The guide: welcome

The fact that you are reading this guide shows your company already understands the growing importance of social responsibility. You know that increasingly it is an important part of what gives your company a licence to operate.

But you may be looking for further information on social responsibility. It is still a relatively new business issue, and one that companies of all sizes are trying to come to terms with.

Or, if your social responsibility strategy is already well developed, you may be looking for help to take them further forward in a way that is both ethical and competitive.

Wherever you currently stand in this important debate, this guide is here to assist you. It is designed as a tool-kit to help you make decisions on social responsibility that match your business needs.

We hope it will prove useful to you, whether you are just beginning to tackle this important issue or seeking to develop your responsible business practices still further.

The benefits of this guide to you

This guide is designed to help you decide a social responsibility approach that works for you. It is not prescriptive. It does not follow any particular model. To make it as relevant to your needs as possible, we have made it flexible and open, allowing you to decide which questions you need to answer to meet your companys circumstances.

But it offers you a range of real benefits. These include allowing you to:

- Raise awareness among colleagues about the full scope of your social responsibilities
- Develop statements on the economic, social and environmental impact of your business
- To put your chosen approach to responsible business into action
- Measure and place a value on your responsible business activities
- Document and report your activities
- Draw up a framework to help you communicate with stakeholders
- Create a database that outlines your strategy and stands as clear evidence of your approach

The guide is designed to help you make an assessment of your companys position and aims, based on current achievements.

How the guide is organised

This guide is organised in three parts. It allows you to set your own priorities, judging for yourself which are the most important areas to address to suit the needs of your business.

- **Identity, mission and values** - is designed to help you define and identify your companys individual stance on social responsibility
- **Your company: its economic, social and environmental impact** - provides a set of broad questions to help you determine the different impact your business has on the local, regional and national economy as a wealth creator, as an important part of the fabric of broader society and as a user of natural resources
- **Your company: ideas on the development of a social responsibility strategy** - is designed to help you spell out your own social responsibility aspirations and shape them into a strategy that fits your business needs

The guide is set out in deliberately broad terms. This is to ensure it covers the full scope of social responsibility in all its forms and to make sure it remains a flexible tool, easily adaptable to match your circumstances and your ambitions.

How to use the guide

The SME Key is designed to be as easy to use as possible, but here are some hints to help you make the most of it.

The guide is divided into four frames

1. On the left you will see **the navigation tree.** You can open and close sections as you are working on them. Each section opens to reveal a set of questions that will help you compile information about your companys socially responsible behaviour.
2. On the right you will see **links** that take you to information to help complete your report. There are more links listed on www.smekey.org <http://www.smekey.org>
3. When you click on a section from the navigation tree, questions appear in the **top frame**. These cannot be edited; they are there to guide you.
4. The **bottom frame** is where you put your information. The questions appear again as a prompt for your own writing - we suggest you do not simply answer the questions so make sure you delete them from your final report.

Using **View** you can hide the navigation tree, links or top frame to give yourself a larger working space to complete your report. You can shrink the non-editable top frame by putting your cursor on the middle bar. Double black arrows will appear and you will be able to drag the bar up or down.

Working on your report

Cutting and pasting. You can insert information or images from other documents such as excel or word. Simply copy and paste into place.

Formatting. Using the commands on the toolbar, you can choose a typeface, its size and colour. And you can choose to highlight text with a background colour.

Add section. You do not have to be limited by the guide as it is now. You can add your own section using the command in Edit. This will add a section to whichever folder of the guide you are in.

Saving and locking

When you work on a section, the red dot on the navigation tree turns yellow. You can **lock a section** to show that it is finished, by clicking on the finger-and-green-dot icon on the toolbar or by using the command in Edit. The yellow dot turns to green. The bottom frame turns grey and a set of keys appears on the right. If you change your mind, you can unlock the section by clicking on the icon again.

You will be prompted to save a section as you leave it, or you can save using the command in File.

If you make changes to a section, but would then like to delete them all and return to the original layout you can **clear section** - using the yellow eraser icon or the command in Edit.

