

CORPORATE SOCIAL RESPONSIBILITY AT WORK

CSR REPORT **2023**

skillsoft®

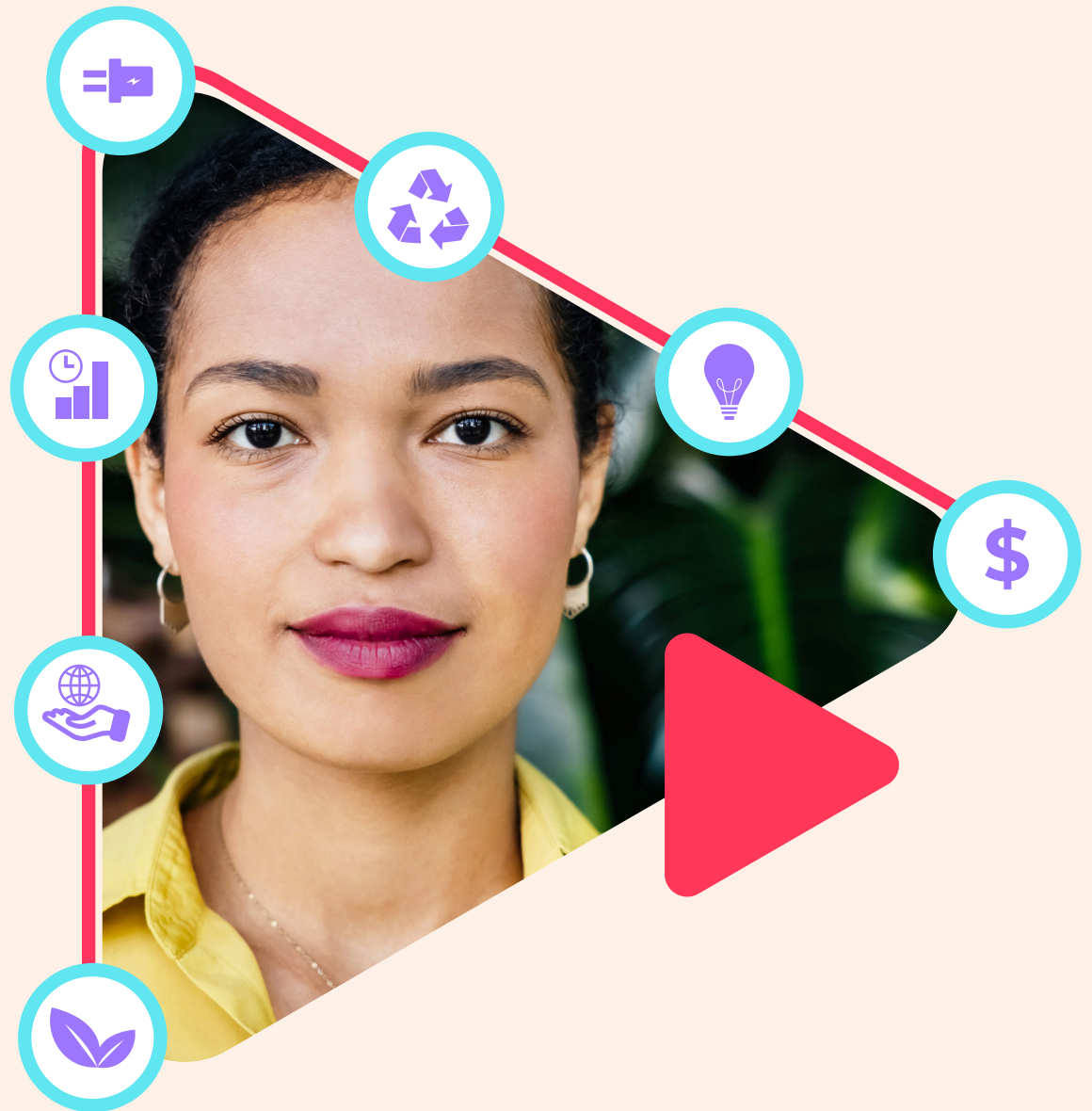


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Introduction

In the past, many organizations conducted business with one goal in mind: turn a profit. Today, “business as usual” looks a little different. While profitability for stakeholders remains paramount, organizations are also focused on their Corporate Social Responsibility (CSR).

