



Scientific Conference

**CORPORATE SOCIAL RESPONSIBILITY (CSR)
IN GREEN AND DIGITAL TRANSITION:
LEGAL AND SUSTAINABILITY ISSUES**

Koper, Slovenia,
26 September 2023

**ABSTRACTS OF
CONFERENCE PROCEEDINGS**

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**Scientific Conference CORPORATE SOCIAL RESPONSIBILITY (CSR) IN GREEN
AND DIGITAL TRANSITION: LEGAL AND SUSTAINABILITY ISSUES
Abstracts of Conference Proceedings**

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CORPORATE SOCIAL RESPONSIBILITY AS THE RESPONSIBILITY OF DIRECTORS

On Tuesday, September 26, 2023, the Koper Scientific Research Center (ZRS Koper) organized a one-day international scientific conference entitled “Corporate Social Responsibility (CSR) in the Green and Digital Transition: Legal and Sustainable Issues,” in which mainly legal and strategic positions and directions regarding corporate social responsibility, as the responsibility of directors, were exposed. Conference was held in the renovated Tiepolo Gravisi Palace (Centre for Humanities of ZRS Koper) in Koper, Slovenia, EU.

The conference was attended by renowned international experts who researched the legal and strategic aspects of corporate social responsibility. The focus of the conference was mainly on revealing the legal incentives and obstacles for the implementation of corporate social responsibility in Slovenia, the EU and around the world. The conference revealed the need for Slovenia’s progress in this area and for alignment with efforts for digitization and green breakthrough.

Prof. Dr. Rado Bohinc, head of the Law Institute of the Scientific and Research Center (ZRS) Koper and head of the program committee of the conference, highlighted the importance of the conference for responsible persons in companies, as the latest European policies and rules were presented and the importance of their transfer to the Slovenian space. Special emphasis was placed on the directors’ responsibility for implementing the strategy of corporate social responsibility and the relationship with stakeholders.

Those present at the conference were also addressed by the director of the Scientific Research Center (ZRS) Koper, **Prof. Dr. Rado Pišot**, who pointed out: “*Certainly, in accordance with the changing legislation, managers must commit themselves to directing our organizations to be more socially responsible and thereby contribute to greater sustainability.*” At the same time, we must also be aware that as leaders we act by example, we are generators of relationships and methods of communication, and we also inadvertently determine the quality standards of the working environment. Prof. Dr. Rado Pišot pointed out that business models are changing, it is no longer enough to make a profit for the company to survive. “*It is important how we do it, who*

we affect in this process, where there are risks and additional opportunities, who we influence with our activity and decisions and who has an influence on our activity and what the financial risks will be in this regard. If we are responsible, we act very similarly in the management of public research institutes.”

Those present discussed topics such as non-financial reporting, corporate social responsibility under EU and national legislation, as well as proposals for directives on sustainability and human rights due diligence, directors’ conduct, and sustainability and taxonomy disclosures. The conference also shed light on the obligations to comply with social responsibility criteria (social, labour law and environmental) in public procurement and salary policy.

“As a final thought, it can be pointed out that the Commission’s efforts with the proposal for the directive on due diligence are going in the right direction, but there are still many open questions in terms of content that will have to be properly resolved and thus establish the right foundations for the sustainable management of companies, which will be based on uniform (fair) criteria



and ensured the competitive position of companies in the EU as well as globally,” said **Prof. Dr. Andreja Primec** from the Faculty of Management of the University of Primorska and the Faculty of Economics and Business of the University of Maribor, Slovenia.

The organizer of the conference was the public research institute Scientific Research Center Koper (ZRS Koper), in cooperation with the co-organizers, including the University of Ljubljana, the Faculty of Social Sciences, the Ombudsman of Slovenia, the Academy for Social Responsibility and IRDO - Institute for the Development Social Responsibility. The conference was held in English and was part of a research project entitled “Corporate Social Responsibility (CSR) in the Green and Digital Transition.” (ARRS registration number: J5-4582), project holder: Scientific Research Center (ZRS) Koper – Institute of Law, Slovenia.



DRUŽBENA ODGOVORNOST PODJETIJ KOT ODGOVORNOST DIREKTORJEV

Koper, 27. 9. 2023 - Znanstveno-raziskovalno Središče Koper (ZRS Koper) je v torek, 26. septembra 2023 v prenovljeni palači Tiepolo Gravisi, organiziralo enodnevno mednarodno znanstveno konferenco z naslovom »Družbena odgovornost podjetij (DOP) v zelenem in digitalnem prehodu: pravna in trajnostna vprašanja,« na kateri so bila izpostavljena predvsem pravna in strateška stališča in usmeritve glede družbene odgovornosti podjetij, kot odgovornosti direktorjev.

Na konferenci so bili prisotni priznani mednarodni strokovnjaki, ki so raziskovali pravne in strateške vidike družbene odgovornosti podjetij. Podarek konference je bil predvsem na razkrivanju pravnih spodbud in ovir za uresničevanje družbene odgovornosti podjetij v Sloveniji, EU in po svetu. Konferenca je razkrila potrebo po napredku Slovenije na tem področju in po uskladitvi s prizadevanji za digitalizacijo in zeleni preboj.

Prof. dr. Rado Bohinc, predstojnik Pravnega inštituta Znanstveno-raziskovalnega središča (ZRS) Koper in vodja programskega odbora konference,



je izpostavil pomen konference za odgovorne osebe v podjetjih, saj so bile predstavljene najnovejše evropske usmeritve in pravila ter pomen njihovega prenosa v slovenski prostor. Poseben poudarek je bil na odgovornosti direktorjev za uresničevanje strategije korporativne družbene odgovornosti in odnosu do deležnikov.

