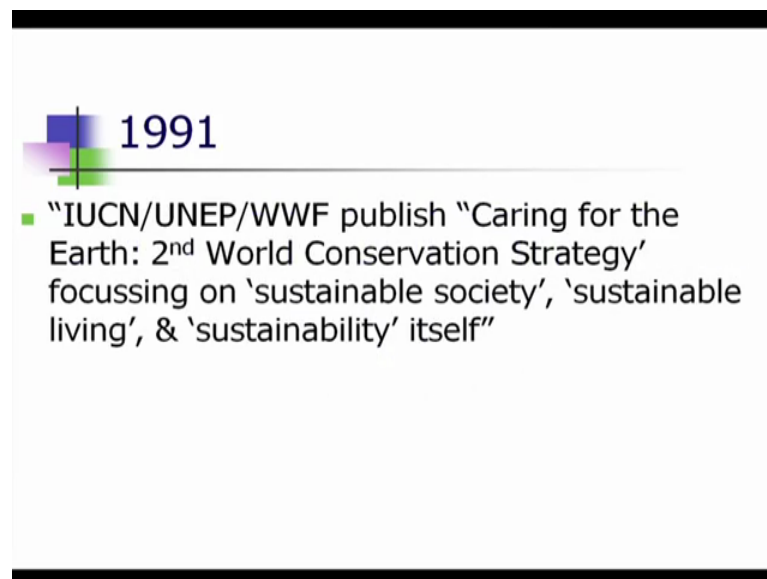


Corporate Social Responsibility
Prof. Aradhna Malik
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Lecture - 10
CSR Global Timeline (Contd.)

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik, and I am helping you with this course and excuse me, we were discussing global timeline in the previous class. We saw some very interesting milestones in the evolution of CSR of corporate social responsibility globally. So, let us see what happened we discussed upto 1990 1989 So, the Dec you know the 80's were over and by that time the discussion has started revolving around evaluation of the efforts measurement of the efforts that were being put in for CSR.

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Now, we will move the discussion to what happened after that. Now in 1991 the IUCN UNEP world wildlife fund published the second world conservation strategy it was called caring for the earth. And this particular strategy focused on sustainable society, sustainable living and sustainability itself. And described what these terms maintain how they were related to the world. So, or to what was happening in the world.

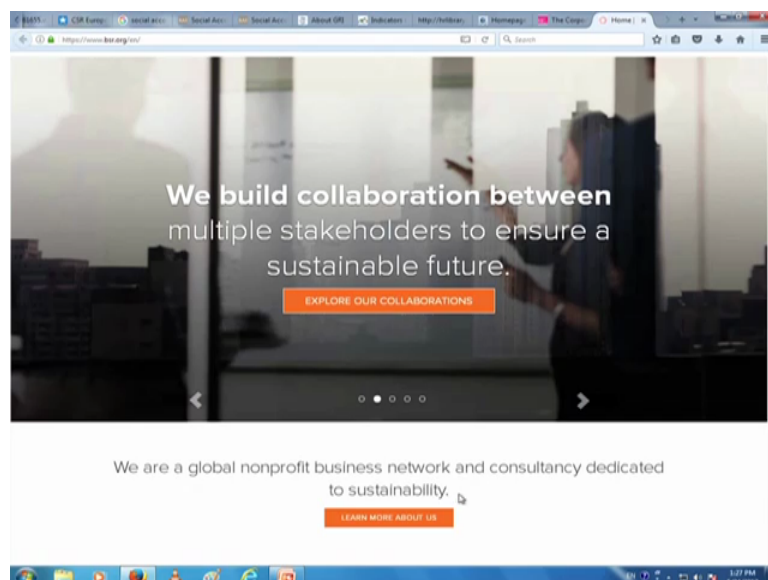
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In 1992 a business for social responsibility, the organization business for social responsibility was founded and this is available on this website. Let me just show you. I forgot to. (Refer Time: 02:17) I forgot.

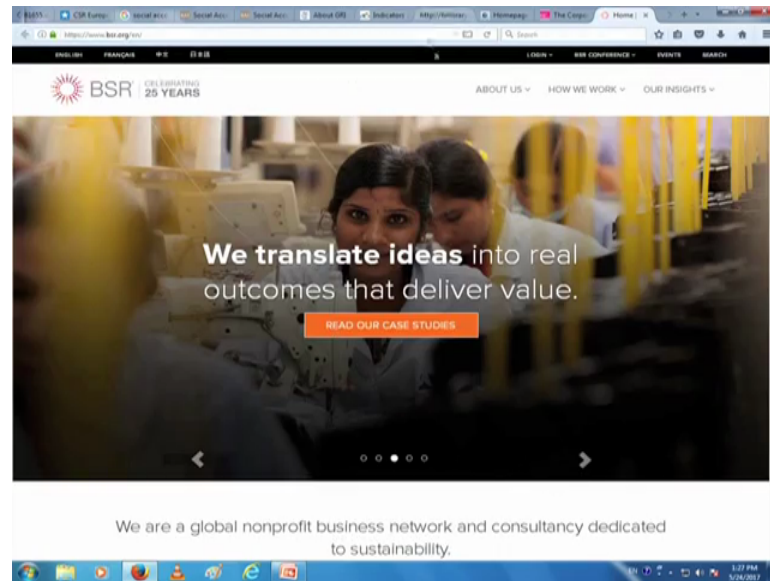
Yeah. So, in the year in 1992 business for social responsibility was founded.

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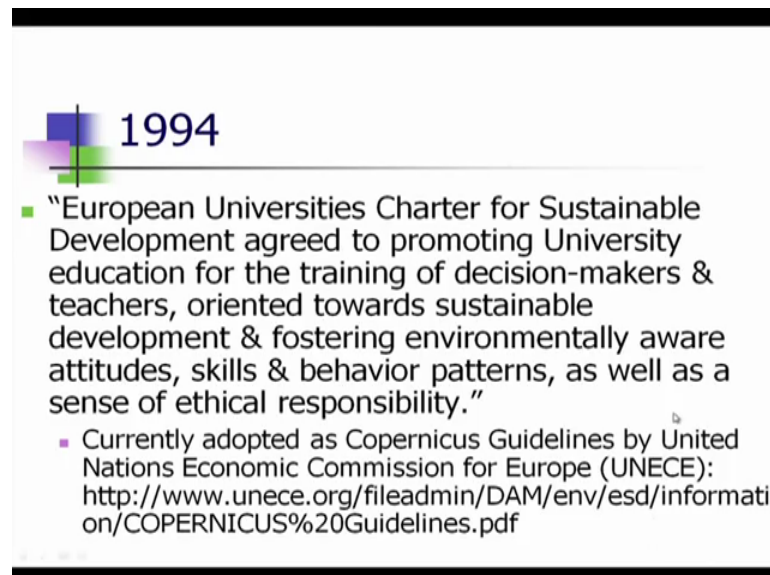
And this particular organization they say we are a global nonprofit business network and consultancy dedicated to sustainability.

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And you can go through this website and see what they do. So, this was explicitly on social responsibility advising organization about what or about how they can improve their socially responsible activities. What they can do to ensure that they are socially responsible to the environment or to the society.

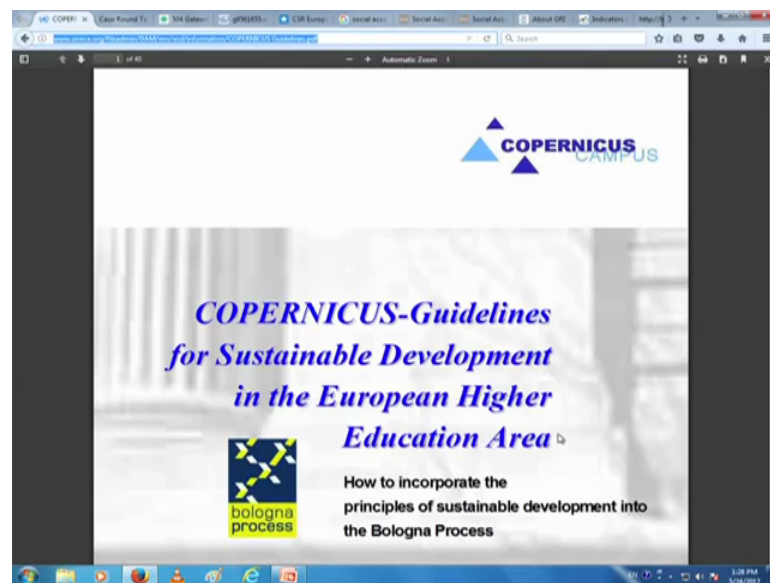
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So, then in 1994 the European universities charter for sustainable development agreed to promoting university education for the training of decision makers and teachers oriented towards sustainable development and fostering environmentally aware attitudes, skills

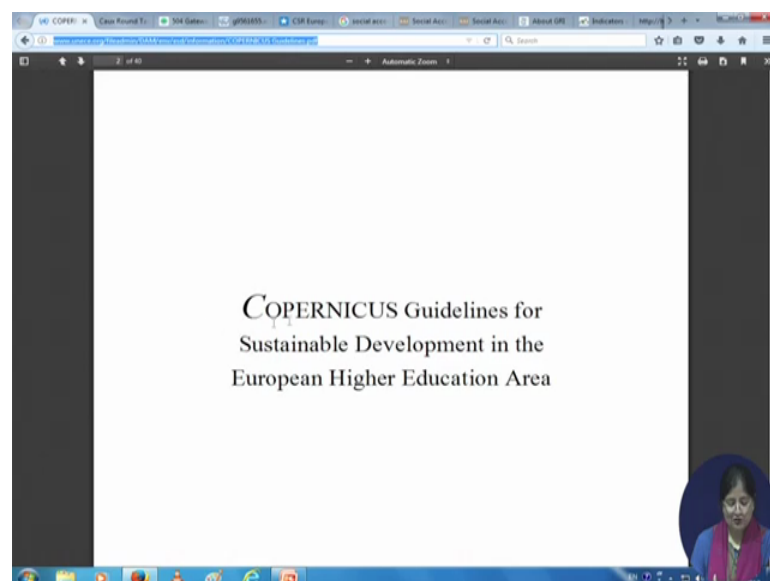
and behavior patterns, as well as sense of ethical responsibility. Now this is currently adopted as the Copernicus guidelines by united nations economic commission for Europe UNECE and the report is available online and I will just show it to you I have a pulled up here.