Save as RTF

This command in File, saves a version of everything you have worked on as a Rich Text Format file. It will save this in the same folder in which all the SME Key documents are stored, but you can save it somewhere else if you wish.

If you save the file again you can save it over your old version, or you can save it as a new file. This means you can store dated versions of your document if you wish.

Printing

You can print the section you are working on or everything you have worked on so far. You can also print a copy of all the questions in the guide, the Tips and Workplan.

Workplan

This is to help you organise your work. In the bottom left of the screen you will see two boxes. Here you can put a deadline date and a name to allocate work to your colleagues. If you have stored the SME Key on a shared system your colleagues will be able to open it and add information. You can view and print the Workplan by using the command in Tips.

Upload your report

You can publish your report on www.smekey.org <http://www.smekey.org>. Clicking this option will take you to the website where you will be asked to create a login identity that means only you will be able to upload, or delete your report.

Tips

Tips offers you simply that. A list of ideas and suggestions on how best to write and use you report. It is not exhaustive, but we hope it will give you some useful ideas.

Help and feedback

If you have any problems, have a look at the Help section. We will also add information to

www.smekey.org <http://www.smekey.org> where necessary. Please let us know what you think of the guide - email us at smekey@csreurope.org <mailto:smekey@csreurope.org>. We are unable to answer individual questions, but we will put answers to all general inquiries on the smekey website.

Your company: identity, mission and values

Please provide some general information about your company and its activities.

a) General information on your company
b) Your companys mission and values
c) Stakeholder consultation
d) Why write an assessment? Introduction describing what is behind your decision to produce a social report: your key motivating factors goals.

About us

- Describe your companys characteristics e.g. size/structure
- Who owns the company (e.g. family owned)?
- If any, who are the shareholders?
- Is the company listed on the stock exchange?
- Provide a description of your main activities
- What is the geographic area of operation of your company?

You and social responsibility (SR)

- Can you briefly describe the history of your company and its responsible business practices?
- Is there a contact point in the company for SR matters?

Your companys mission and values

- Does your company have a clearly stated mission? Does it include socially responsible targets? If yes, what are they?
- Does the managing director/owner of your company have a vision of the broader impact of the company on society? If so, has he/she made a statement?
- Does your company have a set of values to guide the management of its activities and its relations with stakeholders?

Business and social partners (stakeholders)

- Is there broad awareness in the company that its activity has direct and indirect impacts on a range of players broadly referred to as stakeholders?
- Who do you consider your key stakeholders? Please list them.
- Does the company engage in regular consultation or activities with stakeholders? (this

could even include less formal activities such as community related activities -e.g. voluntary work, spending time in schools, encouraging feedback etc.)

If yes:

- Who is or has been involved?
- On which topic?
- How did you organise it?
- Who, if anyone, advised you?
- What were the benefits for you? (e.g. information gathering, setting up of partnerships, better awareness, others)
- Have you ever been in a difficult situation concerning business or social partners? How was it resolved? Did it impact on subsequent relations with stakeholders or on your reputation?
- Have you engaged in any strategic partnerships with your stakeholders?

Assessing social impact - your experiences

Describe how you went about writing your assessment, who was involved and how, what was the general attitude towards the initiative? What was the overall reaction in the company to this self-assessment exercise?
In your opinion, what are the potential benefits that self-assessment could bring to your company?

Your company: its economic, social and environmental impact

Please insert here some information about the impact of your company on society. This section is divided in three major sections:

- **Economic impact**
- **Social Impact**
- **Environmental Impact**

Please support the following points with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Economic

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

- Turnover

- Sales, domestic, European Union, other
- Pre-tax profit
- Number of employees, breakdown full-time/part-time/short-term.
- Employee remuneration
- Investment, including research and development (R&D), new products.
- Dividends, if the company is listed
- Tax, direct financial contribution to local economy
- Size of company in terms of market share
- Added value
- Distribution of added value
- Others

Turnover

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Sales, domestic, European Union, other

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Pre-tax profit

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Number of employees, breakdown full-time/part-time/short-term

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Employee remuneration

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Investment, including research and development (R&D), new products

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Dividends, if the company is listed

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Tax, direct financial contribution to local economy

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Size of company in terms of market share

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Added value

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Distribution of added value

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Other

Illustrate with statistics and graphs, and, where possible, include comparisons with data from the previous year that you consider relevant.