Prisotne na konferenci je nagovoril tudi direktor Znanstveno-raziskovalnega središča (ZRS) Koper, **prof. dr. Rado Pišot** in izpostavil: *»Vsekakor se moramo vodje v skladu s spreminjajočo se zakonodajo zavezati k temu, da bomo naše organizacije usmerjali v bolj družbeno odgovorne in s tem prispevali k večji trajnosti. Hkrati pa se moramo tudi zavedati, da kot vodje delujemo z zgledom, smo generatorji odnosov in načina komunikacije, tudi nehote določamo standarde kakovosti delovnega okolja.«* Po mnenju prof. dr. Rada Pišota se poslovni modeli spreminjajo, ni več dovolj, da ustvarjamo dobiček in da podjetje preživi. *»Pomembno je, kako to naredimo, koga v tem procesu prizadenemo, kje so tveganja in dodatne priložnosti, na koga imamo s svojo dejavnostjo in odločitvami vpliv mi in kdo ima vpliv na našo dejavnost ter kakšna*



bodo finančna tveganja v zvezi s tem. Če smo odgovorni ravnamo zelo podobno tudi pri vodenju Javnih raziskovalnih zavodov.«

Prisotni so obravnavali teme, kot so nefinančno poročanje, družbena odgovornost podjetij v okviru zakonodaje EU in nacionalne zakonodaje ter predlogi direktiv o dolžni skrbnosti glede trajnosti in človekovih pravic, ravnanju direktorjev ter razkritjih v zvezi s trajnostjo in taksonomiji. Konferenca je prav tako osvetlila obveznosti upoštevanja meril družbene odgovornosti (socialnih, delovnopравnih in okoljskih) pri javnem naročanju in plačni politiki. *»Kot sklepno misel je mogoče izpostaviti, da gredo prizadevanja Komisije s predlogom direktive o skrbnem pregledu v pravo smer, vendar je vsebinsko še veliko odprtih vprašanj, ki jih bo treba ustrezno razrešiti in s tem vzpostaviti prave temelje za trajnostno upravljanje gospodarskih družb, ki bo temeljilo na enotnih (pravičnih) merilih in zagotavljalo konkurenčen položaj družb v EU kot tudi globalno,«* je povedala **prof. dr. Andreja Primec**, članica programskega odbora konference iz Ekonomsko poslovne fakultete Univerze v Mariboru.

Organizator konference, je bil javni raziskovalni zavod Znanstveno-raziskovalno središče Koper (ZRS Koper), je sodeloval s soorganizatorji, med katerimi so bili Univerza v Ljubljani, Fakulteta za družbene vede, Varuh človekovih pravic Slovenije, Akademija za družbeno odgovornost in IRDO – Inštitut za razvoj družbene odgovornosti. Konferenca je potekala v angleškem jeziku in je bila del raziskovalnega projekta z naslovom »Družbena odgovornost podjetij (DOP) v zelenem in digitalnem prehodu.« (Evidenčna številka ARRS: J5-4582), nosilec projekta: ZRS Koper - Pravni inštitut.

ORGANISER

Science and Research Centre Koper (ZRS Koper)

CO-ORGANISERS

University of Ljubljana, Faculty of Social Sciences

Human rights Ombudsman of Slovenia

Academy for Social Responsibility

IRDO – Institute for the Development of Social Responsibility

ACKNOWLEDGMENT

The conference is part of a research project entitled SOCIAL RESPONSIBILITY OF COMPANIES AS THE RESPONSIBILITY OF DIRECTORS (ARIS registration number: J5-4582), project holder: ZRS Koper, Law Institute, funded by the Slovenian Research and Innovation Agency.



University of Ljubljana
Faculty of Social Sciences



REPUBLIC OF
SLOVENIA



HUMAN
RIGHTS
OMBUDSMAN



Slovenian Research and Innovation Agency

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Robert DE LUCIA, member
and other ZRS Koper colleagues

PROGRAMME

Scientific Conference
**CORPORATE SOCIAL RESPONSIBILITY (CSR) IN GREEN AND DIGITAL
TRANSITION: LEGAL AND SUSTAINABILITY ISSUES**

Koper, Slovenia, 26 September 2023

8.30–9.00

Registration

9:00–9:40

OPENING WORDS

Welcome speech: **Prof. Rado Pišot**, PhD, Principal Research Associate,
Director of ZRS Koper

Welcome & Keynote speech: **Rado Bohinc**, PhD
*Legal Incentives and Obstacles to Corporate Social Responsibility in Slovenia,
the EU and Globally*

9:40–10:10

GUESTS OF HONOUR

Peter Svetina, Slovene Ombudsman (in his name Jože Ruparčič, PhD):
Human rights in business, the case of Slovenia

Ana Kerševan, PhD, State Attorney General of the Republic of Slovenia:
*Green transition and The State Attorney's Office of the Republic of Slovenia
(video)*

Martina Rauter, PhD, & **Marija Čebular - Zajec**, MSc, Ministry of the
Economy, Tourism and Sport:
*Green Transition and the Environmental, Social and Management Aspect (ESG)
In the Strategic Directions of the Ministry of the Economic, Tourism and Sport*

10:10–11:40

INTERNATIONAL GUEST SPEAKERS

Morten Huse, PhD:

CSR in Norway: Theory, Legislation and Experiences

Parameswar Nayak, PhD:

Indian Legislation and Experiences of CSR

Jeff Schwartz, PhD:

*The Levers of Sustainability: The EU Directive on Corporate Sustainability
Due Diligence in Comparison to US Law*

11:40–12:30

Networking break (lunch)

12:30–14:30

EU AND GLOBAL CONCEPTS OF CSR – invited speakers from Slovenia

Matjaž Mulej, PhD, PhD, Anita Hrast, MSc, Simona Šarotar Žižek, PhD

Innovative Sustainable Socially Responsible Society

Borut Bratina, PhD:

*Responsibility of Directors and Supervisors for the Company's Socially
Responsible Operations*

Andreja Primec, PhD:

*Legalizing Corporate Responsibility: Harnessing Non-financial Reporting as a
Legal Institute for Fostering CSR*

Dušan Jovanovič, PhD:

Dependence of Remuneration Policy on Corporate Social Responsibility

Bojan Tičar, PhD:

CSR and Managing Public Institutions

Urša Golob Podnar, PhD:

The Duality of the Concept of Corporate Social Responsibility

14:30–15:00

Networking break (coffee)

