

FACULTY OF NATURAL SCIENCES

CORPORATE SOCIAL RESPONSIBILITY

Rich Knight,
Biodiversity & Conservation Biology
UWC
knight.rich[at]gmail.com



UNIVERSITY *of the*
WESTERN CAPE

A place of quality, a place to grow, from hope to action through knowledge

corporate social responsibility CSR

- Also called **corporate conscience**, **corporate citizenship**, **social performance**, or **sustainable responsible business**.
- A form of corporate self-regulation integrated into a business model.
- business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms.
- The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

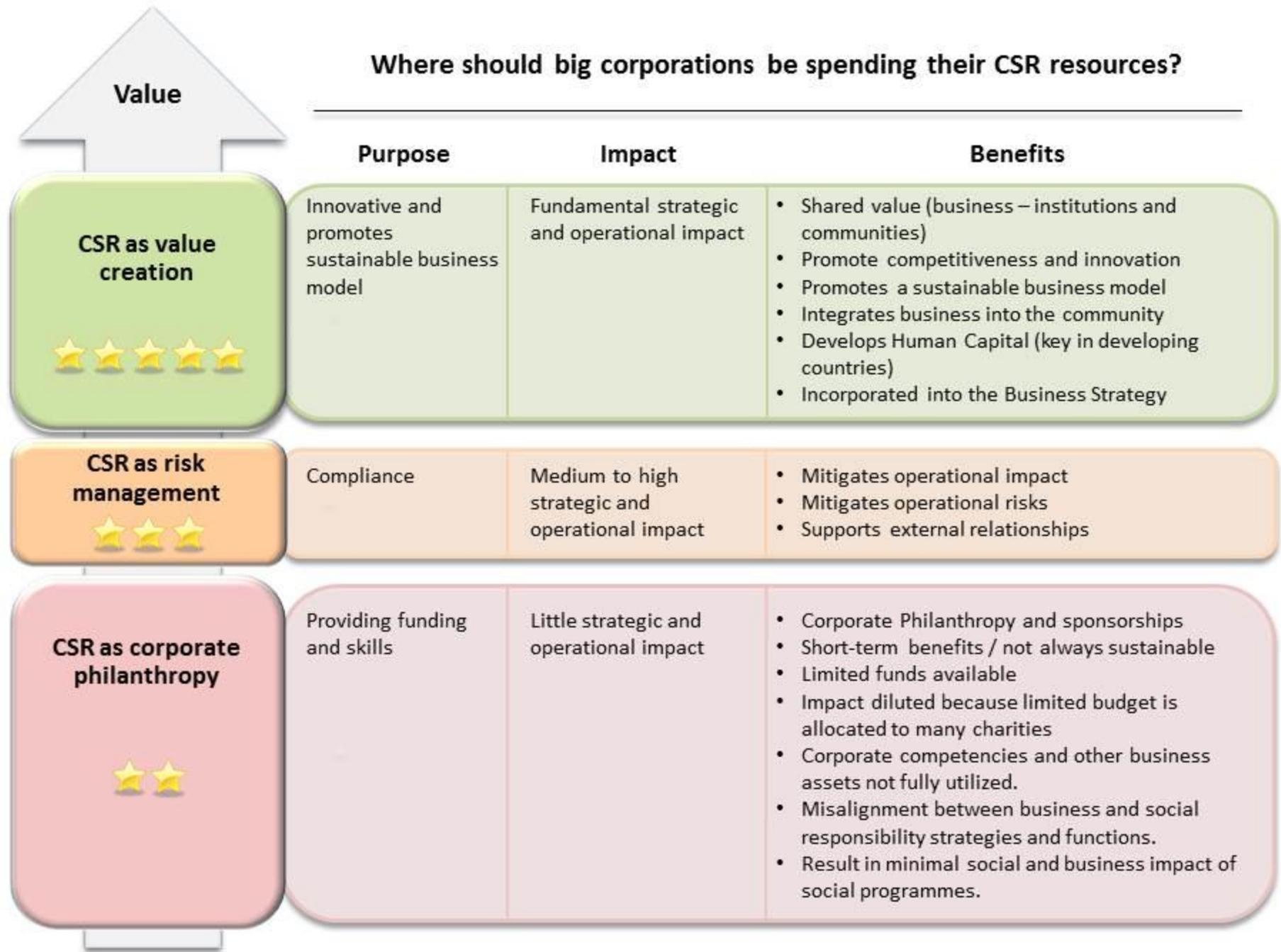
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More on CSR

- Proactively promote the public interest by encouraging community growth and development
- Voluntarily eliminating practices that harm the public sphere, regardless of legality
- Inclusion of public interest into corporate decision-making, that is the core business of the company or firm
- Honouring of a triple bottom line: **people, planet, profit.**

Where should big corporations be spending their CSR resources?



