

CORPORATE SOCIAL RESPONSIBILITY



SUGAR ETHANOL INDUSTRIES

Produced for the International Sugar Organization

A. L. Parlow, © 2008

SUGAR AND ETHANOL SECTOR



CSR: Risks, Rewards, and Obligations

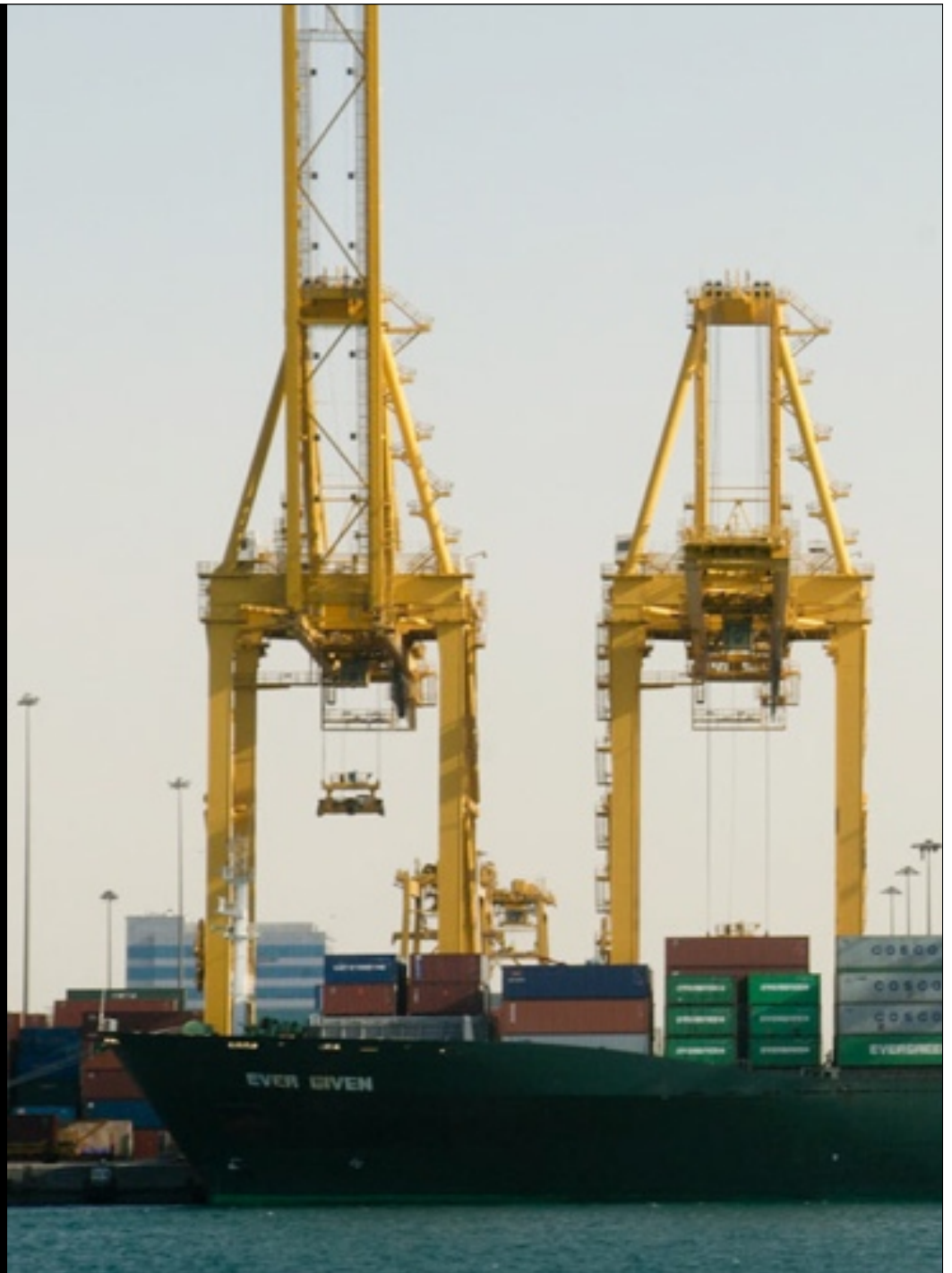
PHILOSOPHY OF CSR



- Improve wages, social practices, environment
- Sustainability: Enlightened self-interest

CSR DRIVERS

- Community and ONG expectations
- Litigation potential
- International Media
- Trade Agreements
- Market Requirements
- International law
- Domestic law
- Bank Requirements





STAKEHOLDERS:
BUSINESS

- 
- Regulatory framework
 - Business partnerships
 - Social Obligations

G O V E R N M E N T

ENVIRONMENT



LABOR

Wages, Health and Safety



INTEGRATING GOVERNMENT BUSINESS AND SOCIETY



CSR Business and Management
Models

C O R P O R A T E P R A C T I C E S



- Core management strategies
- 'Triple Bottom Line' accounting: financial, social, environment
- Multi-stakeholder initiatives
- Social conflict & political risk management



