

SOCIAL RESPONSIBILITY

2

PAPER

CSR & CSI

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TOPIC

SOCIAL RESPONSIBILITY

Define/Elaborate on the meaning of social responsibility.

- Businesses have the responsibility to balance their operations between economic development, the well-being of the community, and looking after the environment.
- Avoiding any actions that could harm the environment, for example exploiting natural resources.
- Implementing initiatives that can benefit the society.

Explain the relationship/link between social responsibility and triple bottom line.

Social

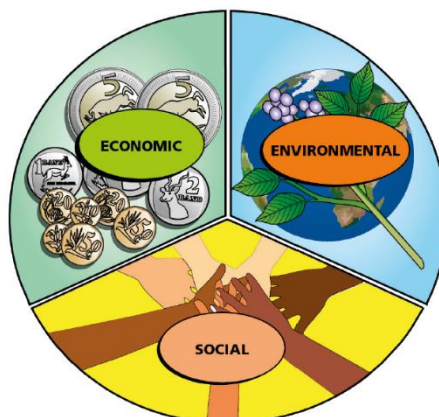
- Businesses should not harm or exploit people, their employees, customers, or the community.
- Businesses should contribute to the well-being of all their stakeholders.

Economic

- The triple bottom line means that businesses should not only focus on their profit and charge high prices but should also invest in CSI projects.
- Businesses should not make a profit at the expense of their community.

Environment

- They should support energy-efficient or eco-friendly products and production methods.
- They must take part in recycling or re-use of waste, for example, making use of recycled material for packaging or in products.



SOCIO-ECONOMIC ISSUES

Identify/Name the following socio-economic issues from given scenarios/statements:

- HIV/Aids
- Unemployment
- Poverty

Recommend/Suggest ways in which businesses can deal with the above-stated socio-economic issues.

Strategies to deal with HIV/AIDS

- Participate in the existing HIV/AIDS prevention programmes implemented in the community.
- Develop counselling programmes for infected employees and their relatives.
- Conduct workshops on HIV/AIDS programmes and support HIV/AIDS campaigns.

Strategies to deal with unemployment

- Provide skills development training within the community through learnership programmes
- Offer bursaries to the community and the employees to improve their level of education.
- Conduct entrepreneurial programmes that can promote self-employment.

Strategies to deal with poverty:

- Donate money and food parcels to local NGOs
- Invest in infrastructure and housing programmes in local area.
- Offer the best volunteering programs to identify and attract potential employees.

Suggest ways in which a business project can contribute towards improving the well-being of their employees:

- Provide recreational facilities for employees and encourage them to stay fit and healthy.
- Start nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition.
- Provide transport for employees who usually work long hours.
- Conduct team-building session to improve employees' morale.

Suggest ways in which a business project can contribute towards improving the community:

- Charitable contributions to NGO's. Eg. How Chefs That Care contribute towards communities in which they operate.
- The business can be involved in community education, for example, the 'Take a child to the workday' initiative.
- The business can employ members of the local community in their projects for the community, for example, Granny's Green Nursery.
- Businesses can encourage their employees to participate in volunteer programs taking place in the local community. Eg. Grand West School Renovation Programmes.

CORPORATE SOCIAL RESPONSIBILITY/CSR

Define/Elaborate on the meaning of CSR

- Corporate Social Responsibility (CSR) is the continuous commitment of a business to act ethically, contribute to economic development, and positively affect its stakeholders.

Describe/Explain the purpose of CSR

- Business can gain economic advantages for example by gaining credits for controlling carbon emissions.
- Want to comply with expectations of government and the law for example, by not exploiting natural resources.
- Society expects of their contributions and they want to live up to society's expectations, for example by looking after the wellbeing of the community.
- Business operations address the triple bottom line through CSR programs to be listed on the JSE SRI.

Identify/Name/Outline the components of CSR: environment, ethical corporate social investment, health and safety.

Environment	Businesses must take care of the environment by participating in environmental programmes like recycling waste, reducing their carbon emissions, and so on.
Ethical corporate social investment	The business is compelled to look after human rights like respect for employees, customers, and suppliers. For example, they must ensure good treatment of workers, safe products for customers, and fair trade with suppliers
Health and safety	The business must ensure that the working environment is safe for all stakeholders
Corporate governance	The business must always be accountable, transparent, and comply with the law, as suggested by the King IV code.
Business ethics	Every business must integrate its core values like honesty, respect, and fairness into all its policies and practices
Employment equity	to comply with the laws, business must have diversity, equity and equality in the workplace as prescribed by the EEA and other Acts
Supply chain	Bad practices of business associates reflect negatively on the business. They must influence the entire supply chain to take part in good CSR practices.
Customers	Customers consider the manner in which goods and services are produced by the business in addition to the cost and quality. Customers are also concerned with the impact of the business's practices on the environment and community.
Community	Business must be in close contact with its community to know their real needs, issues and risks before the business can develop a CSR strategy for the community.

Identify CSR programmes from given scenarios/statements.

Explain/Discuss/Evaluate/Analyse the impact (positives/advantages and/or negatives/disadvantages) of CSR

Impact on BUSINESSES

- + Businesses gain tax advantages such as tax reduction or tax rebates.
- + CSI promotes customer loyalty, which may result in more sales.
- Businesses find it difficult to adhere to legislation governing CSR.
- It is difficult for small and medium enterprises to implement CSR programs.

Impact on COMMUNITIES

- + Better educational and recreational facilities are established in poor communities.
- + The provision of bursaries increases the level of education and enables the community to apply for jobs.
- If CSR programmes are not sustainable, they can harm the community.
- Businesses are not always equipped to address social problems.

CORPORATE SOCIAL INVESTMENT/CSI

Define/Elaborate on the meaning of CSI.

Corporate social investment (CSI) is the funds and / or other assets from the business allocated to a project that aims to improve the standard of living of members of the community.

Explain/Describe the purpose of CSI.


- It aims at contributing towards the sustainable development of its immediate communities.
- The law and government require a business to make CSI contributions.
- CSI projects reveal a positive business attitude towards the local community and help the community to develop.
- The CSI projects are long-term investments and must be sustainable.

Name/Outline CSI focus areas



Explain/Distinguish/Differentiate between CSR and CSI.

CORPORATE SOCIAL RESPONSIBILITY	CORPORATE SOCIAL INVESTMENT
The focus is on increasing image and profits.	The focus is on the upliftment of the community without a return on investment
Often intended as a marketing initiative.	Intended to benefit and uplift communities through social development.

Tip 

Ensure that you are able to differentiate between CSR and CSI.

CSR is the responsibility of the business towards the community and the environment. Whereas, CSI is the donation of money and resources to the community.

The differences do not have to be presented in a table, but the differences must be clear. Know the differences well.