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Circular Economy Innovative Skills in the Textile Sector

Intellectual Output 4

Module 3

Corporate Social Responsibility

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Module 3: Corporate Social Responsibility

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Introduction to the module

Corporate responsibility is part of the modern way of doing business, good leadership and risk management and is one of the ways corporations position themselves in society, as it boosts the reputation and image of companies improving the overall standard of living in society.

The Corporate Social Responsibility module is an introductory module for sustainability expert applicants to learn about corporate social responsibility in order to be able to develop, manage and coordinate CSR policies, strategies and tactics.

Unit 3.1 CSR definition and scope

3.1.1 Introduction

There is a growing body of data that demonstrates the bottom-line benefits of socially responsible companies in terms of improved financial performance: reduced operating costs, enhanced brand image and reputation, increased sales and customer loyalty, increased productivity and quality, increased ability to attract and retain employees, reduced regulatory oversight and access to capital.

There are several factors that have converged over the last decade to shape the direction of the CSR field, among which, the most notable ones are: increased stakeholder activism, more sophisticated stakeholder engagement, proliferation of codes, standards, indicators and guidelines, accountability throughout the value chain, transparency and reporting, growing government interest and action, growing investor pressure and market-based incentives, advances in information technology pressure to quantify CSR “return on investment”.

3.1.2 Short description

Knowledge	Skills	Competencies
<i>At the end of this unit the in-company trainer will:</i>	<i>At the end of this unit the in-company trainer will be able to:</i>	<i>At the end of this unit, the in-company trainer will have acquired the responsibility and autonomy to:</i>
<ul style="list-style-type: none"> • Describe the concept of Corporate Responsibility. • Define the scope and complexity of corporate social responsibility (CSR). • Define the concept of stakeholders and their relationship to business 	<ul style="list-style-type: none"> • Develop an elementary ability to identify and analyse ethical issues and to solve ethical problems in a business context. 	<ul style="list-style-type: none"> • Apply the fundamentals of CSR in the organization. • Design an action plan to improve the stakeholder's relationship to business.

and impact on managerial decision-making.		
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3.1.3 Content unit

Topic 3.1.3.1 Concept of Corporate Responsibility. Scope and complexity

The CSR concept came into common use in the late 1960s and early 1970s, it encourages organizations to consider the interests of society by taking responsibility for the impact of the organization's activities on consumers, employees, shareholders, communities and the environment in all aspects of its operations. Actually, evidences of businesses seeking to improve society, the community, or particular stakeholder groups may be traced back hundreds of years¹.

According to the 2002 EU Commission Communication concerning the Corporate Social Responsibility: A business contribution to Sustainable Development² “...CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

According to ISO 26000, the aim of corporate social responsibility is to maximize an organization's contribution to sustainable development.

CSR can also be defined as an aggregate of the voluntary policies and subsequent management processes arising from corporate decisions aimed at achieving actions in the field of economics, environment, social development, and corporate governance³. Consequently, CSR may be considered as an organizational instrument for implementing the concept of business sustainability (European Commission, 2002).

CSR generally refers to a view of the corporation and its role in society that assumes a responsibility among firms to pursue goals, in addition, to profit maximisation and responsibility among a firm's stakeholders to hold the firm accountable for its actions.

For CSR to reach its goal it needs to be framed in such a way that the entire range of business responsibilities are embraced. The literature suggested that there are four kinds of social responsibilities constituting total CSR: economic, legal, ethical, and philanthropic and these components can be depicted as a pyramid (Fig. 1)⁴.

¹ Carroll, A. B., Lipartito, K. J., Post, J. E., Werhane, P. H., & Goodpaster, K. E. (Eds.). (2012). Corporate responsibility: the American Experience. Cambridge: Cambridge University Press.

² <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2002:0347:FIN:EN:PDF>

³ Muñoz, M. J., Fernández, A., Nieto, L., Rivera, J. M., León, R., & Escrig, E. (2009). SMEs and corporate social responsibility: The perspective from Spanish companies. *International Journal of Sustainable Economy*, 1(3), 270–288.

⁴ Carroll, A. B. (1991). “The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders.” *Business Horizons* (July/ August): 39–48.

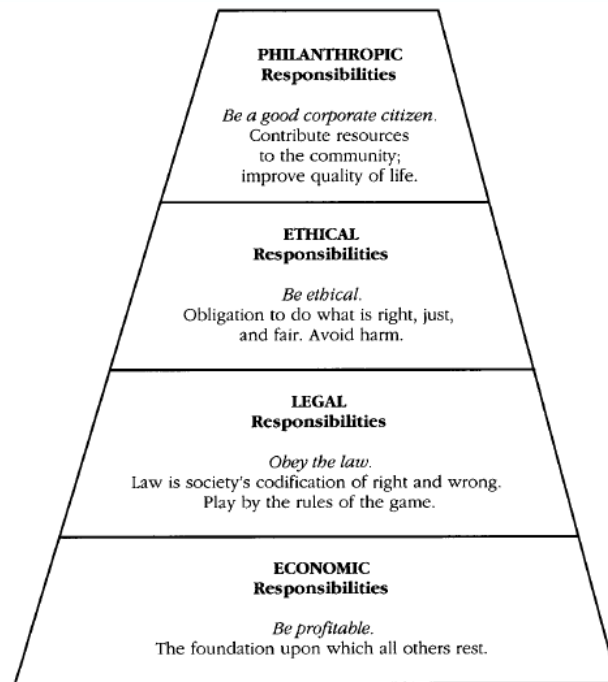


Figure 1. The Pyramid of Corporate Social Responsibility (Carroll, 1991)

Carroll's four-part definition of CSR was originally stated as follows: *"Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time"*⁵⁶. This set of four responsibilities creates a foundation or infrastructure that helps to delineate in some detail and to frame or characterize the nature of businesses' responsibilities to the society of which it is a part.

1. **Economic responsibilities.** As a fundamental condition or requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and sustained.
2. **Legal responsibilities.** The society establishes the minimal ground rules under which businesses are expected to operate and function. These ground rules include laws and regulations and in effect reflect society's view of "codified ethics" in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state and local levels.
3. **Ethical responsibilities.** The normative expectations of most societies hold that laws are essential but not sufficient, and society expects businesses to operate and conduct their affairs in an ethical fashion. Ethical Responsibilities sums up those standards, norms, and expectations that reflect the stakeholders concern regarding the environmental issue, civil rights, and many other.

⁵ Carroll, A. B. 1979. "A Three-Dimensional Conceptual Model of Corporate Performance." *Academy of Management Review* 4(4): 497–505.

⁶ Carrol, 1991, op, cit.

- 4. Philanthropic responsibilities** include those corporate actions as response to society's expectations – including contributions to education, to the arts, or to the community. Corporate philanthropy includes all forms of business giving.

Based on a two-year study, the World Business Council for Sustainable Development has drawn several conclusions about the benefits of CSR to companies⁷:

- A coherent CSR strategy, based on integrity, sound values and a long-term approach, offers clear business benefits to companies and helps a firm make a positive contribution to society;
- A CSR strategy provides businesses with the opportunity to show their human face;
- Such a strategy requires engagement in open dialogue and constructive partnerships with governments at various levels, intergovernmental organizations, non-governmental organizations, other elements of civil society and, in particular, local communities;
- When implementing a CSR strategy, companies should recognize and respect local and cultural differences, while maintaining high and consistent global standards and policies; and
- Being responsive to local differences means taking specific initiatives.

Topic 3.1.3.2 Stakeholders

Stakeholders definition

Stakeholder identification and engagement is a key CSR element. ISO 26000 stipulates that *“a [organisation] should determine who has an interest in its decisions and activities so that it can understand its impacts and how to address them.”*

Plus, the UN Guiding Principles demand in Principle 18 that companies engage in *“...meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation”*.

The traditional Stakeholders definition considers that, *“a Stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by the achievements of the organisation’s objectives.”*⁸. The general idea of the Stakeholder concept is a redefinition of the organization⁹. In general, the concept is about what the organization should be and how it should be conceptualized. Friedman (2006) states that the organization itself should be thought of as grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints.

⁷ <https://www.wbcsd.org/>

⁸ Freeman, R.E (1984). “Strategic Management: A stakeholder Approach”. Boston, MA: Pitman.

⁹ Fontaine, C., Haarman, A., Schmid S., (2006) The Stakeholder Theory, www.diseniosessparrados.goolecode.com

Stakeholders mapping process

The process of stakeholder engagement is as important (and at times, more important) as the outcomes of participation. Stakeholder engagement is an on-going process and should be: predictable, transparent, accessible and appropriate, responsive and documented.

In order to have in place a stakeholder's strategy, the company needs to map the stakeholders and create a stakeholders' management plan.

Stakeholders mapping involves four phases¹⁰:

- Identifying: listing relevant groups, organisations, and people.
- Analysing: understanding stakeholder perspectives and interests.
- Mapping: visualising relationships to objectives and other stakeholders.
- Prioritising: ranking stakeholder relevance and identifying issues.

The **Identifying phase** consists in listing all possible stakeholders and the main focus is to brainstorm a list of stakeholders without screening, including everyone who has an interest in the organization, including:

- owners – e.g. investors, shareholders, agents, analysts,
- customers – e.g. direct customers, indirect customers etc.,
- employees – e.g. current employees, potential employees, retirees, representatives, and dependents,
- industry - e.g. suppliers, competitors, industry associations, media,
- community - e.g. residents near company facilities, chambers of commerce, resident associations, schools, community organizations,
- environment – e.g. NGO's, scientists,
- government - e.g. public national agencies and authorities,
- civil society organizations - e.g. NGOs, labor unions; where possible, individuals should be identified as well.

The **analyzing phase** requires further analysis to better understand the needs, expectations and relevance of the perspective provided by each stakeholder group and to prioritize their engagement.

According to BSR (Business for Social Responsibility™) the main criteria to analyze each identified stakeholder are:

¹⁰ Jonathan Morris & Farid Baddache (2012) – BSR. Back to Basics: How to Make Stakeholder Engagement Meaningful for Your Company, [https://www.bsr.org/pdfs/events/Back%20To%20Basics%20-%20How%20to%20Make%20SHE%20Meaningful%20for%20your%20Company\(1\).pdf](https://www.bsr.org/pdfs/events/Back%20To%20Basics%20-%20How%20to%20Make%20SHE%20Meaningful%20for%20your%20Company(1).pdf)

- Contribution (value): Does the stakeholder have information, counsel, or expertise on the issue that could be helpful to the company?
- Legitimacy: How legitimate is the stakeholder's claim for engagement?
- Willingness to engage: How willing is the stakeholder to engage?
- Influence: How much influence does the stakeholder have?
- Necessity of involvement: Is this someone who could derail or delegitimize the process if they were not included in the engagement?

The Mapping phase¹¹ is a visual exercise and analysis tool that can be further used to determine which stakeholders are most useful to engage with. Mapping allows companies to see where stakeholders stand when evaluated by the same key criteria and compared to each other and help them visualize the often complex interplay of issues and relationships created based on the criteria mentioned above.

