

Strategy of



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Structure

1. environment of responsible corporate conduct
2. who and how
3. phases of implementation
4. positive impacts
5. types of Corporate Responsibility
6. strategies of CR in automobile industry
7. Volkswagen Group's key action areas
8. reactions of companies to the sustainability megatrend

Environment of socially responsible corporate conduct

- rules set by government
- market opportunities
- vulnerability to critical incidents
- brand equity, intellectual capital, goodwill
- CSR as a bridge between laws and corporate conduct
- positive changes in the long run

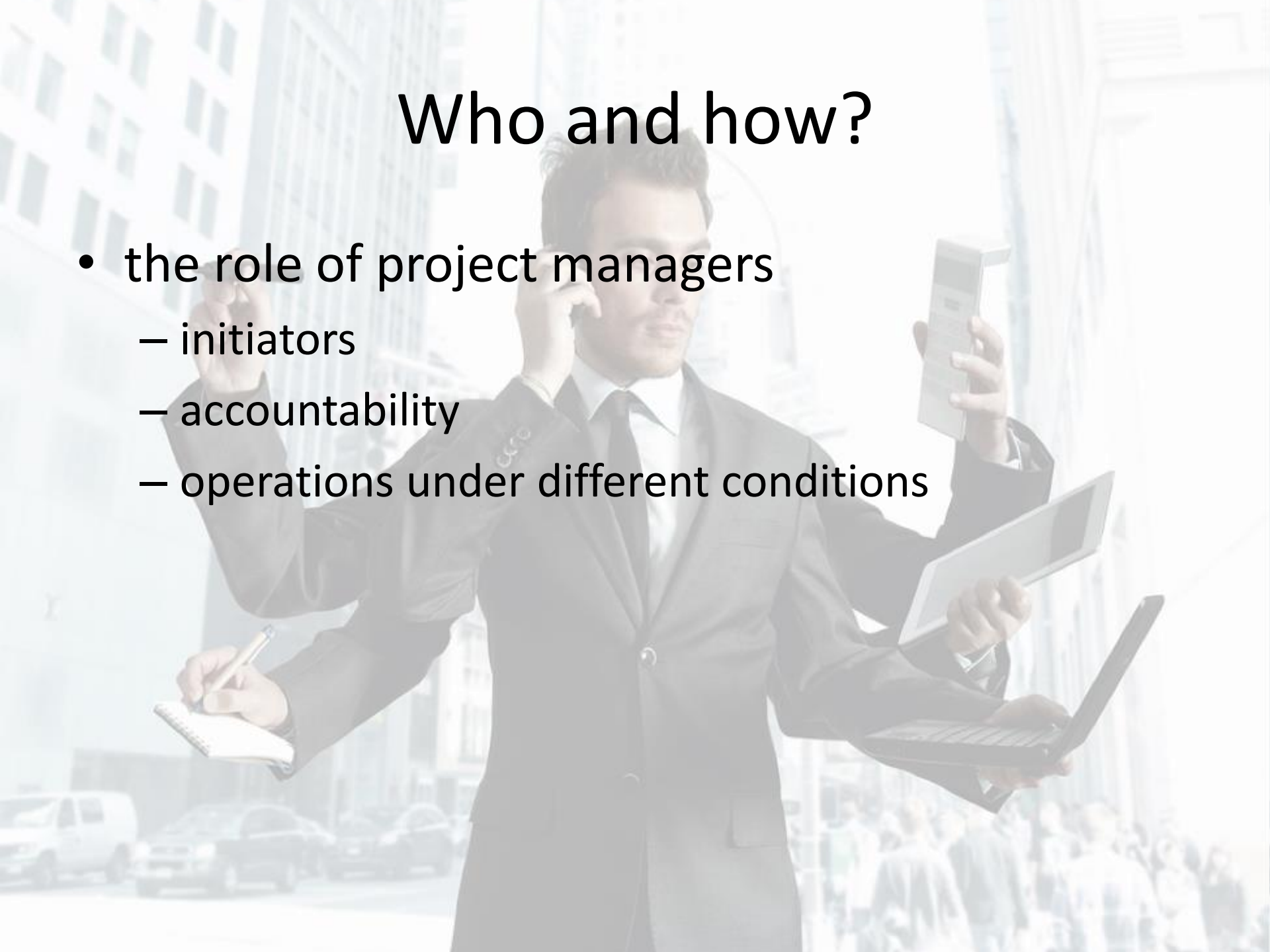
„Good CSR is not so much about prioritizing the environment over shareholder interests as much as it is about solving environmental problems in a way that serves shareholder interests.“

(Arena, 2006, p. 12).



Who and how?

- the role of project managers
 - initiators
 - accountability
 - operations under different conditions



Who and how?

