

## Social responsibility in organizations - Guidance to the application of UNI ISO 26000

*Responsabilità sociale delle organizzazioni - Indirizzi applicativi alla UNI ISO 26000*

This document provides a number of elements that support the application of UNI ISO 26000, with focus on the aspects of materiality, accountability, and stakeholder engagement.

It outlines operational solutions applicable to different types of organization and provides with some practical examples concerning the stages of implementation for the organizational governance of social responsibility.

Published on 29<sup>th</sup> April, 2016

ICS 03.100.01



© UNI  
Via Sannio 2 – 20137 Milano  
Telefono 02 700241  
[www.uni.com](http://www.uni.com) – [uni@uni.com](mailto:uni@uni.com)

All rights reserved.

The contents of the document (also the full version) may be duplicated or distributed provided that UNI is informed and quoted.

This document is distributed by UNI free of charge.

## FOREWORD

The UNI/PdR 18:2016 does not have the status of a UNI technical standard, it is, instead, a document published by UNI, as provided for in Regulation (EU) No 1025/2012, and adopting the requirements related to practices shared by the following proposer who has signed an agreement of collaboration with UNI:

***Fondazione Sodalitas***

*Via Pantano, 2  
20122 Milano*

This UNI/PdR has been developed by the working group "Indirizzi metodologici alla UNI ISO 26000", led by UNI, and constituted by the following experts:

*Claudia Strasserra – Project Leader (Bureau Veritas Italia)*

*Francesca Bergamaschi (SGS ITALIA)*

*Massimo Ceriotti (Fondazione Sodalitas)*

*Ornella Cilona (Commissione Tecnica UNI "Responsabilità sociale delle organizzazioni")*

*Valeria Fazio (DNV GL Business Assurance Italia)*

*Lucina Mercadante (INAIL)*

*Armando Romaniello (Certiquality)*

Special thanks to *Carlo Prandini (Certiquality)* and *Alessandro Zennaro Follini* for their support in the development of this document.

This UNI/PdR has been ratified by UNI President on 29 April 2016.

UNI/PdRs (in Italian "Prassi di Riferimento"), adopted exclusively on a national level, are part of the "European standardisation deliverables", as provided for in Regulation (EU) No 1025/2012, and they are documents introducing technical requirements that are developed through a fast track process reflecting the consensus of the participants only, under the operational direction of UNI.

UNI/PdRs are valid for a limited duration of 5 years or until its transformation into another deliverable (UNI, UNI/TS, UNI/TR) whichever is the sooner. When 5 years have passed, the UNI/PdR shall be withdrawn if it is not transformed into another deliverable.

Further to the application of this UNI/PdR, anyone interested in providing suggestions for its improvement is requested to send their own contributions to UNI, Italian Organization for Standardization, which shall take them into account.



**SOMMARIO**

<b>0. INTRODUCTION</b>	<b>4</b>
<b>0.1 ORIGIN OF THE PROJECT</b>	<b>4</b>
<b>0.2 CORE SUBJECTS OF SOCIAL RESPONSIBILITY OF ORGANIZATIONS</b>	<b>5</b>
<b>1 SCOPE</b>	<b>7</b>
<b>2 NORMATIVE AND LEGISLATIVE REFERENCES</b>	<b>7</b>
<b>3 TERMINI E DEFINIZIONI</b>	<b>7</b>
<b>4 PRINCIPLES</b>	<b>7</b>
<b>5 TOP MANAGEMENT ENGAGEMENT</b>	<b>11</b>
5.1 GENERAL	11
5.2 PROCEDURE FOR TOP MANAGEMENT ENGAGEMENT	12
5.3 SWOT ANALYSIS	15
<b>6 ADOPTION OF A SYSTEMATIC AND INTEGRATED APPROACH</b>	<b>18</b>
6.1 GENERAL	18
6.2 ENGAGEMENT OF THE COMPANY'S FUNCTION MANAGERS	20
6.3 RISK ANALYSIS	21
6.4 AWARENESS	24
6.5 TRAINING	24
6.6 REFLECTIONS ON AREAS OF INFLUENCE / SETBACKS / DIRECT AND INDIRECT RESPONSIBILITIES	27
<b>7 MATERIALITY</b>	<b>29</b>
<b>8 ENGAGEMENT OF STAKEHOLDERS</b>	<b>37</b>
8.1 GENERAL	37
8.2 ISSUE IDENTIFICATION FOR THE DIALOGUE WITH STAKEHOLDERS - STEP 1	41
8.3 PLANNING AND IMPLEMENTING STAKEHOLDER ENGAGEMENT - STEP 2	43
8.4 MEASUREMENT OF STAKEHOLDER ENGAGEMENT PROCESS - STEP 3	45

<b>9</b>	<b>SELF-ASSESSMENT, GAP ANALYSIS, ACTION PLAN AND IMPLEMENTATION PHASE.....</b>	<b>45</b>
9.1	SELF-ASSESSMENT.....	45
9.2	GAP ANALYSIS.....	48
9.1	ACTION PLAN AND IMPLEMENTATION STEPS.....	49
<b>10</b>	<b>MONITORING AND MEASUREMENT .....</b>	<b>50</b>
<b>11</b>	<b>ACCOUNTABILITY AND COMMUNICATION .....</b>	<b>53</b>
	<b>ANNEX A – CORE SUBJECTS AND ISSUES OF SOCIAL RESPONSABILITY .....</b>	<b>58</b>
	<b>ANNEX B – ASSESSMENT CHECKLIST FOR ORGANIZATIONAL GOVERNANCE IN ACCORDANCE WITH UNI ISO 26000 .....</b>	<b>59</b>
	<b>ANNEX C – EXAMPLE OF MATERIALITY ANALYSIS QUESTIONNAIRE .....</b>	<b>63</b>
	<b>ANNEX D – PLATFORM OF CORPORATE SOCIAL RESPONSIBILITY INDICATORS.....</b>	<b>76</b>
	<b>BIBLIOGRAPHY .....</b>	<b>77</b>

## **0. INTRODUCTION**

### **0.1 ORIGIN OF THE PROJECT**

UNI/PdR 18:2016, dedicated to the UNI ISO 26000 standard, is the final result of a process that began in 2013 with a series of verification and reflection activities on what has been done and the expectations and needs for the future.

The stimulus came from the desire - endorsed from the beginning by the organizations that participated in the Working Group for the elaboration of this document - of promoting not only knowledge, but also the effective implementation of the main tools, making them available to organizations in order to integrate Social Responsibility into their strategies and activities.

It also arises from the awareness that "implementing social responsibility" by going beyond the fundamental sharing of the topic on a level of value, requires a systematic approach that unfolds by knowing how to define key objectives, how to implement the resulting activities and actions, and how to measure the level and effectiveness of the goals over time, hence undertaking a path of constant improvement.

A little more than three years after its publication, the UNI ISO 26000 has established itself as one of the starting tools and, from this perspective, it was decided to request market feedback on the use of the standard, on the advantages encountered since its implementation, and on the critical issues that still need to be overcome.

In 2013, therefore, UNI and Fondazione Sodalitas designed and implemented the "UNI ISO 26000: Social Responsibility in Practice" research study, conducted on a sample of companies and organizations that have adopted the standard in various ways. The research results were presented on January 30, 2014 during the event "Measuring to Improve. UNI ISO 26000: Approaches and Sharing Experiences, a Comparative Study", under the coordination of Certification Bodies that are members of UNI and Fondazione Sodalitas - Bureau Veritas Italia, Certiquality and DNV GL Business Assurance Italia - and received testimony from three national companies from different fields (mechanics, energy, finance) that have implemented UNI ISO 26000.

