

ENVIRONMENT, SOCIAL AND GOVERNANCE

Business Sustainability and ESG
Blended Intensive Programme

6th May, 2025



**SILESIAN
UNIVERSITY**
SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

Pavel Adámek, Ing., Ph.D.
adamek@opf.slu.cz

**Department of Business Economics and
Management**

Corporate Social Responsibility Specialist

**Guarantor of the master's course Corporate
Social Responsibility**

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Source: <https://sigmaearth.com/what-is-an-esg-statement/>

1. Introduction to Corporate Social Responsibility

Corporate social responsibility (CSR) is about the **impact an organisation** makes on society, the environment and the economy.

CSR and relation to ESG?



- CSR means responsibility among firms to meet the needs of their stakeholders, and a responsibility among stakeholders to hold firms to account for their actions. (Chandler, 2023).
- It is related to, but can be distinguished from, **environmental, social and governance policy (ESG)**, which is more about how investors see the company.
- The criteria ensure that a business is being socially responsible and held accountable, which is in the best interest of shareholders and potential investors.



1. Introduction to Corporate Social Responsibility

So what is the point of ESG?

- Having an effective CSR programme contributes positively to all **stakeholders** as well as **adding value** for the organisation itself, and ensures it operates in a sustainable way.
- ESG stands for environmental, social, and governance, and is a **holistic framework that measures the sustainable and ethical behaviour** of a business.
- It's becoming a core **strategy** for companies - how to maximize the interests of stakeholders and shareholders.

Formal consequences?

- The burgeoning interest in corporate environmental, social and governance (ESG) information from investors, society, central bankers and others has led to welcome developments in **reporting frameworks, codes, rules and practices**.
- Frameworks that promote further **integration** between non-financial and financial reporting.
- European Commission has introduced the Corporate Sustainability Reporting Directive (CSRD) which sets disclosure rules - mandatory **European Sustainability Reporting Standards**.

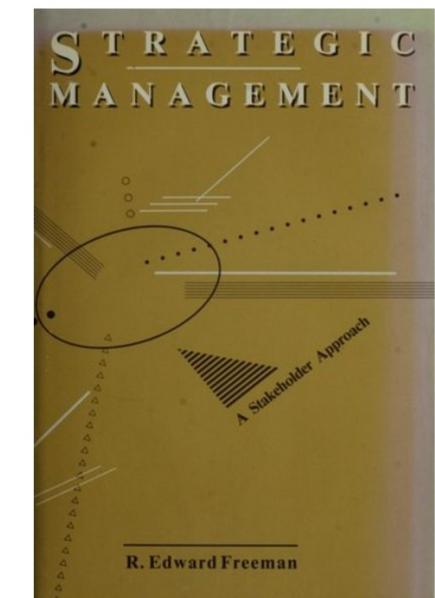
1. Introduction to Corporate Social Responsibility

*This raises the question, what is a „**VALUE**“?*

For a deeper understanding, let's look at Stakeholder Theory...

- The first definition of stakeholder approach was articulated by **R. Edward Freeman**, who in his 1984 book **Strategic Management: A Stakeholder Perspective** developed what has come to be known as Stakeholder Theory.
- Stakeholder Theory addresses the question of **what or who really matters to corporations**.
- Like stakeholder theory, CSR implies that an organization identifies its various stakeholder groups and then attempts to balance their respective needs within the organization's overall strategy.
- Management should not only consider its shareholders in the decision making process, but also anyone who is affected by business decisions.

THE STAKEHOLDER
THEORY
CLASSES



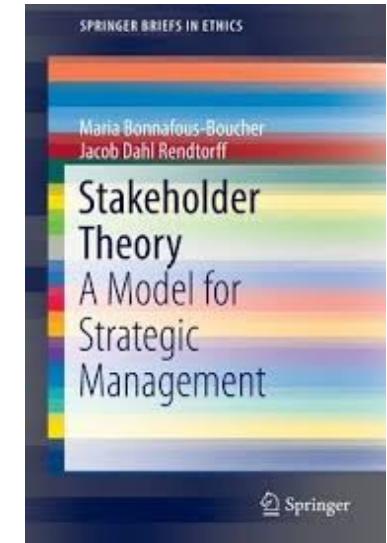
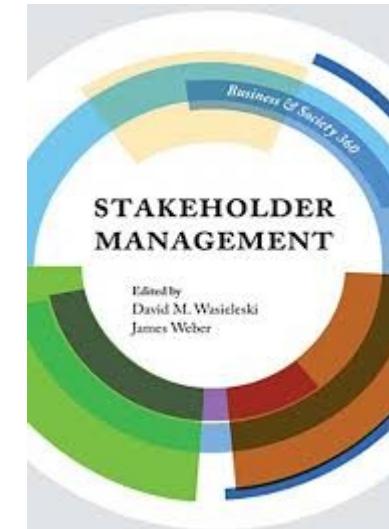
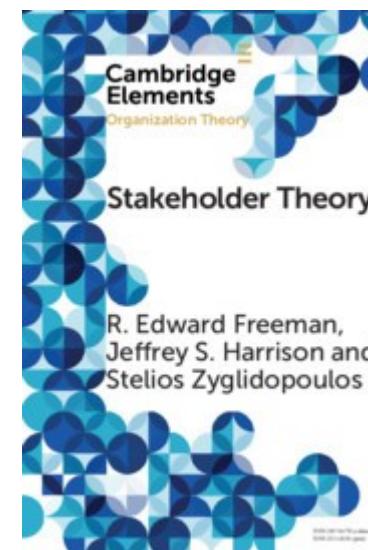
1. Introduction to Corporate Social Responsibility

Stakeholder Theory challenges the traditional view of the firm: shareholders/stockholders are the owners of the company. An inclusive stakeholder approach makes commercial sense, allowing the firm to maximize shareholder wealth, while also increasing total value added.

Today, CSR is focused on a stakeholder model which has become widely accepted among contemporary business organizations.