CSR is a self-regulating business model that asks organizations to demonstrate accountability to society through economic, social, and environmental efforts.

Put more simply, businesses are now expected to do the right thing for the greater good.

But what is the right thing? Is it reducing carbon footprints or improving labor policies? Conducting fair trade or charitable giving? Creating a better environment or increasing diversity, equity, and inclusion? The fact is, it’s never an either/or situation. It’s all encompassing.

But for many organizations, there are challenges inherent to doing the right thing. Knowing how to best incorporate issues like social justice, equality, and climate awareness into corporate structure is still difficult and often confusing. In a world where “cancel culture” is everywhere, organizations need to confidently make the *right* decisions.

Sometimes that’s easier said than done.

This *Corporate Social Responsibility at Work* report cuts through some of the confusion. We surveyed nearly 1,000 people from both public and private companies, across various industries, geographies, and job roles to learn more about CSR trends in 2023.

The insights we gleaned provide a snapshot of what’s working today — and what needs changing for tomorrow.



Where does CSR stand now?

Similar to our 2022 data, more than 70% of all survey respondents report that their company currently has a CSR program — with a greater percentage of private companies (79%) reporting active CSR programs over public companies (64%). This figure represents a slight dip for public companies from last year.

Furthermore, nearly 73% of respondents report that CSR is part of their corporate governance program. This figure reflects a slight dip (2%) from last year.

Corporate activism is rapidly becoming an expectation among employees. More than 60% of those responding believe organizations should take a stand on social and/or political issues, yet many report being unsure of their company's CSR plans (55% for public companies; slightly less than 50% for private).

A [recent article](#) from *The Economist* stated: “Employees are [...] becoming more activist, and paying closer attention to the values espoused by employers. COVID-19 thrust conversations about employee welfare to [center] stage; many firms responded to the Black Lives Matter movement by re-examining their approach to racial diversity.”

Consistent activism has numerous benefits for employees. It demonstrates a genuine concern for their well-being — encouraging engagement, retention, and loyalty. In fact, employees who feel supported and valued by their employers are often more productive and perform at a higher level. And talented individuals are drawn to workplaces where they believe they will be treated well and have opportunities to develop and grow. Being an activist for employees is not just a moral imperative; it is also a strategic advantage for organizations.

But, if your organization decides to take a stand, it is imperative that your employees understand your position and can communicate it out to other stakeholders.

How mature is your organization's CSR program?

Quantitatively Managed	30%
Defined	23%
Managed	22%
Optimizing	16%
Initial	6%

Quantitatively Managed: your organization has established quantitative objectives for CSR performance and uses these as criteria in managing processes.

Defined: your organization has a defined process for managing its CSR plan.

Managed: work groups have been set up to establish a CSR strategy that aligns with your organization's policies.

Optimizing: you are continually improving your organization's CSR processes based on a quantitative understanding of business objectives and performance needs.

Initial: CSR initiatives are usually ad hoc and chaotic.

Top priorities in CSR

Given the headlines in the news last year about social injustice, it's not surprising that the top priority for many organizations (20%) is their diversity, equity, and inclusion (DEI) efforts. Improving labor policies, participating in fair trade, learning and education, and charitable goal giving also scored high among our respondents. Last year, our survey found that “doing the right thing” was a top driver (40%) for influencing organizations' CSR priorities. This year, companies are driven by customer feedback (19%), government mandates (16%), and public perception (15%). Doing the right thing pulls a significantly lower response; only 13% tell us that doing something for the good of humankind is a top driver with respect to their CSR efforts.

Investment in Environmental, Social, and Governance (ESG) has gained significant attention in recent years. But is ESG — and in turn CSR — now being used to improve an organization's image? Or is it being used as a genuine effort to drive positive change? We'll explore the relationship between ESG and CSR later.

What are the top CSR priorities across your organization?



Which of the following influences your organization's priorities?



The CSR decision-makers

Similar to last year, our survey respondents reported that more C-level executives (30%) within their organizations tend to “own” CSR programs. More specifically, those executives charged with sustainability drive many CSR decisions (34%), followed by those with a marketing focus (14%). This represents a significant jump from last year. Finance leaders and those responsible for philanthropy have the least amount of ownership over CSR.