In the months following the presentation, a significant number of companies and organizations, including really large companies, asked to examine the research results in depth. Fondazione Sodalitas and UNI have therefore considered it appropriate to invite companies and organizations involved in the research, companies supporting the Fondazione Sodalitas, and a selected group of stakeholders to three focus groups that took place in early 2015, organized in collaboration with Bureau Veritas Italia, Certiquality, DNV GL Business Assurance Italia and SGS.

They were attended by some forty experts from more than 60 companies and organizations, who openly discussed how the subject matter that emerged from the research impacted their respective realities.

Specifically, the 3 focus groups revealed a shared interest in the possibility of having guidelines and methodological instructions related to three aspects that are felt to be especially critical, yet fundamental, to the process of the integration of social responsibility into the strategies and operations of the organizations:

- *Materiality*: focusing, in the context of the core subjects of the UNI ISO 26000, on issues that are significant for the organization and its stakeholders on which to implement action plans and improvement goals;
- *Accountability*: being accountable to the different stakeholders for activities and the performance of social responsibility in a complete and transparent way;
- *Stakeholder engagement*: including stakeholders, both internal and external to the organization, in the process of defining strategies and objectives pertaining to social responsibility.

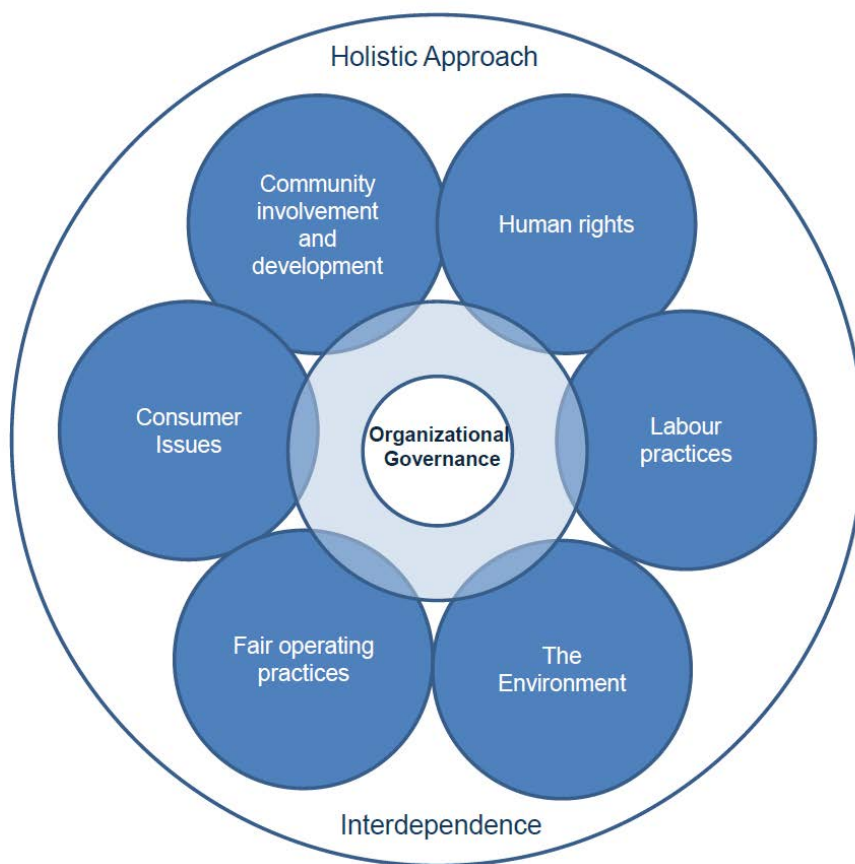
Feedback and contributions collected from these focus groups led to the determination to develop this document as a point of reference for businesses and organizations that have not yet developed a structured dimension of social responsibility and that are motivated to do so, but lack the necessary methodological skills.

This document can also become a valuable tool for more mature organizations in addressing and developing the aspect of social responsibility. Organizations will find useful guidelines in this UNI/PdR 18:2016 document that will help them to effectively address issues and overcome criticalities in a more complex reality as well.

## **0.2 CORE SUBJECTS OF SOCIAL RESPONSIBILITY OF ORGANIZATIONS**

UNI ISO 26000 is based on seven core subjects that need to be treated in a holistic way. Namely, they should all be taken into consideration, because they are related, complementary, and interdependent. UNI/PdR 18:2016 illustrates how to approach the core subjects in relation to those aspects that are considered particularly critical of materiality, accountability, and stakeholder engagement. Great attention is paid to "organizational governance", that more than any other core subject is of paramount importance. In fact, it is a means that allows taking all the necessary actions required to deal with the other subjects and their issues, while being itself a fundamental core subject.





**Figure 1 – The seven core subjects of social responsibility**

## 1 SCOPE

This document provides a number of elements that support the application of UNI ISO 26000, with focus on the aspects of materiality, accountability, and stakeholder engagement.

It outlines operational solutions applicable to different types of organizations and provides with some practical examples concerning the stages of implementation for the organizational governance of social responsibility.

## 2 NORMATIVE AND LEGISLATIVE REFERENCES

This UNI/PdR makes reference, by dated and undated references, to provisions contained in other publications. These normative references are cited at the appropriate points in the text and listed below. For dated references, subsequent amendments or revisions made to any of these publications apply only when cited in the present document as update or review. For undated references, the latest edition of the referenced publication applies.

UNI ISO 26000 Guidance on social responsibility

UNI ISO 31000 Risk Management – Principles and guidelines

## 3 TERMINI E DEFINIZIONI

For the purposes of this document, terms and definitions of UNI ISO 26000 and the following apply:

**3.1 gap analysis:** set of activities that allow the comparison between the actual positioning of an organization compared to that intended or desired. Gap analysis points out deviations with respect to the expected and therefore possible areas that can be improved.

**3.2 materiality:** identification and understanding of priorities with respect to the context of social responsibility in which an organization operates. Priorities thus determined reflect the economic, social and environmental factors that deserve to be considered.

**3.3 SWOT analysis:** a strategic planning tool used to highlight the characteristics of a project, program, or organization and the consequent connections with its context. It is constructed using a matrix divided into four quadrants in which Strengths, Weaknesses, Opportunities, and Threats are identified.

## 4 PRINCIPLES

UNI/PdR 18:2016 is intended to provide a set of operational guidelines for those organizations wishing to address the issue of social responsibility by applying the principles and addressing the core subjects described in UNI ISO 26000.

The document has been designed with the idea of tracing a path, an ideal map that leads in a modular and progressive way to a mature and conscious approach to social responsibility. We start from the involvement of top management – an essential step without which one cannot even think of

starting along the path of social responsibility. We then pass to a process of context analysis that shall take into account the need for a holistic, systematic, and integrated approach to social responsibility in order to be truly effective.

In this respect, this document focuses especially on highlighting the crucial role of organizational governance that is presented, at the same time, as a guide and orientation tool and also as a core subject of social responsibility as outlined in UNI ISO 26000. Furthermore, it should be emphasized that health and safety issues, economic issues and those related to the value chain are to be addressed in a systematic manner within the core subjects where appropriate. It shall also be taken into account that each core subject, even if not necessarily in all its issues, is relevant for any organization. A summary diagram of each core subject together with its issues is provided for general information in Annex A.

From all this emerges the idea of a series of required steps including involvement of different organizational functions, risk analysis, and workers awareness and training, all without neglecting the important step of a timely thought upon the areas of influence and the direct and indirect effects of the activities performed by the organization.