Stakeholder theory argues that there are other parties involved with a legitimate “stake” in business decisions, including:

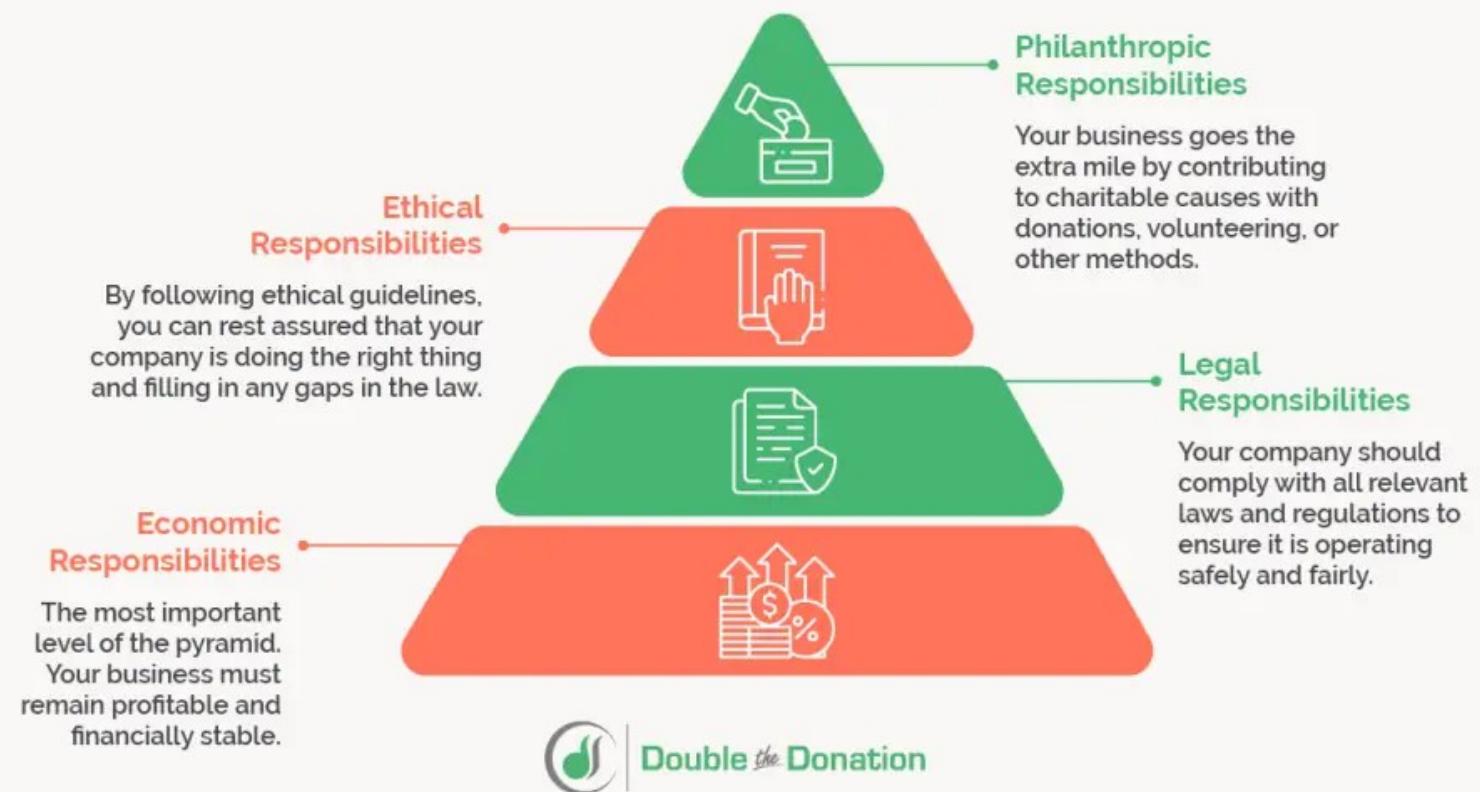
- Communities and their governmental bodies
- NGOs and other community groups
- Employees and unions
- Suppliers and customers
- ...



2. The CSR Hierarchy (The Pyramid of CSR)



The Pyramid of Corporate Social Responsibility



- Defined by **Archie B. Carroll** in 1991.
- Demonstrates the **hierarchy of responsibilities** in an organization.
- Economic, Legal, Ethical, Philanthropic responsibilities.
- The logic is that an organization must fulfil a lower level and move to a higher level.
- Argues that only by fulfilling all of these responsibilities together can effective CSR be achieved.

