

# Writing a corporate social responsibility policy



## Overview

According to research, most small businesses recognise the value of corporate social responsibility (CSR) and may often already be involved in some form of CSR activity.

This factsheet looks at the value of having a written CSR policy and how to develop one that is both realistic and relevant to your particular business.

## Why have a CSR policy?

The term CSR basically describes business behaviours that not only deliver commercial objectives and meet legal requirements but also have a positive social impact. This means taking account of the interests of a range of stakeholders, the wider community and the environment. It may seem unnecessary to formalise what is basically responsible business practice in a specific policy, but it can have significant advantages.

Having a formal policy helps you focus on what is important to your business and how you want people to view your company. If the business has been up and running for some years it can be particularly helpful to assess your fundamental ethos. This is likely to stem from your personal beliefs. It may be important to you to be well respected locally, or recognised as an industry leader in good employee practices, for instance.

Remember that CSR is a very wide term. Developing a specific policy will help you clarify exactly what CSR means to your company. This may depend on particular circumstances. For example, environmental issues are likely to be of real concern to a manufacturing firm that needs to address waste management, while a business in the personal services sector may wish to focus on community involvement.

There are also business benefits to having a formal CSR policy. It offers clear evidence of CSR commitment that can enhance your company's credibility, and may be crucial in bidding for some contracts, particularly within the public sector.

A carefully thought-out policy, with real targets and performance indicators, will help you to measure the impact of CSR activities and refine your approach if necessary. There is no point just paying lip service to the idea of CSR. A proper policy means you can incorporate CSR in your overall business plan and ensure that your firm also benefits as well as the wider environment and community.

## Who should be involved?

Although inevitably the core values of the business on which the CSR policy should be based will reflect your personal values, for CSR aims to have real impact, they need to have the support of everyone connected with the company. But there is still a need for top-down commitment to lead the short and long-term changes to the business culture that may be required. A champion at the top can drive your principles and values and communicate them to everyone who matters.

Your CSR policy should reflect both your general interaction with different groups of people – employees, customers, suppliers and the community – and how you have worked with some of these to develop the policy itself.

Get your customers, suppliers and staff to tell you what can be improved about the company – it may tell you where basic values are not up to scratch.

### **Your staff**

Employees are the face of your business and need to believe in what you are trying to achieve, otherwise they could unwittingly sabotage your efforts.

Your staff are individuals with their own views and interests. You could find out what these are and build on them in a way that makes sense for the business. Are they keen on recycling office waste, for instance? Do they support any particular charities or local community initiatives?

Ask the people who work for you to describe what they think are the most important things about doing business. This should help identify their core values, what motivates them and why they may want to stay with your firm - or not.

CSR means actively involving employees. Your policy might include plans for regular briefings and ongoing consultation. Show that you are listening and that changes occur as a result.

### **Your customers**

How you deal with customers is clearly an important aspect of how you run your business. But in terms of CSR it helps to know what is important to them on a wider scale, such as environmental concerns. Keep talking to your customers because their opinions will alter over time. You want them to feel you share the same values.

### **Your suppliers**

You also need to identify possible issues in your relationship with suppliers, bearing in mind your own business values. Find out about suppliers' relevant employment policies, and quality and environmental controls. Treat your suppliers as you would expect to be treated.

You cannot expect them to second guess required policy or practice, for instance, if you would like them to use recyclable packaging materials for their deliveries to you. Discussing your CSR policy with suppliers may highlight areas of potential conflict and enable these to be addressed.

### **Your community**

The impact of your business on the community should be reflected in your CSR policy. You may already have some idea of how local people view your company. Are you a major employer in the area? Have any particular environmental or social issues, such as waste disposal, been raised in the past?

## **Getting started**

Before you can draw up a relevant and achievable policy, you need to do some groundwork.

- Research CSR issues. Your policy needs to be aligned to specific practices, not vague concepts like 'going green'.
- Assess your business. Look carefully at what you do and how you do it to highlight areas for possible improvement. Consider elements of the business like your premises, travel arrangements, procurement and work-life balance.
- Decide your core values. It's important to get these right, and build your CSR policy upon them. You must stick to your principles and values or your business reputation will suffer.
- Look at examples of good practice. CSR is not a 'one size fits all' but you may be able to adopt approaches that have worked in other companies, especially those in the same industry. Many firms now cover CSR activities in their annual reports, and you can find case studies on CSR-related websites.
- Be realistic about what is achievable. You want to find the right balance between CSR and business aims. There is no point promising to work in a certain way if it pushes up costs too high for the business to sustain, or there aren't enough staff to support the process.
- Identify what help is available. There is plenty of free specialist advice available on saving energy and waste management, for example. You may also be able to apply for grants to improve the way you operate.

