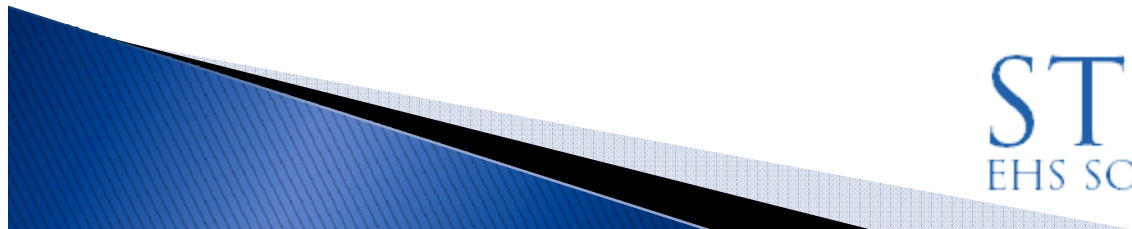


Building a CSR Program from the Ground Up

Sara Broadbent

STC Webinar Series – September 15, 2011

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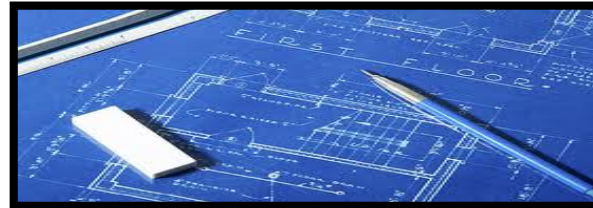
Building a Corporate Social Responsibility (CSR) Program

▶ Framework



▶ Process

- 1: Foundation
- 2: Blueprint
- 3: Construction



▶ Materials

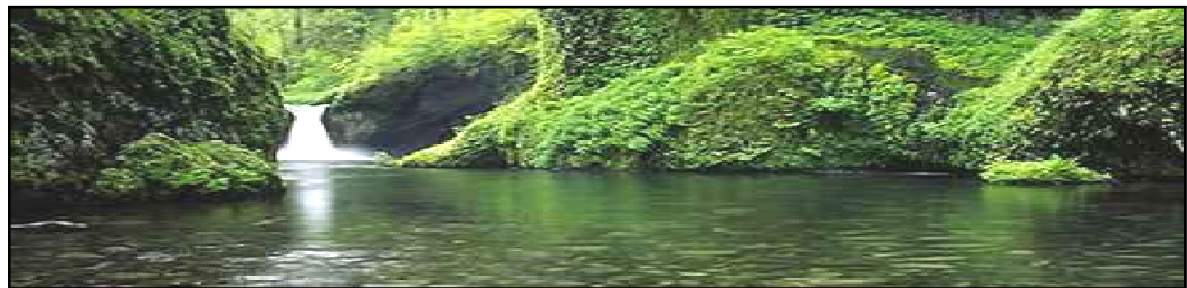


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What is Corporate Social Responsibility?

Business Doing What Is Right



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How did CSR develop?