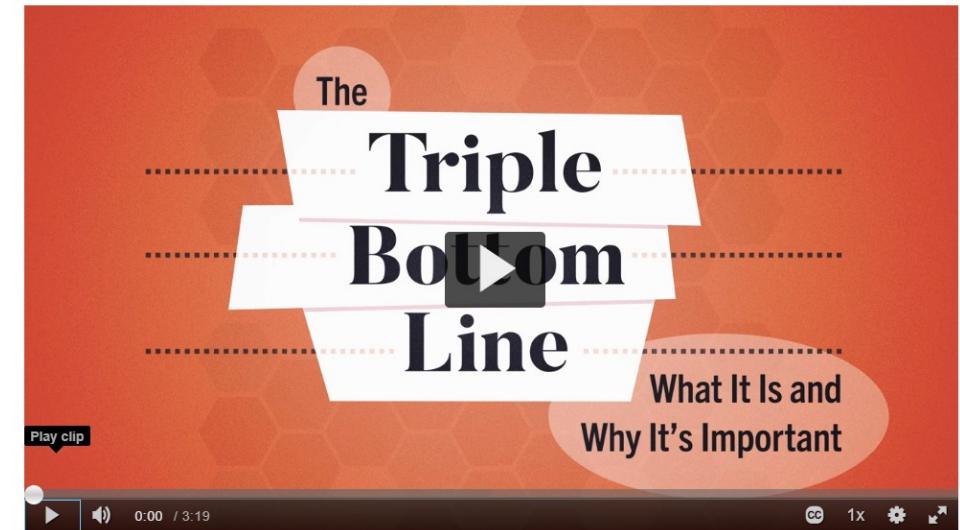
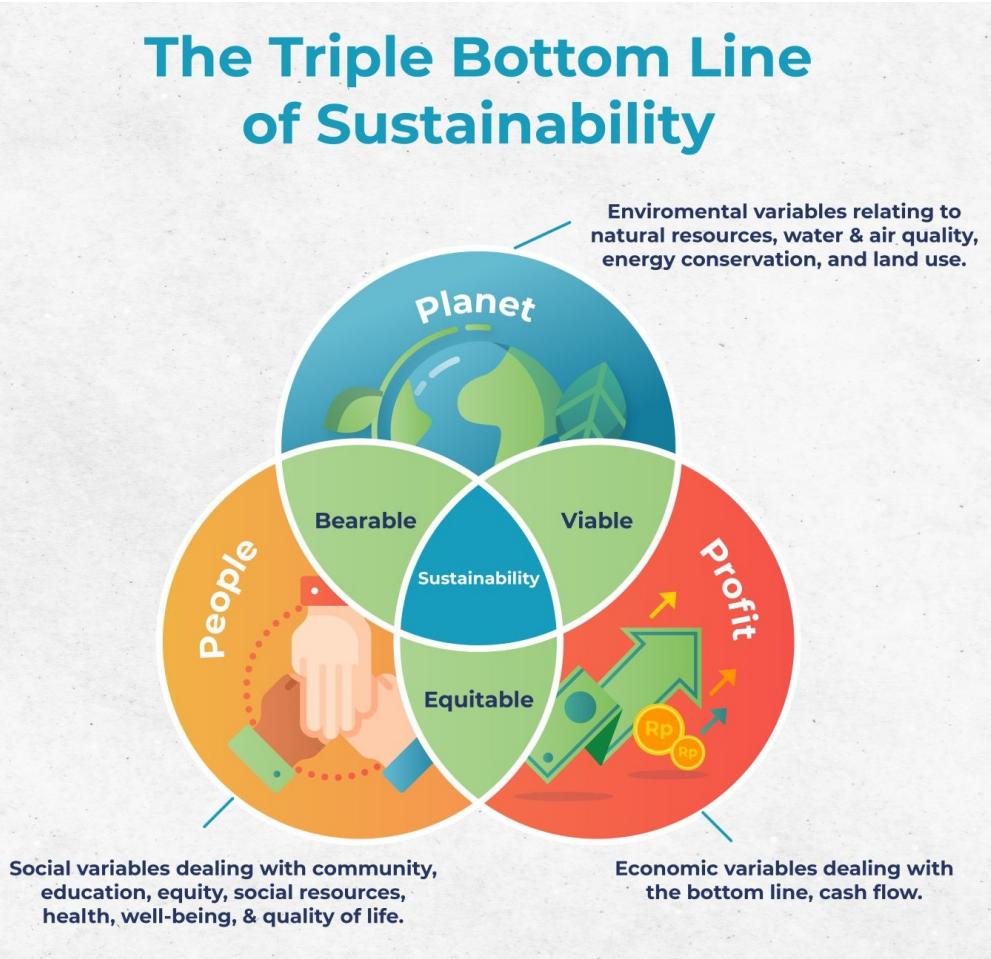
3. The triple bottom line (Corporate, Social, and Environmental pillar)

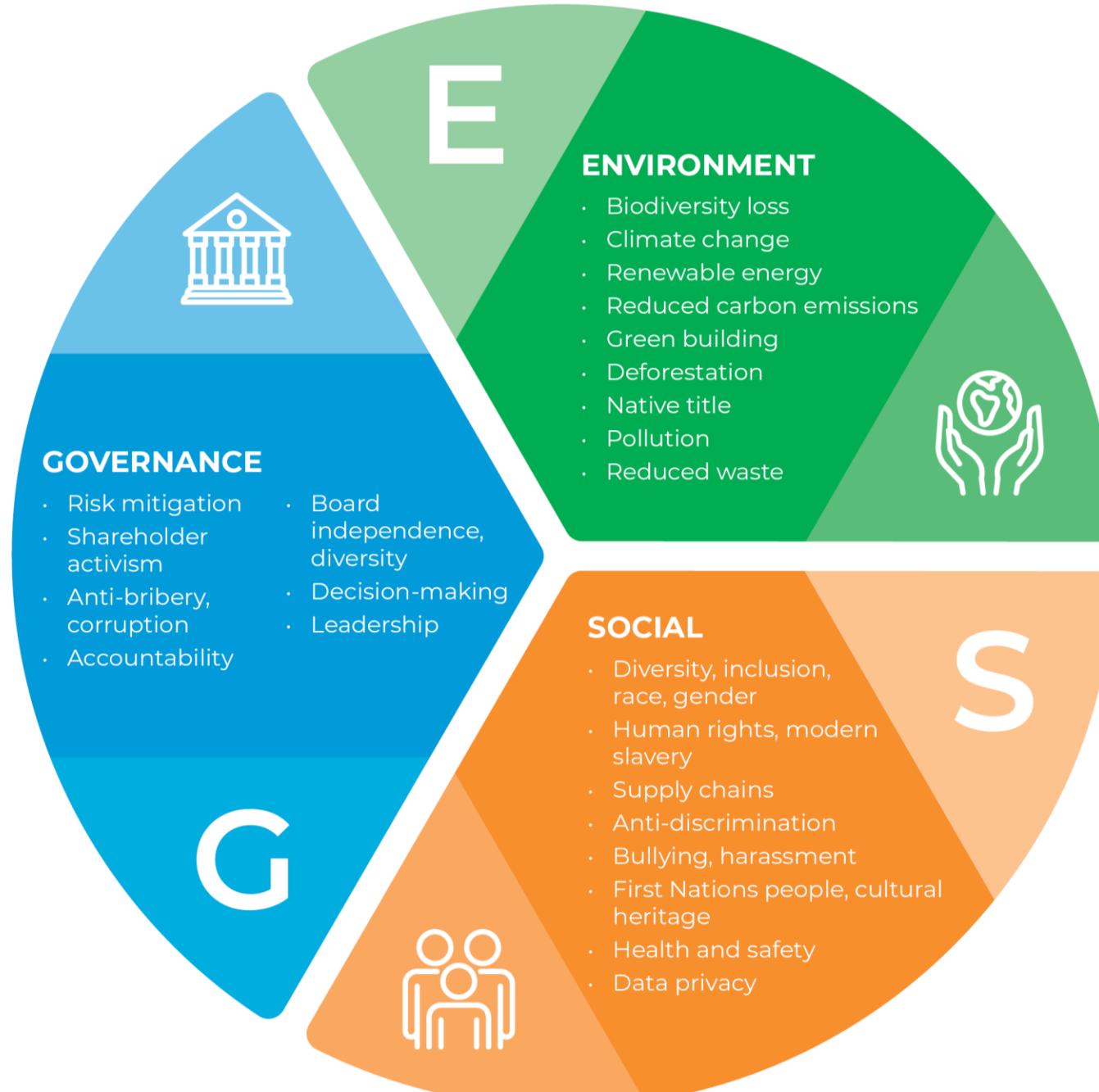


- The triple bottom line (TBL, John Elkington, 1994)
- The triple bottom line of business or triple responsibility.
- Simply put, it is a principle according to which companies focus not only on economic profit, but also on social and environmental aspects.