- assessment of issues by importance
 - dialogue with the respective community
 - choosing the best option
- status quo of the company and its aims
 - self-assessment questionnaire (WBCSD)
- rationale for the actions
 - metrics

Phases of implementation

- 6 phases of a CR project
 - introduction
 - identification
 - positioning (against other projects)
 - strategy development
 - implementation
 - monitoring



Positive impacts

- reduction of negative effects → social progress
- purposes
 - PR
 - offsetting the negative impact
 - gaining strategic advantage
- rewarding social achievement

Multiple stakeholders in the environment of an organization



Four types of Corporate Responsibility

- Economic Responsibilities
- Legal Responsibilities
- Ethical Responsibilities
- Philanthropic Responsibilities

Economic Responsibilities

- goal: Corporate Profitability
- essential Responsibility
- no money – No Social Responsibility



Legal Responsibilities

- goal: Corporate **MUST** obey all laws
- following both Economic Responsibilities and Legal Responsibilities are mandatory for a company



Ethical Responsibilities

- companies believe it is right to do
- environmentally friendly, paying fair wages for employees, refusing to do business with oppressive countries



Philanthropic Responsibilities

- it is above and beyond what companies believe is right
- donating services to community organizations, engaging in projects to aid the environment or donating money to charitable causes
- following both Ethical Responsibilities and Philanthropic Responsibilities are voluntary for a company

Carroll's Four-Part Definition of CSR

<i>Responsibility</i>	<i>Societal Expectation</i>	<i>Examples</i>
Economic	Required	Be profitable. Maximize sales, minimize costs.
Legal	Required	Obey laws, adhere to regulations
Ethical	Expected	Avoid questionable practices. Do what is right, fair, and just
Philanthropic	Desired/ Expected	Be a good corporate citizen. Give back.

Four strategies of CSR



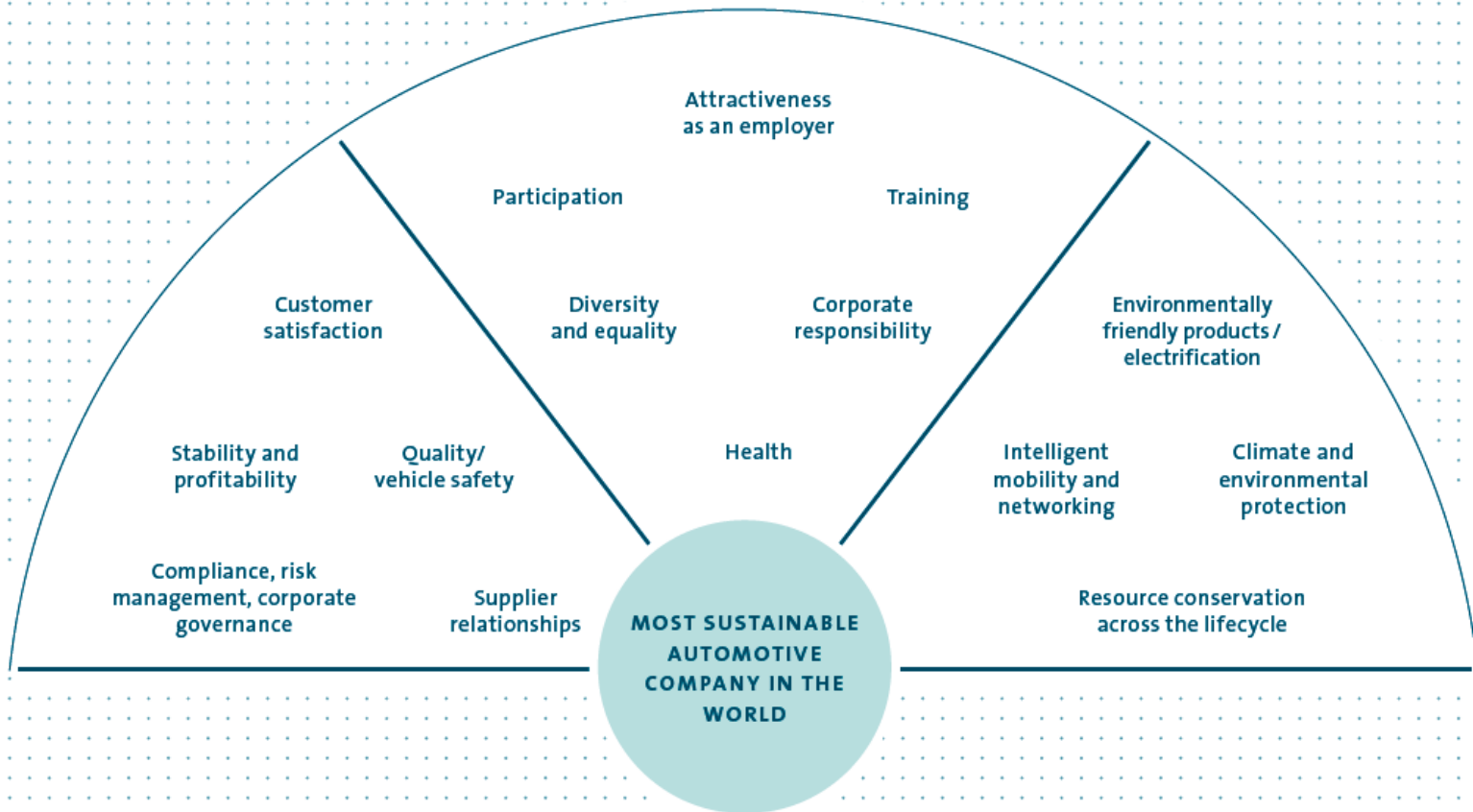
Classification of company's reactions to the sustainability megatrend



Specific strategies of Corporate Responsibility in Automobile industry

- “Go green”
- limiting air pollution of internal combustions engines
- effort to lower emissions (CO_2 , CO, NO_x , PM, VOCs) of internal combustions engine
- R&D of alternative fuel engines

Volkswagen Group's key action areas



Thank you for you attention!