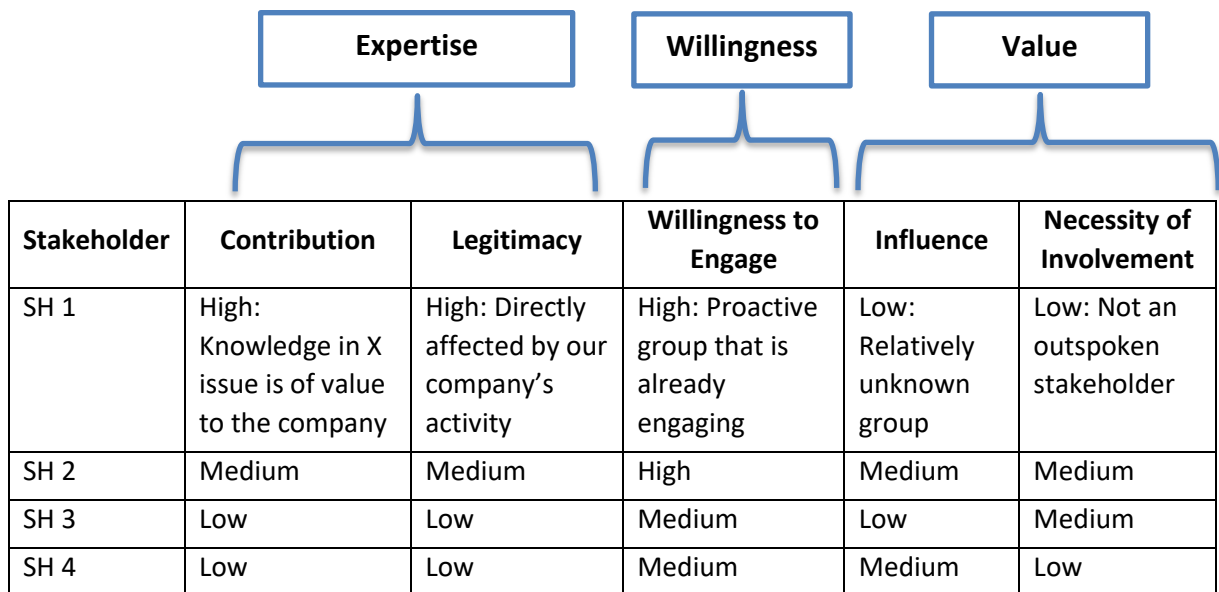


Figure 2. The mapping phase

The prioritizing phase is essential as its not practical and cost effective to engage with all stakeholder groups with the same level of intensity all of the time.

Real case example: C&A stakeholder engagement

Scope	#Brand #Stakeholder #Mapping
Value added	In this case it is possible to see how C&A identified, analysed, mapped and prioritizing the stakeholders in order to create

- Stakeholders mapping, https://www.bsr.org/reports/BSR_Stakeholder_Engagement_Stakeholder_Mapping.final.pdf

	<p>sustainable businesses with focus on impacts in different communities and stakeholders.</p> <p>Source of information: Web site C&A stakeholder engagement. Nov 2019</p>
More information	<p>http://sustainability.c-and-a.com/our-approach/our-strategy/stakeholder-engagement/</p>

3.1.4 Suggested readings

- EU Commission - Tips and Tricks for Advisors Corporate Social Responsibility for Small and Medium-Sized Enterprises, <https://ec.europa.eu/docsroom/documents/10368/attachments/1/translations/en/renditions/pdf>
- Commission of The European Communities (2002), Communication from The Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2002:0347:FIN:EN:PDF>
- Dahlsrud, A. (2008) How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions, Corporate Social Responsibility and Environmental Management Corp. Soc. Responsib. Environ. Mgmt. 15, 1–13.
- Mintzberg H (1983) The case for corporate social responsibility; Journal of Business Strategy 4(2), S. 3-15.
- Polonsky, Michael and Jevons, Colin (2006) Understanding issue complexity when building a socially responsible brand, European business review, vol. 18, no. 5, pp. 340-349.
- Stakeholders engagement, https://www.bsr.org/reports/BSR_Five-Step_Guide_to_Stakeholder_Engagement.pdf
- Stakeholders mapping, https://www.bsr.org/reports/BSR_Stakeholder_Engagement_Stakeholder_Mapping.final.pdf

3.1.5 Quiz

Self-evaluation Quiz

-
1. CSR is a company's contribution to sustainability (select the most suitable option)
 - a. TRUE

-
- b. FALSE
- c. I'm not quite sure, yet
2. Which concerns does CSR address? (select the most suitable option)?
- a. Social & Environmental
- b. Moral & Ethical
- c. Legal & Regular
- d. Monetary & Profit
3. Which of the following stakeholders are interested in CSR? (select the most suitable option)
- a. Customers & communities
- b. Investors & special interest groups
- c. Employees
- d. Suppliers
- e. All of the above
4. Corporate social responsibility implies that harm to people and society should be acknowledged and corrected if possible. (select the most suitable option)
- a. True
- b. False
5. In corporate social responsibility, who organization should be engaged with? (select the most suitable option)
- a. Stockholders
- b. Stakeholders
- c. General public
6. Primary stakeholders are: (select the most suitable option)
- a. Individual or groups directly affected by the decisions of the organization
- b. Individual or groups indirectly affected by the decisions of the organization
- c. Individual or groups who can affect what the organization does
7. What are the main phases of stakeholders mapping? (select the most suitable option)
- a. Identifying, Understanding, Scheduling and Implementing.
- b. Identifying, Analysing, Mapping and Prioritising.
- c. Identifying, Analysing, Mapping and Implementing

Unit 3.2 Fundamentals of corporate social responsibility (CSR)

3.2.1 Introduction

One of the impact of globalization refers to the fact that companies must redefine their approach towards their way of doing business and demonstrate that they are able to develop and implement sustainable and transparent business models and in order to do this, organizations need to understand their role and responsibilities towards all stakeholders.

3.2.2 Short description

Knowledge	Skills	Competencies
<i>At the end of this unit the in-company trainer will:</i>	<i>At the end of this unit the in-company trainer will be able to:</i>	<i>At the end of this unit, the in-company trainer will have acquired the responsibility and autonomy to:</i>
<ul style="list-style-type: none"> • Understand the concept of corporate social responsibility: definition, theoretical perspectives and historical review; • Describe the principle and limits of CSR; • Describe corporate social responsibility as a value-creating activity. Triple Bottom Line (People, Planet, Profit). 	<ul style="list-style-type: none"> • Formulate a clearer understanding of global sustainability and corporate social responsibility issues. • Explain the main principles of CSR. 	<ul style="list-style-type: none"> • -Use the CSR issues in the context of business sustainability; • Design CSR as a value-creating activity.

3.2.3 Content unit

Topic 3.2.3.1 Definition and historical evolution of CSR

CSR Definition

Much of the early emphasis on developing the CSR concept began in scholarly or academic circles. From a scholarly perspective, most of the early definitions of CSR and initial conceptual work about what it means in theory and in practice was begun in the 1960s by such writers as Keith Davis, Joseph McGuire, Adolph Berle, William Frederick, and Clarence Walton (Carroll 1999). Its' evolving refinements and applications came later, especially after

the important social movements of the 1960s, particularly the civil rights movement, consumer movement, environmental movement and women's movements.

Dozens of definitions of corporate social responsibility have arisen since then. In one study published in 2006, Dahlsrud identified and analyzed 37 different definitions of CSR and his study did not capture all of them (Dahlsrud 2006).

The evolution of the definition is sync with the development of the business environment and many of the early definitions of CSR were rather general. For example, in the 1960s CSR was defined as "*seriously considering the impact of the company's actions on society.*" Another early definition of CSR states that: "*Social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society along with their own interests*" (Davis 1975, quoted by Carroll, 2016).

In general, CSR has typically been understood as policies and practices that business people employ to be sure that society, or stakeholders, other than business owners, are considered and protected in their strategies and operations.

Some definitions of CSR have argued that an action must be purely voluntary to be considered socially responsible; others have argued that it embraces legal compliance as well; still others have argued that ethics is a part of CSR; virtually all definitions incorporate business giving or corporate philanthropy as a part of CSR and many observers equate CSR with philanthropy only and do not factor in these other categories of responsibility¹².

The EU (2011) defines CSR as: "the responsibility of enterprises for their impacts on society" and states that enterprises should have "a process in place to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close co-operation with stakeholders", whilst complying with legislation¹³.

The World Business Council for Sustainable Development defines CSR as 'the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force'¹⁴.

In Votaw's opinion: "CSR means something, but not always the same for everyone"¹⁵.

¹² Carroll, A.B. (2016). Carroll's pyramid of CSR: taking another look. *International Journal of Corporate Social Responsibility*, 1:3.

¹³ European Commission 2011, MEMO/11/730
https://europa.eu/rapid/press-release_MEMO-11-730_en.htm

¹⁴ Micheal, B. (2003): "Corporate Social Responsibility in International Development: An Overview and Critique" *Corporate Social Responsibility Environmental Management*, Vol 10(3), pp 115-128

¹⁵ Garriga E., Mele D., (2004), Corporate Social Responsibility Theories: Mapping the Territory, *Journal of Business Ethics*, 53, 51–71.

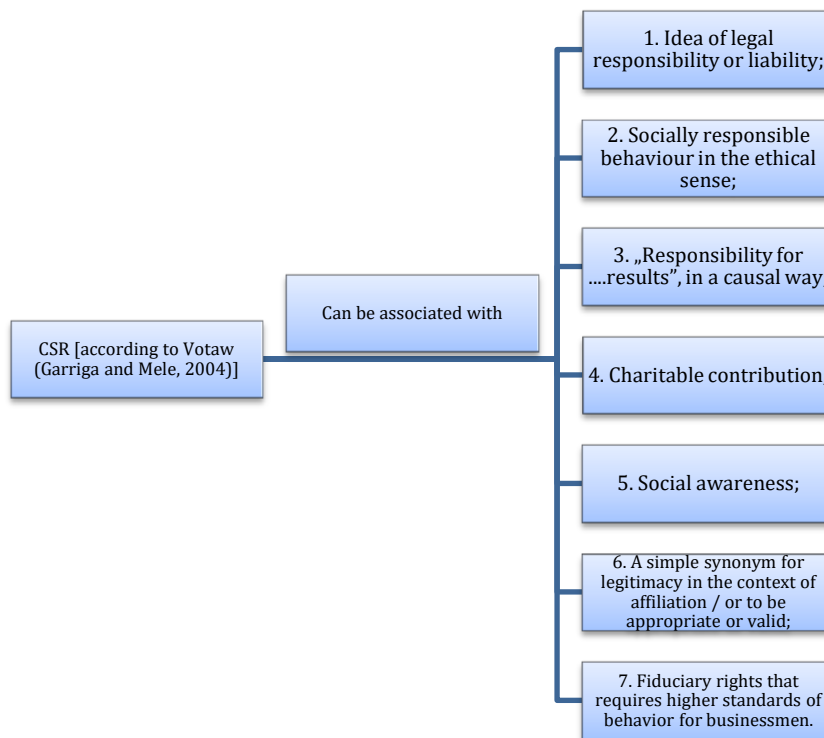


Figure 3. CSR perspective according to Garriga and Mele (2004)

Carroll, one of the most prestigious scholars in this discipline, characterized the CSR situation as “an eclectic field with loose boundaries, multiple memberships, and differing training/ perspectives; broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary”¹⁶.

Historical evolution of CSR

The need for social responsibility among businesses is not a new concept. Ancient Chinese, Egyptian, and Sumerian writings often delineated rules for commerce to facilitate trade and ensure that the wider public’s interests were considered. Ever since public concern about the interaction between business and society has grown in proportion to the growth of corporate activity¹⁷.

The modern era of CSR, or social responsibility as it was often called, is most appropriately marked by the publication by Howard R. Bowen of his landmark book *Social Responsibilities of the Businessman* in 1953. Since then there has been a shift in terminology from the social responsibility of business to CSR.

¹⁶ Carroll, A. B.: 1994, ‘Social Issues in Management Research’, *Business and Society* 33(1), 5–25.

¹⁷ William B. Werther, Jr., David Chandler B. (2011) *Strategic corporate social responsibility: stakeholders in a global environment* 2nd ed., pp. 9-13

Additionally, this field has grown significantly and today contains a great proliferation of theories, approaches and terminologies. Society and business, social issues management, public policy and business, stakeholder management, corporate accountability are just some of the terms used to describe the phenomena related to corporate responsibility in society¹⁸.