These findings further illustrate that companies are striving to become more sustainable. But, again, they raise the questions about whether CSR efforts are being used as a marketing tool rather than a vehicle for legitimate, meaningful action.

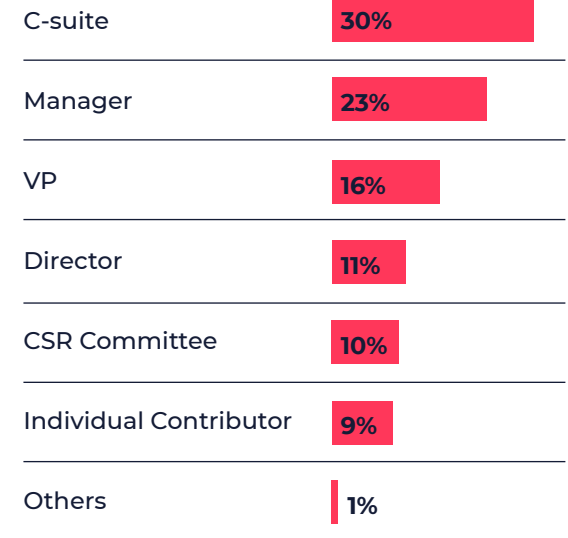
Regardless of the rationale behind the decisions, CSR has the potential to drive real positive change in the world.

And that’s significant. Over 66% of our survey takers report that CSR has become more important since last year. Nearly equal amounts report that investment from leadership has increased (63%), as well as employee participation (61%). Overall, 56% of employees surveyed participate in their organization’s CSR efforts.

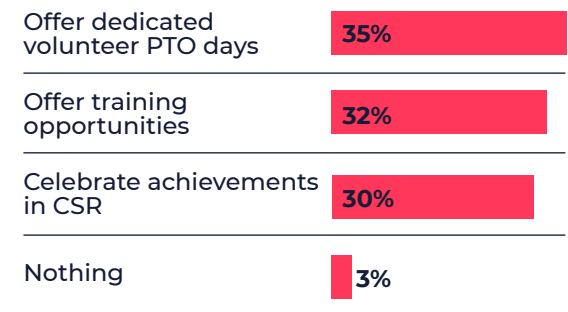
Training is an important way to engage employees in key CSR and ESG initiatives.

Check out some of our courses across these key topic areas.

Who drives CSR priorities?



What does your organization do to engage employees in CSR initiatives?



Budgeting for CSR

Our survey shows that 68% of respondents report that their organization has a dedicated CSR budget. While this is down slightly from last year (70%), more than half (55%) report that their CSR budget increased in that same timeframe. Thirty percent reported an increase of between 11% and 20%. Only 18% reported a decrease.

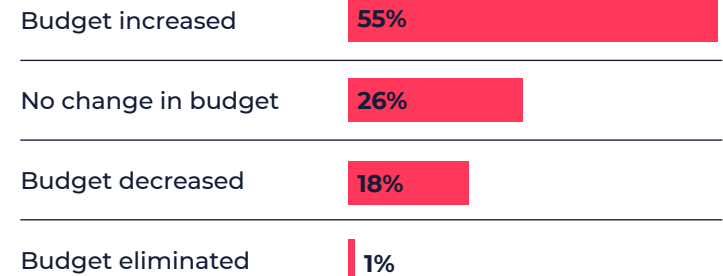
Most of our respondents invest their CSR budget into training and education (41%), followed by corporate philanthropy efforts (29%). Earmarking CSR budget to education and training makes sense as an investment in people can have a positive impact on ROI and employee engagement.

