



## CORPORATE SOCIAL RESPONSIBILITY (CSR) SUMMARY

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# WHAT IS A CSR ASSESSMENT?

A CSR assessment is an evaluation of how well a company has integrated the principles of CSR into their business. An assessment program is a first step into an ongoing monitoring process. The objective of the assessment is to get a clear picture of your Corporate Social Responsibility practices (i.e. environment, social, ethics, supply chain). The assessment results will enable you to understand how your company is positioned, but you can also use the assessment results to communicate your CSR commitment to your stakeholders.

The first step is to gather, analyse and examine all relevant and important information about the company's services, products, activities and decision-making processes where the company currently stands in relation to its activities and locate points to apply CSR. A proper CSR assessment should provide the following information about the company assessed in respect to these four themes:

<u>Environment</u>	<u>Social</u>	<u>Ethics</u>	<u>Sustainable Procurement</u>
<b>Operations</b> <ul style="list-style-type: none"><li>• Energy Consumption &amp; GHGs</li><li>• Water</li><li>• Biodiversity</li><li>• Local &amp; Accidental Pollution</li><li>• Materials, Chemicals &amp; Waste</li></ul>	<b>Human Resources</b> <ul style="list-style-type: none"><li>• Employee Health &amp; Safety</li><li>• Working Conditions</li><li>• Social Dialogue</li><li>• Career Management &amp; Training</li></ul>	<ul style="list-style-type: none"><li>• Corruption</li><li>• Anti-Competitive Practices</li><li>• Responsible Information Management</li></ul>	<ul style="list-style-type: none"><li>• Supplier Environmental Practices</li><li>• Supplier Social Practices</li></ul>
<b>Product</b> <ul style="list-style-type: none"><li>• Product use</li><li>• Product end of life</li><li>• Customer Health &amp; Safety</li><li>• Environmental Services &amp; Advocacy</li></ul>	<b>Human Rights</b> <ul style="list-style-type: none"><li>• Child Labour, Forced Labour &amp; Human Trafficking</li><li>• Diversity, Discrimination &amp; Harassment</li><li>• External Stakeholder Human Rights</li></ul>		

The CSR Assessment should show the main risks and opportunities and give a thorough analysis of the following: How well is the company's strategy in responding to emerging opportunities and issues? Where is the company strong and weak in regards to CSR? These are important information which can be used as a selling point to stakeholders.

# WHY CARRY OUT A CSR ASSESSMENT?

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Most companies conduct these assessments at the request of their clients or stakeholders. When your top management do not have an accurate overview of your corporate social responsibility status and progress. It would be difficult and unlikely for them to make important decisions for the future.

Intelligence gathered from the assessment can protect a firm from making an ineffective and uncalculated CSR approach or heading in an unsustainable direction with their business. An assessment will also help identify CSR loopholes and potential opportunities which will improve the decision-making process and also as a reminder of legal obligations in business practices.

## HOW IS IT CARRIED OUT?

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A basic assessment process is outlined below:

1. Assemble a CSR leadership team
2. Develop a working definition of CSR
3. Identify legal requirements
4. Review corporate documents, processes and activities
5. Identify and engage key stakeholders.



This is not the only way to do an assessment; rather it is one way a firm can review the full range of its operations through a CSR lens. A number of organisations, such as **EcoVadis** have developed tools and CSR rating methodology to help companies perform a CSR assessment on themselves or on their suppliers.

Below is a brief explanation of the EcoVadis methodology.

### **EcoVadis CSR Assessment and Rating methodology:**

The objective of the EcoVadis CSR rating methodology is to assess the quality of a company's CSR management system-through its policies, implementation measures and results. The process captures and analyzes information and distills it into a scorecard with a Rating on a 0 to 100 scale. The rating methodology is based on seven founding principles:

- Evidence Based
- Industry sector, country and size matter
- Diversification of sources
- Technology is a must
- Assessment by international CSR experts
- Traceability and transparency
- Excellence through continuous improvements

# THE PROCESS

EcoVadis Website: <https://www.ecovadis.com/>

Go to the EcoVadis website → for suppliers → Assess my company → Scroll down → Get started start the CSR Assessment → Registration →

## Steps:

- 1: Account Details
- 2: Contact Details
- 3: Company Information
- 4: Company Profile
- 5: Complete Questionnaire

EcoVadis then completes the following:

- 6: 'Expert Analysis'
- 6: Results (Scorecard Report)



# COSTS

It would appear that payment will need to be made during step 1.

The costs in (Euro's) for a business of 'medium size 100-999 employees states the following:

Type	1 Year	3yrs
Basic	670	1,510
Premium	1,180	2,660
Corporate	4,780	10,760



# METHODOLOGY

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The methodology that EcoVadis use is based on:

- the Global Reporting Initiative
- the United Nations Global Compact (10 principles)
- ISO 26000 Social Responsibility

## The Global Reporting Initiative (GRI)

GRI is an independent international organisation that has pioneered sustainability reporting since 1997.

GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

## The United Nations Global Compact (10 principles)

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the [Universal Declaration of Human Rights](#), the [International Labour Organisation's Declaration on Fundamental Principles and Rights at Work](#), the [Rio Declaration on Environment and Development](#), and the [United Nations Convention Against Corruption](#).

## Human Rights

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights;
- [Principle 2](#): Make sure that they are not complicit in human rights abuses.

## Labour

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): The elimination of all forms of forced and compulsory labour;
- [Principle 5](#): The effective abolition of child labour; and
- [Principle 6](#): The elimination of discrimination in respect of employment and occupation.

## Environment

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): Undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): Encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

## ISO 26000:2010 Corporate Responsibility

### ISO 26000 and Organisational Social Responsibility

- Is intended as guidance, not for certification
- Presents comprehensive documentation of social responsibilities including core subjects and issues related to those subjects
- Was published in 2010 by the [International Organisation for Standardization \(ISO\)](#), a specialized international agency for standardization composed of the national standards bodies of more than 160 countries
- Was written by a unique multi-sectoral group representing governments; non-governmental organisations (NGOs); industry; consumer groups; labour; and academic, consulting, and other organisations around the world
- More than 400 experts and 200 observers from 99 countries and 42 international organisations contributed to the development effort
- Last reviewed for possible revision in 2014

### The ISO 26000 standard provides guidance on:

- Recognizing social responsibility and engaging stakeholders
- Ways to integrate socially responsible behaviour into the organisation

### The seven key underlying principles of social responsibility:

- Accountability
- Transparency
- Ethical behaviour
- Respect for stakeholder interests
- Respect for the rule of law
- Respect for international norms of behaviour
- Respect for human rights

### The seven core subjects and issues pertaining to social responsibility:

- Organisational governance
- Human rights
- Labour practices
- The environment
- Fair operating practices
- Consumer issues
- Community involvement and development

In addition to providing definitions and information to help organisations understand and address social responsibility, [ISO 26000-2010](#) emphasizes the importance of results and improvements in performance on social responsibility.



# WHO SHOULD USE ISO 26000?

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Organisations in the private, public, and non-profit sectors, whether large or small, and whether operating in developed or developing countries, use ISO 26000. All of the [core subjects of social responsibility](#) are relevant in some way to every organisation.

Since the core subjects cover a number of issues, organisations will benefit when they identify which issues are most relevant and significant for them through an examination of their own considerations and dialogue with stakeholders.

## WHAT DOES ISO 26000 ACCOMPLISH?

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ISO 26000 aims to:

- Assist organisations in addressing their social responsibilities while respecting cultural, societal, environmental, and legal differences and economic development conditions
- Provide practical guidance related to making social responsibility operational
- Assist with identifying and engaging with stakeholders and enhancing the credibility of reports and claims made about social responsibility
- Emphasize performance results and improvement
- Increase confidence and satisfaction in organisations among their customers and other stakeholders
- Achieve consistency with existing documents, international treaties and conventions, and existing ISO standards
- Promote common terminology in the social responsibility field
- Broaden awareness of social responsibility

This standard is *not* intended to reduce government's authority to address the social responsibility of organisations.

## HOW TO GET STARTED WITH ISO 26000?

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ASQ is the only place to get ASQ/ANSI/ISO 26000-2010, the [American National Standard](#) version of ISO 26000:2010.

[Purchase the e-standard](#) or [ask about a site license](#) for posting an electronic version to your Local Area Network or Intranet.

### CORE SUBJECTS OF SOCIAL RESPONSIBILITY

The ISO 26000 standard defines the core subjects of social responsibility. Core subjects comprise a number of issues, but it is each organisation's responsibility to identify issues are relevant and significant to their stakeholders and/or need to be addressed.

The seven core subjects are explained in Clause 6 of the ISO 26000 standard. They are listed below, along with their subclause numbers.

## **Core subject: Organisational governance, subclause 6.2**

Decisions are to be made in consideration of the expectations of society. Accountability, transparency, ethics, and stakeholders should be factors in the organisation's decision-making process.

## **Core subject: Human rights, subclause 6.3**

All humans have the right to fair treatment and the elimination of discrimination, torture, and exploitation.

- 6.3.3 Due diligence
- 6.3.4 Human rights risk situations
- 6.3.5 Avoidance of complicity
- 6.3.6 Resolving grievances
- 6.3.7 Discrimination and vulnerable groups
- 6.3.8 Civil and political rights
- 6.3.9 Economic, social, and cultural rights
- 6.3.10 Fundamental principles and rights at work

## **Core subject: Labour practices, subclause 6.4**

Those working on behalf of the organisation are not a commodity. The goal is to prevent unfair competition based on exploitation and abuse.

