Business and society

What is corporate responsibility?

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Responsibility of business?

United Nations: "A company’s delivery of long-term value in financial, social, environmental and ethical terms."

Finnish Ministry of Employment and Economy: "...responsibility for one’s own societal effects. These effects can deal with, for example, the rights of the local people, employees or customers, environmental protection, financial sustainability and human rights.

corporate responsibility, corporate social responsibility, corporate citizenship, sustainability, business ethics, environmental responsibility, social responsibility

Role of business in society

production, services, research & development

use resources, make products and offer services, employ people
Why business should care about responsibility?

- society and its members are bound not only by laws, but by moral and ethical rules
- **moral** is the sense of right and wrong, **ethics** explains or describes what moral should be
- companies are members of the society and the society defines
  - what companies can or cannot do (law)
  - what companies should or should not do (moral & ethics)
- being responsible is part of a company’s reputation that determines:
  - if one wants to buy company’s products/services
  - if one wants to work for a company
  - if one wants to cooperate with a company
- the same way as in personal relationships
Forms of corporate responsibility

DOING A LITTLE
philanthropy

DOING A LOT
social entrepreneurship
The responsible consumer

influences by choosing carefully what she/he buys:

- buys durable products that use resources sparingly and includes as little amount of harmful ingredients as possible
- environmentally friendly products
- ethically produced products
- products for long-term use
- products that are necessary

consuming as identity
Think of a company you know: what kind of responsibilities and effects it has?