

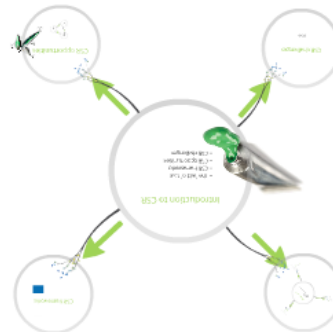


Strategic CSR

- challenges and opportunities



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Strategic CSR

- challenges and
opportunities



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Introduction to CSR

- The field of CSR
- CSR frameworks
- CSR opportunities
- CSR challenges



The field of CSR

- A definition of CSR
- Themes of CSR
- Expectations within the field of CSR

A definition of CSR

CSR is no longer just voluntary

Prior definition

"...a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a **voluntary basis**."



Current definition

"The responsibility of enterprises for their impacts on society. To fully meet their social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders."





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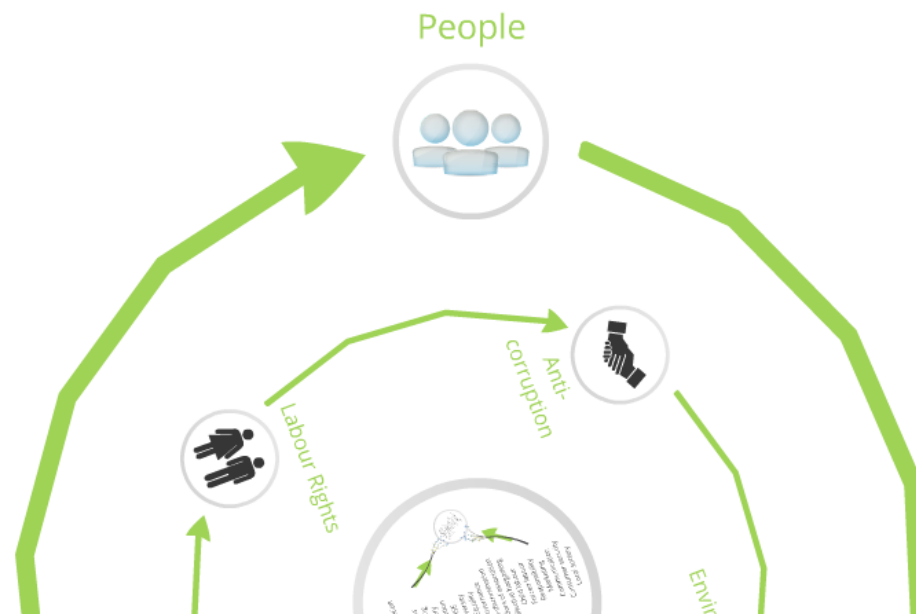


Current definition

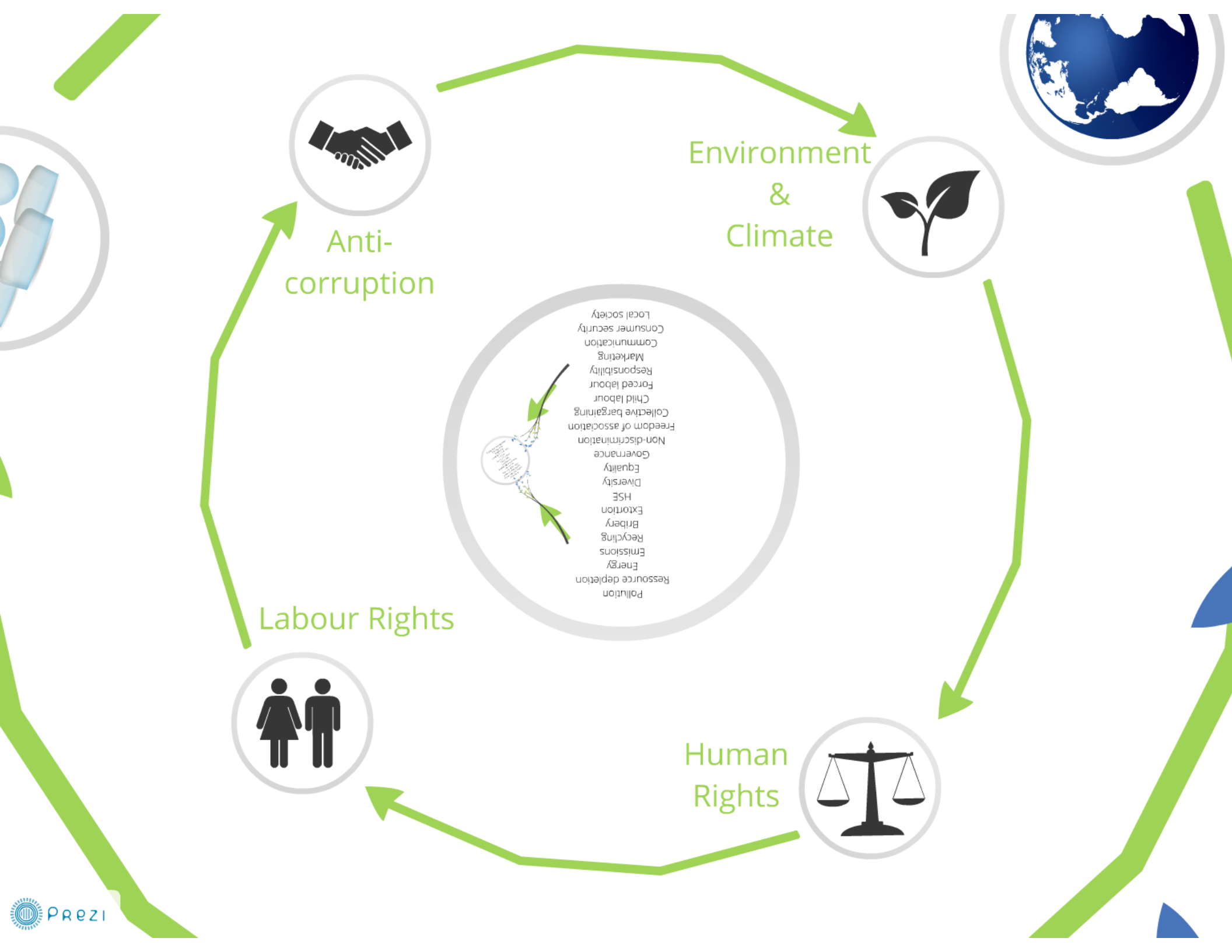
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Themes of CSR