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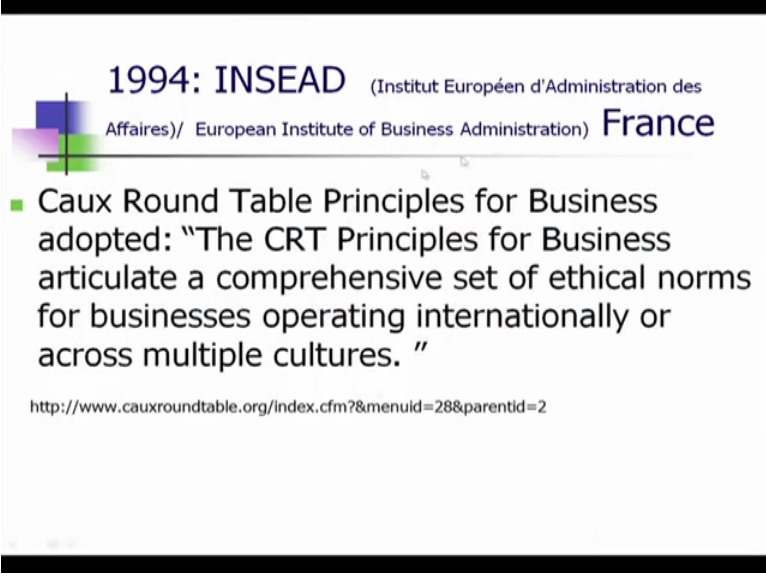
So, these are the guidelines and they talk about how you can incorporate the principles of sustainable development into the organizations ok.

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So, guide Copernicus guidelines for sustainable development in the European higher education area. So, how we can actually start talking about sustainable development at the point where students or where people who are going to take on the reigns of a work who are going to be the next generation workers can actually be alerted to the needs of the environment, while they are still learning while they are still absorbing what and how they can be, we can mold them in their formative years and then sentiment to the world.

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1994: INSEAD (Institut Européen d'Administration des Affaires)/ European Institute of Business Administration) **France**

- Caux Round Table Principles for Business adopted: "The CRT Principles for Business articulate a comprehensive set of ethical norms for businesses operating internationally or across multiple cultures. "

<http://www.cauxroundtable.org/index.cfm?&menuid=28&parentid=2>

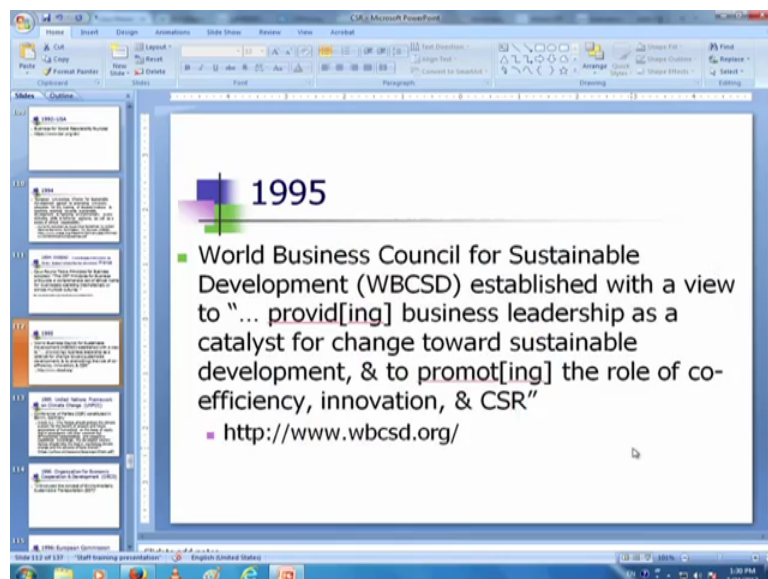
Then a in 1994 INSEAD France, which is the European institute of business administration France you know, had this Caux round table principles for business per adopted at INSEAD. And the CRT principles for business articulate a comprehensive set of ethical norms for businesses operating internationally or across multiple cultures, and this is available here.

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They also have a website. So, I think it is pronounced as core Caux, Caux Round Table. So, was founded in 1986 by Fredrik Phillips, and then they adopted these principles in 1994. So, they said that businesses should have ethical norms and especially, businesses operating internationally across multiple cultures should follow a set of ethical norms, and this is available there.

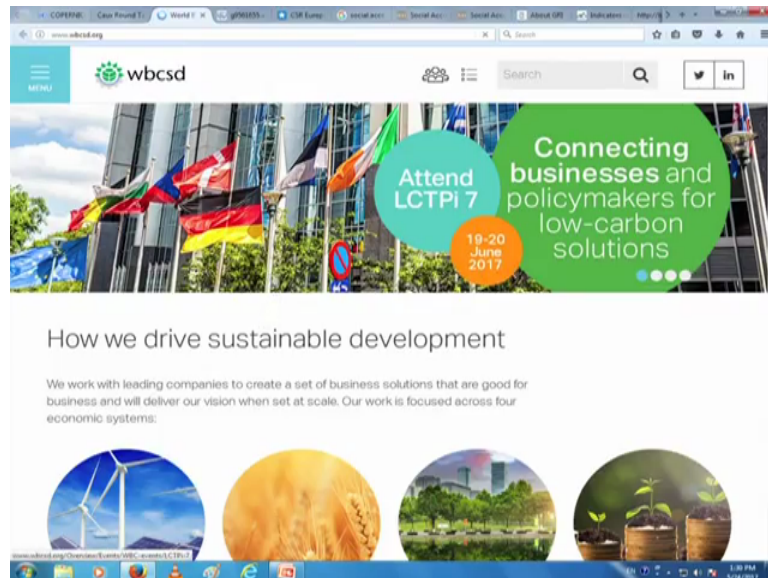
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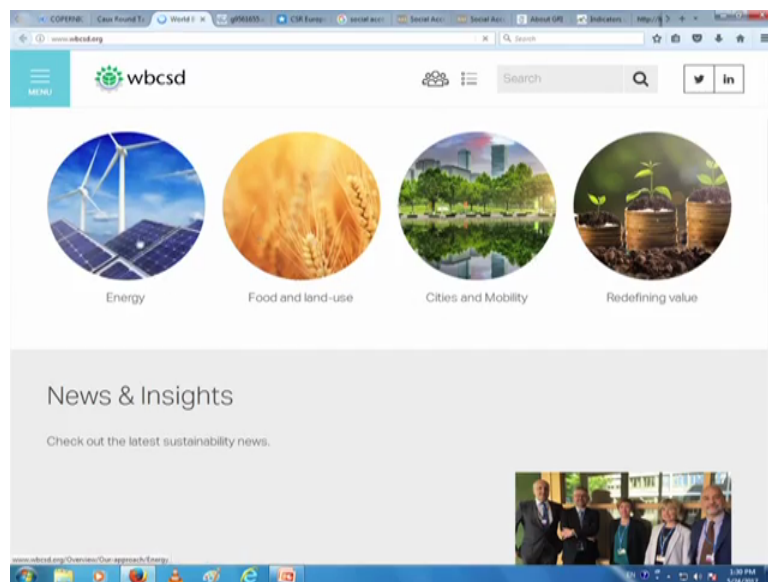
In 1995 the world business council for sustainable development WBCSD established, was established with the view to providing business leadership as it catalyst for change

towards sustainable development and to promoting the role of efficiency innovation and CSR. So, CSR became a very important element of all these discussions.

