

CORPORATE SOCIAL RESPONSIBILITY

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SHRM Evolution of CSR

- CSR encompasses varying ways an organization can create value beyond traditional profit measures.
- CSR includes a broader range of a decision's or action's effects on a broader field of stakeholders.
- Attention to CSR has moved from the corporate periphery to center stage.
- CSR is integrated into organizational mission and core business strategies.

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SHRM GRI Standards Reporting Guidelines

GRI Standards

- Universally accepted standard for reporting results of sustainability programs.
- Adoption improves transparency in reporting results to stakeholders and enables meaningful and consistent comparisons of organizations' sustainability performance.
- Cover economic, environmental, and social topics.

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SIRM CSR & ESG

The diagram shows two overlapping green circles. The left circle is titled 'Corporate Sustainability' and describes the 'Impact of material risks and opportunities on VALUE creation'. The right circle is titled 'Corporate Social Responsibility' and describes 'Demonstrate our VALUES through positive impact.'. The intersection of the two circles is labeled 'ESG'. Below the circles is an illustration of a man with a beard and a hat tending to a garden.

Corporate Sustainability
Impact of material risks and opportunities on VALUE creation
Typical stakeholders:
Investors
Regulators
Lenders
Insurers
Employees

Corporate Social Responsibility
Demonstrate our VALUES through positive impact.
Typical stakeholders:
Customers
Employees
Communities
Publicconsumers

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SIRM Forces Shaping Today's CSR

A list of four categories, each with a list of bullet points. The categories are Technology, Environmental concerns, Economic pressures, and Sociopolitical forces.

- Technology**
 - Corporate actions are more knowable.
 - CSR impacts are more measurable.
 - Privacy and work/life balance issues are more complex.
- Environmental concerns**
 - Increased sustainability regulations and requirements.
 - Sustainability central to corporate branding.
 - Increased sustainability opportunities.
- Economic pressures**
 - Bigger payback potential for sustainability efforts.
 - Enhanced value of CSR to employees.
- Sociopolitical forces**
 - Increased pressures from civil and social rights groups.
 - Rapidly evolving diversity and environmental concerns.

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SIRM CSR Maturity Curve

A diagram showing a blue arrow pointing from the bottom-left to the top-right. Three blue dots are placed along the arrow at increasing intervals, labeled 'Compliance', 'Integration', and 'Transformation' from left to right.

Compliance

Integration

Transformation

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SIRM CSR and HR

HR has the opportunity to become a CSR resource for corporate leaders.

Key opportunity areas:

- Culture change
- Corporate strategy
- Organization effectiveness
- Human capital development

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SIRM Life Cycle

Revenue

Time

Introduction Growth Maturity

Renewal No growth Decline

FASCINATING

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SIRM Effect on HR Functions

Employee contract

Recruiting

Brand

Engagement

How people work

Accountability and measurement

Training and leadership development

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SIRM **Compliance vs. Ethics**

Compliance

- Being in accordance with all national, federal, regional, or local laws, regulations, and government authority requirements for all the locations in which an organization operates
- Focuses on fulfilling the technical requirements of regulations

Ethics

- A set of behavioral guidelines that an organization expects all of its directors, managers, and employees to follow to ensure appropriate moral and ethical business standards
- Focuses on acting according to "core ethical beliefs and convictions"

Corporate ethical issues can overlap with compliance issues.

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SIRM **Ethics**

Companies: Apple, Microsoft, Google








- Tech firms have repeatedly resisted law enforcement or government requests that were legally backed but ethically controversial:
 - Apple refused to unlock an iPhone for the FBI (encryption/privacy stance)
 - Google employees forced the company to abandon military AI (Project Maven)
 - Microsoft has fought government data access requests across borders

THE STRUGGLE IS REAL

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SIRM **Ethics**

Anthropic has built its models (like Claude) with **explicit restrictions**:

- Refuses to assist with:
 - Weapons development
 - Mass surveillance optimization
 - Harmful biological/chemical guidance
- These limits apply **regardless of who is asking**—including governments

THE STRUGGLE IS REAL

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SIRM Engaging in Business Across Borders

- What is considered unethical or illegal in one country may be perfectly acceptable elsewhere.
- Company must consider standardization versus localization.

Standardization (ethical universalism)

Localization (cultural relativism)

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SIRM Supply Chain Responsibilities

Ethical supply chain behavior =

- Better products
- More satisfied customers
- More sustainable working communities that support the growth of business

Areas of concern:

- Workplace safety
- Child labor
- Sustainability

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SIRM Humanitarian Rights

- Nintendo
- Sony
- iPhone

News
Suicide at Chinese iPhone factory reignites concern over working conditions

Why Can't The Supply Chain Get Rid of Abuse?

New Undercover Foreign Worker Shows Animal Abuse at a 385 Supplier Factory Farm

Horrific videos of cows being beaten and burned lead to jail for 2 dairy workers

I NEED A BREAK

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SIRM **Three Spheres of Sustainability**

- Environmental — Planet
- Social — People
- Economic — Profits

Sustainability

- Sustainability sweet spot is the place where an action can meet expectations in all three areas.
- This sweet spot is an area in which sustainability can be an engine of innovation and create business opportunities.

