# The End of Corporate Social Responsibility (CSR) Window-dressing?

**Compliance and Ethics**

Since its inception, corporate social responsibility (CSR), has been derided as window-dressing for corporations that are eager to keep regulators off their case. Often under the purview of in-house counsel, CSR is beginning 2018 with a bang with the news that Laurence D. Fink, the chief executive of BlackRock, sent a letter to business leaders urging them that they need to do more than make profits — they need to help their communities as well.

BlackRock, which has US$6 trillion in investments, is taking a stand that is rare for an institutional investor. By holding corporate America accountable for its impact on communities, BlackRock is challenging the status quo that companies will only be measured by their profitability.

This change comes at a time when more corporations — both public and private — are being forced to take stands on issues like when PayPal pulled 400 jobs out of Charlotte when North Carolina passed the anti-LGBT bathroom bill or when Skittles refuted a tweet by Donald Trump Jr. that compared refugees to harmful pieces of candy. CVS Health has discontinued selling tobacco products, which they claimed reduced cigarette purchases nationwide.

On the social conservative side of things, Hobby Lobby was found by the US Supreme Court to be exempt from a regulation its owners religiously object to, which was the requirement to provide female employees with no-cost access to contraceptives. The landmark decision is limited to closely held corporations and marked the first time the court recognized a for-profit corporation's claim of religious belief. Regardless of what "side" of the social debate a company is on (which is usually determined by its customers), they are now asserting themselves in ways they have not done in the past.

As the *Times* article featuring Fink's letter notes, even activist investors are taking up social causes. For example, Jana Partners and Calstrs have put pressure on Apple to research the effects of cell phone on young children. The article goes on to say that the recent tax overhaul will have activist investors questioning the necessity of short-term gains in the face of increased cash flows.

It will be interesting to see how corporations respond to the changing environment and whether they may become a cultural barometer of acceptance.

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