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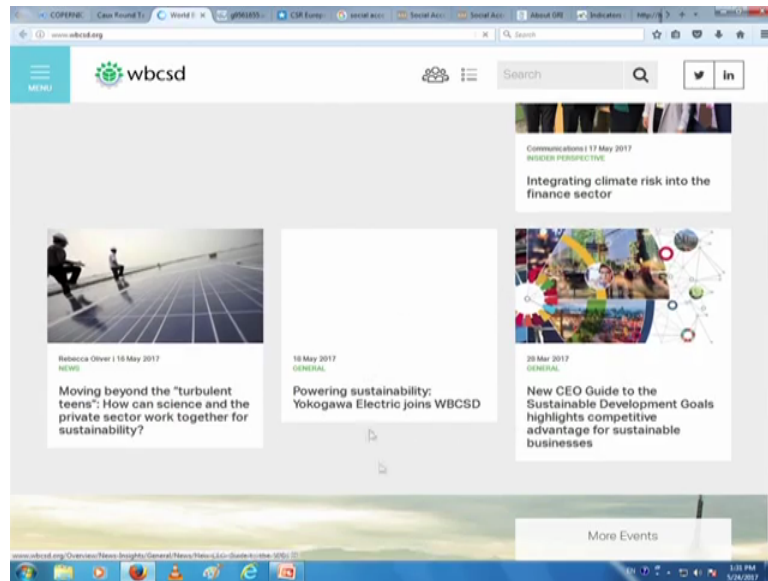


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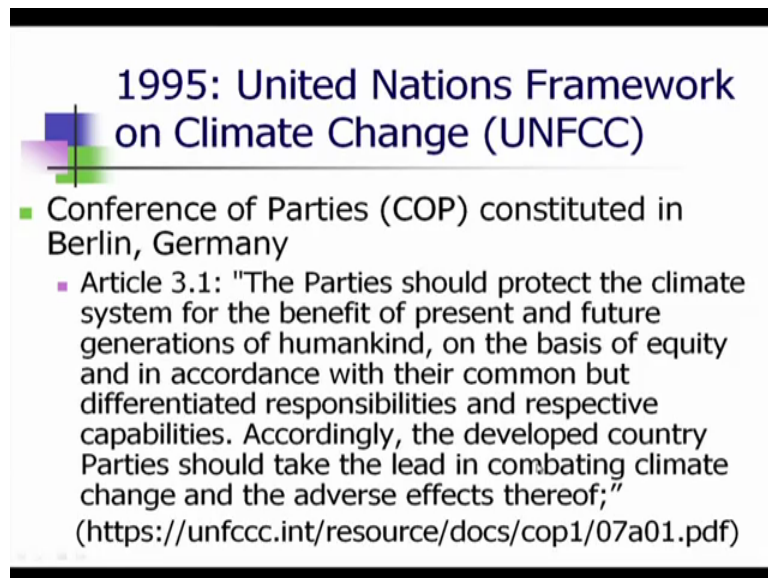
So, here is the WBCSD website and you can go through the website and see what they do their working in these 4 sectors energy food and land use cities and mobility and redefining value.

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See they are doing all of these. Then also in 1995 the United Nations framework on climate change UNFCCC constituted.

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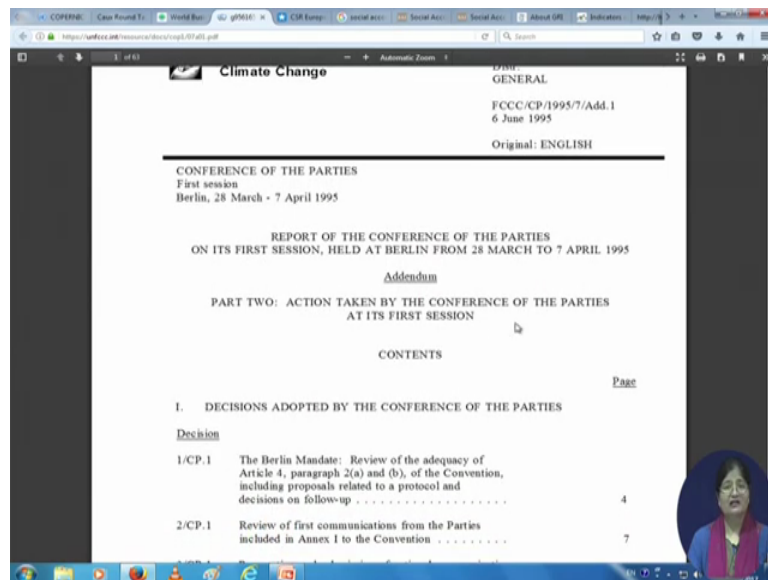
The conference of parties in Berlin Germany and article 3.1 specifically of this COP states that the parties should protect the climate system for the benefit of present and future generations of human kind on the basis of equity and in accordance with their common, but differentiated responsibilities and respective capabilities. Accordingly the developed country parties should take the lead in combating climate change and the

adverse effect thereof. And this particular report is also available online, and you can go through the detail report right here.

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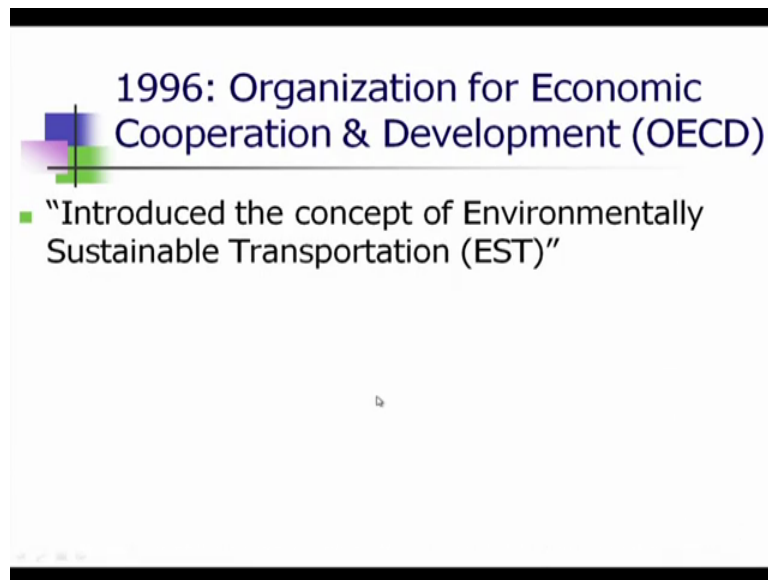


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So, this is the United Nations framework convention on climate change and this is the report that I mentioned. So, you can read the report the link has been given to you. So, it is very interesting if you are interested in this particular aspect of a CSR.

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1996: Organization for Economic Cooperation & Development (OECD)

- "Introduced the concept of Environmentally Sustainable Transportation (EST)"

Then in 1996 the organization for economic cooperation and development OECD introduced the concept of environmentally sustainable transportation. Now this is particularly interesting because the effect of green house cases was becoming a matter of concern and people are started noticing they had started talking about what causes the depletion of the ozone layer and, you know they had started identifying specific problems in the environment. And OECD said that we need to have environmentally sustainable transportation, we must look at the emissions from vehicles and see how they are effecting the environment.

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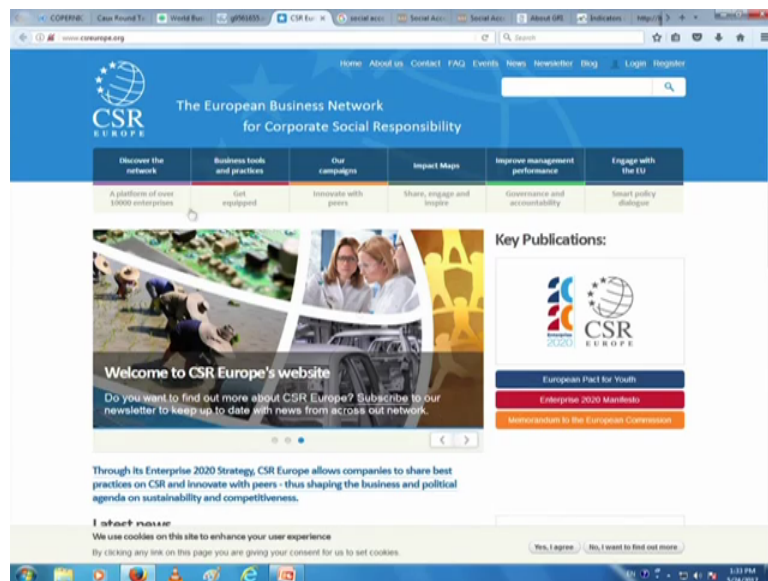


1996: European Commission

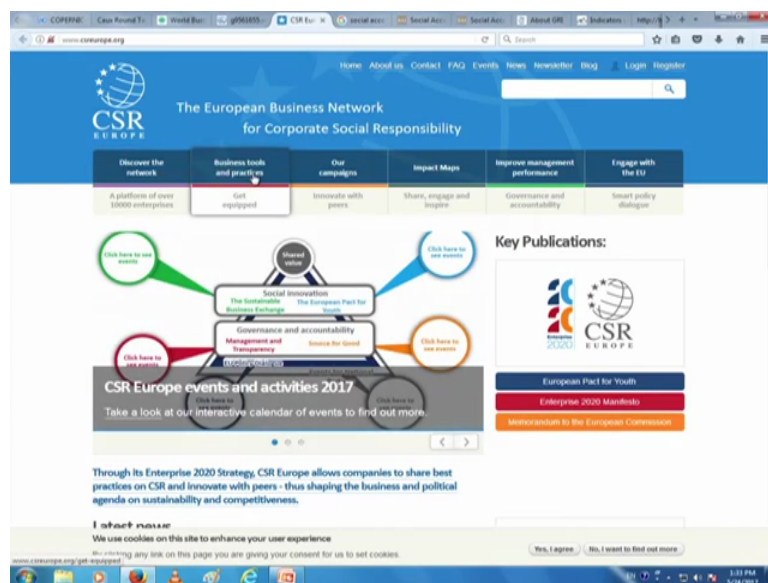
- 57 European companies got together and established CSR Europe "... to help companies achieve profitability, sustainable growth & human progress by placing CSR in the mainstream of business practice"
 - <http://www.csreurope.org/>

In 1996 European commission you know the 57 European companies that were part of the European commission got together and established CSR Europe, corporate social responsibility Europe. And organization whose aim was to help companies achieve profitability, sustainable growth and human progress by placing CSR in the mainstream of business practice. And they said well we cannot, we cannot progress till we look after the environment. So, it has to be in integral part of the way we strategized and this is again you know the website is right here.