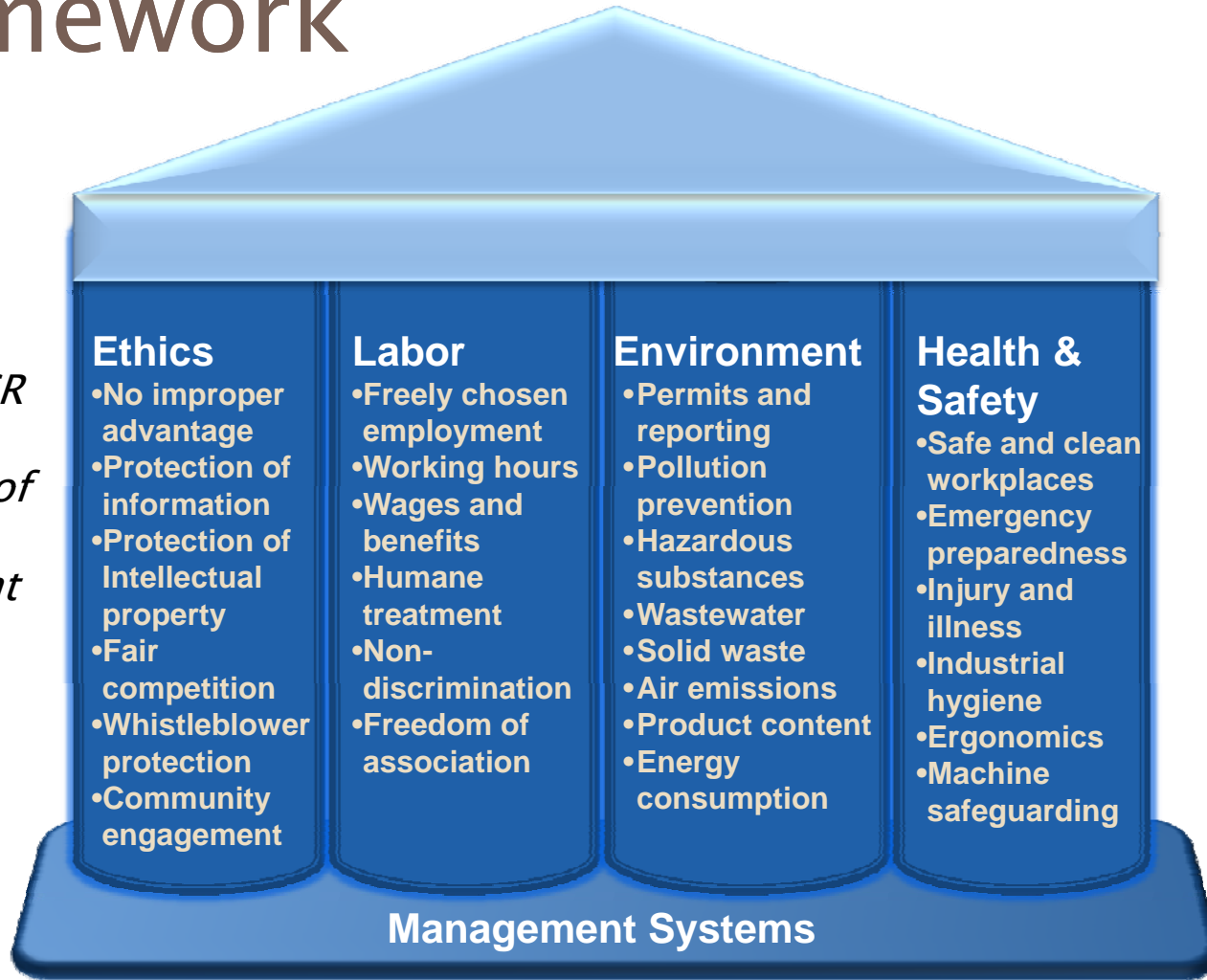
“Elements of social responsibility reflect the expectations of society at a particular time, and are therefore liable to change.”

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Framework

Four key pillars of CSR built on a foundation of effective management systems

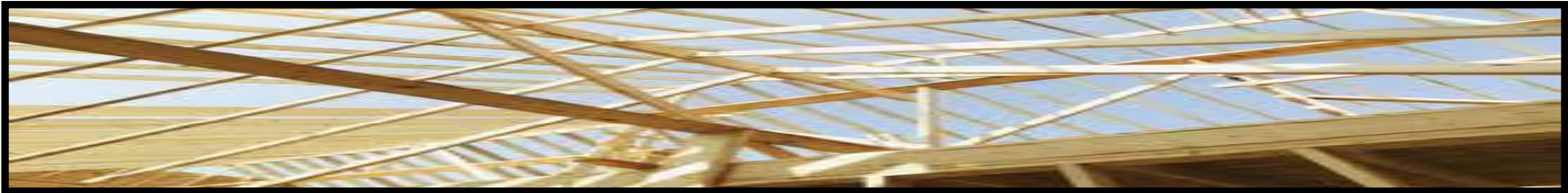


- Policies/documents demonstrating commitment, accountability
- Legal and customer requirements
- Risk and performance management
- Training, communication, employee feedback
- Assessment and corrective action processes

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Why is CSR needed?



