

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



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

Photo by [José Martín Ramírez C](#) on [Unsplash](#)



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

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.”

Law, J. (2018) *A Dictionary of Finance and Banking*. 6th Ed. OUP; Oxford.



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

Corporate

- Businesses of all scales

NCEA Business-related concepts

Enterprise

Social

- Human society or the life or welfare of a community
- Living organisms (e.g. animals and plants) and the natural environment

Sustainability

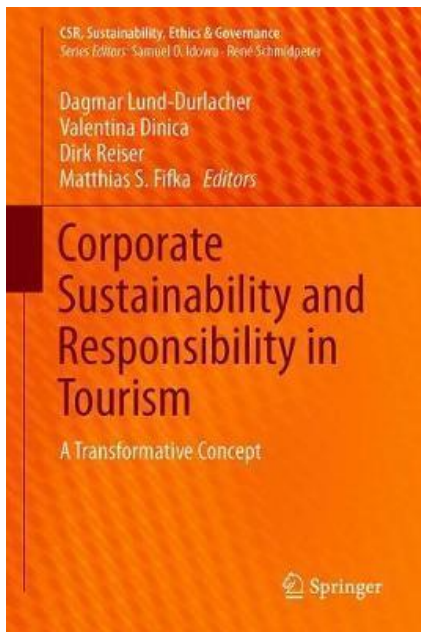
Responsibility

- Businesses being held accountable for what is subject to their power, control, or management.
- Being held accountable to society.

Citizenship

Globalisation

Evolution of Corporate Social Responsibility



Associate Professor
Valentina Dinica,
School of
Government

Dinica, V., Lund-Durlacher, D. & Reiser, D. (2019) 'Challenges for Tourism – Transitioning to Corporate Sustainability and Responsibility', in Lund-Durlacher, D. et al. (Eds) *Corporate Sustainability and Responsibility in Tourism*. Springer. pp.3-27.

Evolution of Corporate Social Responsibility

Greed – **Defensive** – Ad hoc inventions

Philanthropy – **Charitable** – Charitable programmes

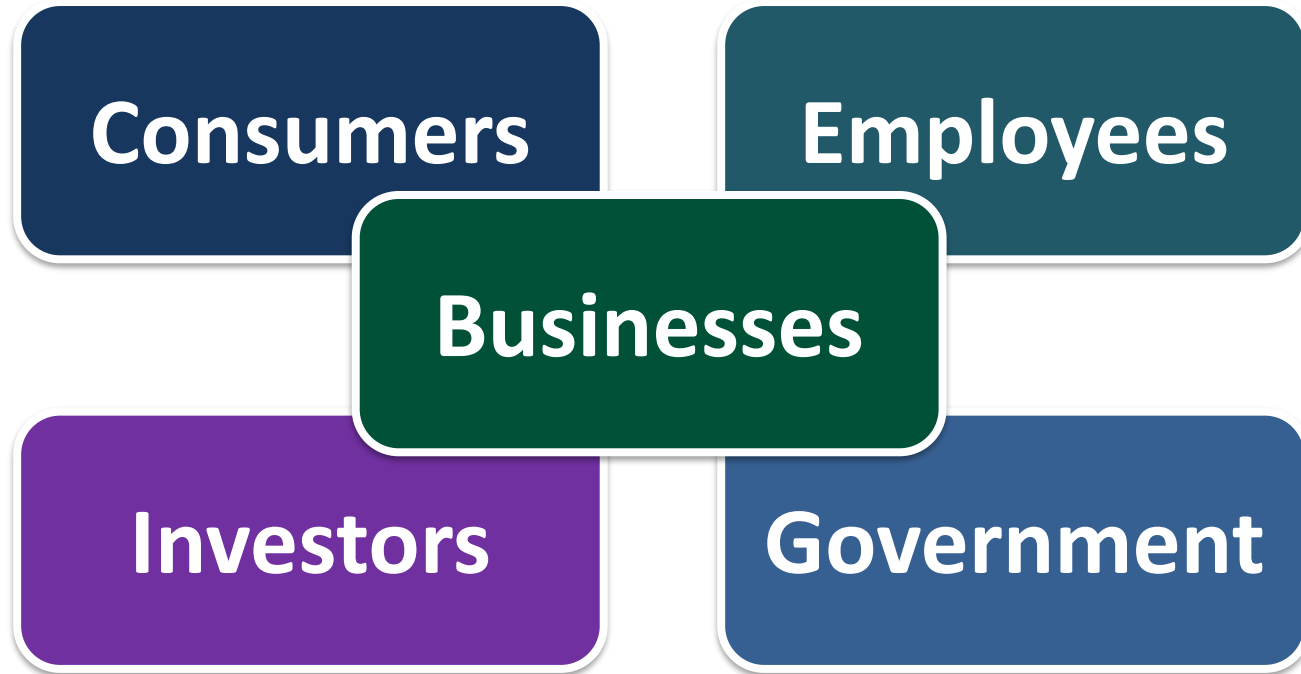
Marketing – **Promotional** – Public Relations