1. **Profit – Economic pillar**
2. **People – Social pillar**
3. **Planet – Environmental pillar**

2. The triple bottom line (Corporate, Social, and Environmental pillar)









SDGs – not ESG – Measure Sustainable Development Performance

ESG vs SDG

ESG

- No global definition and framework
- No standardized performance metrics
- Assessments based on proprietary models
- Not target-oriented or process focused
- Too vague for mapping to patents
- Enables corporate greenwashing

SDG

- ✓ A globally accepted framework
- ✓ Clearly defined indicators and metadata
- ✓ Open sustainability assessment standards
- ✓ Goal-oriented recommendations
- ✓ Allow for mapping of innovations
- ✓ Enable unbiased assessment



Image: SEEDIS.

Source: <https://buildaction.org/abstracts/sdg-vs-esg-which-measures-sustainability-better/#>

Examples of activities in the Environmental pillar (1/1)



CSR Topics	CSR Activities	Examples
Environmental Policy	Management	Environmental strategy, use of standards (ISO 14001, EMAS), environmental audit
	Supply Chain	Environmental criteria for supplier selection
	Stakeholder Engagement	Cooperation on environmental activities, suggestions for improving environmental practices
	Communication	Environmental training, information about the company's environmental policy
	Climate Change	Measures to reduce carbon footprint
	Energy Saving	Measures and equipment for energy saving (proper insulation, energy-efficient technologies, heating regulation)
Energy and Water	Renewable Resources	Use of solar energy, biomass
	Water Saving	Measures and equipment for saving water
	Utility Water	Use of utility water in production processes, for watering greenery or toilets
Waste and Recycling	Sorting and Recycling	Sorting and recycling paper, plastic, toner, cartridges, and other materials
	Waste Minimization	Double-sided printing, returnable barrels for drinking water, optimization of the production process

Examples of activities in the Environmental pillar (1/2)



CSR Topics	CSR Activities	Examples
Transport	Employee commuting	Promotion of environmentally friendly commuting
	Business travel	Reduction of business trips (videoconferencing)
	Goods transport	Optimization of logistics
Products and Packaging	Eco-friendly products	Products or services with an eco-label
	Packaging materials	Minimization of packaging materials, eco-friendly packaging materials
Procurement	Eco-friendly purchasing	Recycled paper, ecological cleaning products, energy-efficient products
	Local suppliers	Purchasing from local suppliers

LEGO – Commitment to Sustainability?



- Lego is the first and only toy company to be named a World Wildlife Fund Climate Savers Partner, committing to reducing its carbon footprint.
- By 2030, the toymaker plans to use environmentally friendly materials in all of its core products and packaging – and has already taken key steps to achieve this goal.
- In 2018, the company introduced 150 botanical pieces made from sustainably sourced sugarcane.
- Along with these changes, the toymaker has committed to investing \$164 million in its Center for Sustainable Materials, where researchers are experimenting with bio-based materials that can be implemented into the manufacturing process.





FY23

FY24

Percentage of our products that are made in a Fair Trade Certified factory

87%

88%

Dollars Patagonia has paid in Fair Trade premiums to date since 2014, which goes directly to the factory workers

\$26,184,897

\$32,262,384

Patagonia products we repaired in 113 locations worldwide, including our own repair centers, repair partners and retail stores; 110 employees work on our Repairs team in Reno, Nevada

153,506

145,446

Number of factory apparel workers who have earned a Fair Trade premium for their labor and received improved benefits from Patagonia's participation in the Fair Trade USA program

86,696

82,815

Metric tons of Bureo's NetPlus and HDPE material Patagonia has used since starting its program to help remove discarded fishing nets from the ocean

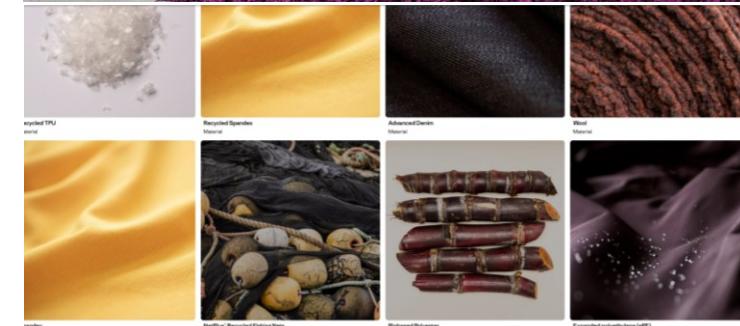
1,419

2,000

We're Recycling Our Way to Lower Emissions

Recycled material is the greatest input in our gear and allows us to decrease our dependence on oil-based materials, creating more demand in the market so other brands can use it, too.

Demand Recycled



Examples of activities in the Social pillar (1/1)

CSR Topic	CSR Activity	Examples
Employee Engagement and Communication	Collecting Feedback	Satisfaction survey, complaint tracking and resolution
	Employee Involvement in Decision-Making	Gathering suggestions for improving company performance, employee impact on CSR focus
	Internal Communication	Use of internal communication tools, informing job applicants about CSR
Work Reward and Compensation	Financial Compensation	Appropriate salary compensation, sports and relaxation opportunities, cultural activities, social events for employees
	Non-financial Benefits	Extra vacation time, personal comfort (laptop, car, phone), commuting allowance, employee events
Education and Development	Employee Training	Training, courses, mentoring
	Professional Development	Career development plans

Examples of activities in the Social pillar (1/2)

