

CSR

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The framework conditions generate pressure to act

- Globalisation is creating scope for manoeuvre for trading in products and services
- Freedom gives rise to responsibility
- Critical stakeholders / pressure groups are making demands on large companies
- Consumers are reacting sensitively with respect to the “social quality” of globally traded products
 - Compliance with minimum social standards is seen as something self-evident
 - There is no willingness on the part of consumers to pay extra for “social quality”
 - Willingness exists to participate in campaigns by pressure groups, including boycott campaigns
- There is a danger for image and brand of globally operating companies from negative media reports

Inadequate social performance may have serious consequences for suppliers and retailers

- Poor image
- Loss of customer confidence
- Decline in sales
- Claims for damages



Standards & legislation



- Conventions:
 - UN's Universal Declaration of Human Rights
 - ILO conventions
 - Convention on Rights of the Child

- Standard:
 - Social Accountability SA8000 by SAI

- Most multi-firm systems of codes and inspection based on
 - *Social Accountability International (SAI)*
 - Ethical Trading Initiative (ETI)
 - Fair Labor Association (FLA)
 - *Worldwide Responsible Apparel Production (WRAP)*



SA 8000

- Standard, ensures ethical sourcing of goods and services
- Based on:
 - Universal declaration of Human Rights
 - UN Convention on the Rights of the Child
 - 11 Conventions of the International Labour Organization (ILO)
- Auditable, modelled after the established ISO 9001 and ISO 14001 standards

History of SA 8000

SA 8000 is developed by the CEPPA, known today as **Social Accountability International (SAI)**, and 25 other organizations, such as:



Amnesty International



Human Rights Watch



Avon Products



Toys R Us



The Body Shop



Reebok

others



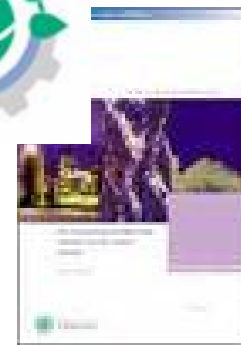
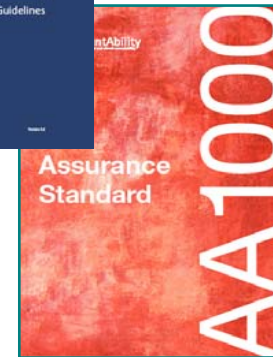
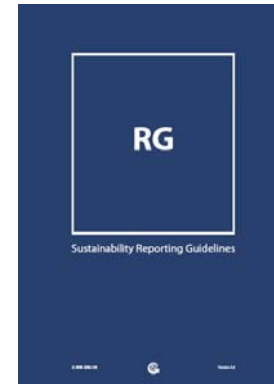
The standard requirements

- SA 8000 stipulates nine requirements:
 - 1. Minimum age
 - 2. Forced Labour
 - 3. Occupational Health and Safety
 - 4. Freedom of Association and Right to organise
 - 5. Discrimination
 - 6. Disciplinary Practices
 - 7. Hours of Work
 - 8. Compensation
 - 9. Management Systems

