

CSP Collaboration with the International Business Leaders Forum

For more information about the AKDN Civil Society Programme, please see http://www.akdn.org/civil_society.asp

Integrating CSR into AKDN Businesses

Corporate Social Responsibility (CSR) is a multifaceted term – it does not just mean corporate philanthropy. The International Business Leaders Forum (link) has suggested to CSP the following components to enlightened CSR:

Vision and Values

Defining and communicating a company's values will help the company and its employees remain true to what it believes in and help to build the company reputation by providing a tool and statement of intent to the people and partners it works with. The vision and values come from the top. Some leaders do this very informally, by personal example. Some have a formal process that involves everyone. What really matters is the outcome. Vision and values are linked to long-term performance. A company's reputation and survival can be put at risk by the way its people behave. If a company focuses on profit alone, without making clear its other values, it risks public mistrust, erosion of reputation and may ultimately destroy the respect and loyalty of its employees and customers.

Indicators

- Clearly defined values and codes of conduct
- Clearly communicated values and codes to
- Business partners
- Customers
- Suppliers
- Employees
- Employee training in values and codes
- CSR 'ownership' in the business and governance
- CSR Management

Workforce

Most workers spend at least half of their waking hours at work. The work environment very much influences their quality of life, their family life and can even affect their health. Employers, through promoting training and job experience, increase the flexibility and power of their workforce at the same time as contributing towards their staff's personal growth and fulfillment. Every business has an interest in becoming an employer of choice and thus being able to attract the most committed and talented staff. Being an employer of choice requires respect for the talents of all individuals regardless of gender, race, disability, age or sexual orientation. It means being fair to all in recruitment, promotion and development and ensuring a safe, healthy and fair working environment.

Indicators

- Staff training and development
- Anti-discrimination
- Employee consultation/engagement
- Health Safety and Welfare of Employees
- Work/Life Balance

Environment

Environmental degradation is a global and local problem of increasing concern throughout society. Good environmental performance often makes good financial sense. Energy efficiency, pollution prevention, waste minimisation and recycling can all result in significant cost reductions for the business as well as ensuring compliance with regulations, improving relationships with the community, motivating your employees and creating loyal customers and consumers. All companies can have positive or negative impacts on the environment. Even modest improvements can make a profound difference.

Indicators

- Energy conservation
- Waste minimisation and recycling
- Pollution prevention
- Protection of the natural environment
- Sustainable transport options

Marketplace

The marketplace is a critical meeting point between business and society. A company's impact on society in the marketplace is made up of the impact of what it produces and how it buys and sells. How much value or harm do its core products and services generate? Is its approach to marketing, advertising, and procurement fair and honest, as well as effective?

Indicators

- Policies to ensure honesty and quality in contract, dealings, advertising, etc
- Clear and accurate information and labelling (before and after sales)
- Timely payment of invoices
- Feedback, consultation and dialogue processes with customers, suppliers, and others
- Customer/supplier complaints procedures

Community

All businesses, large and small, have an impact on the communities in which they operate. Managed well, the impact can bring significant benefits to both the community and the business concerned. Business has a positive impact on the community because of the employment the company provides. It also produces goods and services that may be consumed locally. A company can add an extra dimension to this by taking the initiative, and by supporting and building the community through active community engagement. This can take

the form of charitable donations, staff volunteering and providing other resources, such as the use of professional skills or the use of equipment and premises. It is often the most visible part of a company's approach to CSR, and one of the most satisfying. Of course a business may also have a negative impact. This might include disruption and noise from the day-to-day operation of a site and poor relationships with key local stakeholders. A good community programme should go hand in hand with measures to keep these negative impacts to a minimum.

Indicators

- Training and work experience opportunities for local people
- Open dialogue with community on issues that involve your business
- Local purchasing
- Employee community involvement
- Regular financial support for community activities

Supply Chain

A company should ensure, as far as possible, that the standards it sets for its own operations are reflected along its supply and distribution chain partners. This is due to the fact that the circumstances in which supplies are produced and products distributed might not be up to the criteria that the business confirms to. The degree of a principal company's influence over its distributors and suppliers depends on the exact nature of the business affiliation but the company can aim to help develop local business through helping improve its own local supply and distribution networks to whatever degree possible.

Indicators

- Communication of policies, guidelines and standard to all business partners.
- Contracts with all business partners reflecting the same values and commitment to human rights, environment, conservation etc.
- Regular independent monitoring for compliance with contractual commitments for all business partners.

Enabling Environment

The operating climate for business differs in every region due to diversity in legal, economic and institutional frameworks. Sometimes the local economic environment is not conducive to business for example due to conflict or natural disasters. A company should attempt, as far as possible, to help create an enabling environment for business to flourish by helping to improve the operating climate (legal, institutional etc) in which business is conducted.

Indicators

- Open relationships and diplomacy with government officials
- Dialogue with the Government
- Partnerships with education for research, industry training, etc
- Collective action with other companies and NGOs on industry guidelines, standards, etc
- Free access and information available in the media