Triple bottom line (TBL)

- Also called "people, planet, profit" or "the three pillars" captures an expanded spectrum of values and criteria for measuring organizational (and societal) success: economic, ecological and social.
- Ratification of the United Nations and ICLEI TBL standard for urban and community accounting in early 2007, this became the dominant approach to public sector full cost accounting.

TBL People" (human capital)

- Fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business.
- A TBL company conceives a reciprocal social structure in which the well-being of corporate, labour and other stakeholder interests are interdependent.
- Fair Trade is a certification procedure that ensures independent audits and then allows the corporation to advertise itself.

TBL Planet (natural capital)

- Sustainable environmental practices. A TBL company endeavors to benefit the natural order as much as possible or at the least do no harm and curtail environmental impact.
- A TBL endeavor reduces its [ecological footprint](#) by, among other things, carefully managing its consumption of energy and non-renewables and reducing manufacturing waste as well as rendering waste less toxic before disposing of it in a safe and legal manner.

TBL Planet (natural capital) cont/

- "Cradle to grave" is uppermost in the thoughts of TBL manufacturing businesses which typically conduct a life cycle assessment of products to determine what the true environmental cost is from the growth and harvesting of raw materials to manufacture to distribution to eventual disposal by the end user.
- A triple bottom line company does not produce harmful or destructive products such as weapons, toxic chemicals or batteries containing dangerous heavy metals for example.

TBL Profit

- Economic value created by the organisation after deducting the cost of all inputs, including the cost of the capital tied up.
- It differs from traditional accounting definitions of profit. In the original concept, within a sustainability framework, the "profit" aspect needs to be seen as the real economic benefit enjoyed by the host society.
- This is often confused to be limited to the internal profit made by a company or organization (which nevertheless remains an essential starting point for the computation).
- Therefore, an original TBL approach cannot be interpreted as simply traditional corporate accounting profit *plus* social and environmental impacts unless the "profits" of other entities are included as a social benefits.

Example MonsaNTO

- The Monsanto company was established at the turn of the last century by John Francis Queeny. If we look at the company today it employs 45 000 people, operates globally and for 2004 reported revenues of US\$5.4 billion.
- It is the world's biggest producer of glyphosate, a herbicide better known under the trade name Roundup and Genetically Modified (GM) products for the agricultural industry and has a global market share of 70%–100% for various GM crops.

MonsaNTO PLEDGE

INTEGRITY is the foundation for all that we do. Integrity includes honesty, decency, consistency, and courage. Building on those values, we are committed to:

1) **DIALOGUE** We will listen carefully to diverse points of view and engage in thoughtful dialogue. We will broaden our understanding of issues in order to better address the needs and concerns of society and each other.

2) **TRANSPARENCY** We will ensure that information is available, accessible, and understandable.

3) **SHARING** We will share knowledge and technology to advance scientific understanding, to improve agriculture and the environment, to improve crops, and to help farmers in developing countries.

4) **BENEFITS** We will use sound and innovative science and thoughtful and effective stewardship to deliver high-quality products that are beneficial to our customers and to the environment.

MonsaNTO PLEDGE CONT/

5) RESPECT We will respect the religious, cultural, and ethical concerns of people throughout the world. The safety of our employees, the communities where we operate, our customers, consumers, and the environment will be our highest priority.

6) ACTING AS OWNERS TO ACHIEVE RESULTS We will create clarity of direction, roles, and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our company resources; and take responsibility for achieving agreed-upon results.

7) CREATE A GREAT PLACE TO WORK We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognize our people.

MONSANTO'S ABRIDGED CURRICULUM VITAE

1900's - Monsanto's first product, saccharin, was sold to the Coca-Cola Company.

1917 – US government filed a law suit against Monsanto over the safety of saccharin.

1919 - Monsanto produce vanillin, salicylic acid, aspirin and rubber.

1920s - Monsanto expanded into industrial chemicals like the production of sulphuric acid.

1940s, Monsanto became a leading manufacturer of plastics, including polystyrene, and synthetic fibers. Monsanto operated the Oak Ridge National Laboratory for the Manhattan Project leading to the development of the first nuclear weapons.

MONSANTO'S ABRIDGED CURRICULUM VITAE

1947 - Monsanto was responsible for USA's largest industrial explosion while loading ammonium nitrate fertilizer onto the French ship S.S. Grandcamp – this is referred to as the “Texas City Disaster in Galveston Bay” which officially claimed 581 human deaths and 5000 injuries [2].

1960s and 1970s - Monsanto is the largest supplier to the US Military of “Agent Orange” for its operations in Vietnam [1].

