



# The CSR Performance Ladder

## Part A – Requirements for CSR Management Systems

Version 3.0 – 1 March 2020

**A practical application of People, Planet & Profit  
Inspired by the international standard ISO 26000  
Supports the Sustainable Development Goals of the United Nations**



# The CSR Performance Ladder – Requirements for CSR Management Systems and the CSR Performance Ladder – Certification Scheme



ISO 26000 is not a management system standard and is not intended or suitable for certification purposes. The CSR Performance Ladder is, however suitable for certification.

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The CSR Performance Ladder is a practical application of People, Planet & Profit. It has been inspired by the international standard ISO 26000 and supports the Sustainable Development Goals.

The 17 Sustainable Development Goals of the United Nations are:

## SUSTAINABLE DEVELOPMENT GOALS





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The Foundation Sustained Responsibility (FSR), which is the founder of the CSR Performance Ladder initiative, is not liable for any losses incurred by a certification body or any third parties as a consequence of applying this certification standard.

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The CSR Performance Ladder can be downloaded free of charge at [www.mvoprestatieladder.nl](http://www.mvoprestatieladder.nl).

### **Answers to Frequently Asked Questions**

For answers to frequently asked questions about the CSR Performance Ladder, please go to [www.mvoprestatieladder.nl/faq](http://www.mvoprestatieladder.nl/faq).

### **Helpdesk/User Instructions**

For questions about the content and application of the CSR Performance Ladder, please get in touch with the Foundation Sustained Responsibility at [info@mvoprestatieladder.nl](mailto:info@mvoprestatieladder.nl) or contact your certification body.

The two parts of the CSR Performance Ladder, Part A: CSR Performance Ladder – Requirements for CSR Management Systems and Part B: CSR Performance Ladder – Certification Scheme, were adopted by the management board of the Foundation Sustained Responsibility on the recommendation of the CSR Performance Ladder Board of Experts on 1 March 2020.

### **Practical information about CSR Performance Ladder certification**

On the website [www.mvoprestatieladder.nl](http://www.mvoprestatieladder.nl) you can find information about the registered certification bodies, CSR Performance Ladder certificates that have been issued, the CSR Performance Ladder standard and more.

If you are interested in CSR Performance Ladder certification, please go to [www.mvoprestatieladder.nl](http://www.mvoprestatieladder.nl) for more information.

The CSR Performance Ladder certification audit focuses on the requirements described in this document and the issues specified in Annex 1 and the CSR management system. The CSR Performance Ladder issues are linked to the Sustainable Development Goals (SDGs). Companies that aim to contribute to one or more of the 17 SDGs will therefore also benefit from having a management system that complies with the CSR Performance Ladder (see Annex 2).

**Please be aware that in case of translations of the CSR Performance Ladder Scheme documents, the Dutch version is binding.**



# Foreword

Everybody is talking about Corporate Social Responsibility these days and the subject is evolving at a rapid pace. In recent years there has been an increasing focus on issues such as climate change, the development of a circular economy, the rapid decline in biodiversity, organisational governance issues (such as corporate ethics, fair trading practices and tax avoidance), good employment practices in an era of flexible labour markets, the impact of globalisation on the populations and environments of developing countries, equal treatment and the impact of microplastics. Companies are increasingly expected to contribute to finding satisfactory ways to tackle these complex societal problems.

It is also clear that the economy and society are undergoing a transition in which the balance between economics and ecology is shifting. This development may be clearest to see when it comes to the energy transition: namely, the switch from fossil fuels to renewables. Given the problems associated with both raw materials and waste, the transition to a circular economy is absolutely crucial.

At global level, the United Nations summarised the key social and ecological challenges in 2015 in its 17 Sustainable Development Goals (SDGs): medium-term goals for the world to achieve by 2030. The SDGs are increasingly regarded as a frame of reference in shaping Corporate Social Responsibility and Sustainability, particularly for companies that operate internationally or cooperate with companies and other organisations in developing countries. The SDGs and the core subjects and issues of the CSR Performance Ladder are closely interconnected (see Annex 3). This makes the CSR Performance Ladder an excellent instrument for companies that want to use the SDGs as the basis for their CSR policy or that want to increase their contribution to the SDGs and communicate this to stakeholders.

The developments outlined above give rise to both opportunities and threats for companies. The opportunities arise due to the substantial need for innovative sustainable solutions and sustainable business models and revenue models, and the growing market for more sustainable products and services. In other words, this is a rich source of new business opportunities. The threats arise because carrying on in the same way as before is no longer a viable option in the long term.

New insights and societal issues need to be addressed specifically by companies. It is therefore only logical that the requirements for the CSR ladder have been updated. This is the third version of the certification scheme that organisations need to comply with in order to be awarded the CSR Performance Ladder certificate (the previous versions were adopted in 2010 and 2013). Such a certificate provides objective proof that the organisation has a Corporate Social Responsibility management system aimed at improving its societal impact, with a focus on the issues on which the organisation's impact is most substantial. The societal impact on these issues is made measurable and manageable by means of indicators, thereby enabling meaningful communication and engagement with stakeholders. An annual report provides transparency on the results of the company's CSR policy. All of these efforts are coordinated using the familiar Plan, Do, Check and Act (PDCA) cycle.

This version of the CSR Performance Ladder has the same basis as the 2013 version.

- It is supported by three pillars: a management system, issues and stakeholder engagement.
- The key reference document is ISO standard 26000:2010. However, ISO 26000 is not certifiable. In contrast, the CSR Performance Ladder is a certifiable standard, making it an indispensable tool for companies that wish to provide objective evidence that they are implementing the latest insights on Corporate Social Responsibility.



- The main structure of the CSR Performance Ladder is based on the ISO 'High Level Structure'. This means, wherever possible, that the CSR Performance Ladder is structured in the same way as other (ISO) management system standards and that requirements are formulated similarly to other standards (such as ISO 9001, 14001 and 45001). Back in 2013 it was only possible to use the High Level Structure, but we have now aligned the formulations in version 3 with other standards wherever possible, in particular with ISO 14001 on environmental management.

The key innovations compared with the 2013 version are as follows:

- CSR policy now focuses more strongly on the issues in respect of which the organisation can make a significant contribution. Usually these issues will be closely connected with the organisation's primary process. Increasingly, clients and customers are expecting – or even demanding – that attention be paid to the social and/or ecological aspects of products and services. Systematically responding to the CSR requirements and expectations of key existing and potential clients and customers will not only contribute to societal impact, but will also create opportunities to help the organisation succeed both economically and in terms of sustainability.
- It is possible to view the issues from the perspective of the Sustainable Development Goals (SDGs). As a result, companies that use the SDGs as the basis for their CSR policy will benefit even more from implementing the CSR Performance Ladder.
- CSR values or company principles, which were already part of 'organisational governance', have now been linked to the PDCA cycle, giving them greater significance.
- The CSR impact was already measurable by means of indicators, but reporting on these indicators and communication with stakeholders is now mandatory.
- Companies are now required to demonstrate how they compare with their sector and to substantiate their level on the CSR Performance Ladder.
- At level 4 supply chain responsibility has been further strengthened by including a section on CSR with respect to procurement and relations with suppliers.
- It has now become possible to attain level 5: the level for real trailblazers.
- The names of some core subjects have been updated.
- The three separate compliance issues have been eliminated, the previous issues no. 19 (labelling) and 28 (products and services) have been combined into a single issue (product information), organisational governance has been more clearly articulated as an issue, and one contemporary issue has been added (flexible employment relationships). The formulation of the issues has been updated to place more emphasis on the potential for making a positive societal contribution. In total there are now 31 issues instead of 33.
- Finally, the structure, text and layout of the document have been made more user friendly.

A transitional arrangement for certificate holders under version 2 (2013) is published on the website [www.mvoprestatieladder.nl](http://www.mvoprestatieladder.nl).

This document contains the requirements that apply to the CSR management systems of companies. Part B of the CSR Performance Ladder sets out the requirements for certification bodies.