The main stages of CSR, as presented by Visser¹⁹ (2011) are:

- **Defensive CSR** in which all corporate sustainability and responsibility practices – which are typically limited - are undertaken only if and when it can be shown that shareholder value will be protected as a result.
- **Charitable CSR** in the Age of Philanthropy is where a company supports various social and environmental causes through donations and sponsorships, typically administered through a Foundation, Trust or Chairman’s Fund and aimed at empowering community groups or civil society organisations.
- **Promotional CSR** in the Age of Misdirection is what happens when corporate sustainability and responsibility is seen mainly as a public relations opportunity to enhance the brand, image and reputation of the company. Promotional CSR may draw on the practices of Charitable and Strategic CSR and turn them into PR spin, which is often characterised as ‘greenwash’.
- **Strategic CSR**, emerging from the Age of Management, means relating CSR activities to the company’s core business (e.g. Coca-Cola and water management), often through adherence to CSR codes and implementation of social and environmental management systems, which typically involve cycles of CSR policy development, goal and target setting, program implementation, auditing and reporting.
- **Systemic CSR** in the Age of Responsibility focuses its activities on identifying and tackling the root causes of our present unsustainability and irresponsibility, typically through innovating business models, revolutionising their processes, products and services and lobbying for progressive national and international policies. Systemic CSR – which is also referred to as CSR 2.0 – is based on five principles: Creativity, Scalability, Responsiveness, Glocality and Circularity. These hold the key to making change happen, at a societal, organisational and individual level, and ensuring that we can all make a difference.

There are several important actors involved in CSR initiatives at the European and international level, developing various frameworks, regulatory guides, or even supporting

¹⁸ Garriga E., Mele D., (2004), Corporate Social Responsibility Theories: Mapping the Territory, Journal of Business Ethics, 53, 51–71.

¹⁹ Wayne Visser. "CSR 2.0: from the age of greed to the age of responsibility" In Reframing Corporate Social Responsibility: Lessons from the Global Financial Crisis

organizations that intend to implement socially responsible activities; the most relevant initiatives are listed in the table below²⁰:

Historical evolution of CSR	
1976	The OECD adopted Guidelines for Multinational Enterprises which provide voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information, disclosure, combating bribery, consumer interests, science and technology, competition and taxation.
1993	The origins of the EU's approach to CSR/SR stem from the Commission's White Paper in 1993 on growth and employment.
1993	The European Environment and Sustainable Development Advisory Councils (EEAC) - a unique collaboration between the advisory councils for environmental policy and sustainable development. It was set up by European governments with the purpose of providing independent, scientifically based consultancy regarding the environmental and sustainable development. Today, over 26 councils from 16 European countries are members of the network.
1995	The establishment of the World Business Council, an international business network set up with the aim to develop closer co-operation between businesses, government and other organizations concerned with the environment and sustainable development
1996	The European Business Network for Social Cohesion (EBNSC) was launched and it became CSR Europe in 2000. CSR Europe is a business network today consisting of more than 70 leading multinational corporations as direct members and of further 3.000 companies. It aims to help companies achieve profitability, sustainable growth and human progress by placing corporate social responsibility in the mainstream of business practice
1997	The OECD Anti-Bribery Convention is launched which establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions, providing related measures that make this effective.
2000	The Presidency Conclusions of the European Council made for the first time "a special appeal to companies' corporate sense of social responsibility".
2001	The European Commission published a Green Paper on "Promoting a European Framework for Corporate Social Responsibility" on the basis of which a Communication was proposed in 2002, focusing on increasing knowledge about the positive impact of CSR/SR on business and societies in Europe and abroad, in particular in developing countries and on the development of the exchange of experience and Good Practice on CSR/SR between enterprises.
2002	The establishment of a Multi-Stakeholder Forum, chaired by the European Commission and consisting of organizations of employers, business networks, trade unions and civil society representatives, aimed to support CSR/SR practices, promote innovation, convergence, transparency and tools through improving knowledge and exploring possibilities for establishing common guiding principles at EU level.
2003	European Council Resolution of 6 February 2003 on Corporate Social Responsibility (2003/C 39/02)

²⁰ Anca C., Aston J., Stanciu E., Rusu D., (2011), (Corporate) Social Responsibility in Romania, Report prepared as part of the project "Strengthening the capacity of the Romanian companies to develop social partnerships-CSR", Project co-financed by the European Social Fund, Human Resources Development Operational Program 2007–2013.

2005	DG Enterprise implemented the “Responsible Entrepreneurship” project, which identified case studies from SMEs across Europe as well as the “Mainstreaming CSR among SMEs”.
2005	Integrated Guidelines for Growth and jobs (2005 – 2008) – Communication from the European Council aligned with the re-launch of the Lisbon treaty and with a focus on growth and employment in Europe. European Council recommended to member states to encourage enterprises towards engaging in social responsibility.
2006	The EU Strategy for Sustainable Development takes into account the situation of an enlarged EU and pinpoints the importance of creating sustainable communities able to efficiently manage and use resources and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion to improve present and future quality of life.
2007	DG Enterprise and Industry issued the European Responsible Entrepreneurship Bulletin (first issue: 1st quarter 2007) which is a quarterly e-newsletter aiming to exchange information and ideas about responsible entrepreneurship, corporate social responsibility and small and medium-sized enterprises.
2009	The Commission adopted the 2009 Review of EU Sustainable Development Strategy. The document underlines that in recent years the EU has mainstreamed sustainable development into a broad range of its policies. In particular, the EU has taken the lead in the fight against climate change and the promotion of a low-carbon economy.
2009	The Treaty of Lisbon came into force, providing the EU with the legal framework and tools necessary to meet future challenges and to respond to citizens' demands. The Treaty concerns: a more democratic and transparent Europe; a more efficient Europe; a Europe of rights and values, freedom, solidarity and security; Europe as an actor on the global stage.
2010	Launching the international standard ISO 26000 - Social Responsibility
2011	On the 25th October, the European Commission launched its new Communication on CSR for the period 2011-2014. The renewed Communication aims to strengthen EU global leadership on CSR/SR by implementing an intensive Agenda for Action with around 30 proposals for CSR/SR commitments.
2016	The EU Commission released the Communication Next steps for a sustainable European future. European action for sustainability

Topic 3.2.3.2 Principles and Limits of CSR

According to Aras & Crowther²¹ due to the uncertainty surrounding the nature of the CSR activities it is difficult to define CSR and to be certain about any specifics and so It is imperative to be able to identify the principles that CSR activities are based on.

Wood (1991) defined a principle as something fundamental that people believe is true or a basic value that motivates people to act, and identified three different principles of CSR: legitimacy, public responsibility, and managerial discretion²²:

- Legitimacy – Satisfying the Demands and Expectations of Society and Stakeholders

²¹ Aras G & Crowther D (2008); *The social obligation of corporations; Journal of Knowledge Globalisation 1 (1), 43-59*

²² Wood DJ. 1991. Corporate social performance Revisited. *Academy of Management Review 16(4): 691–718.*

- Public Responsibility – Expressing the Company’s ‘Legitimate Scope of Responsibility’
- Managerial Discretion – Doing ‘What is Right’

The principles of CSR state that corporations are responsible to carry out those activities that society in general and specific stakeholders demand and expect of them. As such, the CSR principles are inherently relativistic: they do not state any specific action that corporations and their managers are always responsible to perform. The actual content of CSR is dependent upon both time and place, i.e., what society currently defines as their societal responsibility²³.

According to ISO 26000, the principles of social responsibility are: (1) accountability, (2) transparency, (3) ethical behavior, (4) respect for stakeholder interests, (5) respect for the rule of law, (6) respect for international norms of behavior and (7) respect for human rights²⁴.

Accountability - an organization should be accountable for its impacts on society, the economy and the environment. Accountability involves an obligation on management to be answerable to the controlling interests of the organization and on the organization to be answerable to legal authorities with regard to laws and regulations. An organization should account for:

- the impacts of its decisions and activities on society, the environment and the economy, especially significant negative consequences; and
- the actions taken to prevent repetition of unintended and unforeseen negative impacts.

Transparency - an organization should be transparent in its decisions and activities that impact on society and the environment. An organization should disclose in a clear, accurate and complete manner, and to a reasonable and sufficient degree, the policies, decisions and activities for which it is responsible. This information should be readily available, directly accessible and understandable to those who have been, or may be, affected in significant ways by the organization.

An organization should be transparent regarding, among other things:

- standards and criteria against which the organization evaluates its own performance relating to social responsibility;
- its performance on relevant and significant issues of social responsibility;
- the known and likely impacts of its decisions and activities on its stakeholders, society, the economy and the environment; and

²³ Blindheim BT. 2008. Corporate social responsibility: the economic and institutional responsibility of business in society. In Arctic Oil and Gas – Sustainability at Risk? Mikkelsen A, Langhelle O (eds.) Routledge: London and New York; 57–86.

²⁴ ISO 26000 <https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100418.pdf>

- its stakeholders and the criteria and procedures used to identify, select and engage them.

Ethical behaviour - an organization should behave ethically. An organization's behaviour should be based on the values of honesty, equity and integrity. These values imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests.

Respect for the stakeholder interests - an organization should respect, consider and respond to the interests of its stakeholders. An organization should, for example:

- identify its stakeholders,
- assess and take into account the relative ability of stakeholders to contact, engage with and influence the organization,
- consider the views of stakeholders whose interests are likely to be affected by a decision or activity even if they have no formal role in the governance of the organization or are unaware of these interests.

Respect for rule of law - an organization should accept that respect for the rule of law is mandatory. The rule of law refers to the supremacy of law and, in particular, to the idea that no individual or organization stands above the law and that government is also subject to the law.

Respect for international norms of behavior - an organization should respect international norms of behavior, while adhering to the principle of respect for the rule of law.

Respect for human rights - an organization should respect human rights and recognize both their importance and their universality.

An organization should, for example:

- in situations where human rights are not protected, take steps to respect human rights and avoid taking advantage of these situations; and
- in situations where the law or its implementation does not provide for adequate protection of human rights, adhere to the principle of respect for international norms of behaviour.

Although there are seemingly endless amounts of advantages stemming from corporate social responsibility activities, there are also some disadvantages, mainly due to the fact that CSR demands time and resource consumption that may be difficult for companies to allocate²⁵. Even when it comes to larger companies, the costs implied by corporate social responsibility activities can be seen as an obstacle and some critic voices believe that CSR can be an exercise in futility, as, in their opinions, a company's management has a fiduciary

²⁵ Ahmad Ahmadian, Shahrzad Khosrowpour., "Corporate Social Responsibility: Past, Present, And Success Strategy For The Future", Journal of Service Science, Volume 10, Issue 1, November 2017: 1-12

obligation to its shareholders, and implementing CSR directly opposes this, as the managers' obligations toward shareholders is to maximize profits, while CSR implementation requires resources. This view led Nobel-Prize winning economist Milton Friedman to write a classic article with the title: "The Social Responsibility of Business is to Increase Its Profits."

Topic 3.2.3.3 Triple Bottom Line (TBL)

Most of CSR theories admit that the foundation of the idea is the Triple Bottom Line (TBL) concept that was introduced in 1987 in Brundtland Commission. The TBL concept states that in order for a company to be considered truly sustainable, it should be responsible for three features: Profit, People and Planet, that is economic, social and environmental responsibility. In the simplest terms, the TBL agenda focuses corporations not just on the economic value that they add, but also on the environmental and social value that they add – or destroy.

Profit is a mandatory requirement, thanks to which a company has a possibility to further develop. Hopefully profit leads also to certain measures committed to responsible behaviour. However, the economic part of CSR is not only about making profit, the most important task is to use it well²⁶. Uddin et al. argue that the economic dimension of CSR has more to do with direct and indirect economic impingement of company's activity on local community and other stakeholders²⁷. Socially responsible enterprises are more likely to be profitable in the long term. The main aspects of economic responsibility refer to:

- The multiplier effect - that is especially far-reaching when a significant amount of people in the area work for that company - the higher the economic performance of the company, the higher the salaries, which are spent on products and taxes.
- Taxes - the higher the profit, the higher value of taxes paid to the government, which can be spend it on initiatives benefiting the entire community.
- Avoiding actions that damage trust.

