

Management Systems for Corporate Responsibility

A Framework for Assessing & Managing Non-Financial Performance



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Trends in Managing CR Issues

- **Legal**
 - Environment and safety recognized as business issues
 - Compliance based
- **Management Systems**
 - TQM/ISO/QMS
 - Loss Management
 - Environmental Management Systems/due diligence
 - ISO 14001
- **Integrated management systems (e.g. EHS)**

Trends in Managing CR Issues

- **Sustainable Development**
 - Stakeholder involvement
 - Environmental, plus Social and Economic Factors
 - Sustainability reporting
- **Corporate Responsibility/Corporate Social Responsibility**
 - Regulatory and stakeholder pressure to disclose material non-financial issues
 - Incorporating environment and social issues in enterprise risk management
 - Emerging national (Australia, Israel, Canada) and international standards (ISO)





Key Trends in Corporate Responsibility

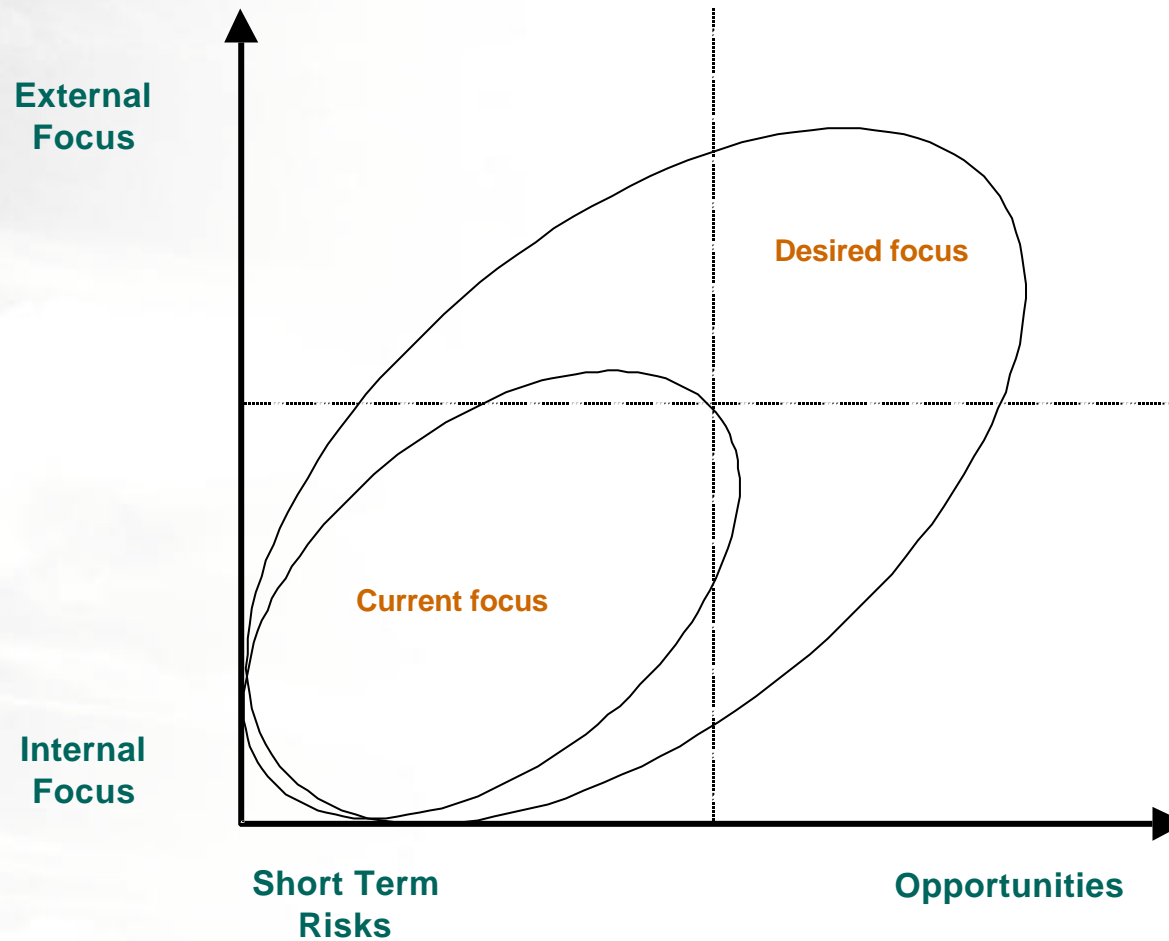
- **National and international scrutiny of corporate performance**
- **Meaningful citizen participation and stakeholder engagement**
- **Voluntary action vs. regulating corporate accountability**
- **Corporate positioning in community with social return on investment**
- **Toward international standards + accountability frameworks**
- **Transparency and disclosure – CR reporting +**
- **Increased interest by financial community in CR**
- **Multi-interest coalitions to address societal challenges**
- **Managing CR performance across the value chain**

