PLATEFORME RSE
Responsabilité sociétale des entreprises

Corporate Digital Responsibility

2. Environmental and social issues

SYNTHESIS

The digital transition is one of the great transformative forces of our time

The digital transition brings new hope, but also raises new questions. What are its environmental and social consequences? What are the consequences regarding the work organisation and professional relations? To answer these questions, the consequences of digitalisation, which is still too often perceived as immaterial, will be studied.

Many benefits were expected from digital technology at the time of its deployment (increased collaboration, innovation, easier communication, open data, etc.). However, its actual benefits (productivity, competitiveness, etc.) are not the same as those initially envisioned. Since the middle of the 19th century, the uses made of technical progress were considered as necessarily positive. However, the notions of sobriety and digital responsibility are challenging this idea. As awareness of the growing impact of digital technology increases, its evolution raises questions. The CSR Platform has therefore consecrated the notion of Corporate Digital Responsibility (CDR), which deals with issues related to data, the environment and social impacts.

Integrating social and environmental issues into CDR

Numerous reports published in recent years have highlighted the impacts of digital technology. Taking these warnings into account, the CSR Platform provides a definition of corporate digital responsibility that goes beyond data management to include environmental and social impacts. Thus, the CSR Platform defines CDR as a new and unavoidable extension of CSR, which is based on the same principles of trust, accountability, ethics and exchange with corporate stakeholders. A digitally responsible company should thus respond to several major challenges - in line with the Sustainable Development Goals:

- Regulatory responsibility for data protection and compliance with the GDPR and sectoral regulations;
- the ethical responsibility of artificial intelligence software;

[1] CSR Platform (2020), *Corporate Digital Responsibility -1. L'enjeu des données,* France Stratégie, July.

- societal responsibility in relation to data management, transformation of working patterns, data sharing, inclusion of all;
- environmental responsibility for the use of data in considering the environmental impacts of business activities.

CDR includes the company's internal processes (research, production, marketing, etc.), the marketing of goods and services produced by the company, but also their use by third parties.

CDR also requires companies to commit to their environmental and social fundamentals. Companies who do enable the development of shared strategies and methods. These should, on the one hand, reduce the negative impacts of digital technology and, on the other hand, support the ecological transition. The environmental impacts of digital technology are present throughout the value chain of companies' products. Their use by the final consumer is also addressed by the CDR, as well as the waste they produce. Moreover, digital technology has changed the way companies work and has given them new responsibilities, particularly in the context of the health crisis and the expansion of teleworking. Digital technology is changing managerial relations, jobs and working conditions. It induces new risks and requires giving particular attention to collective dynamics and social dialogue practices. Digital platform models create new working conditions and raise issues in relation to the rights of independent workers. Furthermore, companies, together with the public authorities, have to fight against digital exclusion, both within its organisation and in society at large.

Digital technology can be perceived as a tool subject to systemic constraints but it must be integrated into the heart of corporate strategies and business models. It must be identified as a factor of both risk and opportunity. To reconcile these issues companies can make use of voluntary standards, benchmarks, self-diagnosis tools, charters and company networks. Companies and their business models must move towards sobriety, efficiency and competitiveness. Thus, productivity should not only be considered in terms of economic productivity but also in terms of use and consumption of materials and energy. A series of measures are proposed by the CSR Platform to make CDR a strong component of CSR, as the revisions of European texts open new perspectives. The European Commission has set six priorities between 2019 and 2024, including " A Europe fit for the digital age". It also presented in 2020 two *ad hoc* draft regulations: the Digital Services Act (DSA) and the Digital Markets Act (DMA), which are to be adopted in 2022 in order to modernise the legal framework of digitalisation at EU level. Vigilance is expected both in the ongoing debates and in the transposition of the legislation.

Corporate digital responsibility: environmental dimension

Digital contributions to the ecological transition

Digital developments have ambivalent environmental and social effects. In this perspective, the principle of sobriety could be adopted as the main strategy (and tool) of CDR. Sobriety should also be integrated in legislative measures. Sobriety can be deployed in the design of equipment and software, but also in the uses made by the final consumer. Thus, the notion of digital responsibility aims at a more sustainable use of digital technology, in all sectors of activity and in all uses.