People are the most important resource of a company and organizations need to identify and engage all relevant stakeholders as social responsibility covers all the people affected by a company or those who affect it. Aspects of social responsibility:

- Responsibility towards Customers
- Responsibility towards Employees
- Responsibility towards Community

Real case example: Global framework agreement from IndustriALL Golbal Union

²⁶ Książak, Paulina & Fischbach, Barbara. (2018). Triple Bottom Line: The Pillars of CSR. Journal of Corporate Responsibility and Leadership. 4. 95. 10.12775/JCRL.2017.018.

²⁷ Uddin, M.B., Hassan, M.R., Tarique, K.M. (2008), "Three Dimensional Aspects of Corporate Social Responsibility", Daffodil International University Journal of Business and Economics, Vol. 3, No. 1, pp. 199–212.

Scope	#Social #human rights #Supply Chain #Alliances #Trade Union #Brands
Value added	<p>In this case we show how the trades union are able to create value.</p> <p>The IndustriALL Global Union (International Trade Union) create alliances to care about the supply chain workers: The global framework agreement (GFA). The GFA protect 1 million people from one of the biggest textile supply chain in order to safe the human rights and to monitor working conditions in countries in which there is not legislation and high risk of no compliance with the right humans, health and safe conditions.</p> <p>Source of information: Web site Industriall – Textile Global framework. Nov 2019</p>
More information	http://www.industriall-union.org/special-report-inditex-and-industriall-global-union-getting-results-from-a-global-framework

Planet is the habitat for the company and the people. If large corporations pollute the environment with their actions and drive the planet to destruction, they will be equally affected by their action. Irresponsible usage of natural resources, producing waste or emission of polluting by-products are the dominant negative impacts of corporations on the environment. Therefore, the least those companies can do is to minimize or eliminate the detrimental environmental impact²⁸ (Gupta, 2011). Aspects of environmental responsibility:

- Environmental Impact
- The Win Win of Environmental Responsibility

Real case example: Fashion Pact.

Scope	#Manifesto #Alliance #Brands
Value added	<p>Pact to decrease impacts of textile sector in environmental issues.</p> <p>In August 2019 32 global fashion and textile companies have signed a Fashion Pact. They have committed to achieving practical objectives together in three areas: climate, biodiversity and oceans.</p>

²⁸ Gupta, A. (2011), "Triple Bottom Line (TBL a" 3BL)", SAMVAD International Journal of Management, Vol. 2, pp. 71–77.

	<div style="text-align: center;">   </div> <p>Source of information and image: Web site Kering – Fashion Pact. Nov 2019</p>
<p>More information</p>	<p>https://www.kering.com/en/news/32-leading-global-fashion-and-textile-companies-make-commitments-on-climate-biodiversity-and-oceans</p>

The TBL is an accounting framework aimed at moving beyond traditional profit measures or reporting corporate performance to incorporate social and environmental measures. The major challenge is that while economic performance is easily measured, environmental and social performances are not easily quantifiable in these terms.

Real case example: TOMS, people & planet approach

<p>Scope</p>	<p>#CSR #People&Planet #Brand</p>
<p>Value added</p>	<p>TOMS crafts shoes from sustainable and vegan materials such as hemp and organic cotton. All TOMS shoe boxes are comprised of 80 percent recycled post-consumer waste, and they are printed with soy ink. While environmental impact is an important consideration at TOMS, having a positive social impact is fundamental to the company’s mission. TOMS’ business hinges on its “One for One Movement,” in which the company matches every pair of shoes purchased by a customer with a new pair of shoes for a child in need.</p> <p>Source of information: Web site TOMS. Nov 2019</p>
<p>More information</p>	<p>https://stories.toms.com/</p>

Most of CSR theories admit that the foundation of the idea is the Triple Bottom Line (TBL) concept that was introduced in 1987 in Brundtland Commission.

Businesses, non-profits and government entities alike can all use the TBL. The application of the TBL by businesses, non-profits and governments are motivated by the principles of economic, environmental and social sustainability, but differ concerning the way they measure the three categories of outcomes. Companies which have developed and applied sustainability assessment frameworks like the TBL encountered many challenges, among them, how to make an index that is both comprehensive and meaningful and how to identify suitable data for the variables that compose the index. There is no universal standard method for calculating the TBL. Neither is there a universally accepted standard for the measures that comprise each of the three TBL categories. This can be viewed as a strength because it allows a user to adapt the general framework to the needs of different entities (businesses or non-profits), various projects or policies (infrastructure investment or educational programs), or different geographic boundaries (a city, region or country).

3.2.4 Suggested reading

- Carroll, A. B. (2008). A history of corporate social responsibility: concepts and practices. In A. M. Andrew Crane, D. Matten, J. Moon, & D. Siegel (Eds.), *The Oxford handbook of corporate social responsibility* (pp. 19–46). New York: Oxford University Press.
- Carroll Archie B. and Kareem M. Shabana (2010), *The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice*, *International Journal of Management Reviews*
- Fabrizio Mosca, Chiara Civera, *The Evolution of CSR: An Integrated Approach*, *SYMPHONYA Emerging Issues in Management*, n. 1, 2017
- Painter-Morland, M. (2006). Triple bottom-line reporting as social grammar: integrating corporate social responsibility and corporate codes of conduct. *Business Ethics: A European Review*, 15(4), 352–364.
- *CSR Strategies That Deliver on the Triple Bottom Line*
- <https://www.adp.com/spark/articles/2016/11/csr-strategies-that-deliver-on-the-triple-bottom-line.aspx>
- John Elkington (2017) – *Enter the Triple Bottom Line*
<http://www.johnelkington.com/archive/TBL-elkington-chapter.pdf>

3.2.5 Quiz

Self-evaluation Quiz

1. Which are the main principles of CSR, according to Wood (1991)? (select the most suitable option)
 - a. Legitimacy, Public Relations, managerial Decisions.
 - b. Legitimacy, Trust, Managerial Discretion.
 - c. Legitimacy, Public Responsibility, Managerial Discretion
2. Corporate Social Responsibility & Sustainability can be a platform for companies and brands to? (select all that apply)
 - a. Drive innovation and growth
 - b. Differentiate
 - c. Enhance reputation
 - d. Improve consumer loyalty
 - e. Optimize performance and efficiencies
 - f. Attract talented employees
 - g. Enhance employee morale and productivity
 - h. Minimize business risk
3. Which of the following are arguments against corporate social responsibility? (select the most suitable option)
 - a. Lowers economic efficiency and profits.
 - b. Imposes unequal costs among competitors
 - c. Requires social skills business may lack
 - d. All of the above are arguments against corporate social responsibility
4. The Triple Bottom Line concept refers to: (select the most suitable option)
 - a. Profit, People and Planet
 - b. Profit, Processes and People
 - c. People, Processes and Place
 - d. Product, Price, Processes.

Unit 3.3 Organizational culture and CSR

3.3.1 Introduction

Businesses are an integral part of the communities in which they operate and managers know that their long-term success is based on continued good relations with a wide range of individuals, groups and institutions. Smart companies know that business can't succeed in societies that are failing—whether this is due to social or environmental challenges, or governance problems.

3.3.2 Short description

Knowledge	Skills	Competencies
<i>At the end of this unit the in-company trainer will:</i>	<i>At the end of this unit the in-company trainer will be able to:</i>	<i>At the end of this unit, the in-company trainer will have acquired the responsibility and autonomy to:</i>
<ul style="list-style-type: none"> • Define organizational culture and understand the correlations between organizational culture and CSR; • Discuss Corporate social responsibility initiatives; • Describe the institutionalization of CSR; • Relate Professional Role and Obligations. 	<ul style="list-style-type: none"> • Develop and improve skills in designing and implementing corporate social responsibility programs; • Summarise the level of commitment to CSR of various organisations and explain how it can be a source of competitive advantage. • Explain the connections between corporate strategy and CSR and the impact on foundational organisational principles such as mission and vision 	<ul style="list-style-type: none"> • Apply ethics, instruments and initiatives of CSR in the organisation;

3.3.3 Content unit

Topic 3.3.3.1 Organizational culture and CSR

When individuals form groups, they become communities or societies, and in turn develop a “culture” that both impacts and is impacted by the ways they behave, the things they value,

and the objects they produce and consume. Culture itself, can be defined as "the shared beliefs and values of a group. It is what people do, not just what they say."

In a business, the "pervasive values, norms, and attitudes is called the culture of the organization"²⁹

Newstrom and Davis explain organizational culture as "the set of assumptions, beliefs, values, and norms that are shared by an organization's members"³⁰. The organizational culture sets the tone for the work environment, and how employees interact with each other and even those outside the company. A number of factors contribute to the creation and continuity of organizational culture, including things controlled by the company, forces outside the company's control (such as social/national culture), and the basic personal characteristics of individuals within the corporation. Organizational culture is a dynamic system that can be affected by virtually everything occurring within and outside the organization.

Organizational culture is not necessarily a set of written rules, although corporate visions and philosophies, visions, mission statements, and business strategies and goals contribute to the overall tenor of an organization's culture. Newstrom and Davis point out that "the philosophy (model) of organizational behaviour held by management consists of an integrated set of assumptions and beliefs about the way things are, the purpose for these activities, and the way they should be". The fundamental philosophy of an organization can be a strong driver of the overall culture that is created and maintained, so one way to connect organizational culture and CSR is by considering CSR programs as an object of an organization's culture. CSR programs are one way that an organization communicates and transfers knowledge, attitudes, and experience.

When observing organisational culture, the theory mainly focuses on internal corporate stakeholders (managers and employees), while the CSR issues need a much broader approach, because in practice corporations receive pressure to engage in CSR programs from inside and outside the organization based on the organizational culture that exists for both employees and consumers.

Organisational culture reflects the personality or the feel of the company through entrenched values, beliefs and assumptions³¹. These are espoused and manifested through employee behaviours and decision-making, besides, they define the proclivity and ability of a company to conduct business operations either responsibly or irresponsibly^{32,33}. Therefore,

²⁹ Timm, Paul R., and Peterson, Brent D. (2000) *People at Work: Human Behavior in Organizations*. Cincinnati: Southwestern-College Publishing, p. 106.

³⁰ Newstrom, John W., and Davis, Keith.(1997) *Organizational Behavior: Human Behavior at Work*. Boston: McGraw-Hill, p. 102.

³¹ Galbreath, J. (2010). Drivers of Corporate Social Responsibility: the Role of Formal Strategic Planning and Firm Culture. *British Journal of Management*, 21(2), pp 511–525

³² Kalyar, M. N., Rafi, N. & Kalyar, A. N. (2013). Factors affecting corporate social responsibility: An empirical study. *Systems Research and Behavioral Science*, 30(4), pp 495–505.

the orientation of the organizational culture influences the company's tendency towards CSR and sustainability³⁴.

Corporate values play critical roles as prerequisites for proactive CSR. In order to improve organizational fit, a CSR program must align with the values, norms, and mission of the organization³⁵, which demands awareness and understanding of the organization's vision and values and their relationships to the organization's core business practices. In turn, it becomes particularly relevant to recognize the organizational values and norms that likely have implications for CSR, since they guide behaviours and decisions within the organization.

Furthermore, by articulating corporate values and embedding them in management practices, organizations may hope to "reinforce behaviours that benefit the company and communities inside and outside the firm, and which in turn strengthen the institution's values"³⁶. In order to define or redefine corporate values, organizations might consider existing credos, corporate charters, mission statements, reports, web sites, and other documents³⁷.

Lyon emphasizes that to incorporate CSR into long-term strategies and decision-making criteria, organizations must transition from a target-driven to a value-driven culture³⁸. Thus, organizations must build on their corporate values to create an organizational culture that is receptive to change and can sustain a CSR strategy over the long run.