From this initial reflection, then, it is possible to reach a more balanced and in-depth analysis of the so-called *materiality* that helps to determine those issues that could affect the outcomes of the path to social responsibility in the medium to long-term, considering the point of view of stakeholders.


A further step towards social responsibility of an organization shall be done through the involvement of stakeholders - internal and external - that entails, on the one hand, the process of identifying stakeholders, and on the other hand the identification, planning and implementation of engagement activities and the identification of relevant issues. And finally, it entails the measurement of the entire process to validate the work undertaken and to establish what work has to be undertaken subsequently.

The last steps that are crucial in the adoption of social responsibility practices are self-assessment and gap analysis, which should result in the implementation phase. This last implementation phase is then followed by the identification of the relative indicators that allow monitoring and measurement of what is put in place and also supports reporting and related communications.

An organization's social responsibility shall be fully integrated in all the different processes and activities carried out by organization, both internally and externally. In this respect, two particularly sensitive areas have been highlighted; one is addressed to the internal dimension and one to the external dimension of an organization that undertakes a path of social responsibility. The first concerns the protection of health and safety in the workplace and the second one the supply chain, aiming at emphasizing the importance of a vision of social responsibility that is as broad and inclusive as possible.

In this document, there are three series of informative boxes, indicated by the following graphical elements:

-  Supply chain boxes
-  Boxes – or toolboxes – with applied examples;

-  Boxes that offer a focus on timely information and/or elements considered particularly significant.

The following annexes help to analyse some specific subjects and provide useful insights for self-evaluation/evaluation:

- Annex A - Core subjects and issues of social responsibility;
- Annex B - Assessment checklist for organizational governance in accordance with UNI ISO 26000;
- Annex C - Sample questionnaire for materiality analysis;
- Annex D - Platform of Corporate Social Responsibility Indicators.

The diagram below illustrates - in chronological order - the steps by which a process of organizational governance of social responsibility is organized in accordance with the principles and suggestions of UNI ISO 26000.

The words in bold in the right section, correspond to the principles of UNI ISO 26000.

The different steps are reflected in the checklist referred to Annex B, with which each organization can evaluate its degree of maturity in the organizational governance of social responsibility.

The aim of the diagram is to provide a concise overview of UNI ISO 26000 application guidelines within an organization.



## 5 TOP MANAGEMENT ENGAGEMENT

### 5.1 GENERAL

A full and convinced commitment from top management is the prerequisite to the implementation of social responsibility strategies.

To support this type of initiative, some considerations are proposed below that are useful to highlight and support the importance of implementing social responsibility strategies in the organization:

- the leaders of the most advanced organizations consider social responsibility an integral dimension of the organization's identity, an irreversible strategic orientation;
- the most advanced organizations are aware that the ability to build a new development model that is capable of generating economic growth, environmental sustainability, and social inclusion is a fundamental condition for their own development and durability;
- social responsibility legitimizes the role of organizations and institutions and rebuilds confidence and a positive vision of the future by positively stating the social and cultural roles of the enterprise, not just the economic role;
- socially responsible organizations are also the most innovative. Social responsibility gives meaning and value to innovation ("innovation with a purpose");
- the most advanced products are sustainable products. Social responsibility is an integral and distinctive component of better-quality products and services;
- the current crisis has irreversibly affected citizens and consumer behaviour that more and more reward a genuine and consistent commitment to social responsibility;
- the most competitive organizations are those that listen to and understand consumers so as not only to satisfy their needs, but also to direct them to more responsible and sustainable behaviours and lifestyles;
- social responsibility is not a cost, but a factor that increases the confidence of stakeholders, internal and external, and thus promotes the competitiveness of organizations.



## Human Rights

A core subjects for what is essential to obtain full engagement of the top management regards the protection of human rights within an organization. The eight fundamental ILO conventions and the Guiding Principles on Business and Human Rights, approved in 2011 by the United Nations Council for Human Rights, provide for the first time a framework of global rules for the prevention and management of risks arising from the negative impact that the activities of an organization can have on respect for human rights. The Guiding Principles are based on three basic concepts ("protect, respect, and compensate"): the duty to respect and protect human rights and fundamental freedoms; the responsibility of organizations to respect human rights; the need to ensure that victims of abuse have access to effective remedial measures.

The UNI ISO 26000 takes into account the UN Guiding Principles, although its publication is prior to the final draft of the UN document that requires all organizations to integrate respect for human rights in policies and processes, involving in particular the three functions for which the core subject is most critical: purchasing, human resources, and risk prevention.

The awareness of the centrality of the core subject is, however, still low and effective measures often do not follow the companies' commitment statements.

## 5.2 PROCEDURE FOR TOP MANAGEMENT ENGAGEMENT

The top management engagement is essential for a path to social responsibility. In many cases, it is the top management that starts the process; in other cases, other entities, internal or external to the organization, may suggest to top management that a path to social responsibility be initiated.

In the first case, starting the process is facilitated by an existing conviction within top management: the reasons are known although it might be worth a moment of further strengthening and sharing about the different steps and of the expected results in order to better focus on the "how" and "what."

In the second case, it is up to the proponents to bring to maturity those reflections that will convince top management to start along the path to social responsibility. In this case, it is necessary to draw attention to the motivations, the reasons "why", and then deal with the "how" and "what".

Here below some ways to engage top management are indicated, as to answer the questions: **why**, **what**, and **how**.

Top management refers to general management and its direct reports, that is all directors/people in charge of the various corporate functions. Each member of management shall learn to identify the effects and impacts of their own choices, also on society and environment. Each shall feel like an advocate for the process toward social responsibility and shall try to identify and measure its benefits, where possible, also with quantitative and economic indicators.

If the organization has already identified a reference person to act as the representative of social responsibility and as the promoter of all the activities that involve top management and, more widely, of all the connected departments, it is desirable that this person responds directly to the organization's top management.

The most effective way to motivate top management in relation to the issue of **why** social responsibility is important is first to highlight an approach to responsibly managing the entire

organization in order to prevent risks and to ensure solid and lasting growth for the organization in a collaborative context with all stakeholders.

This approach shall be based on these very same UNI ISO 26000 principles, which shall be taken into account by all organizations when they interpret their actions and activities with an open mind, not only in the short term, but also the medium-long term objectives. Social responsibility requires operating by taking into account a broader horizon, both in terms of time (medium-long period) and of stakeholders to be satisfied..

The elements of managing the **how** to implement social responsibility require an essential face-to-face dialogue among all the components of top management, aimed at discussing and helping everyone understand the contents, key processes and, above all, the benefits of social responsibility. The central part of the discussion concerns the responsibilities that arise from the application of a social responsibility process within the organization, explaining clearly that it is an enormous challenge because it is irreversible.

The discussion with top management shall be preceded by a benchmarking of the specific reference sector in which the organization operates. It should be aimed at revealing the added value created when operating in the market, building the analysis on several core subjects and issues of social responsibility. Benchmarking proves to be a very effective tool for understanding or making others understand the positioning in the field of operation, and to start more in-depth reflections on the identification of strategic priorities on which to focus on at a later stage. On this point, an in-depth analysis of materiality is provided in clause 7 that follows.

The most effective way to engage top management is to propose a Socratic process, where moments and opportunities for discussion are created to focus on the meaning of the path to social responsibility for the organization in terms of distinctive values and of objectives for operating in a sustainable and lasting way. Probably, top management already has at its disposal all elements needed to create the means for identifying and formalizing this awareness.

The Socratic method is represented by storytelling as reported in the example described in the following BOX.

#### Example of a storytelling exercise

It is possible, for example, to organize a workshop animated by a moderator (preferably external to the organization), during which participants from top management will be invited to express themselves in a free and immediate way around a "narrative" track.