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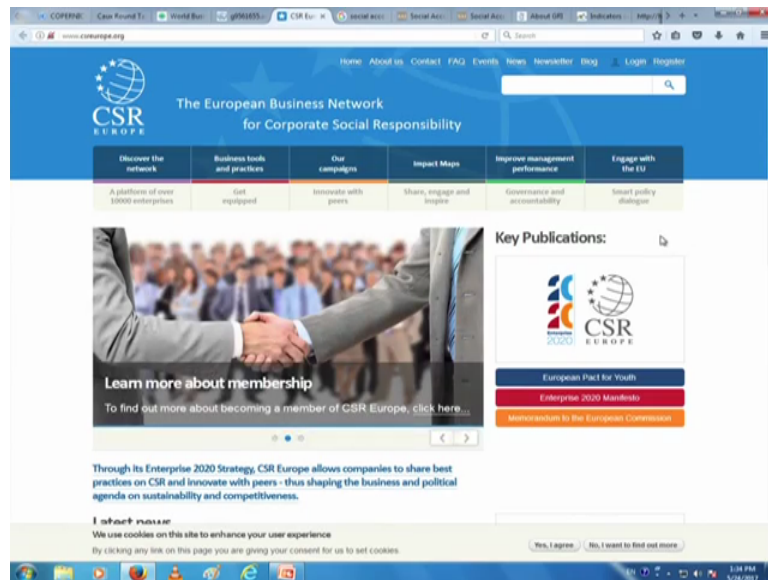


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CSR Europe the European business network for corporate social responsibility, you can discover the network they have there is tools campaign etcetera. You can go through this website and see what they do you know, how they are the dialog that has been going on through this forum ok.

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Then in 1997 in United States the social an organization called social accountability international.

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1997: USA

- Social Accountability International launched the SA8000 standard to ensure accountability of social performance in the following areas:
 - "Child Labor
 - Forced or Compulsory Labor
 - Health and Safety
 - Freedom of Association and Right to Collective Bargaining
 - Discrimination
 - Disciplinary Practices
 - Working Hours
 - Remuneration
 - Management System"

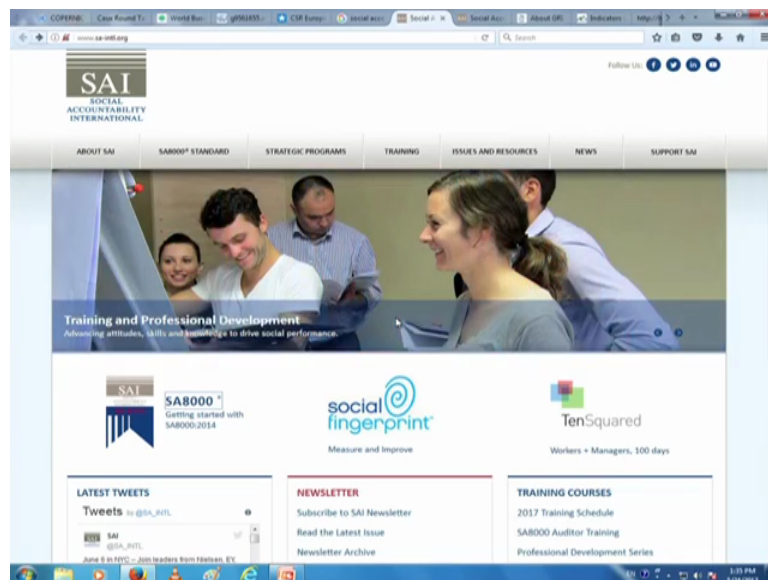
<http://www.sa-intl.org/>

Which had been launched earlier they launched, we talked about the social accountability international being launched. And they launched the SA8000 standard to ensure accountability of social performance in the following areas. And these areas were child labor forced or compulsory labor, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours remuneration and management systems. And you can go through this over here, sorry.

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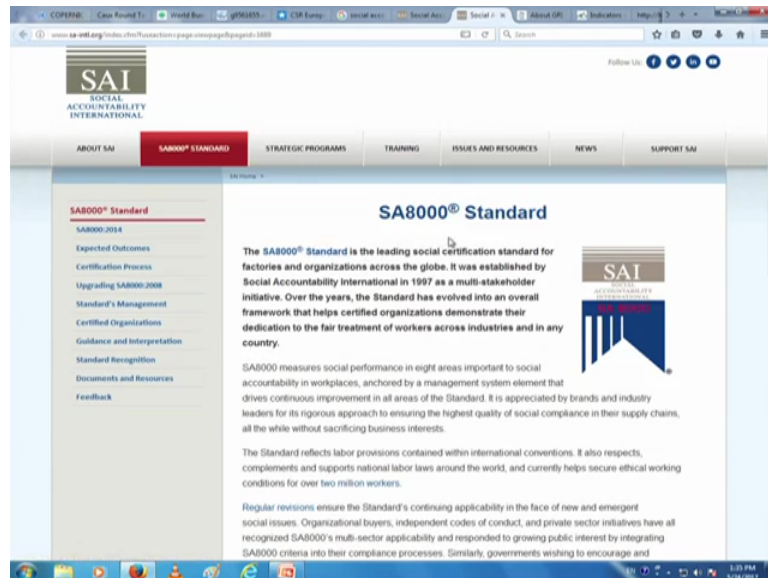


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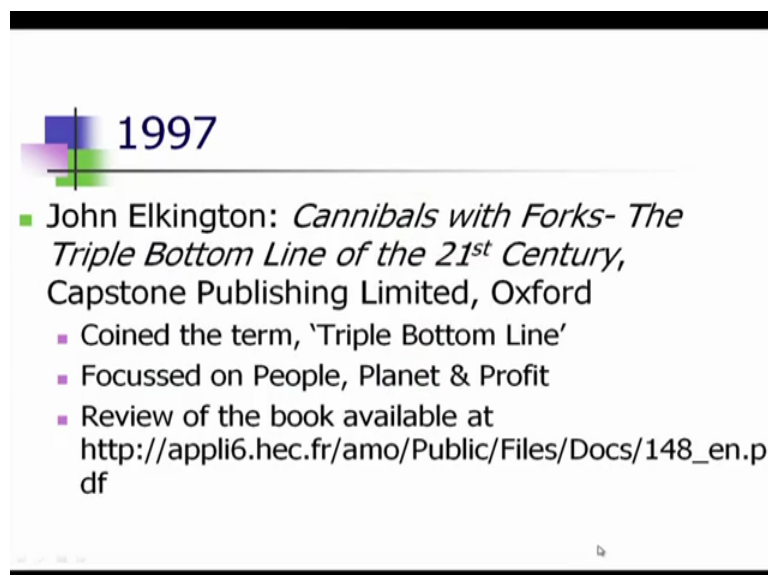
So, social accountability international is here and you know they started talking about being accountable to the organize to the to the world.

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And they developed the social accountability standard, hmm. And this standard is now recognized worldwide for the way for measurement of social accountability, ok.

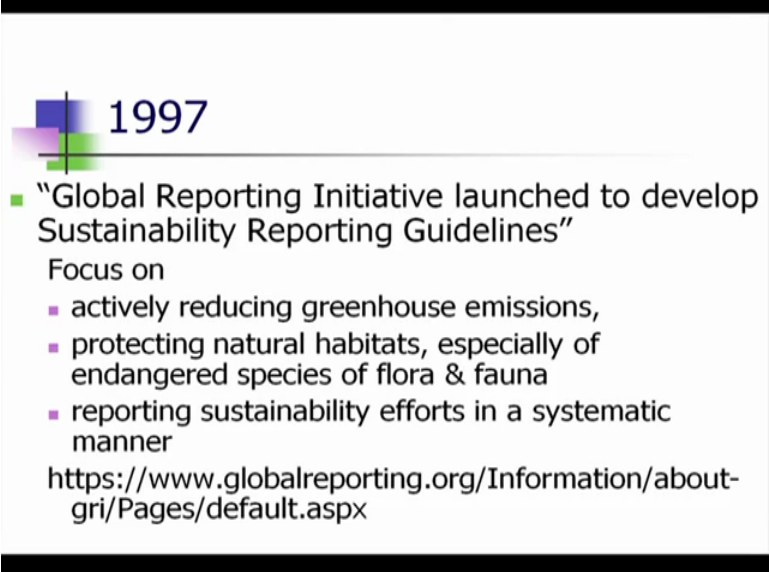
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In 1997, John Ellington published a book called Cannibals with Forks - The triple bottom line of the 21st century, through Capstone publishing limited Oxford. And he coined the term triple bottom line focused on people planet and profit and the review of this book is

available at this website, you can go through the review and know what this book is all about if you want to purchase it I think it is available online also. So, very, very interesting this course on how you know developed or civilized societies are eating into their own resources and how that must be stopped. So, it was an awareness generating book.