Supply chain management
CSR-regulation
Rapporting
Stakeholder involvement
Soft Law
Codes of Conduct
CSR-policies
Certification
Responsible investments
Partnerships
Resource optimization
Green business models
Sustainable consumption
Philanthropy



Expectations in the field of CSR



• Agendas driven by civil society organizations and



Legal expectations

CSR-regulation:

E.g.:

- Denmark:
 - §99a + §99b (2008)
- France:
 - CSR Reporting Law (2012)

Issue-specific regulation:

E.g.:

- Anti-corruption:
 - UK Bribery Act
- Gender equality:
 - Norwegian law of 40% women in boardrooms

Sector-specific regulation:

E.g.:

- Chemical industry
 - EU REACH
- Shipping:
 - Low-sulphur fuels



Soft Law

- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
 - The Mediation and Complaints-Handling Institution for Responsible Business Conduct
- ...



Defined expectations

- Codes of Conduct
- Investor ESG-expectations
- Certifications (e.g. MSC, FSC, Fairtrade, RFA, ISO etc.)
- ...



Emerging expectations

- Agendas driven by civil society organizations and media. E.g.:
 - 'Responsible' Tax
 - Health
 - ...
- ...





VOLUNTARY
PRINCIPLES
ON SECURITY & HUMAN RIGHTS

 AccountAbility

 BSCI
Business Social Compliance Initiative

 PRI | Principles for Responsible Investment

 Global Reporting Initiative™

CSR frameworks



UN Global Compact

The worlds biggest network of companies focusing on CSR.

Subscribing companies are committed to work with 10 principles within 4 focus areas and annually report on their progress.

4 focus areas:

Human rights

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Anti-Corruption

- **Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.

OECD's Guidelines for multinational enterprises

OECD's Guidelines for multinational enterprises is a voluntary framework of principles of good business practices. The guidelines applies to OECD countries plus Argentina, Brasil and Chile.

The purpose of the guidelines is to ensure that multinational enterprises conduct their activities in accordance with general ethical standards and the political and societal standards of the participating countries.

Participating countries must ensure that companies act in compliance with the guidelines.

The guidelines cover the activities of multinational enterprises i both participating and non-participating countries.

