Social Responsibility Facts and Links

1. Social Responsibility is growing in Popularity

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4. Managing Social Responsibility

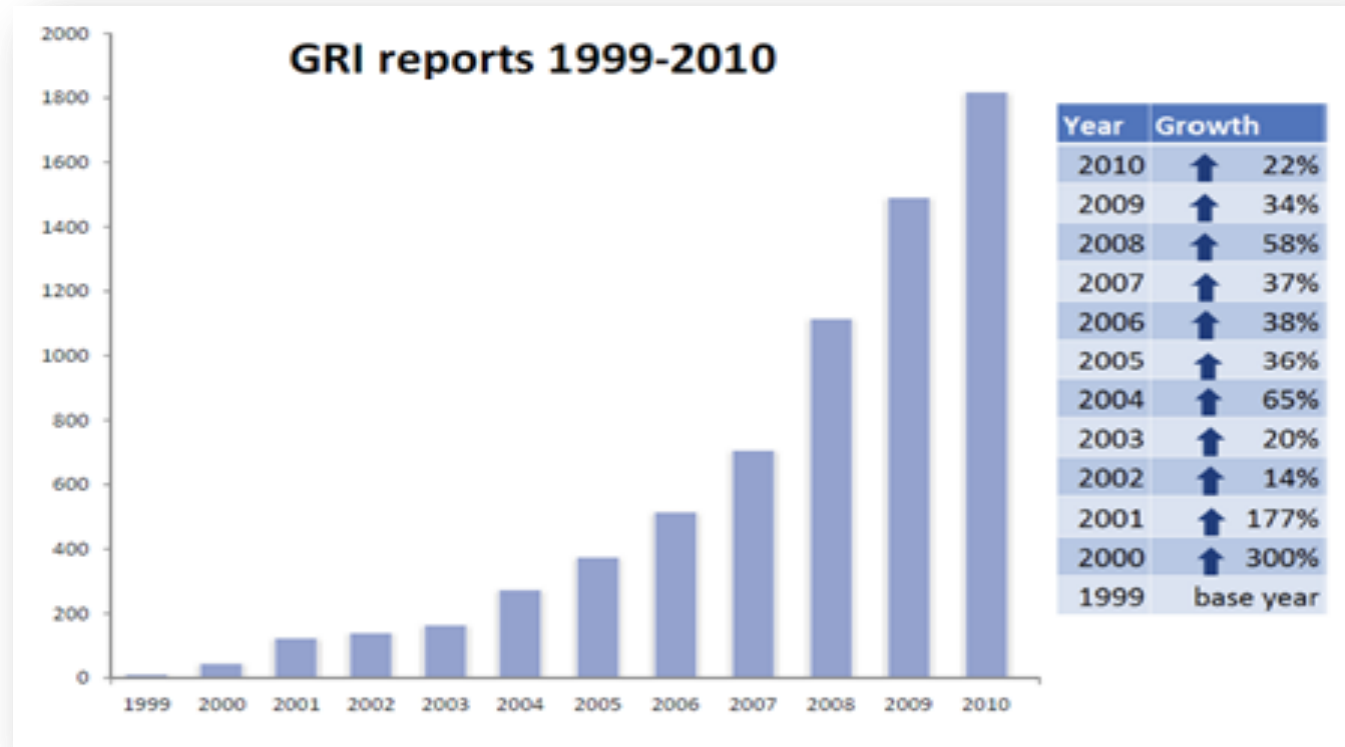# Social Responsibility is growing in Popularity

The terms Social Responsibility and Sustainability are closely related as they both cover economic, environmental, and social aspects.

Companies that report results of their activities in these three areas use various names for their reports, such as:

- Corporate Responsibility Report,
- Social Responsibility Report,
- Business Sustainability Report,
- Sustainable Development Report,
- Global Citizenship Report and the like.

The number of companies that produce such reports is growing exponentially.

GRI reports 1999-2010

Year	Growth	
2010	↑	22%
2009	↑	34%
2008	↑	58%
2007	↑	37%
2006	↑	38%
2005	↑	36%
2004	↑	65%
2003	↑	20%
2002	↑	14%
2001	↑	177%
2000	↑	300%
1999		base year

The graph shows the growth of reports which were produced in accordance with GRI [Global Reporting Initiative] Guidelines and registered on the GRI website.

