



Total CSR

Strategic Sustainability capabilities

Total Corporate Responsibility solutions represent a comprehensive set of consultancy services and customisable software offered by INLECOM to support companies obtain maximum value from a CSR driven operation. Total CSR solutions emphasise integration of CSR policies and strategies with existing operational processes and optimisation of the Corporate Sustainability performance.

Total Corporate Responsibility is utilising results from the CSRQuest project

www.csrquest.net



Table of contents

BACKGROUND.....	3
THE CHALLENGE FOR BUSINESS LEADERS	3
THE TOTAL CSR APPROACH	4
TOTAL CSR SERVICES.....	6
Analysis	6
Sustainability Performance Optimisation	6
Training	6
CSR Implementation Software Support	6
EXPECTED CSR BENEFITS.....	7



Background

In the 1990s, the Corporate Social Responsibility (CSR) movement gained prominence in the political-economic debate and in the strategies of leading business organisations. CSR stressed corporate self-regulation and voluntary initiatives involving, for example, codes of conduct, improvements in occupational health and safety, environmental management systems, social and environmental reporting, support for community projects and philanthropy.

In 1999 a poll of 25,000 citizens across 23 countries on six continents¹ showed that perceptions of companies around the world are more strongly linked with corporate citizenship (56%) than either brand quality (40%) or the perception of the business management (34%). Other findings include:

- 81% of consumers agree that when price and quality are equal they are more likely to buy products associated with a good cause.
- 73% of people agreed that they would be more loyal to an employer that supports the local community.

We define Corporate Social Responsibility (CSR) as a company's verifiable commitment to operating in an economically, socially and environmentally sustainable manner that is transparent and increasingly satisfying to its stakeholders. Stakeholders include investors, customers, employees, business partners, local communities, the environment and society. The emphasis is on **transparent and verifiable stakeholder driven sustainable business operation**.

The challenge for business leaders

Many successful companies have adopted corporate social responsibility as a **corporate philosophy**. This directs the company to deliver **long-term shareholder value** through practices that are **increasingly satisfying to all its stakeholders**.

In these cases, companies believe that CSR provides the best possible strategic approach for its operation. Corporate strategy considers environmental and social opportunities as part of business opportunities and develops strategic capabilities to exploit efficiently such opportunities. The main principles of such a CSR philosophy are:

- Serving all the company's stakeholders is accepted as the best way to produce long term success and to create a growing, prosperous company;
- The company's products and technologies are directed to contribute (as much as possible) to the culture, benefits, and welfare of people throughout the world;

¹ "Winning with Integrity" report, MORI, Co-operative Bank



- The company creates win-win relationships with stakeholders that are distinctly characterised by endurance over time;
- The company grows hand-in-hand with their employees supporting them to reach their full potential and improve their standard of living;
- Company prosperity is directly linked to the prosperity of customers, suppliers, and shareholders.

The ultimate objective for a company adopting CSR is to reach corporate sustainability.

“Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments” according to the Dow Jones Sustainability Indexes².

The Total CSR approach

Total CSR is based on the CSRQuest methodology that emphasises the development of Strategic Sustainability Capabilities as shown in the following diagram.



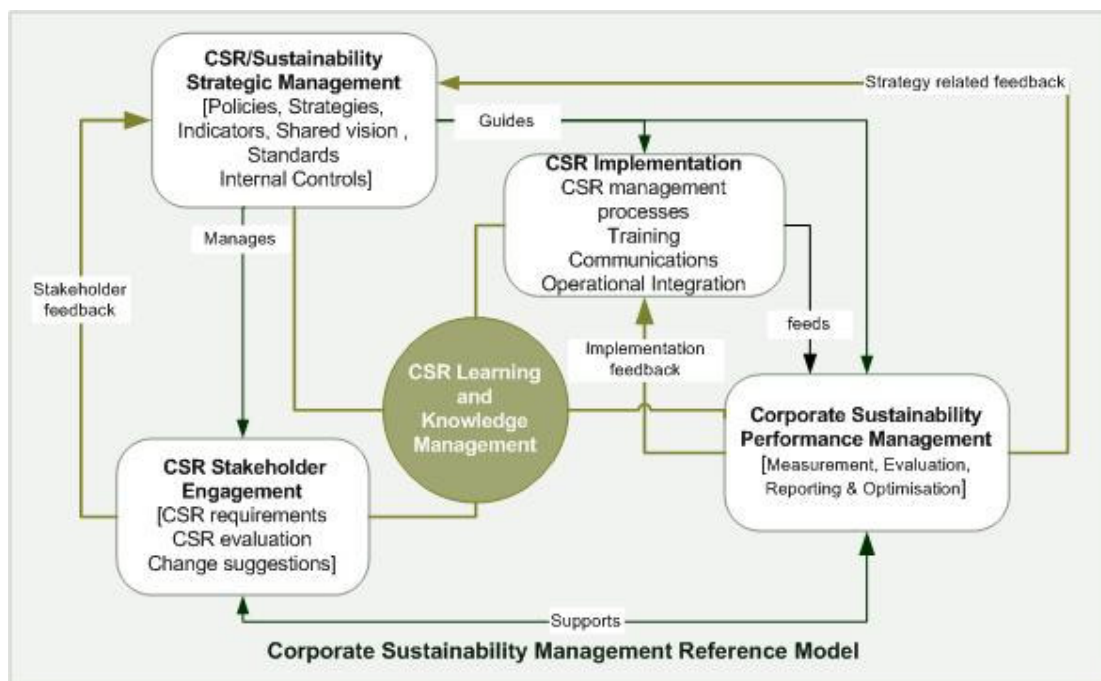
Total CSR highlights the following four CSR components supported by a common CSR/Sustainability Knowledge Management Capability. The Total CSR components are:

