



accsr

Australian Centre for Corporate Social Responsibility

THE STATE OF CSR IN AUSTRALIA AND NEW ZEALAND ANNUAL REVIEW 2015

Auckland Launch

1 July 2015



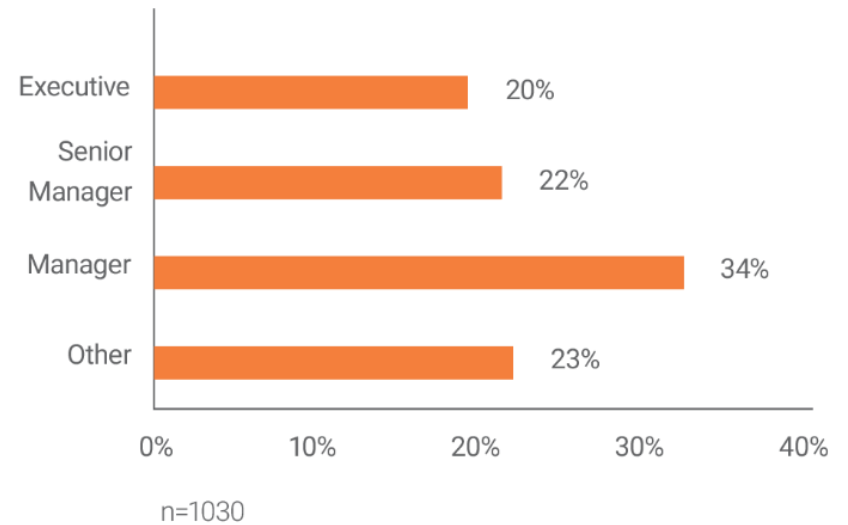
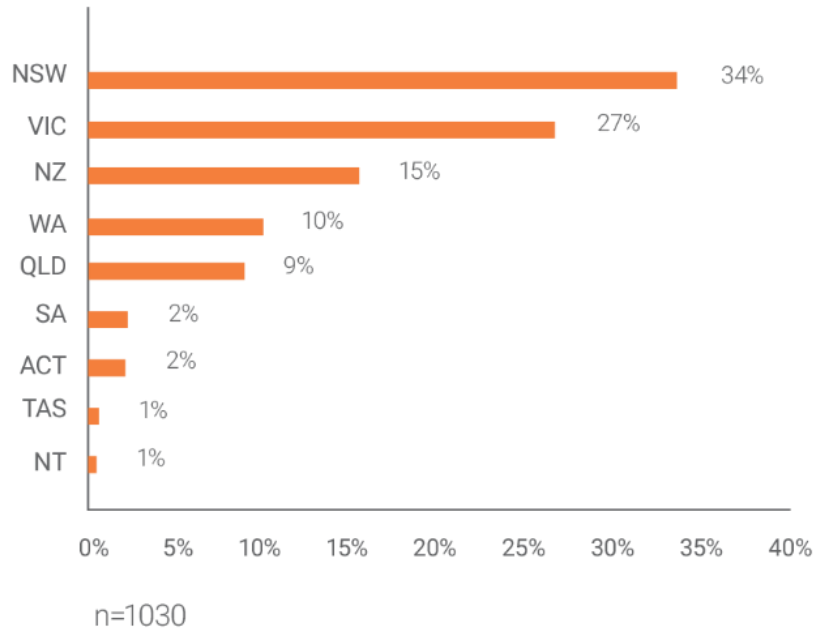


ABOUT THIS YEAR'S REVIEW

- Largest response ever, 7th year
 - Best response to date from New Zealand
- Special focus on stages of CSR development and the role of the CSO at each stage
 - Inspired by Harvard Business School Working Paper 15-011, 2014
- Re-examination of CSR and innovation
 - Progress since 2012
- Ongoing examination of priorities and capabilities



DEMOGRAPHICS



Over 150 participants from New Zealand

Wide range of industries



DEFINITION OF CSR

“Social responsibility is the responsibility of an organisation for the **impacts** of its decisions and activities on society and the environment, through transparent and ethical **behaviour** that:

- Contributes to **sustainable development**, including the health and the welfare of society
- Takes into account the expectations of **stakeholders**
- Is in compliance with applicable **law** and consistent with international norms of behaviour, and
- Is **integrated** throughout the organization and practised in its **relationships.**”