Plus, employees play a central role in the implementation process of CSR strategies and in order to motivate and engage them it is crucial that they know as much as possible about the company's way of handling the implementation process. They should know about the approach to CSR, background of why adapting it, its relevance to the organization, progresses and other implications.

According to Hohnen (2007) there are different ways to increase employees' commitment to the implementation process³⁹:

³³ Melo, T. (2012). Determinants of corporate social performance: the influence of organizational culture, management tenure and financial performance. *Social Responsibility Journal*, 8(1), pp 33–47.

³⁴ Kalyar, M. N., Rafi, N. & Kalyar, A. N. (2013). Factors affecting corporate social responsibility: An empirical study. *Systems Research and Behavioral Science*, 30(4), pp 495–505.

³⁵ Maignan, I., O. C. Ferrell and L. Ferrell: 2005, 'A Stakeholder Model for Implementing Social Responsibility in Marketing', *European Journal of Marketing* 39(9/10), 956–977.

³⁶ Van Lee, R., L. Fabish and N. McGaw: 2004, 'The Value of Corporate Values', *Strategy + Business* 39(Spring), 1–14.

³⁷ Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87, 71–89.

³⁸ Lyon, D.: 2004, 'How can You Help Organizations Change to Meet the Corporate Responsibility Agenda?', *Corporate Social Responsibility and Environmental Management* 11(3), 133–139.

³⁹ Hohnen, P. (2007) *Corporate Social Responsibility – An implementation Guide for Business*. International Institute for Sustainable Development.

- Incorporating CSR performance elements into job descriptions and performance evaluations;
- Providing regular updates on progress (in meetings or the company newsletter)
- Developing incentives (such as monetary and other rewards for best suggestions)
- Removing or reducing disincentives (e.g., competing interests such as premature deadlines that encourage employees to choose non-CSR options)
- Offering incentives and recognition for good ideas.

Topic 3.3.3.2 CSR Initiatives

Corporate social responsibility (CSR) initiatives are discrete undertakings, intended to improve societal welfare and being supported by corporate resources (e.g., money, labour)⁴⁰.

Lynes & Andrachuk (2008) propose a model that allows to explain how a company interprets and processes motivations, derived from various influences and subsequently makes decisions about its CSR commitments. Their model consists of four influence levels⁴¹:

- Systems of influence (including the market system, the political-institutional system, the scientific and social systems);
- Motivations (e.g. image enhancement, stakeholder pressures, international comparative advantage), globalization is generating intensified market pressures for addressing environmental concerns. In some cases these pressures have resulted in the adoption of firm-based global environmental standards that exceed existing country-based environmental regulations.
- Catalysts, that shape influences (such as the financial position of a firm, or internal leadership).
- The level of commitment of the firm.

The actions that create added value and contribute to CSR are very diverse and companies also tend to choose their CSR activities according to their stakeholders to maximise their benefits^{42,43}. Fair employee compensation, employee safety, green production practices, policies, declarations against animal testing, creating codes of conduct for cooperating

⁴⁰ Bhattacharya C B & Sen S (2004); *Doing Better at Doing Good: when, why and how consumers respond to corporate social initiatives*. *California Management Review*, 47(1): 9-24

⁴¹ Lynes, J.K. & Andrachuk, M. 2008. Motivations for corporate social and environmental responsibility: a case study of Scandinavian Airlines. *Journal of International Management* 14: 377-390.

⁴² Spiller, R. (2000). Ethical business and investment: A model for business and society. *Journal Of Business Ethics*, 27(1-2), pp 149–160 - <https://link.springer.com/content/pdf/10.1023%2FA%3A1006445915026.pdf>

⁴³ Lamberti, L. & Lettieri, E. (2009). CSR Practices and Corporate Strategy: Evidence from a Longitudinal Case Study. *Journal of Business Ethics*, 87(2), pp 153–168 - https://www.researchgate.net/publication/226961149_CSR_Practices_and_Corporate_Strategy_Evidence_from_a_Longitudinal_Case_Study

partners, philanthropy and anti-corruption practices are amongst the diverse set of CSR actions⁴⁴.

The World Business Council for Sustainable Development has described CSR as the business contribution to sustainable economic development.

Building on a base of compliance with legislation and regulations, CSR typically includes “beyond law” commitments and activities pertaining to:

- corporate governance and ethics;
- health and safety;
- environmental stewardship;
- human rights (including core labour rights);
- sustainable development;
- conditions of work (including safety and health, hours of work, wages);
- industrial relations;
- community involvement, development and investment;
- involvement of and respect for diverse cultures and disadvantaged peoples;
- corporate philanthropy and employee volunteering;
- customer satisfaction and adherence to principles of fair competition;
- anti-bribery and anti-corruption measures;
- accountability, transparency and performance reporting; and
- supplier relations, for both domestic and international supply chains⁴⁵.

These actions are regularly communicated and represented in annual CSR reports and on company websites⁴⁶.

Topic 3.3.3.3 Institutionalism of CSR and Ethics

Corporate social responsibility strategy development and implementation could be considered an organizational change process or as a new way of organizing and working⁴⁷. Its aim is to align the organization with the dynamic demands of the business and social environment by identifying and managing stakeholder expectations.

⁴⁴ Malik, M. (2014). Value-Enhancing Capabilities of CSR: A Brief Review of Contemporary Literature. *Journal of Business Ethics*, 127(2), pp 419–438 - <https://link.springer.com/article/10.1007/s10551-014-2051-9>

⁴⁵ Hohnen, P. (2007) Corporate Social Responsibility – An implementation Guide for Business. International Institute for Sustainable Development.

⁴⁶ Belz, F.-M. & Peattie, K. (2012). Sustainability Marketing: A Global Perspective. 2 edition. Wiley, Chichester.

⁴⁷ Dawson, P. 2003. Understanding Organisational Change: Contemporary Experience of People at Work. London: Sage Publications.

Once with the introduction of any new initiatives in an organisation, the question is how to keep the rhythm. Consequently, the risk that an initiative that began with enthusiasm may not have continuity in the organisation exists, especially in this currently flexible context⁴⁸. In order to be sustainable, CSR practices must be effectively integrated (institutionalised) into organisations. Therefore, these practices must (1) be seen as a constituent part of the organisational culture, (2) be a part of the organisation's long-term strategy, and (3) be assimilated to the decision-making process within the organisations.

The literature lists four driving forces for companies to initiate a CSR process:

- CSR as an instrument for damage and risk control and for reputational management;
- CSR as a business opportunity;
- CSR as a product of the vision of an ethically motivated leader;
- CSR as a product of a company's core values⁴⁹.

The first stage of CSR institutionalisation is to translate the values, vision or policy statement of an organisation in commitments, expectations, and guidelines (e.g., code of business conduct and code of ethics). General organisational objectives can thus be developed with setting targets and performance indicators⁵⁰.

It is also essential to develop a structure that clearly allows the CSR integration, by defining the responsibilities associated with CSR. For example, it is necessary⁵¹:

- to appoint the responsible person or the responsible committee for implementing CSR;
- to improve interoperable coordination;
- to introduce CSR responsibilities into the job descriptions;
- to integrate criteria related to CSR at the level of performance assessing process regarding human resources;
- to recruit people with knowledge about CSR and with the appropriate skills and competencies;
- to develop a regulatory mechanism to share problems;
- to increase knowledge (associated with CSR) at the organizational level;
- to stimulate new ideas;

⁴⁸ Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87, 71–89.

⁴⁹ Hugé, J., & Waas, T. (2011, November). Corporate social responsibility for sustainable development – reflections on theory, practice and on the role of government. *Steunpunt Beleidsrelevant Onderzoek 2007-2011*, 12-13.

⁵⁰ Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87, 71–89.

⁵¹ Idem

- to increase the visibility of the organization.

Real case example: Patagonia's

Scope	#Brand #Environment
Value added	<p>Trading since 1973, Patagonia effectively functions as a family business (they are still owned by their co-founders Yvon and Malinda Chouinard). For most of the firm's existence, they have been at the leading edge of efforts to steer the clothing industry in a more sustainable direction. In 2014, in a seemingly counter-intuitive manner, Patagonia announced the dissolution of its sustainability department, the intention being, in the words of Patagonia CEO Rick Ridgeway, to "integrate innovative sustainability thinking, values and goals into every employee" by making sustainability the responsibility of <i>every</i> member of staff in <i>every</i> department of the business. By freeing corporate social responsibility from the confines of the CSR & sustainability department, Patagonia gets every employee involved in reducing the environmental footprint of the company.</p> <p>Source of information: Web site Patagonia. Nov 2019</p>
More information	<p>https://www.patagonia.com/the-activist-company.html</p>

3.3.4 Suggested readings

- Galbreath, J. (2010). Drivers of Corporate Social Responsibility: the Role of Formal Strategic Planning and Firm Culture. *British Journal of Management*, 21(2), pp 511–525 - <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1467-8551.2009.00633.x>
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- Aras G & Crowther D (2008); The social obligation of corporations; *Journal of Knowledge Globalisation* 1 (1), 43-59
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- Hohnen, P. (2007) *Corporate Social Responsibility – An implementation Guide for Business*. International Institute for Sustainable Development.

3.3.5 Quiz

Self-evaluation Quiz

-
1. The orientation of the organizational culture has a significant influence over the company's CSR activities. (select the most suitable option)

-
- a. True
 - b. False
2. The CSR activities are regularly communicated by companies through: (select all that apply)
 - a. Annual reports
 - b. Company website
 - c. Blogs
 - d. Social media pages
 3. The first stage of CSR institutionalisation consists in: (select the most suitable option)
 - a. Brainstorming for valuable CSR activities
 - b. Creating internal guidelines and codes of conduct
 - c. Developing organizational objectives
 - d. Setting specific targets and performance indicators
 4. Among the main responsibilities associated with CSR we have: (select all that apply)
 - a. Appointing the person or committee responsible for implementing CSR activities;
 - b. Improving team spirit
 - c. Brainstorming new CSR activities ideas
 - d. Developing new mechanisms and procedures to boost productivity
 5. Among the driving forces of the CSR initiation process the literature includes: (select all that apply)
 - a. CSR as a business opportunity
 - b. CSR as PR instrument
 - c. CSR as a way of attracting positive reviews online
 - d. CSR as a product of a company's core values

Unit 3.4 Implement and evaluate CSR

3.4.1 Introduction

CSR commitment has boosted over the latest years, and this has put a new light on CSR obligations and the way organizations work with these issues. Oftentimes, in practice there is a significant difference between CSR intentions and its actual implementation and this can

be explained by the fact that CSR is sometimes seen as necessity, and that it is complementary instead of fundamental to an organization's core strategy.

3.4.2 Short description

Knowledge	Skills	Competencies
<i>At the end of this unit the in-company trainer will:</i>	<i>At the end of this unit the in-company trainer will be able to:</i>	<i>At the end of this unit, the in-company trainer will have acquired the responsibility and autonomy to:</i>
<ul style="list-style-type: none"> • Explain the International standards used to define and implement CSR; • Describe how to measure CSR performance and how to assess the CSR. Reporting on CSR performance; • Understanding the concept of materiality in CSR and the CSR reporting process 	<ul style="list-style-type: none"> • Analyse the impact of CSR implementation on corporate culture, particularly as it relates to social issues; • Analyse the CSR performance in the organization. 	<ul style="list-style-type: none"> • Use International Standards to define and implement CSR; • Use the results of the CSR performance report to improve the organization responsibilities to customers and client and to create a competitive advantage.

3.4.3 Content unit

Topic 3.4.3.1 International standards in defining and implementing CSR


Business activities carried out by organizations are described, facilitated and limited by law. The legal compliance to minimum international standards associated with the environmental and labour protection represents the fundamental principle of CSR policies.

The Charter of International Labour ratified in April 1919 under the Paris Peace Pact clearly defines the principles regarding the rights and interests' protection of the employees. The International Labour Convention already reflected most of these principles. In 1944, the International Labour Organization ratified the Philadelphia Declaration (Philadelphia – SUA) redefining the objectives and principles of fighting for the rights and the interests of employees⁵².