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SIRM **Stakeholders**

Sustainability:

- Expands how an organization interacts with stakeholders.
- Seeks out internal and external stakeholder input through engagement opportunities and strategic social partnerships.

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SIRM **Triple Bottom Line**

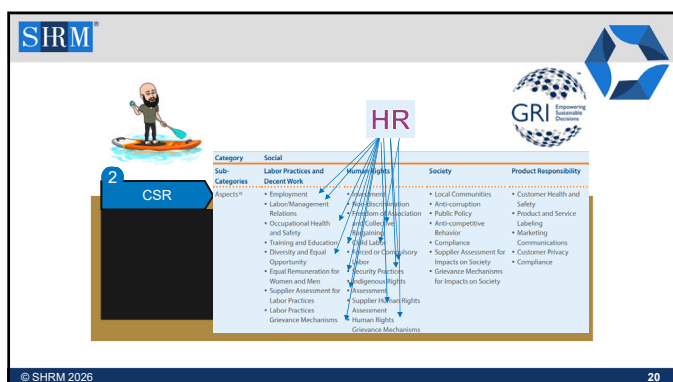
| | Typical Measures | HR's Role |
|----------------------|--|--|
| Economic | Jobs created Monetary flows Sales, profits, ROI Supplier relations Taxes paid | Change management Communications (internal and external) Corporate and employment branding Diversity, equity, and inclusion policies (including hiring and promotion) |
| Environmental | Carbon footprint Pollutants emitted Product impacts Recycling and reuse Water and energy use | Employee engagement Employee privacy policies and practices Employee training and development Health care and wellness policies Human rights policies |
| Social | Community impacts Employee relations Health and safety record Human rights; privacy Product responsibility | Labor relations Organizational capacity development Safety practices Standardization of reporting measures and methods Supply chain management |

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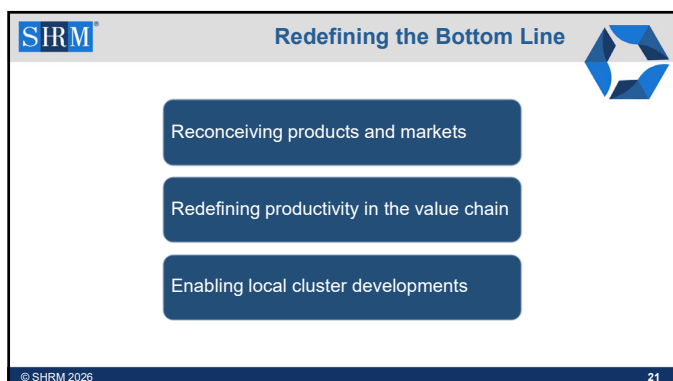
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-
- Strategic benefits include:**
- Improved ability to attract and retain talent.
 - Enhanced innovation and product development capabilities.
 - Reduced costs associated with operations, transportation, and energy use.
 - Increased brand image value.
 - Reduced sanctions.
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-
- Purpose:**
- Provide a detailed picture of where the organization is now.
 - Visualize the direction in which the organization can go.
- Process:**
- Review organization's systems and procedures.
 - Gather input from internal and external stakeholders.
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SIRM CSR Strategy: Infrastructure Creation 

- Help create ethical management and staff
- Serve as a connection with organization's communities
- Examine transgressions for organizational significance
- Make sure employees and suppliers understand ethical requirements and feel supported

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SIRM CSR Strategy: Implementation 

Key tasks:

- Set the strategy.
- Set priorities and objectives:
 - How will intermediate, tactical steps lead to long-term objectives?
 - How will results be measured?
 - Who is accountable?
- Implement the action plan created.

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SIRM CSR Strategy: Evaluation 

- Ensure that measurement and evaluation are keyed to specific goals and objectives.
- Ensure that all objectives have corresponding metrics.
- Systems must be in place for:
 - Reporting and evaluating.
 - Data sharing with marketing and other areas that can profitably leverage the data.

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SIRM CSR Strategy: Reassessment and Revision

Based on evaluation of results...

- Revise tactics and strategic goals.
- Where is the organization along the sustainability maturity curve?
- Provide the entire organization with a clear sense of:
 - Progress achieved.
 - Victories won.
 - Next steps needed.

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SIRM Corporate Philanthropy

- Charitable donations
- Foundations
- Strategic partnerships with nonprofits
- Custom (owned) entity

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SIRM Employee Volunteerism

Levels of corporate involvement

Types of benefits:

- Individual
- Team
- Organizational
- Business

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SIRM **Global vs. Local Philanthropy/Volunteerism**



| Advantage of Globally Integrated Programs | Advantages of Locally Responsive Programs |
|--|--|
| <ul style="list-style-type: none">▪ Lower operating costs▪ Greater shared learning opportunity▪ Strengthen organization's brand and less appearance of exploitation of cause▪ Less favoritism▪ Magnified effect of donations▪ Reduced risk from multiple, little-known causes | <ul style="list-style-type: none">▪ Better understanding of local stakeholder demands▪ Influenced by local philanthropy▪ Create more needed impact in each country▪ Less likely to be copied by competitors▪ Reduced donor fatigue▪ Risk spread across nonprofit partners |

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