What is “Corporate Social Responsibility” (CSR)?

CSR describes the way a company accounts for the impact of its business activities in various ways – often environmentally as well as socially – and the policies and practices they may follow to improve business standards. It has both national and international implications and is generally about raising standards above the legal minimums that companies are obliged to follow. Responsible business isn’t just about philanthropy, companies donating to charity for example, but about ensuring that their core operations are informed by good ethical standards.

Awareness of the impacts of companies has grown substantially, facilitated by a greater access to information across the world, and a concern for ‘ethical lifestyles’. Corporate responsibility has taken account of environmental issues for many years, in part due to extensive campaigning by environmentalist groups. The idea of social responsibility is relatively more recent, but is growing alongside a greater concern for human rights and social justice. Businesses, as some of the most powerful organisations in the world with a transnational reach, can play a vital role in advancing and protecting, or hindering, the pursuit of these goals. For example, although an international business may have a more ‘direct’ impact in a particular country, or be involved more closely in particular issues (health, conflict etc.), locally-based companies are still involved in supply chains and contracts and make investments in other operations, which extend their influence and responsibility.

For more of an introduction to the growth of CSR, try the booklet Corporate Responsibility in Context produced by Context www.econtext.co.uk, a corporate responsibility and communications and strategy consultancy.

Why be responsible? Implications for business

While there are obvious moral and ethical arguments for operating in a responsible manner, many companies are also now realising there are sound financial and ‘business’ reasons. It may be that it helps a company to attract or retain customers or investment for example. In some industries, such as energy, a long-term sustainable approach to the environment is vital if the basic resources of the industry are not to be exhausted.

In other cases, investments in a community, local or global, may have business benefits. For example, HIV/AIDS has a massive impact on many businesses through loss of workforce and hence productivity, so there are direct business reasons to provide healthcare assistance - see the Global Business Coalition on AIDS: www.businessfightsaids.org.

Other issues are discussed on some of the following sites:

The World Business Council for Sustainable Development site has various CSR related reports downloadable in pdf format including Corporate Social Responsibility: Making Good Business Sense: www.wbcsd.org

CSR Europe is a European business network for corporate social responsibility with around 75 multinational corporations and 27 national partner organisations as members. Its mission is to support member companies in integrating CSR into the way they do business, every day: www.csreurope.org

For arguments often cited against CSR along with useful counter-responses, take a look at www.mallenbaker.net/csr/CSRfiles/against.html

This is the personal site of Mallen Baker, a writer, commentator and strategic advisor on corporate social responsibility (CSR), and the chief executive of Business Respect (an online CSR magazine with useful links and resources as well as news and jobs).

CSR in UK Business

The idea that ‘good business is responsible business’ is beginning to earn greater currency, and in response many businesses have set up specific departments or created CSR positions, some refer instead to ‘corporate citizenship’, to provide dedicated staff to monitor and develop good practice in their operations, and stay ahead of wider national and international policy and legislative changes. In some large companies you will find fairly senior staff with a responsible business remit, and there are also a
growing number of consultancies offering advice in this area, some focusing exclusively on CSR; an indication of the growing importance that businesses now attach to addressing these concerns, and the expanding market for consultancy. Some examples include:

- Article 13 - www.article13.com
- The Corporate Citizenship Company - www.corporate-citizenship.co.uk
- Context - www.econtext.co.uk
- CSR Network - www.csrenetwork.com
- SustainAbility - www.sustainability.com

The UK Government has also recognised the importance of CSR creating the CSR Academy (www.csracademy.org.uk) to develop resources to assist companies seeking to improve their CSR skills. In addition, there is an All-Party Corporate Governance Parliamentary Group: www.appcgg.co.uk

**Outside the UK**

The United Nations Global Compact (www.unglobalcompact.org) is a UN initiative to join businesses with UN agencies and civil society to advance ten principles focusing on human rights, labour, the environment and anti-corruption. It is a voluntary initiative with no regulatory power.

In Europe CSR is covered by the EU Director General for Employment and Social Affairs, (http://ec.europa.eu/employment_social/soc-dial/csr) which gives information on EU initiatives and policies and compares national programmes across Europe. CSR Europe is a non-profit organisation promoting responsible business in Europe: www.csreurope.org

**What does CSR policy involve?**

There are currently no legal requirements, only guidelines see for example the government sustainability site at www.sustainable-development.gov.uk

**Standards and benchmarks**

There are a few established markers to look for when looking for a company’s evidence of and involvement in good practice, such as:

- **Dow Jones Sustainability Indexes**
  www.sustainability-index.com/
  ‘Tracking the financial performance of the leading sustainability-driven companies worldwide’.

