

## **Conference on Standardized Corporate Social Responsibility Reporting**

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### **What standards should apply?**

I believe that any standard-setting discussion must grapple with the fundamental issue of the underlying purpose of the reporting. This issue is inexplicably linked with the label we adopt. I believe the label we use to engage around disclosure impacts at least three things. First, it helps define our purpose and our goals. Second, it helps ensure that we can more effectively communicate those goals. Third, it helps us to better understand which groups should be a part of the engagement conversation.

With that in mind, several notable things come to mind in relation to the CSR label. First, CSR is most closely associated with the view that corporations should be willing to sacrifice profits in order to do good deeds. Second, while some seek to use them interchangeably, CSR is distinct from ESG, which is clearly linked to shareholders and financial concerns. Third, CSR (and ESG) have been politicized such that the very use of that term has the potential to turn away potential allies even as we seek to build consensus and standardization. Thus, any embrace of the CSR label should be done with an awareness of these issues and their potential ramifications. I don't think we the CSR label because it does not accurately reflect our disclosure goals and has the potential to turn away allies.

I like sustainability better. However, our best route may be to drop the descriptive label altogether and instead focus on standardization of existing disclosure for at least two reasons. First, there is already lots of voluntary disclosure around important stakeholder-related issues. Thus, the main goal now may be to enhance and of course standardize that disclosure. Second, there are already experienced entities working on standardization. We need not reinvent the wheel. Instead, we should focus on determining which of the existing disclosure frameworks should serve as a baseline and then go from there with our goals as a guide for modifications.

### **Who determines the standards?**

The government and NGOs. Shareholders, asset managers and proxy advisors in light of their influence and the important role they have played around this issue in recent years. Directors and officers, especially board chairs and CEOs. Rank and file employees as well as people in middle management. As a second best alternative, we need to pinpoint a mechanism for better ensuring that we capture employee concerns. We also need to work collaboratively with other disciplines, especially academics at the business school as well as those in the social sciences with experience in group dynamics and diversity, equity and inclusion work.

### **What constitutes responsible behavior?**

This issue gets us back to our conversation around purpose and goals. In my view, this is not about a substantive answer but rather about the policies and practices that must be in place to better ensure that when decisions are made, appropriate issues are being considered in the appropriate manner.