Management – **Strategic** – Management systems

Responsibility – **Transformative** – Business models

CSR 2.0 - Corporate Sustainability and Responsibility

The development of CSR is being driven by:



Businesses

Businesses

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

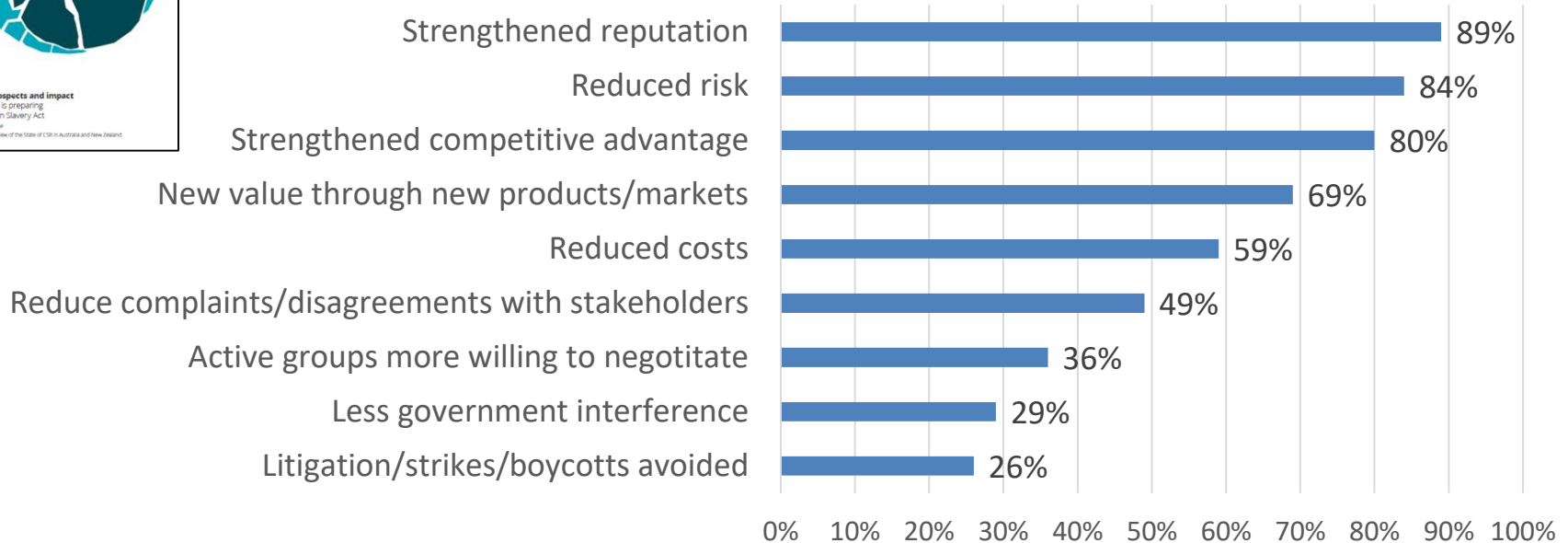
<https://www2.deloitte.com/au/en/pages/risk/articles/annual-review-csr-australia-new-zealand.html>





Business Outcomes from CSR

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



Q. Which New Zealand companies do you associate with CSR?

Employees

TOP PERFORMERS

Consumers

New Zealand

Deloitte.