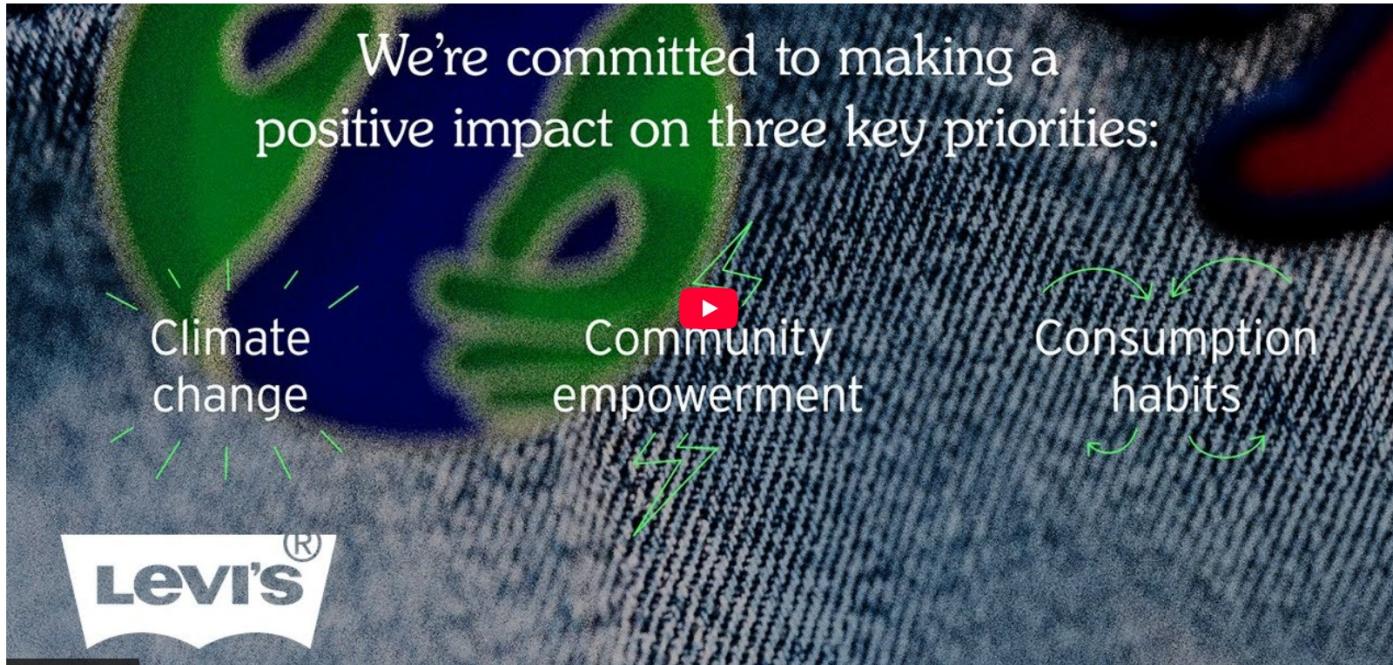


CSR Topic	CSR Activity	Examples
Health and Safety	Company Policy	Rules, measures, training
	Health Services	Contribution to premium healthcare, vaccinations
Work–Life Balance	Flexible Work Forms	Flexible working hours, home office, reduced hours, shift work, job sharing
	Care for Children, Seniors, or Sick Persons	Childcare allowance, psychological counselling
	Employees on Parental Leave	Contact during parental leave, support for return to work
Outplacement	Support for Laid-off Employees	Financial assistance, job search help, retraining and education
Equal Opportunities	Anti-discrimination Measures	Preventing discrimination in recruitment and the workplace
	Workplace Diversity	Promoting diversity (women, ethnic minorities, disabled, seniors)
Support for Local Community	Corporate Volunteering	Employees volunteering during working hours (manual work or knowledge sharing)
	Matching Fund	Company doubles funds raised by employees
	Charity Events	Charity balls, auctions, raffles

Examples of activities in the Social pillar (1/3)



CSR Topic	CSR Motion	Examples
Community Support	Corporate Donations	Financial or material support, offering services at a discount or for free, renting out company premises
	Corporate Volunteering	Employees performing volunteer work during working hours (manual work or knowledge sharing)
	Corporate Investment in Local Community	Long-term strategic involvement in the local community or partnerships with non-profit organizations
	Commercial Activities in the Local Community	Shared marketing, sponsorship
	In-house Corporate Projects	Own public-benefit projects
	Fair Trade, Ethnocatering	Use of Fair Trade products and ethnocatering at corporate events, receptions, breakfasts
Cooperation with Schools and Universities	Cooperation with Students	Student internships, work placements, excursions, thesis consultations
	Support for Education	Support of student activities, lending or donating technology, participation in teaching
Stakeholder Engagement	Employee Involvement	Corporate volunteering, matching fund, charity events involving employees
	Customer Involvement	Engaging customers in company CSR activities
	Business Partner Involvement	Involving business partners in CSR activities



