

Track 7 – Corporate responsibility for the 21st century

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Friday 30th 8:30-10:30 – Chair: Caroline Dale Ditlev-Simonsen & Atle Midttun,
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Abstracts

Companies squeezed between autocratic and democratic regimes

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For decades, multinational companies have stepped up their efforts to embrace corporate responsibility. They have done so under the Western-led global agenda based on market liberalism and liberal-democratic values. The vision has been that globalization of markets will stimulate globalization of liberal values and that Western-style corporate responsibility will follow, energized by civic engagement and public debate.

However, the rise of China as a major economic powerhouse, in alliance with an increasingly aggressive and dictatorial Russia, has marked an authoritarian counterpoint, not only to the Western dominance of global commerce but also to Western liberal democracy and its civic-driven corporate responsibility. The global political economy has thereby become increasingly marked by a new, bipolar rivalry between democratic and autocratic states.

As the world moves towards a bipolar contestation between democratic and autocratic regimes, aggravated by the Russian war in Ukraine, the paper argues that it is time to adapt corporate responsibility (CR) to new bipolar realities. It contends that the shift from a neoliberal, Western-dominated model to a polarized globalization requires a transformation in corporate responsibility – from a heroic Western multinational championed model to a pragmatic, negotiated, and government-partnered approach.

Our research investigates CR across this divide through studies of affected companies, including analyses of new strategies to counter aggressive Russian energy policies and the corresponding Western financial sanctions.

The analysis combines a conceptual approach with explorative case studies, supplemented with a review of relevant literature.

Circular economy through industrial symbioses – a case study from M&R

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Based in the theoretical principles behind industrial ecology (IE), circular economy (CE) and material flow analysis (MFA), MFA can be viewed as an analytical method rooted in the

field of IE and Systems Engineering (SE) (Fet and Despande, 2023). The insights from MFA further aid in building the understanding essential for establishing the principles of circularity in business practices and the resource economy. Implementing IE principles into business practice requires simple rules, such as pollution prevention and material cascading. Material cascading means that waste from one company should be regarded as a resource for another company, which considers waste minimization, resource and energy efficiency and recycling opportunities.

Furthermore, CE implies an “economic system that targets zero waste and pollution throughout materials lifecycles, from environment extraction to industrial transformation, and to final consumers, applying to all involved ecosystems. Upon its lifetime end, materials return to either an industrial process or, in case of a treated organic residual, safely back to the environment as in a natural regenerating cycle. It operates creating value at the macro, meso, and micro levels and exploits to the fullest the sustainability nested concept. Used energy sources are clean and renewable. Resources use and consumption are efficient. Government agencies and responsible consumers play an active role ensuring correct system long term operation”(Nobre & Tavares, 2021, p. 10).

Recent research in implementing circular business models brings to discussion several challenges that appear to limit a successful transition. Examples that can be mentioned include, but not reduced to, reverse logistics, legislation, and regulations, as well as easiness to identify quality and characteristics of the materials to be re-used or recovered from the tons of waste received daily by the companies in charge of waste management.

One feasible solution to eliminating waste is to develop a form for Industrial Symbioses (IS) where companies collaborate across industries and business models in eliminating any form of waste. IS is a systematic approach to create industrial networks where both economic, environmental, and social aspects are considered for the benefit of their members. Through IS, companies from all business sectors collaborate in trading materials, sharing assets to add value, reduce costs while eliminating waste. Developing IS networks is dependent on knowledge-intensive practices, where updated and viable information is necessary to identify realistic connections between flows of materials, energy, water, waste and other resources related to industrial capacities (Chatzidimitriou, Gentimis, Michalopoulos, Kokossis, & Dalamagas, 2021). In other word, IS networks enable efficient resource sharing between companies by identifying the uncaptured value of materials, and other types of waste, generating in this way new profits.

In this paper we present preliminary results from a research project on creating an IS based network that supports the implementation of circular business models across several types of industries. We also use Corporate social responsibility (CSR) as a perspective for helping ground the circular business models within the companies participating in the project.