- ▶ In groups of 3-4 people, participants are asked to describe the values of the origins, the challenges of the present, and the future goals. In this chronological reading of the organization, allies and opponents will be identified (not only individuals but also circumstances).
- ▶ No limitations: the debate helps facilitate reflection.
- ▶ All ideas can be reported on post-its and collected on a board.

Time indicated: Two hours for the group discussion and the arrangement of post-its, one hour for a plenary group-sharing of the work done during which the boards get shown.



It is important for the top management to adopt a systematic approach to social responsibility, so that it becomes possible to begin the process by involving and creating awareness of the "front lines" (Directors and Department Managers) first, and then trickling the process down to all employees.

The path to the involvement of top management winds through a motivational phase, supported by the storytelling method, and a phase of SWOT analysis, which helps to rationalize those keywords and those "emotions" recorded during the storytelling in the context of analysis.

Insights related to SWOT analysis are provided in clause 5.3 that follows.

Using the results of the storytelling exercise and the SWOT analysis, it is possible to develop an action plan based on a socially-responsible approach, a plan that is oriented towards social responsibility in the medium-long term and is capable of taking the needs of the stakeholders into consideration.

The topic of measurement is central and it is suggested that a specific formative moment shall be dedicated to it, precisely in order to develop a dashboard of medium-long term indicators that can account for the impacts of a strategy of the organization development in economical, social and environmental terms. Objectives shall be measurable through indicators (KPI); their achievements shall be carried out in compliance with UNI ISO 26000 principles and of values and principles contained in the organization's fundamental reference documents, such as, for example, the Code of Conduct, the Code of Ethics or the organization's policies.

#### Code of Conduct and Code of Ethics

The distinction between "conduct" and "ethical" codes is an important prerequisite for the development of a culture of integrity that shall differentiate and integrate an approach based on rules (rule-based) and one based on values (values-based), as recommended by the OECD.

A distinction between *Code of Conduct* and *Code of Ethics* is necessary. The first, also called rules-based, is aimed at solving every possible situation and is used to outline response strategies, namely how to behave to specific problems. The second, also called value-based, provides the set of ethical principles and values of the organization. Therefore, the Code of Conduct is closely related to the Code of Ethics because the behaviours to be taken in certain situations depend directly on the principles that the organization has made fundamental to its strategic mission; the Code of Conduct can even encompass the Code of Ethics in its structure.

The Code of Conduct is an explicit method, systematic and constrictive, that contains the set of principles and rules to be observed in defined situations. These may simply be applied in order to pursue "fair" goals with "fair means" at the various levels of responsibility in which the organization operates.

The Code of Ethics is a tool that articulates a set of principles related to "ethical dilemmas" that may arise in situations of uncertainty when choices shall be made and when, in addition to establishing the right thing to do, it is important to identify the reasons behind those decisions.

Unlike the Code of Conduct, the Code of Ethics is a "meta-rule", i.e. a general rule valid for different situations that guides the interpretation of all other rules and principles.

NOTE: In most cases, company codes are located midway between these two extremes and comprise an initial part that is a declaration of ethical principles and shared values, and a later one stating the rules of conduct to be used for specific situations.

A final exercise is designed for the “**what**”.

Starting from strategic documents, the Code of Ethics and/or the organization's policies, top management shall, for all seven core subjects of UNI ISO 26000, determine:

- specific objectives;
- actions already implemented and still to be implemented (Action Plan);
- indicators (KPI) to measure the progress of action plan and achievement of goals.

It is vital to identify not only economic indicators, but also social and environmental performance indicators; it is important to see social responsibility as a factor that can contribute to the organization's economic sustainability over time.

The BOX below offers an example of an approach to objectives, actions and indicators applied to human resources.



#### Example of an approach to objectives, actions and indicators

Objective: Retention of personnel

Actions: training, team-building, flexible working hours.

Indicators - KPI:

- Decrease in the turnover rate to below a predetermined value (e.g. 1.5%)
- Reduction of the selection and coaching costs for new recruits to replace people who have left the organization
- Decrease in absenteeism
- Increase in productivity
- Development of competences
- Increased sense of belonging to the organization

### 5.3 SWOT ANALYSIS

The analysis of *Strengths* and *Weaknesses*, as well as *Opportunities* and *Threats*, provides an intuitive and effective way to bring into focus the present and future scenarios in which the organization is called to operate. It also helps to identify risks to the extent that certain external threats correspond to internal weaknesses.

For the purpose of an effective SWOT analysis, it is important to be able to summarize in words and/or key concepts what the strengths and weaknesses internal to the organization are and, at the same time, what the possible threats and opportunities external to the organization are.

The identification of these elements can take place during a meeting or at any time dedicated to the analysis, when all the organization department managers, and possibly additional people appointed by them, are present.

The SWOT analysis methodology recommends that the key concepts are written down by the participants in the meeting and are then collected by a moderator who will order them into quadrants, as shown in the example of SWOT analysis exercise in the BOX below.

 **Example of a SWOT analysis exercise**

With the help of a moderator, top management is called upon to rationalize the ideas emerging at the time of storytelling and to analyse strengths, weaknesses, threats and opportunities, the so-called SWOT analysis.

When using post-its from the exercise of storytelling, the identified topics shall be organized into quadrants, subdividing them in:

- **Strengths:** what we already have and what constitutes a real competitive advantage for the organization, the process, the product or the studied territory; anything that works;
- **Weaknesses:** what we already have and what constitutes a constraint, an obstacle to the achievement of a specific result; problems;
- **Threats:** risks arising from specific conditions in the of operational context, always referred to environment, competition, customers, and suppliers;
- **Opportunities:** all those external factors that are advantageous in the topics analysed.

Once the post-its are organized into quadrants, the attendees of the meeting will start a discussion.

The quadrants will allow different interpretations of the issues. An example of SWOT analysis is given here below.

<p><b>Strenghts</b></p> <p>Roots in the community            Strong values and identity of the organization            Employee retention            Specialized know-how            Attention to health and safety of the workers i</p>	<p><b>Weaknesses</b></p> <p>Management based on the skills of individuals            Lack of procedures and methodologies            Lack of communication with the outside world            Lack of accountability</p>
<p><b>Opportunities</b></p> <p>Consumers' attention to a guaranteed products quality/safety guarantees            Market's attention to as health and safety guarantees            Collaboration with other industry partners to add value to the "made in Italy"</p>	<p><b>Threats</b></p> <p>Entry of new competitors from Eastern European markets and/or the Far East</p> <p>Closing of some key local suppliers</p> <p>Strong price competition</p>



### Example of a SWOT analysis exercise – continued

Another interesting interpretation that derives from the analysis is given by a chronological perspective. Strengths and weaknesses portray the current state of organization, while threats and opportunities are key to the understanding of possible future scenarios. From here comes the ability to define actions and activities over time, providing for and/or mitigating the risk.

Similarly, conducting an analysis in relation to the elements in context can highlight critical elements (i.e.: threats, such as competition from new competitors who are able to offer much lower prices) or favourable (i.e. opportunities, such as consumer sensitivity to quality/security guarantees). These elements derive from outside, precisely from the context, and the organization can only prepare itself to handle them or understand them, but is not directly responsible for them

SWOT analysis is, in fact, not only a method to describe a given situation in order to increase awareness, but it is also a way to develop operational strategies. In this sense, various combinations are possible, for example, it is possible to leverage strengths to seize opportunities. Therefore, considering all the possible combinations, it becomes easier to highlight all possible opportunities arising from identified strengths and to put in place interventions that can amplify the positive impact. Likewise, it becomes easy to highlight possible weaknesses and to find solutions in order to face those threats that might ensue.