Social

Identifying your key stakeholders

Stakeholders - whether shareholders, employees or customers - contribute to the success of a

company by directly participating in the business activities or by indirectly influencing a companys decisions.
It is important to identify key stakeholders, to listen to and accommodate their concerns, to anticipate their needs, and to communicate your companys performance to them.

The following five key stakeholders have been identified although you should add others relevant to you:

- Employees
- Consumers
- Local community
- Business Partners (suppliers, contractors…)
- Public authorities

For each stakeholder, describe the issues that are most relevant to your company (the lists provided can help you to do this).

Illustrate the procedures that your company puts in place for the management of its relations with stakeholders or provide examples of social responsibility (SR) projects and initiatives you have organised.

You can also report on ways in which you have integrated responsible business practices into core management operations and strategies.

Try to identify the direct and indirect impacts of your companys activities. Describe the results of the programmes and processes developed using indicators (the lists provided can help you to select indicators that you might want to adopt).

Employees

What are the most relevant issues to your company regarding employees?

The following list will help you identify and prioritise relevant issues:

- Equal opportunities (ethnicity, gender, age, disability)
- Health and safety
- Training and development
- Communicating with your employees
- Pay and benefits
- Work environment
- Industrial relations
- Management of industrial change
- Human rights
- Others (specific company issues)

Equal opportunities

Where you are now

- Is your company active in the field of equal opportunities?
- How do you implement equal opportunities practices?
- Do you organise training on diversity and equal opportunities?

Have you thought about…

- What is the profile of your workforce in terms of age, gender, ethnicity, people with disabilities?
- The ethnic background/nationality of employees? (as a percentage of your workforce)
- Number and % of woman and ethnic background employees in senior management positions
- How many full time/part time workers you have?

Health and safety

Where you are now

- Do you have a health and safety policy?
- Do you have a system in place to manage health and safety issues?
- Do you provide health services (screening, medical education)?
- Do you train your employees on health and safety issues?

Have you thought about…

- Health and safety expenditure per employee
- Occupational disease and injuries
- Rate of absence/lost days
- Number of employees attending H&S courses

Training and development

Where you are now

- Do you provide training for your employees?
- Do you have procedures in place to ensure an appropriate professional development of your employees (career development plan, mentoring programmes, skills development plans…)?
- What is the ratio of internal promotions to external recruitment?

Have you thought about…

- Training expenditure per employee
- Number of training hours available
- Number of and level of employees attending training courses

Internal communication

Where you are now

- How do you communicate with your employees (newsletter, intranet etc.…)?
- How do you encourage feedback/dialogue with employees and on which topics? (Suggestion boxes, surveys, staff meetings…).
- Do you involve and consult with your employees when the company reviews its policies? If so, how?

Have you thought about…

- Proportion of employees involved in consultation/suggestions schemes ?
- Employee satisfaction with internal communication (e.g. number and results of employee surveys)

Pay and benefits

Where you are now

- Do you offer remuneration packages, performance-related pay or profit sharing?
- Do you operate pension schemes?
- Do you offer other benefits (Flexible working-time, career breaks, maternity/paternity leaves, childcare…)?
- How do you compensate overtime?

Have you thought about…

- Creating job bands and salary scales and communicating them to staff?
- Comparing your companys salary levels with local/regional levels

Working environment

Where you are now

- Does the company have an employee handbook?
- Is there an internal reference point for ethical issues?
- Do you raise awareness among your employees on ethical issues?

Have you thought about…

- Number of complaints and how you address them?

Industrial relations

Where you are now

- How would you describe your relations with trade unions
- How do you communicate and negotiate with trade unions and other social players? Do you have any examples of innovative dialogue with them?