## **What to cover in your CSR policy**

The content of your policy will depend on the individual nature of your business. But to have real value it must be specific and relevant, not pay vague lip service to CSR principles.

## **Aims and objectives**

If you have carried out the right amount of consultation and analysis, the key aims and objectives of your CSR policy should be pretty clear by the time you come to write it.

A typical CSR policy will cover the following to varying degrees depending on the specific values of the business:

- Environmental aims e.g. reducing waste and use of materials, energy and water
- Social and community activities e.g. encouraging staff to help community groups and charities
- Ethical issues e.g. not importing from countries with a poor record on human rights or which use child labour
- Sustainable development, which can be defined as ensuring a better quality of life for everyone, now and for generations to come e.g. supporting neighbourhood renewal
- Business relationships e.g. paying on time, having a clear code of conduct.

## **Implementation**

Once you have decided your broad objectives, you can specify what you need to do to achieve them. For instance, a good waste minimisation programme will look at the whole of your business – from what you buy from suppliers, to manufacturing, right through to waste disposal.

You could find out which local, regional or national social causes are particularly relevant to your business, and likely to be supported by your employees and customers. If you opt for a long-term relationship with a particular charity you may want to formalise it with a service level agreement so you both know what to expect from each other.

Identify enthusiastic volunteers among your staff and ask how they think the company can support them. Consider different approaches – the company could match money raised for a charity, give volunteers time off or sponsor awards, for instance.

Find out more about issues in your local community from the media as well as your employees, local customers and suppliers. Get in touch with community groups to find out more about what they do and how your business might be able to help.

## **Risk management**

Your CSR policy should incorporate an element of risk management. The public holds businesses accountable for their environmental, social and economic activities. Identify the most significant risks and set up clear policies and controls to manage them.

Your policy could include a watching brief to provide advance warning of any potential issues, such as newly recognised environmental concerns. This will enable you to minimise the impact on your corporate reputation and business practices.

## **Roles and responsibilities**

Ideally your various CSR activities need someone nominated to drive your efforts forward, including communicating progress to other staff. The formal policy might allocate specific roles and responsibilities. For example, waste management might come within the remit of whoever is in charge of office maintenance.

## **An integrated approach**

You will probably find there are links between your CSR policy and other existing company policies such as health and safety, employee relations and procurement. Your agreed approach needs to be consistent across these, and you should make sure there are no conflicting aims. For example, flexible working hours may impact on an employee volunteering scheme.

And there may be potential for tying CSR activities to business plans. For example, attending school careers events or offering work placements for college students may have long-term benefits when it comes to recruiting new entrants.

## **Next steps**

CSR is about making a difference and being accountable for the impact of your business on the wider community and environment. So it is important to be able to show how your policy is working in practice.

There are different ways to measure the impact of your CSR policy, including:

- customer satisfaction and loyalty, customer service standards or the benefit to customers of your products or services
- employee measures like improved skills, satisfaction or health and reduced absenteeism and staff turnover
- specific targets such as reduced energy use or carbon emissions.

Bear in mind that measurements may only indicate the short-term impact of CSR activities, not the longer-term benefits like improving your company's reputation.

You need to ensure that you communicate your CSR policy, not just so that people within the company understand what behaviour and values are expected of them, but as part of an overall ethos of transparency. And it helps to motivate everyone if you share news of your progress.

Once your CSR policy is more firmly embedded you may find it helpful to benchmark your achievements, and how they are contributing to your overall business success, against the CSR activities of other similarly sized companies in your sector or locality.

You may also formalise your efforts through recognised standards, such as the Business in the Community's CommunityMark for small or medium sized businesses. To achieve the CommunityMark you must commit to a set of principles related to the future competitiveness and sustainability of the business.

## Summary

Developing a CSR policy that delivers an effective programme of improvement needs careful consideration of what is important to your business and the people involved in it. It must set out specific and realistic objectives to be more than a 'tick box' exercise.

## Further information

### **How to be a responsible business -**

<http://www.businesslink4london.com/index.cfm?fuseaction=res.viewResource&resID=851&sctn=46&subscn=132>

### **How to write an environmental policy -**

<http://www.businesslink4london.com/index.cfm?fuseaction=res.viewResource&resID=983&sctn=46&subscn=132>