- 6.4.3 Employment and employment relationships
- 6.4.4 Conditions of work and social protection
- 6.4.5 Social dialogue
- 6.4.6 Health and safety at work
- 6.4.7 Human development and training in the workplace

## **Core subject: Environment, subclause 6.5**

The organisation has a responsibility to reduce and eliminate unsustainable volumes and patterns of production and consumption and to ensure that resource consumption per person becomes sustainable.

- 6.5.3 Prevention of pollution
- 6.5.4 Sustainable resource use
- 6.5.5 Climate change mitigation and adaptation
- 6.5.6 Protection of the environment, biodiversity, and restoration of natural habitats

## **Core subject: Fair operating practices, subclause 6.6**

Building systems of fair competition, preventing corruption, encouraging fair competition, and promoting the reliability of fair business practices help to build sustainable social systems.

- 6.6.3 Anti-corruption
- 6.6.4 Responsible political involvement
- 6.6.5 Fair competition
- 6.6.6 Promoting social responsibility in the value chain
- 6.6.7 Respect for property rights



### **Core subject: Consumer issues, subclause 6.7**

The promotion of just, sustainable, and equitable economic and social development with respect to consumer health, safety, and access is the organisation's responsibility.

- 6.7.3 Fair marketing, factual, and unbiased information and fair contractual practices
- 6.7.4 Protecting consumers' health and safety
- 6.7.5 Sustainable consumption
- 6.7.6 Consumer service, support, and complaint and dispute resolution
- 6.7.7 Consumer data protection and privacy
- 6.7.8 Access to essential services
- 6.7.9 Education and awareness

### **Core subject: Community involvement and development, subclause 6.8**

The organisation should be involved with creating sustainable social structures where increasing levels of education and well-being can exist.

- 6.8.3 Community involvement
- 6.8.4 Education and culture
- 6.8.5 Employment creation and skills development
- 6.8.6 Technology development and access
- 6.8.7 Wealth and income creation
- 6.8.8 Health
- 6.8.9 Social investment



# WHAT IS SOCIAL RESPONSIBILITY REPORTING?

ISO 26000: Guidance on social responsibility urges that, at appropriate intervals, users should report on their performance on social responsibility to the stakeholders affected. The standard suggests that the report should include:

- Information about objectives and performance on the core subjects and relevant issues of social responsibility
- How and when stakeholders have been involved in the reporting
- A fair and complete picture of performance, including achievements and shortfalls, and the way in which shortfalls will be addressed

ISO 26000 suggests that the credibility of reports would be enhanced by addressing conformance to the reporting guidelines of an external organisation.

- The Global Reporting Initiative (GRI), a non-governmental organisation (NGO) founded to develop and manage a sustainability reporting framework, has published a guidance document called [GRI G4](#). The document provides assistance to organisations who wish to use GRI guidelines as the reporting framework for their implementations of ISO 26000.
- Another NGO, CSRWire, offers [CSR & Sustainability Reports](#), a collection of current and past corporate sustainability, social responsibility, and environmental reports, as well the press releases that accompanied the reports.



# OPTIONS TO CONSIDER

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**N.B:** Prior to any options being considered it is recommended that the customer is contacted and asked if the CSR scoring has to be assessed by EcoVadis, or whether alternative, recognised CSR assessment bodies may be used. This will allow for our assessment of quality/service and price options.

**Option 1:** Take the EcoVadis assessment, receive the score/report and assign a team to address the identified shortfalls. Compile the information and re-submit for further assessment and score.

**Option 2:** Begin work on all aspects of CSR using the pointers on pages 4 - 8, in addition to any further information on scoring we can research/find.

Apply for EcoVadis assessment with an aim to achieve a score which is satisfactory to the client.

Whichever of the above is chosen, I would suggest that we will need to start the project on ISO14001:2015, as this will be required to increase the score in both option 1 and 2. The EMS should expand its 'scope' to ensure it incorporates (core subject 6.5 p8, and in particular PAS 2060\* (refer p12)

I would also suggest that a person(s)/Team is nominated to research and develop policy statements and supporting documentation in aspects (page 8 & 9), 6.3, 6.4, 6.6, 6.7, & 6.8).

Internal audits should be scheduled and implemented based on CSR. This will ensure no gaps exist and that documents/records are available for submission.

## \* PAS 2060 Publicly Available Specification for the demonstration of carbon neutrality

Since the beginning of the last decade, companies looking for a robust response to climate change have often embraced carbon neutrality because of the simplicity of the concept. Carbon neutral means just that: no net carbon impact. It's an approach that consumers can understand, and is a useful way for companies to differentiate themselves and prove their long-standing environmental commitment.

After a number of high profile greenwash cases in 2008, the concept began to suffer a crisis of confidence. Companies looking to approach carbon neutrality had no standard to follow that would ensure that their endeavours were robust against criticism, and consumers were unsure which carbon-neutral claims they could trust. PAS 2060 was the response to this, developed by the British Standard Institution (BSi) to provide best-practice guidelines on how to achieve carbon neutrality in a way that is transparent and effective.



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