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## Introduction

The CSR Performance Ladder certificate provides objective evidence that an organisation has a Corporate Social Responsibility management system that manages stakeholder requirements and expectations with a view to results. The CSR Performance Ladder is a standard comprised of two documents:

1. This document is Part A: CSR Performance Ladder – Requirements for CSR Management Systems. Part A describes the requirements that a company or non-profit organisation's CSR management system shall comply with in order to be eligible for certification (at one of the five levels of the CSR Performance Ladder). The CSR management system also encompasses stakeholder management and issue management. Stakeholder management is about demonstrably managing stakeholder engagement and expectations and the necessary communication and coordination with stakeholders on policy and performance.
2. Part B: CSR Performance Ladder – Certification Scheme. Part B sets out the requirements that apply in order to ensure the smooth running of the CSR Performance Ladder certification process. This part is mainly relevant to certification bodies, but it can also be useful for companies to familiarise themselves with the rules that govern certification.

The CSR Performance Ladder has five levels: levels 1 and 2 are entry levels (for organisations that are still developing a systematic CSR policy), while levels 3, 4 and 5 are intended for organisations that already have a fully fledged, systematic CSR policy. See Chapter 4.6 for the requirements that apply to each level.

The three core elements of a CSR management system are:

1. A management system based on the Deming cycle, also known as the 'PDCA' cycle: Plan, Do, Check and Act. This system shall be implemented and embedded in the organisation, with a focus both on results and continual improvement.
2. Stakeholder management: periodic identification of significant stakeholders and regular communication and engagement with them.
3. Issues: the material CSR issues for the organisation have been determined. Indicators are used to measure the status, progress and realisation of CSR policy for each issue and to adjust policy where necessary. The core subjects and indicators are important for the purpose of setting specific objectives for the organisation and for communicating and cooperating with stakeholders.

The division into chapters should not be relied on as guidance for setting up the CSR management system. Chapters 4 to 10 taken together describe the requirements that apply to CSR management systems. The way in which these requirements are applied will vary from organisation to organisation.

Chapter 4, **The context of the organisation**, concerns the opportunities and risks that the organisation faces. The societal requirements and expectations that are relevant to the organisation are identified, as well as the stakeholders that play a key role in this respect. This has implications for the scope, extent and establishment of the CSR management system and the level that the organisation aims to achieve.

Chapter 5, **Leadership**, is all about organisational governance, leadership and management commitment. Top management adopts the CSR policy, takes responsibility for the CSR management system, arranges the roles and assigns responsibilities and authorities. Core values or company principles are adopted.

Chapter 6, **Planning**, is the starting point of the PDCA cycle. The objectives of the CSR policy are made specific with the aid of issues and indicators. Plans are drawn up for realising the objectives.





Chapter 7, **Support**, addresses the resources and staff needed to enable a CSR management system to function effectively and to implement plans: competences, awareness, reporting, communication with stakeholders and documentation of relevant information.

Chapter 8, **Operation**, concerns the implementation and execution of planned activities. It deals with internal processes, relations with supplies and the realisation of the organisation's CSR objectives.

Chapter 9, **CSR Performance Evaluation**, is about the monitoring, measurement, analysis and evaluation of the CSR policy. Compliance with internal and external requirements is an important consideration in this respect. Internal audits are important for determining whether the CSR management system is functioning as intended, as well as providing key input for the management review. The evaluation of the CSR management system's performance also serves as key input for the annual CSR report.

Chapter 10, **Improvement**, concerns improving the CSR management system itself as well as improving processes and refining objectives where necessary. These efforts contribute to the continual improvement of the organisation's societal impact.



# 1 Subject and scope

This standard specifies the requirements applicable for a CSR management system, which organisations can use to improve their societal impact. It is intended for use by an organisation that want to manage their societal responsibilities in a systematic manner, thereby contributing to the social, ecological and commercial pillars of sustainability.

This standard helps an organisation to achieve the intended societal results, which are of value to society, the organisation itself and its stakeholders. In conformity with the CSR policy of the organisation, the intended results of the CSR management system are:

- to improve societal performance;
- to fulfil compliance obligations;
- to achieve CSR objectives;
- to contribute to sustainable innovation and to combine societal and economic objectives.

This standard is applicable to any organisation, regardless of its size, type and nature, and applies to the social, ecological and commercial aspects of its activities, products and services. The organisation determines the extent to which it can exercise control or influence, based on a life cycle perspective and active communication with stakeholders. The standard does state specific CSR performance criteria.

The CSR Performance Ladder allows CSR policy to be shaped at strategic level and ensures that operational processes can result in the realisation of CSR objectives.

Obtaining CSR Performance Ladder certification will help to embed the CSR management system in the organisation and support communication to internal and external stakeholders.

The organisation itself determines which of the five levels to aim for in its first CSR certification audit. Levels 1 and 2 are entry levels, which assume that the organisation will later progress to at least level 3. However, it is up to the certification body to determine the level for which a CSR Performance Ladder certificate is issued.



## 2 Normative and other references

### 2.1 Normative references

ISO/IEC 17021-1:2015 and	Conformity assessment - Requirements for bodies providing audit and certification of management systems – Part 1: Requirements
ISO 14001:2015 and	Environmental management systems — Requirements with guidance for use.
ISO 26000:2010 and Annex SL IEC / ISO 2012 (Guide 83)	Guidance on social responsibility. High level structure and identical text for management system standards and common core management system terms and definitions, ISO, Geneva.

### 2.2 Other references

United Nations – SDGs (2015)	Transforming our world: The 2030 Agenda for Sustainable Development A/Res/70/1 – UN – New York/Geneva.
WCED (1987)	The World Commission on Environment and Development: Our Common Future



## 3 Terms and definitions

For the purposes of this standard, the following definitions apply:

**Business model:** a business model is a model used to identify and manage various aspects of a business (e.g. organisational, operational, financial, societal and ecological aspects). See also: revenue model.

**Certification:** a declaration, given by means of a certificate, that certain standards are being complied with. CSR Performance Ladder certification is conducted exclusively by independent, specialist certification bodies that hold a licence issued by the Foundation Sustained Responsibility. A certificate will be awarded once it has been established that the management system complies with the requirements set out in this document. The certificate implies a legitimate expectation that the requirements will continue to be met.

**Certification scheme:** the rules governing certification. For the certification scheme, please refer to CSR Performance Ladder Part B.

**Company or organisation:** the party that is responsible for ensuring that production processes, trade and/or services consistently comply with the requirements that form the basis for certification; where the term 'organisation' is used in the Performance Ladder, this refers to both companies and other organisations.

**Compliance obligations:** requirements arising from laws or regulations with which an organisation shall comply, as well as other requirements that an organisation is obliged to comply with or chooses to comply with.

**Corporate Social Responsibility:** doing business in a way that involves actively managing Social Responsibility by means of transparent and ethical behaviour that:

- contributes to sustainable development including the health and welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with the applicable law and consistent with international norms of behaviour;
- is integrated throughout the organisation and practised in its relationships.

Companies that operate in a socially responsible manner not only strive for profit, but also prioritise people and the planet. They are actively aware of the impacts of their activities on people, the environment and society and strive for transparency in their CSR performance. In particular, companies that operate internationally are increasingly drawing inspiration from the Sustainable Development Goals. CSR often goes hand-in-hand with profitability.

The first step is for companies to ensure that they do not exacerbate societal problems. Businesses can go a step further by endeavouring to contribute to solving these problems.

**CSR:** see Corporate Social Responsibility.

**CSR issue:** an issue that is relevant to social responsibility. The CSR Performance Ladder has seven core subjects: (1) organisational governance, (2) labour practices, (3) human rights, (4) fair operating practices, (5) consumer issues, (6) circular economy and climate change and (7) societal involvement and development. The seven core subjects are divided into 31 CSR issues.



**CSR management system:** the management system for the organisation's corporate social responsibility. The system is run by top management and also encompasses stakeholder management and the management of CSR issues.

**CSR Performance Ladder:** a standard against which organisations can ask to be certified. The document that accompanies Part A is Part B, the standard for certification bodies.

**Indicator:** a measurable representation of a situation or the status of activities, management or circumstances.

**Level:** the CSR Performance Ladder has five levels that lead to sustainable development, with level 5 being the highest level attainable. The organisation's level is based on an assessment of the stage of development reached by its CSR management system and CSR policy at a particular moment in time. This level can be affected by both external and internal developments.

**Life cycle:** a succession of interconnected phases of a system of products or services. The key phases are the acquisition of raw materials, design, production, transport/delivery, use, maintenance, end-of-life treatment and disposal or reuse.

**Materiality:** aspects that represent the economic, ecological and social impacts of the organisation, or have a substantial influence on the judgments and decisions of its stakeholders, are material. In order to determine materiality, qualitative and quantitative analyses are necessary, as well as dialogue with stakeholders.