References

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Sustainability Reports, Corporate Governance and Organizational Units

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Keywords: Sustainability, EU taxonomy, sustainability reports, governance

Purpose: The purpose of the study is to analyze the impact of changes in sustainability and sustainability reporting (ESG) regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and the European Union Classification Regulation (EU taxonomy), on corporate governance, organization, and processes. We put specific emphasis on internal and external governance, such as internal reporting and control, and the impact on internal and external auditors. Challenges and barriers to meeting increased mandatory requirements will also be analyzed. **Research Design/Research Format:** The methodology is based on the analysis of academic literature on sustainable governance, the publication of sustainability reports, and recent changes in regulations. Furthermore, we interview managers and accountants of companies in Iceland. The interviews will be transcribed, coded, and analyzed in order to identify the impact of changes in regulation on corporate governance, organizational structures and processes. **Results:** The results will provide insight into the changes that companies are/will implement to comply with recent regulations on sustainable operations and sustainability reporting (CSRD and EU classification). Furthermore, the results demonstrate the challenges that companies face regarding implementing the regulations and how governance and organization adapt or need to adapt to align with the increased requirements for ESG disclosure. **Practical value:** Failure to comply with the new regulations and increased stakeholder awareness of sustainability issues could mean reputational risk for companies and possible lawsuits against them. The practical value of this study lies in the results of interviews and academic sources uncovering the main challenges and obstacles in implementing the new ESG regulations. Furthermore, the study will show how companies must adapt governance, organization, and processes to the regulations. **Theoretical value and contribution:** The study adds to our understanding of sustainability and corporate governance theory by discussing recent regulation, such as CSRD and the EU classification, in the context of theory and to which degree the regulations address not only practical but also theoretical challenges. Given the high speed of developments in sustainability and corresponding reporting and regulation, the study will also indicate how theory needs to be adjusted in order to reflect the status quo and current trends.

Acting on the Norwegian Transparency act: interpretation and implementation

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The presentation delves into the ramifications of Norway's Transparency Act (Åpenhetsloven, 2021), which was enacted on 1st of July, 2022, compelling businesses to foster human rights and fair working conditions in their supply chains through enhanced transparency. It scrutinizes the interpretation and operationalization of The Act within two distinct companies, employing the Knowledge Transfer as Translation (KTT) theory—traditionally applied to knowledge transfer within corporate culture—to navigate The Act's conversion into corporate actions. This exploration uncovers the obstacles and divergent compliance strategies among the firms, showing that The Act's indeterminate language and the specific resources and individuals within each company lead to varied corporate reactions. Despite The Act's objective to improve supply chain transparency, the lack of clear norms or a unified understanding of the legislation at this early stage results in inconsistent applications. The study also posits that KTT offers a valuable framework for examining the enactment of not only abstract cultural issues but also tangible legal mandates, suggesting its broader applicability in legal interpretation and corporate action alignment.

The "Ghost" Perspective of the Muhammad Cartoons Controversy - the Determining Force of History

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The Muhammad cartoons controversy, initiated by Jyllands-Posten's satirical caricatures in 2005, ignited global violence and sparked a heated debate on freedom of expression versus religious sensitivity. Consequently, the drawings of the Prophet Muhammad have been particularly controversial for many newspapers editorial boards in the aftermath of the controversy.

In this article, we will explore the determining and destructive power behind the published cartoons. We aim to shed light on the persistent danger and high risks associated with the publication of the caricatures, despite newspapers' repeated attempts to dissociate themselves from the consequences. We will delve into the perspectives, rationales and justifications underlying why many editorial boards now avoid publishing the drawings — as well as examine the motivations behind the initial decision to publish them.

In Henrik Ibsen's later works, he explores various articulations of the determining force of history. In the play *Ghosts*, the father's syphilis recurs in his son Oswald, regardless of how much he tries to free himself from his father's past sins. This literary motif is also apparent in plays like *Little Eyolf*, *Rosmersholm*, and *Hedda Gabler* (Alm, 1999). Through these works, Ibsen reflects on human destiny and how the past casts shadows over the present.

By using Ibsen's works as a lens, we aim to examine the dynamics between societal reactions and individual freedom within a deterministic framework, particularly in the context of the Muhammad cartoons controversy. The "ghost" perspective can help us understand the underlying mechanisms behind the persistent conflict, despite newspapers' repeated attempts to break free from what appears to be the irreversible choices and actions of the past.

Qualitative interviews with eight current and former journalists from Jyllands-Posten, Politiken, and Ekstrabladet (conducted in Copenhagen and Aarhus, May 2023) shed light on

the complexities of editorial decision-making. These newspapers were all embroiled in the cartoon crisis of the 2000s. The interviews provide insight into journalists' and editors' perspectives and reflections on the topic, helping to clarify the various factors and the conflicting considerations influencing their decisions. Furthermore, we investigate the influence of historical, cultural, and political factors on editorial practices, contributing to the perpetuation of controversy surrounding the cartoons.

Through empirical analysis and theoretical frameworks, we will explore questions of freedom of expression, cultural context, and the role that satirical cartoons and other visual forms of expression can play in shaping public discourse, aiming to reveal the deterministic power inherent in the published drawings. Ultimately, this article seeks to deepen understanding of the issues surrounding provocative caricatures and stimulate ongoing debate and reflection in the field.

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