⁵² Kai C., (2004), On Legal Nature of Corporate Social Responsibility, Right to Defence, and Corporate Social Responsibility (Dialogue Seminar), Beijing, China, 1-16.

National legislations and the international organizations have also raised and stressed the problem and the importance of organizations social responsibility⁵³ (Tully, 2005). Most developed in the world efforts on CSR are in Europe, mainly because of the strong regulations and campaigns.

Real case example: Euratex. CSR in sustainable supply chains.

Scope	#Sustainable Supply Chain #Alliances #Industrials
Value added	<p>EURATEX (Main industrial textile association in Europe) supports relevant business initiatives for due diligence and participates in the efforts of the European Institutions and international organisations, to improve sustainability and promote responsible business conducts in the European and global garment supply chain. Additionally, Euratex deepens in topics as: traceability, technical standards, Product Environmental foot print, CSR risk, chemical polity, circular economy, energy and climate change.</p>  <p>Source of information and image: Web site EURATEX. Nov 2019</p>
More information	https://euratex.eu/sustainable-businesses/sustainable-supply-chains/

Some of the most widely recognised and used international CSR instruments and initiatives, as well as some of the innovative national level approaches that have emerged are as follows:

- AA1000
- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines
- British Standard on Sustainability Management, BS 8900
- ISO 26000
- ISO 45001 - Occupational health and safety

The International Labour Organization has developed four core labour conventions that are widely viewed as the minimum standard for social responsibility. Based on these, codes of

⁵³ Tully S., (2005), International documents on corporate responsibility, Edward Elgar Publishing Limited, Cheltenham.

conduct have been developed to “help apparel retailers and brands acknowledge their responsibility to the workers in their supply chains”⁵⁴. Codes are frequently developed by the company themselves and outline basic workers’ rights and minimum standards and usually there are two general types of codes, voluntary and mandatory.

In May 2012, the United Nations Global Compact (UNGC) in collaboration with the Nordic Initiative Clean and Ethical (NICE) announced the launch of its first sectorial initiative, a code of conduct for the apparel industry. The code was developed to align with the UNGC’s ten principles but with additional content specific to the apparel industry (NICE, 2012).

While the developments of these codes are voluntary, their compliance by suppliers is mandatory for a few brands such Levi’s, H&M, Nike and Adidas.

Topic 3.4.3.2 CSR Implementation process

If CSR is to contribute to change a company’s modus operandi, it is safe to say that it needs to be more than a commitment, hence it should above all be a general strategy. Although many instruments exist to support a CSR strategy in companies, they are basically all – supportive to- management systems. A management system consists of a company’s interlinked agreements and methods, responsibilities and procedures, and of its organizational structure, so as to ensure a planned and systematic management and improvement of company processes⁵⁵.

A CSR strategy is a road map for moving ahead on CSR issues. It sets the firm’s direction and scopes over the long term concerning CSR, allowing the firm to be successful by using its resources within its unique environment to meet market needs and fulfil stakeholder expectations. It is also important to understand that a successful CSR implementation is a long-term process that requires creativity and careful planning.

To set the base for their CSR strategy companies develop prescriptive commitments—typically taking the form of codes of conduct and standards—set out specific behaviour changes for which a firm agrees to strive. A company may choose to: develop its code of conduct, or to sign on to existing sectorial code or standard, or some other existing instrument.

The use of voluntary codes of conduct developed by the company, as a CSR tool within the apparel industry is growing, demonstrating an increased commitment toward sustainability from organizations active in the industry.

⁵⁴ Fletcher, K. (2008). Sustainable fashion & textiles. London, UK: Earthscan, p. 58.

⁵⁵ Hugé, J., & Waas, T. (2011, November). Corporate social responsibility for sustainable development – reflections on theory, practice and on the role of government. Steunpunt Beleidsrelevant Onderzoek 2007-2011, 12-13.

The key to a successful implementation is according to Raps an integrated view of the implementation process⁵⁶.

To overcome and improve the difficulties in implementing any kind of strategy, Raps (2005) compiled a checklist of ten critical points:

- Commitment of top management
- Involvement of middle managers valuable knowledge
- Open and constant two-way communication
- Integrative point of view – organizational structure, cultural aspects and the human resources perspective
- Clear assignment of responsibilities
- Preventive measures against barriers
- Emphasize teamwork activities
- Respect the individuals' different characteristics
- Take advantage of supportive implementation instruments
- Calculate buffer time for unexpected incidents

CSR Implementation Framework

A well-designed CSR implementation framework integrates economic, social and environmental decision making throughout a firm—from the board of directors to front-line officials and supply-chain partners—and is therefore intimately connected with effective corporate governance.

Because CSR implementation it does not exist a “one-size-fits-all” method, every firm has its exclusive attributes and circumstances that affects the company. Despite this there is a significant value in implementing CSR in a systematic way, in agreement with the firms core values, business culture, environment and main business activities⁵⁷.

Hohnen describes a well-designed CSR implementation framework by dividing the process into four parts: Plan, Do, Check and Improve.

⁵⁶ Raps A. (2005) Strategy Implementation – an Insurmountable Obstacle? Handbook of Business Strategy. [Online] 6 (1), p. 141-146.

⁵⁷ Hohnen, P. (2007) Corporate Social Responsibility – An implementation Guide for Business. International Institute for Sustainable Development.

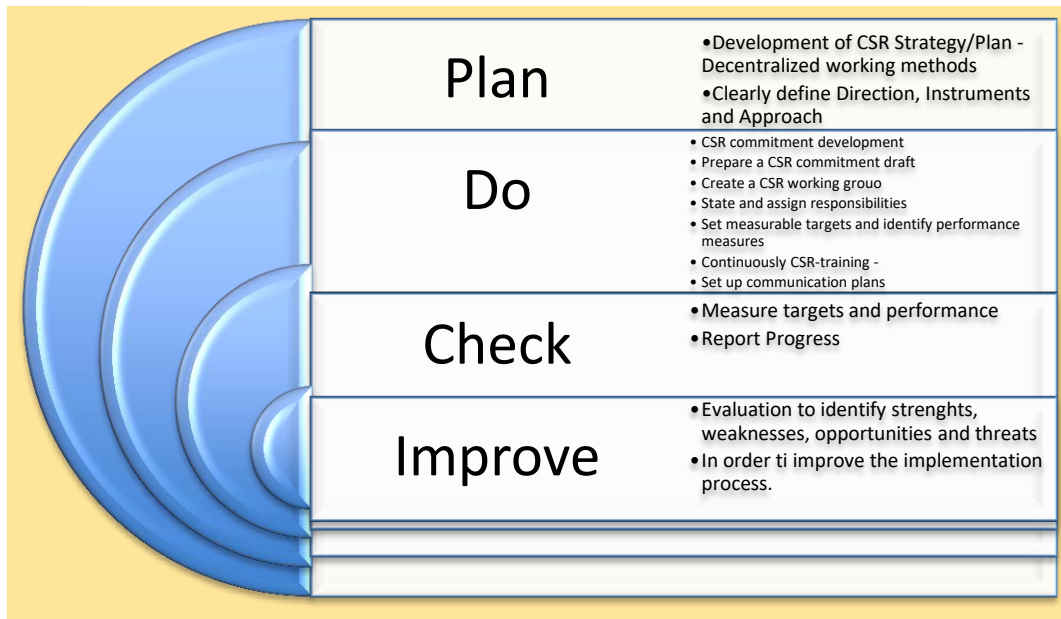


Figure 4. CSR Implementation Framework (Hohnen, 2007)





The first part, **Plan**, includes the process of developing an exclusive CSR strategy within the organization. Here it is important to communicate within the organization on all levels and to get the support from CEO, senior management and the employees.

In the second part of the implementation process, **Do**, CSR commitments should primarily be developed and later implemented. In this part it is essential that the employees get actively involved in the process, this is partially done by preparing and implementing the CSR strategy with the participation of employees and through continuously CSR training.

After this part follows the third part which is **Check**. In this part it is relevant to monitor, report and measure the progress of implemented CSR strategy, within the organization and to engage key stakeholders for feedback.

The last part of the CSR implementation process, Improve, emphasizes the importance of evaluation and identifying opportunities for improvement.

Detailed CSR Implementation Framework		
When? (Conceptual phase)	What? (Task delineation)	How? (Checkpoints on the journey)
Plan	1. Conduct a CSR assessment	<ul style="list-style-type: none"> • Assemble a CSR leadership team; • Develop a working definition of CSR; • Identify legal requirements; • Review corporate documents, processes and activities, and internal capacity; and • Identify and engage key stakeholders
	2. Develop a CSR strategy	<ul style="list-style-type: none"> • Build support with CEO, senior management and employees;

		<ul style="list-style-type: none"> • Research what others are doing, and assess the value of recognized CSR instruments; • Prepare a matrix of proposed CSR actions; • Develop ideas for proceeding and the business case for them; and • Decide on direction, approach, boundaries and focus areas.
Do 	3. Develop CSR commitments	<ul style="list-style-type: none"> • Do a scan of CSR commitments; • Hold discussions with major stakeholders; • Create a working group to develop the commitments; • Prepare a preliminary draft; and • Consult with affected stakeholders.
	4. Implement CSR commitments	<ul style="list-style-type: none"> • Develop an integrated CSR decision-making structure; • Prepare and implement a CSR business plan; • Set measurable targets and identify performance measures; • Engage employees and others to whom CSR commitments apply; • Design and conduct CSR training; • Establish mechanisms for addressing problematic behavior; • Create internal and external communications plans; and • Make commitments public.
Check 	5. Assure and report on progress	<ul style="list-style-type: none"> • Measure and assure performance; • Engage stakeholders; and • Report on performance, internally and externally.
Improve 	6. Evaluate and improve	<ul style="list-style-type: none"> • Evaluate performance; • Identify opportunities for improvement; • Engage stakeholders.
Cross-check: One cycle completed 		• Return to plan and start the next cycle.

Topic 3.4.3.3 CSR Performance evaluation

For all organisation, the question of the management of the organisation depends upon the ability to measure performance and then evaluate and report upon that performance, and this aspect is equally valid when we are discussing CSR activities because CSR is ultimately about improving performance. As such, reporting, verification and assurance are important tools to measure whether change has actually taken place, giving interested parties an

opportunity to see how well the firm is meeting its commitments and what effect that is having.

The evaluation process relies on the measurement, verification and reporting of the most critical issues to improve CSR program. By setting measurable targets and identify performance the implementation process will be more effective and correct⁵⁸.

The main objectives associated with the evaluation process are⁵⁹:

- determining the (1) effectiveness of CSR practices, and (2) disturbing factors;
- developing relevant solutions to the problems associated with the organisational integration of CSR practices;
- exploration and analysis of barriers to successful integration of CSR and what can be changed to overcome these barriers;
- revision of the existing objectives and develop new ones if necessary.

CSR Reporting

Reporting is communicating with stakeholders about a firm's economic, environmental and social management and performance. When done well, reporting should address how societal trends are affecting a firm and, in turn, how the firm's operations are affecting society. As such, reporting can demonstrate a company's motivation and willingness to position itself in a broader context.

The use of reporting as a means of communicating a corporation's sustainability actions and initiatives has been growing in the recent years, as in the mid 1990s, only a handful of firms reported on aspects of their performance other than financial issues. By 2006, over two-thirds of the Fortune "Global 250" were reporting on social and environmental policies and activities.

The decision to report on CSR efforts may have the same drivers as financial reporting, as disclosing information on financial performance maintains healthy stakeholder relations⁶⁰. While CSR reporting can be beneficial with regards to stakeholder relations, CSR reporting and reporting practices are mainly voluntary, as very few geographic regions have regulation on CSR reporting and reporting practices.

