

## 17<sup>th</sup> International Conference on Corporate Social Responsibility<sup>^</sup>

### Board's Strategy in Making CSR Inclusive

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Societies around the world face an uncertain future as a result of the negative consequences of collective human activities upon the environment and natural ecosystems (Dasgupta, 2021; Hannah, 2022; UNEP 2019 & 2022). They threaten a shared goal of survival and raise many questions for directors and boards considering how to respond and corporate social responsibility strategies, priorities, policies and practice (Coulson-Thomas, 2022a). What do these damaging impacts and business involvement in the continuing pursuit of unsustainable growth and the risks they pose tell us about our collective corporate purposes, principles and priorities (World Economic Forum, 2022)? Why are the consequences, impacts and implications of so many board decisions and corporate activities not in the best long-term interests of companies, their stakeholders, the environment, ecosystems, wider societies and future generations (Moody-Stuart, 2014; Coulson-Thomas, 2019 & 2021a; Saks, 2023)?

While the expectations and aspirations of many concerned individuals may be changing as they become more aware of the damaging consequences of our collective activities, why are so many corporate boards largely continuing as before with operations and activities that are neither sustainable nor inclusive? Why are the evident negative externalities of current business and economic development models and practices not being more actively assessed and addressed? Is it because some business leaders and boards are in denial or are wilfully ignoring them, or because they do not consider that their responsibilities extend to those adversely affected by them? The 17<sup>th</sup> International Conference on Corporate Social Responsibility (ICCSR) represents an opportunity to consider how board approaches to CSR and CSR strategies might make it more inclusive in terms of whom and what it benefits.

#### Board CSR Strategy for Sustainable and Inclusive Global Economic Growth

The planned actions of Governments ahead of COP 27 were judged by the United Nations Environment Programme (UNEP) to be insufficient to address one of the interrelated existential threats resulting from collective human activities, namely climate change (UNEP, 2022). Many of those already most adversely affected in India are vulnerable social groups (CSE, 2022). The extent to which board CSR strategies contribute to more sustainable and inclusive economic growth may depend upon board corporate responsibility purpose, policies and priorities and whether these embrace the environment, the whole of society and future generations (Mayer, 2018; Coulson-Thomas, 2022b & c). Do UN Sustainable Development Goals (SDGs) need to assume a higher priority in discussion of responsible board leadership and the formulation of board CSR and other strategy (United Nations, 2015; Saks, 2023)?

Board CSR strategies, sit within overall corporate strategies, and should be consistent with and aligned with their other elements, such as those for excellence and innovation. They may reflect the extent to which other strategies and overall board leadership and governance are responsible (Coulson-Thomas, 2022c & 2023). Are CSR and other responsible purposes, policies, priorities and practices influencing board decisions, agendas and future work plans? Are they 'living' and influencing corporate culture and conduct? What more should business leaders do to secure a shared understanding of what constitutes responsible business and champion, promote and support it? Is there scope for legislative reforms to further add impetus and value to CSR boardroom deliberations and CSR practice and impact? What role should a board CSR Committee play in CSR policy, planning and evaluation? How might boards be reinvigorated to develop more proactive and impactful CSR Strategies?

#### Responsible Investment, Innovation and Collaboration

How a board perceives its responsibilities, purpose and priorities, and its goals and objectives, may be particularly evident in where it looks for opportunities for investment, innovation and collaboration (Coulson-Thomas, 2022c). Should the priority given to programmes and targets in support of UN SDGs be an indicator or acid test of responsible leadership (Saks, 2023)? How might CSR be used as a framework for a business response to requirements for environmental responsibility, social inclusion and sustainability, or otherwise contribute to it? Are there ESG and sustainability considerations that need to be aligned and/or integrated with CSR initiatives? Given existential threats and the vulnerability of some communities, is more ambition and are more demanding ESG goals required (UNEP, 2022)? What changes to criteria and/or frameworks and rating systems are required for assessing and reporting ESG investments and responsible business activities and leadership?

