

There is a noticeable shift in those who feel their employer cares more about their impact on society than simply financial targets.

- 65% agree their employer actively supports society
- 67% agree their employer has values they believe in
- 66% agree they would recommend their workplace to others
Sustainability

Supercharging New Zealand's success - socially, environmentally and economically.

Engaging Air New Zealanders

Supporting New Zealand through sustainable tourism

Tackling climate change & carbon

Working with our suppliers

Reducing waste & plastic
Engaging Air New Zealanders

We're committed to providing a safe workplace, ensuring diversity in leadership, being a talent incubator for the wider economy and fostering a culture that delivers a highly engaged workforce.

https://careers.airnewzealand.co.nz/belong-here/diversity/
Air New Zealand
Only company with no pay gap from the board to the workforce

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<tr>
<th>Rank</th>
<th>Company</th>
<th>Country</th>
<th>Sector</th>
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**Investors**
Investors

What is responsible investment?

Responsible investment is an approach to managing assets that sees investors include environmental, social and governance (ESG) factors in their decisions about what to invest in and the role they play as owners and creditors.

Examples of ESG issues

- **Environmental**
  - climate change
  - resource depletion
  - waste
  - pollution
  - deforestation

- **Social**
  - human rights
  - modern slavery
  - child labour
  - working conditions
  - employee relations

- **Governance**
  - bribery and corruption
  - executive pay
  - board diversity and structure
  - political lobbying and donations
  - tax strategy

https://www.unpri.org/pri/an-introduction-to-responsible-investment/what-is-responsible-investment
• 97% of investors would actively look to change their KiwiSaver provider to a more sustainable one if the financial return was the same. Almost two thirds would do this even if the financial risk was higher.

• A large majority would avoid investing in ‘sin’ industries:
  – >90% would avoid investing in labour exploitation, tobacco and arms
  – >80% would avoid investing in gambling, pornography and fossil fuels

• 90% of respondents want to be actively investing in companies with a strong sustainability commitment, such as:
  – Renewables and clean technology
  – Sustainable transportation options (such as biofuels)
  – Recycling and resource recovery.

Key findings

- Responsible investment grows to NZ$188 billion in 2018, a threefold increase over five years.
- NZ leads other major markets with highest level of take-up of responsible investment.
- Focus is shifting to finding positive investment opportunities in addition to screening out harmful sectors.

The Treasury’s Living Standards Framework

To help us achieve our vision of working towards higher living standards for New Zealanders, we developed the Living Standards Framework. Our Living Standards Framework provides us with a shared understanding of what helps achieve higher living standards to support intergenerational wellbeing.

Our work is focussed on promoting higher living standards and greater intergenerational wellbeing for New Zealanders. These require the country’s Four Capitals – human, social, natural and financial/physical – to each be strong in their own right and to work well together.

Distribution

The Four Capitals (natural, human, social, and financial and physical) are the assets that generate wellbeing now and into the future.

Looking after intergenerational wellbeing means maintaining, nourishing, and growing the capitals.

Natural Capital
All aspects of the natural environment that support life and human activity. Includes land, soil, water, plants and animals, minerals and energy resources.

Human Capital
The capabilities and capacities of people to engage in work, study, recreation, and social activities. Includes skills, knowledge, physical and mental health.

Social Capital
The norms, rules and institutions that influence the way in which people live and work together and experience a sense of belonging. Includes trust, reciprocity, the rule of law, cultural and community identity, traditions and customs, common values and interests.

Financial and Physical Capital
Financial and human-made (produced) physical assets, usually closely associated with supporting material living conditions. Includes factories, equipment, houses, roads, buildings, hospitals, financial securities.

The 12 Domains of current wellbeing reflect our current understanding of the things that contribute to how New Zealanders experience wellbeing.

- Civic engagement and governance
- Cultural identity
- Environment
- Housing
- Health
- Income and consumption
- Jobs and earnings
- Knowledge and skills
- Time use
- Safety and security
- Social connections
- Subjective wellbeing

Resilience

prompts us to consider how resilient the Four Capitals are in the face of change, shocks, and unexpected events.
THE WELLBEING BUDGET

30 May 2019

PRIORITY FOR THE WELLBEING BUDGET

- Taking Mental Health Seriously: 30
- Improving Child Wellbeing: 42
- Supporting Māori and Pasifika Aspirations: 60
- Building a Productive Nation: 74
- Transforming the Economy: 84
- Investing in New Zealand: 98
Ethical and sustainable practices

Alignment with personal values

Impact delivered alongside financial returns

Contribution to wellbeing of NZers

Acknowledgement to Louise Aikien, The Ākina Foundation
Corporate Social Responsibility (CSR) Who Cares?

Professor Karen A. Smith
Associate Dean (Learning & Teaching)
Wellington School of Business and Government
karen.smith@vuw.ac.nz
Most challenging to address SDGs being addressed