CORPORATE PHILANTHROPY EFFORTS

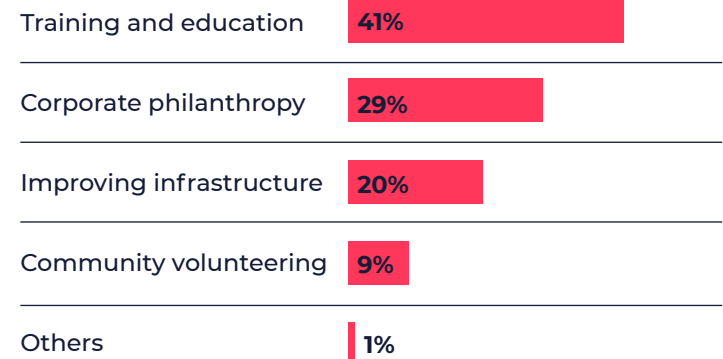
Giving back to society, supporting causes, and contributing to the well-being of communities are all ways that organizations can engage in corporate philanthropy. Common types of corporate philanthropy include:

- Charitable donations
- Employee matching programs
- In-kind donations
- Employee volunteer programs
- Sponsorships and partnerships
- Health and wellness programs
- Education initiatives
- Disaster relief
- Community development
- And more!

How did your CSR budget change from last year?



Where did you invest your budget?



How do you measure success?

It's essential for organizations to implement transparent and accurate methods of measuring CSR initiatives to avoid misconceptions and truly drive meaningful change.

But how does an organization measure success?

When asked this very question, respondents shared varied responses. The number-one answer is through the overall health and security of employees and community members (13%). Last year, this was also the number-one response.

While the percentage has changed (from 27% to 13%), it's clear that physical and mental well-being are still at the forefront of CSR. Respondents also look at industry and awards recognition (9%) and a reduction in greenhouse gas (GhG) emissions (8%) as a means to measure success. Of least importance is B Corp Certification at just 0.5%. This is in sharp contrast to last year when this measurement was still central at 11%.

Just as we examined the top measurements of success, we must also look at the top barriers to success to get a 360-degree view of CSR efforts. Mirroring last year, the number-one obstacle is regulations and standards (15%). Additional barriers include: reputation value (12%), knowledge (10%), customer awareness (10%), and company culture (10%). This gives further credence to the idea that perception matters.

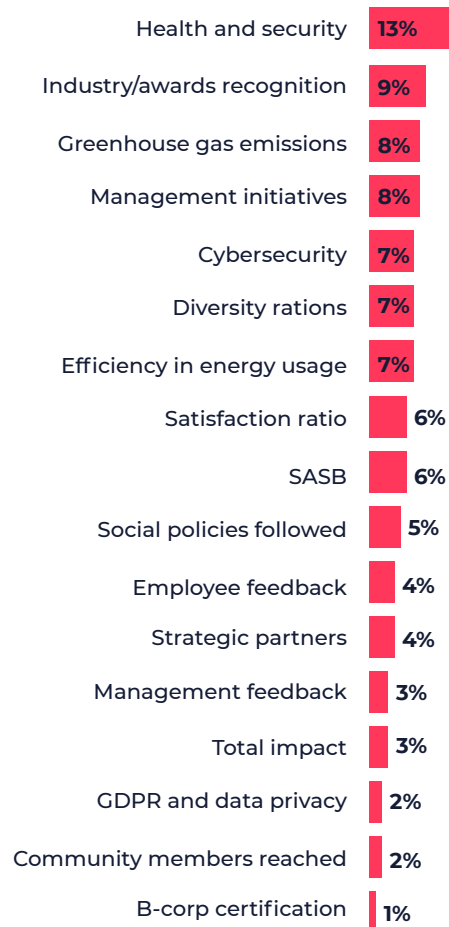
It's interesting to note that respondents rate the overall success of their company's CSR efforts at 65% this year. And, they predict that leadership within their organization would rate the company's CSR efforts at 66%.

Physical and mental well-being at work are critical to employees' success on the job. But don't forget about psychological safety.

Psychological safety is the feeling of being accepted and respected – believing you can present your true self at work without fear of negative consequences to your self-image, status, or career.



How does your organization measure CSR success?



What are the top barriers your organization faces to a successful CSR program?



Organizational leaders often perceive their CSR efforts to be more successful than they are due to a lack of objective benchmarks and metrics to measure the impact and effectiveness of their initiatives.

Moreover, the success of CSR is often gauged through internal lenses such as employee participation or amount of funds allocated, rather than the actual impact on external stakeholders or the environment. This inward focus, coupled with the desire to paint a positive picture of the company, can lead to an overestimation of the success of these initiatives.



