

#### Background

Corporate Social Responsibility (CSR) is about companies voluntarily taking social responsibility that goes beyond what the law demands. The European Union defines CSR as corporate responsibility for the impact of business activities on society. The United Nation's Global Compact System stipulates relevant principles and objectives from the field of human rights, environmental protection, labour standards as well as the fight against corruption. These can also be found in the ISO Standard 26000. Global supply chains and an increased public and consumer awareness have lead companies worldwide – both in developed and in developing countries – to boost their activities regarding the introduction and implementation of CSR.



As self-administration bodies of the private sector, chambers and associations (Business Membership Organisations - BMOs) are faced with the challenge of providing their member companies with both practical and theoretical advice on the manifold questions connected to the issue of CSR. sequa has developed a number of concepts and tools that enable BMOs to fulfil this advisory function in a competent manner.

# CSR - Corporate Social Responsibility as a field of action for BMOs

#### **Product Description**

CSR offers the chance to pursue far-reaching social and environmental objectives and sets standards. Especially in emerging markets and developing countries, CSR complements political action and sketchy legislation and/or their implementation. As an interface between the private sector and the state, BMOs are essential actors in this sphere.

sequa offers various instruments designed to allow BMOs in partner countries to promote CSR not only among their member companies but beyond:

- sequa helps BMOs to do justice to their role model function with regard to CSR, to develop a relevant mission statement and communication strategy and to establish the required internal structures and capacities.
- sequa advises BMOs on the development and introduction of CSR services and concepts, e.g. trainings, guidelines, helpdesks, peer group discussions, CSR business breakfasts, guest speakers, etc.
- sequa assists BMOs in the development and implementation of a CSR-oriented Advocacy Agenda for SMEs.
- sequa, in cooperation with BMOs, develops (sector-)specific Codes of Conduct, which can also be used as an example for corporate consulting.
- sequa raises the awareness of BMOs with regard to their important role in the fight against corruption and develops the relevant measures, e.g. the establishment of a Corruption Reporting Centre or the introduction of Informal Business Talks.
- sequa helps to anchor CSR in global supply chains.
- sequa advises BMOs on "sustainable consumption and production" services and concepts by offering special training and consulting modules, e.g. Cleaner Production Audits, Occupational Health and Safety Toolkits, CSR Helpdesks, etc.



### **Product Impact**

A lack of legal certainty, weak institutions, intransparent ownership rights, corruption and deteriorating environmental conditions are factors which negatively affect entrepreneurial initiatives both at the local and the global level. With the objective to change this, CSR calls upon companies to become active players in such a change process.



Experience shows that enterprises which gear their business model and strategy towards CSR do not only achieve a benefit for the environment and society but also increase their long-term corporate profit. This effect increases along the level of consistency with which companies understand CSR not as charity but as integral element of their corporate value creation policy.

BMOs are excellent multipliers when it comes to convincing companies of this insight and providing them with consulting services with regard to the introduction and improvement of CSR systems. The support provided by sequa thus has the potential to further CSR in an especially effective manner, both with regard to extent and intensity. This allows for direct influence on framework conditions and behaviour as well as high-impact contributions to overcoming a country's social and economic development hindrances.

# **Product Application Examples**

#### Siemens Integrity Initiative, China

In the "Siemens Integrity Initiative" sequa has enabled selected BMOs in China to provide new services for compliance and the fight against corruption and to introduce these issues into their political dialogue. As a result, a "round table" on corruption prevention has been established in Chengdu where BMOs and municipal administrations meet four times a year. A total of more than 3,000 representatives from companies, BMOs, politics, the media and the public have taken part in the various project activities.

# **SMART Myanmar and SMART Cebu, Philippines**

SMART stands for "SMEs for Environmental Accountability and Transparency". The CSR topic environmental and resource protection is the central focus of this EU programme. In Myanmar sequa provides consulting services to companies from the textile industry regarding environmentally and socially-friendly production methods. In cooperation with international experts, the sustainability consultants trained in the course of the project provide consulting services on such issues as energy and water saving, waste recycling, introduction of sustainability audits and social dialogue. In the Philippines sequa and several BMOs have chosen a holistic CSR consultancy approach. In three different sectors sustainability and resource efficiency are analysed along the entire value chain from the use of raw materials to design, financing and production to marketing and consumption. After improvement potentials have then been identified, BMOs then offer to assist in implementing them at the respective companies.

# **BMO Partnership Project, Central America**

In this BMO Project, sequa and the Vocational Education and Training Centres of the Bavarian Private Sector (bfz) provide joint support to partner chambers in Honduras, Guatemala and El Salvador in the introduction of innovative corporate management services. As part of the project, the partner chambers created a sustainable entrepreneurship competition which was first implemented in Honduras and it now being organised at cross-border level.