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Board Leadership for Strategizing CSR Initiatives and Social Purpose

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In the past, many corporate CSR initiatives have been isolated projects. They have been run apart from mainstream business units. Just enough has been done to meet an imposed requirement or other external expectations.

As we will see from our award winners, some companies have done more. But should we be doing much more and doing it more quickly?

Increasingly, matters before a board, from corporate purpose, objectives and priorities to corporate activities and their impacts, should now be viewed through a CSR lens.

We cannot assume continuing corporate relevance, acceptance and success.

Our futures and those of our companies are not assured. Unsustainable growth, lifestyles and business activities are damaging the environment, reducing biodiversity, depleting natural capital and contributing to global warming and climate change.

Corporate accounting and reporting practices often conceal negative externalities. Damaging activities are hidden or tolerated and even reported as 'profitable'. In time, directors may become legally as well as morally responsible for social and other consequential harm.

Business generally and markets have many detractors. They are subjected to laws and regulations designed to limit their undesirable consequences. More holistic and integrated strategies that embrace both CSR initiatives and overall business activities are now required.

In particular, CSR perspectives and strategies need to embrace supply and value chains where the bulk of the negative externalities of many companies arise.

Transition and transformation journeys to more sustainable operations and lifestyles must be accelerated while they are still possible. We must act before tipping points are reached, after which an existential challenge such as global warming becomes unstoppable.

Many stakeholders want the benefits of development and consumerism, but without their negative consequences. Responsible board leadership, innovation, enterprise and capitalism should be about creating sustainable options that are possible, affordable and desirable.

Current investors and stakeholders in general seem increasingly concerned with the broader economic, social and environmental impacts of corporate activities. These need to be sustainable and to have beneficial rather than harmful impacts.

In relation to global warming, past emissions of greenhouse gasses are history. Whether or not tipping points are triggered will depend upon what we do now and future emissions.

India plans to be a net emitter of greenhouse gasses beyond 2050. Given the potential catastrophic impacts of uncontrollable temperature rises, and related losses and damages claims, should Indian boards adopt more ambitious net zero targets?

The premeditated and illegal invasion of Ukraine in violation of the UN charter has caused many countries around the world to impose sanctions upon Russia. The UN Secretary-General has said that "Ukraine needs and deserves our full commitment and full support".

Corporate values, ethical principles and reputations are at stake in many markets. Should more Indian boards follow the example of companies like Tata Steel and Infosys and stop working in the Russian Federation and/or withdraw from the country?

Directors should be proactive as well as reacting to events. Effective strategic direction is about critical thinking as well as doing. Aspirations, expectations, visions, values, purposes, priorities, goals and objectives may need to be critiqued, reviewed and reset.

Asking relevant and insightful questions is an important skill for both directors and executives. It and diversity should be encouraged as antidotes to groupthink. Cherished activities and widely held views may need to be reviewed to embrace today's concerns.

Attitudes, assumptions and beliefs, and opinions on business responsibilities, may all be outdated. Corporate purpose, vision, values, goals and objectives should be sustainable, aligned and consistent with the strategies, policies and behaviours to achieve them.

Responsible business is more than scaling back damaging activities, limiting unsustainable operations and reducing negative consequences. It is about opportunity and initiatives to create, enable and support operations and lifestyles that are desirable and sustainable. We can create new life choices not just for avatars in a metaverse, but for real people here and now.

Opportunities abound in areas such as recycling, reuse, recovery and climate change adaptation and mitigation. We can re-orientate, reinvent and re-purpose to grasp them.

This may require significant, if not radical, changes of priorities. Focus may need to switch from outputs to outcomes. Maybe the feelings and fulfilment that customers seek could be reliably delivered in less environmentally damaging and resource intensive ways.

Board and corporate discretion to act should be used. The freedom of action of corporate boards can be conducive of diversity, flexibility and creativity. Companies can offer alternatives, choice and bespoke responses. They can vary approaches to suit local needs.

Directors can play a vital role as instigators, enablers and supporters of exploration, innovation and entrepreneurship. These activities are crucial for tackling existential challenges and transitioning to more sustainable operations and lifestyles.

Addressing shared existential challenges and creating a sustainable future could represent a common purpose that unifies the interests of a wider range of stakeholders. It could enable mutually beneficial collaborative and collective responses.

As directors of Indian companies you have a unique opportunity to influence all our futures. India's population is large enough for the lifestyle ambitions of its citizens and the collective activities of Indian companies to tip the balance between our survival and endless misery.

India's rich heritage of ancient wisdom respects nature. It advocates living in harmony with the natural world. It warns that while material trappings may temporarily distract, they cannot address a feeling of emptiness within or lead to enlightenment.

The pursuit of unsustainable materialism and growth can divide. It can exhaust natural capital. It can result in people wanting ever more and worrying about what they do not have, rather than being thankful for the life they do have. It might not be too late to change.

After centuries of thinking about the meaning and purpose of life, if there is one place on earth for less stressful and resource intensive and simpler, healthier and more fulfilling lifestyles to emerge could it be India?

As company directors, work with the grain. Your mission could be to engage stakeholders and help create truly sustainable communities, cities and wider society. For sustainability and living in harmony with nature, why can't India be one of earth's most advanced societies?

First mover experience, learning and refinement could make your companies leaders in a new age of sustainable lifestyles. They could give Indian enterprises a fast route to international operation and global impact.

You are at this international conference because you care. You recognize that providing strategic direction and strategizing involves thought. You think about consequences and the implications of different courses of action.

You want to provide responsible board leadership and you want to improve social and environmental as well as financial outcomes. You also want the accounts and reports you approve to fairly reflect social and environmental externalities, whether costs or benefits.

Company directors should listen, learn and exercise independent judgement. You could make the difference between catastrophe and survival. You have a purpose, a cause and an unprecedented opportunity. Go for it and seize the moment.

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