Have you thought about…

- Level and type of industrial action: number of strikes, duration, how they were resolved?
- Your overall relations with staff and their representatives

Management of industrial change

Where you are now

- Has your business recently undergone restructuring?
- How did you manage this change? Describe how you dealt with it and the degree of staff consultation you undertook?
- How did it affect overall morale?
- What kind of support was offered to employees? (e.g. advice on how to set up your own company, assistance in finding a job, signposting people to business partners, retraining.)

Have you thought about…

- Analysing your staff turnover and its costs (number of joiners, leavers)
- Number of redundancies, dismissals, resignations by type and frequency

Human rights

Where you are now

- Do you actively raise awareness of human rights issues (with staff, partners suppliers etc.)? If yes, how (newsletters, training, clauses in contracts etc.)?
- Do you require the respect of specific human rights standards when dealing with business partners and is the same expected of you?
- Have you ever received a request for human rights compliance from a business partner?

Have you thought about…

- The age and number of the youngest employees in your organisation?
- Screening your contractors/partners? (How many are screened using which criteria?)
- Partnering with NGOs to support the respect of human rights?

Customers

What are the most relevant issues facing your company linked to **customers?**
The following list will help you identify and prioritise customer-related issues.

- Customer satisfaction and retention
- Customer retention
- Product safety and quality
- Pre and post-sales service
- Engaging with customers
- Cause Related Marketing (CRM) initiatives
- Consumer education
- Others (Specific company issues)

Customer satisfaction and retention

Where you are now

- Do you measure customer satisfaction (interviews, feedback/comments forms etc)?
- Please describe a complaints procedure?
- Do you have a loyalty scheme? How does it work?

Have you thought about…

- Measuring customer satisfaction (number and results of interviews, etc.)
- The number and type of customers complaints

Have you thought about…

- Profiling your clients (e.g. sector, gender, age)
- Customer retention as a percentage of total number of customers
- New clients as a percentage of total number of customers

Product safety and quality

Where you are now

- Have you achieved any particular quality standards (ISO 9000 etc)?
- Do you provide advice and information on product use and safety?

Have you thought about…

- Measuring the number and type of customer complaints
- Provisions for vulnerable customers (e.g. elderly, disabled customers)
- A social and environmental life cycle assessment of your products/services.

Pre and post-sales services

Where you are now

- How do your services demonstrate your commitment to your customers ?
- Do you guarantee post- sales service?

Have you thought about…

- Gathering feedback on your post-sales services

Customer relations

Where you are now

- How do you consult your customers? (e.g. open days, consumer panels, surveys, testing new products/services)

Have you thought about…

- How to improve the consumer consultations you organise
- Identifying specific needs of consultations?

Cause Related Marketing (CRM) initiatives

Where you are now

- Do you have any Cause Related Marketing initiatives? Describe them and their results.
- How do you select the causes and the partners you choose to support?
- Are the initiatives on-going or one off?

Have you thought about…

- The total amount donated as percentage of your total earnings.
- The percentage profit/earnings you donate as part of a specific campaign
- Involving your staff on the selection of causes

Consumer education

Where you are now

- Have you launched initiatives on consumer education? Has it had any impact on your business and your relations with customers?

Community

What are the most relevant issues you face regarding the community?

The following list can help to identify and prioritise issues related to community relations.

- Charity, donations and support to good causes
- Employee involvement
- Impact on society
- Economic regeneration (job creation, entrepreneurship, youth projects)
- Specific company issues

Charity, donations and support to good causes

Where you are now

- Do you support local/regional/national events, organisations or initiatives?
- How do you identify the areas you choose to support?
- Do you involve employees in this choice?

Have you thought about…

- The value of cash and in-kind donations (total or ratio to pre-tax profit)
- The areas of charitable support you are involved in (issues, level local/national/international causes etc.)
- Assessing the direct/indirect impact on your business (such as increased sales, improved motivation etc.)?

