Corporate Social Responsibility (CSR)
**Agenda**

What is CSR & Four Components?  
What are Key Drivers?  
Why is CSR Important for Corporation  
USA vs. the Rest of the World in SCR  
DSFederal Overview and Its Drivers for CSR  
Implication of CSR at DSFederal
What is CSR?

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

The World Business Council for Sustainable Development
The Four Components of CSR

- Economic
- Ethical
- Legal
- Discretionary
Key Drivers

- Government
- Company Culture
- Social Responsibility
- Responsible Business
- Growth Strategy
- Network Effect
Why is CSR Important

- True Commitment
- Social Media Visibility
- Government Relations
- Positive Workplace Environment
In 2008, international funding by U.S. private foundations: $6.2 billion

U.S. government overseas development: $26 billion

Example of U.S. based Foundations:

- Bill & Melinda Gates Foundation
  - Asset Trust Endowment: $40.0 billion
  - Total grant payments since inception: $30.1 billion
  - Total 2013 grant payments: $3.6 billion

CSR in USA

Amount of International Giving by Major Program Area, 2008

Dollars in Millions

- Health
- International Environment*
- Education
- International Public Affairs/Society Benefit
- Arts & Culture
- Human Rights
- Social Sciences

- Gates Foundation
- All Other Foundations
CSR in BRIC

Russia
- Now over 20 foundations and 220,000 NGOs
- Open Russia Foundation by Mikhail Khordorkovsky in 2001
  - democratic reforms, strengthening civil society and stimulating entrepreneurial spirit
  - disbanded, and Khordorkovsky was jailed from 2003 to 2013.

China
- Local or regional focus based on the donor’s origins or business operations
- Absence of independent NGOs

India
- 0.3 to 0.4% of GDP, growing 50% between 2011 and 2012
- Difference: emphasis on social change
- Lack of accountability along with tax laws discourage the creation of foundations

Brazil
- 64% of private grant makers were created after 1980 while 48% were created in the 1990s
- Most of these new foundation are corporate foundations
- Dominance of the Catholic Church and the state: legacy of suspicion and distrust of secular NGOs
DSFederal Overview:
SBA-Certified 8a Small Business Founded in 2007

**PHILANTHROPIC**
Responsibilities
*Always Corporate Citizen; honoring our words*
Contribute resources to the community;
Lead with a business model for a better world

**ETHICAL**
Integrity
Obligation to do what is right, just and fair;
Avoid harm

**ECONOMIC**
Deliver Results
*Be Profitable.*
The foundation upon which all others rest

**SOCIAL**
Everyone Matters

IDEA Foundation
DSFederal Overview:
SBA-Certified 8a Small Business Founded in 2007
Achieved CMMI 3 Certification in 14 months
Key Drivers for DSFederal

- Company Culture
- Social Responsibility
- Responsible Business
- Growth Strategy
Implications of CSR at DSFederal

**WHO?**
The “Association Sphere” – partners in the global value chain

**WHAT?**
The “Issue Sphere” – a broader range of issues to be influenced
Implementing CSR at DSFederal

- Adopting Projects
- Corporate Charitable Donations
- Staff and Management Involvement
- Impact on Operations
Adopting Projects

Kabul Street Children Project

Amitofou Care Center Concert
Corporate Charitable Donations

Founded and directed by Buddhist clergy with an aspiration and mission to directly rear and care for orphans of Africa

Promote the cooperation between Taiwanese Business in the Metropolitan Washington area in order to develop business activities and to expand to international markets.

Non-profit and non-partisan organization serving the greater Washington D.C. area.
DSFederal IDEA Foundation for Women & Children in Afghanistan

- Clothing for children
- Sewing machines for women
- Skates and helmets for street kids
- Milk and cookie programs

- Staff donations
- Fundraising events
- Grants application
Impact on DSFederal’s Operations

PHILANTHROPIC

- Be a good Corporate Citizen.
- Contribute to community growth
- Improve quality of life

ETHICAL

- Be ethical
- Improve corporate culture; Improve morale

Social

- Educate staff on social involvement
- Social network

ECONOMIC

- Be Profitable: 40% growth
- The foundation upon which all others rest
Charity vs. Philanthropy

• Different purposes
  – For-Profit corporations: make *profits* for shareholders/owners
  – Nonprofit corporations: further the *mission* of the corporation

• Forming a nonprofit organization does not result in automatic tax exemption

• Federal tax exemption
  – Must meet requirements set forth in the Internal Revenue Code
  – Must apply to get IRS determination letter as proof

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Questions?