**Management system:** a set of interrelated or interacting elements of an organisation to establish policies, objectives and processes and to achieve those objectives.

**3 Ps:** People, Planet and Profit/Prosperity. Businesses often refer to People, Planet and Profit to signify that it is important to strike a good balance between making a profit and realising social and ecological objectives. Non-profit organisations in particular find this concept difficult to apply. That is why reference is increasingly being made to 'People, Planet and Prosperity'. In this connection Prosperity also includes the contribution made to well-being.

**Revenue model:** The revenue model, which is part of the business model, describes how the company's activities generate income and/or profit. It is important that the revenue model incorporates CSR aspects.

**Sector:** companies or organisations of a similar nature within a country or internationally.

**Social Responsibility:** the responsibility of an organisation for the impacts of its decisions and activities on society and the environment.

**Stakeholder:** A person or organisation capable of influencing or being affected by a decision or activity, or which considers itself to have been affected by a decision or activity. A significant stakeholder is capable of exercising a major influence on the company or has a major interest in the company's CSR performance. The stakeholders have a direct or indirect interest in an organisation's performance (including its performance in relation to society) or in the organisation's success. Together the stakeholders represent society's perceptions and expectations of the organisation. Existing or potential customers or clients who set requirements of the organisation's performance in relation to society (e.g. social, ecological) provide a strong boost to CSR, enabling the organisation to tap into new commercial opportunities.



**Sustainability:** a situation in which the current global population is able to meet its needs without restricting the ability of future generations to meet their needs (derived from WCED 1987 – UN report on sustainable development). Because the ideal situation has not been reached, people often refer to sustainable development. Social, ecological and economic aspects are important in this respect (often referred to as People, Planet and Profit/Prosperity, or the ‘3 Ps’).

**Sustainable Development Goals (or SDGs):** The global sustainable development goals for 2030 as adopted by the United Nations in 2015. The SDGs represent important international CSR goals for the medium term, which means that they shape the sustainability policies of many national governments and companies, particularly those that operate internationally. The CSR Performance Ladder is an important tool for enabling companies to give specific form to their efforts to contribute to the SDGs.

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**Top management:** a person or group of people who direct(s) and control(s) an organisation at the highest level.



## 4 Context of the organisation

### 4.1 Identification of the relevant CSR issues for the organisation

- a. At least once a year the organisation shall identify which of the 7 core subjects and 31 CSR issues in the CSR Performance Ladder are relevant to its societal impact. The organisation shall examine whether each of the 31 issues (see Annex 1) may be relevant to the organisation and, if so, include each potentially relevant issue in a 'long list'.
- b. The organisation shall prioritise the CSR issues in the long list and distinguish between relevant/highly relevant issues and less relevant issues. The factors to be taken into account in this connection include: commercial strategy, strategic opportunities and risks, the nature of the primary process, issues that play a role in public debate and the media, the applicable laws and regulations, and the expectations of stakeholders.

The organisation shall identify and establish criteria for determining which issues are relevant and how relevant they are.

NOTE: CSR issues may be connected with risks and opportunities in the context of the organisation on account of either positive or negative impacts.

NOTE: The CSR issues can easily be linked to the Sustainable Development Goals (see Annex 2). If the organisation wishes to pursue one or more SDGs, this will also have implications for the relevance of issues.

### 4.2 Identification of the relevant stakeholders for the organisation

- a. At least once a year the organisation shall identify which internal and external stakeholders may be relevant to its CSR policy. The organisation shall draw up a 'long list' of relevant stakeholders. The following categories of stakeholders should in any case be considered: customers and clients, internal stakeholders, neighbours and local residents, sectoral organisations, suppliers and supply chain partners, government bodies and NGOs.
- b. The organisation shall prioritise the stakeholders in the long list and distinguish between relevant/highly relevant stakeholders and less relevant stakeholders. The factors to be taken into account in this connection include:
  - the influence that the wishes and expectations of the stakeholders may have on the organisation;
  - the control that the stakeholders concerned can exercise over the organisation;
  - the issues that are relevant to the stakeholders.

The organisation shall identify and establish criteria for determining which stakeholders are relevant and how relevant they are.

NOTE: existing or potential customers or clients who set societal (e.g. social or ecological) requirements of the organisation are always relevant stakeholders: these requirements are relevant to the integration of CSR into marketing and innovation. Responding to such requirements and expectations will not only be beneficial to CSR policy, but will also offer the organisation opportunities to combine economic success with successful sustainability efforts and to perform even better in this respect.



### 4.3 Transparency about compliance obligations

At least once a year the organisation shall:

- a. Determine its compliance obligations with respect to CSR aspects.
- b. Determine how these compliance obligations apply to the organisation.
- c. Take account of these compliance obligations when establishing, implementing, maintaining and continually improving its CSR management system.

The organisation shall retain documented information concerning its compliance obligations.

NOTE: Compliance obligations may lead to commercial and other risks and opportunities for an organisation.

### 4.4 Determining of material issues and significant stakeholders

The organisation shall combine the outcomes of its prioritisation of relevant issues and stakeholders, taking its compliance obligations into account. For this purpose it shall draw up a 2 x 2 matrix.

	Relevant/less relevant CSR issues	Highly relevant CSR issues
Highly relevant stakeholders	Relevant issues and stakeholders	Material issues and significant stakeholders
Relevant/less relevant stakeholders	Issues and stakeholders that have little relevance (at present)	Relevant issues and stakeholders

The material issues and significant stakeholders converge in the top right-hand quadrant. This quadrant forms the basis for determining material issues and significant stakeholders. The matrix also shows which highly relevant CSR issues involve less relevant stakeholders, and which less relevant CSR issues involve significant stakeholders; these two quadrants indicate the relevant issues and stakeholders. The final quadrant shows stakeholders and issues that have little relevance (at present).

- a. Using this analysis, the organisation determines which CSR issues are material and which stakeholders are significant in relation to each material issue.
- b. Using this analysis, the organisation also determines which CSR issues are relevant and which stakeholders are relevant for each relevant issue.

This analysis needs to be updated at least once a year.

NOTE: The organisation's CSR policy shall place the emphasis on material issues and significant stakeholders. The relevant issues and stakeholders are also important factors in the CSR policy.

NOTE: Where one or more existing or potential customers or clients set requirements in relation to particular CSR issues, these issues are always relevant or material issues. Responding to these requirements and expectations will not only be beneficial to CSR policy, but will also offer the organisation opportunities to combine economic success with successful sustainability efforts.

NOTE: The audits carried out by the certification body will assess whether the methodology used to determine material and relevant issues and significant and relevant stakeholders is reproducible, accurate, complete and up-to-date.





NOTE: If the organisation wishes to contribute to one or more Sustainable Development Goals, this will be reflected in one or more material issues.

With respect to the material and relevant CSR issues that it identifies, the organisation also needs to take into account:

- a. changes, including planned or new developments, and any new or changed activities, products and services;
- b. abnormal circumstances and reasonably foreseeable emergencies.

Managing cooperation and communication with stakeholders is one of the core elements of the CSR Performance Ladder and is part of the CSR management system.

To this end the organisation shall:

- a. periodically update the links between material issues and significant stakeholders;
- b. evaluate and further develop the CSR policy in consultation with the significant and relevant stakeholders (see 4.2 and 4.4).

NOTE: From level 3 upwards, the CSR management system includes each of the 7 core subjects under People, Planet and Profit/Prosperity. Input from stakeholders and periodic dialogue with them contributes to the realisation of the objectives (see 6.2.1) related to the relevant and material CSR issues.

#### 4.5 Determining of the scope of the CSR management system

The organisation shall decide on the boundaries and applicability of the CSR management system in order to determine its scope. When determining this scope, the organisation shall consider :

- a. the externally and internally relevant issues and the associated requirements (see 4.1 and 4.4);
- b. the compliance obligations referred to in 4.3;
- c. its organisational components, roles and physical boundaries;
- d. its activities, products and services;
- e. its authority and ability to exercise control and influence;
- f. the results of the assessment of stakeholder requirements and needs (see 4.2 and 4.4).

Once the scope has been defined, all of the organisation's activities, products and services falling within that scope shall be covered by the CSR system. The scope is also relevant when determining which level the company is aiming for on the CSR Performance Ladder (see 4.6).

Documented information on scope shall be retained and made available to stakeholders.