Common framework regardless of geography



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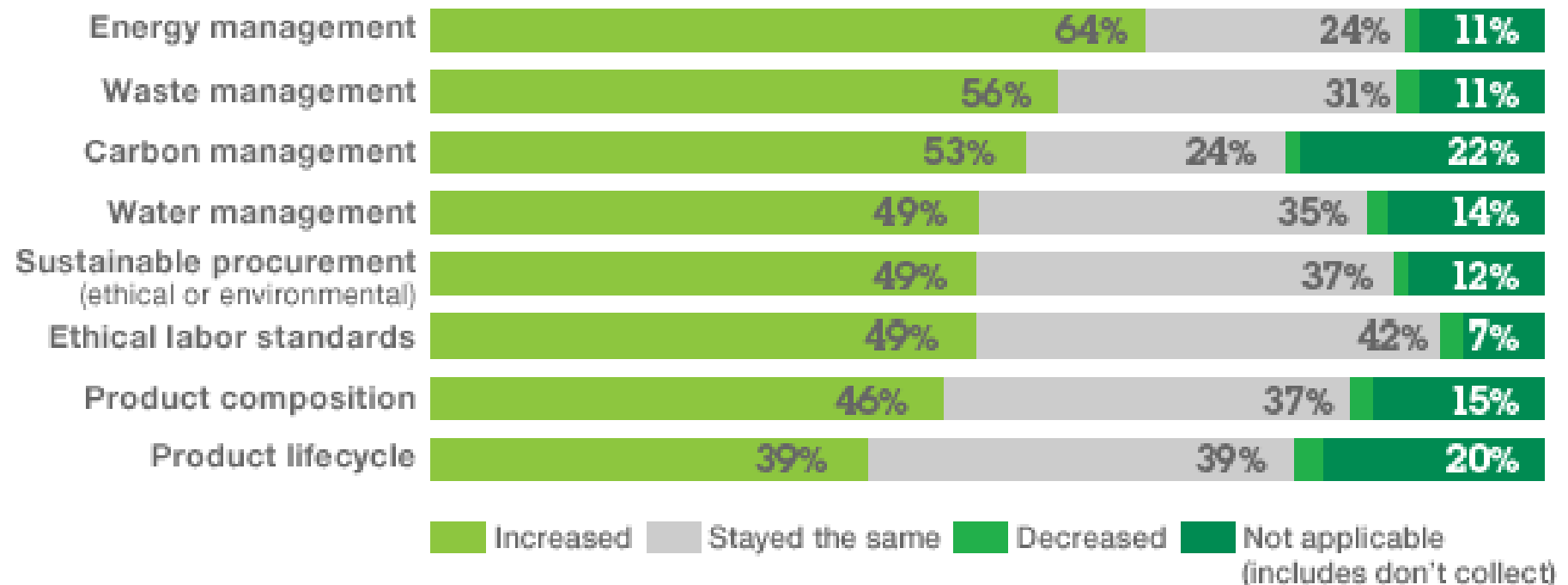
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Why do companies need CSR?

Customer demand	<ul style="list-style-type: none">• From consumers, suppliers, shareholders, community
Brand protection	<ul style="list-style-type: none">• Prevent problems• Robust program protects from untrue allegations
Competitive advantage	<ul style="list-style-type: none">• Large competitors may have robust programs• Chance to be a step ahead
Demonstrate regulatory compliance	<ul style="list-style-type: none">• Incorporate management systems and documentation to meet customer/regulator requirements
Innovation	<ul style="list-style-type: none">• Potential to find better, more environmentally friendly products and manufacturing processes

CSR info requests increasing...

Change in information collection over the past three years (Percent responses)



Source: IBM Institute for Business Value 2009 CSR Study

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CSR Cannot be Window Dressing

The New York Times

Diamonds Move From Blood to Sweat and Tears

KOIDU, Sierra Leone

The tiny stone settled into the calloused grooves of Tambaki Kamanda's palm, its dull yellow glint almost indiscernible even in the noontime glare.