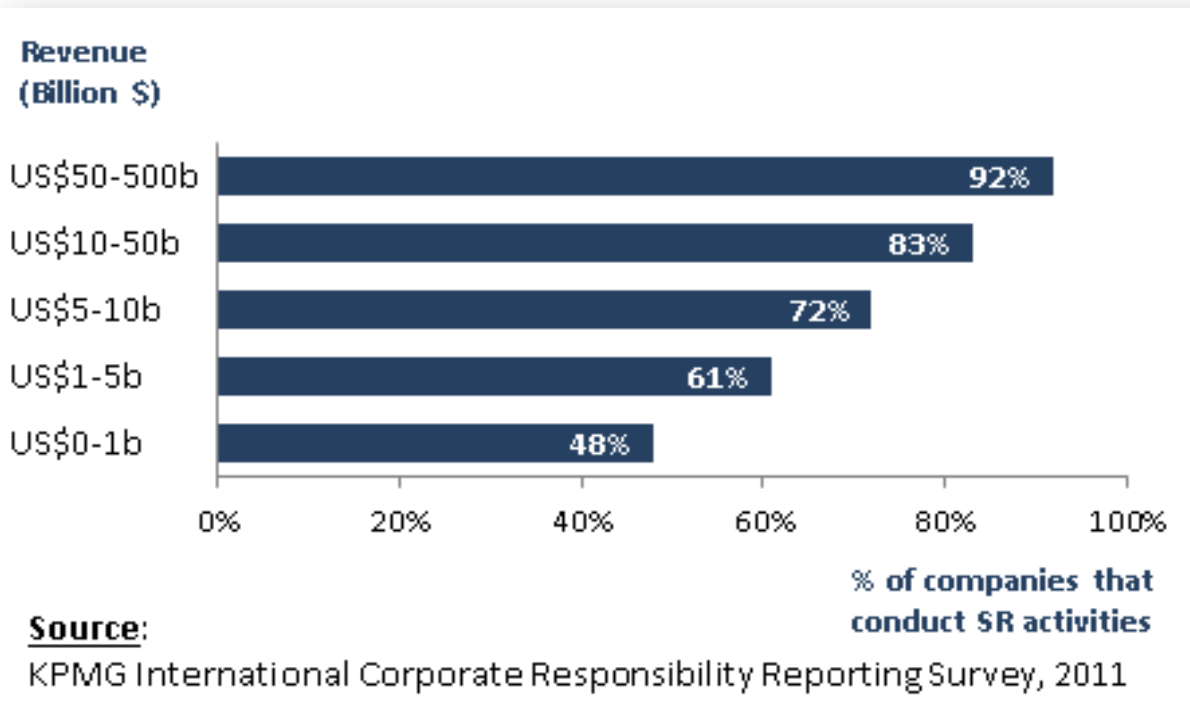# Social Responsibility is growing in Popularity

While the list of corporate responsibility assessment tools and implementation guidelines is large and diverse, there are seven areas which are common for most of the tools which are listed below.

- Organizational Governance

- Human Rights

- Labor Practices

- The Environment

- Fair Operations

- Consumer Issues

- Community Involvement

Social Responsibility is growing in Popularity

Based on a survey conducted by KPMG in 2011, 95% of the 250 largest companies in the world established SR programs and report on these annually.

Large companies are leaders in corporate social responsibility.

Revenue (Billion $)

Revenue	% of companies that conduct SR activities
US$50-500b	92%
US$10-50b	83%
US$5-10b	72%
US$1-5b	61%
US$0-1b	48%

