Proposed steps to develop Corporate Social Responsibility reporting

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Abstract

Corporate Social Responsibility is a growing concept, both in terms of research and in terms of information based on quantitative and qualitative primary data.

Most of the information on Corporate Social Responsibility and Sustainable Development in Romania's business scene comes from studies and reports from private organizations (companies that have their own production or consulting companies) or non-governmental organizations, or reports from their work in the field of projects with European funding.

The paper synthesizes an easy reporting procedure that complies with the latest GRI 4 (Global Reporting Initiative) standards.

Keywords: Social Responsibility, Sustainable Development, CSR reporting

1. INTRODUCTION

In recent years, more and more companies among those developed at the international level have begun to take into account trends in Social Responsibility and Sustainable Development [1, 3].

In the newly created economic environment, companies are even forced to discuss this aspect of social responsibility in their development plan. With the global economic and financial crisis, with almost no exception, the economic, legal, social, strategic, and environmental pressures that a company is forced to regard as a company are real and growing [2, 4].

The most important activity in the CSR reporting period, for both an experienced reporter and a junior reporter, is the actual reporting. The CSR report must comply with the standards recommendations and meet the expectations of all stakeholders, both internal and external [5,6].
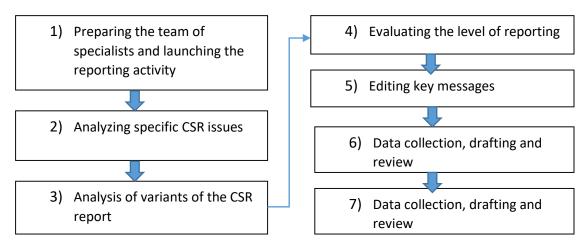

Fig. 1. Main steps to develop CSR reporting

Details of the steps from the Figure 1 are presented below.

1. Preparing the team of specialists and launching the reporting activity

Coordinating the efforts of the CSR reporting team will enable the report to be produced in a timely manner and with all the relevant information included. Specialists are those from the Operational, Environmental, Health, Safety, Supply Chain, Communications, Finance, Legal, Human Resources, Corporate or Corporate Affairs, Company Foundations, Research-Development, or a combination of them. Their experience and knowledge is the right resource to be used in reporting CSR.

The team can also work with firms that have CSR expert consultants, which helps to properly launch the reporting activity.

At this stage, a road map is developed regarding the content of the report, the structure, the format and the timing of reporting. This helps the organization decide the most appropriate metric performance to report and its periodicity.

The Roadmap illustrates how the company plans to build and develop a permanent dialogue to build long-term relationships with stakeholders.

2. Analyzing specific CSR issues

In this second step, it is important to ensure that the analysis is targeted and focuses on those issues that have a direct impact or influence business strategy.

The list of issues should include the following: operational or reputational risk issues; business growth opportunities; innovation; the sustainable development of the company's products / services.

Ideally, the analysis must have at least one external opinion on the issues involved. The external opinion may come from a vendor, a customer, an NGO, a consultant, an opinion leader, or someone else who can bring new insight into the routine of daily activities in the company. It is very important for the external party to carry out a SWOT analysis on CSR, even if the team will not be completely comfortable with this analysis.

3. Analysis of variants of the CSR report

The CSR report does not take the form of a pdf file published on the company's website. There should be more additional information and the site where the information is to be published should be interactive and provide feedback on the external perception of CSR reporting. It counts the pages visited, the time visitors spend on the site, the viewing domains, etc.

It is recommended to set up an ad hoc commission that should analyze 3-4 external CSR reports and explain what they have appreciated and find innovative or creative.

4. Evaluating the level of reporting

There are the following global sustainability framework initiatives: the Global Reporting Initiative (GRI) which has the most used sustainability reporting template; Carbon Disclosure Project (CDP); Integrated Reporting Framework to the International Integrated Reporting Council (IIRC); Financial Sustainability Standards (SASB); accounting for sustainability projects (A4S); the

United Nations Global Compact Network (UNGC), according to which annual progress is being made in applying the 10 principles of the network.

These standards are relatively varied and some of them are complementary. Choosing the approach, or the combination of approaches, depends on the strategy of the company and the stakeholders concerned. The reporting includes aspects that are important to the success and sustainability of the business. The most known and competing reports are GRI (EU) and SASB (USA). The GRI standard is stakeholder-based and SASB aims to capture investor interest.

5. Editing key messages

Once the elements in stages 1-4 have been clarified, the company can decide: the key messages in the CSR report, the target audience, and how the information will be shared with stakeholders.

The biggest difficulties for CSR reporting teams occur when organizations jump directly to stage 5, with only partial clarification of the previous stages.