The efficiency of infrastructures, which can also be eco-designed, is one of the levers to reduce the environmental impact of digital technology. For example, the *Internet of Things* (IoT) connects infrastructures and consumers by collecting and analysing data to optimise consumption by enriching smart grids. Data centres, which consume a lot of energy, can also rely on techniques such as free cooling (which reduces the use of air conditioning and redirects the heat of the data centres where it is needed*)* to reduce their energy consumption.

However, the contribution of digital technology to the ecological transition must be weighed against the rebound effect it produces. Better efficiency does not automatically lead to a reduction in consumption. On the contrary, it can lead to a more extensive use of these technologies, despite the gain in efficiency. It is therefore interesting to consider the environmental impact of digital technology. To achieve this, it is essential to understand and communicate on the impacts of digital business, thanks to the data provided by measurement tools, which have often yet to be put in place.

How to measure the environmental impact of digital technology?

The CSR Platform reminds us that greenhouse gas emission is not the only indicator to be considered, although it is often particularly put forward in environmental studies. The CSR Platform has selected four major environmental indicators used in the GreenIT.fr "Global Digital Footprint" study, which represent the environmental footprint of the digital sector:

1. depletion of abiotic resources (mainly minerals);
2. climate change (greenhouse gas emissions);
3. primary energy (unprocessed energy as available in nature - crude oil, hydropower, natural gas...);
4. water consumption.

However, the measurement of digital impacts is heterogeneous and the issues related to measurement are complex. The CSR Platform highlights the need to create new

reliable, readable and robust indicators that can be used to establish a benchmark shared by the digital players. The four indicators mentioned above can be included.

The CSR Platform has identified two types of corporate responsibilities along the value chain:

- responsibilities of the company when bringing products to the market. This refers to the way in which companies organise themselves to design, produce and distribute the object of their activity (goods and services). It includes the responsibility in the production and use of digital data, the energy consumption of the information systems and the consumption of resources to produce terminals. It also includes the waste generated by the products as well as the training of employees;

- responsibilities in the use of products put on the market by the company. This includes the impacts of the company's suppliers and subcontractors, but also the use made of the products by customers and final consumers who must be informed by the company of their impact.

The environmental impacts of digital technology are present throughout the value chain (design, production, collection, waste management, etc.), as well as in company governance. Improving processes would help limiting the impacts of digital technology by paying attention to it. Training and information processes should also enable users to be aware of the impacts of digital technology. Environmental data can also be used to support voluntary data sharing between private or public actors.

Data of general interest are data of a private nature that are open to all because of the use they can be made of to improve public policies[1]. The commons[2] are defined by three characteristics: shared access to a resource, specific rights to this resource for a community and a mode of governance that ensure no one oversteps their rights to ensure the reproduction of this resource. Environmental data is at the heart of CDR and must therefore be integrated into CSR.

Corporate digital responsibility: social dimension

Changes to the organisation and working conditions

Digital technology is a tool used in many sectors, which has become essential in the workplace, providing new means of production and inter- and intra-company communication. It therefore requires the acquisition of new skills and leads to the transformation of the managerial model, which has modified the work organisation. Working conditions are also changing with digital technology, generating both psychosocial and "traditional" risks. The boundaries between professional and private life are becoming increasingly blurred, particularly through professional connections on

[1] French Law for a Digital Republic (Law n°2016-1321 of 7 October 2016, article 17).
[2] As theorised by Elinor Ostrom.

personal time. Thus, the right to disconnect is a necessary lever to protect employees' privacy and rest time.

Digital can be a source of inclusion but also of exclusion

Digital inclusion aims at the appropriation of digital tools and uses by all. The Internet is an essential service in the everyday life. It helps guarantee access to essential rights, care and information. Guaranteeing different kind of accesses (with or without the internet) to these tools, helps avoid excluding people who are not digital users. The hearings conducted by the CSR Platform have shown that the elderly are not the only ones excluded from the digital world; young people and qualified people can also be. Numerous problems are superimposed on the difficulties of digital technology. Such issues can be the access to digital technology (lack of equipment, access to network infrastructures), the employability of the person (lack of training), information (acculturation to tools). Moreover, these inequalities can be reinforced in the context of professional activity. The use and mastery of digital tools can be factors of selection and inequality to be and stay employed.