In our example, an organization with a strong know how should learn to make the most of this particular competence to a consumer who is conscious of quality and safety aspects.

Another possibility is to use strengths in order to minimize threats. In this case, strengths are used in order to reduce possible negative impacts resulting from threats. Always with reference to the example, the ability to increase the value of an organization as competent and specialized will also allow it to stand out with respect to a competition merely based on price.

Or again, another approach is to moderate weaknesses - mitigating the negative impacts - and to seek ways to turn them into opportunities. Lack of communication with the outside, which is the weakness, has to be overcome in order for the organization to stand out and to distinguish itself in the market as an organization rooted in the territory, technically advanced, and strongly-based on values, and thus able to compete with those foreign operators that focus only on price.

Finally, overcoming weaknesses becomes a key objective, defining the actions to be implemented in order to prevent threats prevailing over the weaknesses that are intrinsic to the context.



### SWOT ANALYSIS EXTENDED TO THE SUPPLY CHAIN

The integration of the supply chain in the "scenario" translates not only to a risk assessment related to the supply chain, but also to the insertion of the supply chain in the SWOT analysis; the latter is often used as a framework for setting and/or reviewing the social responsibility strategy.

It is necessary to place the elements of the supply chain in appropriate quadrants (strengths, weaknesses, threats, and opportunities). Awareness is the pre-requisite of action.

A reluctance of direct suppliers to state their sub-contractors supply levels shall be entered as a threat. Similarly, a strong negotiating position over suppliers should be highlighted as a strength. Continuing with the example, the absence of procedures for responsible procurement is identified as weakness, while the market entry of new potential suppliers can be read as an opportunity.

SWOT analysis will help identify actions for risk mitigation, including those in the management of the supply chain.

## 6 ADOPTION OF A SYSTEMATIC AND INTEGRATED APPROACH

### 6.1 GENERAL

A central point expected by UNI ISO 26000 is the transition from an improvised and non-organic approach to social responsibility to one that is systematic and integrated, realized through the creation of a governance system (governance) for social responsibility.

This is not about creating additional superstructures, because every organization has an internal governance, that is, a system it uses to make and implement decisions to achieve its objectives. The organization governance can comprise both formal decision-making mechanisms, based on structures and well-defined processes, and informal mechanisms that emerge in relation to the culture and values of the organization, often influenced by the people who lead it.

An effective governance system for social responsibility requires that the decision-making process of the organization be reinterpreted in the light of the adoption of social responsibility as a basic strategic framework.

For example, regarding the core subject of labour practices, UNI ISO 26000 considers social dialogue as the framework within which the relationship between a socially-responsible organization and its workers is included, whether they are employees, collaborators, or suppliers. Agreements signed with trade unions on issues such as the promotion of equal opportunities, active aging or corporate welfare are examples of how it is possible to make decisions on human resources in a socially-responsible way. Likewise, promoting and maintaining the highest possible levels of mental and physical wellbeing of workers represents an issue to be taken into account in relation to health and safety at work.

In fact, it is not about writing a new strategy or assigning new tasks and responsibilities, but rather rereading our own value chain trying to answer, by way of example, the following questions: What does it mean to me, a purchasing manager, to set a goal of social responsibility? Should I select only those suppliers who show their commitment to sustainable management of raw materials? Should I support them in the adoption of a Life Cycle approach, also at the stage of product/service design?

What are the consequences for me, director of Human Resources, at the policy level of adopting social responsibility as a strategic framework? How can I offer working conditions that can best combine needs at work and in private life? How can I ensure that the workplace is safe and comfortable? How will my selection processes and personnel management change from this point on?

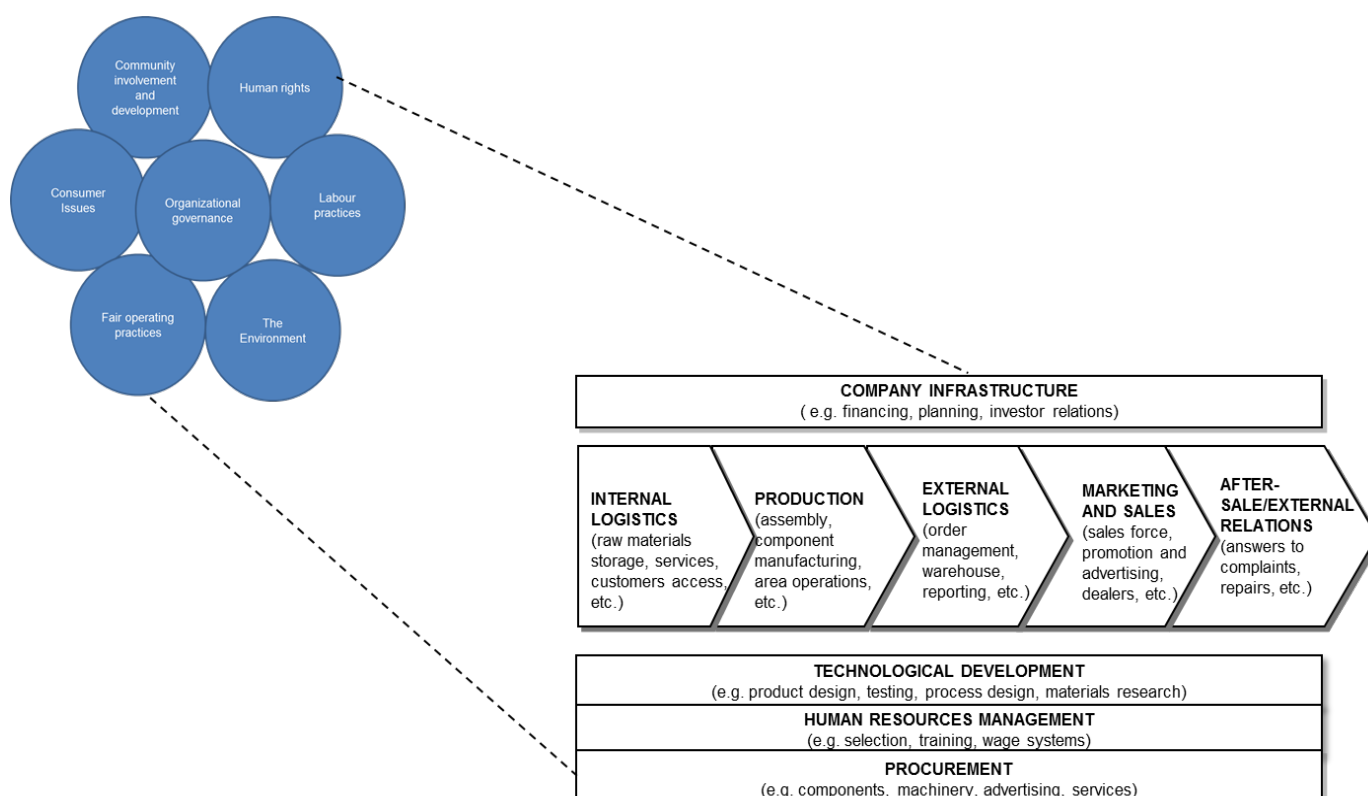
As director of logistics, how can I change or modify my logistics processes in order to minimize the impact of transport, by road for example, and contribute, in addition to reducing CO<sup>2</sup> emissions, to a reduction in the risk of road accidents? How is my attitude to innovation going to change if I introduce the prospect of social responsibility? How is the design of my product (as a goods and services) going to change from the perspective of a circular economy?

And so on for all functions, until we get to the question that, most of all, can support the organization in the realization of what can be defined as the turning point: how to introduce a system of

incentives (economic or otherwise) within the organization that recognizes and rewards executive directors' achievement of extra-financial objectives?

