# Corporate Responsibility and Value Creation

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Present leading organizations must actively manage their social and environmental performance in order to continue to compete effectively on more traditional financial performance measures and attract investor interest. As well as influencing the overall reputation of the organization, good social and environmental performance directly affects hard financial measures such as resource efficiency, exposure to liabilities and operating and capital costs.
Robust social and environmental risk assessment processes, reporting systems and internal controls are necessary to manage the organization's risk and ensure that the board and audit committee have comprehensive and accurate information on which to base their decisions.
Corporate Responsibility creates value and growth opportunities, through new products development, cost-reduction (eco-efficiency), partnership with stakeholders, mitigation of social-environmental risks (eg. recall of product, boycott campaign). CR directly affects on reliability, legitimacy, loyalty: all these elements are valuable to establish an affinity between brand and customers. Many studies shows that the purchase action is becoming an experience where the stakeholder (customer, employee, investor,…) adheres to the brand values, which are strictly linked with company's values. Both academic and empirical examples shows strong connections between CR issues and intellectual capital (intangibles) creation. Among main elements that raise economic value there are: innovation, learning, motivation, reputation, managing and reduction of company's risks (Corporate Responsibility Survey KPMG –2005).
Reputation, value brand, management's reliability, sustainability are fundamental drivers, representing company intangible value and they have to be guarded with risk management processes. The new challenge for the future is to integrate the Corporate Responsibility in Corporate Strategy and Operation.