#### 4.6 Requirements for each level

With respect to all levels, it is necessary for the organisation to know which issues play a role in its sector and whether the sector has particular arrangements, guidelines or voluntary agreements. The organisation shall make active efforts to provide comparisons between its performance and the current state of CSR in the sector. It will have a CSR management system that safeguards its processes, ensuring continual improvement and active dialogue with stakeholders. A CSR report shall be drawn up and published once a year.

Level	Performance level and scope	Stakeholder groups that shall be engaged (minimum required)	External audit report
Level 1	<p>A complete assessment has been made to identify the relevant issues and stakeholders. Policy and objectives have been determined for a limited number of these issues. The company aims to at least match the sectoral average.</p> <p>The relevant stakeholders have been identified.</p> <p>A policy is in place to progress to level 3 within two years. See also Annex 4.</p>	<ul style="list-style-type: none"> <li>customers</li> <li>internal stakeholders</li> <li>neighbours and local residents</li> </ul>	no
Level 2	<p>Policy and objectives have been determined for a limited number of material and relevant issues.</p> <p>The company aims to at least match the sectoral average. A policy is in place to progress to level 3 within one year. See also annex 4.</p>	<ul style="list-style-type: none"> <li>customers</li> <li>internal stakeholders</li> <li>sectoral organisation</li> <li>neighbours and local residents</li> </ul>	no
Level 3	<p>Policy and objectives have been determined for the material and relevant issues. The company aims to at least match the sectoral average.</p> <ul style="list-style-type: none"> <li>The organisation can demonstrate that its performance at least matches the sectoral average on each of the material and relevant issues.</li> <li>CSR core values and company principles have been defined and implemented.</li> </ul>	<ul style="list-style-type: none"> <li>customers</li> <li>internal stakeholders</li> <li>neighbours and local residents</li> <li>sectoral organisation</li> <li>suppliers</li> </ul>	no
Level 4	<p>Policy, objectives and results have been determined for the material and relevant issues that exceed the sectoral average.</p> <ul style="list-style-type: none"> <li>The organisation can demonstrate that its performance is among the top 25% in the sector on each of the material and relevant issues.</li> <li>CSR core values and company principles have been defined and implemented.</li> <li>CSR voluntary agreements and sectoral</li> </ul>	<ul style="list-style-type: none"> <li>customers</li> <li>internal stakeholders</li> <li>neighbours and local residents</li> <li>sectoral organisation</li> <li>supply chain partners</li> <li>governmental organisations</li> <li>NGOs</li> </ul>	no



	guidelines are complied with.		
	<ul style="list-style-type: none"> <li>The company contributes to the development and realisation of innovative supply chain solutions that have a demonstrable impact.</li> <li>It supplies a number of new products or services that make a contribution to solving societal problems.</li> </ul>		
Level 5	<p>Policy, objectives and results have been determined for the material and relevant issues that exceed the sectoral average.</p> <ul style="list-style-type: none"> <li>The organisation can demonstrate that its performance is among the best in the sector on each of the material issues.</li> <li>CSR core values and company principles have been defined and implemented.</li> <li>CSR voluntary agreements and sectoral guidelines are complied with.</li> <li>The company actively contributes to the development and realisation of innovative supply chain solutions that have a demonstrable impact on CSR.</li> <li>The majority of new products or services make a contribution to solving societal problems.</li> <li>The organisation is regarded by significant and relevant stakeholders as a trailblazer in relation to multiple CSR issues.</li> <li>The organisation is clearly dedicated to the transition to a more sustainable society.</li> </ul>	<ul style="list-style-type: none"> <li>customers</li> <li>internal stakeholders</li> <li>neighbours and local residents</li> <li>sectoral organisation</li> <li>supply chain partners</li> <li>governmental organisations</li> <li>NGOs</li> </ul>	yes

Note: At each level of the CSR Performance Ladder, the organisation can focus on contributing to one or more of the 17 SDGs. See Annex 3 for the links between the SDGs and the CSR issues. Obviously these links are only meaningful in the case of one or more material issues.

**4.7 CSR management system**

In order to achieve the intended results, including improving its CSR performance, the organisation shall establish, implement, maintain and continually improve a CSR management system, including the processes needed and their interactions, in accordance with the requirements of this standard.

When establishing and maintaining the CSR management system, the organisation shall take into account the knowledge acquired in 4.1 to 4.4. In shaping the CSR management system, the organisation shall also take into account the level it is aiming for on the CSR Performance Ladder (see 4.6).



## 5 Leadership

### 5.1 Leadership and commitment

Top management shall demonstrate leadership and commitment with respect to the CSR management system by:

- a. Taking accountability for the effectiveness of the CSR management system;
- b. ensuring that the CSR policy and CSR objectives are established and are compatible with the strategic direction and context of the organisation;
- c. ensuring the integration of the CSR management system requirements into the organisation's business processes (including marketing and product development);
- d. ensuring that the resources needed for the CSR management system are available;
- e. actively communicating (internally and externally) the importance of effective CSR management and of conforming to the CSR management system requirements;
- f. ensuring that the CSR management system achieves its intended outcome(s);
- g. directing and supporting persons to contribute to the effectiveness of the CSR management system;
- h. promoting continual improvement;
- i. supporting other relevant managerial roles to demonstrate their leadership as it applies to their areas of responsibility.

Top management shall also:

- j. ensure that it is demonstrable and transparent that good organisational governance arrangements are in place;
- k. formulate core values or company principles in relation to organisational governance and CSR policy.

NOTE: Core values and business ethics are closely connected with CSR. Every organisation will define its own core values and/or company principles, in order to strengthen both the unique character of the organisation and the organisation's CSR policy. Some examples of common core values are: justice, openness/transparency, and trust. A few examples of CSR principles are: taking responsibility for all direct and indirect impacts of business activities, a life cycle approach to products and services, and thinking and acting inclusively.

The organisation shall draw up a document on the organisation's governance structure that shows:

- l. the highest management body in the organisation or entity, including committees responsible for determining the strategy of the organisation, for example its CSR strategy;
- m. which mechanisms exist to facilitate recommendations or codetermination for the shareholders and employees of the organisation or entity in relation to the highest management body.



## 5.2 CSR policy

Each year top management shall implement and maintain the CSR policy and elaborate it into objectives for the short, medium and long term. The CSR policy shall, within the defined scope of the organisation's CSR management system:

- a. be appropriate to the purpose and context of the organisation, including the nature, scope and CSR impacts of its activities, products and services;
- b. provide a framework for setting CSR objectives while differentiating between material and relevant issues;
- c. include a commitment to satisfy compliance obligations (in relation to the applicable requirements of public and private law and of stakeholders);
- d. include a commitment to continual improvement of the CSR management system in order to improve CSR performance.

The CSR policy shall:

- be retained as documented information;
- be communicated within the organisation and to external stakeholders;
- be available to stakeholders.

NOTE: If the organisation endeavours to contribute to one or more Sustainable Development Goals, this will be reflected in its CSR policy, specifically in relation to one or more material issues.

## 5.3 Roles, responsibilities and authorities within the organisation

Top management shall ensure that the responsibilities and authorities for roles that are relevant to CSR policy are assigned and communicated within the organisation, in relation to:

- a. ensuring that the CSR management system conforms to the requirements of this standard;
- b. reporting on the performance of the CSR management system, including CSR performance, to top management.



## 6 Planning

### 6.1 Action to address risks and opportunities

#### 6.1.1 General

The organisation shall establish, implement, maintain and document the process(es) needed for the purpose of the CSR policy (see 5.2) and to comply with the requirements set out in 6.1.1 and 6.2.

When planning for the CSR management system, the organisation shall take the following factors into account:

- a. opportunities to strengthen operations by integrating social and ecological aspects into the development and production of products and/or services;
- b. the material and relevant CSR issues (see 4.1 and 4.4);
- c. the significant and relevant stakeholders (see 4.2 and 4.4);
- d. the requirements and expectations of significant and relevant stakeholders (see 4.2 and 4.4);
- e. the scope of the CSR management system as defined in 4.5;
- f. the level the organisation is aiming for on the CSR Performance Ladder (1, 2, 3, 4 or 5);
- g. opportunities and risks in relation to operations and CSR.

The aim of these efforts is:

- to ensure that the CSR management system can achieve its intended outcome(s);
- to prevent or reduce undesired impacts;
- to strengthen positive impacts on the organisation and society;
- to achieve continual improvement.