Employee involvement

Where you are now

- Do you support employee involvement in social/community activities, e.g. providing information and advice?
- Do you have incentives or schemes to reward volunteering employees?

Have you thought about…

- Measuring staff involvement in social/community activities (number of employees involved and time spent)
- Amount raised by employees for charities
- Publicising the community work you are involved with

Impact on society

Where you are now

- Do you measure the impact of your companys activities on society?

Have you thought about…

- The number of internal/external people involved in social projects you are active in
- The number of organisations involved
- Feedback from the community
- The perception of the companys reputation as a good neighbour

Economic regeneration (job creation, entrepreneurship, youth projects)

Where you are now

- Have you developed programmes to support entrepreneurship in the community?
- What is the contribution of your company to the creation of new jobs?
- Do you have any schemes for the reinsertion into the workforce of the long term unemployed?
- Do you support local/regional schools? Do you involve students and teachers for the development of youth projects?

Have you thought about…

- New jobs created (directly and indirectly)
- Your investment in educational and economic projects
- Educational awards/scholarships granted and how you are involved
- Number of schools/students/teachers involved in educational projects with your company
  - Partnerships with local education authorities

Others (specific company issues)

Where you are now

Please insert other issues you consider relevant, giving examples of your activities/approaches and what you think their impact has been.

Business partners

What are the major issues facing your company regarding **business partners?**
The following list will help you identify and prioritise the issues related to your business partners.

- Relations with business partners
- Support local suppliers
- Others (Specific company issues)

Relations with business partners

Where you are now

- Have you integrated social/environmental standards into the selection criteria for partners? If yes, what are they?
- Are these criteria made explicit in both the selection process and in contracts awarded? How do you monitor them?
- Do any of your partners produce social reports or evaluations in terms of their responsible business practices?
- A re you required to respect social, ethical and environmental criteria by your contractors? If yes, what are they?

Have you thought about…

- The number of contracts signed according to these criteria
- Identifying and logging cases where contracts have been terminated because they did not respect your companys social policy? Or vice versa?
- The average time it takes to pay suppliers bills
- The maximum time it takes to pay bills

Supporting local suppliers

Where you are now

- To what extent do you use local suppliers compared to others?
- Are you able to identify your suppliers according to groups (e.g. gender, ethnicity…)?
- Do you involve your suppliers in community/stakeholder activities?
- Do you provide training and information to your partners on your policies/activities regarding social responsibility?

Have you thought about…

- Per area percentage of suppliers (country/continent)?

Public authorities

What are the most relevant issues to your company regarding to public authorities?

- Relations with the public authorities
- Fines and penalties
- Others (specific company issues)

Relations with public authorities

Where you are now

- Do you co-operate with public authorities for social campaigns or other social activities? Through what type of partnerships?

Have you thought about…

- The percentage of total contributions of public authority contracts to total revenue
- The number of partnerships you have with public authorities (as % of total partnerships).

Fines and penalties

Where you are now

Please insert what you consider to be relevant, giving examples of your activities/approaches

- Fines and penalties imposed, the reasons why and how to avoid these situations arising.

Non-governmental organisations

What are the main issues your company faces regarding non-governmental organisations (NGOs)?

- Relations with NGOs and consultation
- Others (specific company issues)

Relations with NGOs and consultation

Where you are now

- Are you or have you been in consultation with NGOs? What impact do you think this has had?
- Are you a member of any organisations that are active in the responsible business field at a national/international level?
- Do you have partnerships with NGOs? If yes, which ones and for which causes (list examples)? What are the benefits you experience?
- Are these partnerships on-going or one-offs?

Have you thought about…

- How many partnerships with NGOs you have and what they represent as a percentage of total number of partnerships?

Environmental

Describing the companys activities in terms of the environment

Describe the issues relevant to you and illustrate the procedures that your company puts in place for the daily management of the issue, mentioning any integrated systems and processes

embedding responsible business practices in core management operations and strategies. You can then try to identify the direct and indirect impact of your companys activities.

Try to pinpoint the most relevant issues for your company on the environment. The following list will help you identify and prioritise environment-related issues.