⁵⁸ Haslin, A. H and Ochoa, D. J. (2008) Understanding and Developing Strategic Corporate Social Responsibility. *Organizational Dynamics*.

⁵⁹ Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87, 71–89.

⁶⁰ Sutantoputra, A. W. (2009). Social disclosure rating system for assessing firms' CSR reports. *Corporate Communication: An International Journal*, 14 (1), 34-48.

A large and growing number of organizations worldwide now report using the Global Reporting Initiative (GRI) Guidelines⁶¹, or use the AccountAbility assurance framework and some companies use both these instruments.

The Global Reporting Initiative (GRI), which was first released in 2000, is the most common and widely used framework for providing guidance on CSR performance disclosure.

The framework outlines core content for reporting, and direction on how to report. The GRI has attempted to fill a void that had plagued previous attempts to disclose information on environmental and social efforts such as lack of uniformity, consistency, and comparability and so, the GRI developed a framework that follows the generally accepted accounting principles (GAAP) approach to financial reporting⁶².

To remedy the one-size-fits-all approach, the GRI has developed specific sector supplements, and has released a pilot version specifically for the apparel and footwear industry. In this supplement, the GRI Apparel and Footwear Sector Supplement (AFSS) provides a definition of CSR reporting as a “practice of measuring, disclosing and being accountable for organizational performance while working towards the goal of sustainable development...provides a balanced and reasonable representation of the sustainability performance of the reporting organization...positive and negative contributions”⁶³.

The GRI is a UN-recognized non-profit organization established to provide guidance for organizations on corporate disclosure and reporting activities. The multi-stakeholder developed GRI Sustainability Reporting Guidelines provide reporting organizations and stakeholders with a universally-applicable, comparable framework in which to understand disclosed information.

Originated from financial reporting context, the concept of materiality has been applied in and contributed to sustainability reporting, by identifying, selecting, and prioritizing sustainability issues with significant impacts⁶⁴.

The GRI locates materiality as a crucial principle of deciding what issues and indicators to include, omit, and emphasize in sustainability reporting. The latest G4 version puts as much emphasis on the underlying principles of inclusivity, materiality and completeness as it does on the list of standard disclosure issues. “The information in a report should cover topics and indicators that reflect the organization’s significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders”.

⁶¹ <https://www.globalreporting.org/standards/gri-standards-download-center/>

⁶² Sherman, R. W. (2009). The Global Reporting Initiative: What value is added? *International Business & Economics Research Journal*, 8 (5), 9-22.

⁶³ http://www.reportingcsr.org/force_document.php?fichier=document_136.pdf&fichier_old=Apparel

⁶⁴ Zhou, Y 2012 , 'Materiality approach in sustainability reporting: applications, dilemmas, and challenges', in JA Seijas & MPV Tato (eds), *Proceedings 1st World Sustainability Forum*, Basel, Switzerland, 1-30 November 2011, MDPI, Basel, Switzerland

As materiality is a key term used within current corporate sustainability reports, it is expected that companies shall choose the most material issues for their sustainability challenges and act and disclose accordingly.

Real case example: Fashion Transparency Index.

Scope	#Sustainable benchmark #Ranking #Brands #third sector
Value added	<p>Fashion Transparency Index - the Fashion Transparency Index uses a ratings methodology to benchmark brands' public disclosure across five key areas, including: policy and commitments, governance, supply chain traceability, supplier assessment and remediation, and new 'spotlight issues' covering gender equality, decent work, climate action and responsible consumption and production</p> <p>Source of information: Web site Fashion revolution. Nov 2019</p>
More information	https://issuu.com/fashionrevolution/docs/fashion_transparency_index_2019?e=25766662/69342298

Real case example: RobecoSAM – Dow Jones Sustainability Index

Scope	#Sustainable benchmark #Rankings #Brands #Investors
Value added	<p>RobecoSAM. Index uses a ratings methodology to benchmark brands' public disclosure across three dimensions: social, economic, and environmental. It is including: stakeholder scrutiny, health and safety, human rights and labor law violations, and immense negative environmental impact in the supply chain, companies are under pressure to boost transparency throughout all tiers of their operations. Sustainability leaders in the industry integrate environmental considerations into the whole life-cycle process, from product design and raw materials sourcing at the front end to used product recycling at the back end.</p> <p>Source of information: Web site Robecosam</p>
More information	https://yearbook.robecosam.com/fileadmin/Files/Industries/Textiles_Apparel_Luxury_Goods.pdf

3.4.4 Suggested reading

- Hohnen, P. (2007) Corporate Social Responsibility – An implementation Guide for Business. International Institute for Sustainable Development.
https://www.iisd.org/pdf/2007/csr_guide.pdf

- The GRI Sustainability Reporting Cycle: A handbook for small and not-so small organizations -
<https://www.globalreporting.org/services/preparation/Publications/Pages/e-shop.aspx>
- Galbreath, J. (2010). Drivers of Corporate Social Responsibility: the Role of Formal Strategic Planning and Firm Culture. *British Journal of Management*, 21(2), pp 511–525 - <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1467-8551.2009.00633.x>
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- Sprinkle, G. B. & Maines, L. A. (2010). The benefits and costs of corporate social responsibility. *Business Horizons*, 53(5), pp 445–453 - https://www.academia.edu/8459306/The_Benefits_and_Costs_of_Corporate_Social_Responsibility_PDF
- Jacquie L'Etang, Jairo Lugo-Ocando and ZetiAzreen Ahmad(2011) *Corporate Social Responsibility, Power and Strategic Communication in The Handbook of Communication and Corporate Social Responsibility* edited by Øyvind Ihlen, Jennifer L. Bartlett, and Steve May.

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- Fisher, J. (2004) Social Responsibility and Ethics: Clarifying the Concepts, Journal of Business Ethics 52: 391–400.
 - Corporate social responsibility (CSR) in different countries - <https://www.transparenthands.org/corporate-social-responsibility-csr-in-different-countries/>
 - 10 Examples of Exemplary CSR Initiatives - <https://www.prezly.com/academy/relationships/corporate-social-responsibility/10-examples-of-exemplary-csr-initiatives>

3.4.5 Quiz

Self-evaluation Quiz

6. A company's CSR strategy aims at identifying the following: (select all that apply)
 - a. The stakeholders and their perspectives and interests
 - b. The CSR activities conducted by the competition
 - c. The specific priority areas
7. When creating their codes of conduct, companies may choose: (select all that apply)
 1.
 - a. To develop its code of conduct
 - b. To borrow another company's code of conduct
 - c. To sign on to an existing sectorial code
8. Among the main objectives of the CSR evaluation process are: (select all that apply)
 2.
 - a. To develop relevant solutions to the problems associated with the organisational integration of CSR practices
 - b. To punish the persons responsible for the errors encountered
 - c. To revise the current objectives and develop new ones, if necessary
 - d. To outperform the competitors
3. Who is responsible for the Standards for "Ethical Trading"? (select the most suitable option)
 - a. World Trade Organization
 - b. World Bank
 - c. EU Commission

- d. International Labour Organisation (ILO)
4. The CSR implementation process framework is divided into the following parts: (select the most suitable option)
- Plan, Do, Check and Improve
 - Do, Plan, Verify, Change
 - Plan, Evaluate, Implement, Change
 - Plan, Do, Verify, Change

Unit 3.5 Occupational Health and Safety legislation for the textile sector

3.5.1 Introduction

Human resources are instrumental for a company's success and organizations are constantly making efforts to improve working conditions and motivate employees.

In terms of prevention and connected with the OHS legislative body, CSR can be conceived as a voluntary commitment that surpasses national and European legislation aimed at ensuring that employees benefit from higher standards of occupational health and safety and better working conditions altogether.

3.5.2 Short description

Knowledge	Skills	Competencies
<i>At the end of this unit the in-company trainer will:</i>	<i>At the end of this unit the in-company trainer will be able to:</i>	<i>At the end of this unit, the in-company trainer will have acquired the responsibility and autonomy to:</i>
<ul style="list-style-type: none"> • Explain the European and national Health and Safety legislation • Discuss Equipment safety in the textile industry 	<ul style="list-style-type: none"> • Select the most appropriate methods to the work-team awareness about the importance of OHS to reduce the risks; • Adapt to emergencies (difficult situations). 	<ul style="list-style-type: none"> • Use the national and European legislation of OHS in the organisation; • Apply proper measurements in the emergencies (difficult conditions).

3.5.3 Content unit

Topic 3.5.3.1 European and national Health and Safety legislation

Occupational health and safety is a broad discipline that deals with:

- the promotion and maintenance of the highest degree of physical, mental and social well-being of workers,
- the prevention of retirements on the basis of health problems caused by working conditions,
- the protection of workers from risks adverse to health.
- the adaptation of the occupational environment to the physiological and psychological capabilities of workers⁶⁵.

At the same time, CSR can provide the framework to connect occupational health, safety and welfare to other relevant aspects like⁶⁶:

- Human resources.
- Balance between work and family life.
- Other fundamental rights.
- Environmental issues.
- Safety and public health (including product safety).
- Profitability and productivity.

Article 153 of the Treaty on the Functioning of the European Union gives the EU the authority to adopt directives in the field of safety and health at work. The Framework Directive, with its wide scope of application, and further directives focusing on specific aspects of safety and health at work are the fundamentals of European security and health legislation.

The directive was transposed into law in all Member States in order to set the minimum standards.

These directives take the same approach to prevention; risk assessment followed by prevention measures based upon the following common principles of prevention:

- avoiding risks
- evaluating the risks which cannot be avoided
- combating the risks at source
- adapting the work to the individual
- changing to technical progress replacing the dangerous by the non-dangerous or the less dangerous
- developing a coherent overall prevention policy
- giving collective protective measures priority over individual protective measures
- giving appropriate instructions to the workers

⁶⁵ Reese, C.D., Occupational Health and Safety Management. Lewis Publishers, New York, (2003).

⁶⁶ Boix, P., Gil, J.M., Rodrigo, F., Prioridades estratégicas en salud laboral desde el punto de vista de los profesionales. Observatorio de Salud Laboral, (2006).

Directive 2009/104/EC – use of work equipment⁶⁷

This directive covers the minimum safety and health requirements for the use of work equipment by workers at work, listing the employers' obligations to take every measure to ensure the safety of the work equipment made available to workers and to provide workers with adequate, comprehensible information (e.g. written instructions) on the work equipment, detailing: the conditions of use, foreseeable abnormal situations, any additional conclusion drawn from experience. Workers shall be made aware of dangers relevant to them. The employer shall ensure that workers receive adequate training, including risks and specific training on specific-risk equipment's. The annexes for the Directive include:

- Annex I - Minimum requirements
- Annex II - Provisions concerning the use of work equipment
- Annex III - Repealed Directive with its successive amendments & List of time limits for transposition into national law
- Annex IV - Correlation table

Other documents of the European Commission on this topic:

- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions on the practical implementation of the provisions of the Health and Safety at Work Directives 89/391 (Framework), 89/654 (Workplaces), 89/655 (Work Equipment), 89/656 (Personal Protective Equipment), 90/269 (Manual Handling of Loads) and 90/270 (Display Screen Equipment)
- Evaluation of the Practical Implementation of the EU Occupational Safety and Health (OSH) Directives in EU Member States - Directive concerning the minimum safety and health requirements for the use of work equipment by workers at work (2017)

Directive 92/58/EEC - safety and/or health signs⁶⁸

This Directive lays down minimum requirements for the provision of safety and/or health sign at work, stating that employers must provide or ensure that safety and/or health signs are in place where hazards cannot be avoided or reduced and that workers and their representatives must be informed of all the measures taken concerning health and safety signs at work and must be given suitable instruction about these signs.

The annexes detailing technical specifications of health and safety signs are adapted in the light of subsequent related directives and technical progress in the field of health and safety signs at work.