The DNV Verification Protocol

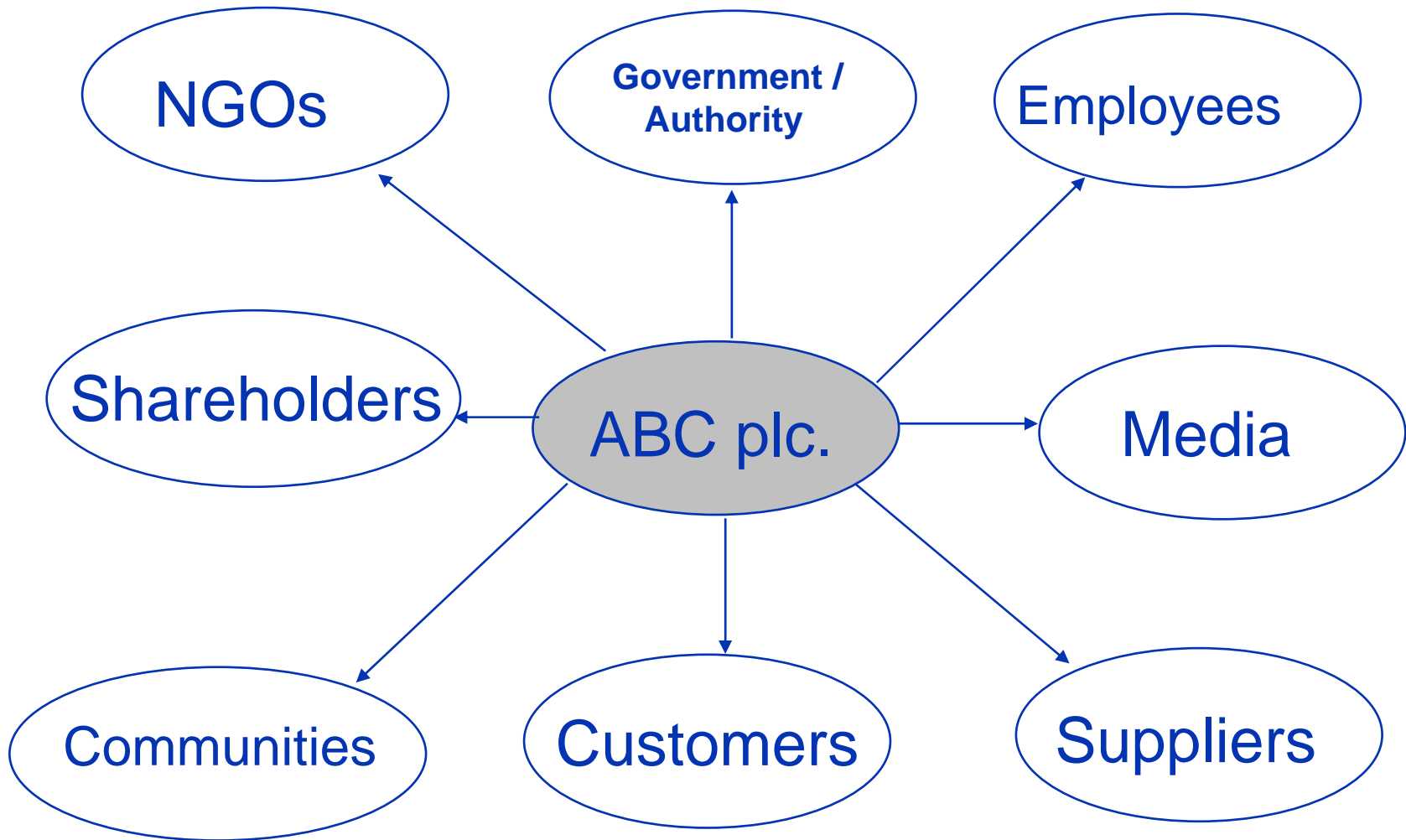
- Aligned with
 - Global Reporting Initiative (GRI) guidelines
 - Assurance Standard AA1000AS

- Can equally be applied to sustainability reports that are based on other principles.



THE GLOBAL
COMPACT

Identifying your stakeholders



CSR Verification- Identification of sector issues

14 categories in 4 main impact areas:

- **Environment**

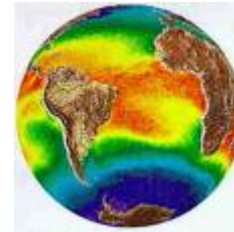


Emissions (air, land, water)

- Impacts associated with operations, products, manufacturing, distribution, and packaging