It was the first stone he had found in days, and he expected to get little

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THE WEEK

Life inside the Foxconn 'suicide factory'

guardian.co.uk

BP oil spill caused by 'negligence or misconduct', says drilling partner

Anadarko says BP should foot entire bill for cleanup as new estimates show spill could last for up to four more years

San Jose Mercury News

HP pays \$55 million in illegal kickback settlement

The U.S. Justice Department confirmed Monday that Hewlett-Packard paid \$55 million to settle claims that the Palo Alto tech giant gave illegal kickbacks to other companies that recommended HP products to government agencies.

San Francisco Chronicle

Philip Morris Kazakh Suppliers Used Forced Labor, Group Says

July 14 (Bloomberg) -- Philip Morris International Inc., the world's largest publicly traded tobacco maker, bought tobacco from farms in Kazakhstan that used forced labor, Human Rights Watch said. migrant...

GREENPEACE

Playing Dirty

Analysis of hazardous chemicals and materials in games console components

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Pause for...

- ▶ Questions?



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Step 1: Set the Foundation



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Take Stock

Current activities:

- ▶ Ethics
- ▶ Labor
- ▶ Environment
- ▶ Health & Safety
- ▶ Management Systems



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Look for Common CSR Elements

Ethics

- Internal code of business Ethics / conflict of interest policies
- Financial reporting
- Whistleblower procedures
- Philanthropy programs

Environment

- Pollution prevention projects
- Elimination of hazardous substances in products (RoHS)
- Product take back and recycling (WEEE)
- Waste reduction and safe disposal practices
- Energy and resource efficiency

Health and Safety

- Machine Guarding
- Lock out Tag out
- Ergonomic programs
- Injury/illness prevention and wellness
- Emergency response training and drills
- Hazard communications
- Dormitory safety

Labor

- Overtime and days of rest
- Work rules
- Wages and benefits
- Disciplinary procedures
- Nondiscrimination practices
- Freedom to join unions

Management Systems

- Internal ISO 9001
- Suppliers ISO 9001 and 14001

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Benchmark to External Groups

- ▶ Competitors
- ▶ Industry leaders
- ▶ CSR leaders across industries
- ▶ Standard-setting bodies
- ▶ Ratings agencies



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Talk to Stakeholders

- ▶ Executive leadership, managers, employees
- ▶ Customers
- ▶ Suppliers
- ▶ Shareholders / socially responsible investors
- ▶ Community members
- ▶ Non-governmental organizations



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Get Support

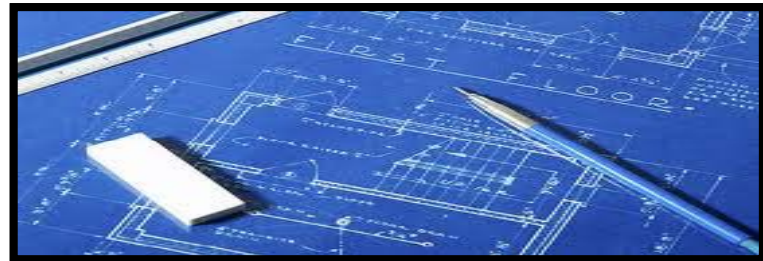
- ▶ Executive sponsor
- ▶ Project management
- ▶ Team facilitation
- ▶ Resources