This is particularly important for effective internalization of the principles and the logic of social responsibility within the organization. It means identifying and rewarding good behaviour, generating a cascade effect, assigning to directors - but more generally to those who have responsibility for the management of people and strategies in the organization - concrete objectives linked to social and environmental aspects.

Figure 2 below provides an outline of the systematic approach to social responsibility:



**Figure 2 - Systematic Approach to Social Responsibility**

What seems clear is that leadership and commitment of top management are critical success factors for the effective governance of social responsibility within the organization. This concerns not only decision-making processes, but also the ability to motivate employees to practice social responsibility and to integrate it into the organization's culture (starting from the "front lines", and then moving to the middle management).

When organizations embark on a path to social responsibility, the most common temptation is to want immediate results, initiating improvised initiatives that are not related to strategic vision and are not systematically included. This is because, except in a few cases, organizations don't devote enough time to the engagement of top management, especially in medium to large institutions. They do not create the conditions for a culture of rooted and radical social responsibility that would permeate the organization decision-making mechanisms and change the company's behaviour.

The process of integrating social responsibility into the organization usually occurs gradually and according to a priority order not uniquely-defined. The pre-existing values and culture of an organization can have a very significant effect on the ease and speed with which social responsibility can be fully integrated throughout the organization. For some organization, in which the values and culture are already aligned with those of social responsibility, due, for example, to the presence of a knowledgeable top management, the integration process could be quite simple. In others, some function managers may not acknowledge the benefits of social responsibility and resist change.

It is helpful in, this first phase, to enhance the application of measures, actions, and socially-responsible activities by presenting benefits to the organization, including those that are economic, arising from the implementation of initiatives and social responsibility projects.

It is necessary, then, to proceed in a modular and systematic way, starting from those existing organizational values and operating practices that are more or less codified.

## **6.2 ENGAGEMENT OF THE COMPANY'S FUNCTION MANAGERS**

With regard to the involvement of the "front line" (Directors and Function Managers), it is suggested that top management organizes a workshop or at least a structured opportunity for discussion (on this point see also clause 9 on self-assessment and gap analysis) with a duration of about a half-day, and preferably moderated by a facilitator.

The use of UNI ISO 26000 as a 'compass' in the implementation of a structured path to social responsibility aims to make participants think about the coherence between the objectives that the organization is willing to adopt and the expectations of the company stakeholders, taking into account social responsibility core subjects.

The ideas emerging from this workshop are an excellent basis for identifying a set of actions to be put into practice in order to enhance what is already being done, for understanding any existing criticality, and ultimately for creating commitment, by reflecting on the organization's position in relation to the expected social responsibility objectives.

The session should be interactive and use guided working groups. It is important that each Director/Function Manager feels personally involved in the process. His/her motivation and significant commitment to the project is the key to success for all those awareness and training activities that will be created in later stages.



### Example of activity for the engagement of function managers

An example of a tool used in sessions of this kind is the matrix shown below in Figure 3. Participants are asked to place Post-its on the matrix, giving their opinion with respect to the level of 'urgency' of core subjects of social responsibility, as well as the "feasibility" of possible proposed actions that are associated with "critical" area. The most urgent actions and more feasible (OK area), shall be labelled with green Post-its; all others, with yellow Post-its.

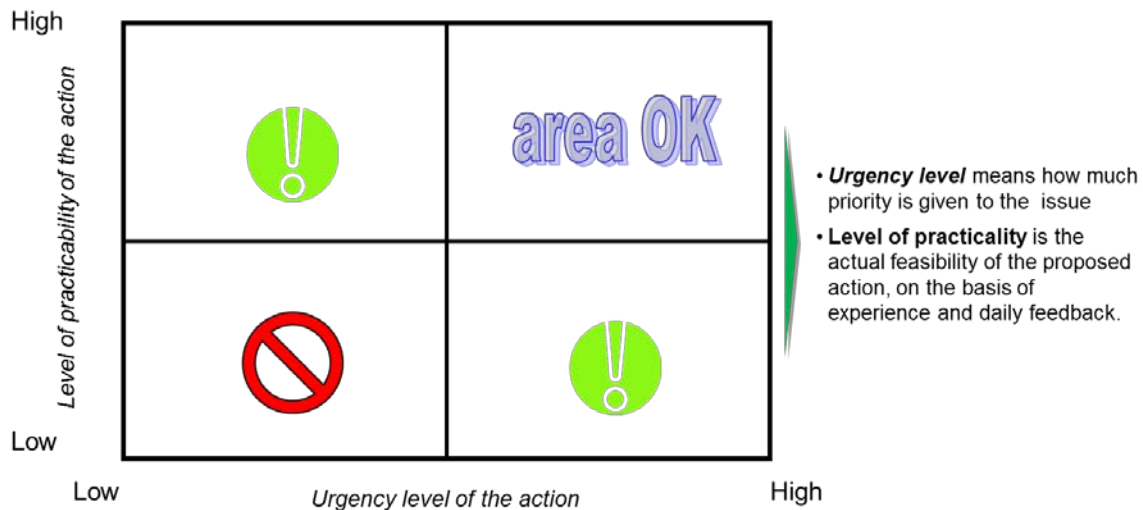


Figure 3 – Activity matrix for awareness/engagement workshop

A good alternative to the workshop, especially in organizations that are less mature in terms of social responsibility, is to organize structured interviews with the "front lines."

Also in this case, it is about detecting the positioning of the organization, reflecting on the actions that can be implemented, and converting the identified priorities into organizational and operational objectives that are specific, measurable, time-defined, and strategically comprehensive, that include processes, and that specify deadlines.

To be able to achieve these objectives, the main outcome of this activity shall be an action plan that includes responsibilities, deadlines, budgets, and effects on other activities, so that it can support the organization during the final phase of implementation.

### 6.3 RISK ANALYSIS

Technical standards for management systems emphasize the importance of risk assessment, also known as business risk and its prevention.

The approach to risk assessment, already applied by law in the field of health and safety with the new edition of UNI EN ISO 9001, UNI EN ISO 14001, and SA8000, expands and includes risk assessment in other areas of the organization. Furthermore, the Legislative Decree 231/01 has been regulating, for some time, the administrative responsibility of organizations. The Law 190/12 in



the field of anti-corruption requires thorough and careful risk analysis of crimes that could be committed and of processes under which acts of corruption might be committed.

Uncertainty can have a negative effect on the objectives, as indicated by UNI ISO 31000. It has to be highlighted, however, that the organizational governance of social responsibility presupposes the ability to identify and analyse risks, as well as to ponder them.

Adopting an approach based on risk assessment means implementing preventive actions in all organisational phases. For this purpose, an organization should:

- a) identify and analyse risks by defining a priority order of the risks and opportunities related to the expected objectives and results;
- b) plan actions necessary to manage risks;
- c) implement an action plan in order to manage each identified process and its risks/opportunities;
- d) monitor, measure, and evaluate the effectiveness of actions.

According to UNI ISO 31000, an organization can classify its risks into three categories:

- internal risks related to the internal environment in which the organization seeks to achieve its objectives (e.g. intellectual property, financial risks, quality of product and services, quality of supplies, fraud or malicious acts by the staff/employees, risks linked to health and safety);
- external risks connected to the external environment in which the organization seeks to achieve its objectives (e.g. competition, customer needs, technological progress, legal regulations in key markets, sectoral legislative updates in areas such as privacy, environment, and safety, cost of raw materials and utilities, supply chain, customer penalties);
- specific risks related to the field in which the organization operates, whether strategic, operational or reputational, (e.g. an organization that operates in the food industry has risks associated with food safety/bacterial contamination, an organization operating in the chemical sector has risks of accidents/environmental damage; the transport sector has risks related to corporate fleets and related accessory equipment).