- Environmental management
- Environmental impact
- Energy/water use
- Materials
- Waste management
- Recycling
- Transport
- Packaging
- Compliance with national/international standards (ISO, EMAS…)
- Environmental awareness
- Specific company issues (e.g. animal testing/ethics)

Environmental management

Where you are now

- Do you have an environmental policy?
- Have you set environmental quantitative objectives?
- Do you have an Environmental Management System in place?
- Do you conduct environmental audits?
- Do you support suppliers in their environmental programmes?
- Do you adopt specific environmental criteria for selecting your partners?

Environmental impact

Where you are now

- Do you conduct environmental audits?
- Do you have in place a policy to reduce the environmental impact of your company and to reduce emissions?
- Do you have in place a programme to reduce the use of natural resources?

Have you thought about…

- Greenhouse gas/CO2 emissions (tonnes or kilo)
- Emissions to air/water/land
- The environmental impact of your goods/services beyond your internal housekeeping
- Measuring the impact of the goods/services you provide once they leave your company and are used (start-to-finish impact).

Energy/water use

Where you are now

- Do you have in place programmes to control/review the consumption of water/energy?

Have you thought about…

- The quantity of water used
- The quantity of energy used (joules)

Materials

Where you are now

Please insert what you consider to be relevant, giving examples of your activities/approaches

Have you thought about…

- Making a list of materials used by your company. How much can be reused/recycled. Are there alternatives materials you could use?

Waste management

Where you are now

- Do you have a waste management policy?

Have you thought about…

- Quantity of waste generated (tonnes or kilos) (hazardous, non hazardous)
- Quantity of solid waste generated

Recycling

Where you are now

- Do you have a recycling policy?
- Do you recycle or reuse materials? If so, which ones?

Have you thought about…

- How much waste do you recycle?
- How much recycled material you consume? (paper/plastic/other)
- Which materials are re-useable and how much you actually reuse

Transport

Where you are now

- Do you have a policy to reduce fuel consumption?

Have you thought about…

- The number of company vehicles, mileage, fuel type, linked to your company
- The amount of fuel your company consumes

Packaging

Where you are now

- What do you do to minimise packaging? Please insert what you consider to be relevant, giving examples of your activities/approaches

Have you thought about…

- The impact/cost effectiveness of your current packaging policies
- How much of the packaging could be recycled/reused
- How much recycled material is found in the packaging?

Compliance with national/international standards (ISO, EMAS…)

Where you are now

- Does your company comply with national/international standards?

Environmental awareness

Where you are now

- Have you organized activities and projects to raise awareness on environmental issues (internally/externally)?
- Do you participate in research groups?
- How do you communicate your environmental policy to your staff?
- Do you provide environmental training?

Have you thought about…

- Number and type of environmental training programmes
- Percentage of employees involved in such programmes
- Creating an in-house environmental policy

Your company: ideas on the development of a social responsibility strategy

This section should summarise your companys aspirations and the development of a social responsibility strategy.

• Has your company planned a sustainability strategy for the future? If yes, please describe it.
• Has your company stated a clear aspiration/vision for the future on social responsibility? Do you have a clear idea of what your companys role should be?
• Do you plan to increase and improve stakeholder dialogue? If so, how?
• For you, what is the main purpose of this report (internal/external)? Who is your target audience and how do you plan to circulate this evaluation? • Do you have any ideas on steps you could take to establish and integrate a culture of sustainability into your core activities?

Planning a sustainable strategy

Has your company planned a sustainability strategy for the future? If yes, please describe it.

Vision for the future

Has your company stated a clear aspiration/vision for the future on social responsibility? Do you have a clear idea of what your companys role should be?

Improving stakeholder dialogue

Do you plan to increase and improve stakeholder dialogue? If so, how?

Purpose of this report

For you, what is the main purpose of this report (internal/external)? Who is your target audience and how do you plan to circulate this evaluation?

Next steps

Do you have any ideas on steps you could take to establish and integrate a culture of sustainability into your core activities?