resources



climate change



ecosystems

- **Society**



product safety



marketplace



community



communities where a company is present

human rights

CSR Verification-Identification of sector issues

■ Employment



diversity



working conditions



labour relations



recruitment & retention

- Impacts associated with the recruitment, protection and management of labour

■ Business Ethics



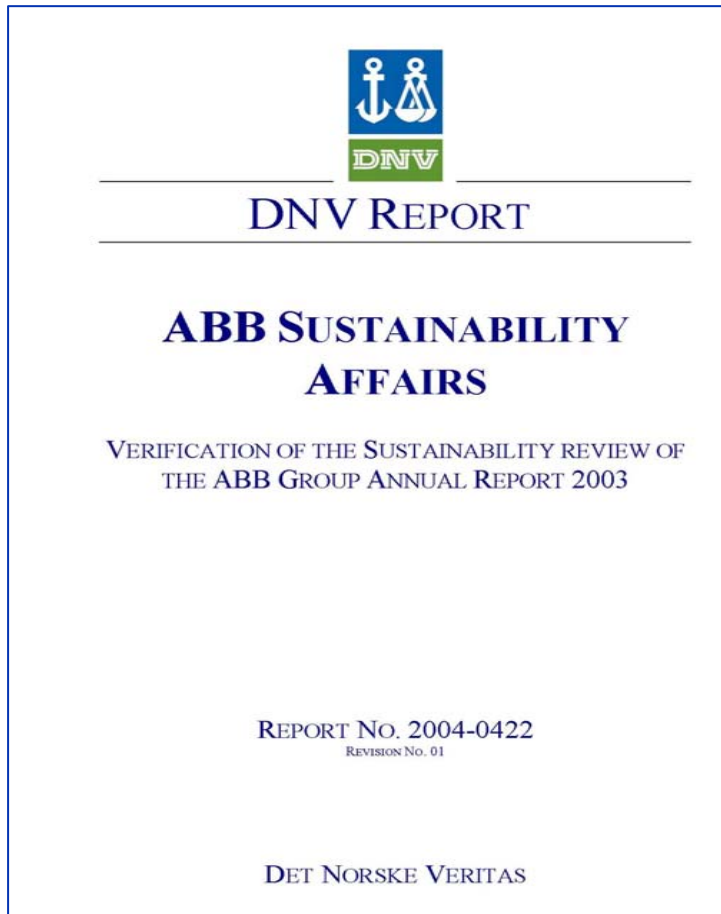
business conduct



bribery & corruption

- Impacts associated with a company's business ethics

Deliverable 1: Verification report



- Conclusive summary
- Scope and level of verification
- Findings
 - Head office level
 - Site level
- Recommendations
- Appendix:
 - More detailed findings
 - Assurance statement

