



Corporate Social Responsibility – What does it mean and what can I do?

“Corporate sustainability encompasses strategies and practices that aim to meet the needs of stakeholders today while seeking to protect, support and enhance the human and natural resources that will be needed in the future” www.environment.gov.au

“CSR is... a way of thinking about and doing business... that needs to be ‘mainstreamed’ across business operations and into company strategy. It is not just a task for the public relations department but needs to permeate across the company” www.csr.gov.uk

Corporate Social Responsibility (CSR) means different things to individuals, governments and businesses. For some individuals, it simply refers to how ‘good’ or ethical a company is. For governments, it can be about the contribution that the corporate sector can make to a government’s own policies, for example, on urban regeneration or sustainable development. For businesses themselves it can mean anything from ensuring that their global workforce is treated in accordance with rigorous ethical guidelines, to ensuring that office supplies are recycled. Its meaning will vary according to size, sector, country and the views of management and other stakeholders. What is increasingly clear is that despite the differing interpretations, CSR does and will increasingly matter to all companies.

A number of household names in Australia with significant operations in the UK are considered to be global sector CSR leaders, including:

ANZ Bank: already considered a CSR leader amongst global financial services companies, in February 2008 ANZ issued a market-leading Forests Policy, recognising that forests are a ‘major social and economic resource’ in many countries in which they operate, and future financing decisions will reflect this policy

BHP Billiton: has a stated objective of ‘recognising and respecting Indigenous people’s culture, heritage and traditional rights... many communities around the world that are traditional owners of land impacted by our operations’. Indeed, Marius Kloppers (CEO) recently explained that a credible CSR policy is necessary to ensure that governments, investors and other stakeholders see BHP Billiton as a viable business partner



Bovis Lend Lease: from July 2008 will only award work to contractors who have achieved Achilles accreditation <http://beta.achilles.com/Group/>. This aims to measure compliance standards and CSR in the supply chain.

Stockland: their new office in Sydney CBD was designed in consultation with staff, specifically via employee-led advocate networks which enabled better two-way communication, generated excitement in the build-up, and shifted the business from awareness to readiness.

Westpac: runs a stakeholder dialogue programme to generate ideas for improvements. For example, the development of the company's ATMs for visually impaired people came from dialogue with leading NGOs, as well as government bodies.

These examples clearly demonstrate that a broad range of initiatives that can be undertaken under the heading of CSR. But at least four themes are increasingly common across sectors and countries - Environment, Community, People, and Ethics/Governance, each of which relates to areas such as:

Environment – waste management, use of office space, energy and water use and travel

Community – charity, sponsorship, education and community development

People – reward/recognition, work-life balance, health & well-being, diversity & equality and development

Ethics/ Governance – ethical decision-making, transparency, business conduct, and quality control

Clearly, whilst CSR does include “Green issues” that receive frequent press coverage and are at the forefront of consumer consciousness, it covers a broader range of issues that are of concern to diverse stakeholders such as investors, supply-chain partners, regulators, employees, special interest groups and government.

Why does CSR matter to Australians doing business in the UK?

Just as British buyers of Australian produce seek evidence that their suppliers and partners are mindful of their impact on the environment, they are increasingly looking for evidence of broader social responsibility. Therefore Australians doing business in the UK should research the policies of potential partners and, if relevant, be prepared to demonstrate their own commitment to similar policies. But CSR, like ‘Green’, is an evolving and fluid concept so there is an opportunity for individual companies, large or small, to take a leadership position rather than follow their partners or customers.

For those businesses concerned that CSR is a ‘fad’ or is simply another cost in an increasingly challenging global environment, there is a growing body of evidence which indicates that good CSR policies are not only ‘good’, but also good for business. Closer links with consumers may lead to better awareness of their needs and a better product; better waste management can save money in the medium term; well-executed community projects can generate ‘free’ PR; companies with a strong People focus recruit and retain better people; and fund managers are under pressure to identify and invest in ethical businesses.



Moreover, for exporters to multiple markets, the returns are potentially even larger. Grant Thornton's International Business Report 2008 reveals that across over 30 major economies, 56 per cent of private businesses have a formal CSR programme including, surprisingly perhaps, China, Mexico and Brazil at the top with nearly 70 per cent. As good CSR policies are not geography-specific an Australian exporter will likely benefit regardless of which export markets they are targeting, and will not have to significantly modify their CSR policies from one market to another.

What should I be doing differently?

Profitable, successful companies cannot afford to operate in a vacuum – no matter what size or sector, external pressures cannot be ignored. But developing a CSR policy need not be costly. It can be implemented as easily across a small team, through flexible working or employee recognition, as it can across a large organisation with a dedicated budget. For all companies the challenge is to view CSR programmes as core business and an investment in future returns, for example a safer and healthier local community, rather than simply a public relations exercise or similar cost of doing business.

If you already have a comprehensive CSR policy, make sure that it is clearly communicated on your website and marketing documents, and that all your employees are aware of it – they should be your best 'ambassadors'. Depending on your size and sector, you could also consider registering with a number of Australian and International organisations including the Corporate Responsibility Index, the Dow Jones Sustainability Index, Carbon Footprint and the UN Global Compact. And consider again the UK Government's view that CSR is a way of thinking, and therefore by its nature, must continue to evolve and reflect the views of the markets in which companies operate.

Next Steps

This paper is intended to provide a brief overview of how CSR is commonly defined and why it is relevant to all companies, particularly those operating in multiple territories. If you want to learn more about what companies can do in the area of Environment / Green policies in particular, then please refer to www.austrade.gov.au/uk. We value your contribution to the debate, and your feedback on our briefings. Please do not hesitate to contact Kylie Hargreaves or Amit Aggarwal in the Austrade London office via:

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