Adapted from

THE CONFERENCE BOARD



Moving from Risk to Opportunity



Source: Stratos Inc. 2003

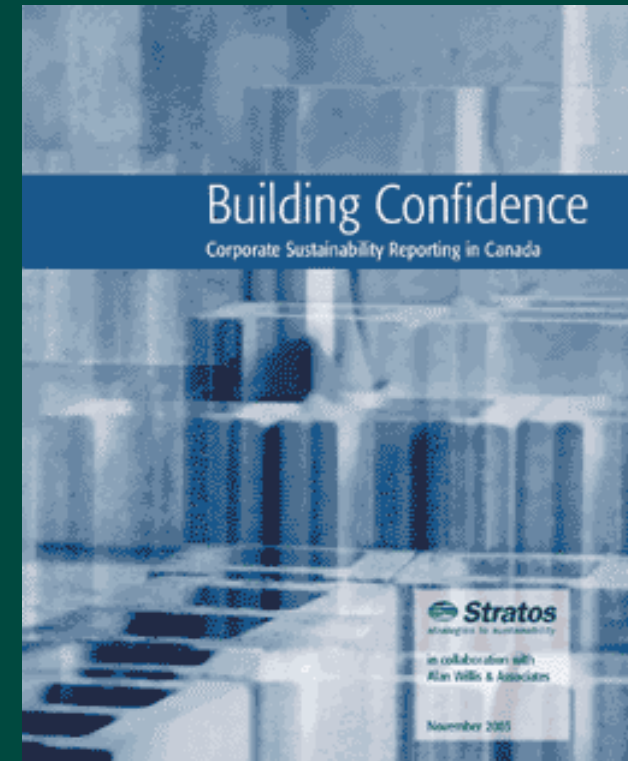
Assessing CR Risks and Opportunities



- Rapidly evolving requirements and expectations
- Need a framework for establishing a baseline and assessing CR risks and opportunities on an ongoing basis
- Based on experience gained to date, different approaches are appropriate depending on the positioning of the organization

