CAPITALISM WITH A CONSCIENCE

A GROUP PROJECT

submitted at the

IMC Fachhochschule Krems

(University of Applied Sciences)

By

Claudia ANTONY

Benjamin KRAUS

Nicolae MARGINA

Elena MOWSISJAN

Samay NARULA

Table of Contents

List of Illustrations

1 Introduction

Social responsibility empowers the employees of the companies to have the power of corporate resources at their disposal to do good. Being socially responsible fosters the company's image and builds its brand as well. It can also increase customer retention and loyalty to the businesses (Murphy,2022). Corporate Social Responsibility is a business approach that delivers economic, social and environmental benefits for sustainable development. CSR aims for more than company profits and focuses on providing greater benefit to the community. It is understood as a moral obligation for businesses to give back to the communities and nations that provided them with the opportunity to succeed. It helps in engaging customers/clients, supports employee engagement and also improves innovation and collaboration within businesses (Ellis-Hall,2020).

Private companies perceive CSR as capitalism with a conscience which refers to a socially responsible economic and political philosophy. Businesses should operate ethically by serving the interests of all stakeholders involved other than the corporate management and shareholders (Kenton, 2022). This principle must evolve out of corporate thinking which constitutes commercial strategies to maximize improvements in human and environmental well-being along with profit for shareholders. It contributes positively to the P&L figures, engaging consumers with a feel-good factor, building brand loyalty and forming a relationship beyond the price/value equation (Sandhu, 2013).

Sparo is a company that takes the modern consumer who wants to align with their brands to impact the world. It is a platform tool to increase both revenues and profits and bring out the best in everyone. The research is set to build a CSR strategy for the company and generally, creates a roadmap for capitalism with a conscience 2.0. Different areas of the topic are analysed and studied during the research. The research question for the topic is: How do you create an environment for capitalism with a conscience?

In this paper, the challenges of how companies can balance their desire to practice capitalism with a conscience while increasing revenues and shareholder value is depicted. To begin with, the initial situation is explained concerning few companies that practice CSR and its effect on them. To solve the challenge of capitalism with a conscience, an understanding of the successful models for companies that practice CSR to increase shareholder value is discussed. Followed by, there will be a brief description of the ways companies practice capitalism with a conscience along with the moral obligations of CEOs of a company to practice this concept is stated. Later, the metrics for a distinction between greenwashing and CSR companies, specific ways the private sector address public challenges and regulatory tools to democratize wealth creation is stated as well. The paper is done to analyse the best practices to implement capitalism 2.0 including Sparo as a solution for all companies aiming to implement the principle, thus CSR to be practised efficiently and effectively.

2 Assumptions for the case

Asset managers around the world including BlackRock which oversees $9.46 trillion in assets have vowed to invest in companies with a strong Corporate Social Responsibility (CSR) component embedded into their corporate governance. Also, during the pandemic, the market capitalization of large technology companies such as Amazon, Google, Facebook, Microsoft and Apple surged, but many small and medium-sized enterprises had a setback. Furthermore, since 2012, $100 billion has been invested in the development of self-driving cars and according to McKinsey, this amount of money has not resulted in any public benefit, but rather has created technology potential for a well-funded corporation such as Google and Uber. Capitalism does not generate wealth fairly when businesses like Facebook and Google use their massive financial reserves to acquire their competitors. Toms, a shoe company has also demonstrated that a “double bottom line” business strategy can be sustained and was estimated to be worth $625 million.

2.1 Consumer interaction

2.1.1 Consumer online interaction with big companies

The COVID-19 pandemic changed the way society shops in every way. Not only did it encourage online-shopping fans but also forced people who favoured on-premise shopping to look for substitutions. As everyone hurried to stock up during the worldwide lockdown, grocery store shelves were swiftly depleted of toilet paper and cleaning products. Supply chains tightened as the lockdown wore on, cleaning supplies were increasingly scarce, and everyone was struggling to locate basic food staples and essentials (Tymkiw, 2022). Trends change immensely as studies show. Data from the United States show that distinct consumer norms emerged in October 2021. Where consumer time spent in stores continued to recover with a 10 percent persistence in the year, however, e-commerce sales experienced strong growth as well with a 35 percent rise over the year. Online penetration increased up to 30 percent higher than it was pre-covid.

Another trend which emerged especially during the COVID-19 crisis is Omnichannel shopping where the consumer research and purchases products in-store and online. This trend rose about 60 to 70 percent. Social media also influences consumer buying behaviour immensely, especially among younger generations affected. During the pandemic, consumers have experienced many periods where the product which they were trying to acquire was out of stock in their favourite shop or web page. This lured them to try other web pages where the desired product was available. Studies showed that only 13 percent of the buyers waited for the product to be back in stock. 39 percent substituted their desired product with a similar item and 32 percent switched retailers. Retailers with huge availabilities gained the upper hand through that (Charm, 2021).

2.2 Big companies exploiting their market share

2.2.1 Amazon

These trends seem to be exploited by companies with higher market share who solely rely on online consumers, such as Amazon. It is no secret that Amazon has become the go-to market not only for essential goods but also for different products. As demand kept rising Amazon started recruiting new employees, added cargo planes to its portfolio and thus expanded its fulfilment and distribution network rapidly. Not only their retail business prospered but also their IT services (Harty & Rapp, 2021). In the first nine months of the pandemic, the company reported a 70% increase in earnings.

The pandemic is a huge factor in the nowadays success of such companies, however, there are other aspects, which play big roles for internet retail giants. Among others the technology used by companies like Amazon or AliExpress is designed to gather data from its customers so that ads and searches are tailored to the customer. Free shipping is another trademark, Customers with orders over $25 do not have to pay for any shipping which is just another motivation for the customer to fill up their shopping cart (Zetlin, 2017).

2.2.2 Google & Microsoft

Google's parent company, Alphabet, announced on Tuesday that revenue in the latest quarter increased dramatically compared to the same period a year ago, owing to strong demand for online advertising on its search results and YouTube videos, as well as continued growth at its cloud computing arm. Alphabet, like the other technology companies, has benefited from the pandemic. Following a dip in travel-related advertising during the early months of the pandemic, Google's advertising business has exploded. Businesses are investing in Google to reach out to customers who spend more time online. Google benefited from the increased online activity during lockdown restrictions, however, fears that this trend may not continue once the restrictions are lifted. The pandemic forced companies to rely more on digitalization leading to a shift to cloud computing, which benefited Google immensely (Google’s and Microsoft’s Profits Soar as Pandemic Benefits Big Tech, 2021).

Looking at the data pre-Covid-19 one sees that internet-related services and solutions constantly thrive. Generally, Google makes money by offering online services like web browsing or mobile operating systems to gather data and thus sell these data for online advertising purposes. Where during the pandemic the participation of people constantly surfing the internet and using google services increased, this was only possible through their immense market share in the sector before the COVID-19 pandemic (Johnston, 2022).

The same principle is applied to Microsoft, cloud services have risen sharply. Commercial cloud product sales accounted for $17.7 billion in revenue, up 33% from the previous year. As corporate clients embraced operating their computers and other tools on the cloud, Azure, Microsoft's main cloud computing product, saw a 50 percent increase in revenue, while commercial Office 365 products saw a 22 percent increase. Microsoft has narrowed the gap on Amazon in cloud computing. Amazon controls around a third of the rapidly expanding mobile market (Reiff, 2022).

2.3 Small and middle-sized companies during the pandemic

Small and medium-sized enterprises are severely affected by the COVID-19 pandemic as they experience greater sales declines and cash outflows than large businesses in the same industry and country. Faster-growing firms are less affected by the demand shock, but they are more vulnerable to, for example, international trade disruptions, supply, and finance shocks. The emphasis on small businesses is crucial for a variety of reasons, among others, because SMEs are the most important source of employment and supply of products and services in low-income countries, disruptions in this sector have significant social and welfare implications for the poor and rural communities. Furthermore, permanent closures of small businesses result in a loss of intangible capital, skills, and innovative ability, putting countries at risk of major recessions long after the pandemic has passed. According to the evidence, half of the firms would close in less than a month if sales do not increase. Demonstrating that large and small businesses alike are adversely impacted. During a downturn, SMEs have a harder time dealing with lower demand because their sales drop more than large companies and their capital runs out sooner. Sales revenue is where the disaster occurs as SMEs face a roughly 9 percentage point loss in sales revenue compared to large enterprises in the same sector and region. This has a greater impact on smaller businesses than, for example, finance shocks or international trade interruptions (Adian et al., 2020).

2.4 Self-driving cars and their funding

2.5 The big investors in autonomous driving

According to McKinsey, $100 billion has been invested in self-driving cars. The debate if these investments have generated any public benefit considering that much of that spending comes from tax money, is hence justified. Although the biggest factor in the funding is either through big investors or public funding, the part that is provided by different governments also amounts to several billion dollars (Amy Scott & Stephanie Hughes, 2021).

With the spending by governments, the greater good of the taxpayers should also be considered as the most important aspect. Where exactly the government spending is going, can be considered as the opposite of what would be in the best interest of the people.

The money that is being spent through the investment of different governments does usually end up in the account of already established, private companies that are actively researching autonomous driving. Big companies like Waymo receive these financial benefits and create an added value for themselves. The only requirements that usually go with such investments are the integration and collaboration across the country providing the fund, suitable hardware and the use of real-world data need to be contributed to make the investment work (UK Government Offers £30m New Funding for Driverless Car Projects, 2018).

The United States, compared to European countries, invest in a more taxpayer-friendly way, by having the research done by mainly universities and their engineering departments. This leads to huge investments of between 7 and 8 million dollars for each university to contribute to technological advancement. The universities, each have different focuses on their investment, and when ready create a holistic frame for which is autonomous driving then. The data, mainly on the focus of safety and the research is then collected by the government and formed into the finished product and can be used to quickly advance the project (U.S. Secretary of Transportation Announces Automated Driving System Demonstration Grant Winners, 2019).

2.6 The benefits for consumers and companies

However, the benefits for the consumer are indirect and not as obvious at first glance. The technological advancement does not pay dividends in the most obvious way as the taxpayers do not receive any money from the investment the government made. Yet there are benefits of the new technologies released from which even the consumer profits. It is expected that by 2025, driverless operation on highways and highly automated driving in cities will be introduced into the market, making the life of the driver more comfortable but also safer. It is assumed, that within the next decade, a mixture of semi-autonomous and fully automated vehicles will be gracing the streets of the world. The improved safety and enhanced mobility are the cornerstones of the technology which will improve the lives of those using it. Estimations expect a 90% decrease in accidents. Innovation flows and new security standards. With these newly acquired technologies, insurance will also be much more affordable for the consumer, making car expenses shrink on a monthly base. Further, mobility increases, as with the introduction of fully automated cars, people that would usually not be able to operate a vehicle, can now choose destinations and be chauffeured there, without any hassle. This can not only be used in a private way, but also in the sense of car-sharing or carpooling (The True Value of Autonomous Driving, 2015).

Yet the biggest winner in the implementation of self-driving cars, are those companies that adapt the quickest. Adjusting the structure and the business models to monetize from the data and network will be the necessary steps to becoming a big player in the field of autonomous driving. The newly created value chain of self-driving cars, involves software coders, integrators, infrastructure providers, component providers and service providers competing for the buckets that generate the value in the field (The True Value of Autonomous Driving, 2015).

2.7 The double-standard bottom-line business model of TOMS

Millennial companies are on their way to spending $200 billion per year. The main aim of the generation that sets apart is its persistence in business doing more than earning profit. To capture Millennial dollars, philanthropy is used by entrepreneurs as part of their business like marketing and new product development. But philanthropy has to be authentic to the company’s brand and its mission but still, it can have some other problems as well. With regards to Toms shoes, for every pair of canvas shoes sold by the company, they will donate another pair to children living in poverty around the world. During its initial year, the company gave away 10,000 pairs of shoes and reached 200,000 by the next year as well. The model of buy-one-give-one had a great influence on companies like Warby Parker and Smile squared who accepted philanthropy by donating thousands of glasses and toothbrushes respectively (Montgomery, 2015).

The business model that is practised by TOMS Shoes is considered a business model of the future. The buy one, give one business model that does well and does good to the society at the same time as well (Martin, 2017). There are four important characteristics of this model. Firstly, most BOGO models have been implemented by companies in the consumer product industry as these products allow people to express their unique style while at the same time supporting a cause. Secondly, prices of the BOGO products rarely top $100 which makes it hard to operate this model as the cost of donations increases with the price of the product. Thirdly, it is proven to be a good marketing tool for creating economic value and engaging people. But some companies use a BOGO approach to eliminate any marketing about their social mission. Lastly, the model is analysed for different types of donations coming from the model which has also made changes to the TOMS shoe model as well such as a combination of donating a product as well as a percentage of the profit or sales (Wanrooji, 2017).

The product and the message are the marketing, and the customer is the salespeople. The trend is excelling the millennial generation as they are conscious consumers who care about the dollars they spend. B-corp is also part of it as it gives a legal-binding for the social mission so the company can protect both financial and social bottom lines. More impact is created when as a for-profit company and allows people to start for-profit companies that serve as wage-earning, full-time jobs as compared to a charity. There are also concerns about exploitation and using the social mission to get more profit and also due to lack of education of the model, fuels confusion and lack of awareness when starting a company or business (Martin, 2017).

3 CSR and importance on bringing shareholder value

3.1 Corporate Social Responsibility

According to Fernando(2022), Corporate Social Responsibility, also known as CSR, is a self-regulating model of business that helps a company to be socially accountable to itself, its stakeholders and the public. By practising CSR, also called corporate citizenship, companies stay conscious of the impact they will be having on all aspects of society, including economic, social and environmental. In the course of a business, engaging in CSR means that a company is operating in ways that enhance society and the environment instead of contributing negatively to them. All sizes and across industries, businesses spend billions of dollars a year on CSR activities. It also means choosing to put the people and the planet first by operating economically, socially and environmentally sustainable. Different forms can be undertaken from eco-friendly office practices to charitable giving to volunteering and vary widely from company to company but mainly to succeed in the current economy (Peterson, 2019).

Companies implement CSR as they believe it is an integral part of their brand image, believing that customers will be more likely to do business when they understand or perceive it as ethical and can be an important component of corporate public relations. Some other companies are engaging in CSR due to convictions. Due to the implementation of CSR, the companies have taken steps to improve the environmental sustainability of their operations, through measures such as installing renewable energy sources or purchasing carbon offsets. There are also efforts taken to exclude reliance on unethical labour practices such as child labour and slavery. Small businesses also participate in CSR through smaller-scale programmes such as local charity donations and sponsoring local events (Fernando, 2022).

