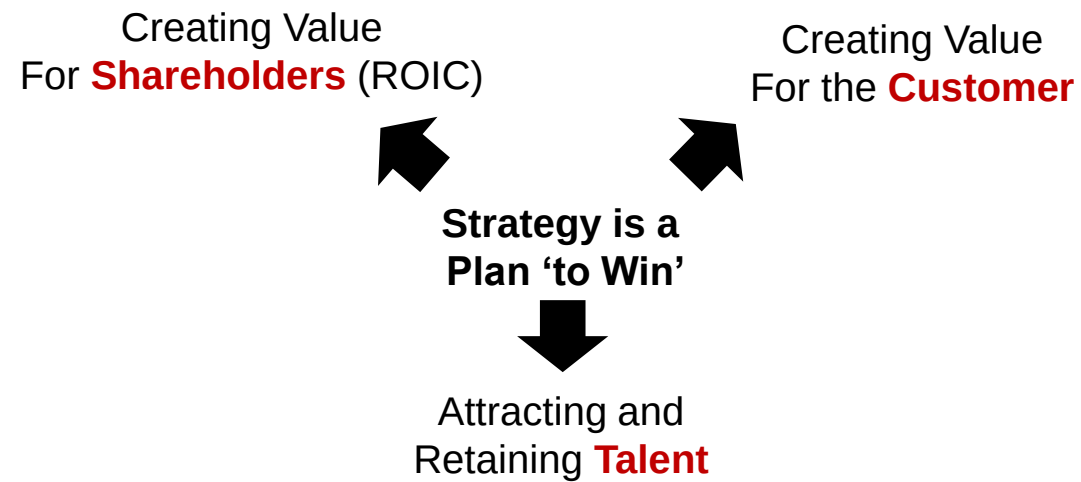


Corporate Social Responsibility

What is Strategy?



As a member of the society, companies have the duty of:

1. Act in an ethical manner
2. Be socially responsible
3. Adopt business practices that conserve natural resources, protect the interest of future generations, and preserve the well-being of the planet