#### 6.1.2 Planning actions

The organisation shall:

- a. Plan actions to address:
  - material and relevant CSR issues;
  - compliance obligations;
  - identified opportunities and risks;
- b. Plan how to:
  - integrate and implement the actions into its CSR management system processes or other operating processes (see also 6.2, 8 and 9.1);
  - evaluate the effectiveness of these actions (see 9.1).

When planning these actions, the organisation shall take account of its technological options and financial, operational and commercial requirements.

### 6.2 CSR objectives and planning for their realisation

#### 6.2.1 CSR objectives

The organisation shall establish CSR objectives for relevant jobs and at relevant levels, taking into account the organisation's material and relevant CSR issues, the associated compliance obligations and its opportunities and risks. For each material or relevant issue, the organisation needs to determine what its ambition and objective are and how the objective compares with the expectations of stakeholders, considering benchmarking the sector and any voluntary agreements.



The CSR objectives shall:

- a. be consistent with the CSR policy and the core values or company principles adopted by the organisation;
- b. take into account applicable requirements;
- c. be measurable (if practicable);
- d. be monitored;
- e. be communicated both internally and externally;
- f. be updated at least once a year.

The organisation shall retain documented information concerning its CSR compliance obligations.

### **6.2.2 Planning actions to achieve CSR objectives**

When planning how to achieve its CSR objectives, the organisation shall determine:

- a. what will be done;
- b. what resources will be required;
- c. who will be responsible;
- d. when it will be completed;
- e. how and when the results will be evaluated, including monitoring the progress made on achieving its measurable CSR objectives.

The organisation shall integrate the actions for achieving its CSR objectives into its operating processes.

### **6.3 CSR indicators**

In order to make the CSR objectives for each issue (see Annex 1) specific and measurable, to enable progress to be monitored and evaluated and to make CSR performance demonstrable, the organisation shall set CSR indicators for all material and relevant CSR issues.

These indicators shall also be important for the purpose of communication and engagement with stakeholders. CSR indicators provide measurable and comparable information about the economic, environmental and social performance of the organisation.

The organisation shall retain documented information on its CSR indicators, the measurement method for each indicator, the results/CSR performance for each indicator and the effectiveness of the actions/plans for each indicator, with respect to each of the material and relevant issues.



# 7 Support

## 7.1 Resources

The organisation shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the CSR management system.

## 7.2 Competence

The organisation shall:

- a. determine the necessary competence of person(s) doing work under its control that affects the organisation's CSR performance and has an impact on its ability to fulfil its compliance obligations;
- b. ensure that these persons are competent on the basis of appropriate education, training, and/or experience;
- c. determine training needs related to its objectives concerning CSR issues and its CSR management system;
- d. where applicable, take actions to acquire the necessary competence, and evaluate the effectiveness of the actions taken.

NOTE: Applicable actions can include, for example, the provision of training to, the mentoring of, or the reassignment of currently employed persons; or the hiring or contracting of competent persons.

The organisation shall retain appropriate documented information as evidence of competence.

## 7.3 Awareness

The organisation shall ensure that persons doing work under the organisation's control are aware of:

- a. the CSR policy and CSR objectives;
- b. the core values or basic principles of the organisation that are relevant to its CSR policy;
- c. the material and relevant CSR issues and the actual or possible CSR impacts connected with their work;
- d. their contribution to the effectiveness of the CSR management system, including the benefits of improved CSR performance;
- e. the implications of not conforming with the CSR management system requirements that apply to their work, including non-fulfilment of the organisation's compliance obligations.

## 7.4 Communication with stakeholders

### 7.4.1 General

The organisation shall determine, implement and maintain the processes that are required for its internal and external communications and are necessary for the CSR management system, including:

- a. what it will communicate about: the core values/company principles and issues relevant to the stakeholders concerned are mandatory subjects in this respect;
- b. when to communicate;
- c. with whom to communicate;
- d. how to communicate.

In determining its communication processes, the organisation shall:

- take its compliance obligations into account;
- ensure that the communicated CSR information is aligned with the information generated in the CSR management system and is reliable;
- ensure that communication is relevant, up to date, timely, understandable and transparent.





In its communication the organisation shall:

- a. provide information on gains and setbacks in relation to CSR;
- b. ensure that the information is comparable so that a multi-year picture of CSR policy can be established (see 7.5);
- c. ensure that the information is precise and has a level of detail that is meaningful to the stakeholders concerned;
- d. ensure that the information is reliable, so that stakeholders are well informed about the organisation's CSR performance and efforts;
- e. ensure that its communication is active, demonstrable and includes relevant input and reactions from relevant stakeholders;
- f. respond to relevant communication on its CSR management system.

The organisation shall retain appropriate documented information as evidence of its communication.

#### 7.4.2 Internal communication

The organisation shall:

- a. communicate information internally that is relevant to the CSR management system, including changes in that system, in an appropriate manner to the various levels and positions within the organisation;
- b. ensure that its communication processes make it possible for people doing work under the organisation's control to contribute to continual improvement.

#### 7.4.3 External communication

The organisation shall communicate information that is relevant to the CSR management system externally to stakeholders, as defined in its communication process(es) and as required in accordance with its compliance obligations.

The organisation shall communicate its material and relevant CSR issues to its external stakeholders in an appropriate manner.

NOTE: At each level of the CSR Performance Ladder, the minimum requirement is that the necessary stakeholders at that level shall be informed and engaged in relation to the organisation's policy (see 4.6).

NOTE: Organisations that have been awarded a CSR Performance Ladder certificate shall comply with rules on the use of the CSR Performance Ladder logo.

### 7.5 CSR report

The organisation shall:

- a. issue an annual report in the form of an integrated annual report or a separate CSR report in which it provides information on the formulated objectives, the results achieved (in the past three years) and the ambitions for the near/longer-term future with respect to CSR (material and relevant issues, people, planet and profit); where applicable, one or more material issues may be linked to one or more of the Sustainable Development Goals.
- b. The report shall record the development in the CSR performance over the past three years in relation to the material and relevant issues using specific indicators. The communication shall explicitly state how much progress has been made each year (e.g. by how many tonnes CO<sub>2</sub> emissions have been reduced compared with the previous year); the development in the indicators should be noted even if no progress has been made.



- c. The CSR report shall be published and actively shared with the relevant stakeholders. It shall also be made available to all stakeholders on the organisation's website.
- d. At level 5, the CSR report shall be externally audited each year by an independent expert (auditor) and this audit shall encompass the requirements that the CSR Performance Ladder sets in respect of the CSR report.
- e. At other levels, an external audit is optional. This is taken into account in the audit and the time required for it (see Part B).

## 7.6 Documented information

### 7.6.1 General

The organisation's CSR management system shall include, among other things:

- a. the documented information required by this standard;
- b. the documented information determined by the organisation as being necessary for the effectiveness of the CSR management system.

### 7.6.2 Creating and updating

When creating and updating documented information the organisation shall ensure appropriate:

- a. identification and description (e.g. a title, date, author, or reference number);
- b. format (e.g. language, software version, graphics) and media (e.g. paper, electronic);
- c. review and approval for suitability and adequacy.

### 7.6.3 Control of documented information

Documented information required by the CSR management system and by this standard shall be controlled to ensure:

- a. it is available and suitable for use, where and when it is needed;
- b. it is adequately protected (e.g. from loss of confidentiality, improper use, or loss of integrity).

For the control of documented information, the organisation shall address the following activities, as applicable:

- distribution, access, retrieval and use;
- storage and preservation, including preservation of legibility;
- control of changes (e.g. version control);
- retention and disposal.

Documented information of external origin determined by the organisation as being necessary for the planning and operation of the CSR management system shall be identified, as appropriate, and controlled. This includes among other things the results of communication with stakeholders.



## 8 Operation

### 8.1 Operational planning and control

In order to meet the requirements of the CSR management system and to implement the actions identified and planned in 6.1 and 6.2, the organisation shall determine, implement, control and maintain the necessary processes by:

- establishing implementation criteria for the processes;
- implementing control of the processes in accordance with the implementation criteria;
- keeping documented information to the extent necessary to have confidence that the processes have been carried out as planned.

The organisation shall control planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

The organisation shall ensure that control or influence is exercised over outsourced processes. The type and extent of control or influence over the process(es) needs to be defined within the CSR management system.