INTERNATIONAL LAW, COVENANTS & TREATIES

Announcing The Global Compact
January 31, 1999

- CSR
- Voluntary Principles
- Mandatory Standards
- Corporate Codes of Conduct



THE BASIC FRAMEWORK OF CSR: INTERNATIONAL LAW

KEY COVENANTS, TREATIES, CONVENTIONS

- Universal Declaration of Human Rights
- Covenant on Social, Economic and Cultural Rights
- Covenant on Civil and Political Rights
- International Labor Organization Conventions (ILO)
- UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises
- Convention on the Rights of the Child
- Convention on the Elimination of Discrimination Against Women
- Equator Principles (Environment)
- Kyoto Protocol

THREE MAJOR CATEGORIES OF CSR

- Labor
- Environment
- Human Rights

CORPORATE CODE OF CONDUCT

- Begin with issues of greatest interest to critics
- Build from your own priorities

CERTIFICATION PROGRAMS

- Global Reporting Initiative (GRI)

DOMESTIC LAW: THE CASE OF BRASIL

Brasil has ratified—or exceeded—many relevant international Treaty standards:

Child Labor Laws
Health and Safety in Agriculture
Minimum Wage
Unemployment Insurance
Separation from Job
Human Rights [Modern Day Slavery]
Environmentally Friendly Technologies
Climate Strategies
Eliminate Burning Cane
Water Standards
Riparian Forest Recovery
Settlement of Landless Agricultural Workers
Mechanization of Agricultural Lands
Right to Collective Bargaining

TRENDS IN IMPLEMENTATION

- Address areas of greatest concern to potential investors and ONGs
 - Modern-day slavery
 - Child labor
 - Climate change/CO2 emissions
 - Deforestation
- Implement company priorities
 - Conduct social and environmental due diligences
 - Develop detailed CSR business plan
 - Benchmark progress
 - Produce Code of Conduct
 - Invite Certification

Beyond Compliance: Voluntary or Mandatory?



- Community Empowerment
- Local social and environmental programs
- Sustainability and fair trade