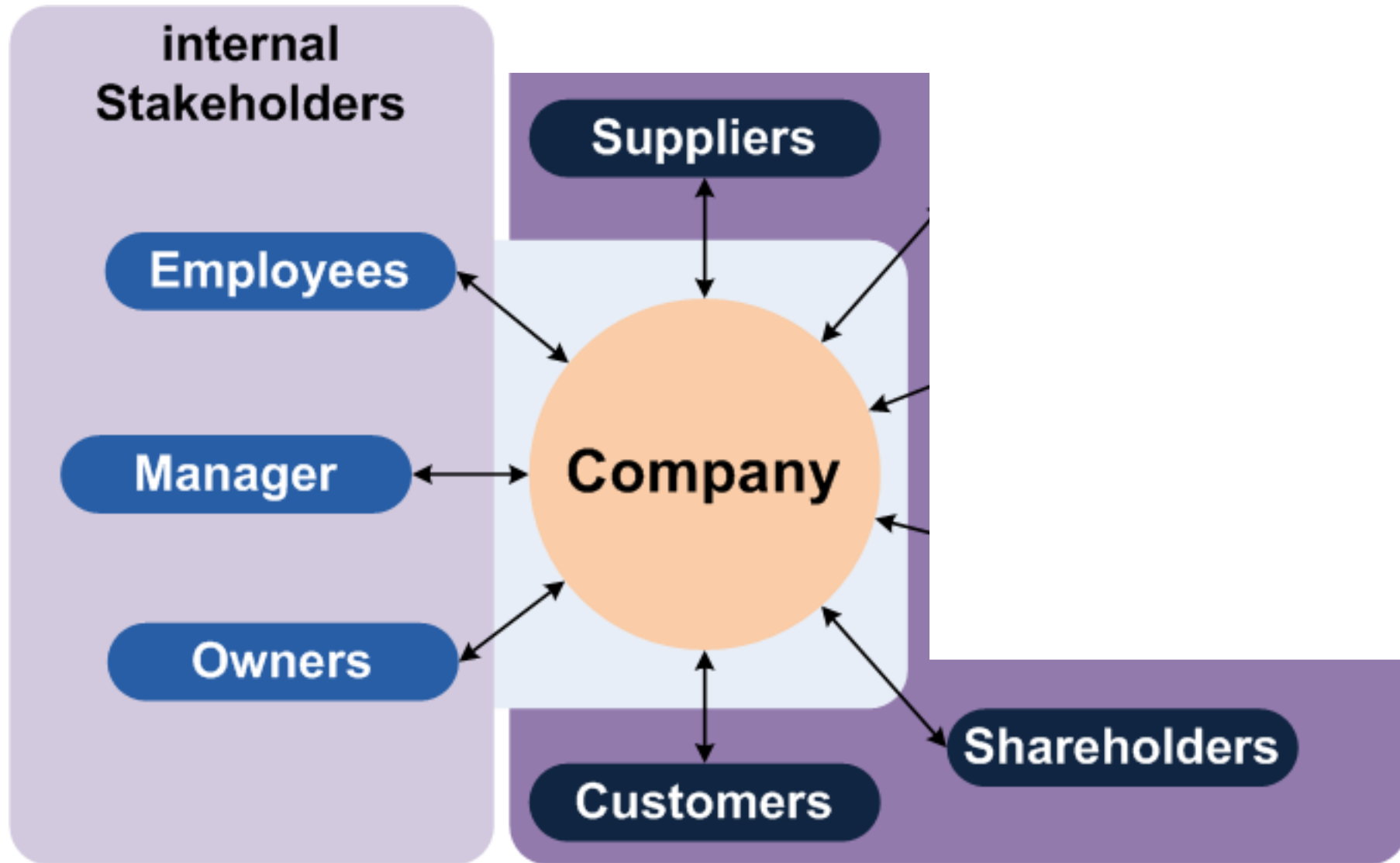
Corporate Social Responsibility

- Corporate social responsibility (CSR) entails undertaking actions that earn trust and respect from all stakeholders.