As businesses are taking steps to remain more sustainable, the term “corporate sustainability” is used quite a lot. The term is described as a new corporate management model that emphasizes growth and profitability through international business practices namely environmental, social and economic (Unboxed Technology, 2021). It is a growing concern among investors who seek not only profit but also social good. Companies can improve sustainability in the environment by reducing their carbon footprint or wasteful practices. Social responsibility consists of practices that benefit the employees, consumers, and the wider community of the company. The economic or governance part refers to retaining honest and transparent accounting practices and regulatory compliance. These three pillars can also be informally understood as people, planet and profits (Beattie,2019).

A set of social preferences and market imperfections motivate CSR but at the same time, the evidence of the effects of CSR is mixed prominently in terms of firm performance and labour compensation. Firstly, if it enables lower production costs, product differentiation through price discrimination mechanisms or innovation both in terms of managerial processes as well as technological upgrading, it helps to increase profits of the firm and improve general firm performance. Secondly, competition in the business environment may have differential effects on CSR adoption and firm performance whereby competing for socially responsible consumers will energise CSR activities by market competition thereby improving overall industry efficiency. But the competition can also raise entry barriers, increasing relative levels of industry concentration through regulatory systems etc. Thirdly, employees can also be affected by CSR and for that motivated and skilled employees can be hired which yields higher labour productivity (Newman et al., 2020).

When CSR is implemented in companies, it is also important to realise if they provide shareholder value as well. CSR activities create shareholder value when they increase future cash flows i.e., profits or mitigate the risk of those cash flows. Financial performance can be improved when CSR activities are involved by reducing costs, increasing revenues or reducing risks. When executives of CSR understand how certain initiatives have an impact on the financial performance and also on share price, they will have an understanding of how to evaluate CSR proposals. Also, when CEOs and CFOs work closely with the CSR executives to make connections, between the activities of CSR and profitability/risk, will give the CEOs and CFOs valuable insights into responsibilities and overall place in the corporate strategy and eventually bring both sides closer and produce significant gains as well (Bliss, 2015).

High CSR performance increases innovation by a reduction in financial constraints, mainly when combined with valuable patents. Debt financing from banks is done more easily when CSR is implemented and will obtain external financing at lower capital costs. Also, high CSR performance increases the positive effect on the quantity and economic value of innovation and growth investment opportunities. With regards to productivity and innovation when CSR increases, customer loyalty boosts employee productivity and thereby reducing financing costs, contributing to the economic value of innovation and shareholder wealth. It shows also a correlation between CSR and company value as a positive effect of innovation. Willingness to support the company is encouraged when the interests of customers, employees and partners are taken into consideration (Amyx, 2020). CSR, thus help not only in the progress and development of the company but also in the betterment of its ecological and environmental footprint as well.

4 Successful CSR models of companies

To understand how CSR has worked efficiently and effectively, understanding successful models of CSR is essential. Few companies such as Patagonia, TOMS shoes, BlackRock, and Microsoft are mentioned below as examples to understand their success story, their innovative campaigns, CSR strategies and the lessons for future and social entrepreneurs. CSR activities such as Apple, Google, Facebook, Amazon, and a few other brands are also cited to understand how the three pillars of CSR are carefully established and handled to serve the company and the environment.

4.1 Patagonia

The brand, which is a manufacturer of upscale outdoor clothing, is famous for its variety of environmental sustainability efforts (Thangavelu, 2020). In 1973, former climber, Yves Chouinard founded the privately owned firm. The company has a faster growth as it has 50 stores worldwide with a turnover of approx. 800 million dollars and might be a little smaller than its publicly traded rival in California, The North Face (Ramsenthaler, 2019). It is known to promote used wear and ask consumers to think twice before buying its products. Even in the face of a challenging environment for traditional retailers, the company has managed to raise its revenues. The company works with actions and donates a part of its revenue to environmental causes. It uses recycled, “Fair Trade” certified and has organic material in its clothing. Solar energy is used at its company headquarters in Ventura, California and is one of the founders of the Sustainable Apparel Coalition, which is a group of companies that promised to reduce its environmental footprint (Thangavelu, 2020).

Being a responsible company should and must be the goal of almost all the businesses which is equally as important as boosting shareholder profits. Patagonia had a belief that when products are brought to use while out and about in the environment, it is the responsibility of the customer to care for and protect the environment for a better future. Promoting environmental conservation is directly tied to Patagonia’s products and the founder had already acknowledged that businesses have a major impact on the environment and its resources and is inevitable. The mission statement of the company states “Make the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis”. Irrespective of the type of business, a focus on value and safeguarding the environment should always be among the top goals of the company (Eich, 2021).

A team of scientists and engineers are employed that use science to “develop, test and improve” products of the company and also reduce its ecological footprint. Science can improve products and help protect the environment as much as possible. The global clothing industry contributes up to 10 percent of worldwide carbon impacts. The goal of “carbon neutrality” is what Patagonia wants to reach by 2025 and for that, the best fabrics and materials are used to reduce its carbon footprint. The company also offers a flexible work schedule and decent pay. The company also believes in not having a situation or room to lie to the customers about the products or services in advertising or marketing (Eich, 2021).

A message that Patagonia keeps reinforcing is that they want to feel good about doing the right thing. The company has always raised their opinions on how they strive to minimize the footprint of their products and goes to great lengths to prove it by using garments containing as much recycled material as possible. Patagonia down jackets started using feathers of geese since 2013 which are not force-fed or live-plucked which also inspired their competitor North Face a year later. Credibility and the obsessive pursuit of transparency were always a must for the founder and are continued in the company today as well. The legendary “Don’t buy this jacket” ad against consumerism in Back Friday’s New York Times was of Patagonia, which was a move that made the depicted fleece a hit with buyers. It also offers lounge and yoga wear in addition to its outdoor range (Ramsenthaler, 2019).

4.1.1 DON’T BUY THIS JACKET campaign

To address the issue of consumerism, Patagonia chose to do the campaign, “Don’t buy this jacket”. To lighten the environmental footprint, everyone needs to consume less. It is important that businesses make things of higher quality and customers need to think twice before they buy. Each piece of Patagonia clothing whether or not its organic or uses recycled materials, brings out several times its weight in greenhouse gases, generates at least another half garment's worth of scrap and brings down numerous amounts of freshwater which is growing scarce everywhere on the planet. The company wanted to be the only retailer in the country asking people to buy less on Black Friday. The company's mission mainly is to inspire and implement solutions to the environmental crisis. The Common Threads Initiative serves as the framework to advance towards the goals of selling everything useful, multifunctional, long-lasting, beautiful but not in thrall to fashion. "Don't Buy This Shirt" was used as the tagline to prompt a hope to read the full ad and take the Common Threads Initiative pledge. The pledge is to reduce, repair, reuse, recycle and reimagine along with the company (Patagonia, 2011).

4.1.2 Corporate Social Responsibility of Patagonia

Patagonia donated 184 million dollars to non-profit environmental groups and conservation efforts since the foundation of the company in 1973. Moreover, 38 million dollars have been invested in socially responsible companies and ventures, excluding the countless volunteer hours and priceless results of their activism. CSR is part of their DNA since day one. Patagonia is not profiting and has scaled 1 billion dollars and shows no signs of stopping. The company's CSR efforts are transparent where trust is formed as the basis. Textile mills, factories and farms are easily understood from the Footprint Chronicles, which is an interactive map that gives a detailed description of each location. The company also publishes an Environmental and Social Initiative Report as well as provides an online database which gives the breakdown of grants, campaigns, events, sustainability and fair trade efforts, materials selection etc (Zurn, 2017).

The company's main idea was to tell the customers to buy less which will indeed drive sales too through their Common Threads Initiative. The initiative promises that they will make great stuff, fix it when there is a breakage and recycle it when the customers are done with it and will be free of charge. By keeping their clothing in use for 9 additional months, they can reduce their carbon waste and water footprint by 20-30%. The “Don’t Buy This Jacket” campaign conducted during Thanksgiving 2011, promoted consumers not to buy products if there are not of true use, which will reduce the environmental cost of producing these products. After this, the next year, the revenue grew by 30% and an additional 6% in 2013. The company mainly stands behind their product and gives a sense of ease to their customers that if something breaks on their product, there will be a chance to repair it. Their commitment to change is found sincere which is the key to their CSR. Sincerity is a factor that strengthens the connection with customers as well as global communities. A sense of loyalty is instilled as well. When people are willing to pay for a high-quality product that aligns with their values, it results in an engaged loyal community and recurring buyers, and this is the strategy Patagonia mainly follows as well (Zurn, 2017).

With regards to the history of CSR in Patagonia, it started with the sewing factories. The term sweatshop was used first in the nineteenth century to describe sewing factories where the conditions were hot, crowded and airless- and the workers were paid a small amount for 16-hour days. New York’s Triangle Shirtwaist Factory Fire of 1911, which killed 146 workers, where there were mostly young women and over half of them Jewish immigrants sparked calls for reform. A century later, the Rana Plaza collapse in Bangladesh killed more than 1,100 workers- and raised new calls for reform. Yet people still work underpaid hours for a long time in underdeveloped conditions in thousands of factories. Workers, mainly women in the global garment industry are often poor, young, uneducated, and disfranchised. They are sometimes taken advantage of, discriminated against, denied the right to unionize, harassed, threatened and cheated. Labour laws can be lax, and working conditions can be unsafe and unhealthy.

Compared to the story mentioned above, Patagonia has a different one that gave its place in the industry. Their employees, who are nearly two thousand people who work directly for them in their offices, stores and distribution centre are paid fairly and enjoy good benefits including generous health care, subsidized childcare, flexible work schedules and paid time off for environmental internships. The employees shared the company values, cared about quality and are active in environmental and community causes. Turnover is in the single digits and on average, the company receives a hundred résumés each month as well. Unlike the clothing companies that make their products or own their factories, they design, test, market and sell Patagonia gear. They pay other companies that have the technical expertise and equipment to produce the fabrics and do the actual cutting and sewing. This arrangement gives them special challenges for them as they feel responsible for any work.

The supply chain of the company is a fourfold inspecting approach whereby considering new factories or evaluating current ones and considering social and environmental practices equally with quality standards and business requirements like financial stability, adequate capacity and fair pricing. The SER (Social/Environmental Responsibility) team can veto a decision to work with a new factory. Such a practice is rare in the apparel business and keeps the company out of factories that do not share its social and environmental values. The Sourcing and Supply Planning teams are also trained in responsible purchasing practices to minimize any negative impact on the factory workers and the environment that could result from their business decisions. The Sourcing and Quality staff work closely with the SER team and hold a joint weekly meeting to make supply chain decisions.

4.1.3 Lessons learned from Patagonia for entrepreneurs

In 1973, rock climber Yvon Chouinard founded the company, Patagonia to sell fellow climbers with rugby shirts and corduroy shorts. The fleece jackets and quick-dry shorts were not designed to take on a higher level of fashion but 40 years later, due to the blend of authenticity, great design and strong ethics, $200 million per year was estimated to be the turnover of the company. The clothing of Patagonia is symbolized as simple, hard-wearing with technical fabrics and quality construction designed to last a lifetime. The customers remain loyal to the brand due to its reliability. To diversify the product, Patagonia focused on new sports such as surfing, fishing and skiing where craft beer was found as the perfect outfit than the logo T-shirts and hype beast sneakers. It retained its new and old customers by staying authentic to its outdoor roots and the customers who helped build it (Dickens, n.d.).

The core values such as quality, integrity, environmentalism and not being bound by convention make the ethos of the company more than a corporate mission statement. The ethos guides every decision the company makes, from sustainability to social justice and workers' rights. The CSR of the company is one of the far-reaching and genuinely effective in the world, making the beloved brand of its customers. Since 1985, Patagonia pays a self-imposed 'Earth tax' where 1% of all sales goes towards efforts to restore and protect the environment and since 2002, 1% for the Planet organisation has also enabled other businesses to do the same and donated more $89 million. In 2018, there was an announcement on donating completely $10 million received from Trump's tax cuts to environmental groups (Dickens, n.d.).

The company also enables other businesses to invest in the environment and sets the benchmark for research and innovation in environmentally sustainable fabrics and production methods. Their 'Seedling' children's line is made entirely from waste fabric cuts and also encourages customers to return any worn items to them for repair or recycling with the aim of no product of Patagonia ending up in a landfill. It also follows strict ethical guidelines, thus aiming to become the first clothing brand in the world to offer only Fair-Trade certified products, looking to improve environmental documentation. The treatment of their employees was praiseworthy as well where benefits such as healthcare, a wellness allowance and general annual leave were offered along with adoption fees for parents, free travel for a caregiver and free childcare at the HQ in California (Dickens, n.d.).

4.2 TOMS shoes

Blake Mycoskie founded TOMS in 2006, pioneering the One for One model, giving away one pair of shoes for every pair sold thereby supporting larger health, education and community development programmes through strategic partnerships (TOMS, n.d.). Argentine alpagarta design is used as the base for the company's design to sell shoes which is a simple canvas slip-on shoe. Although TOMS uses rubber soles in their shoe design, the original design is made from canvas or cotton fabric with rope soles. For each pair of shoes that the company sells, a new pair of

TOMS shoes are given away to a socially backward child (Passionate about Stories, 2019).

4.2.1 Keeping it simple- the success of TOMS

The motive of the founder, Blake Mycoskie was giving back as he believed it was a way of life. He was raised in a middle-class family in Texas and was raised with the idea that those who are blessed and fortunate have a responsibility to help those in need. He says that the most important business lesson he has learned is the power of story which is why TOMS has had a fast rise and success, thus a powerful story. Blake being a social entrepreneur was inspired by the kids he met who did not have shoes while on a trip to Argentina. He came up with the idea to use his business acumen to create a product that people could enjoy while helping those in need thereby the brand was born. The company expanded its businesses, ten years later, to shoes, bags, sunglasses and coffee including several TOMS retail stores where the customers can experience all of its products in one place (Business Insider, 2016).

