

The CSR Performance Ladder Certification Standard

Rodney Reed



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components of Corporate Social Responsibility and encourages management based on a balance between People, Planet and Profit (Prosperity).

In Holland Certification institutions that have signed a formal agreement with the Foundation are: BSI Group; Bureau Veritas Certification; DEKRA Certification BV; Det Norske Veritas; Kiwa; Lift Institute; LRQA, Lloyd's Register Netherlands BV; SGS Netherlands BV; SKH; TÜV BV Netherlands QA. In Belgium the following certifying bodies have signed: - Kiwa Belgium NV; Lloyd's Register EMEA; Bureau Veritas; DNV Certification BV.

This Article for The Executive Times introduces 'The CSR Performance Ladder' to Bangladesh. It appears this 'Ladder', as a certifying standard, may be the means to audit and accredit and benchmark (C) SR in Bangladesh to international standards.

In this 'Ladder' performance refers to the manner and depth of the company or

When Social Responsibility stakeholder consultations were being carried out in Bangladesh in 2006 well before ISO 26000 became the international guidance standard for social responsibility many respondents were of the view that unless there was a CSR or SR 'certifying standard' it would not be implemented in Bangladesh. As it transpired Bangladesh abstained from the vote on making ISO26000 an international standard – with BSTI being the Bangladesh ISO Member organisation – but ISO member organisations around the world voted in ISO26000 by a large majority. The issue about ISO 26000 being social responsibility international guidance and not a certifying standard continues to be a disincentive for Bangladeshi companies and organisations.

In the December issue of The Executive Times, in an Article with the title 'Corporate Social Responsibility – Aligning SR Efforts', I showed the

links between Accountability and their AA1000 standards and The Global Reporting Initiative (GRI) and its sustainability reporting framework and also The United Nations Global Compact and ISO26000. In the current Article, I review 'The CSR Performance Ladder', which has been devised by the Central College of Experts of 'The Foundation Sustained Responsibility' (FSR).

opportunity, either voluntarily or stimulated by customers or other interested parties, to demonstrate that they continuously fulfil the generally accepted requirements for CSR. Demonstrable and effective sustainability practices have rapidly been implemented not only in the Netherlands, but also in neighbouring countries. The CSR Performance Ladder certification standard collects and shapes the key



CSR Performance Ladder, Certification Standard

The Foundation is a Netherlands based NGO and is the legal owner of 'The CSR Performance Ladder'. It manages the copyright of this standard through user agreements. The CSR Performance Ladder Certification Standards are agreements on the implementation of CSR certification by Certification Bodies.

Companies and organisations have the



organisation's demonstrable sustainability development. The company or organisation itself determines the level on which it initiates the CSR certification audit. During the audit for CSR certification, an objective assessment is made of which of the 5 levels of the CSR Performance Ladder apply.

Each of the levels on the CSR Performance Ladder requires a specific form of stakeholder engagement and a certain depth in the development of the CSR indicators. This certification standard uses a classification of 7 CSR key themes for all 5 levels under which 33 CSR indicators are classified under the concept of People, Planet and Profit (Prosperity).

The CSR Performance Ladder consists of Entry Levels 1 or 2 and the 'general attainable' level 3. The specific and distinctive sector levels are achieved at Levels 4 or 5 certification. The CSR certification audit is aimed at determining whether all requirements for the relevant level of the CSR Performance Ladder certification standard are met. For the 'general attainable' level 3, the company or organisation is required to have a management system that is currently certified for one of :- ISO 9001, ISO 14001, OHSAS 18001, ISO 22000 or SA 8000. On Level 5, a minimum of two of these are required. Product certificates, verification marks, labels, test reports and licences can also contribute to demonstrating compliance with the CSR indicators. A CSR management system certificate can be issued for every level of the CSR Performance Ladder, depending on the results of

the certification audit. The certificate is valid for one year for Entry Levels 1 and 2, the CSR certificates for Levels 3, 4 and 5 are reassessed or adjusted once every three years by the Certification Body and are registered on www.mvoprestatieladder.nl. The 'The CSR Performance Ladder' is freely available on this Foundation Sustained Responsibility website.

Stakeholder engagement is a key component of 'performance' on this 'ladder. Engaging and working with CSR stakeholders is a fundamental principal of the 'The CSR Performance Ladder'. For the 'Central College of Experts' stakeholders are: - "The interested parties that represent the company or organisation's social engagement and expectations, are an integral part of this Certification Standard. Stakeholder Management in the CSR management system is the driver behind continual alignment of policy and performance and stands for



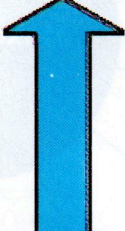
demonstrable management of the engagement and expectations of the stakeholders". The expectations of this 'Management System – Requirements and Certification Standard for Corporate Social Responsibility' are that the company or organisation that intends to perform to the 'The CSR Performance Ladder' standard must:-

- Manage the engagement of stakeholders
- Assure and Manage CSR indicators
- Assure and manage legal requirements and stakeholder requirements
- Manage the company or organisation as a whole to the CSR standard

ISO 26000 is not a management system standard and is not intended or appropriate for certification purposes. The 'CSR Performance Ladder, Management System Requirements and Certification Standard' is however appropriate for

certification. The 'Ladder' is aimed at integrating the accepted points of departure for sustainable business practices, making the characteristics of sustainable development transparent and verifiable in the management system, and demonstrably and objectively determining the relative status of the management system for CSR.