15:00–15:40

EU AND GLOBAL CONCEPTS OF CSR – invited speakers from Slovenia

Peter Podgorelec, PhD:

Due Diligence According to the Proposal for the Directive on Business Due Diligence (Video)

Jože Ruparčič, PhD:

Directors Liability, Business Judgement Rule and CSR

15:40–16:55

PARALLEL LECTURES – POSTERS

Boris Hartman, MSc:

Environmental Changes and Inclusive Education

Ms. Shaheen Efrahi Ali:

Assessing the Impact of Corporate Social Responsibility (CSR) Initiatives in Driving Green Human Resource Management (HRM) in Indian Business

Gal Pastirk, LLM student & Andreja Primec, PhD:

Legal Implications of CSRD Directive on Green Transition

Matic Čufar, PhD student, Jernej Belak, PhD & Andreja Primec, PhD:

The CSR Reporting and Its Consistency With SDGs: Analyzing Specific National Legislations and Evaluating Their Impact

Anita Hrast, MSc:

ESRS Standards and Managers' Responsibility

16:55–17:00

Final conclusions

ABSTRACTS

LEGAL INCENTIVES AND OBSTACLES TO CORPORATE SOCIAL RESPONSIBILITY IN SLOVENIA, THE EU AND GLOBALLY

Rado BOHINC, PhD

Full professor at Law

Science and Research Centre Koper, Garibaldijeva 1, 6000 Koper, Slovenia

rado.bohinc@zrs-kp.si; www.zrs-kp.si

Corporate social responsibility (CSR), or responsible business conduct as a tool of sustainable development (green transition) and respect for human rights in the economy is getting more and more legally based. In different countries, the legal levers of CSR are very diverse; since this creates unequal conditions in the global market, the harmonization of the CSR related rules is essential.

Important for the legal regulation of CSR is the proposal for the EU Corporate sustainability due diligence directive, CSDDD); among other things, the proposal expands the due diligence of directors from acting in the best interest of the company, also to consider the risks that threaten sustainable development and human rights, and in this regard sharpens corporate liability for damages.

Key shifts in CSR can only be ensured by binding corporate law rules on directors' due diligence and corporate damage liability for sustainability and human rights violations.

The integration of environmental, social and governance (ESG) factors into investments is an increasingly common feature of modern CSR concept. Only environmental and labor legislation alone are not sufficient for the implementation of sustainable development and CSR. Interventions in corporate legislation are needed.

In the EU, the implementation of CSR has so far been voluntary; only sustainability (non-financial) reporting is mandatory. The proposal of the CSDDD is therefore ground-breaking, as it intervenes for the first time in corporate legislation in favor of sustainable development, namely in regulating the sustainability civil liability of companies and the due diligence of

directors. However, political debates between the EC, the Council and the EP due to differences in views about the latter are still ongoing.

Slovenia (the government or Parliament) must finally adopt the National Plan for the enforcement of corporate social responsibility, as stipulated by the EU Commission already in the Revised Strategy 2011. In the legislation governing the operation of corporations (ZGD-1), Slovenia must establish the obligation of sustainable due diligence, to determine the duty of adopting a social responsibility strategy in every company and to determine, as a duty of care of directors, also the consideration of sustainability goals and CSR.

Keywords: due diligence, sustainable development, green transition, human rights, due diligence, tort liability

GREEN TRANSITION AND THE ENVIRONMENTAL, SOCIAL AND MANAGEMENT ASPECT (ESG) IN THE STRATEGIC DIRECTIONS OF THE MINISTRY OF THE ECONOMY, TOURISM AND SPORT

Martina RAUTER, PhD

Ministry of the Economy, Tourism and Sport

Minister's office

Kotnikova 5, 1000 Ljubljana, Slovenia

martina.rauter@gov.si and www.gov.si

Marija ČEBULAR ZAJEC, MSc

Ministry of the Economy, Tourism and Sport

Industry, Entrepreneurship and Internationalisation Directorate

Kotnikova 5, 1000 Ljubljana, Slovenia

m.cebular-zajec@gov.si and www.gov.si

European Sustainability, Industrial and Innovation Leadership represents Europe's shared ambition to open the way for sustainable development, industrial growth and breakthrough innovation.

With the latest Industrial Plan under the Green Deal and the Net Zero Industry Regulation, Europe is taking proactive steps to promote a greener, more resilient and economically prosperous future. At the heart of this ambition is a commitment to sustainable development and climate neutrality by 2050 in line with the European Green Deal.

In accordance with European and its strategic directions, the Ministry of the Economy, Tourism and Sport supports and stimulates the green and sustainable development of the economy.

The Ministry is implementing various strategic documents, including Slovenian Industrial Strategy 2021-2030, which is directed towards green, creative and smart development.

The key factor to enhance green transition and to improve sustainability of the economy is the measurement of the progress. The EU has therefore adopted the Corporate Sustainability Reporting Directive (CSRD), which entered into force on 5 January 2023, that requires for all large and listed

companies (except listed micro-enterprises) to disclose information on ESG (Environmental, Social, and Governance) performance.

ESG reporting has gained significant importance in recent years as investors and stakeholders increasingly recognize the value of sustainable practices and want to assess a company's broader impact beyond financial performance. The information provided through ESG reporting helps stakeholders make informed decisions, evaluate risks and opportunities, and hold companies accountable for their environmental and social responsibilities.

The Ministry of the Economy, Tourism and Sport will transpose the CSRD into an amendment to the Companies Act. At the same time, it will present a voucher scheme for small and medium sized companies (SMEs) in order to stimulate voluntary ESG reporting by SMEs. By supporting ESG reporting, the Ministry will help to promote more sustainable practices, encourage responsible investment, and drive positive change in business operations.

Keywords: sustainability, ESG, CSRD, green transition

CSR IN NORWAY: THEORY, LEGISLATION AND EXPERIENCES

Morten HUSE, PhD, oecon.