-ISO 26000



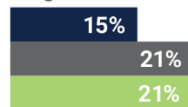
STAGES OF CSR DEVELOPMENT

Stage	Description
Compliance "Initiators"	The point when most companies first engage with sustainability. One of the most difficult challenges facing the CSO in this stage is to push the company leaders and investors to get out of the "trade-off" mentality. The CSO needs to be able to discuss the sustainability strategy of the firm with investors by using the language of the capital markets.
Efficiency "Integrators"	Sustainability has achieved a new level of strategic focus and its importance has become significant enough to warrant increased discussion by the Board. The CSO should work to engage as many people and groups as possible. The CSO can help leaders and others in the organisation think about the changes through their own area's lens.
Innovation "Innovators"	The role of the CSO tends to gain an increasing level of authority. Many take the lead in formulating vision and strategy in this stage and identify the company's unique position with respect to future global challenges.

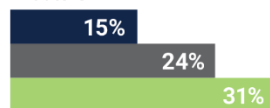
Innovators



Integrators



Initiators



In their words...

Innovators

"A key challenge is ensuring value creation. We don't do sustainability for the sake of doing it but to give value to both the stakeholders and our organisation."

Integrators

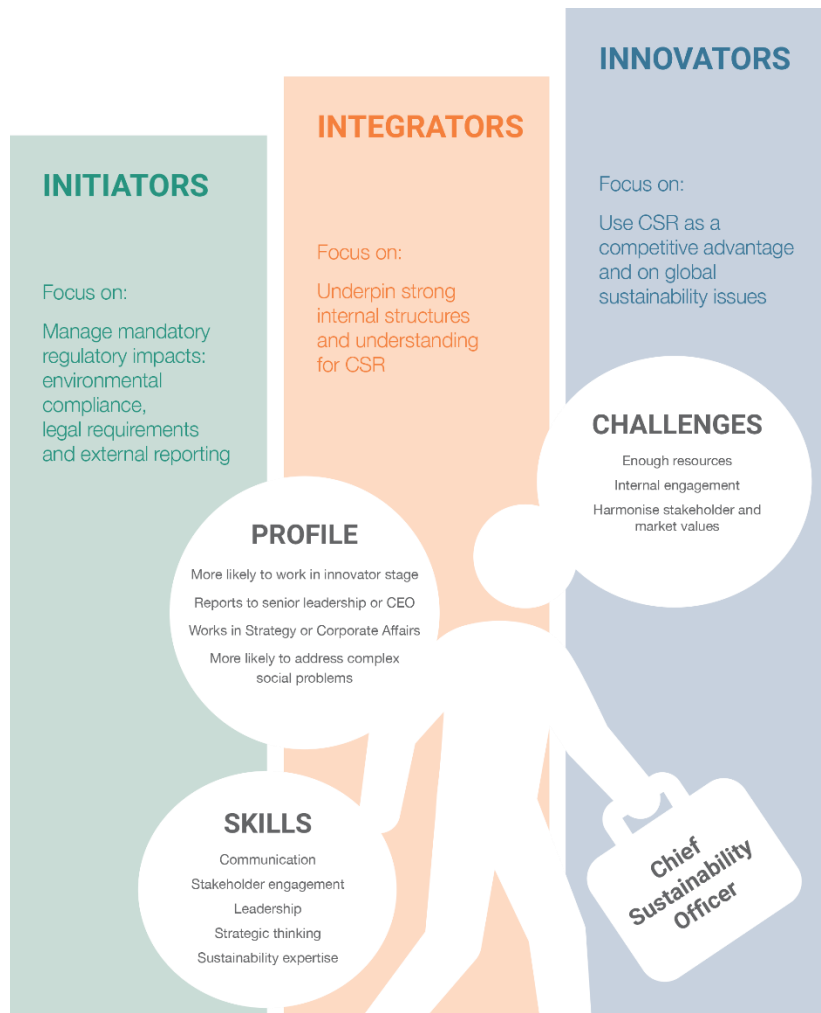
"How can we create a groundswell of support and motivation from people at all levels to understand the key issues and work to drive the business forward and be a leading force for change."