The relationship between CSR and ESG

In our survey, 86% of respondents report that their organization has an ESG program. This figure is significantly more than those who report having a CSR program (71%). But it got us thinking: *Do ESG ratings actually measure how responsible an organization is?*

Say CSR is “what we do at our organization”, while ESG is “what we report to our investors”

73%

Believe their organization focuses more on CSR because of its flexibility

62%

Report that CSR is now part of their ESG program

60%

Say that their ESG efforts are replacing CSR efforts

50%

Our survey takers say yes (82%), and have some opinions on the relationship between **CSR** and **ESG**

60%

Say CSR is just one way they communicate the initiatives they are pursuing, while ESG measures how well they are adhering to those initiatives

60%

Say their CSR initiatives are merely an add-on to their organization's main purpose and direction

55%

View CSR as anecdotal, whereas ESG provides solid data

50%

Feel their organization uses the terms CSR and ESG interchangeably

The relationship between CSR and ESG

Contrary to popular belief, while ESG efforts aim to measure a company's responsibility towards environmental, social, and governance issues, they may not always provide a comprehensive picture of an organization's overall responsibility.

The effectiveness of ESG as a measure of corporate responsibility largely depends on the honesty, transparency, and sincerity with which these practices are implemented and reported. The rise in greenwashing underscores the fact that ESG scores and reports can be manipulated to portray a more responsible image than may be the reality.

And conversely, some organizations keep their sustainability accomplishments quiet -- a process known as greenhushing. This may be due to legal or regulatory concerns, fear of public perception, or concerns around credibility.

Therefore, while ESG efforts are an important tool in measuring corporate responsibility, they should be complemented by other measures and assessed in the broader context of a company's overall conduct and impact.

What is greenwashing?

Greenwashing is when an organization tries to persuade the public that its products, services, and policies are more environmentally friendly than they actually are.

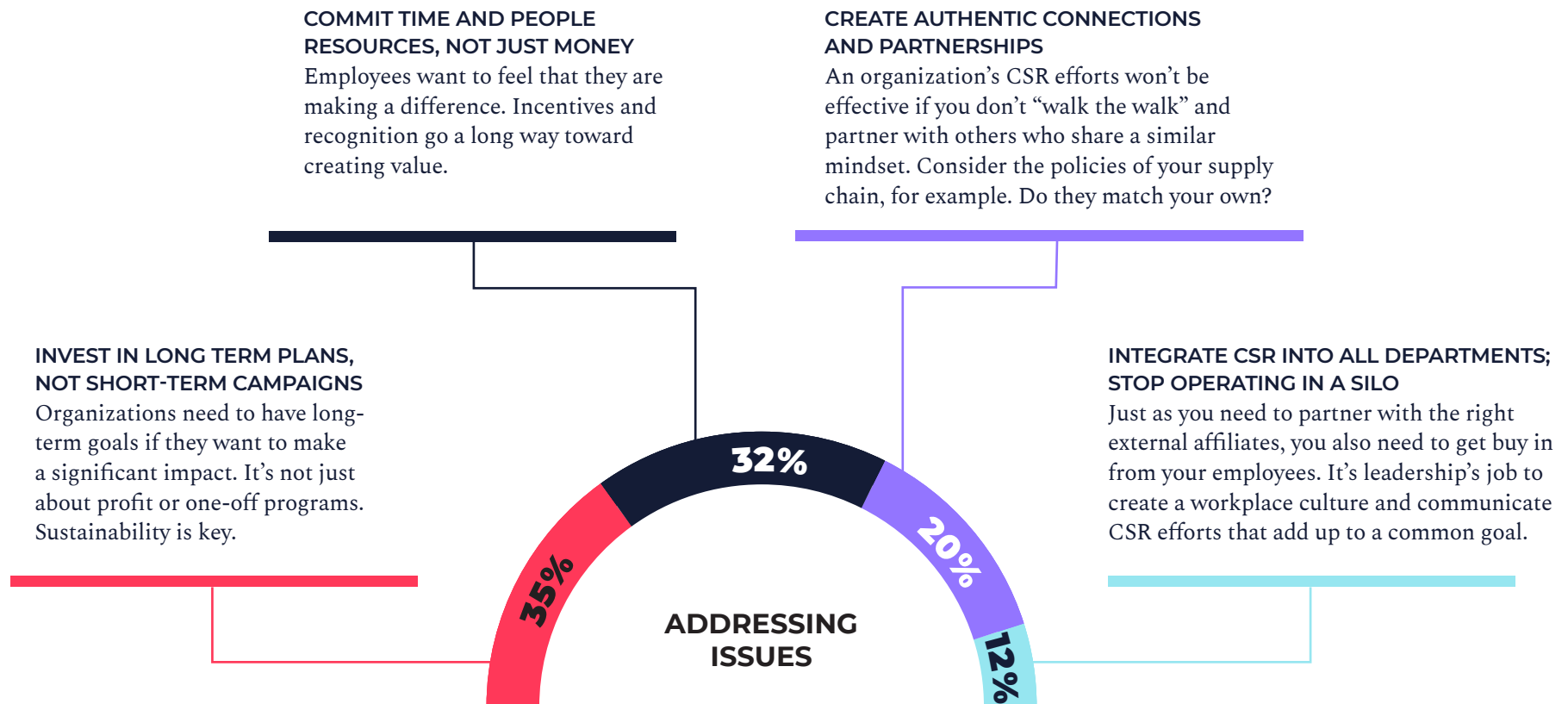
What is greenhushing?