Professor Emeritus

*BI Norwegian Business School, Department of Communication and Culture,
Dr. Hansteinsgate 18, 3044 Drammen, Norway*

Morten.Huse@bi.no

Why is the CSR concept interesting? And why are theories, legislation and experiences interesting in the context of Norway? Norway is a civil law system country, and it is often highest ranked internationally in terms of GNP per inhabitant, gender equality, social democratic values and happiness among the inhabitants. It is ranked on the bottom with respect to corruption. What can other countries learn from Norway with respect to CSR and CSP, ESG and SDG? Or what can Norwegian politicians and business people learn from other countries?

I want to contribute to a sustainable society, and my particular objective is to raise a discussion about controversial issues about CSR based on the Norwegian experiences. I will in the presentation make some reflections about “who and what really counts” and the above mentioned concepts, before reflections about gender equality, climate change, national politics and the international political agenda are discussed.

I am presenting the CSR concept beyond the individual or business arena, and into the problems of the common sphere – with a focus on institutional instruments. I am reflecting on India, USA and Slovenia learn from the small country of Norway.

Keywords: Gender equality, value for all, sustainability, boards of directors, institutional initiatives

INDIAN LEGISLATION AND EXPERIENCES OF CSR

Parameswar NAYAK, PhD

Professor & Dean

Birla School of Management, Birla Global University,

IDCO Plot No.2, Gothapatna, Malipada, Bhubaneswar,

Odisha 751029, Gothapatna, India

dean.som@bgu.ac.in

The Corporate Social Responsibility (CSR) has become an essential aspect of the business strategy worldwide. CSR in India is a mandatory obligation for certain companies. The legal framework of CSR in India has evolved significantly. The main purpose of this paper is to discuss the Indian legal framework and acquire certain insights from the experiences of CSR in India. The paper is based on exploratory research with a mix of secondary and primary data. The Companies Act 2013, Section 135, of India mandates companies worth more than Rs. 500 crore (i.e. about 60.8 million USD), or having revenue of Rs.1000 crore (i.e. about 121.6 million USD), and above, or net profit of over Rs.5 crore (i.e. about 6,08,000 USD), to spend 2% of average net profits of the previous 3 years on CSR projects.

The Securities and Exchange Board of India (SEBI) mandates that companies listed on the stock exchange must provide a Business Responsibility and Sustainability Report (BRSR), outlining their CSR activities. The Ministry of Corporate Affairs of India has issued various guidelines and circulars on CSR. It is found that the number of companies has increased from 1,077 in the Financial Year 2017-18 to 1278 in the Financial Year 2021-22. Though the amount of annual CSR spending has shown increasing trend up to the Financial Year 2019-20, it has started decreasing thereafter. Total CSR spends in India as on 31 March 2022 is Rs. 91,039 crore (i.e. about 11,067.3 million USD (Source: Primeinfobase.com). Major outcomes and impacts of the CSR projects in India have been in the areas of healthcare, education, sustainable development, social entrepreneurship, impact assessment, COVID-19 relief measures and disaster management.

Besides benefiting society in these areas, CSR activities have contributed towards improving company's reputation and brand image, leading to better

business prospects. However, certain CSR initiatives lack effectiveness and seriousness, attracting criticisms of superficiality of fulfilling mandated 2% spending requirement. They are expected to undertake CSR activities more seriously in order to promote sustainable development and contribute more to the society as responsible corporate citizens.

Keywords: Corporate Social Responsibility, Legal Framework of CSR, Companies, Sustainable Development, CSR Spends, Corporate Citizen

THE LEVERS OF SUSTAINABILITY: THE EU DIRECTIVE ON CORPORATE SUSTAINABILITY DUE DILIGENCE IN COMPARISON TO US LAW

Jeff SCHWARTZ, PhD

Professor of Law

*University of Utah, SJ Quinney College of Law,
383 S. University Street, Salt Lake City, UT 84112*

Jeff.schwartz@law.utah.edu;

https://faculty.utah.edu/u0850378-Jeff_Schwartz/hm/index.html

In February 2022, the European Commission proposed a far-reaching and comprehensive directive on corporate sustainability due diligence (the “Directive”). In my comments, I will describe the Directive, compare it to sustainability efforts in the US, and offer observations and critiques about both the Directive and US law.

The comparison reveals several primary takeaways. First, likely owing to their significantly different social and political cultures, the EU Directive goes far beyond any US sustainability efforts. Second, and relatedly, the Directive is part of a rapidly progressing EU sustainability framework, which embraces sustainability as a stand-alone goal. In the US, however, considerations of sustainability are almost always framed within a financial paradigm, which distracts policy discussions and stalls regulatory efforts. Third, the Directive applies to companies based on size and industry. Enacting a rule with similar coverage would be difficult in the US because the corporate and securities laws on which sustainability obligations would most likely be based are jurisdictionally fragmented.

Finally, in a departure from its usual hesitancy in the area, the US experimented with human-rights due diligence a decade ago, with the so-called conflict minerals rule. The rule failed for a range of reasons—political, structural, and regulatory—which still resonate and provide grounds for caution about the potential of the Directive to significantly improve human rights.

Keywords: EU Directive on Corporate Sustainability Due Diligence; Sustainability; Due Diligence; Comparative Law

INNOVATIVE SUSTAINABLE SOCIALLY RESPONSIBLE SOCIETY

Matjaž Mulej, PhD

Professor Emeritus

(systems theory in economics) and Dr. (innovation management),

University of Maribor, Faculty of Economics and Business,

Razlagova 14, 2000 Maribor, Slovenia

IRDO Institute for the Development of Social Responsibility,

Cesta 13. julija 65A, 1261 Ljubljana - Dobrunje, Slovenia (head of research)

IASCYS International Academy for Systems and Cybernetic Sciences,

Pau, France (honorary establishing president)

matjaz.mulej@um.si

Anita Hrast, MSc

(management of non-profit organizations),

lecturer (social responsibility, sustainability, NGO management),

establisher and manager

IRDO - Institute for the Development of Social Responsibility,

Cesta 13. julija 65A, 1261 Ljubljana - Dobrunje, Slovenia

anita.hrast@irdo.si

Simona Šarotar Žižek, PhD

Full Professor

(human resources management), Head of Institute of Organization

University of Maribor, Faculty of Economics and Business

Razlagova 14, 2000 Maribor, Slovenia (member of IRDO)

simona.sarotar-zizek@um.si

The global long-lasting socio-economic crisis is officially visible since 2008 and has been caused by the monopolistic abuse of free market and democracy over the recent decades under neoliberalism, benefiting very few persons at the detriment of a vast majority of the current humankind due to replacing the Keynesian economic model and state capitalism with neoliberalism (Merhar, 2014, 2019, 2021). We suggest a non-technological invention-potential innovation – innovation – diffusion process, innovation

meaning a new users' benefit; in this case this is the innovative sustainable socially responsible (ISSR) society enabling humankind to find its/our way out of the very dangerous global social-economic crisis (Mulej et al., 2019). This society can lead to Well-being Society.