Progress, prospects and impact

How business is preparing for the Modern Slavery Act

10th anniversary issue

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

AIR NEW ZEALAND

thl

IS FOR NEW ZEALAND

Fonterra
Dairy for life



75%+ agree

People recognise that there are brands outside the eco universe that are working hard to be leaders in sustainability

ecostore

trade aid

earthwise

FAIRTRADE

65 - 74% agree

Meridian.

Whittaker's

THE BODY SHOP

TESLA

Mercury

contact.

50 - 64% agree

genesis

Turners & Growers

Kathmandu

FISHER & PAYKEL

AIR NEW ZEALAND

PAKSAVE

Sanitarium

Farmers

MITRE 10

vector

countdown

Fonterra Dairy for life

TOYOTA

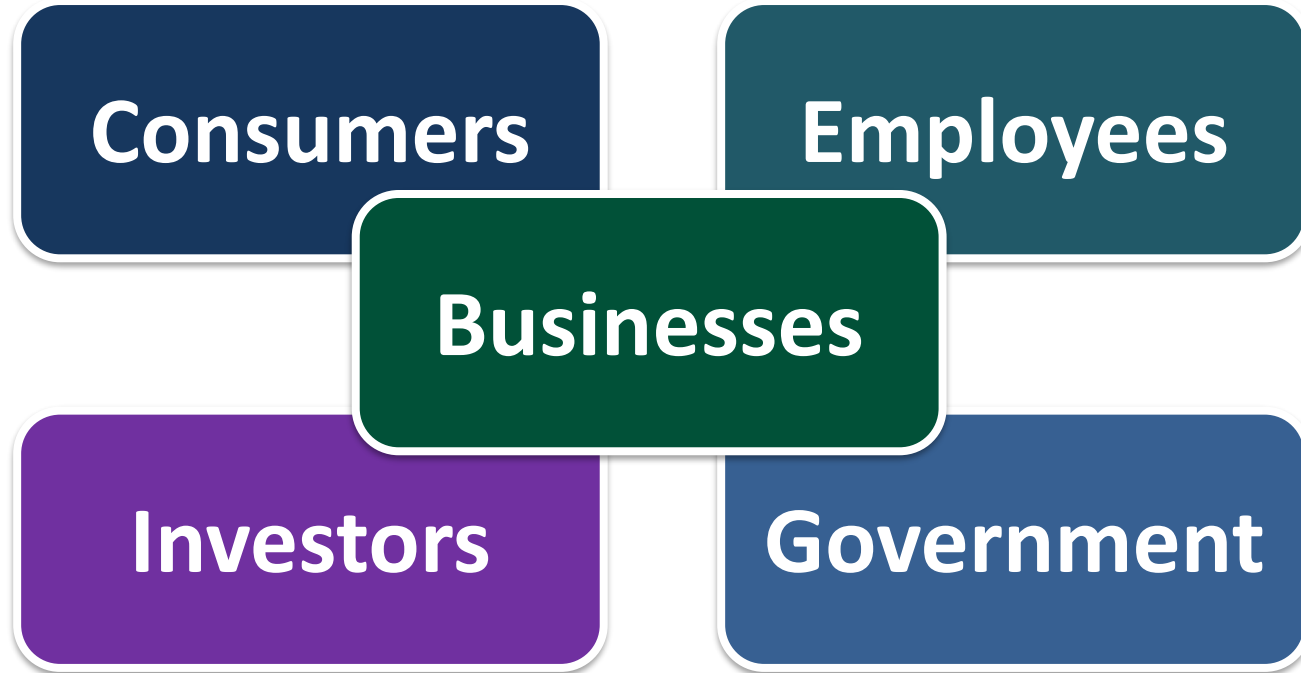
alec food

thewarehouse

ENERGY

CAPITAL THINKING.
GLOBALLY MINDED.
MAI I TE IHO KI TE PAE

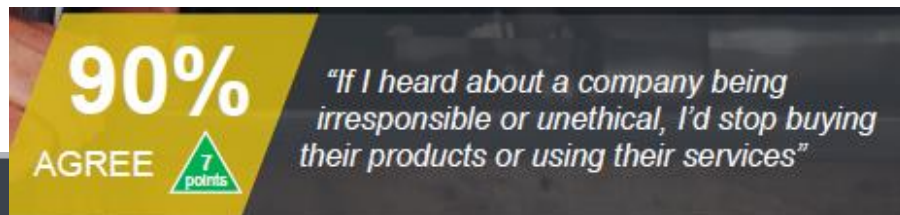
Development of CSR has been driven by:



Consumers



Consumers



Brands that demonstrate clear sustainable benefits are winning consumers over

48%

have deliberately switched to a brand/service provider which is more sustainable



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.”