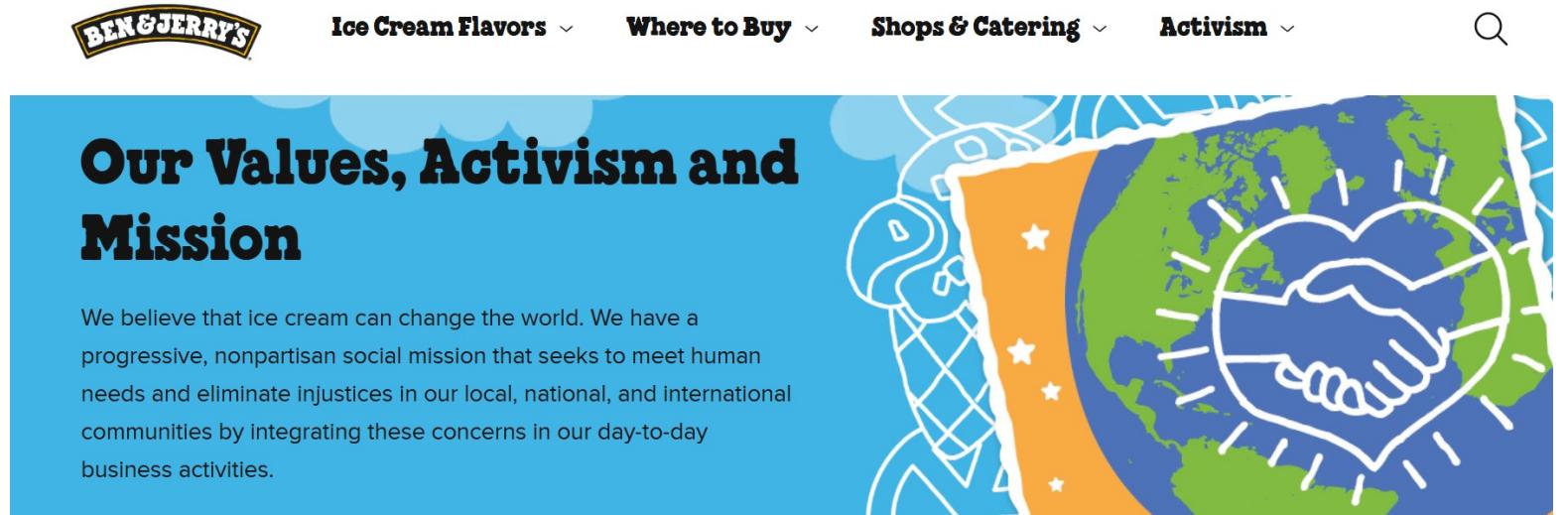
Levi Strauss's Social Impact

- In 1991, the brand created its [Terms of Engagement](#), which established its global code of conduct for the supply chain and set standards for employee rights, a safe working environment and an environmentally friendly manufacturing process.
- Since 2011, the Worker Well-being initiative has expanded to 12 countries, benefiting more than 100,000 workers. In 2016, the brand expanded the initiative, promising to expand the program to more than 300,000 workers and produce more than **80% of its products in Worker Well-being factories by 2025**. The initiatives have proven to be a driver of business success.



Ben & Jerry's Social Mission

- In 2012, the company became a certified B Corporation - a business that balances purpose and profit by meeting the highest standards of social and environmental performance, public transparency and legal accountability.
- Ben & Jerry's Foundation in 1985, an organization dedicated to supporting civic movements that drive social change. The foundation awards approximately \$2.5 million in grants to organizations each year. Grant recipients include the United Workers Association, which works to end poverty and human rights, and the Clean Air Coalition, which works for health and environmental justice.



The image is a screenshot of the Ben & Jerry's website. At the top, there is a navigation bar with the Ben & Jerry's logo, a search icon, and links for "Ice Cream Flavors", "Where to Buy", "Shops & Catering", "Activism", and "INA". The main content area has a blue background with the title "Our Values, Activism and Mission" in large, bold, black font. Below the title is a paragraph of text: "We believe that ice cream can change the world. We have a progressive, nonpartisan social mission that seeks to meet human needs and eliminate injustices in our local, national, and international communities by integrating these concerns in our day-to-day business activities." To the right of the text is a graphic illustration of a globe with a blue and green color scheme. Overlaid on the globe is a large orange ribbon with white stars, and a white line drawing of two hands shaking inside a heart shape.

Examples of activities in the Governance pillar (1/1)

CSR Topic	CSR Activity	Examples
Corporate Governance and Management	Transparency	Publishing financial and non-financial information
	Code of Conduct	Code of ethics and its practical use
	Corporate Image	Monitoring and measuring company image
	Feedback Gathering	Satisfaction survey, complaint registration and resolution
Responsible Customer Approach	Customer Involvement in Decision-Making	Collecting suggestions for product/service improvement, customer influence on CSR focus
	Product and Service Quality	Use of quality standards (e.g., ISO 9001)
	Customer Education	Preventive or service training, safety training
Supplier and Business Partner Relations	Supplier Selection	Inclusion of CSR criteria in supplier selection
	Feedback Gathering	Supplier satisfaction surveys, complaint handling
	Business Relations	Timely invoice payments, monitoring CSR practices in the supply chain
Marketing and Advertising	CSR Promotion	Involving suppliers in CSR activities
	Product Information	Providing clear and accurate information about products/services
	Shared Marketing	Use of marketing activities for joint promotion of the company and charity
	Advertising Ethics	Adhering to ethical advertising codes (e.g., issued by the Advertising Council)



STRATEGY PILLARS



With full respect for the gifts of nature, which no great-tasting beer can do without, we emphasize innovation and sustainability in our business and careful observance of our commitments that are firmly linked to the Asahi Europe & International Group's 2020 Sustainability Strategy. The strategy, based on the three ESG (Environmental, Social, Governance) pillar, is our compass to guide us in matters of environmental protection, social responsibility and good corporate governance.

We are also a member of the global RE100 initiative focused on renewable energy use and we have committed to achieving the objectives of the [Science Based Targets](#) standard aimed at preventing the plant warming rate to **exceed 1.5 °C/year**. Our climate aims for 2030 were validated by the Science Based Targets Initiative. We also support the UN Sustainable Development Goals (SDGs) adopted at the September 2015 summit.

Learn more about the Asahi Group's approach to sustainability and environmental principles.



SUSTAINABILITY AT THE ASAHI GROUP

their achievement on a quarterly basis. The Steering Committee also discusses and evaluates the Company's register of risks twice a year, including measures to avoid or minimise their potential impact. The risk management process is controlled by the Internal Audit Department.

S-EBITA - FINANCIAL INDICATOR FOR SUSTAINABILITY

S-EBITA, our own financial indicator, works like traditional EBITA, except that it also takes into account the sustainability of our activities. We deduct the costs associated with the environmental impact of our business from our economic earnings. This indicator helps us understand how our earnings could be affected in the future by our obligation to financially offset these impacts. Specifically, we measure CO₂ emissions in Scopes 1 and 2.



is the average
bottle return
rate



bottle refill
rate



years is the
length of
bottle
circulation on
the market

THE FIRST AUTOMATIC SORTING LINE OF RETURNABLE BOTTLES IN THE CZECH REPUBLIC

In the Pilsen brewery we have put into operation an automatic sorting line for returnable glass bottles, which is the only one in the country that can machine-sort bottles of our brands from bottles of other breweries and detect damaged pieces. This step has made the sorting of the millions of empty returnable bottles we collect from shops more efficient and reliable. The sorting has been done manually so far. The investment of almost CZK 50 million allows us to currently control and sort 81,000 beer bottles per hour directly in the crates. Thanks to this automation, our current employees can take other positions within the brewery.