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1997

- "Global Reporting Initiative launched to develop Sustainability Reporting Guidelines"

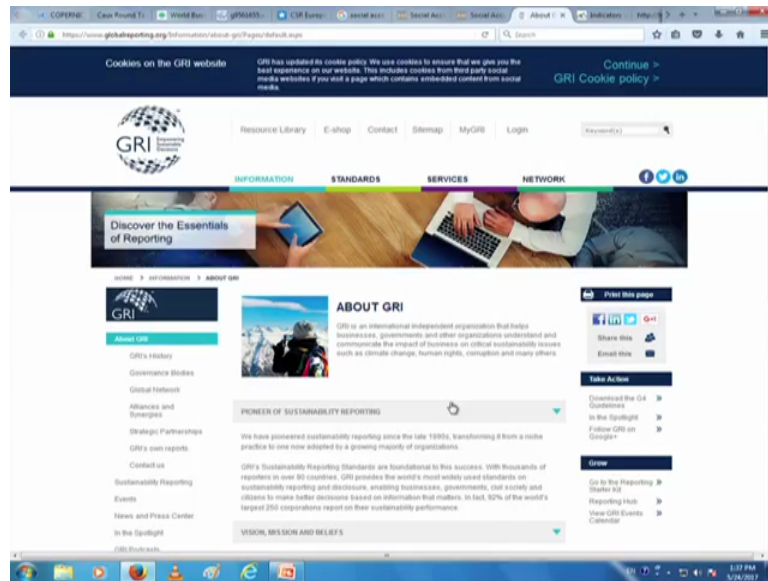
Focus on

- actively reducing greenhouse emissions,
- protecting natural habitats, especially of endangered species of flora & fauna
- reporting sustainability efforts in a systematic manner

<https://www.globalreporting.org/Information/about-gri/Pages/default.aspx>

Then in 1997 the global reporting initiative launched to develop was launched to develop sustainability reporting guidelines. And these guidelines focused on actively reducing greenhouse emissions. So, actual figures were outlined you know this percent has to be reduced by certain such date protecting natural habitats especially of endangered species of flora and fauna they talked about grade barrier reef. Then they also talked about reporting sustainability efforts in a systematic manner and this again is available online let me show this to you.

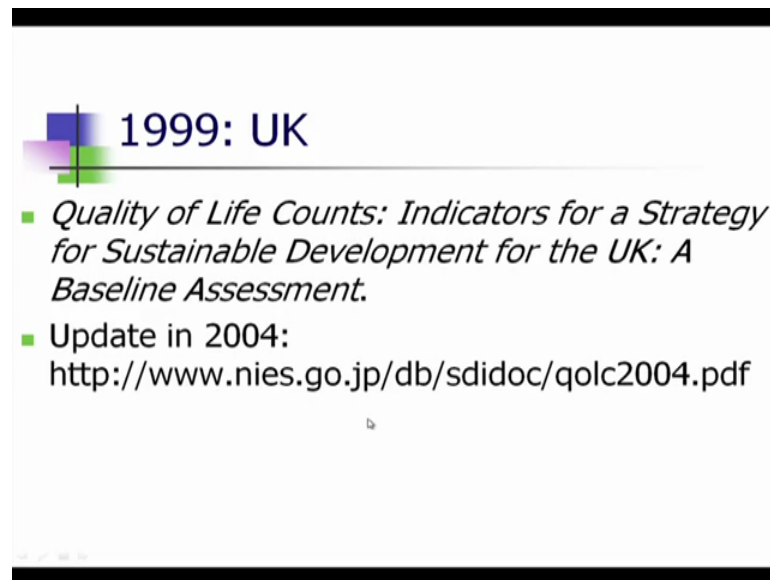
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Yeah global reporting initiative. So, here GRI is an international independent organization that helps businesses governments and other organizations understand and communicate the impact on of business on critical sustainability issues such as climate change, human rights, corruption and many others. So, various things are being looked at here through this particular organization and you can go through it and they say that they have report is in over ninety countries, hmm.

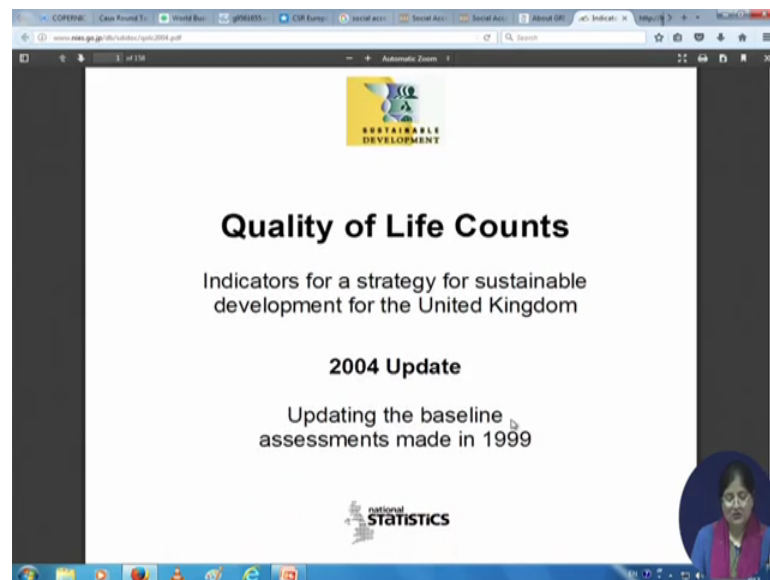
And they claim that 92 percent of the world's largest 250 corporations report on their sustainability performance. So, so you know it is a worldwide network very prestigious you can go through it and see what they are doing here.

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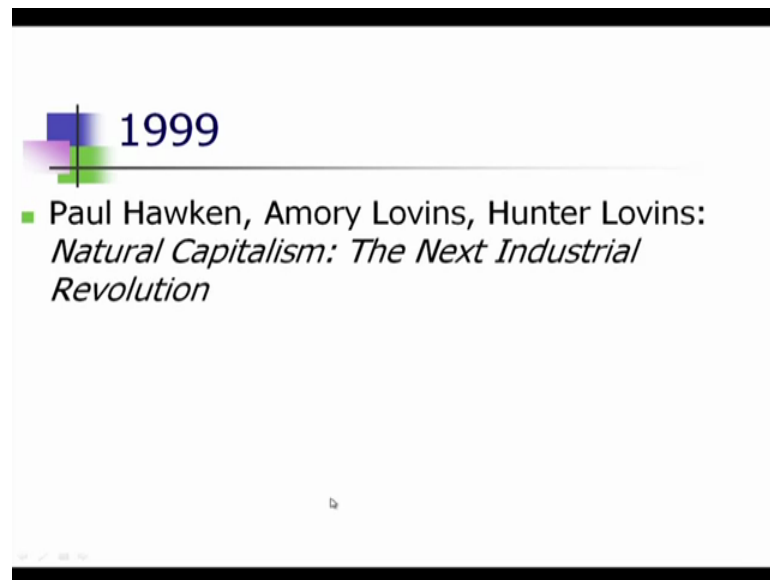
In 1999 in the United Kingdom, a report was published through the government and it was called quality of life counts. Indicators for a strategy for sustainable development for the UK a baseline assessment this was updated in 2004. So, that is also available here.

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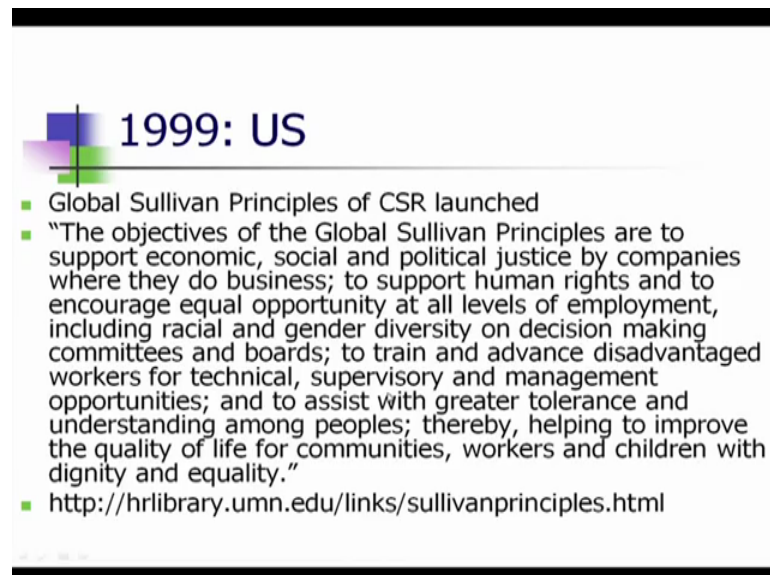
So, they updated the baseline assessment made in 1999 and you can go through these indicators and see how you know all of these details are here. We do not have time to go through it individually, but the report is available here and you can read it if you are interested.