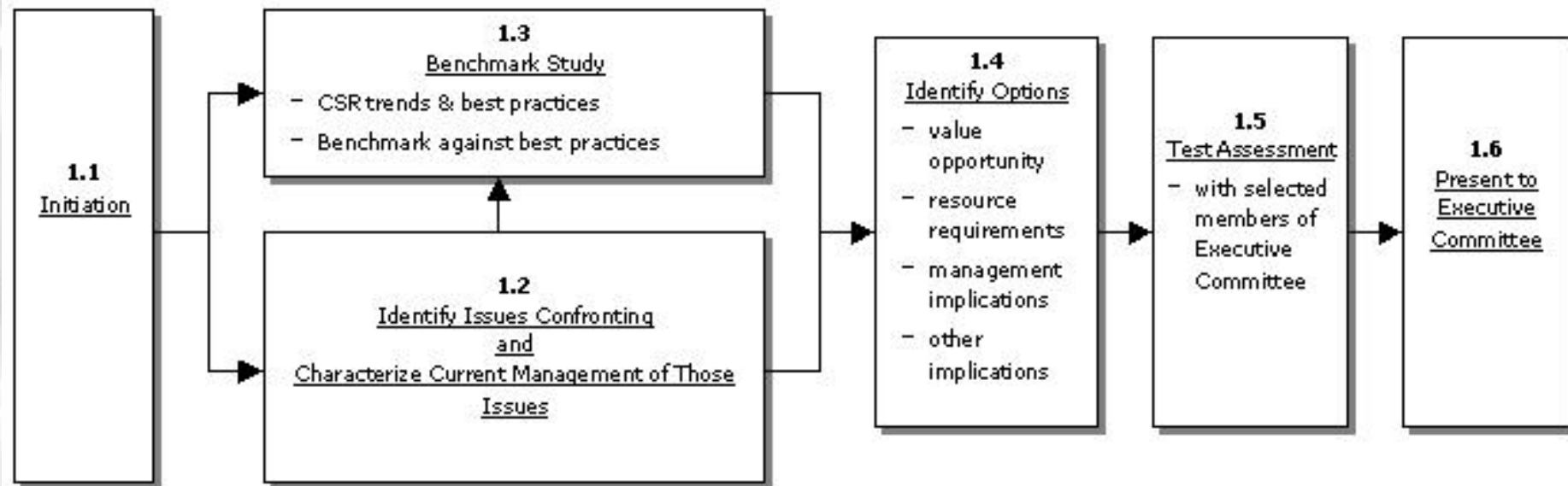
Stratos Framework

- Context & Coverage
- Leadership & Direction
- Policies, Organization & Mgt Systems
- Stakeholder Relations
- Environmental Performance
- Economic Performance
- Social Performance
- Integrated Performance
- Extending Influence Upstream & Downstream
- Quality, Credibility & Communication