6. Data collection, drafting and review

When collecting data between departments, the structure and orientation of such data will depend on the quality of the information. The CEO will sign this report, so it is vital to provide accurate and quality information at this stage.

The stage can appeal to an external consultant or agency, but it is important to clarify the flow of activities and deadlines for drafting and reviewing. This is recommended for companies that lose significant time in the reporting process.

7. Publication of the report

The final stage will decide how to publish the CSR report.

There are several options: Publishing a paper version (complete or abstract), publishing on the web, or both; Publishing a tablet and / or smartphone version publish a global corporate report or complete regional / local reports; publication can take place in several languages. The report must be complete and of good quality and the format of the reporting should be as accessible as possible.

The report will have the guarantees of quality, rigor and pertinence required for a document bearing the CEO's signature.

2. IMPACT OF CSR REPORTING

In general, the first impact of CSR is felt at the customers' level. Increasing loyalty and inclining customers to pay for the product or service is the main aspect of a company's strategy. The second positive impact can be felt within the company at the productivity level of both employees and the entire production chain, or any other part of a company's business, which has the opportunity to reduce risks or even reduce operating costs due to integration of CSR concepts.
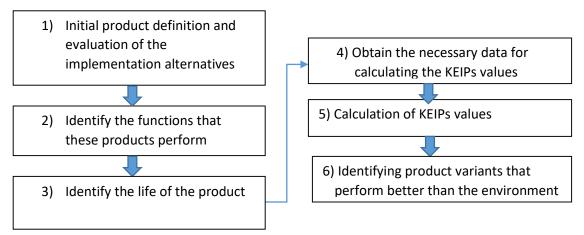
Fig. 2. Steps for Environmental Impact Assessment of a Product by Using KEIPs

Last but not least, in the long run, CSR programs can bring a better positioning of the company to the market, which creates important opportunities for the sustainable development of the company. An equally important aspect to be taken into account is that CSR initiatives promote a good example of transparency, equity, accountability for their own actions, paving the way for success for both multinationals and SMEs [7, 8].

Environmental Impact Assessment of a Product by Using KEIPs (Key Environmental Performance Indicators) by proposing a 6-step procedure (Fig. 2):

o   Initial product definition and evaluation of the implementation alternatives (manufacturing technology, use of product etc.)
o   Identify the functions that these products perform (main of technical features,
o   Identify the life of the product (lifecycle operation)
o   Obtain the necessary data for calculating the KEIPs values (from databasis, using SimaPro software, etc.)
o   Calculation of KEIPs values (using calculus formula, using standards, etc)
o   Identifying product variants that perform better than the environment (evaluation of impact and comparison with other similar product)

It is recommended to use a software impact assessment tool for the whole life cycle of the product, the SimaPro program being the most advanced for such an analysis [9].

The impact of the CSR concept on company performance - short-term, long-term and strategic results can be synthesized as follows:

Short-term results (mostly related to customers):

- Marketing campaigns that boost image, which results in increased sales

- Customer education (eg eco packaging or accent on the life of the post-consumer product), which leads to increased confidence in the company, which leads to increased sales

- Determining customers not to regret the purchase of the product / service offered by the company, which leads to increased sales

Long-term results (most related to the company):

- Long-term sustainability due to investment in activities, suppliers, production, recycling, etc., which results in long-term savings

- Helping employees feel proud to be part of a company that offers back to the community, leads to increased work productivity

Strategic results (mostly related to the position of the company on the market):

- Being on the public list of good practices in terms of social responsibility can lead to a better position on the market

- Keeping an open eye for innovation could lead to a better market position and / or future financial gains.

3. CONCLUSIONS

Companies have already found it useful to devote a significant amount of resources to implementing and developing CSR strategy as part of the sustainable development strategy. Looking at the overall picture, one could conclude that the most important feature or quality of CSR is that, in the long run, all stakeholders are gaining.

Sustainability now allows a shift from the explanation of CSR as being made up of specific social / community sustainable development programs to the application of sustainability principles in business regardless of their type [10, 11].

It is necessary to introduce a new concept, EPC's excellence - Environmentally Conscious Products, a concept developed by Toshiba, which allows an estimation of developments in sustainable development by the year 2050.

Under GRI 4 there is a new reporting approach, Reporting 2025, to highlight what are the major issues that will be on companies' agendas and, consequently, in their public reports that will be drafted over the next seven years.

The most important challenge of social responsibility is Supply Chain Management. In recent years, investors pay more attention to how companies manage the supply chain, as it has a decisive influence on the company's reputation [12, 13].

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