As appropriate to the CSR Performance Ladder level (see 4.6) and materiality (see 4.4), the organisation shall:

- a. apply the life cycle perspective to ensure that its CSR objectives are taken into account in the design and development process of business and revenue models, services and production and operating processes;
- b. ensure that priority is given to control measures at source.

### 8.2 CSR requirements for procurement of products, services and suppliers

#### 8.2.1 General

The organisation shall control the compliance of externally supplied products, processes and services and of suppliers with its CSR objectives. At levels 4 and 5, this concerns the entire supply chain in so far as is relevant for achieving CSR objectives.

In conformity with its CSR policy and as appropriate to the situation, the organisation shall:

- a. determine control measures for ensuring that its CSR requirement(s) is/are taken into account in the design and development process of the procured product or service, giving consideration to each phase of the life cycle;
- b. determine its CSR requirement(s) for the procurement of products and services;
- c. communicate its relevant CSR requirement(s) to suppliers, including contractors;
- d. if necessary provide information on possible important CSR impacts in relation to transport or delivery, use, end-of-life treatment and disposal of its procured products and services.

The organisation shall keep and retain appropriate documented information on the results of evaluations, performance monitoring and the reassessment of external suppliers.

NOTE: Defining highly detailed CSR requirements for products and services may inhibit suppliers from offering innovative solutions.



### **8.2.2 Information for external suppliers**

The organisation shall communicate with external suppliers about the application of CSR requirements. This communication shall at least include:

- the applicable statutory requirements;
- the requirements that the organisation sets for CSR management of suppliers;
- the applicable CSR issues and any linked objectives and measurable indicators;
- the added value of the supplier's products and services in relation to realising the organisation's CSR objectives.

### **8.2.3 Nature and scope of checks on external deliveries and suppliers**

In determining the nature and scope of checks on external suppliers of processes, products and services, the organisation shall take into consideration the possible impact of externally supplied processes, products and services and suppliers on its own capacity to consistently comply with CSR requirements and to realise CSR objectives.

NOTE: If a supplier has a CSR Performance Ladder certificate at level 3 or higher, the results of the checks on this supplier can be deemed to be positive. However, this does not automatically cover the complete supply chain.



## 9 CSR Performance Evaluation

### 9.1 Monitoring, measurement, analysis and evaluation

#### 9.1.1 General

The organisation shall monitor, measure, analyse and evaluate its CSR performance in terms of the material and relevant CSR issues. The organisation shall determine:

- a. what needs to be monitored and measured;
- b. the methods to be used for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results;
- c. the criteria for evaluating its CSR performance and the appropriate indicators;
- d. when the monitoring and measuring shall be performed;
- e. when the results from the monitoring and measurement shall be analysed and evaluated.

The organisation shall measure the impact of its CSR policy with the aid of indicators concerning the material and relevant issues.

For each material and relevant CSR issue the organisation shall:

- f. record information on the initial status and periodic information on the realisation of policy and performance on each CSR issue (including material issues);
- g. determine and evaluate CSR performance and the effectiveness of the CSR management system in light of the set objectives.

The organisation shall evaluate its CSR performance and the effectiveness of its CSR management system. The organisation shall retain appropriate documented information as evidence of its monitoring, measurement, analysis and evaluation results.

#### 9.1.2 Compliance evaluation

The organisation shall determine, implement and maintain the process(es) for evaluating its fulfilment of its compliance obligations.

The organisation shall:

- a. determine the frequency with which compliance will be evaluated;
- b. evaluate compliance and where necessary take measures;
- c. maintain its knowledge of and transparency about its compliance status.

The organisation shall retain documented information as evidence of the result(s) of its compliance evaluation.

### 9.2 Internal audit

#### 9.2.1 General

At least once a year the organisation shall carry out internal audits to obtain information on whether the CSR management system:

- a. conforms to:
  - the organisation's own requirements for its CSR management system;
  - the requirements of this standard.
- b. is efficiently implemented and maintained.



### 9.2.2 Internal audit programme

The organisation shall plan, establish, implement and maintain an audit programme, which includes the frequency, methods, responsibilities, planning requirements and reporting of its internal audits. In establishing an internal audit programme, the organisation shall take into consideration the importance of the processes concerned to CSR performance, including changes that have an impact on the organisation and the results of previous audits.

The organisation shall:

- a. define the audit criteria for and scope of each audit;
- b. select auditors and conduct audits to ensure the objectivity and impartiality of the audit process;
- c. ensure that the results of the audits are reported to relevant managers.

The organisation shall retain documented information as evidence of the implementation of the audit programme and the audit results.

## 9.3 Management review

### 9.3.1. General

Top management shall review the organisation's CSR management system at least once a year to ensure its continuing suitability, adequacy and effectiveness.

The management review shall include consideration of:

- a. the status of actions from previous management reviews;
- b. changes in:
  - external and internal highly relevant issues that are relevant to the CSR management system, including any changes in core values or company principles;
  - the needs and expectations of stakeholders, including compliance obligations;
  - its relevant CSR issues;
  - opportunities for improving operations through CSR;
  - opportunities and risks in relation to operations and CSR;
- c. the extent to which CSR objectives have been achieved;
- d. information on the organisation's CSR performance (over the past three years), including trends in:
  - nonconformities and corrective actions;
  - monitoring and measuring results;
  - fulfilment of its compliance obligations;
  - audit results;
  - requirements and expectations of significant stakeholders;
- e. the adequacy of resources;
- f. relevant communication from stakeholders, including customers;
- g. opportunities for continual improvement;
- h. the external communication of CSR results (see 7.4 and 7.5);
- i. the added value of the CSR management system to operations.



### 9.3.2. Results of management review

The results of the management review shall include:

- a. conclusions about the ongoing appropriateness, adequacy and effectiveness of the CSR management system;
- b. decisions on opportunities for continual improvement;
- c. decisions on the necessity for changes in the CSR management system, including resources;
- d. measures, where necessary, if the CSR objectives have not been achieved;
- e. opportunities for improved integration between the CSR management system and other operating processes, where necessary;
- f. comparison with the CSR performance of other companies in the sector. Where desired, benchmark data can be used for this purpose;
- g. any implications for the strategic direction of the organisation, including its core values/company principles;
- h. the value of the CSR Performance Ladder certificate to the organisation;
- i. any implications for the level the organisation is aiming for on the CSR Performance Ladder.

The organisation shall retain documented information as evidence of the results of the management review.



# 10 Improvement

## 10.1 General

The organisation shall identify opportunities for improvement (see 9.1, 9.2 and 9.3) and take the necessary action to achieve the intended, continually improving results of its CSR management system.

## 10.2 Nonconformities and corrective action

When a nonconformity occurs, the organisation shall:

- a. React to the nonconformity and, as applicable:
  - take action to control and correct it;
  - deal with the consequences, including tackling adverse CSR impacts.
- b. Evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
  - reviewing the nonconformity;
  - determining the causes of the nonconformity;
  - determining if similar nonconformities exist, or can potentially occur.
- c. Implement the necessary measures and communicate about them internally.
- d. Review the effectiveness of any corrective actions taken.
- e. Make changes to the CSR management system, if necessary.

Corrective actions shall be appropriate to the effects of the nonconformities encountered, including the CSR impact(s).

The organisation shall retain documented information as evidence of:

- the nature of the nonconformities and any corrective actions taken;
- the results of corrective actions.

## 10.3 Continual improvement

The organisation shall continually improve the suitability, adequacy and effectiveness of the CSR management system in order to improve CSR performance, encourage sustainable innovation and strengthen stakeholder engagement.





# Annexes

## Annex 1 The 7 core subjects and 31 CSR issues

### People, Planet and Profit/Prosperity The 7 core subjects and 31 CSR issues of the CSR Performance Ladder

Issue	Core subject I: Organisational governance
1 Organisational governance	The organisation’s management is demonstrably controlled and advised at the very least in accordance with local legislation. Where dilemmas concerning ethics, justice, transparency or confidence may arise, the organisation draws up its own core values and company principles as a tool to help realise CSR objectives. In the event of deviations from its own CSR policy and/or infringements of laws and regulations, possibly followed by the imposition of sanctions by the authorities, the organisation will explain the cause and the corrective action taken.