Initiators

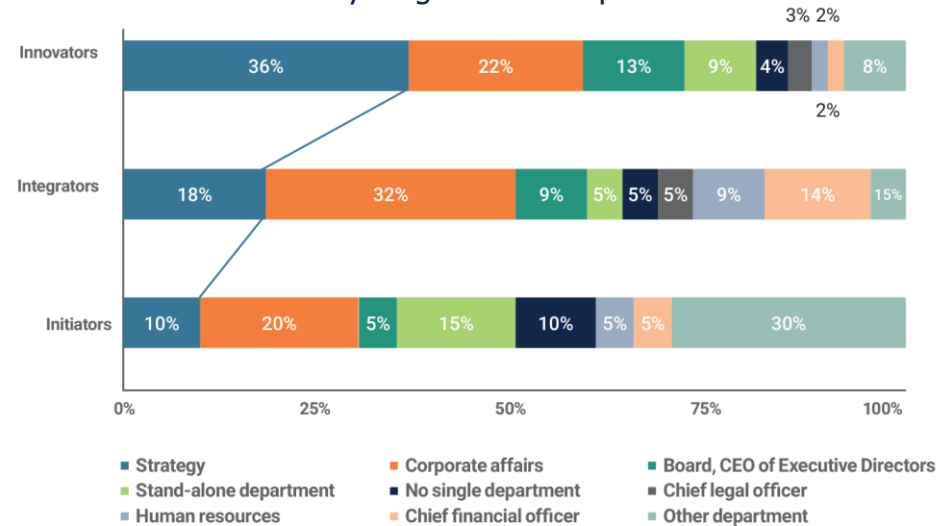
"Going beyond compliance is a challenge. We need a strong vision (...) to help us drive and improve our CSR/ sustainability awareness and application."