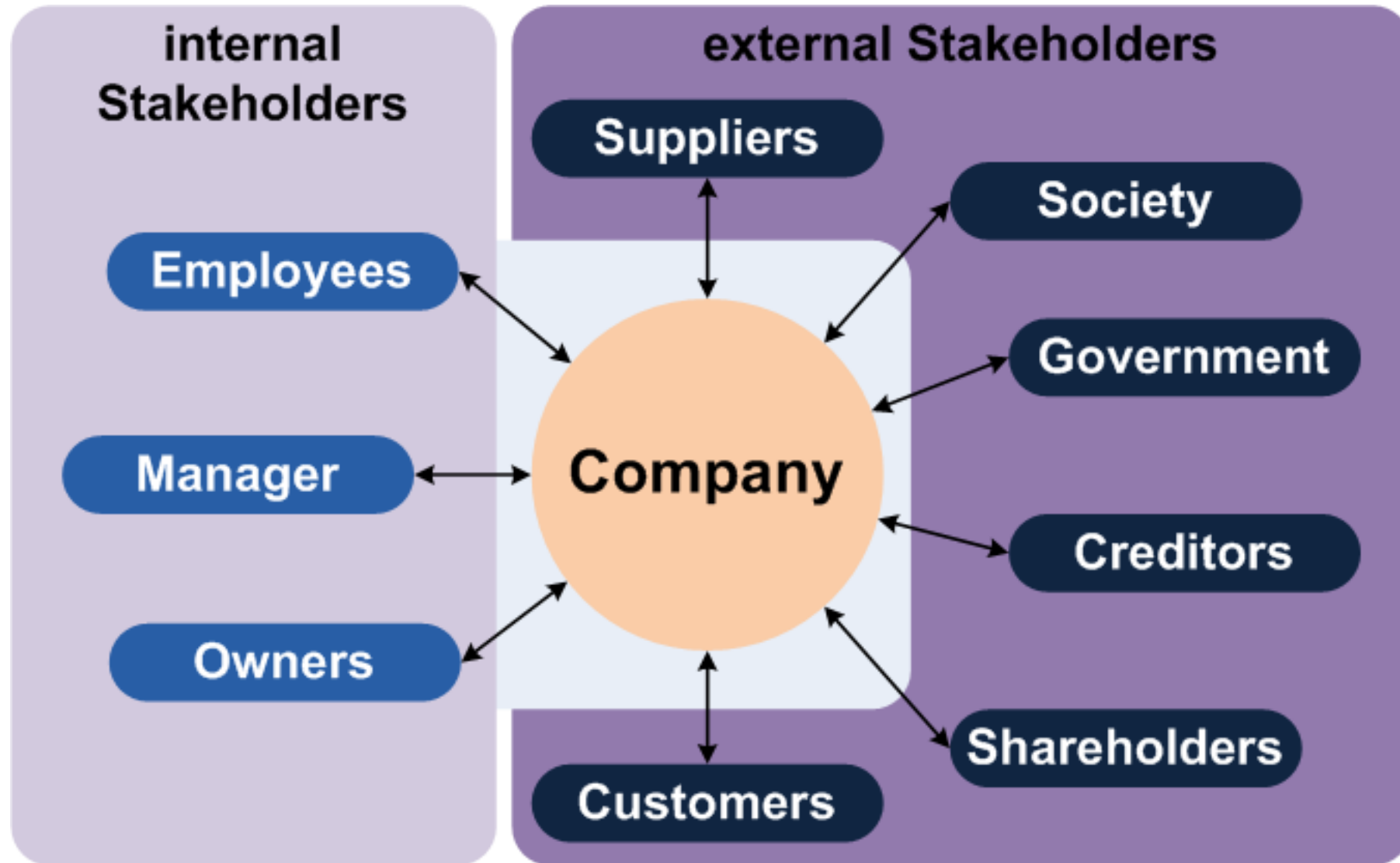
The Stakeholder Theory

- Freeman, R.E., 2010. Strategic management: A stakeholder approach. Cambridge university press.