- **Fair Trade Mark**
  www.fairtrade.net
  From the Fair Trade Labelling Organizations (FLO) – 24 organizations working to secure better deal for producers.

- **FTSE4Good**
  www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp
  ‘Designed to measure the performance of companies that meet globally recognised corporate responsibility standards’.

- **GoodCorporation standard**
  www.goodcorporation.com
  This was developed ‘against a background of increasing demands on businesses and organisation to behave in a transparent, responsible way’ to provide a ‘verified standard that looked at all of the key relationships and impacts in a consistent way’.

**CSR reporting**

Business in the Community in conjunction with the FT published a “Responsible business guide” in June 2009. For an idea of what working in CSR may involve look at the websites of various companies.

You can also look at CSR reports at Corporate Register who provide an online library of reports (CSR, environmental, etc.) for organisations around the world: www.corporateregister.com

**Reading more about CSR**

You may find the following websites and resources useful for finding out more about what CSR involves and how it is implemented by business.

- **Amnesty International’s Business Group**
  www.amnesty.org.uk/business
  Deals with human rights issues in business and encourages companies to commit to uphold them.

- **Business & Human Rights Resource Centre**
  www.business-humanrights.org
  An independent, international, not-for-profit organisation, set up in collaboration with Amnesty International and leading academic institutions.

- **Business in the Community**
  www.bitc.org.uk
  A business-led charity with over 800 members whose approach is to inspire, engage, and support and challenge companies to improve continually the impact they have on society. The website includes regional case studies.

- **Business for Social Responsibility**
  www.bsr.org
  An international not-for-profit organisation that provides information, tools, training and advisory services to businesses.
Corporate Watch
www.corporatewatch.org.uk
A research group supporting campaigns against the negative impact of large corporations and globalisation. They strive for a society that is 'ecologically sustainable, democratic, equitable and non-exploitative'. The website has many articles and links of interest.

CSR Europe
www.csreurope.org
A European business network for corporate social responsibility with around 75 multinational corporations and 27 national partner organisations as members. Its mission is to support member companies in integrating CSR into the way they do business, every day.

CSR Asia
www.csr-asia.com
Provider of information, training, research and consultancy services on sustainable business practices in Asia. Operating as a social enterprise, CSR Asia occupies the middle ground between civil society organisations and fully commercial consultancies.

Ethical Corporation
www.ethicalcorp.com
An independent publisher and conference organiser aiming to encourage debate and discussion on responsible business. Their website is a good source of news articles, current issues, links and jobs - all searchable by region of world.

The Ethical Company Organisation
www.ethical-company-organisation.org
Aims to establish an overall benchmark Corporate Social Responsibility regarding human rights, animal welfare and the environment.

Forum for the Future
www.forumforthefuture.org.uk
Promotes sustainability in business and collaborates with government and other associations on research and policy. Also offers internships and run a Masters in Leadership in Sustainable Development.

Institute of Business Ethics (IBE)
www.ibe.org.uk
IBE tries to raise public awareness of the importance of doing business ethically, and collaborate with other UK and international organisations with interests and expertise in business ethics. The website includes links to UK and international business ethics organisations (under ‘find out more’ then ‘links’).

Mallen Baker

www.mallenbaker.net
The Development Director of Business in the Community has a useful site discussing various CSR issues and current news stories. It produces a CSR newsletter 'Business Respect'.

Social Accountability International
www.sa-intl.org
SAI is a non-governmental, multi-stakeholder organization promoting the ethical treatment of workers.

World Business Council for Sustainable Development
www.wbcsd.org
Draws together over 180 international companies to provide ‘business leadership as a catalyst for change toward sustainable development’.

Looking for CSR Jobs
Companies are likely to advertise their CSR positions in the same way as their other vacancies, but there are a few sites with a CSR or ethical focus given below. Also see some of the sites already listed on this sheet, as several include job listings or links.

- Life Worth is a professional services firm, advertise jobs specialising in CSR: www.lifeworth.com
- Corporate Citizenship Briefing: www.ccbriefing.co.uk
- CSRWire: www.csrwire.com

Updated: March 2015

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