THE CHIEF SUSTAINABILITY OFFICER



CSR structure by stage of development



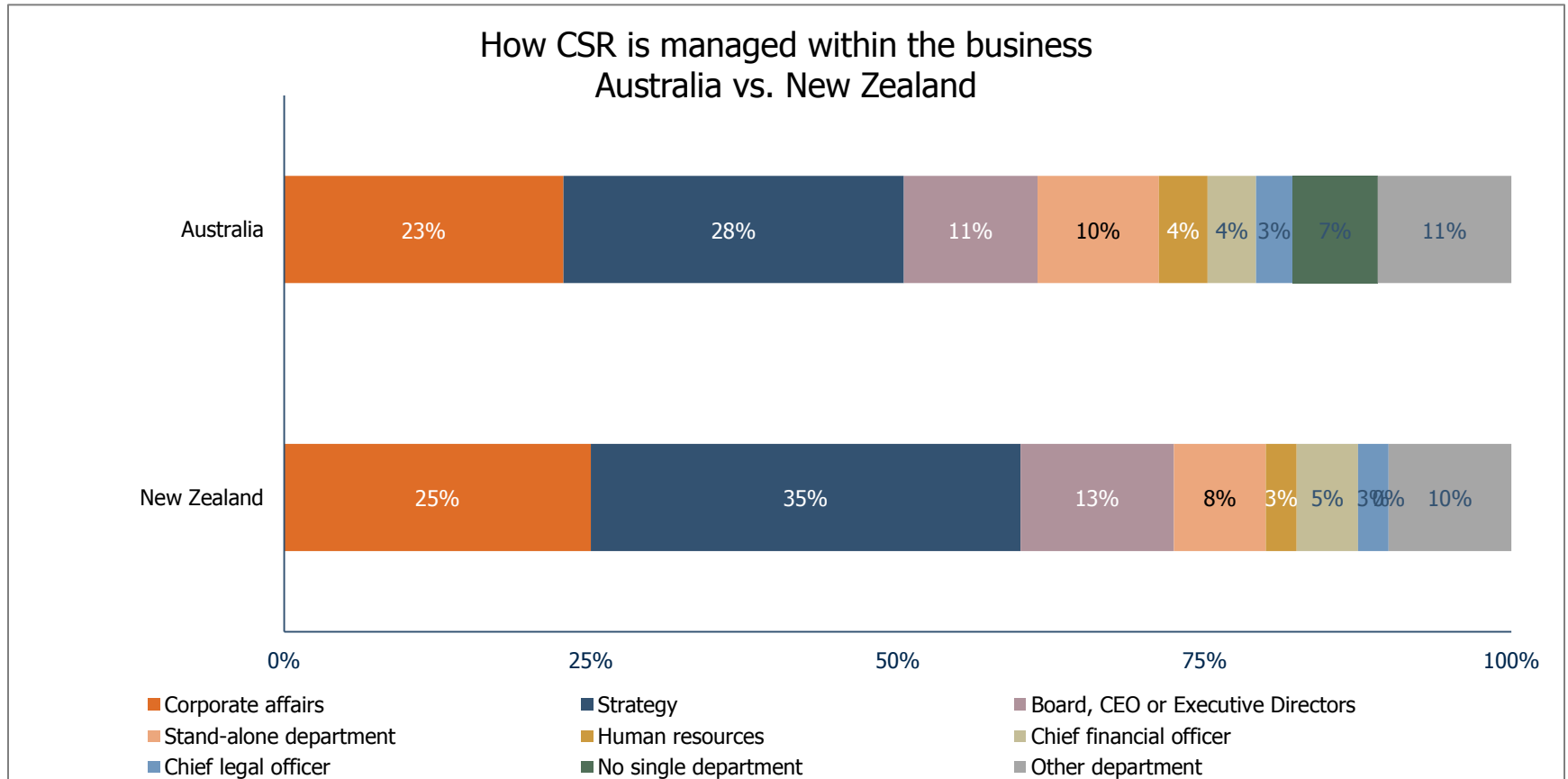
n=130

In their words...

"What skills does a CSO need? Communication (the ability to articulate the value of sustainability and CSR at various levels of the business, using the right language to get buy-in and support), open-mindedness (being open to new ideas and innovations and striving to push the boundaries to improve our performance), and collaboration (the ability to effectively engage people at all levels of the organisation to support and drive sustainability and CSR objectives)."

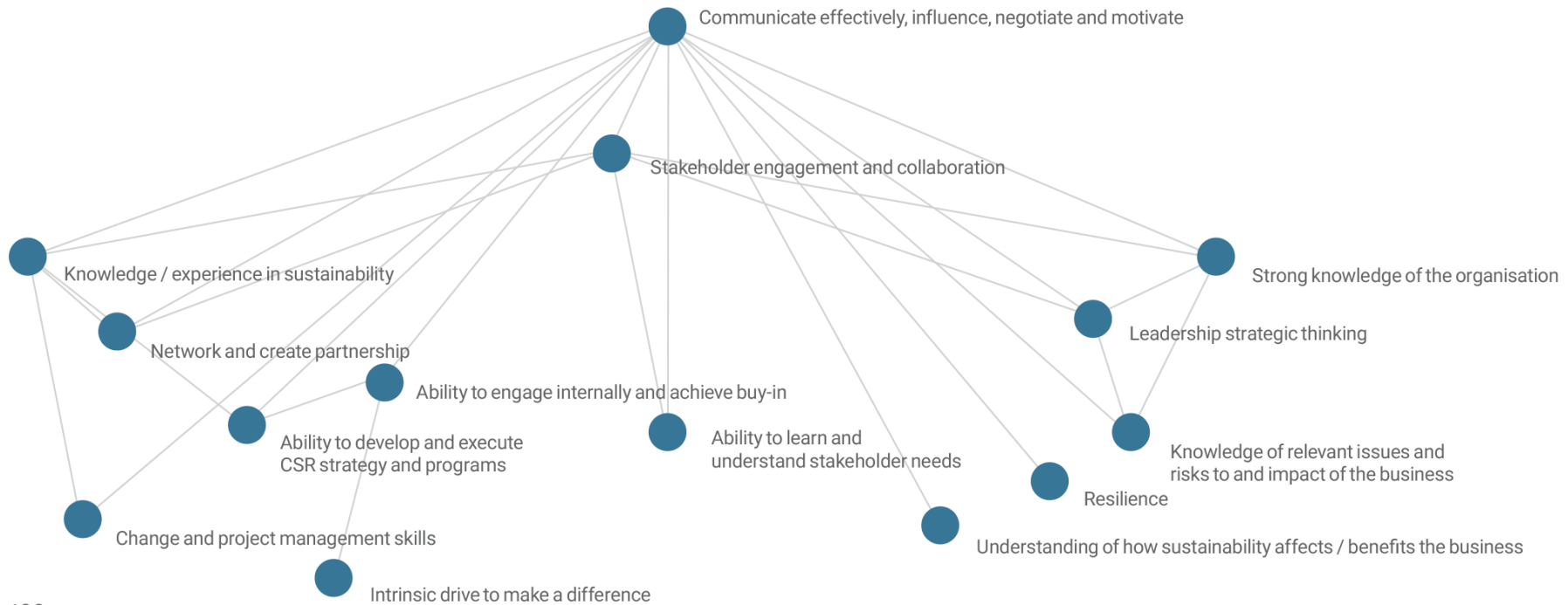


IN NZ CSR IS MOST LIKELY TO BE MANAGED IN STRATEGY DEPARTMENT





SKILLS OF THE CSO



n=130



CSR AND INNOVATION

Rise of the Shared Value agenda?