A close-up of a person's mouth drinking from a clear straw. The background is dark, and there is a faint silhouette of a person in the background.

**CAPITAL THINKING.
GLOBALLY MINDED.**
MAI I TE IHO KI TE PAE

Plastic bags were the lightning rod...
now attention has been turned to the ‘excess’ of everyday items

A large pile of various plastic items, including bottles, containers, and bags, scattered on a beach. The items are colorful and numerous, creating a dense layer of waste.

ADULTS

YOUTH

LESS PLASTIC! Stop putting it on the consumer to recycle, the business should offer plastic free solutions or be responsible for the recycling of its products.

Never buying anything from a \$2 shop or the likes, stopping to think ‘is this a necessary purchase?’.



#1LessStraw
One Less Straw
 PLEDGE

A campaign brought to you by
ONEMOREGeneration.org

**CAPITAL THINKING.
 GLOBALLY MINDED.**
 MAI I TE IHO KI TE PAE



VICTORIA UNIVERSITY OF
WELLINGTON
 TE HERENGA WAKA

Macca's shrugs off straw request

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



KELLY HODEL/STUFF

Three Hamilton Girls' High students – from left, Chelsea West, Haydee Anson and Abbey Huriwai – 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**



Corporate Careers

 ABOUT SCALE FOR GOOD INVESTORS FRANCHISING NEWSROOM Q SEARCH

Using our
Scale for Good

We believe that delicious food can also be sustainable – for our customers, producers and the environment. As one of the world's leading restaurant brands, we're using our Scale for Good to make this vision a reality.

<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?



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA



Social Impact



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



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

Concerned about the environment, partners
and customers called for straws to be phased
out



<https://stories.starbucks.com/stories/social-impact/>

McDonald's paper straws cannot be recycled

BBC



5 August 2019



NEWS



<https://www.bbc.com/news/business-49234054>



<https://www.oneinfive.scot/disabled-people-untite-against-starbucks-plastic-straw-ban/>

Employees



Photo by [Fox](#) from [Pexels](#)

Employees

Younger generations also place high importance on these factors for deciding where they want to work...



72%

of youth (13-17 years) say it is important that my future employer is **socially and environmentally responsible**





GENDER EQUALITY GLOBAL REPORT & RANKING

2019 EDITION



Air New Zealand

Only company with no pay gap from the board to the workforce

TABLE 1 / RANKING OF THE TOP 100 COMPANIES FOR GENDER EQUALITY GLOBALLY

RANK	COMPANY	COUNTRY	SECTOR	SCORE	2018/2019 SCORE
1	Diageo	UK	Consumer, Non-cyclical	74%	^
2	Mirvac	Australia	Financial	74%	^
3	Bank of America	USA	Financial	74%	^
4	L'Oréal	France	Consumer, Non-cyclical	73%	^
5	Telstra	Australia	Communications	73%	^
6	Stockland	Australia	Financial	71%	^
7	Air New Zealand	New Zealand	Consumer, Cyclical	69%	^

73	Contact Energy	New Zealand	Utilities	58%	^
78	Z Energy	New Zealand	Energy	58%	—
82	Fonterra	New Zealand	Consumer, Non-cyclical	58%	^

Sustainability Report

— 2020

A STAR ALLIANCE MEMBER 

01. Caring for
our people &
communities

02. Tackling climate
change & carbon
emissions

03. Championing
sustainable
tourism & regions

04. Strengthening
sustainable
supply chains &
reducing waste

05. Sustainability
dashboard &
performance
metrics



Winner

of the 2019 Deloitte 200
Sustainable Business Award
in New Zealand

**CAPITAL THINKING.
GLOBALLY MINDED.**
MAI I TE IHO KI TE PAE

[https://www.airnewzealand.co.nz/
sustainability](https://www.airnewzealand.co.nz/sustainability)

— Caring for our people & communities

People are and have always been the heart of
our airline – he tāngata, he tāngata, he tāngata.