% of companies that conduct SR activities

<u>Source</u>:
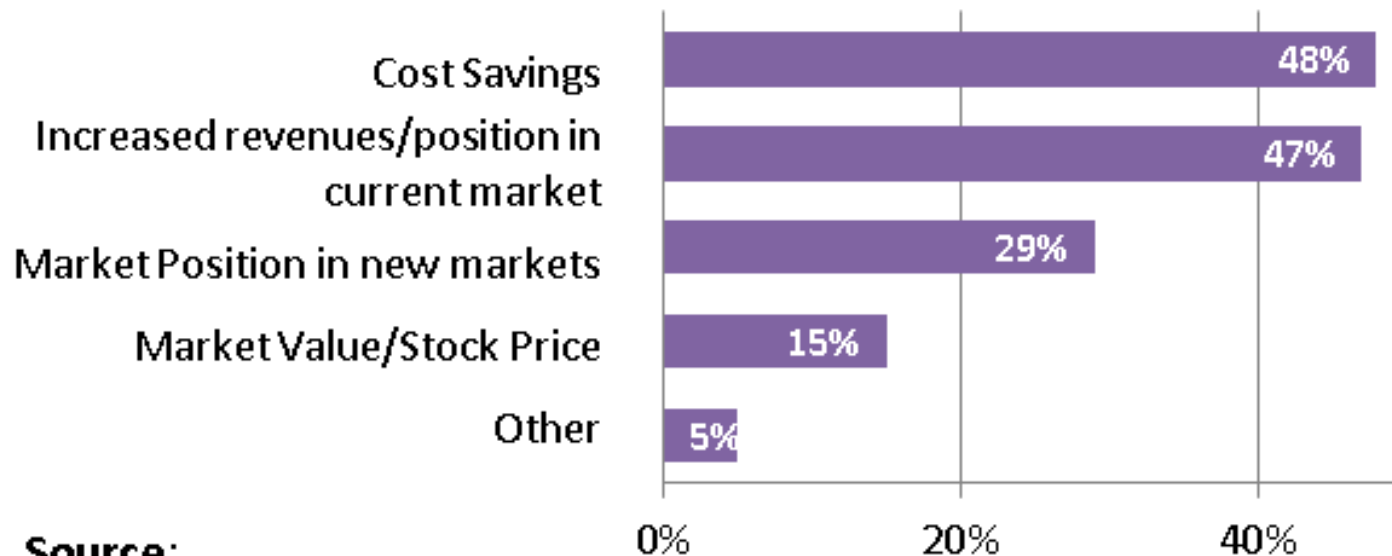KPMG International Corporate Responsibility Reporting Survey, 2011

Companies that conduct SR activities see these activities as a driver of financial value that comes from two sources.

The **first** source is direct cost saving through more efficient use of energy, water, and other resources.

The **second** source of financial value is enhanced reputation of an organization that attracts more customers, investors, talented employees, and other stakeholders.

Social Responsibility is growing in Popularity

The chart below illustrates SR drivers of financial value as identified by the survey conducted by KPMG in 2011.

Cost Savings — 48%
Increased revenues/position in current market — 47%
Market Position in new markets — 29%
Market Value/Stock Price — 15%
Other — 5%

Source: KPMG International Corporate Responsibility Reporting Survey, 2011

The concepts of sustainability and social responsibility also influenced the development of international standards.

In 2005-2010 a strategic plan of the International Organization for Standardization was named "Horizon 2010: Standards for a Sustainable World". In a strategic plan 2010-2015 Solutions to Global Challenges, ISO declared that "ISO's portfolio of over 18 500 standards provides business, government and society with practical tools for all three dimensions of sustainable development: economic, environmental and social."