Digitalisation and legal framework

Digital tools are gradually being taken into consideration in labour law. They can now be used to create an employment relationship, for example. Telework has long been regulated in France by the European framework agreement on telework of July 2002 and the National intersectoral agreement of July 2005. It has been codified in Articles L. 1222-9 to L. 1222-11 of the French Labour Code. Most employee unions signed a new cross-industry framework agreement in November 2020, following the rapid expansion of telework in the wake of the health crisis of Covid-19. The agreement includes the rule of double voluntary work, except in exceptional circumstances. Indeed, imposing telework on the company's employee could lead to strong social discrimination.

Digitalisation and social dialogue

The hearings conducted by the CSR Platform have, on several occasions, stressed the importance of ensuring that the new ways of working are well managed. They must take into consideration the human dimension of work along with the new technologies. Thus, trade union activity must adapt to the digital world, which is an asset to be developed but which does not replace traditional trade union action.

In addition, the social partners play a key role in the European agreements on digitalization. The *European social partners framework agreement on digitalization* of 2020 has been negotiated between stakeholders and aims at providing a better understanding of the professional sphere in relation with digital transformations.

Digital transformation of the economy: the case of digital platforms

The implementation of digital technology in the economy impulses new forms of work. The platform economy is a disruptive and divisive element which raises issues regarding workers' rights. French and international law case on Uber provides many answers to these questions. The law thus gradually recognises platform workers as employees. However, one difficulty lies in the balance between independence and security for these workers. Thus, in the report *Regulating Digital Work Platforms* [4], the "third-party status" solution seems to be ruled out and a qualification of self-employed workers is explored, with specific benefits.

Training, education and information: the main solutions to environmental and social issues?

To address these environmental and social issues, training, education and information lead to a better understanding of the impacts of digital technology. Companies, more specifically, have a responsibility to train their employees, enabling them to obtain a common base of knowledge and skills relating to responsible digital use. Such training is necessary to promote the employability of employees. In addition, the company is responsible for informing the users of their products, so that their impacts can be better considered. This responsibility is also shared by the public authorities and educational actors, to raise awareness among all citizens.

Recommendations of the CSR Platform

Faced with the ambivalent environmental and social effects of digital technology, the CSR Platform recommends adopting the principle of sobriety as the main strategy and deployment tool for CDR, as well as integrating it into legislative measures. To develop the principle of digital sobriety, the CSR Platform believes that it is necessary to propose indicators that allow evaluation and decision support through multi-factor impact analyses.

The CSR Platform highlights various recommendations throughout the product value chains. The goal of such recommendations is to take into better account the environmental and social impacts of digital technology. It is necessary to promote responsible design and to extend the life of products and infrastructures as well as to fight against software and hardware obsolescence.

Environmental data, which is at the heart of CDR, must be integrated into CSR. To this end, the CSR Platform recommends to encourage the conditions for the voluntary sharing of data between private and public actors by defining data as a "resource requiring sustainable management, and to put in place the conditions for its use for the environment and the governance of the ecological transition "[3].

To promote digital inclusion, the CSR Platform recommends the implementation of a strategy for digital inclusion adapted to the business world, with accessibility approaches for all. Mediation and support projects for digital inclusion should be encouraged throughout the country.

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[3] Frouin J-Y. and Barfety J-B. (2020), *Regulating digital work platforms*, December.

Digital technology should be considered as a factor of well-being at work. Thus, the CSR Platform believes that telework policies that preserve the work group and collaborative work must be defined by companies. These policies should protect the workers against isolation by promoting balanced working relationships. The possibility, or the impossibility, of carrying out part of the tasks remotely must be highlighted, as soon as possible, in the job descriptions. Attention should also be paid to working conditions in collective places (third places, shared spaces, etc.).

In the context of the development of digital platforms, the CSR Platform recommends that decent social conditions and satisfactory representation arrangements for platform workers be established very quickly.

Finally, the CSR Platform believes that it is essential to strengthen digital-related knowledge and skills in initial and continuing education for all citizens in order to raise awareness of the social and environmental challenges of the digital world.

[5] *Pour une transition numérique écologique,* Rapport d'information de MM. Guillaume Chevrollier et Jean-Michel Houllegatte, fait au nom de la commission de l'aménagement du territoire et du développement durable, June 2020.