Boards and corporate governance arrangements need to ensure that innovation is responsible and that development is sustainable (Scherer and Voegtlin, 2020; Coulson-Thomas, 2022c). Increasingly, effective collective responses require collaboration with other enterprises, public bodies and services, local communities and/or across cities while also embracing their infrastructures. Such collaborations, innovation, investment or disinvestment, and transition and transformation journeys need board attention and appropriate governance. For example, given a past cyclical pattern of innovation, crisis, recovery and reform, is too much hope being placed in arenas of innovation that are particularly demanding of scarce natural capital and energy (Clarke, 2022)? What role should investors and the financial and banking sector play in funding and enabling CSR and responsible business initiatives? How might these better drive social entrepreneurship, innovation, inclusion and sustainable development?

#### Public-private Collaboration for Inclusion and Sustainability

The pre-COP 27 UNEP gap report suggests that as well as Governments not doing enough to address global warming, time for an effective response is running out (UNEP, 2022). Could cities, businesses and citizens rather than Governments lead the battle against climate change (Bloomberg and Pope, 2017)? Could the potential vulnerability of whole communities, cities and societies to climate change and a common and shared goal of survival bring together

hitherto contending and other interests across the public, private and voluntary sectors (Coulson-Thomas, 2022a; IPCC, 2022)? What role can and should corporate boards, Government authorities and public bodies at local, city, state and national level play in initiating and facilitating effective and impactful individual, collective and collaborative responses and socially and environmentally responsible activities? What legal and regulatory changes, incentives or new models of public-private collaboration might be beneficial?

Socially responsible business and innovation strategies could be a route to creating shared value that benefits businesses, their stakeholders and local communities (Nacer, 2021; Coulson-Thomas, 2022c). What role could businesses play in reinventing cities and creating more resilient societies (Dobraszczyk, 2019)? How should boards explore public-private partnerships (OECD, 2001)? What strategies might best ensure their initiation, negotiation, implementation and governance? What public resources, mechanisms and programmes could contribute to them, or would benefit from private and community participation? Will public-private and other collaborations require enhanced business responsibility and sustainability reporting? How might entrepreneurs, SMEs and micro enterprises be more engaged with CSR activities and participate in them? How should boards put the business case for active and responsible corporate citizenship that inspires, bridges and unites business and society (Mayer, 2018; Polman and Winston, 2021; Nacer, 2021; Coulson-Thomas, 2022c)?

#### Global Responsible Business Trends and Social Inclusion

Certain global CSR and business responsibility trends have become apparent as people and organisations become more aware of environmental and social consequences of existential threats and dependence upon international supply chains. Individually and collectively they have implications for social inclusion. Trends that affect people around world include the increasing frequency of extreme weather events and their impacts (IPCC, 2022). These can affect rich and poor alike, but are often experienced disproportionately by those who are less well off in developing countries. India which plans to be the last major economy to achieve net-zero is particularly vulnerable in terms of the number of people at risk. In the first nine months of 2022 extreme weather events occurred somewhere in India on approaching a daily basis, resulting in significant losses of life and livestock and destroying homes (CSE, 2022). In time, as parts of the world cease to be habitable and coastal areas and cities become inundated, whole communities are likely to be displaced. Mass migrations may need to occur.

With existential challenges come related opportunities. The need for climate adaptation and mitigation, more resilient habitats, communities and infrastructures, and transition and transformation journeys to more sustainable operations and lifestyles, create unprecedented possibilities for responsible innovation and social inclusion (Coulson-Thomas, 2022b & c). For example, a responsible course of action such as renewable energy generation can further inclusion objectives by creating job opportunities (Naqvi et al, 2022). What can we learn from social measures and responsibility policies adopted by other businesses and in different sectors and locations? How might local partnerships help (OECD, 2001)? How should social inclusion and other responsibility initiatives and related externalities be considered,

communicated, measured, and reported? What changes to CSR spending disclosure policies and frameworks, and accounting and Integrated International Reporting System processes and practices might be beneficial? How could these further social inclusion ambitions?