- CSR Strategy
- Stakeholder engagement
- CSR implementation
- Sustainability performance management

² <http://www.sustainability-indexes.com>

The reference model lays emphasis on transparency and continuous improvement. The approach supports CSR strategy optimisation through performance analysis and stakeholder feedback. CSR implementation includes training, communications and integration of CSR practices in operational processes. Sustainability performance management involves measurement, analysis and reporting using CSR indicators both at the strategic level (e.g. return on CSR investments, stakeholder impact) and process measurements. There are important links between performance management with strategy, implementation and stakeholder engagement process.

Stakeholder engagement is the key process that drives requirements, evaluation and change.



CSR Strategic Management delivers the CSR policies/principles that are to be adopted by the organisation to address the relevant stakeholder ranging from health and safety and equal opportunities in the workplace to safety and impact of products, suppliers diversity, environmental strategies and corporate governance.

Our approach emphasise the use of learning processes to support the development of strategy and implementation improvements. It is particularly important to enable the participation of key stakeholders in the company's knowledge management capability.



Total CSR Services

INLECOM's Total CSR services include analysis and optimisation consultancy, training and CSR implementation support software.

Analysis

Analysis consultancy is aimed to review existing CSR practices or CSR requirements in order to produce improvement recommendations or a design specification. Key elements of the analysis service are:

- Review of existing CSR programmes against a CSR scorecard approach;
- Corporate Governance review and transparency model;
- Regulations compliance model;
- CSR design recommendations.

Sustainability Performance Optimisation

Sustainability Performance Optimisation is aimed at identifying and quantifying key financial, social and environmental performance and risk indicators linked to various CSR goals/sub goals/practices.

Key elements of the TBL optimisation service are:

- Identification/ definition of Key TBL Indicators (Kits) and Key Risk Indicators (KRIs) to reflect enterprise characteristics and stakeholder sustainability priorities;
- Sustainability performance optimisation based on standard techniques and specialised algorithms;
- Risks controls evaluation and management model;
- Performance Measurement-Monitoring-Reporting model.

Training

Training services are addressing different groups within an organisation offering customised solutions and use of corporate e-learning services. The main services are:

- Training and knowledge management requirements;
- Employee familiarisation on CSR principles and best practices;
- Training of CSR management team on emerging methodologies and standards;
- Implementation support seminars on different areas of the business such as HR, customer support or production;
- Executive seminars on corporate sustainability and corporate governance.

CSR Implementation Software Support

The following custom build applications are offered:

- Policy management including compliance support;
- CSR management workflow;



- Sustainability business intelligence utilising measurements and business models from the analysis/optimisation phase;
- System for transparency and stakeholder engagement;
- CSR e-learning and knowledge management;
- CSR web services for integration purposes.

Expected CSR Benefits

Corporate Social Responsibility has become a core issue for many large businesses. Over 75% of companies quoted in major Stock Exchanges now provide information about their environmental performance, social impact, or both.

Importantly companies of all sizes are finding that there are real business benefits from being socially responsible:

- enhanced Reputation- affected by focus on customer value, attention to employees and the environment, record on human rights, investment in local communities, and even the prompt payment of bills;
- improved Risk Control- transparency and broader awareness of financial, environmental, and operational risks;
- Competitive value - advantages from good supplier and customer relationships, workforce diversity and work/life balance, as well as efficient management of environmental issues.



V2