The one-for-one program is an expansion of the company where for every pair of TOMS shoes sold, a pair is given to a child in need and other products as well. Full eye exams and sight restoration as provided by TOMS eyewear to people who need them, coffee sales provide a week's supply of water and sales of TOMS bags fund vital materials and training for safe births in African countries. Although doing good work was seen as the identity of the company, it was prone to critics as well. In recent years, there were accusations of one-for-one programs like TOMS, not doing enough to help developing countries with many claiming people in those countries that benefit more from money and education rather than clothing, to which the founder agrees. But he states that if the basic aids such as health, shoes, food, water and shelter are not provided, there is nothing great in investing in education and job creation as there will be no comfortable life. The idea of being everything to everyone was never a goal for the company. As a lesson he learned from past businesses and mishaps, TOMS was designed to be simple from the start. To keep TOMS simple and give more focus on the customer from the start, he has allowed the brand to have a great understanding of the customers (Business Insider, 2016).

The company believes that companies that focus on having an authentic story and sharing will have a position in the competition. In the future, the company is expected to continue expanding by growing the number of TOMS retail stores and coffee shops across the world. The company is also dedicated to investing in socially focused companies similar to TOMS. ROI will help to invest in even more businesses and continue to give the company a place at the forefront of the social entrepreneurship movement. The founder focuses on attracting the employees by making them part of the culture of the company and giving them a sense of pride and purpose, which will come back tenfold in terms of the hard work done (Business Insider, 2016).

4.2.2 One Day Without Shoes

In 2011, as part of the journey of the company, the founder of the company, Blake Mycoskie, founded the ‘One Day Without Shoes’ campaign by asking the customers to go barefoot for a day to raise awareness about the number of communities that go without shoes. Thousands of shoes were donated to those in need during the campaign and money was collected to solve the problem. In 2015, social media was used as a tool to engage the audience and took the campaign a step further. Thousands of users of Instagram provided shoes to those in need by tagging barefoot photos with the #WithoutShoes and there was no purchase required (“Passionate about Stories,” 2019).

The campaign was all about helping those less fortunate than oneself creating a powerful story that stirred emotions and people were happy to know that they were part of a cause that had involved helping children in need. Some of the other success stories of the campaign the company were the donation to shoes to help students in India to complete their school uniforms which increased regular attendance. In Ethiopia, the distribution of shoes helped prevent diseases such as podoconiosis which is the swelling of the legs due to irritant soil which made the lives better for the people there (“Passionate about Stories,” 2019).

4.2.3 Corporate Social Responsibility at TOMS shoes

The company is an American based for-profit organisation based in the state of California. The design called apargata from Argentina is the design of the branded shoes based on and is the primary business of the company. Moreover, the company sells eyewear, coffee, branded TOMS Co. and bags as well. Although the company had gained fame in a few years, it had to face a few controversies due to its business model. To achieve the for-profit policy by helping the children in need, the company donates a pair of shoes for every pair of shoes that are bought which is true with all of the company's other ventures. For every pair of glasses that a consumer purchases from the company, some money is donated to help people with an eye problem. The company donates some amount of money to provide clean water to people in need all over the world through every purchase that happens at TOMS Roasting. For providing safe births and skilled birth attendants to women around the world, the bag collection earnings of the company are used (Mugendi, 2017).

TOMS refers to its business model as the one for one concept as the company promises to donate free pair of new shoes to a child in need for every purchase of the shoes of the brand. The original model remains and the donates free products in Ethiopia, Rwanda, Argentina, Guatemala, Haiti, Mexico, the United States and South Africa. Word-of-mouth advocacy is the method chosen by the company as it does barely any form of marketing and focuses more on corporate social responsibility. To indicate their prioritization of social responsibility practices, the CEO of the company renders himself as "Chief Shoe Giver". It is a for-profit social enterprise and where it has neither a corporate responsibility division nor does it have an employee specialised in the same. The company has not registered as either a no-profit organisation or a benefit organisation despite their claim to a commitment to a social mission. The cost of the shoe is estimated at $4 per pair and is sold for profit in the US for between $50 to $100 a pair which are produced in China (Mugendi, 2017).

The growth of the company is found remarkable. TOMS has donated one million shoes to people in need across 23 countries for four years of its inception. Between

2011 and 2012, the company distributed one million shoes to show 50% growth rate in its sale compared to the period between 2006 and 2010. Partner organisations and “shoe drops” are mainly responsible for the distribution of donated shoes from the company. Strategic partners are also part of the distribution of the majority of the shoes. A cult-like following is gained by the company throughout its existence and is rather ironic that it lacks an advertising department and shows no appearance in traditional advertising such as television and print media. Instead of concentrating on conventional models of advertising, the involvement in social and charity events is the focal point. Social media platforms such as Facebook, Twitter and YouTube are used to push the conversation and created a community of a good number of loyal fans. For instance, One Day without shoe movement which was founded in 2010 by Blake challenged participants to spend 24 hours without shoes and gathered 300,000 within that period. Campus groups are also created that help popularise and coordinate the one for one movement (Mugendi, 2017).

Customers want to be part of something from the company’s campaigns. TOMS products are bought not because they have the best products but due to the feeling of getting something good and alternatively doing something good to someone in need, giving a feeling of buying for the cause. The CSR approach of the company is found a little absurd and unconventional but has been a great success. The primary target of the company is the millennials where young people have the leverage on the power of technology to influence the actions of the companies whose products they are consuming. Along with great products and good loyalty programs, consumers need to feel good about the money they spend beyond getting a good product. An unconscious feeling of doing good while buying a product decides what product consumers choose to buy due to the rise of global social issue awareness (Mugendi, 2017).

4.2.4 Lessons from TOMS for Social Entrepreneurs

By following the emerging trend of social responsibility, TOMS started a wave of businesses that ‘do-good’ as part of their business plans and continues as the line becomes narrow between non-profit and for-profit organisations. There are a few lessons from TOMS that could be adapted by the social entrepreneurs (Fritz, 2019):

1. **Ride a trend**: TOMS happens to intersect with the rise in consumers who have become more conscious about their spending and are willing to spend on consumer goods that also do some good in the world. The latest Cone communications CSR study revealed that 63% of Americans hope that businesses will lead to environmental and social change. As for buying power, 87% of consumers claim to purchase a product because a company got involved with an issue they cared about while 76% say they would refuse to buy a company's products or services if it supported a wrong thought. TOMS rode the trend of cause-related marketing to a great success benefitting many causes as well as helping companies polish their reputations as good corporate citizens. The groups or organisations which TOMS belong are called "high impact" organisations where the companies move toward social entrepreneurship and TOMS could be the commercial equivalent of those social good organisations.
2. **Bake in the Good**: TOMS is founded on the premise that sales equal the good done. Mycoskie, the founder has said that they know every day that they are going to give away one pair of shoes for everyone they sell and that's that. And if they cannot make the business work that way, then the business would not just work.
3. **Build-in Sustainability**: The model for TOMS is a self-feeding loop and the founder claims by asserting that if half a million dollars were taken and just bought shoes to give to the kids, it would have been only once and would not be as far-reaching and sustainable as TOMS Shoes is now.
4. **Give Employees a Reason to Be Proud**: Making children happy is the motive of the company and insists that the employee morale at TOMS is phenomenal, which gives every employee a reason to be proud.
5. **Attach a Story to Your Product**: The merchandise of TOMS is fresh and creates buzz and the story given to the customers should be content to be retold always. The shoes, glasses and all other merchandise of the company are unique and stylish enough to appeal to the modern consumer, young and older.

4.3 BlackRock

Blackrock Inc. is a company that has global asset management, risk mitigation and advice firm that works with clients from the retail and corporate sectors. The company's offerings are mainly single and multi-asset type baskets that invest in the stock, fixed income, options and money market funds. It is a single corporate unit and financial advisory and admin costs make up most of the company's income. On Feb 1, 2021, Aperio, a customized indexing company was bought by BlackRock for $1.05 billion. The company employs more than 16,000 individuals in 70 branches over 30 nations and owns stocks in Apple, Microsoft, Intel, Amazon, Facebook, Tesla, Exxon Mobile and Nike (Mahapatra, 2021) It is a major publicly-traded company with a market capitalization of about $112.3 billion and provides investment and technology services to both institutional retail clients around the world field.
A variety of funds and portfolios to invest in vehicles such as equities, money market instruments and fixed income are offered by the firm. The reasons for clients to depend on BlackRock are access to mutual funds, investments focused on objectives related to retirement income, college savings and exchange-traded funds (ETFs). The major competitors of BlackRock are The Vanguard Group, State Street Corporation (STT), T.Row Price Group Inc., Fidelity Investments, Franklin Templeton and Carlyle. The firm is the parent company for the iShares group of ETFs and derives most of its revenue from investment advisory and administrative fees charged to its clients. Recently, the company paused purchases of securities from Russia due to its invasion in Ukraine (Mahapatra, 2021; Reiff, 2022).

In 1988, Larry Fink, Susan Wagner, Robert S. Kapito, Barbara Novick, Ralph Sclosstein, Hugh R. Frater, Ben Golub and Keith Anderson formed the company in one room with experience in mortgage-backed assets. They were able to handle assets, good for clients with a bank loan of $5 million. Later this company was recruited by the FDIC to oversee the holdings of S&L. The industry was on the edge of collapse due to certain bad decisions made by this company until their settlement organisation of trust was founded. Aladdin, the Fink-versioned tech was developed by BlackRock and had $9 billion in AUM by 1991 and $17 billion in 1992 and $53 billion in 1994 (Mahapatra, 2021). AUM can be understood as the total market value of investments that a person or entity manages on behalf of the client (*Why Assets Under Management – AUM Matters*, n.d.). PNC Financial Services Group paid $240 million in the year 1995 for a stake in BlackRock Financial Management. The relationship with PNC allowed BlackRock a group of retail clients to supplement its institutional clientele constituting around 80% of the AUM in the 90s (Mahapatra, 2021).

To assist more individuals to achieve financial stability and commit themselves to preserve and develop the worth of their client's asset fiduciaries is the main aim of the company. Their goal is to help their clients build a brighter and more efficient financial life. BlackRock became a publicly traded company in 1999 with a diversified portfolio but had the worst IPO for months. The market realized that, despite having the cheapest shares, BlackRock was keeping its commitments to investors. In 2009, it purchased eFront for $1.3 billion and bought Barclays Global Investors for $13.5 billion and became the nation's top asset manager because of this acquisition. For 14 years in a row, Larry Fink was recognized as one of the world's finest CEOs and is now the most powerful figure in finance. The company has evolved from a small start-up to a global conglomerate and invests in experimenting in all areas. They own shares and voting rights in several largest European firms including those in energy, oil and gas and banking as well. The firm invests in the government and central banks, issuing public bonds, owns real estate and serves as an auditor and mentor, in addition to being a bondholder. BlackRock has grown tremendously successful and is trustworthy as well when the government itself requests its assistance (Mahapatra, 2021).

4.3.1 Corporate Sustainability of BlackRock

Financial well-being is a factor necessary for all the people around the world and is thus the purpose of BlackRock as well. The company is recognized for its leadership in CSR, sustainability, investment stewardship, transparency, inclusion, and diversity. $6.96 trillion of assets are managed on behalf of diverse clients around the world, dedicating themselves as fiduciary, looking after and growing the value of clients' assets over the long term. This includes a focus on sustainability as well.

They also focus on integrating ESG considerations into the investment processes (BlackRock, 2022). ESG stands for Environmental, Social and Governance where investors increasingly apply these non-financial factors as part of their analysis process to identify material risks and growth opportunities (CFA Institute, 2022).

ESG information helps to enhance risk-adjusted returns, regardless of whether a strategy has a sustainable mandate in its investment decisions. The investment conviction of the company is that sustainability and climate-integrated portfolios can provide better risk-adjusted returns to investors over the long term and to identify unpriced risks and opportunities within portfolios, sustainability-related data provides an important set of tools. The active investors of BlackRock are responsible for integrating material sustainability-related insights, consistent with their existing investment process to improve long-term risk-adjusted returns. The investment process is structured to identify ESG risks and opportunities alongside traditional measures within the active investment processes. ESG integration also permits a diversity of approaches across different investment teams and strategies. The integration of ESG has been structured around three main themes such as investment processes, material insights and transparency, supporting them by equipping their employees with useful ESG data, tools and education (BlackRock, 2021).

As a fiduciary investor, good corporate governance and sustainable business practices have supported that result in long-term value creation for their clients. Company leadership is engaged on key topics emphasising governance practices including management of environmental and social factors that potentially have material, economic, operation and reputational developments for the company. The purpose is to provide companies with their feedback as long-term investors and to understand a company’s approach. Voting at the shareholder meeting of every company is done where the clients hold shares as BlackRock believes it is an important feedback system between companies and investors. Engagement priorities are determined based on the observation of market developments and emerging government practices and evolve every year as necessary (BlackRock, 2022).

A platform for sustainable investment solutions is developed to align capital with certain behaviours, activities, or outcomes via ESG, thematic and impact approaches including clean energy investments to access green and energy transition sectors. Some solutions eliminate exposure to certain sectors or activities through screened solutions. Different sustainable investing styles are included in the company from Avoid to Advance as a framework to think about different sustainable investing outcomes. 'Avoid' is about minimizing or eliminating exposure to certain companies or sectors that are associated with the ESG characteristics that are negative which could pose risks to reputation and others, or which violate the asset owner's values. 'Advance' is a factor to increase or target exposure to positive ESG characteristics and might include ESG scores as an additional layer in the portfolio construction or focusing on a specific social or environmental theme or outcome. The company also has Aladdin technology to give the enterprise view and also a separate group to provide oversight of risk, cybersecurity and information security, employing an in-depth, multi-layer strategy of control programs that protect confidentiality, integrity and availability of information (BlackRock, 2022).

4.3.2 Lessons learned from BlackRock

As the head of the world's leading asset manager with nearly $2 trillion under management, Larry Fink is a person who is powerful with the ability to influence what companies all over the world are doing. If they feel that, companies are not in the best interests of their shareholders, as a substantial institutional holder of the world's largest companies, BlackRock can remove those companies from its portfolios. They also have the ability to vote by proxy on behalf of their clients. Larry Fink also gives a lot of importance to sustainability as a driver of long-term value creation. He states that companies must ask themselves what role they play in the community, How they are managing the impact on the environment if they are working to create a diverse workforce if they are providing the retraining and opportunities that our employees and our business will need to adjust to an automated world and also if they are using behavioural finance and other tools to prepare workers for retirement that help them achieve their goals (Distante, 2018). These questions also reflect on impact investing as well. It is a general investment strategy that seeks to generate financial returns thereby also creating a positive social or environmental impact (Chen,2022). In an aftermath of the traffic Parkland shooting, the CEO took a stand on gun control by reinvestigating holdings in gun makers and retailers and also providing investors with the ability to invest in gun-free funds as well. The speed and urgency of the company serve as an extraordinary example of impact investing that can be transformative and be applied to influence societal outcomes that improve society.