⁶⁷ <https://osha.europa.eu/en/legislation/directives/3>

⁶⁸ <https://osha.europa.eu/en/legislation/directives/9>

Member States may specify - within certain limits - alternative measures to replace signs and signals which afford the same level of protection.

The annexes of this Directive provide detailed information about the minimum requirements for all safety and health signs:

- Annex I: General minimum requirements concerning safety and/or health signs at work
- Annex II: Minimum general requirements concerning signboards
- Annex III: Minimum requirements governing signs on containers and pipes
- Annex IV: Minimum requirements for the identification and location of fire-fighting equipment
- Annex V: Minimum requirements governing signs used for obstacles and dangerous locations, and for marking traffic routes
- Annex VI: Minimum requirements for illuminated signs
- Annex VII: Minimum requirements for acoustic signs
- Annex VIII: Minimum requirements for verbal communication
- Annex IV: Minimum requirements for hand signals

Directive 89/656/EEC - use of personal protective equipment⁶⁹

This Directive lays down minimum requirements for personal protective equipment (PPE) used by workers at work and employers' obligations regarding the fact that the personal protective equipment must comply with the relevant Community provisions on design and manufacture with respect to safety and health. According to the directive, all personal protective equipment must:

- be appropriate for the risks involved, without itself leading to any increased risk
- correspond to existing conditions at the workplace
- take account of ergonomic requirements and the worker's state of health
- fit the wearer correctly after any necessary adjustment.

The employer must provide the appropriate equipment free of charge and must ensure that it is in good working order and hygienic condition.

Where the presence of more than one risk makes it necessary for a worker to wear simultaneously more than one item of personal protective equipment, such equipment must be compatible. Personal protective equipment is, in principle, intended for personal use. If the circumstances require personal protective equipment to be worn by more than one person, appropriate measures shall be taken to ensure that such use does not create any health or hygiene problem for the different users. Before choosing personal protective

⁶⁹ <https://osha.europa.eu/en/legislation/directives/4>

equipment, the employer is required to assess whether the personal protective equipment he intends to use satisfies the requirements of this Directive.

Member States shall ensure that general rules are established for the use of personal protective equipment and/or covering cases and situations where the employer must provide such equipment. There must be prior consultation with employers' and workers' organisations.

Employer shall organize training and demonstrate the use of PPE. Workers shall be informed of all measures to be taken. Consultation and participation shall take place on the matters covered by this Directive.

Moreover, the provisions of **Directive 89/391/EEC**- "the Framework Directive" - are fully applicable without prejudice to more restrictive and/or specific provisions contained in this Directive. The annexes for the Directive include:

- Annex I: Specimen risk survey table for the use of personal protective equipment
- Annex II: Non-exhaustive guide list of items of personal protective equipment
- Annex III: Non-exhaustive guide list of activities and sectors of activity which may require the provision of personal protective equipment

Directive 89/654/EEC - workplace requirements⁷⁰

The Directive lays down minimum requirements for safety and health at the workplace. General obligations for the employer refer to:

- traffic routes to emergency exits and the exits themselves are kept clear at all times
- technical maintenance of the workplace and of the equipment and devices is carried out as quickly as possible
- the workplace and the equipment and devices are regularly cleaned to an adequate level of hygiene
- safety equipment and devices intended to prevent or eliminate hazards are regularly maintained and checked.

Moreover, the provisions of **Directive 89/391/EEC** - "the Framework Directive" - are fully applicable without prejudice to more restrictive and/or specific provisions contained in this directive. The annexes for the Directive include:

- Annex I (for workplaces used for the first time)
- Annex II (for workplaces already in use)

⁷⁰ <https://osha.europa.eu/en/legislation/directives/2>

Topic 3.5.3.2 Equipment safety in the textile industry

The textile industry is one of labour-intensive production and most technologically complex of all industries, and is a place of work where workers are exposed to different safety hazards, like cotton dust, excessive noise, accidents and diseases.

The most labor intensive activity in the textile sector is clothing manufacturing. Textiles and clothing manufacturing are the only sub-sectors in EU-27 that employs more women than men. In 2007, a female workforce accounted for 69.4 % of the textiles, clothing, and leather-manufacturing workforce, and as a whole this is more than twice the industrial average (30.1 %) (Eurostat, 2009).

The use of personal protective equipment (PPE) is one of the most important measures to safeguard workers from exposure to occupational hazards; workers use of PPE is affected by socio-demographic, behavioural and work environment factors.

In textile companies, they use different protective devices for different production sections. For example, they need to wear a respirator, gloves, goggles, boot shoes, overall, ear plugs and mask at a spinning section, and while reflector and helmet are worn in addition at engineering section.

Hazards and risks in the textiles sector

The textiles sector contains many hazards and risks to workers, ranging from exposure to noise and dangerous substances to manual handling and working with dangerous machinery. Each processing stage — from the production of materials to the manufacturing, finishing, dyeing and packaging — poses risks for workers, and some of these are particularly dangerous for women's health.

According to European Agency for Safety and Health at Work Occupational Safety and Health in the Textiles Sector⁷¹, Among the hazards and risks of the textile sector we can enumerate:

- **Musculoskeletal disorders (MSDs)** - these are the most common work-related health problem in Europe, with almost one in four workers reporting backache and one in five complaining of muscular pains. Manual handling, the lifting, holding, putting down, pushing, pulling, carrying or movement of a load, is the largest cause of injury in the textiles sector. Manual handling can cause either cumulative disorders from the gradual deterioration of the musculoskeletal system, such as lower back pain, or acute trauma such as cuts or fractures due to accidents.
- **Exposure to chemical agents** - many different groups of chemical substances are used in the textiles sector, including dyes, solvents, optical brighteners, crease-resistance agents, flame retardants, heavy metals, pesticides, and antimicrobial

⁷¹ OSHA. Occupational Safety and Health in the Textiles Sector.
http://www.osha.mddsz.gov.si/resources/files/pdf/E-fact_30_-_Occupational_safety_and_health_in_the_textiles_sector.pdf

agents. They are used in dyeing, printing, finishing, bleaching, washing, dry cleaning, weaving slashing/sizing, and spinning.

- **Exposure to dusts and fibers** - the exposure of workers to dusts from material such as silk, cotton, wool, flax, hemp, sisal, and jute can occur during weaving, spinning, cutting, ginning, and packaging. Exposure to fibres and yarns may cause nasal or bladder cancer.
- **Exposure to biological agents** - in some activities, such as carding and willowing, workers may be exposed to biological agents such as anthrax, clostridium tetani (the causative agent for tetanus), and coxiella burnetti (which causes Q fever). Exposure to biological agents can result in allergies and respiratory disorders.
- **Exposure to physical agents** - workers may be exposed to noise and vibrations, for example during weaving, spinning, sewing, twisting, and cutting. Exposure to loud noise can result in permanent hearing damage such as noise-induced hearing loss and tinnitus. Exposure to vibration, particularly together with risk factors for MSDs, can lead to long-term harm. Electromagnetic fields may also be found in some workplaces in the textiles sector.
- **Accidents** in the textiles sector - the textiles sector has many hazards that can cause injury to workers, from transport in the workplace (lift truck), dangerous large work equipment and plant, to the risk of slips from a wet working environment. Workers being struck by objects, such as moving machinery parts and vehicles are a significant cause of injury in the sector. There also exists the risks of fire and explosions, for example from heating plants used for vapour generation.
- **Psychosocial issues** in the textiles sector - work-related stress has been defined as being experienced when the demands of the work environment exceed the workers' ability to cope with or control them. Work-related stress may be an issue in some areas of the textiles sector, being associated for example with repetitive and fast paced work, and where the worker has no influence on how the job is done.

Real case example: ECHA, Pictograms and Hazard Properties

Scope	#Pictograms #ECHA
Value added	<p>Standardized information about hazard properties is really important for consumers and workers.</p> <p>These pictograms are accepted around the world do possible clear information for chemical management and risks in order to obtain easy information about how to use and manage different substances and what are the risks that the workers are exposed.</p>

	 Gas under pressure Symbol: Gas cylinder
	 Explosive Symbol: Exploding bomb
	 Oxidising Symbol: Flame over circle
	 Flammable Symbol: Flame
	 Corrosive Symbol: Corrosion
	 Health hazard/Hazardous to the ozone layer Symbol: Exclamation Mark
	 Acute toxicity Symbol: Skulls and Crossbones
	 Serious health hazard Symbol: Health hazard
	 Hazardous to the environment Symbol: Environment
	<p>Source of information and image: Web site ECHA Europa</p> <p>https://echa.europa.eu/regulations/clp/clp-pictograms</p>
<p>More information</p>	<p>https://echa.europa.eu/regulations/clp/clp-pictograms</p>

3.5.4 Suggested reading

- European Agency for Safety and Health at Work - <http://osha.europa.eu>
- Occupational safety and health in the textiles sector - http://www.osha.mddsz.gov.si/resources/files/pdf/E-fact_30_-_Occupational_safety_and_health_in_the_textiles_sector.pdf
- Directive 2009/104/EC – use of work equipment <https://osha.europa.eu/en/legislation/directives/3>
- Directive 92/58/EEC - safety and/or health signs - <https://osha.europa.eu/en/legislation/directives/9>

- Directive 89/656/EEC - use of personal protective equipment -
<https://osha.europa.eu/en/legislation/directives/4>
- Directive 89/654/EEC - workplace requirements -
<https://osha.europa.eu/en/legislation/directives/2>
- Regulation (EU) 2016/425 on personal protective equipment -
<https://osha.europa.eu/en/legislation/directive/regulation-eu-2016425-personal-protective-equipment>
- Occupational safety and health in the textiles sector -
http://www.osha.mddsz.gov.si/resources/files/pdf/E-fact_30_-_Occupational_safety_and_health_in_the_textiles_sector.pdf
- Getting started with health and safety in the textiles industry -
<http://www.hse.gov.uk/textiles/getting-started.htm>
- European Agency for Safety and Health at Work - <http://osha.europa.eu>
- Occupational safety and health in the textiles sector -
http://www.osha.mddsz.gov.si/resources/files/pdf/E-fact_30_-_Occupational_safety_and_health_in_the_textiles_sector.pdf
- C155 - Occupational Safety and Health Convention, 1981 (No. 155) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C155
- R164 - Occupational Safety and Health Recommendation, 1981 (No. 164) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312502:NO
- C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312332:NO
- R197 - Promotional Framework for Occupational Safety and Health Recommendation, 2006 (No. 197) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312534:NO
- C161 - Occupational Health Services Convention, 1985 (No. 161) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312306:NO
- R171 - Occupational Health Services Recommendation, 1985 (No. 171) -
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312509:NO
- Textile standards database - <https://www.textilestandards.com/>

- Safety and health issues in the textile industry -
<https://www.fibre2fashion.com/industry-article/2554/safety-and-health-issues-in-the-textile-industry>
- The Textile Industry: History and Health and Safety -
<http://iloencyclopaedia.org/part-xiv-42166/textile-goods-industry/144-89-textile-goods-industry/the-textile-industry-history-and-health-and-safety>

3.5.5 Quiz

Self-evaluation Quiz

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5. The main processing stages posing risks for workers from the textile industry are: (select the most suitable option)
- a. Production of materials, manufacturing, finishing, dyeing and packaging.
 - b. Dyeing, finishing, packaging and selling.
 - c. Manufacturing dyeing, finishing and transporting.
6. The fundamentals of European security and health legislation are based on: (select the most suitable option)
- a. Article 153 of the Treaty on the Functioning of the European Union
 - b. The national legislative body on security and health of the EU States
 - c. Article 143 of the Treaty on the Functioning of the European Union
9. The common principles of prevention are as follows: (select all that apply)
- a. avoiding risk
 - b. adapting the work to the individual
 - c. adapting the individual to the work
 - d. giving individual protective measures priority over collective protective measures
10. Workers use of PPE is affected among others by: (select all that apply)
- a. socio-demographic factors
 - b. individual factors



-
- c. behavioural factors
 - d. natural factors