The CSR management system has general and company or trade sector specific criteria that companies and organisations should consistently meet according to this certification standard as an integral part of company or organisation business operations. The sector-specific requirements entail the system of requirements that shall be specifically met by companies and organisations according to this certification standard. This includes the certification standards and criteria tailored to the

	CSR certificate level	Validity	Follow-up audit	Reassessment after:
Specific level				
	Specific Level 5 Certificate Based on BATNEEC principle	3 years	Once annually	3 years
	Specific Level 4 Certificate Based on chain responsibility	3 years	Once annually	3 years
General attainable level 3 achieved for business sector				
	General Level 3 Certificate Complies with general attainable level requirements	3 years	Once annually	3 years
	Entry Level 2 Certificate Continuous improvement process has been initiated	1 year	-	-
	Entry Level 1 Certificate Continued improvements/baseline measurement has been carried out	1 year	-	-
The organisation indicates the level on which the audit is to be carried out. Entry Levels 1 and 2 entail commitment to work towards achieving Level 3				
BATNEEC abbreviates 'Best Available Technology Not entailing Excessive Economical Costs'				

relevant sector and that often directly affect the core business of the company or organisation. The stakeholders play a major role in tailoring the company or organisation's activities to social interests.

Companies and organisations without any previous history and those which have already reached an advanced stage in the process of implementing socially responsible business practices can demonstrate the extent of their CSR implementation with this certification standard. The

CSR Performance Ladder certification standard for assessing management systems for Corporate Social Responsibility can evaluate development at the relevant depth. The intention is that Companies and organisations will make CSR an integral part of their business operations. The process of sustainable business practices is governed by and is the responsibility of company or organisation management but can be further developed under the influence of stakeholders.

In conclusion – Will 'The CSR Performance Ladder' be useful as a certifying standard in Bangladesh?

There is a saying in English "the proof of the pudding is in the eating" meaning that we don't know whether something is good and beneficial until we try it. 'The CSR Performance Ladder' has been recognised as useful during the first two years of its use in Holland and neighbouring Belgium.

Several well recognised international certification bodies have aligned themselves with the standard

and The Foundation Sustained Responsibility' website www.mvoprestatieladder.nl lists a significant number of Dutch and Belgian companies already certified. It appears that few manufacturing companies have as yet 'stepped onto the Ladder' and that extending the reach of the Certifying Standard beyond the borders of Holland and Belgium may be proving to be something of a challenge for the Foundation Sustained Responsibility.

As a certifying Standard 'The CSR Performance Ladder' does address the ISO 26000 weaknesses that were perceived in Bangladesh as 'only' international 'guidance' for social responsibility. Some of the Certifying Bodies that have aligned with the 'Ladder' in the Netherlands and Belgium already have a significant presence in Bangladesh and so the conditions seem to be right for Bangladesh companies to seek certification for their CSR. □

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CSR key theme	The 33 CSR indicators are to be 'assured' in the CSR management system in 7 key CSR themes grouped under PPP People-Planet-Profit (Prosperity)
I: GOVERNANCE	The company or organisation shall demonstrate governance by elaborating and being accountable to its stakeholders regarding the CSR key themes that fall under the PPP concepts
II PEOPLE	1. Employment 2. Relationship between employer and employee 3. Health and safety 4. Training, education, nature and organisation of work 5. Diversity and opportunities
III: Human rights	6. Strategy and management 7. Discrimination ban 8. Freedom to unite and collective labour negotiations 9. Elimination of child labour 10. Prevention of forced and compulsory labour 11. Security policy 12. Rights of Indigenous people
IV: Ethical business practices	13. Community 14. Corruption 15. Public policy 16. Competition - no obstructive behaviour 17. Compliance
V: Consumer affairs	18. Consumer health and safety 19. Labelling of products and services 20. Marketing communication 21. Customer privacy 22. Compliance
VI: PLANET Environment, materials, energy and emissions	23. Materials 24. Energy 25. Water 26. Biodiversity 27. Emissions, wastewater and residual waste 28. Products and services 29. Compliance 30. Transport
VII: PROFIT Community involvement and development	31. Direct economic values that are generated and distributed 32. Positive contribution to local economy and commercial activities 33. Contribution to economic system