Returnable bottles have a long tradition in the Czech Republic



SUCCESSFULLY APPROVED ISO CERTIFICATES:

Quality Management System
(QMS) ISO 9001:2016

Environmental Management System
(EMS) ISO14001:2015

Occupational Health and Safety Management System
(BOZP) ISO 45001:2018

Food Safety Management System
ISO 22000:2018 a FSSC 22000

Energy Management System
(EnMS) ISO 50001:2018

Feed Safety Standard
GMP+ B2

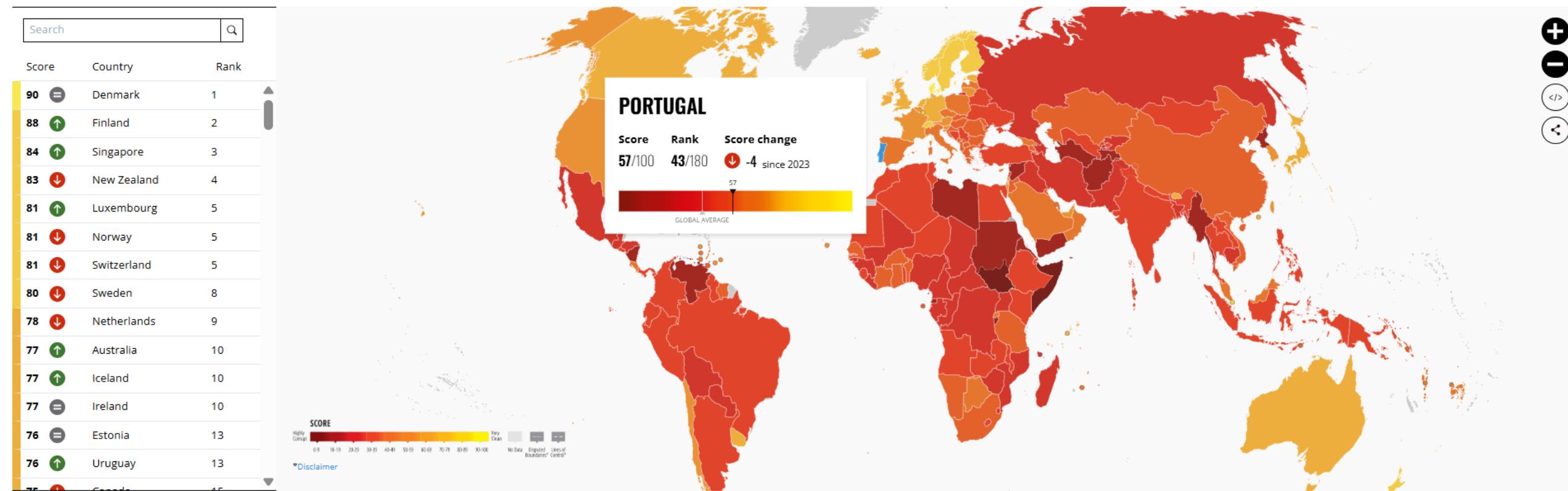
IN THE LONG TERM, WE HAVE BEEN SUCCESSFUL IN MEETING THE PLANNED WATER AND ENERGY CONSUMPTION TARGETS FOR THE ENTIRE GROUP OF BREWERIES AND MALT HOUSES IN THE CZECH REPUBLIC AND SLOVAKIA.

In the area of carbon neutrality, we have invested in modernising our production technologies, installed photovoltaics and optimised our logistics processes. This has