## RISK ANALYSIS EXTENDED TO THE SUPPLY CHAIN

Any organization that defines itself as socially responsible cannot ignore a thorough understanding of its supply chain. Let's see why:

- even if an organization is generally not responsible for the behaviour of its suppliers, it is almost always responsible for its purchase decisions;
- "wrong" choices can backfire; choosing a supplier without having evaluated its social and environmental performance is a reputational and operational business risk.

"Reputational" risk is the risk of having a firm's reputation damaged by the misconduct of its suppliers; this risk is particularly high in the case of "brand names", which – with regard to public opinion – are considered accountable for all that happens in their supply chain.

It is just as risky for smaller companies that don't have a media exposure comparable to that of well-known brand names: think of a small organization rooted in its territory, which is a reference point for its workforce and local community.

"Operational risk" is the risk of interruptions and delays of supplies and deliveries due to strikes, business closure due to serious accidents, and complaints from NGOs.

As a result, the risk analysis shall extend beyond the perimeter of the organization's business name and embrace its supply chain.

The risk analysis extended to the supply chain can be divided into three stages:

- a. supply chain mapping (list of direct and indirect suppliers) and compilation of a supplier profile with basic information;
- b. analysis of the context (characteristics of the reference sector and/or a particular geographical area, economic, social, demographic trends, identification of social and environmental problems in the sector/region; identification of organizations operating in the sector/region);
- c. identification of criteria recognizing those suppliers most at risk.

The output of the risk analysis of the supply chain leads to the definition of a monitoring plan for the most at-risk suppliers.

There is no single formula to identify the most at-risk suppliers, although the following considerations should not be excluded:

- degree of strategic importance of the supplier (purchase volumes from a specific supplier);
- degree of "dependency" of the supplier (% of the supplier sales volume generated by the organization considered);
- labour-intensive production sector;
- activities located in countries where the legal system provides fewer protection for workers and/or environment.



### Engagement of corporate functions: the role of purchase function

The purchasing function plays a crucial role in building the social responsibility of an organization by defining the selection criteria of suppliers and seeking the best possible balance among economic, social and environmental performances.

The commitment of the Purchasing Director is essential to the full success of an organization's social responsibility strategy relating to the selection of suppliers. To encourage this commitment, it is useful to quantify the business, reputational, and operational risks that an organization runs. If such quantification is difficult, one can recall cases reported in the media related to those organizations that the market has penalized because of irresponsible behaviour by their suppliers.

## 6.4 AWARENESS

In any process of integrating social responsibility in an organization, communication plays a crucial role in raising awareness and in corporate training. Communication raises awareness, both in-house and outside, of the organization's strategies and objectives related to social responsibility. It is also a valuable tool to help lay the foundation for a systematic dialogue with stakeholders and to facilitate comparisons with organizations of the same type, thereby stimulating emulation and mutual improvement in performing social responsibility.

There is no unique way to raise awareness inside and outside the organization about what it means to adopt social responsibility and, above all, to be socially responsible. A serious and long-lasting path to social responsibility always has to do with organizational changes, small or large. It is thus preferable to adopt a gradual approach.

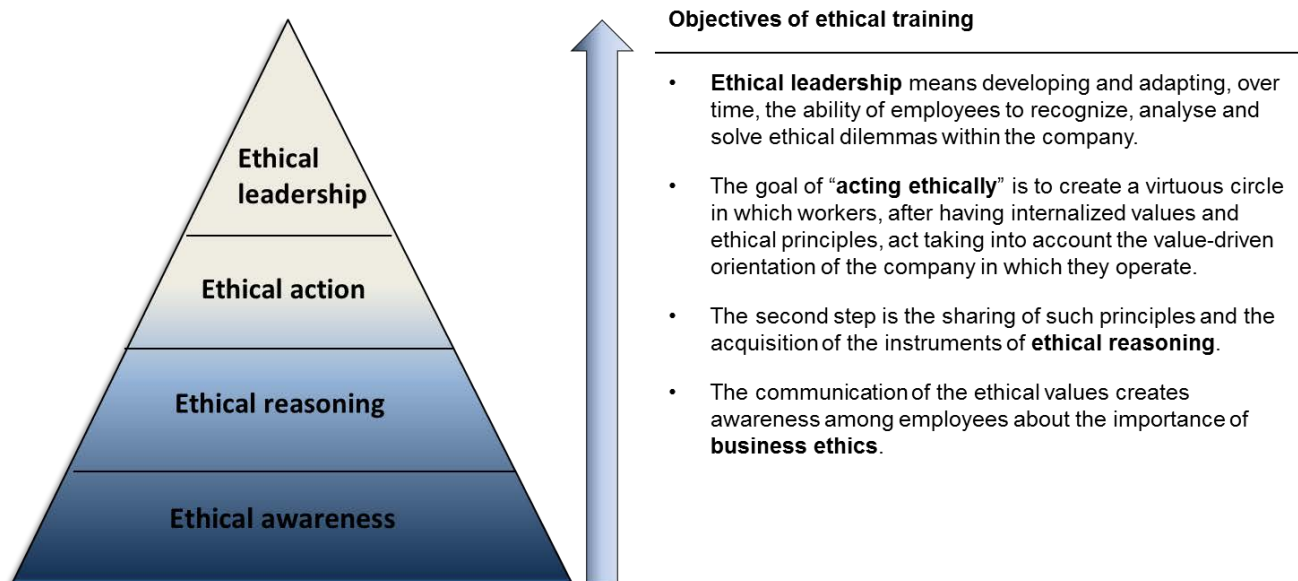
While the implementation of internal awareness should start immediately, for example by means of discussion between each manager and small groups of his/her employees, it is suggested to start a process of external communication only after consolidating the internal one. Each individual in the organization should be aligned with the new vision and reflect on the operational impacts of social responsibility.

Within the path to social responsibility, acted or perceived coherence and examples set by management are worth more than any communication process, even if it is efficiently structured.

## 6.5 TRAINING

Unlike awareness, training takes on different connotations depending to whom it is addressed.

As shown in Figure 4, it is possible to develop a training process that, starting from an awareness of values and ethical principles, helps the organization to apply them in practice.



**Figure 4 - Planning approaches for ethical training**

As an example, we recommend Learning Maps, a methodology based on intensive discussions in small working groups that complement each other within a larger group. Learning Maps are instruments used to guide the discussion within each group and are based on the representation of a socio-cognitive path.

The program is divided into stages. For each stage the input that triggers the discussion takes on various forms from time to time (verbal or written instructions, audio / video inserts, etc.). The advantages of this technique reside:

- in a high level of involvement by all participants, thanks to teamwork and the bottom-up approach;
- in the possibility of cross-involvement among hierarchical levels;
- in the presence of competitive and cooperative dynamics that lead to mutual enrichment within the smallest groups and among all groups.

Training can also be performed on-line by using the most advanced platforms that allow the workers to update, interact, and exchange views and experiences. Organizations whose employees are distributed among different sites or who travel can especially benefit from on-line training. It is recommended to favour a training that aims to involve each employee, bringing ideas and behaviours of all individuals to the table.

Another especially significant example is the innovative training model "based on values", that complements training programs on compliance and maximizes the results of compliance and ethical principles. More specifically, the model aims to promote a culture of integrity of individuals through the development of their level of ethical reasoning.

This means the development of a Code of Ethics contextualized in the different functions and fields of activities of individuals, a code that would allow the creation of training programmes aimed at a

better definition of professional roles and the development of awareness of social responsibility in the work context.