2015 69%

2012 63%

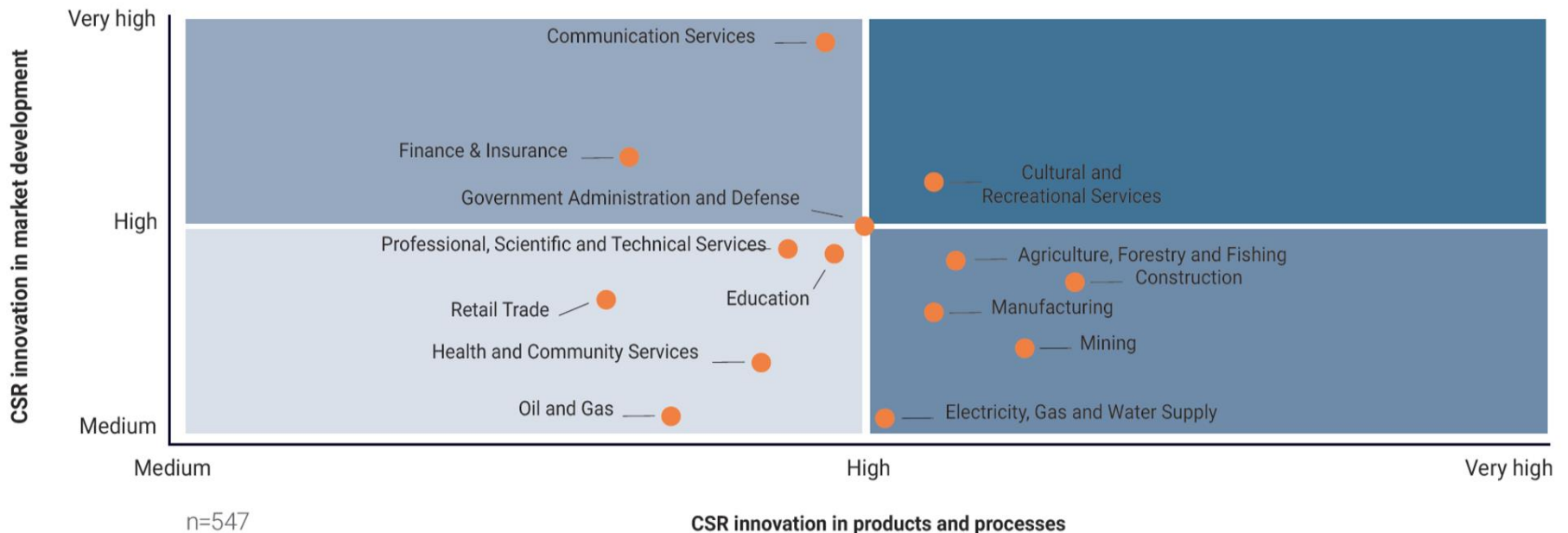
CSR innovation in products and processes

2015 66%

2012 51%

CSR innovation in market development

n=547





CSR PRIORITIES IN 2015

Top priorities:

- Building stronger relationships with stakeholders
- Promoting diversity in the workplace
- Measuring impacts and outcomes of CSR activities

Global sustainability issues most likely to be a high priority for 'Innovators'