### PEOPLE (21 issues)

Issue	Core subject II: Labour practices
2 Employment	The organisation ensures the welfare of its employees by safeguarding employment and complying with its contractual obligations to its employees.
3 Relationship between employer and employee	The organisation ensures the welfare of its employees by means of appropriate social provision and by recording the rights and obligations that apply between the employer and the employee in an employment contract and possibly in employment terms and conditions, as well as in a job description and/or description of the employee’s duties.
4 Health and safety	The organisation ensures the health and safety of employees, direct neighbours and third parties by using safe facilities, technologies and procedures and by being prepared for calamities.
5 Training and education	The organisation ensures the welfare of its employees by offering facilities and opportunities for personal development in the form of training and education and in the organisation of the work.
6 Diversity and opportunities	The organisation ensures the welfare of its employees by implementing policy measures aimed at equal opportunities and equal treatment. The organisation offers people at a disadvantage in the labour market opportunities for labour market participation.
7 Flexible employment relationships	The organisation ensures the welfare of employees in a flexible employment relationship by respecting the statutory requirements and not cooperating with sham self-employment constructions.



<b>Issue</b>	<b>Core subject III: Human rights</b>
8 Strategy and policy	The organisation ensures compliance with human rights.
9 Equal treatment	The organisation ensures that people are treated equally.
10 Freedom of association and collective bargaining	The organisation ensures that there are no restrictions on the freedom of association and collective bargaining.
11 Child labour	The organisation ensures that efforts are made to tackle child labour.
12 Forced and compulsory labour	The organisation ensures that efforts are made to tackle forced and compulsory labour.
13 Security policy	The organisation ensures that security personnel respect the rights of the local population in performing their duties.
14 Rights of indigenous peoples	The organisation ensures that the rights of indigenous peoples are respected.
<b>Issue</b>	<b>Core subject IV: Fair operating practices</b>
15 Impacts on society	The organisation ensures that it minimises the adverse impacts of its activities on the local community.
16 Corruption	The organisation ensures that bribery and corruption of the organisation or its employees are avoided.
17 Public policy	The organisation ensures transparency when contributing to political lobbying groups and/or political parties. This contribution has a positive impact on the realisation of CSR objectives.
18 Anti-competitive behaviour	The organisation does not pursue any activities that inhibit fair competition.
<b>Issue</b>	<b>Core subject V: Consumer issues</b>
19 Consumer health and safety	The organisation ensures that the health and safety of buyers and users of products and services is not jeopardised.
20 Product information	The organisation ensures that buyers and users of products and services are sufficiently informed about their intended application, use, risks, CSR performance (where applicable) and recycling options. The information shall not be misleading.
21 Marketing and communication	The organisation ensures that standards and voluntary codes of conduct in relation to advertising are complied with and that communication is partly aimed at making a positive contribution to the realisation of CSR objectives.
22 Consumer privacy	The organisation ensures that the privacy of users is not infringed.




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## PLANET (6 issues)

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Issue	Core subject VI: Circular economy and climate change
23 Raw materials	The organisation is transparent about its use of raw materials and takes measures to increase the use of raw materials derived from recycling or waste.
24 Energy	The organisation is transparent about its energy consumption and takes measures to limit energy consumption and to use energy from renewable sources.
25 Water	The organisation is transparent about its water consumption and takes measures to reduce the use of water from sources that are scarce or where this could have significant consequences for related ecosystems or habitats.
26 Biodiversity	The organisation ensures that its presence and its activities have no impact or the minimum possible adverse impact on biodiversity in the surrounding living environment.
27 Emissions, waste water and residual waste	The organisation is transparent about, and takes measures to restrict, emissions of greenhouse gasses, the production of residual waste and discharges of hazardous substances (including environmentally harmful substances).
28 Transport	The organisation ensures that the impacts of transport on the environment and ecosystems are reduced to the minimum possible.

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**PROFIT/PROSPERITY (3 issues)**

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Issue	Core subject VII: Societal involvement and development
29 Direct economic values that are generated and distributed	<p>The organisation is responsible for producing a financial report that complies at the very least with the applicable requirements under local legislation, in view of its legal form.</p> <p>The legal form of the business, its geographical location and place of business shall be chosen in a way that strikes a proper balance between the positive and negative impacts on the local community.</p>
30 Positive contribution to local economy and community	<p>The organisation ensures that it makes a positive contribution to the local economy by obtaining personnel, services, goods and materials from the local area. The contribution to the local economy also encompasses social and environmental aspects.</p>
31 Contribution to the economic system	<p>The organisation's activities or services contribute to improving infrastructure in terms of People, Planet and Profit/Prosperity aspects within the sphere of influence of the organisation and its place(s) of business.</p>

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## Annex 2 The CSR Performance Ladder and the Sustainable Development Goals

The United Nations' Sustainable Development Goals are increasingly regarded by companies (particularly those that operate internationally) as a source of inspiration and guidance when shaping their CSR policy. Each of the 17 SDGs has a number of targets for the year 2030. Companies can make an active contribution to the realisation of these worldwide targets. Generally these efforts will concern one or more SDGs.

### SUSTAINABLE DEVELOPMENT GOALS



It is possible to link one or more SDGs to one or more material issues (see 4.4 and Annex 3). By way of inspiration, here are some suggestions about how to use the CSR Performance Ladder to make a systematic contribution to one or more SDGs.

The CSR Performance Ladder can help companies to:

- Select one or more SDGs (see chapter 4).
- Link the relevant SDGs to one or more material issues (see Annex 3).
- Support leadership and formulate policy in order to contribute to one or more SDGs (see chapter 5).
- Systematically implement policy to contribute to SDGs (see chapters 5 to 9).
- Formulate specific policy on SDGs based on plans, actions and specific objectives (see chapter 6).
- Support SDG policy by providing for the relevant competences and awareness and communicating with relevant stakeholders.
- Give consideration to the SDGs and to the link with one or more material CSR issues in the CSR report.
- Give specific form to the SDGs by setting requirements for the procurement of products, services and suppliers that are consistent in the supply chain.
- Regularly monitor, measure, analyse and evaluate the extent to which the CSR activities related to the material issues contribute to one or more SDGs.
- Use annual internal audits and management reviews to ensure a systematic contribution to one or more SDGs.



- Ensure that the continual improvement processes for material issues are partly aimed at contributing to SDGs.
- Use CSR Performance Ladder certification to incorporate an additional safeguard for the contribution to material CSR issues and the associated SDGs.
- Use CSR Performance Ladder certification to increase the credibility of company efforts to contribute to the SDGs.

Disclaimer: CSR Performance Ladder certification is based on compliance with the requirements specified in chapters 4 to 10 of this standard. In this context, linking material CSR issues to SDGs is optional, not mandatory. Consequently, contributing to the SDGs is not in itself covered by CSR Performance Ladder certification.



### Annex 3 Cross-reference table: the 31 CSR Performance Ladder issues and the SDGs

Many organisations that want to use the CSR Performance Ladder as a way of systematically managing their contribution to one or more SDGs wonder how best to link the SDGs to CSR issues. The link between them is not always direct. The table below offers initial guidance on some of the options for linking SDGs and CSR issues. The SDGs have been further elaborated into SDG targets. A potential next step would be to link the targets for the SDGs that are of most interest to the organisation to one or more material issues in the CSR Performance Ladder.

Core subject	Issue	ISO 26000	SDG	
Organisational governance	1 Organisational governance	5.1 5.2 6.2	-	
	2 Employment	6.4.1	8 Decent work and economic growth	
	3 Relationship between employer and employee	6.4.3	8 Decent work and economic growth	
Labour practices	4 Health and safety	6.4.6	3 Good health and well-being 8 Decent work and economic growth	
	5 Training, education, nature and organisation of work	6.4.7	4 Quality education	
	6 Diversity and opportunities	6.3.7	5 Gender equality	
	7 Flexible employment relationships	6.4.4	8 Decent work and economic growth	
	Human rights	8 Strategy and policy	6.3.3 6.3.10	12 Responsible consumption and production
		9 Equal treatment	6.3.7	5 Gender equality 10 Reduced inequalities
10 Freedom of association and collective bargaining		6.3.10	8 Decent work and economic growth	
11 Child labour		6.3.10	8 Decent work and economic growth	
12 Forced and compulsory labour		6.3.10	8 Decent work and economic growth	
13 Security policy		6.3.3	16 Peace, justice and strong institutions	
14 Rights of indigenous peoples		6.3.9 6.3.10	10 Reduced inequalities	
Fair operating practices		15 Impacts on society	6.6.6 6.6.7	11 Sustainable cities and communities
	16 Corruption	6.6.3	16 Peace, justice and strong institutions	
	17 Public policy	6.6.4	16 Peace, justice and strong institutions	
	18 Anti-competitive behaviour	6.6.5	10 Reduced inequalities	
Consumer issues	19 Consumer health and safety	6.7.4 6.7.8	2 Zero hunger 3 Good health and well-being	