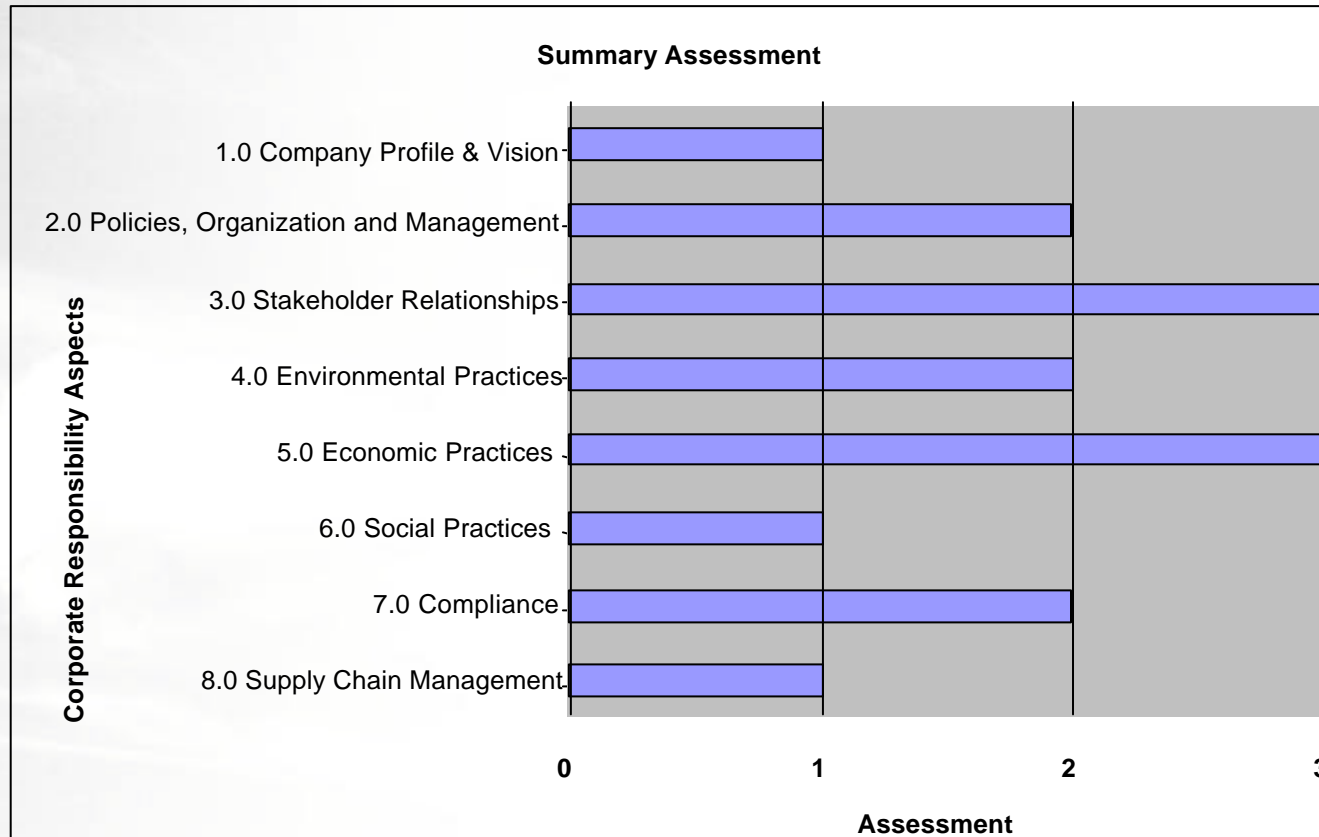
Source: Stratos Inc. 2003

Stratos Approach - Phase 1



Source: Stratos Inc. 2003

Assessment Summary

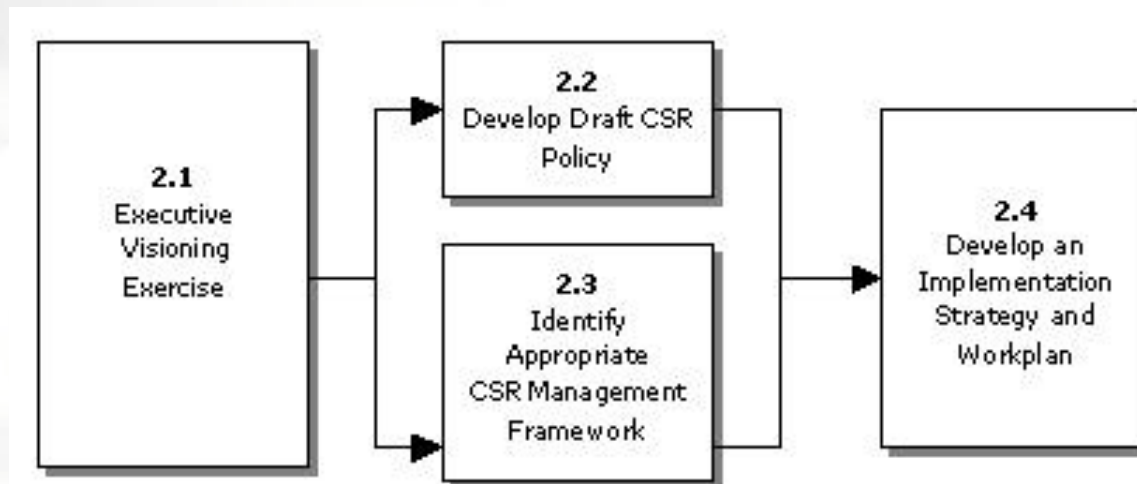


Assessment Scheme

- 3 – met
- 2 – partially met needs improvement
- 1 – some action initiated
- 0 – no action

Source: Stratos Inc. 2003

Stratos Approach - Phase 2



Source: Stratos Inc. 2003

Identifying CR Risks and Opportunities





For Further Information

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