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Also in 1999 Paul Hawken, Amory Lovins, Hunter Lovins published a book called natural capitalism. The next industrial revolutions on nature had been included in to capitalism, and the importance of paying attention to nature was now a part of capitalistic societies.

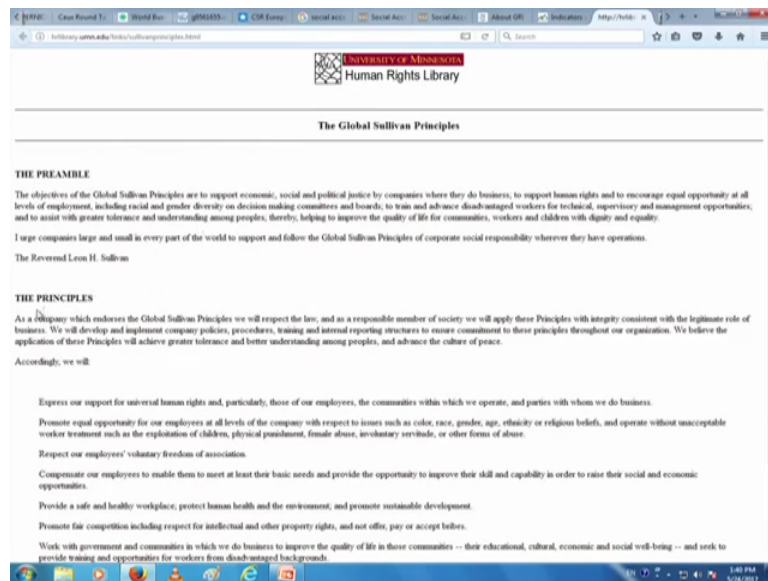
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In 1999 in the united states the global Sullivan principles of CSR were launched and a again I quote, the objectives of the global Sullivan principle are to support economic social and political justice by companies where they do business to support human rights

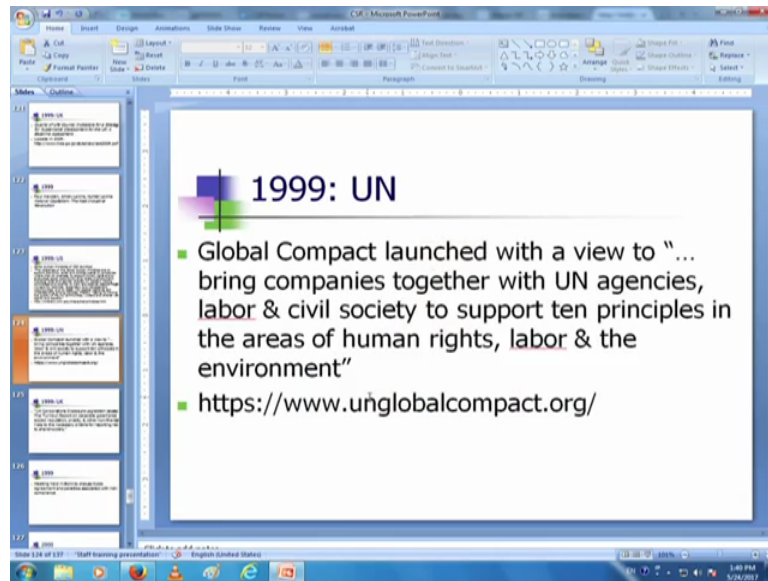
and to encourage equal opportunity at all levels of employment including racial and gender diversity on decision making, committees and boards, to train and advanced disadvantaged workers for technical supervisory and management opportunities and to assist with greater tolerance and opportunity greater tolerance and understanding among peoples thereby helping to improve the quality of life for communities workers and children with dignity and equality.

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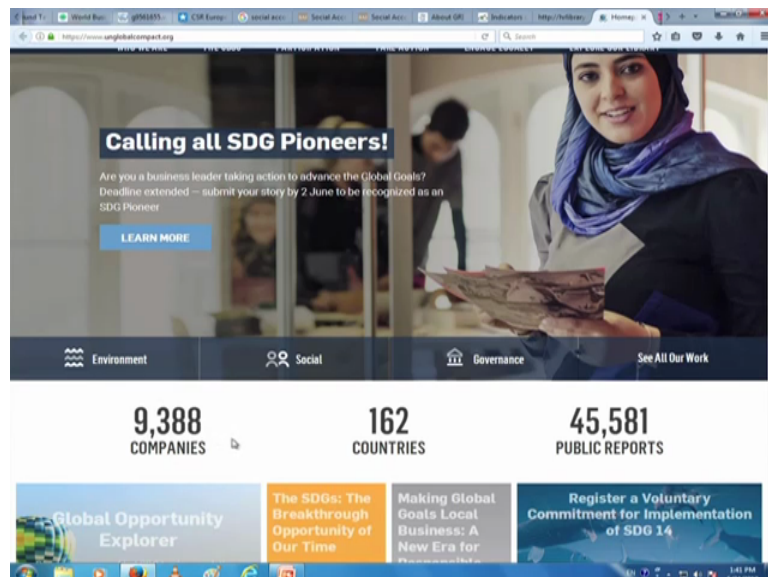
Again these are also available online. So, this is the principles and the principles are listed here. Some of these principles are expressing our support for universal human rights and respecting our employees voluntary freedom of association providing equal opportunities for all our for our employees at all levels of the company compensating our employees etcetera. So, these principles are listed and. So, they were again observed as or treated as a contribution to the social responsibility of profit making organizations.

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Now, in 1999 global compact an initiative called global compact was launched by the United Nations, with a view to bringing companies together with UN agencies. Labor and civil society to support the 10 principles in the areas of human rights, labor and the environment and let me show you this here.

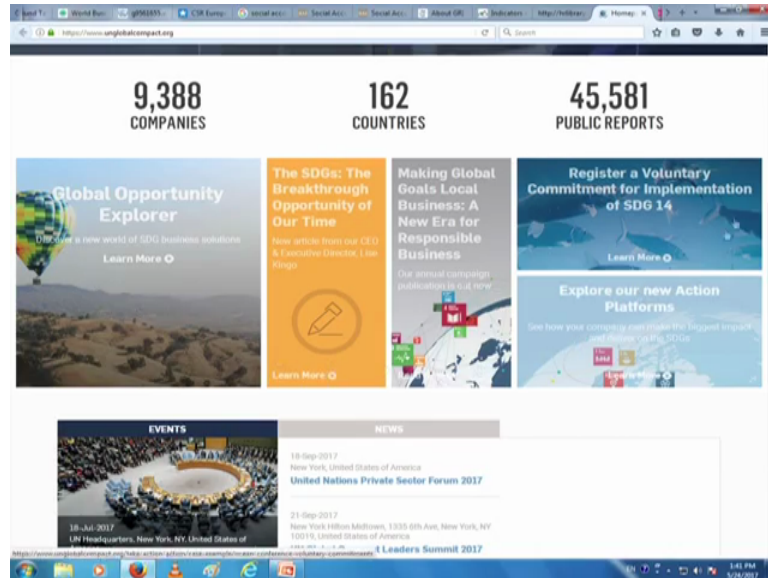
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So, global compact was launched and they are still in operation they doing great work. So, you can go through this they have 9388 companies and 162 countries. Excuse me and

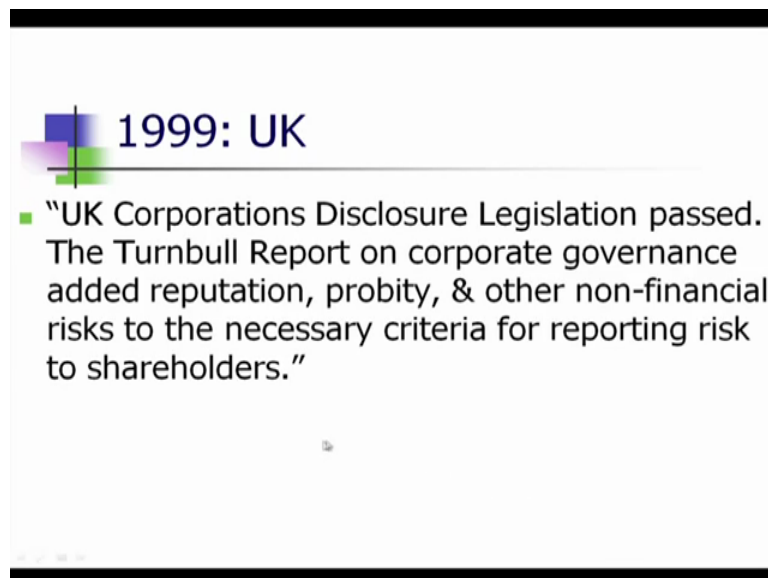
over 45 thousand public reports on sustainable development initiatives. So, very interesting if you are interested in this, this course.

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So, that is what is happening in the world they have these 4 they have, summit is they have conferences etcetera, that are happening on this very important issues.