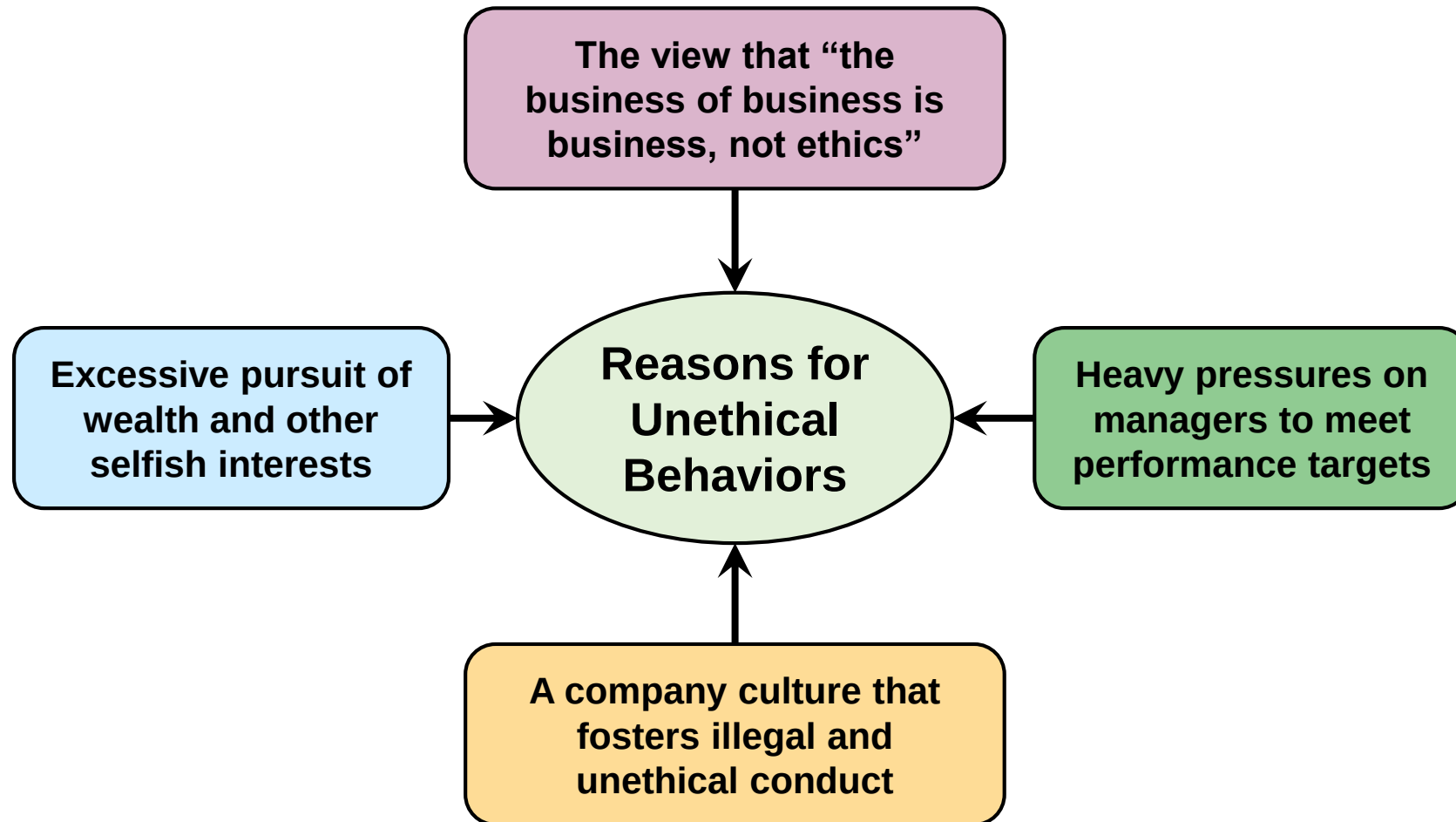
Stakeholder view of the firm



Business ethics

- **Business ethics** involves the application of general ethical principles to the actions and decisions of businesses and the conduct of their personnel.
- Examples of unethical business practices
 - Misleading product information (e.g. Volkswagen in 2014)
 - Unfair competition (e.g. monopoly)
 - Mistreating employees (e.g. Foxconn in 2010)
 - Manipulating accounting numbers (e.g. Toshiba in 2015)
 - Bribery (e.g. to government officials)

