

Carenomics For Beginners

Unit 1

Why should
businesses be
socially responsible?



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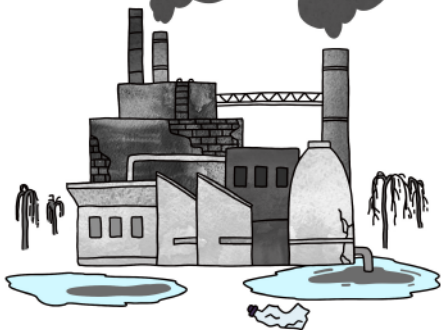


Corporate social responsibility is the policy of companies in the areas of charity, environmental protection, and human rights, which reflects on the level of life and well-being of society.

Corporate social responsibility is voluntary for each company; these are the commitments that a company undertakes beyond what is legally required.

Through these commitments, it positively impacts society — by creating a useful product itself, drawing attention to certain problems, or helping those who do something useful — volunteers and NGOs.

Corporate responsibility can be very diverse, including external efforts such as aiding other organizations and NGOs, as well as focusing on changing the workings of the company itself — turning it into a more sustainable entity, establishing standards for social support for employees within the company, and completely restructuring business processes so that the entire operation becomes socially responsible.



Unit 1 Why should businesses be socially responsible?

European and American companies began to implement elements of social responsibility as early as the 19th century, but back then, these were unsystematic in nature. The concept of 'social responsibility' was introduced by the founder of 'US Steel,' Andrew Carnegie, in his book 'The Gospel of Wealth.' There, he articulated 'principles mandatory for every self-respecting capitalist.'



Andrew Carnegie
1835 - 1919

Specifically, that wealthy people should use their money to improve the welfare of the poor and see themselves not as owners of their subordinates, but as managers of resources, which should be managed for the benefit of the community.

Carnegie himself invested \$350 million in charity and built 2,000 public libraries.

Another renowned businessman, Rockefeller, donated \$550 million and created his own charitable foundation



John D. Rockefeller
1839 - 1937

Edited by Edward C. Kirkland

Unit 1 What are the benefits of implementing social responsibility in a company's operations?



First and foremost, companies that pay attention to the development of corporate social responsibility have a better reputation among

- investors,
- business partners,
- consumers,
- employees,
- and potential employees.

The younger generation is increasingly concerned about the state of the environment and caring for those in difficult situations.

77% of American consumers prefer to buy products

from companies that, in addition to making a profit, pay attention to making the world a better place.

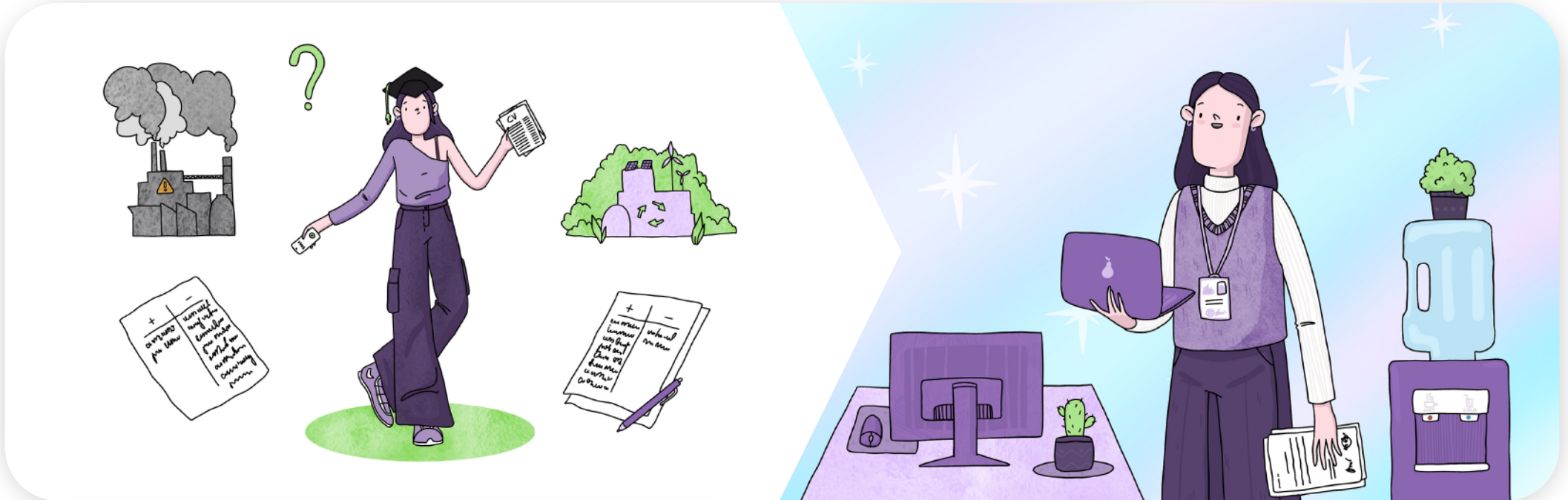
Meanwhile, 73% of investors

consider a company's impact on the environment and its overall reputation when making investment decisions.

As a result, 59% of organizations with developed social responsibility have **increased their profits by 10%** over the last three years.

Unit 1 What are the benefits of implementing social responsibility in a company's operations?

Similarly, as consumers want to buy from socially responsible companies, employees are better motivated to work for firms that improve the world around them.



90% of employees

working in a company with strong social responsibility affirm that they are **more motivated and inspired** at work compared to those working in conventional companies. They are also more **inclined to recommend job vacancies** at their companies to friends who are job hunting.

88% of employees

believe it is no longer acceptable for companies to earn profits in ways that harm society.

95% of employees

assert that companies should benefit everyone around them - both employees and the society they work with.

Unit 1 What are some real examples of socially responsible and successful companies?



Ben & Jerry's, an ice cream cafe chain

This chain has made CSR (Corporate Social Responsibility) the foundation of its image: they were among the first in the U.S. to offer social benefits to employees in same-sex unions, use only Fair Trade ingredients, and in Vermont, they created a farm that employs people recently released from prison. Moreover, in their social networks, they often speak out on social and political topics, such as against prison sentences for cannabis use.

LEGO is known as a children's toy manufacturer, but the company is also a leader in the fight against climate change. In 2020, they pledged to make all toy packaging fully recyclable by 2025. LEGO invested \$400 million in educational programs for children that teach the basics of an eco-friendly lifestyle, as well as in reducing the carbon footprint from production and transportation of goods. By 2030, LEGO plans to transition to completely sustainable practices.

LEGO



IKEA

One of the world's most famous furniture brands is known for its sustainability development programs. The corporation invests in solar and wind energy, reduces energy consumption in its own production and stores, and plans to reduce its carbon footprint by 80% from 2016 levels by 2030. Additionally, IKEA adheres to principles of equal employment and implements programs to support workers with a migrant background.

Unit 1

Social responsibility is an investment. It is an investment in a more prosperous world overall and in more successful business in particular. It is an investment in a community of people close to your spirit. Moreover, social responsibility is not necessarily about financial investments: one can be a socially responsible business without spending additional funds.



There are many ways to make the world a better place. And we will talk about this next time!