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In 1999 in the United Kingdom, the UK corporations disclosure legislation was passed. The Turnbull report on corporate governance added reputation probity and other non

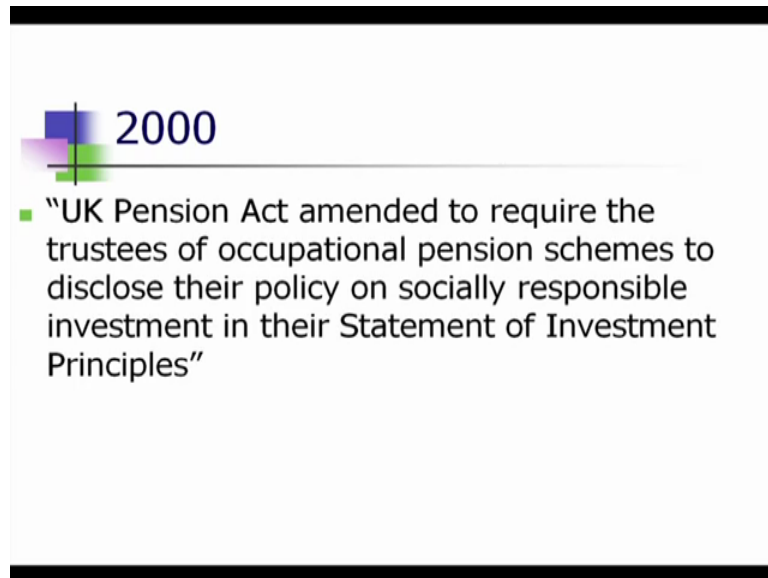
financial risks to the necessary criteria for reporting risk. To share to shareholders and this was considered another achievement you know in the CSR discourse.

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Now, in 1999 a meeting was held in Bonn Germany to discuss Kyoto agreement. And the penalties associated with non compliance, how much should be charged? What should the punishment be for people who are not really working towards sustainability for organizations agreeing to cut their greenhouse emissions, but not ready cutting them? What should the penalty be? How much should the fines be? Where should these fines goes to? Those discussions to place in this meeting, and that was again considered is significant milestone.

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2000

- "UK Pension Act amended to require the trustees of occupational pension schemes to disclose their policy on socially responsible investment in their Statement of Investment Principles"

In the year 2000 the United Kingdom pension act was amended to require the trustees of occupational pension schemes to disclose their policy on socially responsible investment in their statement of investment principles. So, again you know things are moving on you know, it was not only activities it was the awareness, and it went on to activities and it went on to measurement, and from measurement it is now evaluation you know, are we doing things right? What more do we need to do? Which other area do we need to go in to?

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2001: UK

- Launch of the FTSE4Good Index: Ethical investment stock market index



In 2001 the FTSE4Good index was launched by FTSE company and this talked about the ethical investment stock market index. This was an index that that talked about ethical investment in the stock market.

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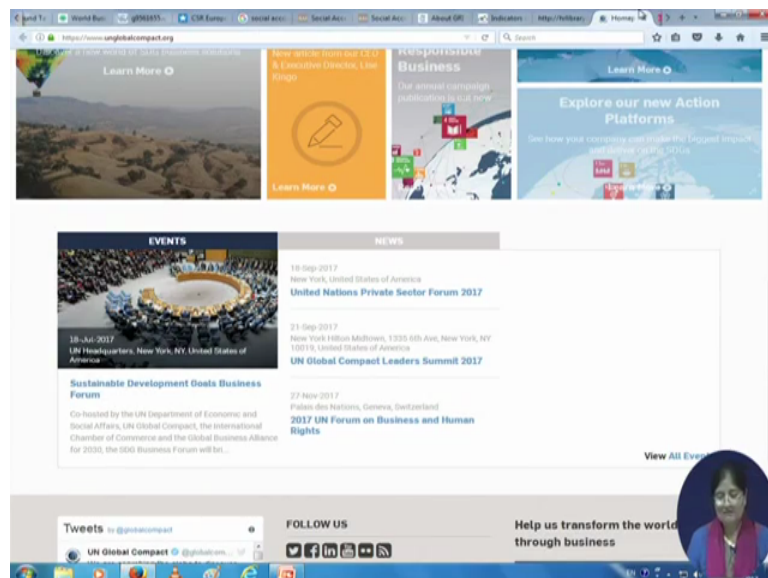
2002: UK

- "Business in the Community launches first Corporate Responsibility Index"

<http://www.bitc.org.uk/services/benchmarking/cr-index>

In the year 2002 business in the community launched it is first corporate social responsibility index, let me show you this.

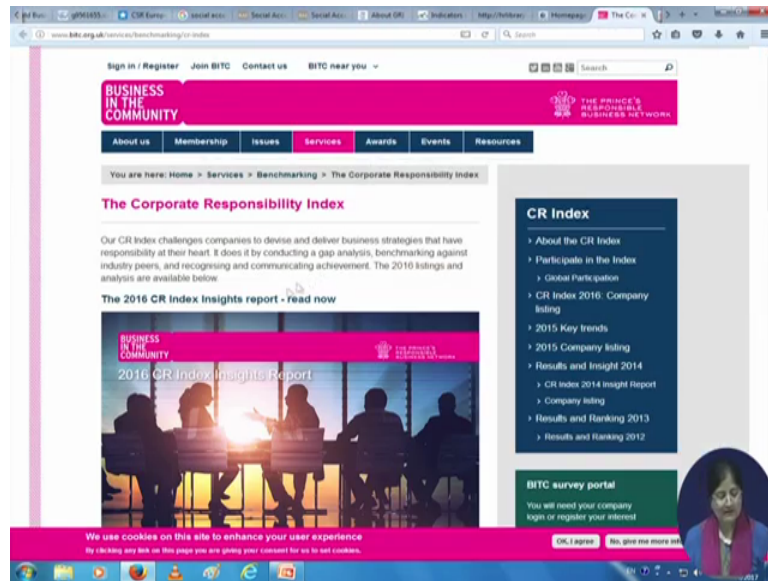
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The screenshot shows the UN Global Compact website with the following content:

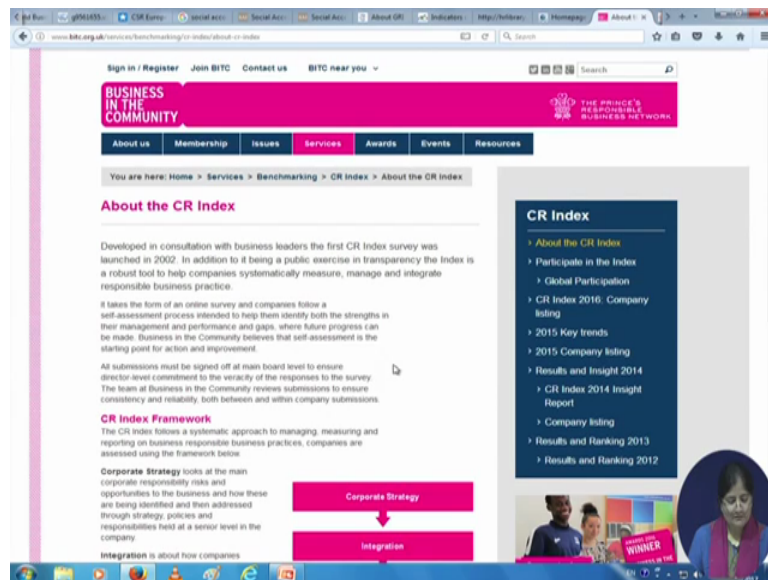
- Header:** "UN Global Compact" logo and navigation links.
- Hero Section:** "Explore our new Action Platforms" with a sub-headline "See how your company can make the biggest impact with SDGs 1, 5, 8, 12 & 13".
- News Section:**
 - 18 Sep 2017:** New York, United States of America. **United Nations Private Sector Forum 2017**
 - 21 Sep 2017:** New York Hilton Midtown, 1335 6th Ave, New York, NY 10019, United States of America. **UN Global Compact Leaders Summit 2017**
 - 27 Nov 2017:** Palais des Nations, Geneva, Switzerland. **2017 UN Forum on Business and Human Rights**
- Events Section:**
 - 18-Jul-2017:** UN Headquarters, New York, NY, United States of America. **Sustainable Development Goals Business Forum**
 - Co-hosted by the UN Department of Economic and Social Affairs, UN Global Compact, the International Chamber of Commerce and the Global Business Alliance for 2030, the SDG Business Forum will be...
- Footer:** "Tweets by @unglobalcompact", "FOLLOW US" with social media icons, and the slogan "Help us transform the world through business".

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So, the CSR index was launched and you know this is this is when happening year after year so, ok.

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In addition to the index is a robust tool to help company systematically in measure manage and integrate responsible business practice. It takes the form of an online survey and companies follow a self assessment process in tenders to help them identify both the strengths and their management and performance and gaps where future progress can be made.

Business in the community believes that self assessment is the starting point for action and improvement.

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CR Index Framework

The CR Index follows a systematic approach to managing, measuring and reporting on business responsible business practices, companies are assessed using the framework below.

Corporate Strategy looks at the main corporate responsibility risks and opportunities to the business and how these are being identified and then addressed through strategy, policies and responsibilities held at a senior level in the company.

Integration is about how companies organise, manage and embed corporate responsibility into their operations through KPIs, performance management, effective stakeholder engagement and reporting.

Management builds on the integration section looking at how companies are managing their risks and opportunities in the areas of Community, Environment, Marketplace and Workplace.

Performance and Impact asks companies to report performance in a range of social and environmental impacts areas. Participants complete three environmental and three social areas based on the relevance to their business.