### The Future of CSR, Trends and Challenges

Whither CSR? Will it morph into ESG and a wider view of responsible business (Coulson-Thomas, 2022b; Saks, 2023)? Should current CSR discussions and strategies put a higher priority upon environmental issues and concerns and effective responses to existential threats? Environmental risks, namely climate action failure, extreme weather and biodiversity loss, have been assessed as the top three severe risks on a global scale over the next ten years, with two further environmental risks, human environmental damage and natural resource crises, ranked seventh and eighth respectively within the top ten (World Economic Forum, 2022). Does CSR also need to widen collaborations? For example, how might partnering with social enterprises and NGOs increase the scalability and speed up the reach and impact of CSR and other responsibility initiatives and improve their assessment? How could such partnerships, and corporate and collaborative social investment and community development, better create social capital? How should different projects be aligned and coordinated and their enabling and supportive networks mapped, built and sustained?

Whether or not board decisions and corporate conduct are considered responsible and by whom can depend upon one's perspective and priorities, and may be influenced by situation, circumstances and contending pressures. The later could include balancing short-term viability and longer-term resilience and sustainability requirements (Hawkins, 2006). Much depends upon one's view of the purpose of business and what and who it is for (Handy, 2002; Mayer, 2018). New fault lines have emerged between countries exhibiting very different perspectives, priorities and values in their responses to Russia's illegal, unjustified and brutal invasion of Ukraine. What some may view as multiple matters of principle might be seen by others as a business opportunity. Do differing responses to contemporary challenges suggest that notions of responsible leadership and values driven organisations may sometimes be romantic rather than realistic (Barrett, 2006; Kempster and Carroll, 2016)? How will the changing face of CSR, and innovation and other priorities, reflect evident fault lines, reaction against globalisation, and disagreement on what is corporate, social and responsible?

### Corporate Governance, CSR and Creating Shared Value

CSR is associated with the creation of shared value (OECD, 2001; Nacer, 2021). Should it embrace areas such as lifestyle changes or the regeneration of local environments and natural capital? Much will depend upon how it is embedded into corporate governance arrangements and practice, embraced by boards and business leaders, and influences corporate culture and conduct. Shared value may be best created when leadership is responsible and sustainable in relation to the social, environmental and other consequences, impacts and implications of board decisions and corporate activities and operations, and in the best long-term interests of a company and its stakeholders, including the environment, eco-systems and future

generations (Moody-Stuart, 2014; Saks, 2023). How might directors and boards better provide the responsible leadership that is required (Coulson-Thomas, 2023)? Could this be a game changer? What governance and leadership changes are required for more impactful collaborations and partnerships with NGOs and other parties, and journeys to more sustainable and inclusive communities and societies? How can CSR and responsible business initiatives enable local capabilities, resources and support to be accessed and leveraged?

Directorial perspectives should embrace organisations, their value chains and networks of relationships, pressing immediate issues, and longer-term aspirations and considerations. What needs to be done may not easily be delegated to a single department, business unit or function. Directors are expected to exercise independent judgement. There may be tension between short term self-interests and longer-term common interest in collective responses to shared challenges, Are authoritarian and top-down approaches more resistant to challenge, change and pressure for more socially and environmentally responsible conduct? Might more democratic governance practices better enable stakeholder engagement and foster transition towards sustainability (Pickering et al, 2022)? Could greater openness, involvement and collaboration inspire concerned and/or younger citizens, stimulate new approaches, lifestyles and business and organisational models, and stimulate responsible innovation? Will the latter, foresight and moderation ensure the continuing availability of the skills and natural capital required to enable some beneficial technology progression?

#### Achieving a Beneficial Social Impact

Responsible directors recognise that they cannot leave it to Governments or others to do what is required for us to survive and thrive. They can be advocates, educators, ambassadors, initiators and champions of alternative and more resilient, sustainable, healthier and fulfilling ways of working and living. ICCSR 2023 provides opportunities for directors to discuss policies and priorities that could contribute to necessary societal transformation, and learn from CSR, HR and innovation management case studies. It enables engagement, networking and consideration of how responsible leadership and a shared purpose might turn businesses into causes that engender trust, collaboration and support, address realities, innovate, create alternatives and social value, and power progress towards a sustainable and inclusive future.

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^Note: Further information on the 17<sup>th</sup> International Conference on Corporate Social Responsibility which is organised by India's Institute of Directors (IOD) can be found from the Institute's website, and in particular: [https://iodglobal.com/upcoming\\_events/details/17th-international-conference-on-csr](https://iodglobal.com/upcoming_events/details/17th-international-conference-on-csr)