1980s - Vietnam veterans filed law suits over the side effects of Agent Orange which include increased incidents of chloracne (soft tissue sarcomas), Hodgkin's disease, respiratory cancers, prostate cancer, multiple myeloma, Porphyria cutanea tarda (a type of skin disease), acute and subacute transient peripheral neuropathy, spina bifida, Type 2 diabetes, and acute myelogenous leukemia (found only in the second or third generations) [3]. The veterans received compensation to a value of \$180 million [1].

MONSANTO'S ABRIDGED CURRICULUM VITAE

1982 - Monsanto scientists become the first to genetically modify a plant cell

1984 - Australian, Canadian and New Zealand war veterans obtained an out of court compensation from Monsanto

1987 - Monsanto conducted the first field tests of genetically engineered crop

1990s, - Monsanto sued some 150 US farmers for patent infringement in connection with its GE seed and based this on violation of its technology which prohibits farmers from saving seed from one season's crop to plant in the next season. One farmer received an eight-month prison sentence through Monsanto's action

MONSANTO'S ABRIDGED CURRICULUM VITAE

1997 - Fox News succumbed to pressure from Monsanto to suppress their investigative report on the health risks associated with Monsanto's bovine growth hormone product, a synthetic drug used to increase milk production that is banned in most countries (except USA and South Africa where it is commonly used). Fox journalists Steve Wilson and his partner Jane Akre [4], were requested to withdraw their reports despite Monsanto having lied about the risks of contaminated milk and infected cattle[1]. Fox fired these two journalists.

1999 - 20,000 South Koreans filed a lawsuit against Monsanto and Dow on the Agent Orange use.

2000 - The company GLC sued Monsanto for the \$71 million dollars due to a shortfall in expected sales.

MONSANTO'S ABRIDGED CURRICULUM VITAE

2002 –Citizens of Anniston, Alabama received US\$700 million in damages for environmental pollution since the 1970s by Monsanto's PCB production. Monsanto was found guilty of “negligence, wantonness, suppression of truth, nuisance, trespass, and outrage” under Alabama law. The court accused Monsanto of “conduct so outrageous in character and extreme in degree as to go beyond all possible bounds of decency so as to be regarded as atrocious and intolerable in civilized society”

2002 – Monsanto's PR firm Bivings Group admitted under pressure of BBC's news and current affairs programme Newsnight, to conducting Internet-based smears on scientists and critics of the biotech industry

MONSANTO'S ABRIDGED CURRICULUM VITAE

2003 - Monsanto sued Oakhurst Dairy in Maine for advertising that its milk products did not come from cows treated with bovine growth hormone, claiming that such advertising hurt its business .

2004 - French company RAGT Genetique withdrew its rights to a conventionally-bred strain of easily milled wheat called Galatea that it had purchased from Monsanto in May 2004. In this action RAGT Genetique essentially recognized that Galatea is derived from (rather than a cross-bred from) the wheat strain Nap Hal developed over centuries by Indian farmers.

2004 - Syngenta (the world's largest agrichemical company) launched a US lawsuit charging Monsanto with using coercive tactics to monopolize markets in food production

MONSANTO'S ABRIDGED CURRICULUM VITAE

2006 - Korean Appeal Court ordered Monsanto and Dow to pay \$62 million in compensation to about 6,800 victims of Agent Orange. To date no Vietnamese has obtained compensation from Monsanto despite second and third generation genetic disorders following the deployment of Agent Orange during the war.

2006 - Monsanto was found guilty for bribing an Indonesian official and agreed to paying \$1.5m in fines for its transgression. Monsanto has agreed to pay an additional \$1m to the Department of Justice, for failing to adopt internal compliance measures and to co-operate with continuing civil and criminal investigations of its business practice. It is also paying a further \$500,000 to US Department of Justice and the Securities and Exchange Commission (SEC) to settle other bribe charges and related violations[6].

MONSANTO'S ABRIDGED CURRICULUM VITAE

Its generosity in funding for tertiary institutions research in biotechnology is well known; it has spearheaded science for and its chemists have included Nobel Prize Winner William S. Knowles

Funding of the sciences is balanced with respect for the social environment with huge sponsorships to the arts and culture (Disneyland and Walt Disney World)

This philanthropic and altruistic corporation stands tall in our Global Village. For many of us, our everyday food items are produced through Monsanto's dedication and research, and recently they even applied to the World Intellectual Property Organisation (WIPO) in Geneva for a patent for securing pig production globally (WO 2005/017204) to help us enjoy even more bacon.

Is it true that Monsanto's mission is to provide all people of the world with "better food, better nutrition, and better health".