Here are just some examples of international standards in economic, environmental and social areas:
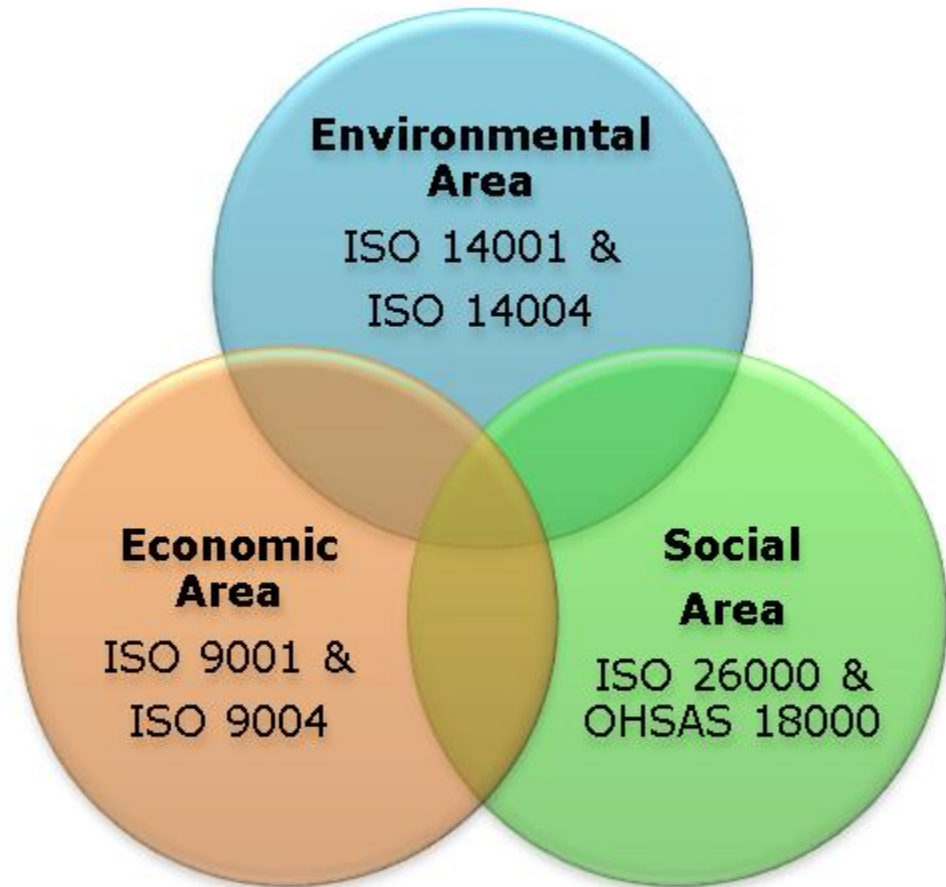
Measuring Social Responsibility

A number of universal tools have been created to evaluate social responsibility and business sustainability of an organization. Here are the most popular ones:

- Dow Jones Sustainability Index Questionnaire

- The Jantzi Social Index®

- Global 100 Most Sustainable Corporations Selection Criteria

- EcoVadis SP© Sustainability Rating Platform

- Global Compact self-assessment tool

Measuring Social Responsibility

The following aspects are covered by this core subject of SR:

- Prevention of pollution

- Sustainable resource use

- Greenhouse gas emissions and energy efficiency

Measuring Social Responsibility

Some countries and industries created their own assessment tools and set of guidelines.

Here are some examples:

- Industry Canada: Corporate Social Responsibility Toolkit

- The U.S. Green Building Council

- The Global Sustainable Tourism Criteria

The following aspects are covered by this core subject of SR:

- Anti–corruption

- Responsible political involvement

- Fair competition

- Promoting social responsibility

Some assessment tools and recommendations are focused on specific aspects of corporate responsibility, for example:

- [Carbon Disclosure Project](#)

- [Eco-design of Energy-Related Products](#)

- [Conflict Minerals](#)

Measuring Social Responsibility

The following aspects are covered by this core subject of SR:

- Fair marketing, information

and contractual practices

- Protecting consumers' health

and safety

- Product and service labeling

- Consumer data protection

and privacy

SR programs are based on the same key processes and principles as any other management system including the following: policy development, process definition, internal and external audits, management reviews, and continual improvements.

ISO management systems, especially ISO 9001 quality management systems can serve as a perfect platform for the establishment and maintenance of SR programs.

Managing Social Responsibility

Evaluate – Manage - Report	Examples of tools and systems
Evaluate	EcoVadis SP© Sustainability Rating; Global Compact Assessment; The Jantzi Social Index®
Manage	ISO 9001:2008; ISO 9004:2009; ISO 14000; ISO 26000; OHSAS 18001; AA1000
Report	GRI – Global Reporting Initiative

More Social Responsibility facts and practical case studies in our [Social Responsibility and ISO 26000:2010](http://c-bg.com/training/sas11.aspx) training course.

< http://c-bg.com/training/sas11.aspx >

Questions?
Please email to training@c-bg.com