Greenhushing is when organizations deliberately under-report their sustainability efforts to evade public scrutiny.



Addressing issues: Improvements to CSR

As successful as your CSR program might be, there's always room for self-reflection and improvements. That's why we asked our survey takers how their organization plans to address issues related to CSR — and they had a lot to say:



Exploring the role of AI

The advent of Generative Artificial Intelligence (GenAI) could revolutionize ESG and CSR reporting and decision-making in numerous ways. GenAI, with its ability to understand, learn, and apply knowledge, can automate and streamline the data collection process – ensuring accuracy and reducing manual errors. It can also perform deep quantitative and qualitative analysis of vast amounts of data, providing insights at a scale unattainable by human analysts.

Moreover, GenAI can assist in identifying greenwashing by detecting discrepancies between a company's reported sustainability activities and actual practices. This level of scrutiny and analytical depth can significantly enhance transparency and credibility of a company's reporting.

Furthermore, GenAI's predictive capabilities can assist decision makers in forecasting the potential impact of business decisions on environmental, social, and governance criteria, thereby enabling more sustainable and responsible business practices.

USING AI ETHICALLY

Even as we embrace AI as a tool to propel workforce transformation, we must understand how critical it is to use the technology in a way that is ethical and just – and extend that insight to our employees through training.

**DOWNLOAD GUIDE
TO ETHICAL AI**



How are new technologies, like generative AI, impacting your ESG initiatives?

Governance Impact: AI plays a role in our ESG reporting and decision-making

30%

Social Impact: AI is enhancing accessibility and inclusivity

29%

Environmental Impact: AI is helping us to optimize energy consumption and resource utilization

25%

We're not using AI in association with our ESG initiatives

14%

Others

2%

Conclusion

The good news? CSR is here to stay. And that's a win for all! Business leaders recognize the impact CSR is having. And employees are becoming invested in contributing to a rapidly changing world.

The practical business benefits of CSR are plentiful:

- Better brand recognition
- Positive business reputation
- Increased sales and customer loyalty
- Operational cost savings
- Better financial performance
- Greater ability to attract talent and retain staff
- Organizational growth
- Reduced security risk
- Easier access to capital

We hope you found *Corporate Social Responsibility at Work* valuable. We appreciate the response we received from our survey takers and hope you were able to glean some valuable insight from their observations.

It's a better world when we're all looking out for each other.



Resources

LIVING OUR VALUES

Learning for Good: Measuring Progress, Inspiring Change, Skillsoft's second annual ESG Impact Report.

SUSTAINABILITY LEARNING CENTER

Discover how to take meaningful steps to protect the planet and ensure a greener future through sustainable business practices.

DIVERSITY, EQUITY, AND INCLUSION LEARNING CENTER

Find valuable tools on timely topics, like "Inclusion Without Exception," "The Pink Pandemic," and "Effective Allyship."

GUIDE: HOW TO BEGIN YOUR CORPORATE SUSTAINABILITY JOURNEY

Navigate the implementation of sustainability goals and training to move your organization's ESG strategy to the next level.