There are a few other companies such as Microsoft, Apple, Google, Facebook, Amazon etc who also maintain their CSR practices which benefit the society and environment.

4.4 Microsoft

The CSR of Microsoft is guided by the citizenship mission of the company and is stated as “to serve globally the needs of communities and fulfil the responsibilities to the public” (Dudovskiy, 2019). The main CSR goals of Microsoft are to empower people, strengthen communities and protect the planet. The charitable trust activities by Bill & Melinda Gates Foundation are also associated with Microsoft in the perception of the general public to a certain level. To support the local communities, the company had donated USD 158 million. The Lagos Solar along with the intelligent inverters connected to Microsoft Azure Internet of Things technology uses batteries from solar panels. 4Afrika Initiative provides a set of programs to empower the African youth, entrepreneurs, developers and business and civic leaders. Another named YouthSpark initiative aims to empower 300 million young people around the world with opportunities for education, employment and entrepreneurship (Dudovskiy, 2019; Mishra, 2020).

Employee feedbacks are mainly used for understanding the employees of the company and states that 92% of them feel proud to work at Microsoft and 87% recommend the company as a great place of work. The company also provides health and wellness programs for families, paid vacation, paid sick leave and paid time off for new parents. Since the year 2016, Microsoft has had a formal commitment to respect human rights as a signatory of the United Nations Global

Compact (Dudovskiy, 2019). The company values and believes in commitments and focuses on four key areas: to support inclusive economic opportunity, to protect the fundamental rights of the people such as democracy, racial justice and equity and human rights, to create a sustainable future and earn the trust of their stakeholders (Microsoft, 2022).

The energy consumption of Microsoft is eco-friendly, where 44% of the electricity comes from wind, solar and hydropower electricity. The corporate campus is leveraged to help create an analytical software solution that prioritizes maintenance and repairs the 125 Puget Sound buildings based on energy and cost savings potential. Water consumption by Microsoft is also done sustainably, especially in India, the company captures rainwater for irrigation and treats sewage for use in landscaping thereby resulting in zero sewer discharge. The office in Paris also uses captured rainwater for irrigation and flushes fixtures. Since July 1st, 2012, the global operations of the company have been carbon neutral and purchased more than 14 million megawatt-hours (MWh) of green power and reduced company-wide emissions by more than 9 million metric tons of carbon dioxide equivalent (mtCO2e). More than 7 million people in emerging nations are supported by Microsoft through carbon offset community projects. The company's carbon offset project portfolio represents more than 600,000 metric tons of carbon dioxide (CO_2) emissions (Dudovskiy, 2019).

Microsoft's Device Supply Chain Group (DSC) and indirect purchasing group oversee dedicated programs to ensure that its standards are met and build partnerships with suppliers that advance social and environmental goals. In 2013, Global Procurement Group created a formal responsible sourcing function to consolidate and enhance its responsible sourcing activities with its indirect suppliers. For compliance purposes, more than 100,000 device and packaging components provided by suppliers are being evaluated. Also, it employs more than 50 people to investigate potential breaches of company policy and an additional 120 people for compliance as well. The Global Network Initiative (GNI) Phase III Assessment which is conducted by an independent assessor and the GNI Board determined the company is compliant with the GNI Principles on Freedom of Expression and Privacy (Dudovskiy, 2019).

The employees of the company donated more than $158 million to NGOs serving communities in their localities and more than $30 million in cash and technological resources to companies engaged in serving refugees and other humanitarian causes are also donated. The Office 365 for Non-profits in 92 countries around the world, providing $55 million worth of Office 365 subscriptions to nearly 11,500 non-profits globally. The company also spent $3 billion to help minority, disabled, veteran, LGBTQ and woman-owned businesses as well. With the technology, AI for Good worth $115 million was launched to empower those working to address humanitarian crises, advance environmental sustainability, and intensify human capability with AI technology to help them achieve their cause. Many projects such as 'Shape the Future' are undertaken in Africa to help people and entrepreneurs find more growth, become more self-dependent and empower communities needing technological support for higher security and peaceful living (Pratap, 2019).

4.5 Apple

The CSR programs and initiatives of Apple are led by Lisa Jackson, the Vice President of Environmental Initiatives who is reporting directly to CEO Tim Cook. With the Apple Leadership 2011, Tim Cook assumes to focus on the CSR aspect of the business which has increased to a considerable extent. Tim Cook is a member of Paulson Institute's CEO Council for Sustainable Urbanization, working with other CEOs of top Chinese and Western companies to advance sustainability in China. Apple supports local communities in various ways as in Oregon, USA, the Apple partners with Bluestone Natural Farms are to transform compostable materials generated onsite into rich organic material for use on the farm. For disadvantaged children in the Philippines, a 100-kilowatt rooftop solar project at the education institution. For the fishing community in Thailand, the company added a 50-kilowatt solar power system and a 260-kilowatt-hour battery to supply clean electricity. The company has also managed to reduce its carbon footprint by nearly 35% since the peak point in 2015 and wanted to reach neutrality by 2030 (Dudovskiy, 2021).

As one of the first global companies to achieve a carbon impact of net zero for corporate emissions, the company had announced plans to extend the same initiative across its entire supply chain by 2030 with a goal to sell all products that are carbon neutral by the end of the decade. Moreover, it focuses on reducing the overall environmental impact of its supply chain, particularly in its approach to sourcing raw materials. Therefore, a mandatory third-party audit is required for all the suppliers, smelters and refiners of tin, tantalum, tungsten, gold and cobalt of Apple. In 2021, Apple announced a series of new CSR programmes under the programme, Racial Equity and Justice Initiative (REJI) worth $100 million. The efforts focus on addressing systemic racism faced by communities of colour through educational support such as through a developer academy to support tech education in Detroit, Michigan, a learning and innovation centre to support black colleges and universities and venture capital funding for minority entrepreneurs. Also, social responsibility programmes to support diversity and professional growth throughout the workforce (Dean, 2022).

Product Red Involvement is a CSR programme of Apple that licenses the “Product Red” brand to companies to support the “Global Fund to Fight AIDS, Tuberculosis and Malaria” programme. The sales from the Red-branded products had generated approximately $250 million in donations and since the pandemic, parts of the funds have been channelled to COVID-19 purposes as well. The company also has a sales promotion programme for business organizations and students. An exclusive education pricing for newly enrolled college students and their parents as well as faculty members, administrative staff and personnel and home school teachers of all grade levels. Discounted products are available on the official company website or in authorized third-party retail stores and distributors (Pineda, 2021).

There are also specific CSR programmes for environmental strategy and sustainability initiatives aimed at minimizing the environmental impacts of its business operations. Through the global recycling programs employing the upcycling as well as the use of renewable energy, a circular economic model is aiming to be adopted in its entire value chain thus equipping it with a capacity to maximize the use of finite resources while minimizing wastes. In addition to this, to respond to the controversies relating to poor working conditions at some of its outsourced facilities, the outsourced business partners are required to follow a set of guidelines for better working conditions of the employees and to serve the suppliers properly as well (Pineda, 2021).

4.6 Google

As part of CSR activities, Google data centres consume 50% less energy as compared to a typical data centre and purchase or produce 24% of renewable energy. The company has 11% renewable electricity and the total use of renewable energy amounts to 35% and the remaining 65% is composed of non-renewable energy neutralized by carbon offset projects. Google has also made an agreement to invest more than $1.5 million in renewable energy as large-scale wind and rooftop solar panels. From 2013 to 2015, the company has also reduced potable litres of water used per employee by 30% at its headquarters in the Bay Area. In 2015, Google diverted 84% of its waste from its global data centre operations away from landfills and has been diverted to 86% in 2016. With regards to carbon emissions, the company has been carbon neutral since 2007. The ‘Commuting Sustainably’ program keeps 5,700 cars out of the road and the company shuttle program and electric vehicle charging stations are equivalent to more than 87 million vehicle miles annually. From 2009 to 2015, the company’s carbon intensity per revenue and per full-time employee, decreased by more than 50% (Dudovskiy, 2017).

Google is involved in climate change projects and plays a key part in the formation of CSR. When the CSR of Google is examined, it is usually an essential part of internal relations and for this reason, the effect or impact of a company’s operation is viewed in connection with its influence on society and the environment. The strategy of business dealing may have an impact on the company’s environmental and societal footprint and be seen as beneficial if the company’s CSR is integrated into the processes of work such as investment or decision-making. When an employee of the company makes their contribution to CSR, it would result in the social, environmental as well as economic goals of the company. Thus, the climate change programme by Google proves that Google is socially committed to CSR. A unique strategy is also formed to support and develop employees. This was formed to support the company in difficult economic situations and being committed and loyal as well. Strategy within Google implies a strategy of employees of an organization, realise their kind of group social responsibility to improve society and people operate in groups and share the same ideas and ideals. The company acts also socially responsible in areas such as donation programs, support for local communities and poor countries, protection of animal rights, exercising a unique marketing strategy and provides support for laboratory research by strengthening the interpersonal relationship as well (StudyCorgi, 2021).

One of the primary focus areas in the CSR strategy of Google is education and learning for the underprivileged and underrepresented. The company has committed around $50 million to help kids and people in the marginalized and disadvantaged communities in many regions around the world. Apart from this, Google is investing in projects and non-profit institutions that work to improve the condition of employment as mentioned above. It has donated around $1.5 million to Code For America, a project with its primary focus being job matching. Also, the company devotes resources to helping those who have been discriminated against based on race. Grant funding by Google is presently focused on organisations working to address racial bias and inequality in the US. Additionally, the company plans to invest in organisations using data science and innovative new approaches to identify and analyse biases in the criminal justice system and support movement leaders who are changing the national narrative on race. Google also focus on helping the suppliers adopt responsible and sustainable practices and formed a code of conduct which is to be followed to have a minimum impact on the environment which makes business processes more sustainable (Pratap, 2019).

4.7 Facebook

The vision of Facebook is a just and equitable transition to a zero-carbon economy where no one is left behind. Net-zero emissions have been achieved in global operations and plan to reach net-zero emissions for their value chain in 2030. Their approach to CSR is to raise access to authoritative information and encourage positive action on climate through core products and services while working with others to scale solutions to create a healthier planet for all. The CSR strategy of the company is to help them to operate and grow efficiently and responsibly and empower individuals to build sustainable communities (T. C. Journal, 2021).

A commitment to source 100% renewable energy was announced by the company in 2011 for their facilities and achieved that goal in 2020. At the end of 2020, their global portfolio totalled over 5.9 GW of wind and solar projects under contract and increased operating portfolio of wind and solar to over 2.8 GW covering 15 U.S states, Europe and Asia. For the year 2021, they aimed for first solar-plus-storage projects that include 180 MW of storage capacity across three states. With the other energy operations, Facebook’s commitment to support renewable energy projects had a profound economic impact on local communities as well. A total 5,763 MW of renewable energy projects represent an estimated $7.4 billion in investment and have supported or will support over 42,000 jobs across the country and contribute more than $4.3 billion in U.S GDP. In addition to this, a key element of their water stewardship despite their operational water use, is supporting projects that restore local watersheds near data centre communities. It involves partnering with local, trusted environmental non-profits that share the vision to identify and support water restoration projects that benefit neighbouring communities, especially those in water-stressed regions (T. C. Journal, 2021).

Facebook has an employee satisfaction rating of 93% due to competitive pay, informal and empowering organizational culture. The employees are often placed in roles that would satisfy their strengths and are encouraged to question, criticize their managers and follows gender equality. Other focus areas for Facebook in CSR are education, technology, social justice and economic opportunity. The Chan Zuckerberg Initiative is the platform used for philanthropic activities. CZI partners with students, educators and families create tools and programmes and provide support that makes it easier to apply the science of leaning and human development. A special programme called the summit learning programme is built to keep the needs of students and is designed to help them meet their needs and goals in the best possible ways. In the case of social justice, the focal points are Criminal Justice Reform, Housing affordability and immigration reform. In the field of Criminal Justice Reform, the focus is upon transforming prosecution and expanding opportunities. It also helps people find affordable housing and take millions of immigrants who have become one with the society of America, closer to citizenship (Pratap, 2019).

A special team focus on scientific and technological developments to solve biological and economic problems and has created several projects and tools such as Meta, IDseq, Human Cell Atlas and Starfish which are AI technologies used for research purposes. With regards to supply chain and workplaces, the company helps the supply chain partners to manage their human resources and work processes in a sustainable and effective manner. All Facebook data centers have achieved LEED Gold certification, aimed to maximize employee health and well-being as well as productivity (Pratap, 2019).

4.8 Amazon

The main focus of Amazon's CSR is on environment, supply chain, employees and community. In 2019, The Climate Pledge is one of the major CSR programmes, in partnership with Global Optimism, urging companies to achieve net-zero annual carbon emissions by 2040. $2 billion was committed in 2020 to help companies develop products and innovations that support and sustain low carbon economy. The Right Now Climate Fund contributing $100 million to finance reforestation projects and other initiatives to reduce climate change. With regards to supply chain, the company expanded its company policies that govern supply chain procedures and standards to include more comprehensive and rigorous requirements. The changes also reflect clear and decisive directives aimed at protecting wage equity, vendor transparency, worker safety, gender equality and environmental sustainability. Candidates from schools and institutions that serve ethnically diverse populations such as Historically Black Colleges and Universities, Hispanic Serving Institutions, Women's Colleges and Universities etc are selected to promote a diverse and equality-driven workplace. Also, students and candidates from organisations that promote minorities in tech have also been selected for the purpose. Amazon also continues to expand employment opportunities for people with disabilities at home and abroad (Dean, 2022).