Example Responsible Business Check Up feedback report

So, you can go through this and you know they talk about the CSR the corporate responsibility index framework includes corporate strategy which looks, I do not know if you can read this let me increase the size here. So, maybe it will become visible to you yeah.

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The CR Index follows a systematic approach to managing, measuring and reporting on business responsible business practices, companies are assessed using the framework below.

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Performance and Impact asks companies to report performance in a range of social and environmental impacts areas. Participants complete three environmental and three social areas based on the relevance to their business.

I think this is good. The CR index framework has 4 corner stone's. And the framework includes corporate strategy, integration, corporate strategy looks at the main corporate responsibility risks and opportunities to the business and how these are being identified and then addressed through strategy policies and responsibilities held at the senior level in the company.

Integration is about how companies organize manage and embed corporate responsibility into their operations through the key performance indicators, performance management, effective stakeholder engagement and reporting. Management which is the third part of the framework builds on a integration section looking at how companies are managing their risks and opportunities in the areas of community environment market place and workplace and performance and impact asks companies to report performance in a range of social and environmental impact areas. The participants complete 3 environmental and 3 social areas based on the relevance to their business. So, very significant not development in the measurement of CSR activities corporate responsibility index.

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2004

- "There are over 60 Government initiatives of relevance for CSR.
- The UK Parliament has two all-party groups on corporate citizenship:
 - The All-Party Parliamentary Group on CSR
 - The All-Party Parliamentary Group on Socially Responsible Investment"

And in the year 2004 there were over 60 government initiatives of relevance for CSR. The So, you know this had started growing people everybody was talking about corporate social responsibility, governments were taking note of it governments were trying to enforce this, through their laws through their regulations through their directives. To various organization the UK parliament then had 2 all party groups on

corporate citizenship. One was the all party group on CSR the other was the all party parliamentary group on socially responsible investment, it was not only the activities it was also socially responsible investment. So, the discourse had really grown and then you know of course, the worldwide there was this explosion of CSR activities and measurement and evaluation. And then you know, so all everybody all over the world started talking about CSR and what they needed to do to be socially responsible. So, you follow the timeline I will repeat myself initially it was just independent efforts mushrooming up in different places.

Then it took on the shape of awareness generation through campaigns, through various activities. And after that, the discourse shifted from just awareness people were aware yes this was happening the ozone the whole in the ozone layer was discovered, and then people said oh we are actually damaging our environment. So, let us do something about it. So, they started becoming very specific as to what needs to be done. So, they said these are some of the areas that we need to focused on. And then slowly from there the discourse then shifted to measurement, how much are we doing? What do we need to do? How much to we need to do? How many you know, what is the percentage of greenhouse emissions that we need to cut down?

Then the focus shifted to how will be evaluate ourselves. So, have we done enough? If yes, you know, how much have be done? What we need to do more? And from then from there the discourse shifted to actual penalties. What do we do to people who are not really helping the environment? How do we question people? How do we take stock of the situation? So, what do we needs to do to improve the situation. So, penalties you know, there was discussion on penalties and then people started moving out of the ambit of just activities and ideology to activities to measurement to evaluation and then we said, we must start things at source. So, the discussion then moved on to, to including this in the curricula of schools and colleges and universities, and then also talking about socially responsible investment.

And now it is a very big very huge field in which you know all people are getting many more ideas on how to be responsible to their environment. Now coming to CSR in India what happened is that, here you know we do not really have very much.

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Models of social responsibility in India

(Balasubramaniam et al., 2005, Arevalo & Aravind, 2011)

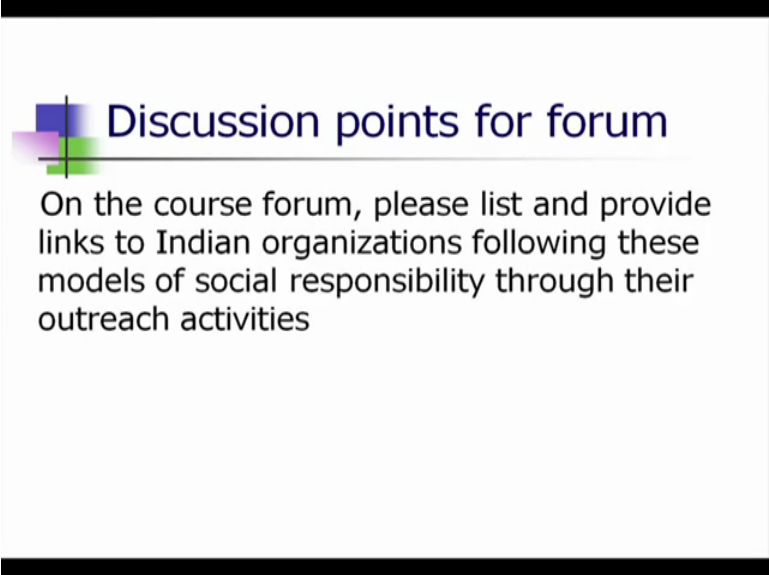
- Gandhian model/ Ethical model: "Voluntary commitment to public welfare based on ethical awareness of broad social needs"
- Statist model/ Nehruvian model: "State-driven policies including state ownership & extensive corporate regulation & administration"
- Liberal model/ Friedman model: "Corporate responsibility primarily focused on owner objectives"
- Stakeholder/ Freeman model: "Stakeholder responsiveness which recognizes direct & indirect stakeholder interests"

I was unable to find lot of documentation on how CSR came to be developed in India, but I was able to find a paper by balasubramaniam, professor balasubramaniam of I am Bangalore. And his associates and they talked about morels of social responsibility in India. So, they said that you know social responsibility has taken 4 forms in India over the years. And that have been lot of activity has gone on, but it hasn't really been documented appropriately. So, the 4 models of social responsibility in India are the Gandhian model, or the ethical model which talks about voluntary commitment to public welfare based on ethical awareness and broad social needs. The statist model or Nehruvian model which talks about the state driven policies including state ownership and extensive corporate regulation and administration. So, one is the voluntary commitment. We will do it because we want to do it. We will take care of the public because we want to do it.

The second model is there are policies there are regulations. Let us just talk about complains regulation and administration. The third model is the Friedman model or the liberal model according to which corporate responsibility is primarily focused on owner objectives. What do the owners want? How do they wants to add to? Or what is what is the owner moving towards? So, they are not really taking into accounts the needs or the requirements of the community that they are I mean they there is the focuses largely on what the owner wants. And the last one here is the stakeholder which is the freeman model. One is freedom and the other is freeman which takes into account the stakeholder

responsiveness which recognizes direct and indirect stakeholder interests. So, we actually do what people are really needing us to do.

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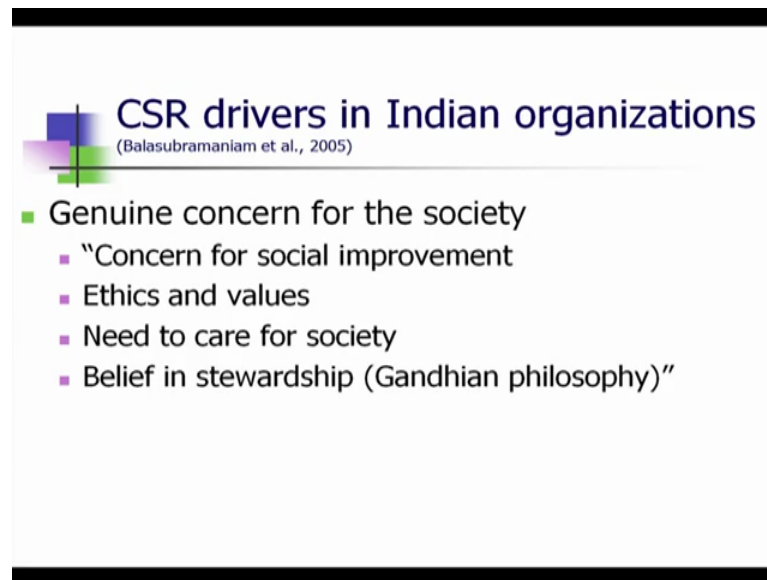


Discussion points for forum

On the course forum, please list and provide links to Indian organizations following these models of social responsibility through their outreach activities

Now, I have a task for you my dear students. I would like you to discuss this on the forum. I would like you I have given you enough examples of what is happening in the world. I would like you to identify on the course forum the different companies that are engaged in or activities that, that are in sync with these different models. Which activity is an examples of which type of model and that discussion I would like to see on the forum.

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CSR drivers in Indian organizations
(Balasubramaniam et al., 2005)

- Genuine concern for the society
 - "Concern for social improvement
 - Ethics and values
 - Need to care for society
 - Belief in stewardship (Gandhian philosophy)"

Then the CSR drivers in Indian organizations, what drives corporate social responsibility in Indian organizations is a genuine concern for the society. So, there is concern for social improvement ethics and values need to care for society belief in stewardship. So, that is what is there.

Can we stop here? That is all we have time for in this lecture. We will continue with a discussion on CSR in India in the next class. Thank you very much for listening, the topic is very extensive the topic is very huge, but then we I wish I had time to cover everything, but I do not. So, we will have a further discussion on how CSR has shaped in India in the next class.

Thank you very much for listening.