n=558

● Initiators ● Integrators ● Innovators



NZ PRIORITIES IN 2015

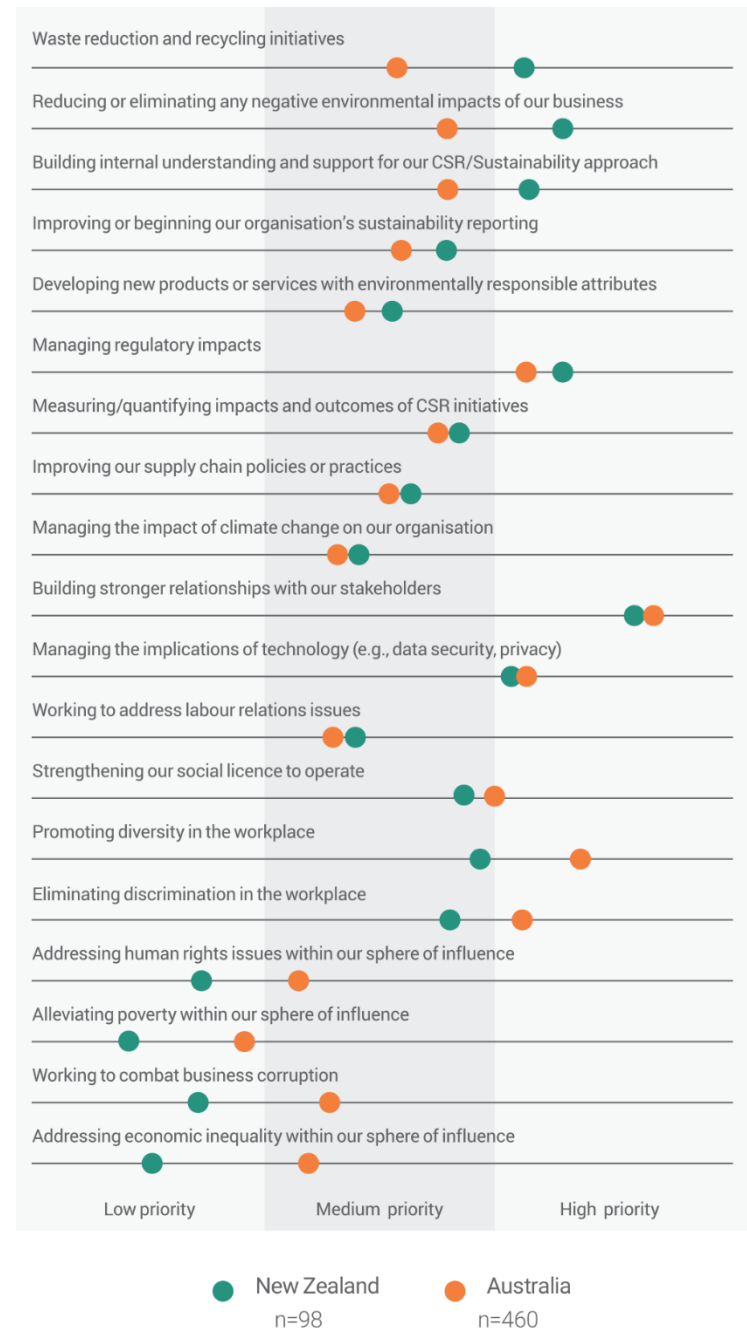
NZ places **higher priority** on:

- Environmental impacts
- Building internal support
- Managing regulatory impacts

And **lower priority** on:

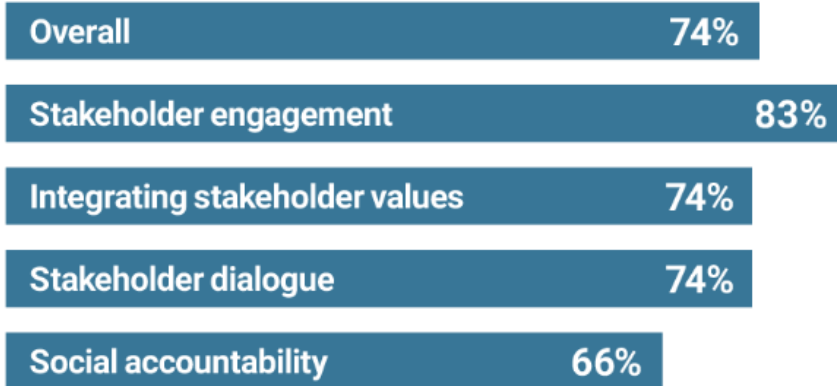
- Global sustainability issues
- Human rights

The highest priority is building stronger relationships with stakeholders





CSR CAPABILITIES



n=823

No significant differences between Australia and New Zealand

CSR capabilities are powerful drivers of performance

SoCSR 2008 report showed that stakeholder engagement most strongly associated with improving reputation, reducing risk, avoiding conflict and increasing competitive advantage

STAKEHOLDER ENGAGEMENT – People in our organisation understand the linkages and interdependencies between us and our stakeholders that contribute to long-term prosperity. Our staff or members routinely consider stakeholder needs in business decisions.

STAKEHOLDER DIALOGUE – We respect our partners in dialogue by displaying empathy, honesty and non-manipulative intent, and encourage equal control over and initiative in the communication process.

INTEGRATING STAKEHOLDER VALUES – Managers are able to effectively detect and transmit value-pertinent information about stakeholders to all parts of the organisation to assist in business decision-making.

SOCIAL ACCOUNTABILITY – Our people believe that our organisation is accountable to stakeholders for the firm's social impacts and we effectively report our social performance, even when the news is not all good.



THANK YOU





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