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.

Diversity & inclusion

Our vision is to create an organisation that is proudly representative of Aotearoa, a place where Air New Zealanders can be themselves and thrive.



SECTION 01 — CARING FOR OUR PEOPLE & COMMUNITIES

AIR NEW ZEALAND SUSTAINABILITY REPORT 2020



Key metrics

MĀORI & PASIFIKA LEADERS



EMPLOYEE NETWORKS IN OPERATION

- 1. Pride
- 2. Manu
- 3. Enable

- 4. Women's
- 5. Kiwi Asia
- 6. Ex-Services

- 7. Young Professionals
- 8. Women In Digital

- 9. WINGS (Women Inspiring the Next Generation) – Pilots

- 10. Women In Engineering, Maintenance & Supply Chain

EMPLOYEE ASSISTANCE PROGRAMME (EAP) UTILISATION RATE¹



TOTAL RECORDABLE RATES (TRR) OF INJURIES²



WOMEN IN LEADERSHIP/ MANAGEMENT



WOMEN IN SENIOR LEADERSHIP



WELLBEING HUB VISITS



¹ EAP Association Guidelines indicate that a utilisation rate (the percentage of new and re-opened cases, based on FTE) over 6% is an indication EAP is being used as a proactive wellbeing tool.
² Based on injuries (medical treatment and lost time incidents) x 1,000,000 / actual hours worked.

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>

Investing in our Future.



**Creating Better
KiwiSaver Funds**

- 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.

<https://sustainable.org.nz/sustainable-investment-2/>



SUPPORTING ORGANISATIONS

PIMCO

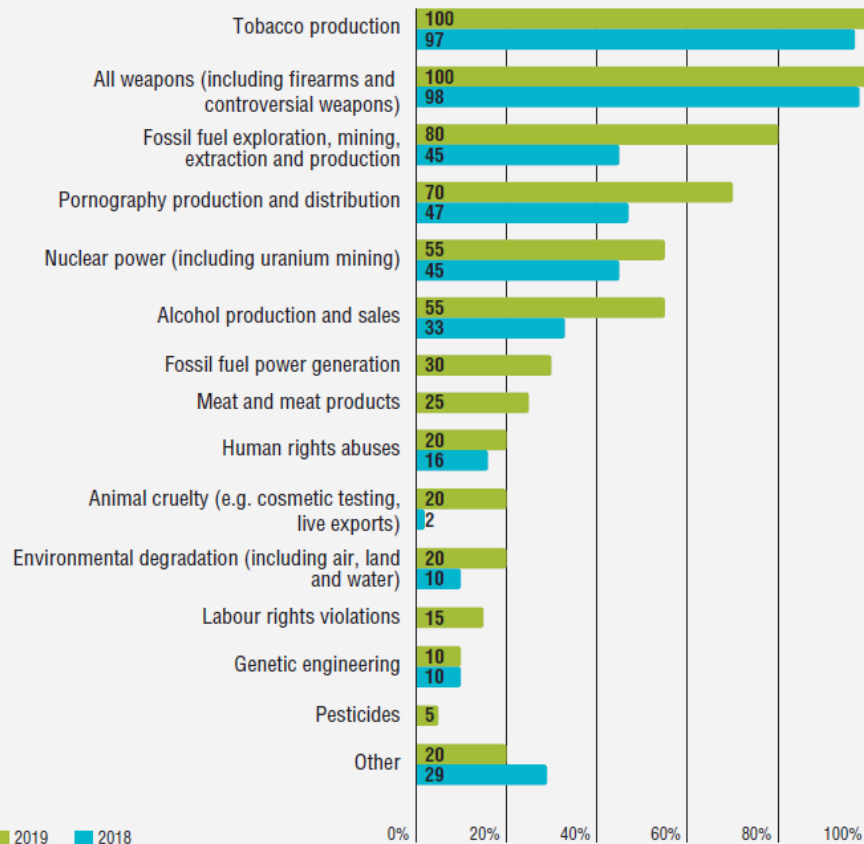


RESEARCH PARTNER



The responsible investment market in New Zealand was worth \$153.5 billion in 2019. This represents 52% of the estimated \$296.3 billion of total professionally managed assets under management in New Zealand.

