Corporate Social Responsibility: History and Context

What is meant by corporate social responsibility and how does it differ from the related theme of sustainability?

For Hefce, Corporate Social Responsibility (CSR) is about 'how we take account of the impact of our work on the economy, society and the environment'. Hefce published its first CSR policy in 2006, and more recently issued a CSR policy for 2011-15. A key element of this policy is to seek to use its influence to promote sustainable development in higher education in England.

Sustainability or sustainable development has come to the fore since the 1980s as a necessary response to a range of global environmental and social issues, in particular the tremendous growth in the world’s population, accelerating climate change and increasing pressure on food, water and energy resources. The most widely quoted definition of sustainable development is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. For many, sustainable development also includes a range of ethical, moral and social issues.

Higher education is widely seen as having an important role to play in sustainable development (through institutional policies and actions as well as through teaching and research, and more generally by providing leadership to the community), and there have been a number of international events and declarations involving universities, including:

- The Talloires Declaration (1990)
- The Halifax Declaration (1991)
- The Copernicus University Charter for Sustainable Development (1994)
- The Luneberg Declaration (2001)

The Governing Body and CSR

Corporate social responsibility (CSR) and sustainable development need to be addressed by higher education institutions and their governing bodies on account of:

- The expectation that they will demonstrate good governance and management
- They are examined in terms of their missions and vision statements and how these statements tackle CSR and sustainable development. They have many stakeholders who have an interest
- Public perception will affect their reputations. There is now a People and Planet League Table of universities and colleges and annual Green Gown awards
- The potential for research in this important field
- Through estates and resourcing policies
- In terms of teaching and learning
- Students are increasingly conscious of sustainable criteria when choosing a higher education institution

Governing bodies may wish to:

- Examine institutional vision and mission statements in the light of CSR
- Consider and review the values of the institution
- Consider setting appropriate environmental and other targets and identifying KPIs to monitor institutional performance
- Guide and support the development of suitable policies and strategies

Institutional Strategy and CRS

The CUC makes clear that the governing body has a key role in the strategic development of the institution. It should be involved in the development and approval of the institution's strategic plan. In formulating their plans, governing bodies will wish to take note of government policy and funding council expectations with regard to sustainable development and CSR.
In its Sustainable Development Strategy and Action Plan, Hefce states that it ‘wants to make sustainable development a central part of our strategy for the future development of the higher education sector’. Hefce has published a strategy for higher education institutions in England for reducing carbon emissions and developing carbon management plans in line with government policy set out in the 2010/11 grant letter. Hefcew, in its 2009 request for updated strategic plans from Welsh institutions has specifically asked how institutions plan to address the Welsh Assembly Government priorities in relation to sustainable development.

The Scottish Funding Council has made sustainable development one of the 5 key themes of its strategic plan. Governing bodies, with their responsibilities for the strategic development of their institutions may wish to consider:

- Ensuring that sustainable development plays an important role in the strategic planning process;
- Adopting some key performance indicators (KPIs), which will enable effective monitoring of sustainable policies;
- The encouragement of good operational practice;
- Ensuring that proper attention is given to sustainable development by requiring impact assessments in policy papers and plans;
- Requesting an annual report on progress against a CSR policy and in implementing sustainable policies; and
- Relating sustainable policies to cost control and ensuring good value for money (VFM).

The Climate Change Act 2008 which requires greenhouse gas emissions in the UK to be substantially reduced, will have implications for higher education, and targets for the sector are expected. Governing bodies will have to consider these as part of the strategic planning process.

**Sustainable Capital Projects**

**Capital projects** represent a significant financial investment, and can lead to challenges for governing bodies. Governing bodies may already have in place mechanisms to establish and review the extent to which new buildings incorporate environmental issues in their design and operation, but those in England will need to be aware that from 2011 capital funding will depend on institutional performance in reducing carbon emissions. This was confirmed in the 2010/2011 grant letter from Lord Mandelson.

The funding councils are increasingly providing targeted support for energy efficient new projects. For example, the SFC has allocated additional funding for energy improvement and carbon reduction measures in 2010-11.

The HEEPI report ‘Building a Sustainable Legacy: The Benefits of High Performance Buildings to Further and Higher Education and How they can be achieved’ shows how high performing buildings can be delivered with little increase either in capital or running costs.

**Involvement with the Community**

A broad approach to corporate social responsibility (CSR) may include a range of community – related activities, including:

- Working with disadvantaged groups
- Volunteering by staff and / or students
- Integrated transport arrangements, including car-sharing and cycling schemes
- Contributing to local and regional initiatives and events
- Supporting projects in developing countries

Local authorities are now required to develop a Comprehensive Area Assessment, in collaboration with major organisations in their region; many universities and colleges are involved in such initiatives.
The Hefce ran the Active Community Fund from 2002 to 2006, which allocated some £37m on staff and student volunteering schemes and working with other 'not for profit' organisations.

The principles in the revised ACEVO Code of Good Governance for the Voluntary and Community Sector contain in the 6th Principle the need for a good board to be open and accountable, which will include 'considering the organisation's commitment to the wider community, for example its environmental impact.'

Find more information and resources on this topic on our website at: www.lfhe.ac.uk/en/governance/ethics-and-values/corporate