We humankind cannot survive as a species, if we do not create a socially responsible society to replace the current practice of socio-economic relations, in which neoliberalism destroys free market and democracy and causes a global socio-economic crisis;

- we can achieve neither social responsibility nor sustainability, which is part of socially responsible practice, if we do not incorporate innovation into the given practice;
- in particular non-technological, i.e. user-friendly innovations in mutual relations, which social responsibility contains;
- as well as technological ones that make healthy living easier.

Therefore, we speak about an Innovative Sustainable Socially Responsible (ISSR) society, as a synergy of many humans' ISSR behaviour; be it in their role of individuals, businesses, other organizations, communities, societies, and humankind.

The corporate social responsibility (CSR) and the human's requisite personal holism has been a good first step, but limitation to it is not holistic enough to resolve the current global socio-economic crisis surfacing since 2008 (but caused since the prevailing of neoliberalism and illiberalism earlier and later) with accumulation of problems without end. In 2021 and 2022 the necessity of innovation of human behaviour was especially exposed under the term of the dangerous climate change's pressure over the given human habits, again; more exposed than practiced, lacking global legal support.

We report about a two-volume book with close to 30 co-authors, contracted for publication by Palgrave MacMillan, UK, a member of Springer Nature, Cham, Switzerland.

Keywords: behaviour, innovations, society, sustainability, social responsibility, habits

RESPONSIBILITY OF DIRECTORS AND SUPERVISORS FOR THE COMPANY'S SOCIALLY RESPONSIBLE OPERATIONS

Borut BRATINA, PhD

Full professor at Law

University of Maribor, Faculty of Economics and Business,

Razlagova 14, 2000 Maribor, Slovenia

borut.bratina@um.si

In this article, the author discusses the issue of the transition of corporate governance from profit-making to sustainable business operations, with a view to reducing the adverse impact on the nature environment. In the second chapter, he attempts to define more precisely the concept of »social responsible business«.

In doing so, it distinguishes the concept of sustainability from that of sustainable development. Directors must manage the company with the diligence of a conscientious and honest businessman, taking into account the interests of company. The author asks when, alongside profit-making, a caring and responsible attitude towards nature will become a legitimate corporate objective. In a separate chapter, he analyses the significance and impact that the EU Directive on due diligence in business will have on sustainability.

In doing so, it concludes that the introduction of legal criminal and civil liability for companies and their directors and supervisors for company (un) sustainable corporate behaviour must be done at a global level, as otherwise companies will relocate their headquarters to countries with a lower level of protection of the natural environment.

Keywords: Corporate Social Responsibility, Sustainable Development, Sustainability, Corporate Interest, EU Sustainability Due Diligence Directive, Anthropocentrism, Ecocentrism

LEGALIZING CORPORATE RESPONSIBILITY: HARNESSING NON-FINANCIAL REPORTING AS A LEGAL INSTITUTE FOR FOSTERING CSR

Andreja PRIMEC, PhD

Associate Professor at Law

*University of Maribor, Faculty of Economics and Business,
Department of Business Law, Razlagova 14, 2000 Maribor, Slovenia*

University of Primorska, Faculty of Management

andreja.primec@um.si, www.epf.um.si

In this paper, we discuss the development of non-financial reporting as a legal institute that has a binding effect on the implementation of CSR in companies' operations.

The European Union and other international organizations (UN, OECD) have long promoted responsible corporate behaviour and respect for human rights. They encourage companies to disclose their policies, risks and performance on environmental, social and governance issues. Several soft law standards and corporate social responsibility reporting guidelines have been developed.

Directive 2014/95/EU on non-financial reporting is the first legislation introducing CSR reporting obligations for certain large companies and groups (public interest entities). The reporting obligation has positively affected CSR in practice but has also demonstrated certain formal and substantive shortcomings. To address them and meet the needs of the sustainable development of financial markets or the economy, a new Directive (EU) 2022/2464 on corporate sustainability reporting was adopted in December 2022. In addition to the existing sustainability reporting obligations, the latter obliges small and medium-sized companies that meet the criteria for public interest entities under national law to report on sustainability. It further expands the range of information on environmental, social and governance factors that must be disclosed under the new reporting standards. Mandatory uniform standards will allow for in-depth auditing (assuring the reliability of sustainability information) and the digitization of reporting.

The changes introduced by the new Directive will also help to consolidate CSR in legal terms further (through a precise set of information to be disclosed; the obligation to report on this information; how the information is to be reported - in the form of standards and digital format, with a broader range of obliged parties, etc.). Non-financial reporting, renamed sustainability reporting, will gain further importance as a legal institution.

Keywords: CSR, non-financial reporting, legal institute, NFRD, sustainability reporting, CSRD

DEPENDENCE OF REMUNERATION POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Dušan Jovanovič, PhD

Associated professor at Law

University of Maribor, Faculty of Economics and Business,

Razlagova 14, 2000 Maribor, Slovenia

dusan.jovanovic@um.si

Author in this paper provides an overview of the relationship between corporate social responsibility (CSR), managerial remuneration, and the interdependence with sustainability (ESG-environment, sustainability and governance), with a focus on Slovenian companies. It explores the significance of incorporating sustainability principles into the remuneration practices of managers in Slovenian organizations and its impact on promoting CSR objectives.