Deliverable 2: Assurance statement

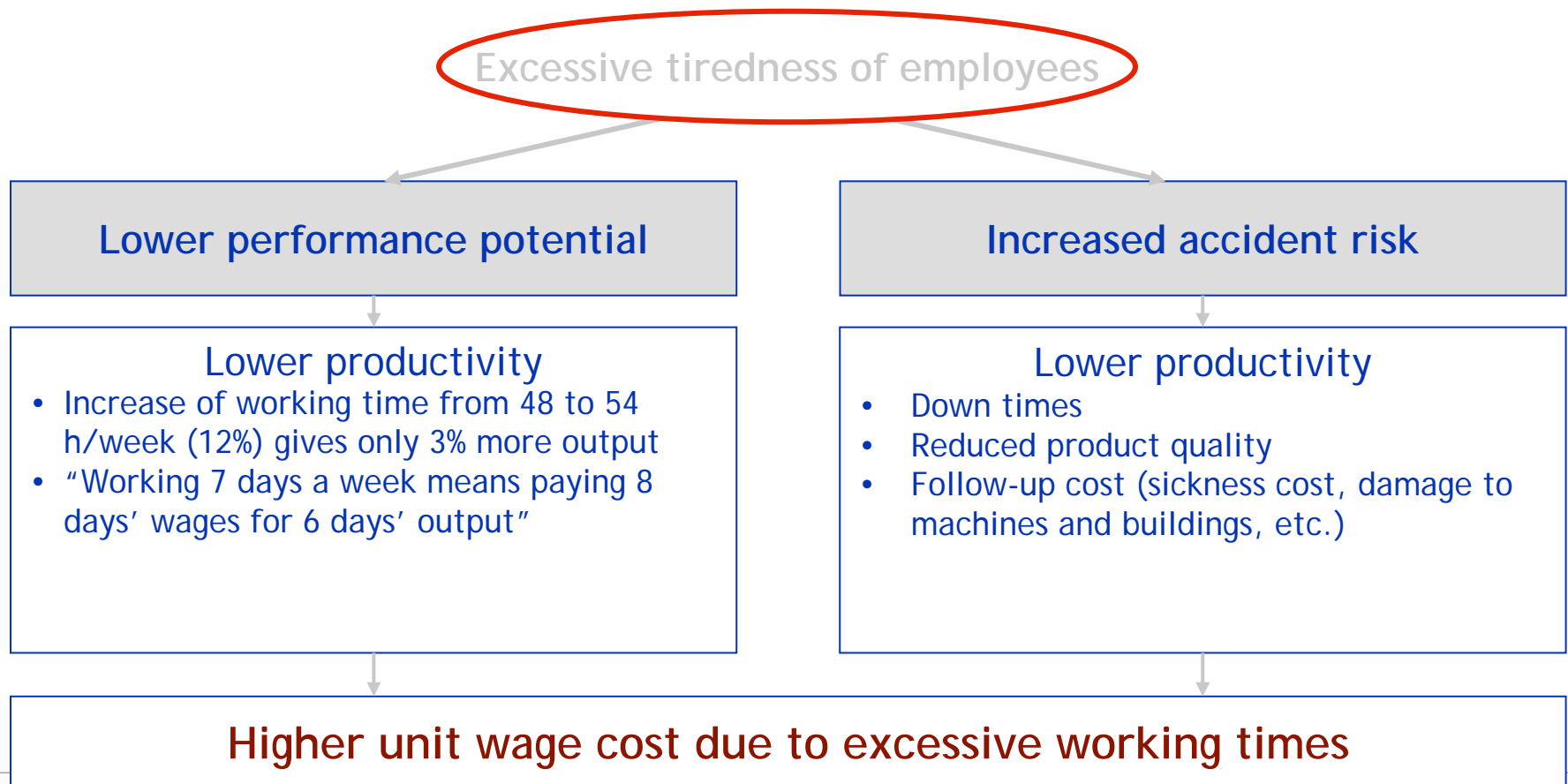


- Title of report
- Report coverage
- Scope of verification
- Level of verification
- Overview over methodology
- Findings and conclusions
- Recommendations
- Summary
- Signatures
 - DNV Manager
 - Lead verifier

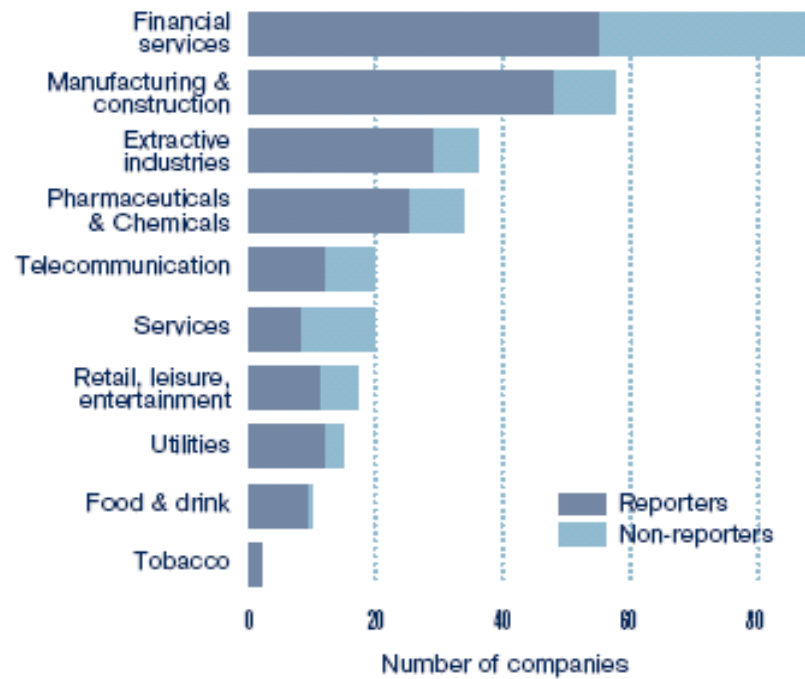
Are suppliers forced to make their employees work overtime in order to reduce cost?

FAQ

No, because excessive extension of working times causes cost increase:



Reporting by sector (2006)



Tell the world that child labour is not part of your business

- and that you treat your workers fairly.



Safeguarding life, property and the environment

www.dnv.com



MANAGING RISK

DNV