	20 Product information	6.7.3 6.7.5 6.7.9	12 Responsible consumption and production
	21 Marketing and communication	6.7.3 6.7.5 6.7.6 6.7.9	12 Responsible consumption and production
	22 Consumer privacy	6.7.7	1 No poverty
<b>Circular economy and climate change</b>	23 Raw materials	6.5.3 6.5.6	12 Responsible consumption and production
	24 Energy	6.5.4	7 Affordable and clean energy 12 Responsible consumption and production
	25 Water	6.5.4	6 Clean water and sanitation
	26 Biodiversity	6.5.6	14 Life below water 15 Life on land
	27 Emissions, waste water and residual waste	6.5	9 Industry, innovation and infrastructure 12 Responsible consumption and production
	28 Transport	6.5.6	9 Industry, innovation and infrastructure 13 Climate action
<b>Societal involvement and development</b>	29 Direct economic values that are generated and distributed	6.8	1 No poverty 8 Decent work and economic growth 11 Sustainable cities and communities
	30 Positive contribution to local economy and community	6.8	1 No poverty 8 Decent work and economic growth 11 Sustainable cities and communities
	31 Contribution to the economic system	6.8	1 No poverty 8 Decent work and economic growth 11 Sustainable cities and communities

SDG 17 'Partnerships for the goals' may also be relevant to all the CSR issues and concerns how to engage stakeholders.





## Annex 4 Entry levels 1 and 2

This annex describes the structure of the CSR management system for levels 1 and 2.

### Level 1

The general principle is that level 1 requires that a full assessment is made to identify relevant issues (4.1) and stakeholders (4.2) and that policy is determined for a limited number of these issues. The internal organisation of the CSR management system is established and communication with stakeholders aims at least to identify the requirements and expectations of customers, internal stakeholders, neighbours and local residents.

In addition:

- Section 4.4 (materiality) does not yet apply.
- The CSR management system has been implemented.
- Objective: to reach level 3 within two years and then to at least match the sectoral average for all relevant (and subsequently determined) material CSR issues.
- CSR performance: the organisation matches the sectoral average on at least half of the relevant CSR issues.
- Report: shall document CSR performance over at least the past year.
- CSR issues and policy are discussed with the stakeholders mentioned in the table in 4.6.

### Level 2

At level 2, relevant and material issues and significant stakeholders have been determined (4.4) and policy and objectives have been determined for a limited number of material and relevant issues. The communication with stakeholders takes the form of a dialogue that includes at least customers, internal stakeholders, neighbours and local residents, and the significant external stakeholders in relation to the material issues. A CSR report is produced and communicated externally. CSR requirements have been drawn up for suppliers (8.2) and communicated to them.

In addition:

- The CSR management system has been implemented.
- Materiality has been determined (see 4.4).
- Objective: to reach level 3 within one year and then to at least match the sectoral average for all relevant and material CSR issues.
- CSR performance: the organisation matches the sectoral average on at least three-quarters of the material and relevant CSR issues.
- Report: shall document CSR performance over at least the past two years.
- Relevant CSR issues and policy are discussed with the stakeholders mentioned in 4.6.



**Annex 5 Conversion table: CSR Performance Ladder version 2 (2013) – version 3 (2020)**

<b>Core subject/issue number in version 2</b>	<b>Name in version 2</b>	<b>Core subject/issue number in version 3</b>	<b>Name in version 3</b>
<b>I</b>	<b>Organisational governance</b>	<b>I</b>	<b>Organisational governance</b>
-	--	1	Organisational governance
<b>II</b>	<b>Working conditions and meaningful work</b>	<b>II</b>	<b>Labour practices</b>
1	Employment	2	Employment
2	Relationship between employer and employee	3	Relationship between employer and employee
3	Health and safety	4	Health and safety
4	Training and education	5	Training and education
5	Diversity and opportunities	6	Diversity and opportunities
-	-	7	Flexible employment relationships
<b>III</b>	<b>Human rights</b>	<b>III</b>	<b>Human rights</b>
6	Strategy and management	8	Strategy and policy
7	Prohibition of discrimination	9	Equal treatment
8	Freedom of association and collective bargaining	10	Freedom of association and collective bargaining
9	Elimination of child labour	11	Child labour
10	Prevention of forced and compulsory labour	12	Forced and compulsory labour
11	Security policy	13	Security policy
12	Rights of indigenous peoples	14	Rights of indigenous peoples
<b>IV</b>	<b>Fair operating practices</b>	<b>IV</b>	<b>Fair operating practices</b>
13	Community	15	Impacts on society
14	Corruption	16	Corruption
15	Public policy	17	Public policy
16	Anti-competitive behaviour	18	Anti-competitive behaviour
17	Compliance (fair operating practices)	--	(no longer applies)
<b>V</b>	<b>Consumer issues</b>	<b>V</b>	<b>Consumer issues</b>
18	Consumer health and safety	19	Consumer health and safety
19	Labelling of products and services	20	Product information
20	Marketing communication	21	Marketing and communication
21	Consumer privacy	22	Consumer privacy
22	Compliance (consumer issues)	--	(no longer applies)



<b>VI</b>	<b>Environment, raw materials, energy and emissions</b>	<b>VI</b>	<b>Circular economy and climate change</b>
23	Raw materials	23	Raw materials
24	Energy	24	Energy
25	Water	25	Water
26	Biodiversity	26	Biodiversity
27	Emissions, waste water and residual waste	27	Emissions, waste water and residual waste
28	Products and services	See 20	-
29	Compliance (environment)	--	(no longer applies)
30	Transport	28	Transport
<b>VII</b>	<b>Community involvement and development</b>	<b>VII</b>	<b>Societal involvement and development</b>
31	Direct economic values that are generated and distributed	29	Direct economic values that are generated and distributed
32	Positive contribution to local economy and community	30	Positive contribution to local economy and community
33	Contribution to the economic system	31	Contribution to the economic system

Note: The three 'compliance' issues from version 2 (17, 22 and 29) no longer apply. They have become redundant now that compliance obligations have been introduced in 4.3.



## Annex 6 Conversion of CSR Performance Ladder version 2 (2013) to version 3 2020

Version 2 (2013)	Version 3	Subject and main changes
<b>Chapter 4 Context of the organisation</b>		
4.1 The organisation and the CSR indicators	4.1 Identification of relevant issues; 4.4 Determination of material issues.	Instead of managing indicators, version 3 is about managing issues. There is more scope for a focus on material issues.
4.2 The organisation and its stakeholders	4.2 Identification of relevant stakeholders; 4.4 Identification of significant stakeholders.	
4.3 Determining the scope of the CSR management system	4.5 Scope.	
4.4.2 Legal requirements for the CSR management system	4.3 Transparency about compliance obligations; 4.7 CSR management system.	Due to the inclusion of compliance obligations, the separate compliance issues no longer apply.
4.4.2 Level requirements	4.6 Requirements for each level	Requirements for each level have been adjusted.
<b>Chapter 5 Leadership</b>		There is a new requirement to formulate (and then to implement) core values or company principles in relation to organisational governance and CSR policy.
<b>Chapter 6 Planning</b>		
	6.3 The CSR indicators are now included in chapter 6.	
<b>Chapter 7 Support</b>		
	7.5 CSR report.	A CSR report is now required.
<b>Chapter 8 Operation</b>		
	8.2 Requirements for procurement of products, services and suppliers.	8.2 is a new section.
8.2 Operating Stakeholder and indicator management	4.4 Determination of material issues and significant stakeholders. 6.1.1.d. Taking requirements and expectations of stakeholders into account during planning.	



8.3 Operating objectives on CSR indicators	6.3 CSR indicators.	
<b>Chapter 9 CSR Performance Evaluation</b>	9.3.2 Results of management review	9.3.2 is a new section.
<b>Chapter 10 Improvement</b>	No major changes.	
<b>Annex 4 Term of management actions</b>	The term requirements have been integrated into the various chapters (4 to 10).	<p>The requirement to produce an annual CSR report and to communicate it actively is new.</p> <p>The requirement to produce an annual analysis of stakeholder expectations has been replaced by the annual requirement to determine material issues and significant stakeholders (4.4).</p>