Focus areas:

- Labour standards
- Human Rights
- Environment
- Disclosure
- Anti-corruption
- Consumer interests
- Science and technology
- Competition
- Tax

ISO 26000

Focus areas:

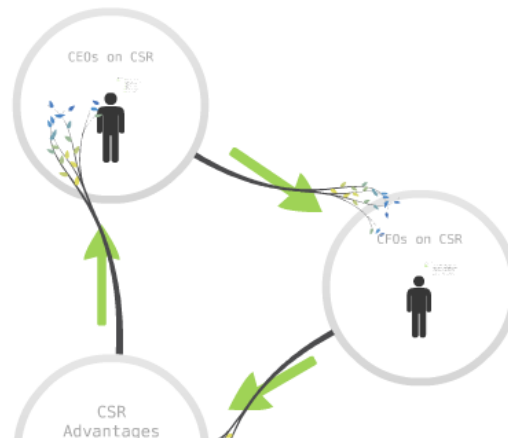
- Human Rights
- Labour standards
- Development
- Fair business
- Environment
- Governance
- Consumer interests

ISO 26000 is a voluntary tool for standardization of companies's CSR-activities.

ISO 26000 provide *inter alia*:

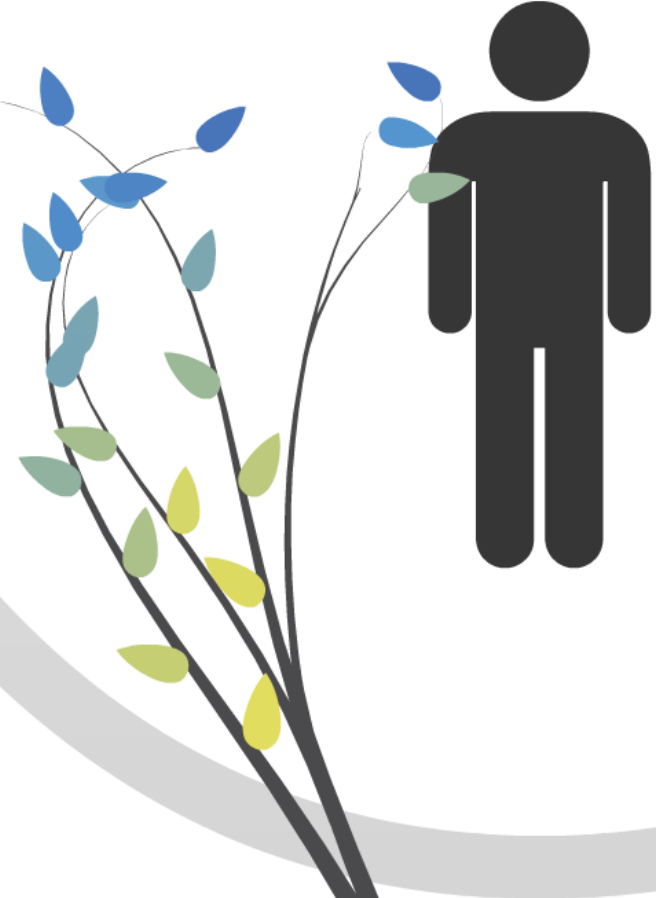
- Guidance on what CSR is and what it implies;
- Concrete principles of and guidance on governance;
- Guidance on how to translate principles into concrete activities;
and
- Enumeration of best-practices in the field of CSR

CSR opportunities



CEOs on CSR

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1000 CEOs
103 countries
27 industries

84% believe that business should lead efforts to define and deliver sustainable development goals

97% see sustainability as important to the future success of their business

78% see sustainability primarily as an opportunity for growth and innovation

79% see sustainability as a route to competitive advantage in their industry

81% believe that the sustainability reputation of their company is important in consumers' purchasing decisions

69% believe that investor interest will become an increasingly important factor in driving sustainability

CFOs on CSR

What are companies reporting on?

Carbon
Energy
Water

CFOs report that they are increasingly focused on the planning and disclosure of their companies' sustainability impacts.

CFOs report the set-aside of 'non-core' investments following the disclosure.

CFOs report that they are increasingly focused on the planning and disclosure of their companies' sustainability impacts.

CFOs report that their companies are increasingly planning additional disclosure related to climate change and social ability.



3 years
250 CFOs
15 countries
15 industries

CFOs report that they are increasingly involved in the planning and execution of their companies' sustainability strategies

CFOs report that sustainability is increasingly influencing their decisions

CFOs report that resource efficiency and energy optimization are key areas of interest when it comes to investments in sustainability

CFOs report that their companies are increasingly planning organizational changes in relation to energy, environment and sustainability

CSR Advantages

- Innovation and product development
- Risk management
- Protection of reputation and brand
- Cost reductions
- Increase customer engagement
- Meeting consumer demands
- Attraction, retention and motivation of employees
- Meeting demands in regard to public procurement and tendering processes
- Meeting demands from market leaders
- Meeting demands from investors
- Creating new markets
- Design to meet future requirements
- Meeting demands from investors



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CSR challenges

- Materiality
- Business-integration
- Organizational anchoring
- Building a strong business-case
- Commercial relevance

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