FIGURE 8 Frequency of issues being screened (by number of survey respondents that negatively screen)



Government



Photo by [Leroy de Thierry](#) on [Unsplash](#)



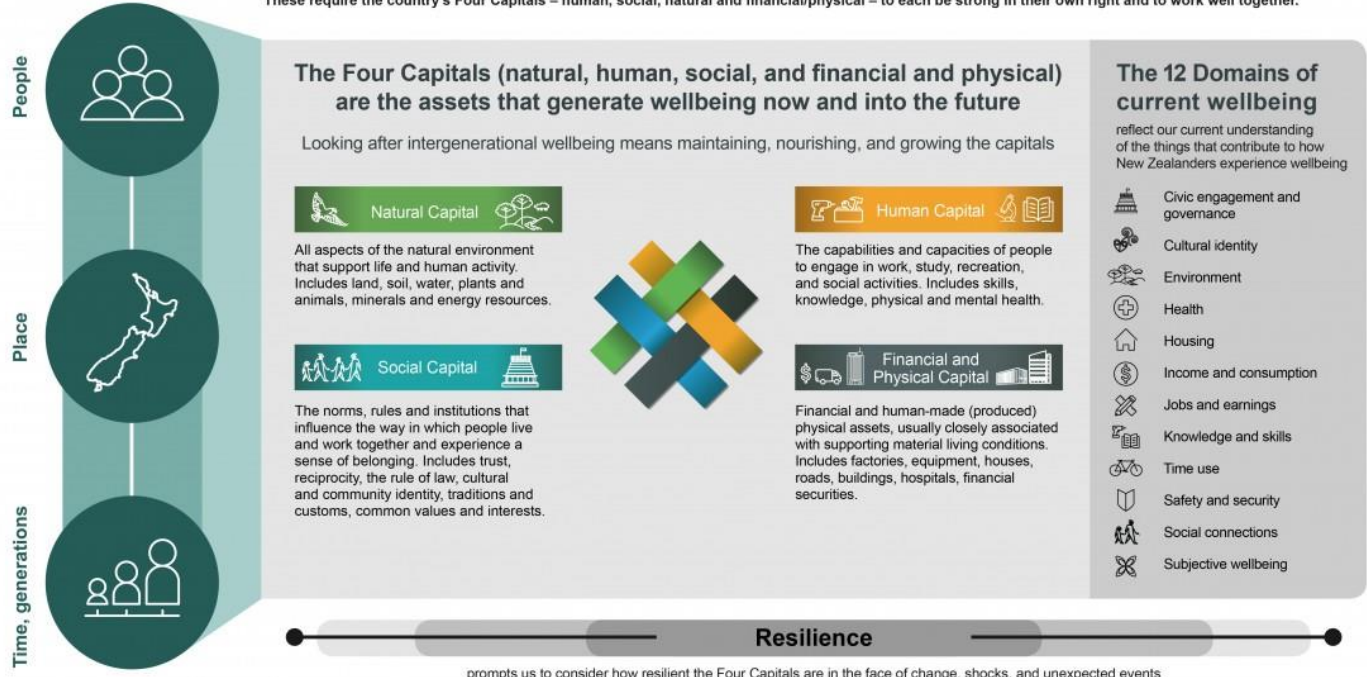
The Treasury's Living Standards Framework

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.

Distribution

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.



<https://treasury.govt.nz/information-and-services/nz-economy/living-standards/our-living-standards-framework>

THE WELLBEING BUDGET

30 May 2019

PRIORITIES 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

Wellbeing Budget 2020

Rebuilding Together



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

Consumers

Ethical and sustainable practices

Businesses

CSR

Employees

Alignment with personal values

Investors

Impact delivered alongside
financial returns

Government

Contribution to wellbeing of NZers

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