SKILLSOFT BLOG

Insights and thought leadership on the latest learning trends, including those related to sustainability, as well as timely tips for success.

CUSTOMER STORIES

How organizations in every industry make learning a powerful competitive edge.

INVESTOR RELATIONS

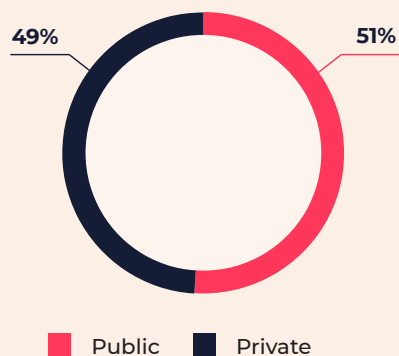
The latest news, financial results, stock data, and other resources.



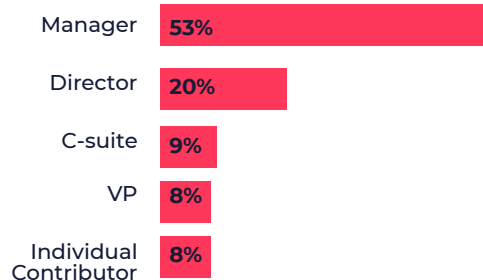
Survey demographics and methodology

Skillsoft's 2023 Corporate Social Responsibility at Work survey was conducted online from July to September 2023 using the Qualtrics XM Platform. Skillsoft distributed survey invitations to professionals around the world. The survey was made available in web articles, online newsletters, and social media. The survey yielded 868 complete responses and was then tabulated using the Qualtrics XM Platform.

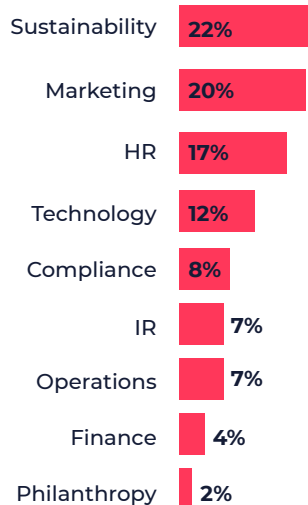
Is your organization Public or Private?



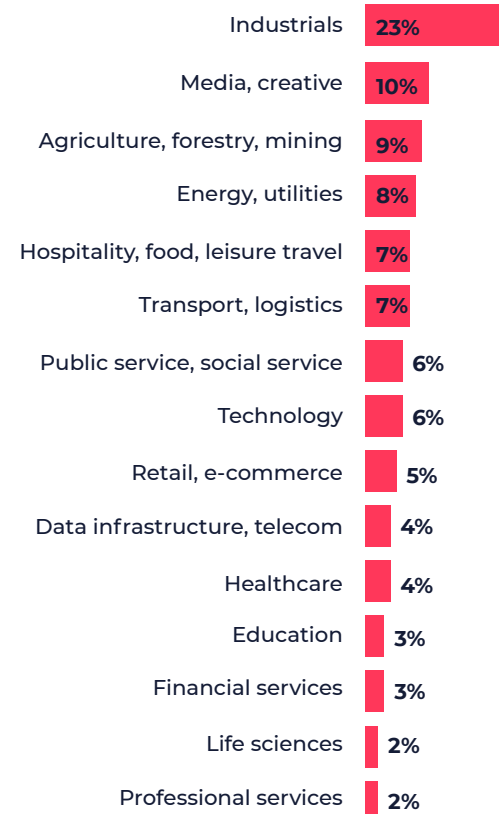
What is your role?



What is your focus?



In what sector is your organization?



About Skillsoft

Skillsoft (NYSE: SKIL) delivers transformative learning experiences that propel organizations and people to grow together. The Company partners with enterprise organizations and serves a global community of learners to prepare today's employees for tomorrow's economy. With Skillsoft, customers gain access to blended, multimodal learning experiences that do more than build skills, they grow a more capable, adaptive, and engaged workforce. Through a portfolio of best-in-class content, a platform that is personalized and connected to customer needs, world-class tech and a broad ecosystem of partners, Skillsoft drives continuous growth and performance for employees and their organizations by overcoming critical skill gaps and unlocking human potential.

Learn more at www.skillsoft.com.

