

Forum

CSR international

Responsibility for one world



PREVIEW

Vision for a sustainable world • Why CSR? • The different faces of CSR •
CSR Best Practice • Challenges and solutions • Networking for the future

Megatrends

and the future of Corporate Social Responsibility

Modern companies cannot operate without considering the social and environmental consequences of their actions. They are expected to be socially and environmentally responsible and act in a moral and emphatic manner. Corporate Social Responsibility (CSR) describes the integration of social, ethical and environmental concerns into a company's operations and stakeholder interactions. In effect, CSR is about managing a company's impact on the environment and society.

Over the past decade the importance of CSR for company success has increased dramatically. Today CSR is about saving costs, being an attractive employer and partner, finding innovative solutions, and being competitive. Crucially, CSR has become profitable. The following five key megatrends highlight why the business case for CSR will continue to grow and why, contrary to popular misconception, CSR is not just a short-term trend.

Globalisation – Global business, local CSR

The social and environmental impact of business operations and products is increasingly measured on a global scale. Today it matters how Chinese suppliers treat their workers and

whether Peruvian coffee is grown under fair trade conditions. Companies that lead the field in CSR often have a competitive advantage over their rivals; in an increasingly moral economy product features like fair-trade can be a powerful value-adding feature. As a result, CSR will continue to spread across the supply chain and across borders.

Climate change, urbanisation, and poverty are global challenges that require global solutions. With their capital, power, and innovative potential, firms have a moral responsibility to help solve these problems. As a result, CSR has to consider an ever-increasing range of social and environmental factors from around the globe. Finally, globalisation results in an intensified scramble for resources, capital, labour and market share. CSR helps companies to raise their attractiveness as a customer, partner, employer, or supplier.

New consumption patterns – The moral economy and informed consumers

Over the past years consumption has changed dramatically. Environmental awareness, rising health concerns, and a widespread call for efficiency have fostered consumers that long

for a more sustainable and healthy lifestyle (LOHAS). In the United States 79 percent of consumers say that the sustainability of a product matters when making a buying decision. Ethical consumerism is the new moral benchmark, reflecting not only one's social status, but also one's norms and values. CSR helps to ensure that the products and services a company offers adhere to the social and environmental standards consumers are seeking.

In a customer-driven economy companies have to reinvent themselves. Through the emergence of Web 2.0 and social commerce privacy and secrecy have been replaced by transparency and publicity. Companies that do wrong are punished by an outcry of public anger and a subsequent devaluation of their public image. Those that rely heavily on intangible assets, like reputation, brand image, and trust are particularly vulnerable. CSR can manage these risks, avoid scandals, and help companies gain a unique selling position.

Changes in the world of work – Winning the war for talent

The worldwide war for talent will continue to expand. The modern worker is much more mobile, and qualified workers are increasingly



scarce. Companies must provide the right incentives to retain and attract employees. In countries like Denmark, where unemployment is low, a company's CSR policy is a key determinant of its attractiveness as an employer. In a survey of privately held businesses (Grant Thornton) 65 percent of the respondents cited that recruitment and retention of staff was the most important factor for doing CSR. Saving the planet came fifth. CSR is the new measure of corporate culture, the binding component between different departments, and a key determinant of a company's innovation policy.

Energy and resources – Towards sustainable business

Until 2030, global energy demand is predicted to grow by 55 percent. At the same time the amount of available resources will continue to decline. By 2025, the number of people living with extreme water scarcity will rise to a quarter of the world's population. In the future, the scramble for resources will be a major cause of conflict.

Sustainability and efficiency initiatives save costs and increase the value of the company. The FTSE4Good Index and the emergence of external CSR rankings (for instance Sustainable Value) highlight how companies are increasingly assessed in terms of their sustainability and CSR activities.

Climate change and environmental pollution – Finding solutions

Climate change is perhaps the biggest social, economic and environmental challenge facing the planet. Rising sea levels, increasing droughts and famine, and a decrease in water availability will have dramatic impacts. In Africa millions of people will suffer from water stress, Asia will be subject to widespread flooding. Environmental pollution will cause further health problems. Companies play a key role in addressing these problems. They have the capital and innovative potential to provide solutions. Solution-oriented CSR is the key vehicle to promote sustainability and avert widespread disaster.

for company success. It will impact the nature of competition, foster the development of sustainability-related innovations, and facilitate the emergence of new, more successful, business models. As companies are forced to become more socially and environmentally responsible CSR will move into boardrooms and tighten its influence on decision-making processes. For the future world of business, CSR is clearly not a short-term phenomenon, but a trend-driven necessity.

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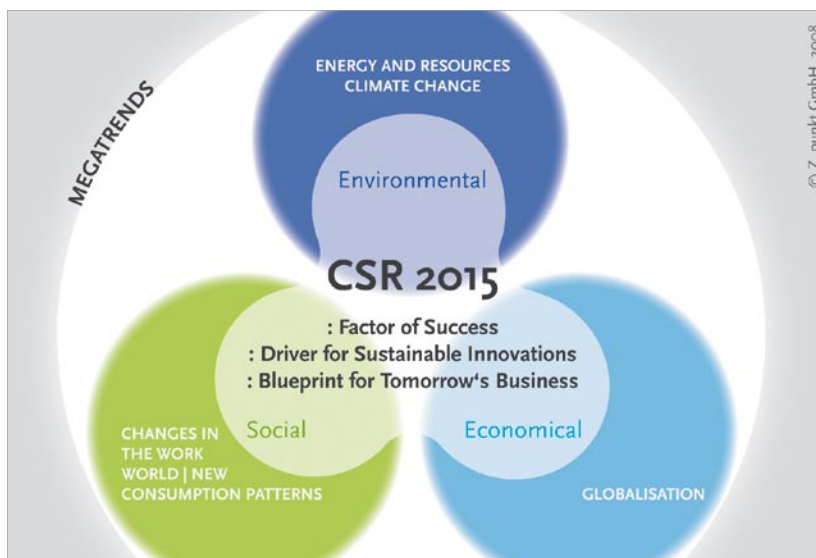


Klaus Burmeister is Z_punkt's founder and managing partner. He is responsible for the innovation and Foresight processes of renowned companies. A high-voltage electrician by trade, Mr. Burmeister majored in political science and afterwards spent several years as a researcher at the Free University of Berlin, at the Institute for Future Studies and Technology Assessment (IZT), and at the Sekretariat für Zukunftsforschung (SFZ – Sekretariat for Futures Studies).



The Foresight Company

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CSR 2015: Business Blueprint for the Future

The solution is to be more efficient and promote sustainability. CSR-led initiatives can offset rising prices, provide a competitive advantage, and act as a major tool for the aversion of social crisis. CSR is no longer just about being good, managing the public image, or improving products:

CSR could be the business blueprint for the future. It will reshape business ecosystems, changing the way companies are organized and engage with their stakeholders. In a customer-driven economy, CSR will be actively managed, an integral part of company strategy, and a hard factor