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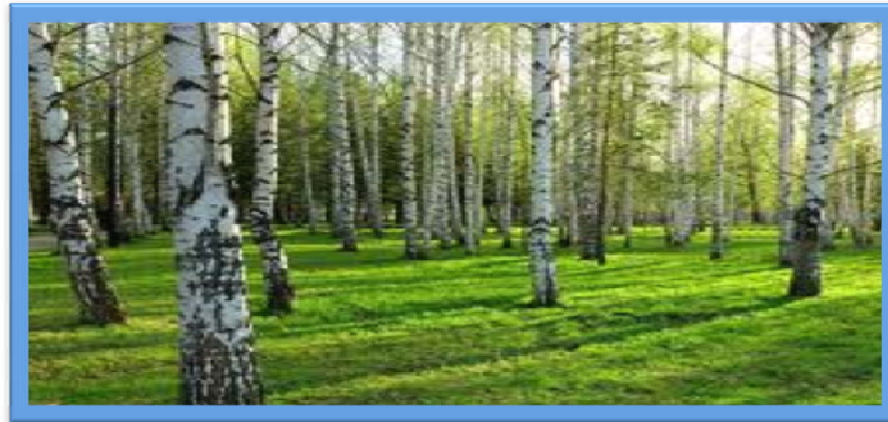
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Step 2: Draft the Blueprint



Assess Current Status

- ▶ Assess the strengths and weaknesses of current programs and activities
- ▶ Target cost-effective programs for continued investment



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Build from Your Strengths

- ▶ Robust, mature management systems typically in EHS & Quality
- ▶ Strong customer orientation
- ▶ Engaged, dynamic workforce
- ▶ Close, productive supplier relationships
- ▶ Existing internal / external communications



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Standards may be a Requirement

- ▶ Decide how the organization wants to position itself in the CSR space
- ▶ Select the standards and requirements that best reflect and support the position
- ▶ Ensure that standards cover all 4 CSR pillars



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Draft First Blueprint

- ▶ Program vision
- ▶ Commitment statements
- ▶ Describe the elements of the new CSR program for each pillar
 - Roles and responsibilities
 - Business processes
 - Performance metrics



Pause for...

- ▶ Questions?



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Step 3: Construct the Program



Compare Foundation to Blueprint

- ▶ Identify which current activities align with the vision
- ▶ Find gaps where blueprint parts are not supported by current activities
- ▶ Prioritize gaps
- ▶ Make an action plan



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Choose High-Impact Activities

- ▶ New policies and procedures for weak pillars—address your key risks
- ▶ Commission Green teams and grass roots projects that can be quickly assembled and dissolved upon success
- ▶ Communicate, communicate, communicate



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Implement Action Plan

- ▶ Accountability is crucial to meet targets
- ▶ Assess progress and adjust continually
- ▶ Communicate progress and adjustments to schedule
- ▶ Celebrate successes



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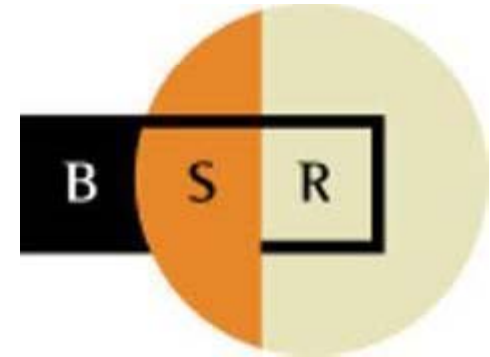
Building Materials



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Groups & Associations

- ▶ Business for Social Responsibility
- ▶ National Association for Environmental Management
- ▶ Ceres
- ▶ UN Global Compact
- ▶ Global Reporting Initiative



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External Assistance

- ▶ Stakeholder interviews
- ▶ Benchmarking
- ▶ Program strategy and design
- ▶ Facilitation and coaching



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Assessments & Audits



- ▶ Initial gap analysis
- ▶ Baseline comparison to standards
- ▶ Certification preparation
- ▶ Audit readiness



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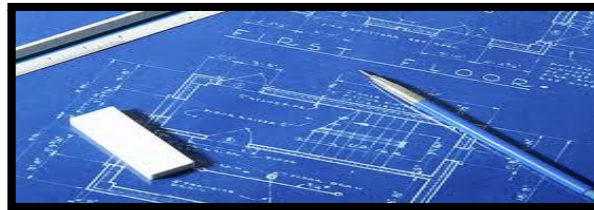
Closing

- ▶ Framework



- ▶ Process

- Foundation
- Blueprint
- Construction



- ▶ Materials



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Thank You! Questions?

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