The paper highlights the unique characteristics of companies and their commitment to sustainable business practices. It examines the connection between responsible business conduct, sustainability performance, and the alignment of managerial remuneration with these principles within the context.

Furthermore, the Author in paper discusses the need for Slovenian companies to establish transparent and effective remuneration structures that incentivize sustainable practices and support long-term value creation. It emphasizes the role of CSR metrics and indicators in evaluating managerial performance and aligning it with sustainability goals.

The paper acknowledges the specific challenges and opportunities faced by Slovenian companies in implementing sustainable remuneration practices. It addresses the importance of stakeholder engagement, collaboration, and the promotion of sustainable practices throughout the supply chain. In this regard, the author proposes some solution models that companies could use when designing remuneration policies while considering ESG standards.

In conclusion, this paper sheds light on the role of managerial remuneration in promoting corporate social responsibility and sustainability in Slove-

nian companies. It highlights the commitment of Slovenian organizations to sustainable business practices and the potential for positive change in the pursuit of CSR objectives.

Keywords: Corporate Social Responsibility (CSR), sustainability policy, remuneration policy, shareholders, stakeholders, responsibility, Environment Sustainability Governance (ESG)

CSR AND MANAGING PUBLIC INSTITUTIONS

Bojan TIČAR, PhD

Full professor at Law

University of Maribor, Faculty of Security Sciences,

Kotnikova 8, 1000 Ljubljana, Slovenia

Science and Research Centre Koper, Garibaldijeva 1, 6000 Koper, Slovenia

bojan.ticar@fvv.uni-mb.si

This conference contribution is devoted to explaining the management of public institutions from the point of view of corporate, social responsibility. It is set in the context of the UN Sustainable Development Goals.

CSR stands for „Corporate Social Responsibility“ as a concept that refers also to public institutions (i.e. public schools, universities, research institutes, hospitals, museums, elderly homes etc.). Concept of CSR comprises the public institute’s commitment to contributing positively to society and the environment beyond just its economic and non-economic (social) goals.

CSR involves initiatives, programs, and actions that go beyond legal requirements and focus on ethical practices, social well-being, environmental sustainability, and community development. CSR is not only beneficial for the communities and the environment but also for the public institution itself. It can enhance an institution’s reputation, improve consumers loyalty, attract socially conscious investors, and foster long-term operational sustainability.

The paper presents several diverse types of responsibilities of the bodies of management, management and supervision of public institutions and the implementation of the Sustainable Development Goals in the analysis and synthesis.

This contribution introduces readers and conference participants to how the Slovenian legal order at the level of public institutions works and which concepts can contribute to its improvement from the point of view of CSR.

Keywords: Corporate Social Responsibility, Public Institutions, Management of Public Institutions, Supervising of Public institutions, Economic and non-economic goals

THE DUALITY OF THE CONCEPT OF CORPORATE SOCIAL RESPONSABILITY

Urša GOLOB PODNAR, PhD

Full professor

University of Ljubljana, Faculty of Social Sciences,

Kardeljeva ploščad 5, Ljubljana, Slovenia

ursa.golob@fdv.uni-lj.si

Corporate social responsibility (CSR) is not a singular concept. It is part of a broader institutional environment with its own goals and objectives. For this reason, it has often been described as a contested concept. This means that it is complex, complicated and difficult to grasp. Interpretations of CSR, while reasonable and legitimate, are often at odds with each other.

The purpose of this presentation is to illustrate the complexity of the concept by presenting the duality of CSR at different levels of consideration. On this basis, we argue that the duality of CSR can be found at different levels of CSR: in terms of the ontological basis of the concept, its institutional foundation, organisational orientation, communicative perspective and, more recently, digitalisation.

The study of duality contributes to existing knowledge about the CSR phenomenon in literature and practice. It enriches existing views on CSR conceptualisations by offering a new perspective on the articulations of CSR.

Keywords: CSR, duality, business, society, communication, digitalisation

DUE DILIGENCE ACCORDING TO THE PROPOSAL FOR THE DIRECTIVE ON BUSINESS DUE DILIGENCE

Peter PODGORELEC, PhD

Associate Professor at Law

University of Maribor, Faculty of Economics and Business,

Razlagova 14, 2000 Maribor, Slovenia

peter.podgorelec@um.si

Disclosure is the traditional tool of the EU legislator in order to promote sustainable governance. However, the proposal of The corporate sustainability due diligence directive foresees important material duties of companies and members of their bodies. One of these duties is also the duty of certain larger companies to which the directive will apply to implement appropriate measures to identify, prevent and eliminate actual and potential adverse impacts on human rights and the environment throughout their value chain.

According to their fundamental legal characteristics, due diligence measures are procedural obligations, obligations of means and permanent obligations. Violations of due diligence will not only be sanctioned in the public-legal field, but also with civil-legal liability.

The author draws attention to the problem of the indefinite definition of prohibitions, duties, and rights in international conventions on human rights and the environment, the violation of which is relevant for the emergence of the liability for damages, and to the problem of the burden of proof.

Keywords: directive – business sustainability – material duties – due diligence – liability for damages

DIRECTORS LIABILITY, BUSINESS JUDGEMENT RULE AND CSR

Jože RUPARČIČ, PhD

Deputy Ombudsman

Republic of Slovenia, Human Rights Ombudsman,

Dunajska cesta 56, 1109 Ljubljana, Slovenija

joze.ruparcic@gmail.com

The implementation of Business Judgement Rule and its integration within the legal system is essential because this is dictated primarily by the need for the effective economic and legal system. The rule does allow the directors to operate without fear, as long as they act in good faith and demystifies their responsibility for the business decisions, even ones that are unreasonable. Since most people are risk-averse, if directors had to worry about liability for every decision they made, many directors would insist on playing things completely safe. This would stifle the innovation and creativity and would ensure that profits would remain small. There is a general correlation between risk and return, and directors would be too concerned about their personal liability to take risks with the corporation's business.