The community outreach programmes of Amazon are dealing issues including housing and food insecurity, educational support and COVID-19 relief. $100 million was invested by the company to ease the strain of chronic homelessness. Amazon partnered with local food banks and schools delivered more than 12 million meals around the world and provided $2 million to help administer urgent and basic supplies such as food, clothing and provisions to students in Seattle. To promote STEM (Science, Technology, Engineering and Mathematics) education in 2020, $50 million was allocated and also included support for Amazon's Future Engineer program designed to help students and young adults from disadvantaged communities achieve academic success. Moreover, to address the economic disparities in STEM education, Amazon continues to sponsor its annual Girls Who Code to encourage more female representation in the computer science field. For COVID-19 related initiatives, $4 billion was invested to help their workers and the community at large and over 1 million in-house COVID-19 tests were administered across the US to help track and contain the spread of the virus. Amazon also used its logistical and operational networks to help those who are affected the most by the pandemic by delivering millions of meals to families, providing 8,000 laptops to support online schooling for the students in Seattle (Dean, 2022).

The company is understood as the largest corporate buyer of renewable energy in the world and has 62 utility-scale wind and solar projects and 125 solar rooftops on fulfilment and international sort centres. Amazon is aiming to be using 100% of this energy by 2025. By revenue, the company saved USD 480 billions of water through renewable energy generation programmes in 2020 alone. The tech giant has also reduced the weight of outbound packaging by over 36% and eliminated more than 1 million tons of packaging material since 2015. Amazon is a member of Better Cotton Initiative (BCI), the largest cotton sustainability programme in the world and 7,500 employees have joined to become Sustainability Ambassadors to improve environmental and social impacts of company's operations. The online retail offers more than 75,000 types of Climate Pledge Friendly products. In 2019, Right Now Climate Fund launched by Amazon is a $100 million fund to restore and conserve forests, wetlands, and grasslands around the world (Dudovskiy, 2022).

4.9 CSR done by successful brands

Corporate Social Responsibility allows businesses large and small to showcase a positive change. This is when companies choose to do what is right not only for their bottom line but also to build customer trust. It comes in many forms and even the smallest company can impact social change as well. Some common examples of CSR include reducing carbon footprints, improving labour policies, participating in fairtrade, diversity, equity and inclusion, charitable global giving, community and virtual volunteering, environmental corporate policies and social and environmentally conscious investments. Socially responsible companies are more important to millennials and Gen Z as they believe that companies should invest in improving society and provide solutions that assist in those improvements. Activism by millennials and by all generations will also influence changing trends in CSR. Workplace diversity will also continue to expand to embrace people of all races, genders, cultures, disabilities and sexual orientations. Social injustice and policy changes are issues where companies also find their own voices to speak out that will have an impact on the environment negatively (Digital Marketing Institute, 2021).

Brands that give concern to CSR are (Digital Marketing Institute, 2021):

1. **Innovation: Johnson & Johnson**: This pharma company is used as an excellent example of CSR. They have focused on reducing their impact on the planet for three decades. The initiatives of the company range from leveraging the power of the wind to providing safe water to communities around the world. The company is also reducing pollution by providing a renewable, economical alternative to electricity through their purchase of a privately-owned energy supplier in the Texas Penhandle. The company seek out renewable energy options with the goal of having 100% of its needs from renewable sources by 2025.
2. **Coca Cola**: The brand is investing lot of effort with a huge focus on sustainability. The key areas include climate, packaging and agriculture along with water stewardship and product quality. Their message “a world without waste”, with the aim of collecting and recycling every bottle thereby making their packaging 100% recyclable and replacing all water used in

creating their drinks back to the environment to ensure water security. The company's aim to reduce carbon footprint by 25% by the year 2030.

3. **Pfizer:** Emergency assistance in healthcare is crucial when disaster strikes and to aid these circumstances, Pfizer has a three-pronged approach such as donations, grants and solutions to access. Grants have been provided to countries such as Haiti in the aftermath of Hurricane Matthew and the global refugee crisis in Europe and the Middle East. The money is provided through NGOs to reach as many people as possible. During the COVID-19 pandemic, through its Global Medical Grants program, Pfizer provided $5 million to help improve the recognition, diagnosis, treatment and management of patients. In addition, grants were made available to clinics, medical centres and hospitals to improve the management and outcome of COVID-19 patients.
4. **Wells Fargo:** This company donates up to 1.5% of its revenue to charitable causes each year to more than 14,500 non-profits through philanthropic activities such as food banks and incubators (plant science and renewable energy) to increase the speed to market for start-ups. The company donated $6.25 million in response to the COVID-19 pandemic to support a domestic and global response. This includes $1 million to the CDC Foundation, $250,000 to the International Medical Corps across 30 countries and $5 million for efforts at a local level to address the community needs.

5 Capitalism with a conscience and shareholder expectations

One of the next questions that preoccupies is, how companies can practice capitalism with a conscience and at the same time do not neglect the expectations of shareholders for increased value. To address this problem, it must be determined that capitalism with a conscience must mean that profit maximization must occur for all stakeholders in society and in all areas of life, not just for corporations as in conventional capitalism. This leads to the first assumption; that corporations that aspire to a conscience-based capitalism model must recognize both their rights and also their obligations in society, they must be acknowledged as equally liable parties in a previously state-citizen based relationship. However, in order to unlock further aspects in a conscience-based capitalism model, a pronounced CSR approach should not be attached to a company only as a greenwashing measure or published as a mean to an end without further ulterior motives. For a society that seeks to maximize both profit and human welfare, a distinctive CSR approach should serve as a guide, every decision that was previously a question of cost or at most image should now also consider human costs and human welfare. (Cavaco & Crifo, 2014; Farrell, 2014; Wagner, 2007)

There is an urgency to find a framework and at the same time provide guidance that will lead companies to adapt their modus operandi into one with more foresight and vision.

Building blocks for such a development have already been laid to a certain extent with the ESG criteria in the investment field e.g., ESG, the abbreviation for Environmental, Social and Governance, are criteria intended to help classify the actions of companies in following areas. These include: (Corporate Finance Institute, 2022)

- (Environmental): Air emissions and air quality, use of energy and natural resources, waste management etc. → How the company treats the environment.

- (Social): Labor standards, production quality and safety, impact on the local community, equal employment opportunities etc. → How the company treats people.

- (Governance): Ethical business practices, diversity, voting rights, executive vs. employee pay etc. → How the company governs. (Corporate Finance Institute, 2022)

Investors or investment companies then look at the respective scores of different companies and use them to decide whether these companies fall into their investment programme or in the case of private investors, for example, align with their views on ethics and morals. (Nelling & Webb, 2009)

Data concerning this information can be compiled in a variety of ways. On the one hand, a big number of companies now publish so-called (CSR) annual reports in which they address ESG criteria and report, among other things, on projects in which they are involved or how they are trying to achieve certain goals they are committed to. This information accordingly runs the risk of being biased, as companies report according to their own and their shareholders' agendas. In addition, information on the ESG stances of companies can also be drawn from NGO or government reports. (Mahoney et al., 2013; Wang et al., 2018) Publicly available information that is most in tune with the times can be drawn from social media, financial news or company reviews. (Wang et al., 2018)

To screen and analyse the ESG data accessible of a company and its business practices, there are several screening companies such as MSCI, Sustainalytics which is a subsidiary of one of the largest stock market data providers Morningstar, FTSE Russell, ISS (Institutional Shareholder services), S&P Global and many more. (Weinstein, n.d.)

In order to identify risks that do not emerge in conventional finance data analysis and also to identify opportunities, it is crucial to take ESG data into account, as this can lead to increased costs for operation or litigation. In this case, risks are weighted for different industries and so-called peer groups are formed, on which the ESG rating focuses. (ESG Investing, n.d.)

ESG rating agencies look at industry-specific risks and determine the exposure of the respective company based on its business activities, the size of its operation and where it operates. They then assess how a company is managing the said risk, because mismanagement of these factors means higher costs of capital, accounting irregularities and higher volatility. The most relevant data is collected from publicly available sources, including controversies that can predict a performance failure. The rating is calculated by assigning percentage weights to each identified ESG risk, according to their assessment of the time horizon and impact. The respective ESG scores are then relative to the industry peers to obtain the overall ESG rating, which varies from AAA - CCC (leaders - laggards). (ESG Investing, n.d.)

5.1 ESG in use – investment

An example where this phenomenon can already be observed are the fund giants Blackrock and Vanguard Group, which give investors the opportunity to invest in e.g., ETF which are compiled from stocks of companies which perform well in an ESG rating sense. These funds engage among other things in socially responsible investing and sustainable investing, because they are also convinced that "investment objectives and personal values are not mutually exclusive”. In the case of the Vanguard Group fund, this approach leads to the FTSE - its own social index fund, which is the largest ESG-screened fund in the US. (Investment Stewardship, n.d.; Reports and Policies, n.d.; VFTNX - Vanguard FTSE Social Index Fund Institutional Shares | Vanguard Advisors, n.d.)

5.2 ESG in use – consumers:

However, after the examination of the ESG criteria, it is inevitable that in the evaluation of "good" and "bad" companies, many efforts are made, but one aspect is left out, and that is the human aspect. However, this phenomenon can be observed among consumers. They decide, mainly through information retrieved from social media and the general news to which category a company belongs. Here, attention is paid to many things that pass through the sieve in other analyses, including those of ESG rating agencies. These include shady deals with autocracies, unfairly perceived price increases and poor treatment of staff and customers, or businesses that generally have a negative impact on people, animals and nature. This, combined with the learnings of the application of the ESG criteria, is a step in the right direction in the assessment of whether a company is practicing capitalism with a conscience. However, it is difficult to trace these dynamics, compile coherent data and process them, because information based on boycott decisions made by consumers is freely available to everyone, but in the end, it is still a personal decision to participate or not, as it must also be weighed against personal costs connected with the boycott. (Albrecht et al., 2013; Delistavrou et al., 2020; Hahn & Albert, 2017; Hendarto et al., 2018; Hoffmann & Müller, 2009; Klein et al., 2004; Makarem & Jae, 2016)

So how is it possible to live in a capitalistic world i.e., maximize profit and wealth but also make sure that environmental, social governance and the human aspect of business are met. It is extremely helpful that a framework such as the ESG criteria already exist, they draw attention to indispensable components of ethical business, such as the protection of the environment and labor standards and the ethical management of a company. These criterion should serve as a foundation for the "roadmap" to conscience-based capitalism, but this needs to be enhanced with the human aspect, which rewards good behavior such as charitable giving, poverty avoidance and engagement in general human welfare (including caused by war, natural catastrophes, financial regression etc.) and penalizes bad behavior such as direct or indirect support of human welfare promoting circumstances (engaging with autocratic countries, enabling war and natural catastrophes through ruthless investment). (Cavaco & Crifo, 2014)

The recommendation is following; a step in the right direction and an initial solution would be a platform of information, because broken down to the driving force of each company are ultimately consumers who ensure the continuity of each company through purchases and other contributions. This informative platform must provide a metric for judgement that can be used to add the human aspect in addition to the results of the ESG rating, offering a consumer-friendly alternative to inform about all (both laudable and reprehensible) practices. These can then be used by consumers to decide whether to support said company, eventually through consuming offered goods and services, or to punish it through boycott. Human aspect - from humans for humans.

6 KPI's for capitalism with a conscience

6.1 Eco efficiency indicators

Green growth operational for public policies require measurements that capture the pattern of the quality of the economic growth over time. Without indicators that guide the policymakers, green growth in policymaking would become a delusional goal. In order to improve the ecological efficiency, the EEI has been identified as the key tools for measuring green growth and its targets. EEI's can be used in 4 major ways: by measuring the eco-efficiency of different sectors within a country, by comparing the eco-efficiency of different sectors within a country, comparing the eco-efficiency of economic growth in different countries, identifying policy areas for improvement in achieving an economic benefit and by tracking trends in eco-efficiency over time (Masakazu Ichimura et al., 2009).

The EEI is designed to capture the ecological efficiency of growth by measuring the efficiency of consumption and production and their impacts on the environment. Eco efficiency is easily calculated and measured (Masakazu Ichimura et al., 2009).

Eco Efficiency = Environmental Cost / Economic Output

Environmental costs consist of different factors such as pollution emissions of C02 or similar, resources used (water, energy, or raw material) and costs associated with the environmental burden (e.g., traffic congestion costs).

On the other hand, the economic output refers to the value-added benefit (GDP per capita), the unit of product (e.g., per km) and the costs associated with the environmental burden.

The EEI was originally created as a concept that focuses on creating goods that require fewer resources and reduces waste and pollution. The EEI is based on the ratio of product value to environmental impact and the focus lies on energy consumption, waste of energy, materials and water, and the emission of greenhouse gases, wastewater and pollution. Companies often use the eco-efficiency model in their business strategy and implement these strategies to their production. This can have a positive effect on the consumer buying behavior, especially for those which are environmentally conscious (Masakazu Ichimura et al., 2009).

6.2 Eco efficiency in the business sector

Eco-efficiency = Value of the product / Environmental impact of a product

Companies have a defined goals that would help them to achieve a higher eco efficiency. Their main focus is to either enhance the quality of the product thus, making the value of the product go up. On the other hand, they can reduce the impacts that their product has, reducing the point of environmental impact in the equation. This can be done in many ways: reducing material requirements for the goods, reducing the energy intensity, reducing toxic byproducts, enhance recyclability, maximize the use of renewable resources, extend the durability, or increase the service intensity. (Masakazu Ichimura et al., 2009)

6.3 Concepts associated with selecting EEI

The selection of indicators is set by the purpose of the indicator set. It is structured to capture the resource use, in terms of production, consumption and their impacts on the corresponding environmental fields. The set of the EEI's consists of indicators of the economy-wide and sector-wide economic activities. They are never meant to be final, but are seen as flexible and adaptive variant, which can easily change and be corrected to new targets or goals within the scope of environmental, structural, or sustainable development. EEI's are mainly guided by the principles of sustainability within the country or region they are set in. They consist of indicators which measure the sustainable development by external agencies. The framework takes other economic activity into account instead of simply recommending absolute solutions, which helps to provide a better and more realistic standard, which is especially important to compare within an economy or within a sector (Masakazu Ichimura et al., 2009).

6.4 Applicable indicators

The purpose of the EEI has been to inform policy at the national and sectoral level. EEI's can be split into scope-wide indicators which focus the economic and sectoral issues and the subject-wise which focuses on the issues like policies.

Scope-Wide Indicators

- Economy wide indicators – indicators on the micro and macro level of eco-efficiency of the society or the economic growth
  - Resource-use intense: water intensity, energy intensity, land use
  - Environmental impact intensity: emission to water/air intensities
- Subject wise indicators – intensity or productivity of resource-use
  - Energy supply, non-renewable resource use; land use

Economy wide indicators range from resource-use intense (Water-, Energy-, Material- intense), to environmental impactful (emissions to water and air) indicators. Sectoral indicators are more precise and focus more on the indicators that are relevant to each sector. This means that e.g., agriculture focuses more on water and land use on the resource intense and CO2 intense on the environmental aspect, compared to manufacturing, which focuses on material intensity and solid waste output. These are more "tailored" to the needs of each sector and are not as general as the economy-wide indicators (Masakazu Ichimura et al., 2009).