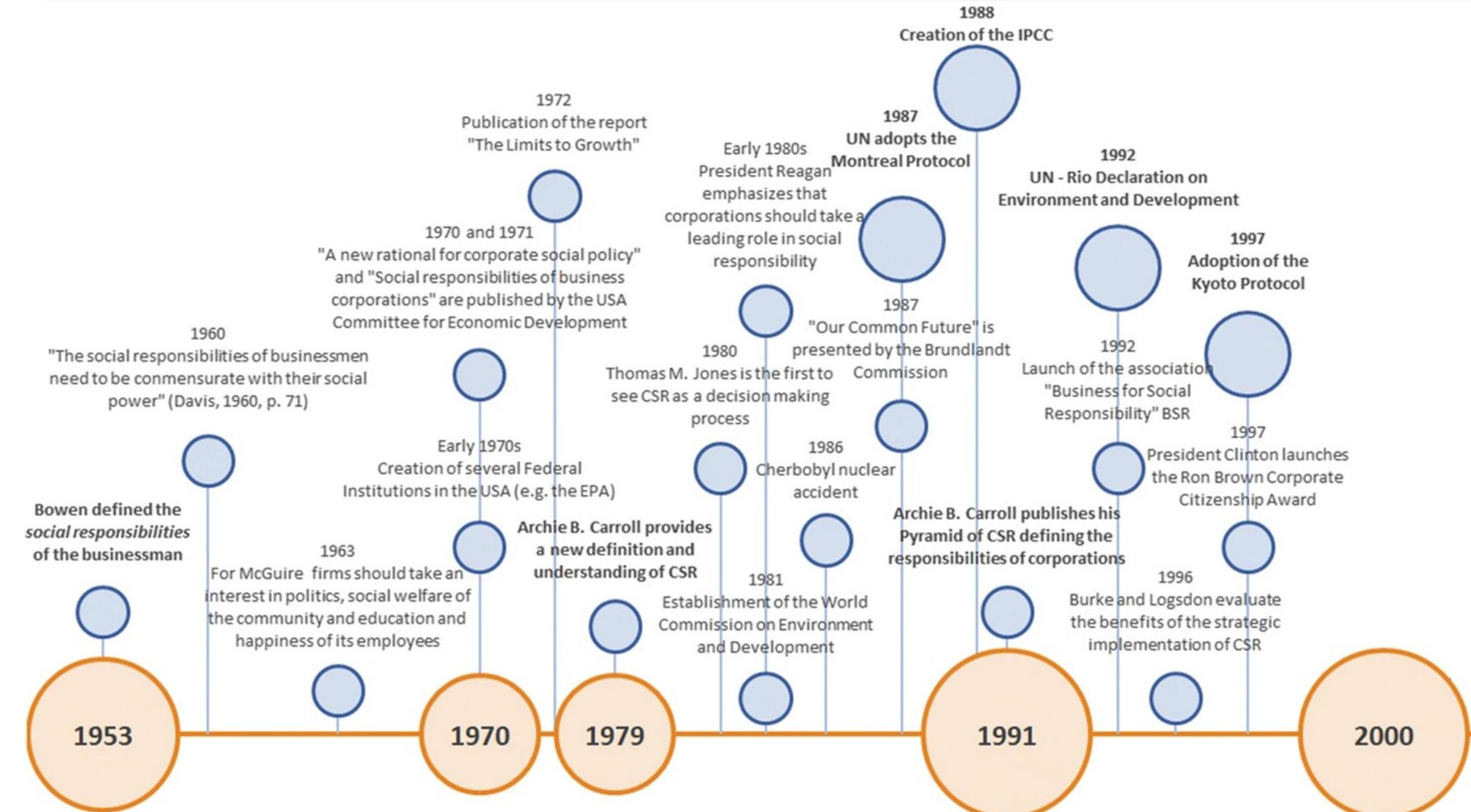
CORRUPTION PERCEPTIONS INDEX

2024

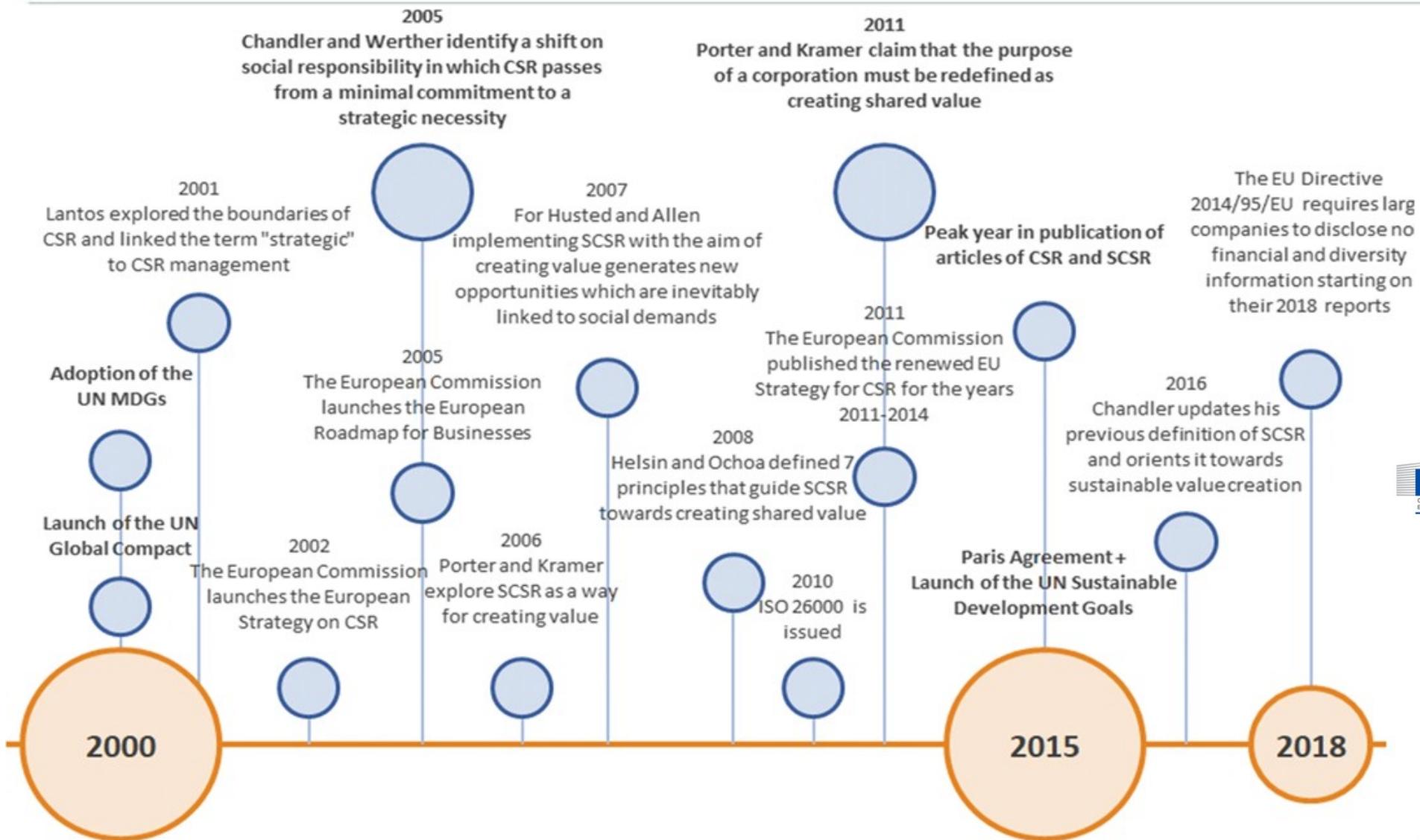


Source: <https://www.transparency.org/en/cpi/2024>

Timeline of key CSR events



Timeline of key CSR events



Next ?!





5. European Sustainability Reporting Standards (ESRS)

So the question is, how to measure and report all this?

- Corporate responsibility within the European Union has taken a significant leap forward with the implementation of the **Corporate Sustainability Reporting Directive (CSRD)**. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772>
- This directive serves as a cornerstone of the EU's comprehensive strategy to enhance corporate transparency, **integrate sustainability into core business strategies**, and foster long-term growth.
- At the heart of this directive are the **European Sustainability Reporting Standards (ESRS)**, which are **designed to standardise how companies report on environmental, social, and governance (ESG) factors**, ensuring that sustainability disclosures are consistent, comparable, and actionable across the EU. https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en#legislation
- For detailed view of the structure ESRS and metrics look at <https://cfrr.worldbank.org/sites/default/files/2023-12/Updated%20to%20be%20used%20from%20MONIKA%20BROM.pdf>
- **Global Reporting Initiative (GRI)** is a globally recognised framework for reporting on a wide range of sustainability topics. ESRS integrates GRI principles into its social and environmental disclosure requirements, enabling comprehensive and detailed reporting that is consistent with international best practices.
<https://www.globalreporting.org/standards/>

Key takeaways



Thank you!

Pavel Adámek, Ing., Ph.D.

adamek@opf.slu.cz



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