### Learning booklet 10

# Development of a Solid CSR Compliance

### Overview of Strategic CSR Development Process

1. Developing Strategic CSR begins when the CSR foundation in the enterprise is solid – that is, when the enterprise is in compliance with local and international minimum requirements.

2. In order to be “ready” to move beyond compliance and engage in “strategic CSR”, corporations need to:

* First, evaluate level of CSR compliance thru a review and assessment of the company’s current CSR policies and practices
* Secondly, to make CSR profitable, corporations may want to move beyond compliance and incorporate strategic CSR in line with business area, key competencies to create shared value, innovation etc.)

3. Thus, the analysis of current CSR compliance provides a proper foundation for engaging in strategic CSR!

### Developing a Solid CSR Compliance

4. There are four known major steps in developing a solid CSR compliance, and they are illustrated below.

### Step 1: Workplace Cooperation

5. Workplace cooperation mechanism is established to ensure that a process whereby employees and their representatives through social dialogue participate with management, through consultations and discussions, in resolving issues of common concern

In similar fashion, CSR Working Group/CSR Cooperation Committee is vital in integrating the company’s CSR inititatives, starting with an assessment of the company’s compliance to international CSR standards and guidelines, and in furthering the company’s solid CSR compliance.

6. To function effectively, the CSR Cooperation Committee should be composed of responsible employee and management representatives, with the representations extended to relevant units within the company and its subsidiaries. More importantly, the Committee’s tasks, dialogues, and reporting should be anchored in the organisation.

### Step 2: Review of Policies and Procedures

7. This step involves the following:

* A review of the company’s current policies and procedures related to CSR and the Triple Bottom Line. This implies going through internal policies, documents, and procedures that are of relevance – HR policies, employee satisfaction surveys, environment policies, and other relevant governing documents in the organisation.
* Identifying any missing policies, and/or other gaps, and identifying mitigation in case of any gaps and/or high risks

### Step 3: Formulation of Policy Commitment on CSR

8. This step involves the following:

* Identifying the level of the company’s ambition for working with CSR
* Is the company targeting ONLY compliance with existing national and international standards and guidelines?
* Or is it going beyond compliance and establish CSR as a strategic model?
* Describing the Mission/Vision of the company.   
  NOTE: In this task, management participation is very important!
* Describing the CSR policy for adaptation in the company. NOTE: Management buy-in and ownership is very important in this process. Otherwise, the CSR policy and strategy will not be institutionalized nor anchored in the organisation.

### Step 4: Due Diligence Process

9. The “due diligence” process assesses the impacts – positive or negative – of the company’s business operations on human rights, and involves the following:

* Identification, description of existing initiatives to prevent and mitigate negative impact.   
  NOTE: Here, feedbacks from affected stakeholders & other sources are drawn, and can be drawn, without compromising commercial confidentiality.
* Incorporate findings into existing policies, procedures, and practices. More importantly, companies must act upon the findings.
* Track and communicate performance frequently and ensure access to information.