6.5 Capitalism with a conscious on the global scale

Globally, more than 2850 billion US dollars were spent on e-commerce in the year 2020. This amount is steadily increasing, and consumers are willing to spend more money each year on online shopping. The force of capitalism is stronger than ever and the cap between poor and rich expands. Although of the current trends the idea of capitalism is not the issue but can rather be the solution of the despair and issues the world currently faces. Capitalism with a conscious can help to develop a global well-being by developing a way of giving with each purchase in an online store.

Considering that companies would pledge 2% of their revenue this would create a donation sum of over 55 billion USD, which could be used for philanthropic organisations or ecological causes. It is predicted that world hunger, could potentially cost around 45 billion USD per year to eradicate. (Borgen Project, 2021) The prohibition of the deforestation of the amazon forest, would amount to around 500 million USD per year. (The Mongabay, 2008) Capitalism with a conscious could potentially create a better world for everybody living in it, by creating a small donation through each purchase that is made. Tendencies of e-commerce are even projected to dramatically increase leaving room for even more available capital to enhance living conditions for people and create a sustainable environment.

	2020	Conscious Sum	2025 (Projected)	Projected Conscious Sum	% to end world hunger
Europe	$460 bn	$9,2 bn	$655 bn	$13,1 bn	20,4% /29,11%
Asia	$1703 bn	$34 bn	$2573 bn	$51,5 bn	75,5% /114,4%
North America	$588 bn	$11,75 bn	$ 794 bn	$15,9 bn	26,11% /35,33%
Rest of the World	$103 bn	$2 bn	$176 bn	$3,5 bn	4,4% /7,8%

The table illustrates how much money through e-commerce donations could potentially be gathered and how much it would contribute to the eradication of world hunger in a percentage setting. The table only considers e-commerce as a source of income for donations. If this would also be implemented in an offline setting, when shopping in stores or similar, the amount could be much higher. (Katharina Buchholz, 2021)

7 Moral obligations of CEOS in regard to capitalism with a conscience

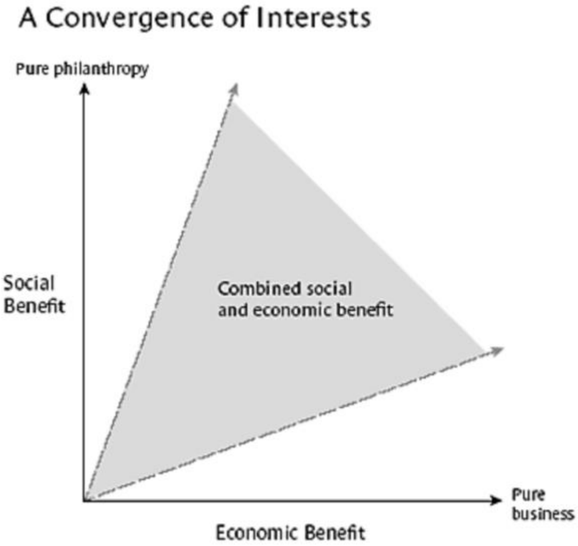
To tie in with the idea of a CEO's moral obligation, it should be questioned whether such an obligation actually lies or can lie with one person alone. Normally, several natural persons, i.e. a board of managers, are responsible for making decisions of this kind and always have the interests of the shareholders behind them in publicly traded or limited liability companies in mind. So, having established that it is a group of people taking the decision to practice capitalism with a conscience, one must differentiate between the motivation to do so. We have on one side, intrinsic motivation, which can exist independently of the position and by informing and sensitizing the general public can be made aware of the role of CEOs and their decisions. Furthermore, there is also the false intrinsic motivation, which is motivated by other companies publishing a CSR report and urging said company to publish an annual report as well, but without sincere motivation behind it and just for marketing purposes, in which case one would also speak of greenwashing, which is not foreseen in a conscience-based capitalism model. (Mahoney et al., 2013)

However, there are also extrinsic motivational factors that can create a moral obligation in the decision-makers. Several studies have already demonstrated a positive correlation between increased CSR and improved financial performance. The Study on the relationship of CSR and Financial Performance by Cho et al. (2019) found increased firm value after the implementation of CSR. Evidence from Indonesian companies suggests that there is a positive relationship between financial performance and CSR under the good management and slack resource theory. The results of the authors Fauzi and Kamil indicate that responsible behaviour towards employees and suppliers and customers appear as complementary factors of financial performance, indicating mutual benefits and less conflict between these parties. (Cho et al., 2019; Fauzi & Kamil, 2010)

Even considering that large corporations donate less of their income on a percentage basis than ordinary people (Paynter, 2018), the competitive advantage of corporate philanthropy cannot be overlooked. As early as 2002, Michael E. Porter and Mark R. Kramer were certain that corporate philanthropy ensures a competitive advantage to those who commit to it (Porter & Kramer, 2002). This article describes how philanthropy, in the shadow of perpetual shareholder pressure for short-term profits, seems to be slowly disappearing and is no longer functioning in this form but rather being misused for public relations purposes. Contrary to Milton Friedman's assertion that corporations should not donate but rather realize that this responsibility lies with shareholders and individuals (Friedman, 1970), the article by Porter and Kramer argues that while corporations run the risk of making an uncoordinated effort due to a lack of organization and coordination, said corporations can very well improve the "competitive context", i.e. the quality of the business environment in which they do business, through charity. One way of implementing said "competitive context" can be observed in the example of the company Cisco, which has generously invested in an educational program aimed at training computer network administrators and offering graduates a future job with the company. (Porter & Kramer, 2002)

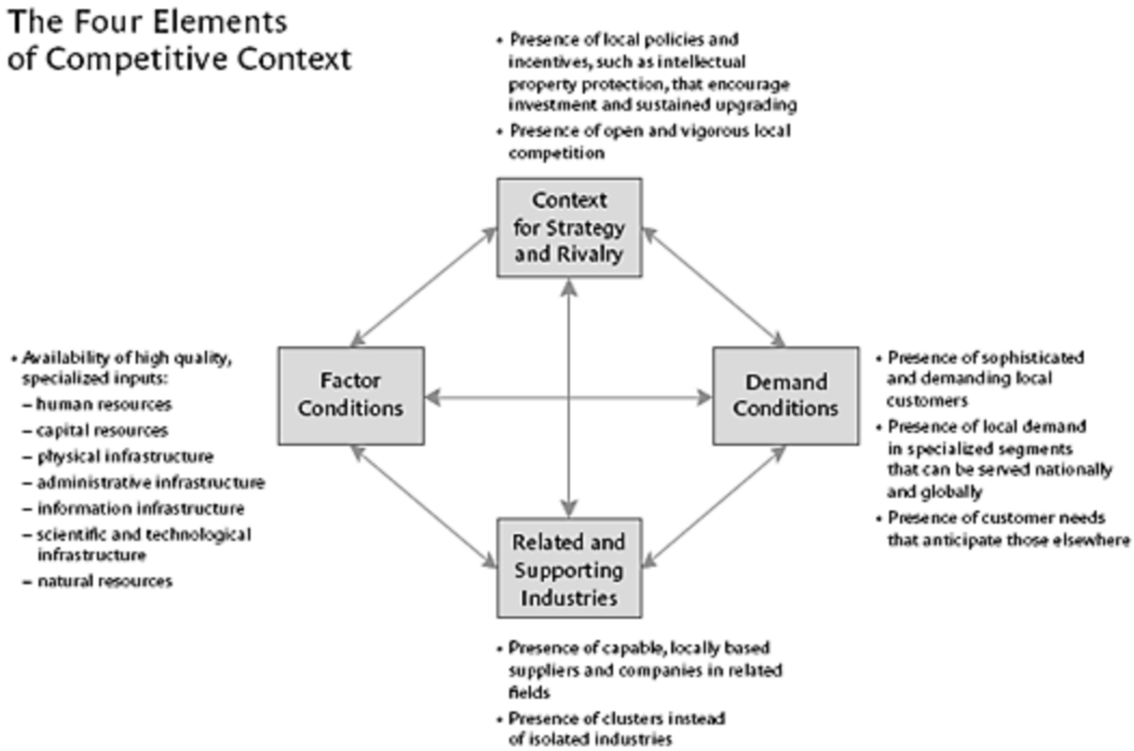
The article by Porter and Kremer also argues that companies should not be seen as a detached and isolated part of the business environment and can increase their competitive advantage by interacting with their surroundings, because their success depends on it among other things. The hypothesis "the more a social improvement relates to a company's business, the more it leads to economic benefits as well" is put forward in this context by the two authors Porter and Kremer. Today's competitiveness is determined by a company's ability to employ labor, money, and natural resources efficiently to generate high-quality goods and services. In fact, it can be noted that mobilizing the corporate sector in ways that benefit both society and business is often the most effective way to address many of the world's major challenges. As a matter of fact, a convergence of interest between pure philanthropy and pure business can be identified. As the foundation of competitiveness has shifted from low-cost inputs to outstanding productivity, the competitive setting has become even more crucial. (Porter & Kramer, 2002)

Figure 1 A Convergence of Interests (Porter & Kramer, 2002)



The competitive context of a firm is made up of four interconnected parts of the local business environment that affect potential productivity: factor circumstances, or accessible production inputs; demand conditions; strategy and rivalry background; and linked and supporting industries. The exhibit "The Four Elements of Competitive Context" summarizes this paradigm, which is detailed in Michael E. Porter's “The Competitive Advantage of Nations”. Any weakness in this context might diminish a country's or region’s competitiveness as a commercial site. (Porter, 2011)

Figure 2 The Four Elements of Competitive Context (Porter & Kramer, 2002)



Certainly, a company that invests primarily locally and actively contributes to the infrastructure of the surrounding area may be affected by the free rider problem, i.e. rival companies that take advantage of the investing company's efforts without having contributed to them, but this problem can also be prevented and does not mean that free riders negate the strategic value of context focused philanthropy for the reasons stated by Porter and Kramer; first, it can be argued that competing corporations are not necessarily in the immediate vicinity of the investing corporation, which benefits from the investments, but investments can also be shared with nearby competitors, leading corporations that invest in the surrounding infrastructure also remain leading corporations, as they can secure a start-up advantage from this activity that secures them the leading position. Due to its better image and ties, the corporation that launches corporate philanthropy in a given region generally reaps disproportionate rewards. (Porter & Kramer, 2002)

Based on the statements made, a recommendation can be formulated for companies trying their approach on capitalism with a conscience, which ties in with the idea of the implementation of capitalism with a conscience; companies can very well be involved in charitable activities, they should and even must be. However, they should not be represented as silent observers or at most silent donors, but as active participants and creators of their surroundings. This includes not only visual investments for the sake of aesthetics, but also investments in education and thus in the prosperity of society. These efforts can be shared by several companies in the surrounding location and thus distributed more efficiently. An involvement of this kind, as a donation, direct investment or other form of promotion will not only improve the reputation of the company in the long run, but as the literature shows, also guarantee a sustainable investment in the success of the company, creating capitalism with a conscience.

7.1 Equitable wealth creation

The most common indicator of an economy's success is its ability to create economic wealth for a nation's citizens. However, even in economies where wealth is being created, growing economic inequality often leads to economic inefficiencies and instabilities over time (Galbraith, 2012). Therefore, it is not enough to just generate wealth because when giants such as Facebook or Amazon acquire their competition, the acquired wealth is generally captured and controlled primarily by the acquiring company. To combat this outcome, it is argued that the best model of capitalism should both (i) create wealth; and (ii) do so equitably using distributing or redistributing said wealth equitably, instead of exclusively channelling said wealth to a privileged group of economic elites (Judge et al, 2011). This can be achieved by structuring some of the spendings towards goals that promote the interests either of (i) affected stakeholders or of (ii) more vulnerable parties, in an attempt to level the wealth distribution.

This is not a novel concept, as even back in the 18th century, Adam Smith (1776) argued that capitalistic competition is the genius that makes sure that the pursuit of self-interests delivers the common good. Sometimes, however, institutions are guilty of focusing more on the self-interest part and forgetting about the common good. Facebook, for example, has been accused and even sued by the Feder Trade Commission for using its power to engage in a systematic strategy of acquiring its up-and-coming rivals, such as Instagram in 2012, or WhatsApp in 2014, then imposing anticompetitive conditions on software developers to eliminate threats to its monopoly. This course of conduct harms competition, leaves consumers with fewer choices, and ultimately keeps wealth in the hands of one single player. The goal, however, should be on promoting competition so that innovation and free competition can thrive.

8 Collaboration between the private sector and the public sector

8.1 Sustainable Development Goals

Especially, for the achievement of sustainable development goals it can be crucial that both the private sector and public sector join forces. Whether it's classic public-private partnership infrastructure, health, or education, it is becoming more of a world where both focus on monetary advantages and in terms of skills, there are more opportunities. However, one must notice that the interests of these two parties are not particularly aligned. In most nations, governments believe that the private sector is eager to enjoy the benefits without taking any risks. The private sector, on the other hand, feels that the public sector is, at worst, corrupt; or that it is too bureaucratic, too sluggish, or not responsive enough. One will easily identify many problems that both parties believe to have and therefore, public-private cooperation can be difficult, however, it is believed that if executed properly these kinds of collaborations may be very beneficial. It's essentially the outcomes of the last years (Badre, 2017).

Back in the 2000s, it was all about public money, public support, and public management, with the private sector being far away, remote, and wonderful to have. However, individuals began to talk about forming alliances as the realization emerged that the money did not only come from private pockets and therefore it would make sense to combine the public and private sector to generate optimum output. For addressing global challenges multi-stakeholder partnerships are indispensable. It only makes sense to include people from all the different parties when addressing SDGs. If we look at road safety, which is the leading cause of death nowadays. It does not make sense to approach the matter just from law enforcement or infrastructure perspective, but also from a private sector perspective which includes collaborations with the automobile industry and liquor industry (Badre, 2017).