Drivers of Unethical Business Behavior



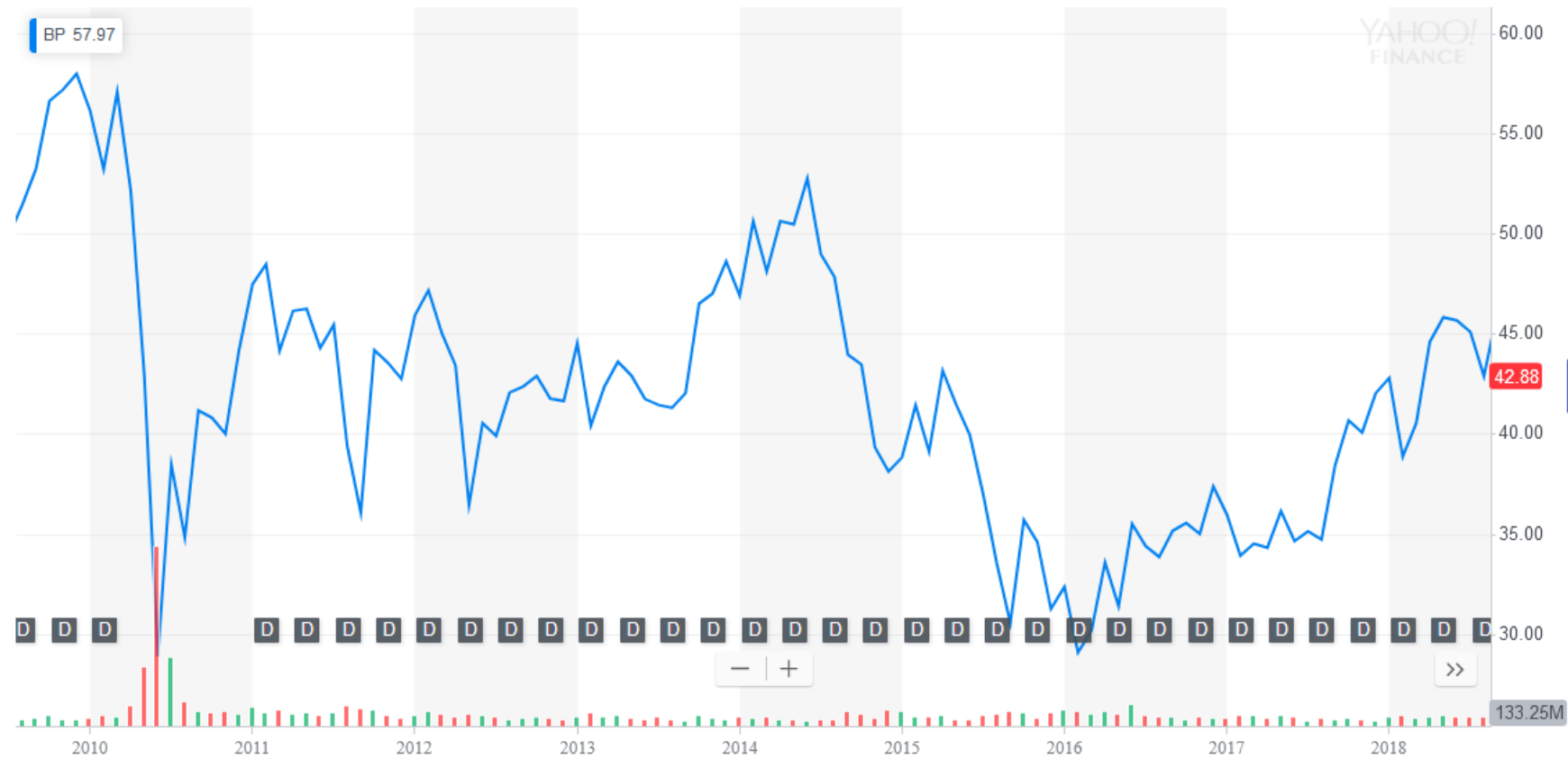
Do investors really care about corporate social performance?

BP's oil spill in 2010



https://youtu.be/_tq91E9WRRY

BP's stock price



Source: yahoo finance

CSR can be a differentiation strategy

- Make the connections with a group of customers
- Enhance reputation
- Mitigate risks

CSR programs:

- Conduct ethical behaviors
- Making charitable contributions, supporting community services, engaging in broader philanthropic initiatives
- Protect environment
- Create a work environment that enhances the quality of life for employees
- Build a workforce that is diverse with respect to gender, race, national origin, and other aspects

Exercise example: apple

Apple Values

Accessibility

Education

Environment

Inclusion and Diversity

Privacy

Supplier Responsibility

Environment

Employee

Customer

Supplier

About Apple

Newsroom

Apple Leadership

Job Opportunities

Investors

Events

Contact Apple

- <https://investor.apple.com/apple-esg/default.aspx>