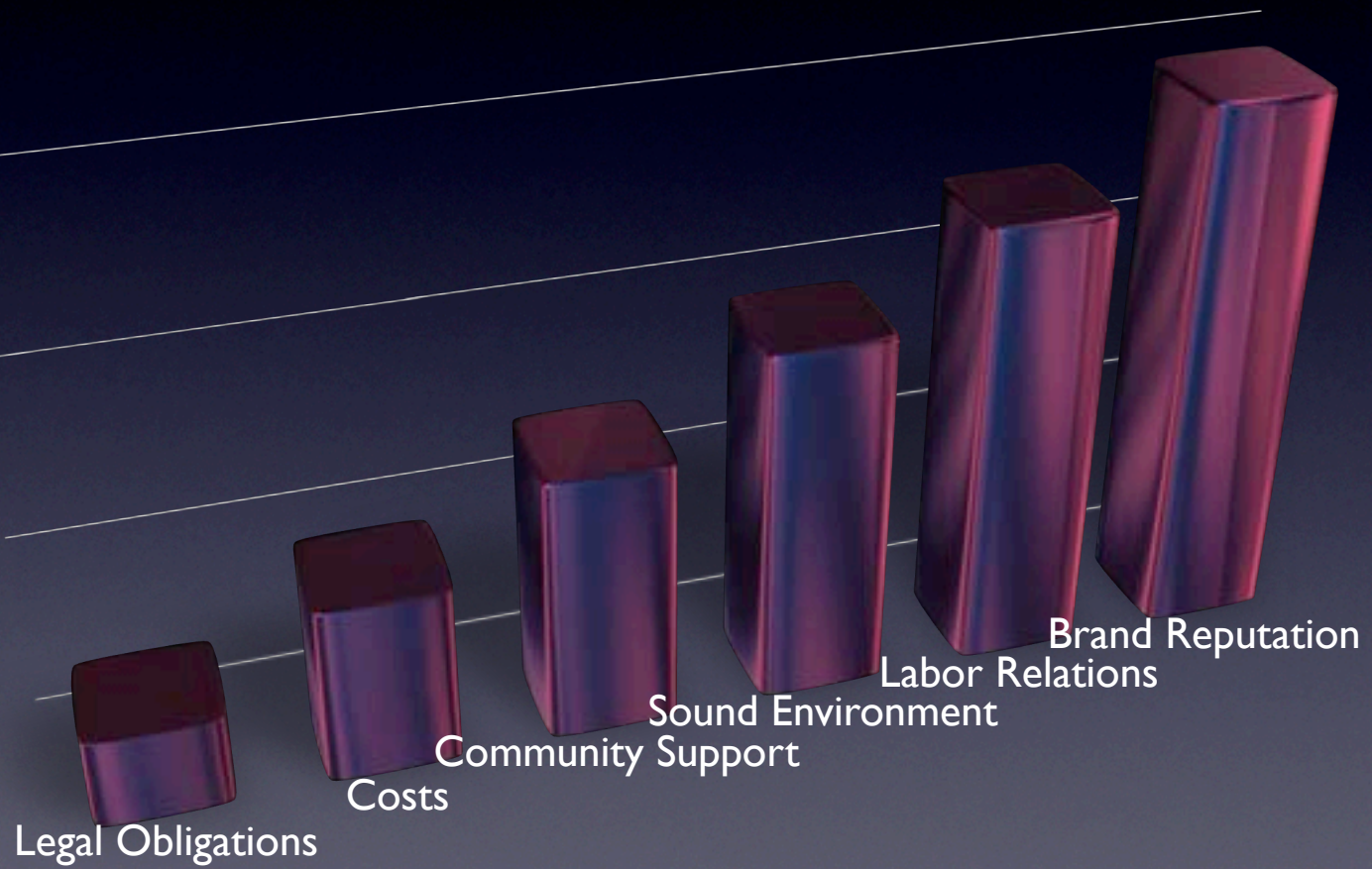
CALCULATING COSTS

- Difficult to calculate cost–benefits with any degree of certainty, however,
 - Generally accepted that while preparatory costs can be significant, maintenance costs are generally far less so
- Methods for approaching a cost-benefit analysis
 - Calculate anticipated cost–benefits for each CSR element
 - Prioritize components
 - Develop a detailed plan for implementation of prioritized CSR elements
 - Include reputation and other intangibles
 - Include estimated gains from increased market share due to implementation

BEST PRACTICES

- AUDITS & SOCIAL IMPACT MAPPING TOWARD FAIR TRADE APPROACHES
- EDUCATE MANAGEMENT: SOCIAL, CLIMATE CHANGE ISSUES AND IMPROVE LABOR PRACTICES
- LOCAL COMMUNITIES PARTICIPATE IN BASELINE SOCIAL DUE DILIGENCE
- PRIVATE–PUBLIC SECTOR PARTNERSHIPS
- ACCURATE AND DETAILED INFORMATION
- FREE, PRIOR AND INFORMED CONSENT: OPEN AND TRANSPARENT CONSULTATIONS AT COMMUNITY LEVELS
- INTERNAL ASSESSMENTS, CERTIFICATION PROCESSES, CODES OF CONDUCT & MANAGEMENT STRATEGIES
- ENHANCE GOVERNMENT CAPACITY TO REGULATE AND LEGISLATE
- TRANSPARENCY IN REVENUES AND PAYMENTS TO NATIONAL GOVERNMENT
- LIVING WAGE
- STANDARDS FOR MECHANIZATION
- DISPUTE AND GRIEVANCE MECHANISMS
- SUSTAINABLE TECHNOLOGIES TO PRODUCE HYDROUS /ANHYDROUS ETHANOL, COGENERATION OF ELECTRICITY AND GREEN PLASTICS, AND FLEX FUEL TRANSPORT

ELEMENTS OF RISK AND REWARD



CRISIS RESPONSE MANAGEMENT

- Management Strategies for Crisis Response, Prevention and CSR Generally, include:
 - Acknowledge the problem
 - Identify the strategies to be developed
 - Produce a social mapping that includes NGOs and other stakeholders in the response strategies
 - Develop an integrated business plan that includes corporate, government, NGOs, workers and other private sector stakeholders involved in CSR
 - Develop an overall 'best practices' approach that is grounded in CSR principles
 - Develop complaint mechanisms
 - Create a common agenda, action plan and capacity to measure forward movement
 - Develop internal capabilities to evaluate, educate management at all levels
 - Developing annual benchmarks for environment, labor and social practices
 - Invite independent evaluations, meet certification standards, lessons learned
 - Short term economic concerns replaced by long term economic, environment and social drivers.

REALWORLDIMAGES ©

C R E D I T S

PRODUCED

by

Anita L. Parlow

a.parlow@verizon.net

PHOTOGRAPHS

by

Anita L. Parlow, © 2007–9

except as noted below:

Big Blue Marble, R. Stockli, A. Nelson, F. Hasler, NASA, USGS©
UN Sec'Gen. Kofi Annan and President Jacques Chirac, UN/DPI, Sergey Bermeniev©
Historical Cuba photograph, photographer unknown; used under the public domain
ACP country leadership photo courtesy of the ACP

PHOTO EDITING

by

Chris Combs

Melissa Maltby

Photographs may not be reproduced without express permission of the photographers, and slide show
may not be reproduced without express permission of producer.