8.2 Can the private sector solve income inequality?

One of the most discussed sustainable development goals is income inequality. It takes several forms and is impacted by a range of factors, depending on the country, its history, and present economic circumstances. Inequality is frequently maintained via perplexing feedback loops, and it disproportionately affects underprivileged groups. Whereas governments are trying to solve this very complex challenge. Most proposals revolve around the redistribution of income and wealth by higher tax rates and social safety nets. However, these suggestions only include public entities. The question arises on how the private sector can intervene (Bürkner et al., 2021).

NGOs, like the Initiative for Global Development, are already working eagerly to push private firms towards a more equitable society. Generally, companies are also endeavour in achieving the Sustainable Development Goals. However, to really create a difference, more must be demanded. Between 1990 and 2010, the number of people living in extreme poverty (earning less than $1.90 per day) decreased by more than half, but the gap between affluent and poor widened. Tax havens have allowed big entities to hide more than $7 trillion. In the last years the wealth of the richest people has increased by almost 50%, whereas the lowest half of the population has lost nearly 40% of global wealth (Pain, 2016).

The task is to actively tackle global income inequality, and for that a redesign of the political system is necessary, one in which private entities and their CSR approaches are actively involved. Corporate social responsibility entails far more than simply giving to a good cause. It necessitates a corporation analysing its worldwide influence across its supply chain and accepting responsibility for its global footprint. Companies have a lot of power and political clout, and a good firm utilizes that clout to eliminate inequality. Most significantly, a responsible business pays its fair amount of taxes. Whereas companies consistently find ways to avoid paying taxes, the amount generated by it, is the only way governments can provide its residents with health care, education, housing, and infrastructure. Companies try to compensate this with donations, however according to the IMF, the developing world, which relies more on corporate taxes, loses roughly $400 billion each year as a result of corporate tax evasion (Pain, 2016). If the middle class disappears, this can have serious consequences, especially for private companies when the country fails because of the big income inequality gap. That is why it is critical to overhaul a faulty tax system (Kosec, 2014).

Another measure companies can set to diminish the inequality gap is looking at their own operations. They are partially responsible for the people and their incomes. They may give workers a liveable wage, offer paid family and sick leave, close the pay gap between men and women, and encourage government expenditure initiatives that increase workers' well-being and productivity. Where already many companies are taking a step into the right direction by implementing such incentives for their employees, it is yet too little that is done (Pain, 2016).

Summarizing, private firms can inhibit transformation, but they are not saviours who can do so entirely on their own. To address the most critical issues, we would need to take a multi-sectoral strategy as mentioned before. The private sector has the option of adopting business models that promote moral leadership and decency, and which create a new generation of leaders that prioritize and cultivate new generations of leaders (Mehta, 2019).

9 Regulatory tools to democratize wealth creation

Democratizing wealth creation (DMC) is about creating a fairer and more sustainable economy. DMC is about encompassing initiatives which redirect wealth back into local economies in order to give control and benefits to local people. DMC initiatives have grown in popularity particularly in the US, Europe and beyond, in areas with a legacy of high rates of disadvantage and unemployment, and with diminished local economic self- determination and capacity.

9.1 Theory into practice

A structured DMC approach was developed by Ted Howard in the United States, labelled as Community Wealth Building (CWB). The goal of the CWB approach is to build a more equitable, democratic economy with new institutions to support social and economic justice. CWB’s agenda revolves around five linked pillars:

1. Progressive procurement of goods and services – adjusting procurement processes and decision making to deepen local supply chains and socially virtuous business development, spending and investment.
2. Fair employment and just labor markets – promoting a fair economy through decent wages and conditions.
3. Socially productive use of lands and assets – using land and property in ways that generate wealth and benefits for local citizens
4. Making financial power work for local places - channelling socially virtuous investment to local communities while still delivering benchmark financial returns for investors, e.g., encourage pension funds to invest locally and sustainably.
5. Plural ownership of the economy – encouraging different models of business ownership to build wealth that stays in local communities, e.g., cooperatives, SMEs, municipally owned companies.

In the UK for example, the city of Preston in Lancashire, has successfully adopted the CWB approach throughout 2013 to 2016. Some examples of the introduced initiatives include (i) enabling the University of Lancashire to promote social value through its procurement process, by requiring non-local contractors to sub-contract to local firms to develop its £200m campus masterplan; or (ii) working with Cardinal College to introduce a revolutionary recommended Living Wage for all its staff. This has had a positive multiplier effect on local jobs, wellbeing, health, and economic growth. Keeping money in the local economy has actively contributed to driving positive local economic and social outcomes. The positive effects are partially reflected by the fact that in 2018 Preston was named the “Most Improved City” in the UK.

9.2 Europe’s blueprint for democratizing wealth

In Europe, a group of economists, historians and former politicians, led by the economist and author Thomas Piketty, have developed a blueprint for a fairer Europe to address the inequality sweeping the continent.

The plan includes significant levies on multinational companies, high net worth individuals, and carbon emissions to generate funds to tackle poverty, migration and climate change. The goal of the manifesto is a call for a European assembly to raise a budget of up to €800bn a year. Half of the proceeds would be returned to member state governments. A quarter would go to research, innovation and education, and the rest would be distributed between a fund to better manage migration and a fund to make agriculture and industry greener. The funds would be raised from four sources, (i) an extra levy on corporate profits; (ii) tax increases on high earners; (iii) a wealth tax on personal fortunes; and (iv) a tax on carbon emissions.

An alternative proposal for democratizing wealth in Europe comes from Yannis Varoufakis, Greece’s ex-Minister of Finance. Yannis proposes a green deal for Europe to create €500bn every year in the green transition across the union, without additional new taxes. The plan is to finance this budget through green bonds issued by public investment banks. In additional, Yannis’ deal includes the addition of a universal basic income which would unify workers across sectors and guarantee a wage to the newly redundant.

Europe recognizes the need to democratize wealth, however, while calls for a radical economic shift are intensifying, ‘baby-steps’, in relation to democratizing wealth are also possible and desirable. Every jurisdiction should try adapting its expenditures to areas that are socially responsible and beneficial in addressing local community development. Spending should be aimed at (i) helping in addressing disadvantaged workers and communities; (ii) supporting small businesses; or (iii) supporting environmentally sustainable practices, among others.

Local councils could take unilateral action to ask and address these questions in support of local economic development, without waiting for state or federal governments to lead, as the wait for external investment and new export activity to achieve economic salvation and address economic disadvantage may be a long one.

10 Conclusion

Throughout the paper, we argued that companies can practice capitalism with a conscience while still increasing revenues and shareholder value. Several success stories have been discussed, with Toms Shoes' philanthropic business model and Patagonia's sustainability efforts being prime examples of true capitalism with a conscience. Companies can and should be involved in charitable activities to promote sustainability, education, equality, and ultimately the prosperity of society. Such efforts will not only improve the companies' reputation, but also translate to a sustainable investment in their success. Ideally, private sector efforts should be complemented by governmental support to enable the creation of a positive environment where such efforts would be encouraged. This doesn't necessarily imply a radical shift in the world economy, as individual state jurisdictions can promote conscious capitalism through initiatives aimed at addressing disadvantaged communities, helping small businesses, or supporting environmentally sustainable practices, among others.

List of References

Adian, I., Doumbia, D., Gregory, N., Ragoussis, A., Reddy, A., & Timmis, J. (2020). Small and Medium Enterprises in the Pandemic: Impact, Responses and the Role of Development Finance. World Bank, Washington, DC. https://doi.org/10.1596/1813-9450-9414

Adian, I., Doumbia, D., Gregory, N., Ragoussis, A., Reddy, A., & Timmis, J. (2020). Small and Medium Enterprises in the Pandemic: Impact, Responses and the Role of Development Finance. World Bank, Washington, DC. https://doi.org/10.1596/1813-9450-9414

Albrecht, C.-M., Campbell, C., Heinrich, D., & Lammel, M. (2013). Exploring why consumers engage in boycotts: Toward a unified model. Journal of Public Affairs, 13, 180–189. https://doi.org/10.1002/pa.1473

All Good Tales. (2019, March 19). Passionate about stories: TOMS Shoes. https://allgoodtales.com/passionate-about-stories-toms-shoes/

Amy Scott & Stephanie Hughes. (2021, June 24). Funding is pouring in to companies trying to crack self-driving tech. Marketplace. https://www.marketplace.org/shows/marketplace-tech/funding-is-pouring-in-to-companies-trying-to-crack-self-driving-tech/

Amyx, S. (n.d.). Council Post: How Commitment To CSR Improves The Bottom Line. Forbes. Retrieved April 24, 2022, from https://www.forbes.com/sites/forbesbusinesscouncil/2020/04/14/how-commitment-to-csr-improves-the-bottom-line/

Badre, B. (2017). To tackle global challenges, the public and private sectors must join forces. https://www.weforum.org/agenda/2017/02/public-private-cooperation/

Badre, B. (2017). To tackle global challenges, the public and private sectors must join forces. https://www.weforum.org/agenda/2017/02/public-private-cooperation/

BlackRock (2022). Sustainable investment solutions. BlackRock. Retrieved April 20, 2022, from https://www.blackrock.com/americas-offshore/strategies/sustainable-investing

BlackRock. (2022). BlackRock Sustainability. Retrieved April 20, 2022, from https://www.blackrock.com/corporate/sustainability

Bliss, T.R. (2015, February 9). Shareholder Value and CSR: Friends or Foes? CFO. https://www.cfo.com/corporate-finance/2015/02/shareholder-value-csr-friends-foes/

Borgen Project. (2021). Cost to End World Hunger. The Borgen Project. https://borgenproject.org/cost-to-end-world-hunger/

Bürkner, H.-P., Chin, V., & Hoteit, L. (2021). What Governments Can Do to Curb Inequality. https://www.bcg.com/publications/2021/what-governments-can-do-to-curb-inequality

Bürkner, H.-P., Chin, V., & Hoteit, L. (2021). What Governments Can Do to Curb Inequality. https://www.bcg.com/publications/2021/what-governments-can-do-to-curb-inequality

Business Insider (2016). Why keeping it simple has been the biggest key to TOMS' success. Retrieved March 15, 2022, from https://www.businessinsider.com/sc/toms-founder-talks-success

Cavaco, S., & Crifo, P. (2014, November 6). CSR and financial performance: Complementarity between environmental, social and business behaviours: Applied Economics: Vol 46, No 27. https://www.tandfonline.com/doi/full/10.1080/00036846.2014.927572?casa_token=X4P1umBK44YAAAAA%3A60jChyC15tHispEEsT51ra-fdXGrg_WW5lAY80IFO6DeMRrKv0AmmMiVnJMX5Ss2ZES-V3QXWC4I

CFA Institute. (2022). ESG Investing and Analysis. Retrieved April 20, 2022, from https://www.cfainstitute.org/en/research/esg-investing

Charm, T. (2021). US consumer sentiment and behaviors during the coronavirus crisis. https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis

Charm, T. (2021). US consumer sentiment and behaviors during the coronavirus crisis. https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis

Chen, J. (2022, March 13). Why Assets Under Management – AUM Matters. Investopedia. Retrieved April 26, 2022, from https://www.investopedia.com/terms/a/aum.asp

Cho, S. J., Chung, C. Y., & Young, J. (2019, November 1). Study on the Relationship between CSR and Financial Performance. https://www.mdpi.com/2071-1050/11/2/343

Corporate Finance Institute. (2022). ESG (Environmental, Social and Governance). Corporate Finance Institute. https://corporatefinanceinstitute.com/resources/knowledge/other/esg-environmental-social-governance/

Dean, M. (2022). Amazon Corporate Social Responsibility (CSR) and Sustainability. Retrieved April 23, 2022, from https://www.thomasnet.com/articles/other/amazon-csr-sustainability

Dean, M. (2022). Apple Corporate Social Responsibility (CSR) and Sustainability. Retrieved April 22, 2022, from https://www.thomasnet.com/articles/other/apple-csr

Delistavrou, A., Link to external site, this link will open in a new window, Krystallis, A., & Tilikidou, I. (2020). Consumers' decision to boycott "unethical" products: The role of materialism/post materialism. International Journal of Retail & Distribution Management, 48(10), 1121–1138. http://dx.doi.org/10.1108/IJRDM-04-2019-0126

Dickens, Z. (n.d.). Patagonia: The business lessons to learn from the world's coolest outdoor brand. The Gentleman's Journal. Retrieved April 19, 2022, from https://www.thegentlemansjournal.com/article/patagonia-the-business-lessons-to-learn-from-the-worlds-coolest-outdoor-brand-clothing/

Digital Marketing Institute. (2021, September 01). 16 Brands Doing Corporate Social Responsibility Successfully | Blog | Online Digital Marketing Courses. Retrieved March 22, 2022, from https://digitalmarketinginstitute.com/blog/corporate-16-brands-doing-corporate-social-responsibility-successfully

Distante, S. (2018, June 03). Blackrock's CEO, Larry Fink, Just Taught Us a Lesson About Impact Investing. Retrieved April 28, 2022, from http://blog.joinvanderbilt.com/blackrock-tesla-and-apple-ill-take-my-capitalism-with-a-side-order-of-sustainability

Dudovskiy, J. (2017, June 8). Google Corporate Social Responsibility (CSR). Research-Methodology. https://research-methodology.net/google-corporate-social-responsibility-csr/

Dudovskiy, J. (2019, February 10). Microsoft Corporate Social Responsibility (CSR): A brief overview. Research-Methodology. https://research-methodology.net/microsoft-corporate-social-responsibility-csr/

Dudovskiy, J. (2021, February 23). Apple Corporate Social Responsibility (CSR). Research-Methodology. https://research-methodology.net/apple-corporate-social-responsibility-csr/

Dudovskiy, J. (2022, March 27). Amazon Corporate Social Responsibility (Amazon CSR): A brief overview. Research-Methodology. https://research-methodology.net/amazon-corporate-social-responsibility-2/

Eich, R. (2021). Five Lessons from Patagonia, a Successful Company with a Conscience. Journal of Values-Based Leadership, 14(2). https://doi.org/10.22543/0733.142.1372

Ellis-Hall, W. (2020, February 20). The Importance of CSR and Why a Company Should Embrace it. Retrieved April 27, 2022, from https://www.drpgroup.com/en/blog/the-importance-of-csr-and-why-a-company-should-embrace-it

ESG Investing: ESG Ratings. (2022, April 29). https://www.msci.com/our-solutions/esg-investing/esg-ratings

Farrell, N. (2014, July 22). ‘Conscience Capitalism’ and the Neoliberalisation of the Non-Profit Sector. https://www.tandfonline.com/doi/full/10.1080/13563467.2014.923823?casa_token=qMaCVO0kdQ4AAAAA%3AN9lVLdxpWill4NWHIRdRl5HBqdObBlLODm-KcOLmqD_3EoiSNZTJILuHhxI54Z40kGDXJyrmCe_L

Fauzi, H., & Kamil, I. (2010, October 20). The Relationship of CSR and Financial Performance: New Evidence from Indonesian Companies. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1694284

Fernando, J. (2022, March 07). Corporate Social Responsibility (CSR) Definition. Investopedia. Retrieved April 23, 2022, from https://www.investopedia.com/terms/c/corp-social-responsibility.asp

Friedman, M. (1970). A Theoretical Framework for Monetary Analysis. Journal of Political Economy, 78(2), 193–238. https://doi.org/10.1086/259623

Fritz, J. (2019, May 30). Lessons in Corporate Social Responsibility from TOMS (Shoes). Retrieved March 22, 2022, from https://www.thebalancesmb.com/lessons-from-toms-shoes-2502511

Google’s and Microsoft’s Profits Soar as Pandemic Benefits Big Tech. (2021).