Decision-making is often associated with a certain risk, which means that a business decision may subsequently prove to be poor, even though it might seem right at first. It was adopted by the management bodies in good faith and with the aim that its adoption would have a positive effect on the company they run. It is important, however, that, from the viewpoint of a safe and predictable business environment, directors should be able to accept business decisions without fear, without having to indemnify them. However, their protection against claims is subject to the business judgement rule. In assessing the correctness of the conduct of directors, it is important to emphasize that it is not important to compare the individual decisions which is better, and which deteriorates, but whether the decision adopted is consistent with the accepted business practice.

The presumption of the business decision of the individual director is essential in order to comply with the received information in good faith and in the honest belief that a decision has been taken in favour of the company that is in charge of it. The management and supervisory bodies in taking business

decisions must not have personal interests and, on the basis of available information (at the time of taking a business decision), believe that it was a business decision that was for the benefit of the company. The effectiveness of corporate governance and social responsibility are complementary and part of the same story. The businessman builds bridges between the various stakeholders of the organization and society. Owners and employees, financiers and buyers, partners and the local community, suppliers and unions point to sometimes distant views on what they would really expect from participating in or living in a particular economic organization. Therefore, a businessman must act preventively by treating all key stakeholders in his organization equally.

The focus on integrity in the business world must be at the core of the company, which is characterized by consistency in business decision-making, conduct, principles, expectations and results of operations. It is manifested individually in moral conduct, which is what business ethics serves. Integrity and honesty of governing bodies are postulates of good character and personal maturity in all known cultures and civilizations without exception. Very often we place them right on top of what constitutes the essence of personal, individual moral greatness. Therefore, integrity and honesty are also among the important goals of education, i. e. the formation of the individual and personality.

We understand that social implications of governance are as relevant as economic. Corporate social responsibility (CSR) in this respect is the responsibility for the social consequences of governance. Effectiveness of corporate governance and social responsibility go hand in hand. CSR is also a coherent force of modern entrepreneurship and is the right answer to today's challenges. CSR brings reassurance to society, as it advocates both free economic initiative and social responsibility for environmental, social and universal social issues.

Above all, the social responsibility of entrepreneurs and businesspeople is in their interest, as it raises awareness of the importance of their work and the contribution they make to the community. Their image is thus strengthened. So, companies which accept CSR are more successful. These are positive synergies within society. CSR is the way of governance (societal and corporate) that takes into consideration social consequences of governance decision as equally important as economic ones (capital gain).

Keywords: business judgement rule, risk and responsibility at business decisions, business world, ethics, human rights, corporate social responsibility, free economic initiative, social consequences of governance

ENVIRONMENTAL CHANGES AND INCLUSIVE EDUCATION

Boris HARTMAN, MSc

Social Pedagogics

Cybernetics Society, Hudovernikova 13, 1000 Ljubljana, Slovenia

boris.hartmann@t-2.si

In 2015, 195 nations agreed with the United Nation that they can change the world for the better. This can be accomplished by bringing together their respective governments, businesses, media, institutions of education, local NGOs, etc. to improve living (physical) conditions and overall lives of the people in their countries which will support optimal individual self-development in human social conditions: equality and equity of people, freedom and mutual respect of human rights. SDG goals (Sustainable Development Goals) can be achieved through activity of many public channels in argument-based communication, also in school places etc.

Next human generations if well equipped with sustainable knowledge can produce Earth conditions in future for decent life and optimal well-being for all people. Children must experience and understand how human beings can self-develop and function optimally in Universal and optimal Earth conditions. Obligation of countries of the World toward United Nations continues in the form of inclusive education (SDG 4 goal) and other international documents that were signed by Slovenia.

The vision of „sustainable and healthy“ Earth should be given in school curriculum and properly communicated to children through inclusive concept of education in harmony with family education. Slovenia also strives to contribute to global SDG development with many activities among them also by changing existing school system as predicted in SDG 4 goal till year 2030. Actual education system is not working well, because of use of rigid, classical methods of teaching and productivity learning environment. We challenge inclusion in school systems through new SDG curriculum and the innovative multidisciplinary content.

Modelling inclusive schools needs new perspective on how people (children) really function as genetic beings. Environmental influences on human

genetic self-development can destabilize bio-psycho-social balance in Living Systems. Inclusive education could show the way how Universe and Earth environmental conditions can unbalance human functioning and show learners how to cope with environmental unbalancing conditions and how to learn and know to maintain „sustainable and healthy“ Earth condition.

Keywords: Environmental changes, realization of SDG goal, inclusive education and school curriculum, Living systems functioning, purposeful behaviour, bio-psycho-social-natural balance, maintaining sustainability and health.

ASSESSING THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES IN DRIVING GREEN HUMAN RESOURCE MANAGEMENT (HRM) IN INDIAN BUSINESS

Ms. Shaheen EFRAH ALI

Assistant Professor

Faculty of Management, Invertis University, Bareilly, India

efrah.ali786@gmail.com

Purpose: This research aims to assess the impact of Corporate Social Responsibility (CSR) initiatives on driving Green Human Resource Management (HRM) practices in Indian businesses. The study explores how the integration of CSR principles into HRM fosters environmentally responsible behavior among employees and contributes to a culture of sustainability within organizations.

Design/Methodology/Approach: Adopting a mixed-method approach, this research combines a thorough literature review with case studies. The literature review establishes the theoretical framework by examining existing literature on CSR, green HRM, and sustainability practices. The case studies analyze successful examples of Indian companies that have effectively integrated CSR initiatives into their HRM practices for driving environmental sustainability.

Findings: The study provides insights into the key components of CSR-driven green HRM strategies adopted by Indian businesses. It evaluates the role of HRM in promoting environmentally responsible attitudes and behaviors among employees. Additionally, the research identifies challenges faced by companies in implementing CSR-driven green HRM practices and proposes potential solutions.

Originality and Value: This research contributes to the existing body of knowledge by shedding light on the role of CSR initiatives in driving green HRM practices in Indian businesses. The study's findings offer valuable guidance to companies seeking to align CSR efforts with HRM strategies to create a sustainable workplace culture and positively impact the environment. Policymakers and HR professionals can use these insights to implement CSR-

-driven green HRM as a strategic tool for fostering environmental responsibility among employees and achieving sustainable business practices.