Google’s and Microsoft’s Profits Soar as Pandemic Benefits Big Tech. (2021).

Griswold, C. L. (1991). Adam Smith: Conscience of Capitalism. The Wilson Quarterly (1976-), 15(3), 53–61.

Hahn, T., & Albert, N. (2017). Strong Reciprocity in Consumer Boycotts. Journal of Business Ethics: JBE, 145(3), 509–524. http://dx.doi.org/10.1007/s10551-015-2870-3

Harty, D., & Rapp, N. (2021). Just how massive Amazon has grown during the pandemic, in 8 charts. https://fortune.com/2021/10/18/amazon-massive-growth-covid-pandemic-8-charts/

Harty, D., & Rapp, N. (2021). Just how massive Amazon has grown during the pandemic, in 8 charts. https://fortune.com/2021/10/18/amazon-massive-growth-covid-pandemic-8-charts/

Hendarto, K. A., Basu, S. D., Purwanto, B. M., & Moeliono, M. M. (2018). Analyzing consumer participation in boycott movement using the analytical hierarchy process: Indonesia context. Journal of Islamic Marketing, 9(4), 698–726. http://dx.doi.org/10.1108/JIMA-11-2016-0086

Hoffmann, S., & Müller, S. (2009). Consumer boycotts due to factory relocation. Journal of Business Research, 62(2), 239–247. https://doi.org/10.1016/j.jbusres.2008.01.031

Investment Stewardship. (2022, April 29). BlackRock. https://www.blackrock.com/corporate/about-us/investment-stewardship

Johnston, M. (2022). How Google (Alphabet) Makes Money.

Johnston, M. (2022). How Google (Alphabet) Makes Money.

Journal, T. C. (2021, October 19). Global CSR Report: Facebook journeying into a zero-carbon economy. The CSR Journal. https://thecsrjournal.in/facebook-report-global-csr-sustainability-net-zero/

Katharina Buchholz. (2021, September 8). These are the world's biggest e-commerce markets. World Economic Forum. https://www.weforum.org/agenda/2021/09/e-commerce-fast-growth-online-sales-china-europe-america/

Kenton, W. (2022, February 24). What Is Conscious Capitalism? Investopedia. Retrieved April 27, 2022, from https://www.investopedia.com/terms/c/conscious-capitalism.asp

Klein, J. G., Smith, N. C., & Andrew, J. (2004). Why We Boycott: Consumer Motivations for Boycott Participation: [1]. Journal of Marketing, 68(3), 92–109. http://dx.doi.org/10.1509/jmkg.68.3.92.34770

Kosec, K. (2014). Relying on the private sector: The income distribution and public investments in the poor. Journal of Development Economics, 107, 320–342. https://doi.org/10.1016/j.jdeveco.2013.12.006

Kosec, K. (2014). Relying on the private sector: The income distribution and public investments in the poor. Journal of Development Economics, 107, 320–342. https://doi.org/10.1016/j.jdeveco.2013.12.006

Mahapatra, A. (2021, September 27). BlackRock: A Company that owns the Whole World. StartupTalky. https://startuptalky.com/blackrock-success-story/

Mahoney, L. S., Thorne, L., Cecil, L., & LaGore, W. (2013). A research note on standalone corporate social responsibility reports: Signaling or greenwashing? Critical Perspectives on Accounting, 24(4), 350–359. https://doi.org/10.1016/j.cpa.2012.09.008

Makarem, S. C., & Jae, H. (2016). Consumer Boycott Behavior: An Exploratory Analysis of Twitter Feeds. The Journal of Consumer Affairs, 50(1), 193–223. http://dx.doi.org/10.1111/joca.12080

Martin, J.A. (2017, April 28). The Business Model of the Future. Retrieved April 28, 2022, from https://www.linkedin.com/pulse/business-model-future-amy-jo-martin

Masakazu Ichimura, Sangnim Nam, Sophie Bonjour, Hiromi Rankine, Brian Carisma, Ying Qiu, & Rujira Khrueachotikul. (2009). Eco-efficiency Indicators: Measuring Resource-use Efficiency and the Impact of Economic Activities on the Environment. https://sustainabledevelopment.un.org/content/documents/785eco.pdf

Mehta, P. (2019). Can the Private Sector Solve Inequality? https://www.mastercardcenter.org/insights/can-the-private-sector-solve-inequality

Mehta, P. (2019). Can the Private Sector Solve Inequality? https://www.mastercardcenter.org/insights/can-the-private-sector-solve-inequality

Microsoft (2022). Microsoft Corporate Social Responsibility | Microsoft CSR. Retrieved April 22, 2022, from https://www.microsoft.com/en-us/corporate-responsibility

Montgomery, M. (2015). What Entrepreneurs Can Learn From The Philanthropic Struggles Of TOMS Shoes. Forbes. Retrieved April 28, 2022, from https://www.forbes.com/sites/mikemontgomery/2015/04/28/how-entrepreneurs-can-avoid-the-philanthropy-pitfalls/

Mugendi, D. (2017). Corporate social responsibility at TOMS shoes. Retrieved March 21, 2022, from https://www.grin.com/document/355636

Murphy, B.C. (2022, March 24). Why Is Social Responsibility Important to Some Businesses? Investopedia. Retrieved April 27, 2022, from https://www.investopedia.com/ask/answers/041015/why-social-responsibility-important-business.asp

Nelling, E., & Webb, E. (2009). Corporate social responsibility and financial performance: The “virtuous circle” revisited. Review of Quantitative Finance and Accounting, 32(2), 197–209. https://doi.org/10.1007/s11156-008-0090-y

Newman, C., Rand, J., Tarp, F., & Trifkovic, N. (2020). Corporate Social Responsibility in a Competitive Business Environment. The Journal of Development Studies, 56(8), 1455–1472. https://doi.org/10.1080/00220388.2019.1694144

Oliver Wyman. (2015). The true value of autonomous driving. https://www.oliverwyman.com/our-expertise/insights/2015/jul/automotive-manager-2015/customer/the-true-value-of-autonomous-driving.html

Pain, A. (2016). Income inequality: How can the business sector close the gap? https://www.humanosphere.org/social-business/2016/12/income-inequality-how-can-the-business-sector-close-the-gap/

Pain, A. (2016). Income inequality: How can the business sector close the gap? https://www.humanosphere.org/social-business/2016/12/income-inequality-how-can-the-business-sector-close-the-gap/

Patagonia (2022). Corporate & Social Responsibility History—Patagonia. Retrieved March 22, 2022, from https://eu.patagonia.com/at/en/our-footprint/corporate-social-responsibility-history.html

Patagonia (2022). Don’t Buy This Jacket, Black Friday and the New York Times—Patagonia. https://eu.patagonia.com/ch/en/stories/dont-buy-this-jacket-black-friday-and-the-new-york-times/story-18615.html

Paynter, B. (2018, September 13). Big companies donate a smaller percentage of their income than regular people. Fast Company. https://www.fastcompany.com/90233934/big-companies-donate-a-small-percentage-of-their-income-than-regular-people

Peterson, P. (2019, October 16). The 3 Pillars of Corporate Social Responsibility: Clients, People and Community. BOSS Magazine. https://thebossmagazine.com/csr-3-pillars/

Pineda, M. E. (2021, June 11). Corporate Social Responsibility Program of Apple. Profolus. https://www.profolus.com/topics/corporate-social-responsibility-program-of-apple/

Porter, M. E. (2011). Competitive Advantage of Nations: Creating and Sustaining Superior Performance. Simon and Schuster.

Porter, M. E., & Kramer, M. R. (2002, December 1). The Competitive Advantage of Corporate Philanthropy. Harvard Business Review. https://hbr.org/2002/12/the-competitive-advantage-of-corporate-philanthropy

Pratap, A. (2019, May 28). Google CSR and Sustainability. Notesmatic. https://notesmatic.com/google-csr-and-sustainability/

Pratap, A. (2019, May 30). CSR and Sustainability at Facebook. Notesmatic. https://notesmatic.com/csr-and-sustainability-at-facebook/

Pratap, A. (2019, May 7). Microsoft CSR and Sustainability. Notesmatic. https://notesmatic.com/microsoft-csr-and-sustainability/

Ramsenthaler, P. (2019, February 2). The Great Outdoors: The Rise of Patagonia. MARMIND. https://www.marmind.com/blog/patagonia-marketing/

Reiff, N. (2022, March 18). How BlackRock Makes Money: Investment and Advisory Fees. Investopedia. Retrieved April 20, 2022, from https://www.investopedia.com/articles/markets/012616/how-blackrock-makes-money.asp

Reiff, N. (2022). How Microsoft Makes Money. https://www.investopedia.com/how-microsoft-makes-money-4798809

Reports and policies. (2022, April 29). https://corporate.vanguard.com/content/corporatesite/us/en/corp/how-we-advocate/investment-stewardship/reports-and-policies.html

Sandhu, T. (2013, February 12). Capitalism With A Conscience? Forbes. Retrieved April 27, 2022, from https://www.forbes.com/sites/85broads/2013/02/12/capitalism-with-a-conscience/

StudyCorgi (2021, November 12). Google: Organisation's Strategy Social Responsibility | Free Essay Example. Retrieved April 23, 2022, from https://studycorgi.com/google-organisations-strategy-social-responsibility/

Takefman, B. (2021). AMAZON PROFITS INCREASED NEARLY 200% SINCE START OF COVID-19 PANDEMIC. https://researchfdi.com/amazon-covid-19-pandemic-profits/

Thangavelu, P. (2020, February 03) The Success of Patagonia's Marketing Strategy. Investopedia. Retrieved April 13, 2022, from https://www.investopedia.com/articles/personal-finance/070715/success-patagonias-marketing-strategy.asp

The Mongabay. (2008, Jänner). How much would it cost to end Amazon deforestation? Mongabay. https://news.mongabay.com/2008/01/how-much-would-it-cost-to-end-amazon-deforestation/

The true value of autonomous driving. (2015). Oliver Wyman. https://www.oliverwyman.com/our-expertise/insights/2015/jul/automotive-manager-2015/customer/the-true-value-of-autonomous-driving.html

TOMS. (2022). Our Story. TOMS. Retrieved March 15, 2022, from https://www.toms.com/us/about-toms.html

Tymkiw, C. (2022). How Shopping Habits Changed Due to COVID-19. https://www.investopedia.com/how-shopping-habits-changed-due-to-covid-5186278#citation-1

Tymkiw, C. (2022). How Shopping Habits Changed Due to COVID-19. https://www.investopedia.com/how-shopping-habits-changed-due-to-covid-5186278#citation-1

U.S. Secretary of Transportation Announces Automated Driving System Demonstration Grant Winners. (2019, September 18). U.S. Department of Transportation. https://www.transportation.gov/briefing-room/us-secretary-transportation-announces-automated-driving-system-demonstration-grant

U.S. Secretary of Transportation Announces Automated Driving System Demonstration Grant Winners. (2019, September 18). U.S. Department of Transportation. https://www.transportation.gov/briefing-room/us-secretary-transportation-announces-automated-driving-system-demonstration-grant

UK government offers £30m new funding for driverless car projects. (2018). Internet of Business. https://internetofbusiness.com/government-driverless/

UK government offers £30m new funding for driverless car projects. (2018). Internet of Business. https://internetofbusiness.com/government-driverless/

Ullman, D. (2018, January 11). Why is Microsoft so successful? Computerworld. https://www.computerworld.com/article/3247650/why-is-microsoft-so-successful.html

Unboxed Technology (2021). The Difference Between Sustainability and Corporate Social Responsibility. Retrieved April 24, 2022, from https://unboxedtechnology.com/blog/the-difference-between-sustainability-and-corporate-social-responsibility/

VFTNX - Vanguard FTSE Social Index Fund Institutional Shares | Vanguard Advisors. (2022, April 29). https://advisors.vanguard.com/investments/products/vftnx/vanguard-ftse-social-index-fund-institutional-shares#portfolio

Wagner, C. G. (2007, August). Capitalism with a Conscience. The Futurist, 41(4), 14–15.

Wang, Z., Hsieh, T.-S., & Sarkis, J. (2018). CSR Performance and the Readability of CSR Reports: Too Good to be True? Corporate Social Responsibility and Environmental Management, 25(1), 66–79. https://doi.org/10.1002/csr.1440

Weinstein, L. (2022, April 29). Research Guides: Corporate Social Responsibility (CSR): A Resource Guide: Company Profiles & Rankings [Research guide]. https://guides.loc.gov/corporate-social-responsibility/company-information/company-profiles-rankings

Your complete guide to Government funding of autonomous vehicle projects in Germany. (2021). The Autonomist. https://www.theautonomist.com/government-funding-for-autonomous-vehicles-in-germany

Zetlin, M. (2017). Here’s How Amazon Gets You to Buy More Stuff. https://www.inc.com/minda-zetlin/heres-how-amazon-gets-you-to-buy-more-stuff.html

Zetlin, M. (2017). Here’s How Amazon Gets You to Buy More Stuff. https://www.inc.com/minda-zetlin/heres-how-amazon-gets-you-to-buy-more-stuff.html

Zurn, L. (2017, May 17). How Patagonia Became a Pioneer of Corporate Social Responsibility. ChuckJoe. https://www.chuckjoe.co/patagonia-corporate-social-responsibility/