Keywords: Corporate Social Responsibility (CSR), Green Human Resource Management (HRM), sustainability, employee engagement, environmental responsibility, Indian businesses.

LEGAL IMPLICATIONS OF CSRD DIRECTIVE ON GREEN TRANSITION

Gal PASTIRK

LLM student

*Faculty of Law, University of Maribor,
Mladinska ulica 9, 2000 Maribor, Slovenia
gal.pastirk@student.um.si*

Andreja PRIMEC, PhD

Associate Professor at Law

*University of Maribor, Faculty of Economics and Business,
Department of Business Law, Razlagova 14, 2000 Maribor, Slovenia
andreja.primec@um.si, www.epf.um.si*

The adoption of the European Green Deal and the Strategy for Financing the Transition to a Sustainable Economy (sustainable finance strategy) has further increased the need for companies to provide information on the sustainability risks they are exposed to and their impact on people and the environment. Consequently, EU's commitment to addressing sustainability and climate-related challenges has been evident through the introduction of the Corporate Sustainability Reporting Directive (CSRD).

This presentation examines the legal implications of the CSRD on the green transition by analyzing its purpose, outcomes, and broader implications. As the CSRD expands the Non-Financial Reporting Directive (NFRD), it aligns reporting obligations with the framework for sustainable finance and the goals of the European Green Deal. The directive responds to increased information demands from the financial sector driven by disclosure and taxonomy regulations.

Given the multidimensional nature of sustainability and business in the context of climate change, achieving corporate accountability is challenging—particularly for globally operating entities with complex supply chains. Therefore, balancing complexity to foster resilience in the face of climate uncertainties and intricate corporate structures becomes crucial.

This contribution highlights differences between current and future sustainability reporting laws, focusing on new company obligations, using a case study of a large Slovenian company. It demonstrates direct effects of changes and relies on national legislation (Companies Act). The research guides companies on key focus areas under the new directive and offers a practical view of corporate readiness for regulatory shifts.

Keywords: CSRD, sustainability reporting, European Green Deal, Slovenian company, sustainable development

THE CSR REPORTING AND ITS CONSISTENCY WITH SDGS: ANALYZING SPECIFIC NATIONAL LEGISLATIONS AND EVALUATING THEIR IMPACT

Matic ČUFAR

PhD student

*University of Maribor, Faculty of Economics and Business,
Razlagova 14, 2000 Maribor, Slovenia
matic.cufar@um.si, www.epf.um.si*

Jernej Belak, PhD

Full Professor

*University of Maribor, Faculty of Economics and Business,
Department of Strategic Management and Enterprise's Policy,
Razlagova 14, 2000 Maribor, Slovenia
jernej.belak@um.si, www.epf.um.si*

Andreja Primec, PhD

Associate Professor at Law

*University of Maribor, Faculty of Economics and Business,
Department of Business Law, Razlagova 14, 2000 Maribor, Slovenia
andreja.primec@um.si, www.epf.um.si*

The Non-financial Reporting Directive (NFRD) represents the first EU law that obliged all EU member states to incorporate provisions requiring reporting sustainability-oriented information into their national legislation. Among other NFRD enhanced the promotion of CSR and increased transparency of non-financial related risks.

The latter informs key stakeholders, especially investors, in making more comprehensive investment decisions. Such investor behaviour is expected to contribute to more comprehensive and sustainable corporate management and enforce sustainable governance decisions that pursue SDG goals. SDG goals (such as gender equality, affordable and clean energy, responsible consumption and production, etc.) aim to guide the companies towards sup-

porting global sustainability in line with the UN Agenda 2030. EU members must navigate corporate governance through national legislation to achieve these objectives. However, during the revision of the NFRD, certain shortcomings became evident. The Corporate Sustainability Reporting Directive (CSRD) was adopted to resolve these shortcomings.

At the current stage, member states have implemented the requirements of the NFRD directive into their national legislations, making them part of national law. Some countries had previously established legislation that regulated CSR reporting, while others did not have previous legislation in the field of CSR. The questions that arise in this context are how NFRD has been implemented into the national legislation of these countries and whether previously established legislation in the field of CSR influences CSR reporting in practice and the pursuit of SDG goals.

In this article, we examine legislation in the field of CSR reporting in Slovenia, Germany, and France. Implementing the NFRD into the national legislation of selected member states is studied in more detail, along with their previous legislation on CSR. Furthermore, we examine how such legislation affects CSR reporting, achieving specific SDG goals and future readiness for CSRD.

Keywords: CSR, non-financial reporting, NFRD, sustainability reporting, CSRD, SDG

ESRS STANDARDS AND MANAGERS' RESPONSIBILITY

Anita HRAST, MSc

*IRDO – Institute for the Development of Social Responsibility,
Cesta 13. Julija 65a, 1261 Ljubljana – Dobrunje, Slovenia
anita.hrast@irdo.si*

On January 5, 2023, the new Corporate Sustainability Reporting Directive (CSRD) entered into force, and on July 31, 2023, the European Commission adopted new mandatory European Sustainability Reporting Standards (ESRS). The standards expand the scope of corporate sustainability reporting, the first companies will have to start using the ESRS standards as early as the financial year 2024.

The impact across value chains ranges from large to small and medium-sized enterprises. The European Commission has decided to publish 12 ESRS thematic standards. The cross-sectoral standards ESRS 1 and ESRS 2 are mandatory, and for all thematic standards the company itself makes an assessment of importance. In doing so, it must present dual relevance, due diligence, value chain, time aspects, presentation of sustainability information and sustainability statements (ESRS 1). As well as the management of sustainability, impacts, risks, opportunities, strategy, metrics and goals and prepare a sustainability report (ESRS 2).

With the help of thematic standards, the company also reports on various ESG aspects - namely, it discloses information about climate change, taxonomy, employees, business conduct, etc.. In this paper, we will present the role of the coordinator of the area of sustainability in the company and the manager's responsibility for managing this area.

Keywords: sustainability, social responsibility, climate change, management, company, reporting, ESRS standards

Notes