### Development of a Code of Ethics

The development of a Code of Ethics and related training activities can be exemplified as follows:

1. by identifying a general guiding ethical theory that is scientifically significant and highlights important empirical results so that it can be shared with the individual worker;
2. by identifying methods and tools of measurement linked to the theory in order to identify the level of ethical reasoning in individuals when making decisions in a general context and in the work context;
3. by identifying main ethical issues that characterize work and, consequently, emblematic conflict types classified according to ethical work principle. This by describing, in concrete terms, situations that identify the involved stakeholders and the related principles and values;
4. by developing an "ethical dilemma" for each identified situation that is consistent with points 1 and 2, in order to define a representative set of the issues identified in point 3, and involving the same workers referred to in point 8 as an integral part of the training courses;
5. by organising a survey instrument (questionnaire) that allows the comprehensive measurement of the cognitive level of ethical reasoning in the work environment as well as the influence of demographic and environmental-operative factors;
6. by using a sample of workers to perform an extensive research using the questionnaire referred to in point 5, processing the data and interpreting the results;
7. by defining the Code of Ethics as a "library" of elaborate ethical dilemmas emerging from the outcome of point 6;
8. by providing training, linked to the Code of Ethics, that allows workers to: a) recognize an ethical issue, b) evaluate and judge in ethical terms, c) establish an ethical intent; d) engage in ethical behaviour; e) recognize their own mechanisms of moral disengagement in order to neutralize them;
9. by checking the resulting degree of increase in ethical reasoning after the interventions described in point 8, by developing and updating the "library" of ethical dilemmas and training interventions, and by verifying the results and monitoring them over time;
10. by creating a well-thought-out repertoire of the code of ethics that is available for directions on how to handle specific situations in daily operations

As international experience and research have shown, the development of a high level of ethical reasoning by individuals can allow them to increase their sensitivity and professional identity, to better respond to professional obligations (to colleagues, customers, suppliers, and society as a whole), to improve relations with all stakeholders, and to enhance the quality of their performance, not only economic, in order to affirm the social value of work.

Whatever training technique is used, it is important that ethical training for everyone, top managers on down, should aim to create understanding of the impact of ethical values on everyday life behaviours. All individuals with their different roles and responsibilities inside the organization should be trained to recognize and address organizational ethical dilemmas, and the choices made in situations that present a different level of equity.

## 6.6 REFLECTIONS ON AREAS OF INFLUENCE / SETBACKS / DIRECT AND INDIRECT RESPONSIBILITIES

In identifying potential areas for action, an organization should strive to better understand the expectations of the different stakeholders. What often happens during evaluation activities based on UNI ISO 26000 is the discovery that in certain cases it is possible and appropriate to try to influence the behaviour of other actors towards an improvement of their own performance of social responsibility. This is especially possible with those with whom the organization has close ties or where it considers issues to be particularly urgent and/or relevant to its own situation.

When an organization gradually gains experience in the improvement of its performance in terms of social responsibility, it can grow in its ability and willingness to intervene together with other stakeholders to promote this goal.

A good example of what it means for an organization to reflect on its area of influence comes from the economist Michael Porter when he says that mutual dependence between companies and society implies that both business decisions and social policies shall follow the principle of shared value.

As indicated in the introduction to this clause 6, an organization that wants to undertake a path to social responsibility is called upon to reread its value chain (inside-out logic, shown in Figure 5 below). It shall do so in light of the impacts created by the adoption of tools and strategies for social responsibility, changing processes, rethinking ways of doing things, and introducing environmental and social variables into decision-making processes alongside the economic-financial one.

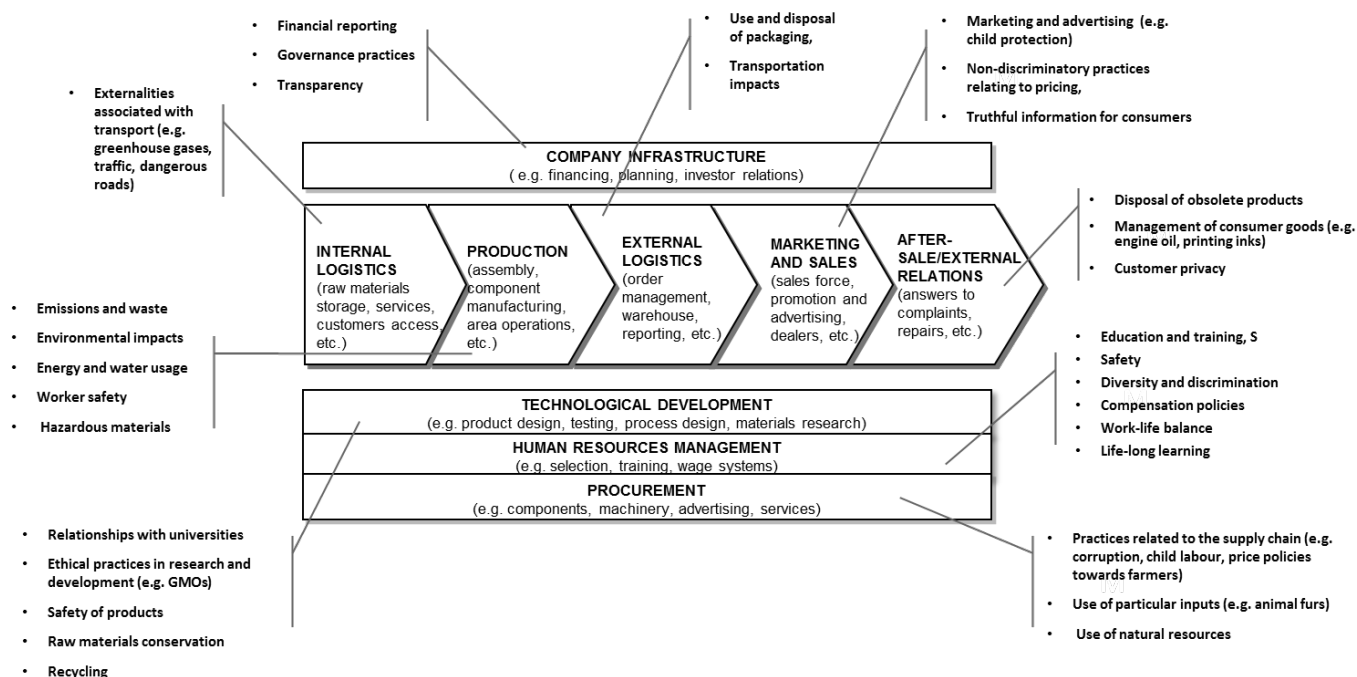


Figure 5 – Value chain in inside-out logic [17]

On the other hand, it is in this same context that organizations need to become active partners in building a new logic of mutual responsibility and co-responsibility. In this sense, when conducting processes of this kind, it is important that organizations do not stop at a microeconomic perspective of social responsibility. They should be open to a broader approach to relationships based on a

macro-economic reflection of their roles in society, such as stakeholders among other stakeholders (outside-in logic, shown in figure 6 below). This is especially true for small- and medium-size organizations which, by their nature, live in a more territorial and local reality, influencing it in turn.

The questions in this case are: How can I, here and now, given my usual activities, intercept the challenges emerging from the frame of reference? What do my stakeholders expect? What impact does my business have on my stakeholders and how? On what priorities do I have to focus? How can I contribute to the economic, social and environmental development of the community in which I live and work, creating a change that will benefit the entire system?

A systematic and ongoing dialogue with stakeholders and the process of materiality analysis provide fundamental support to answer these questions.

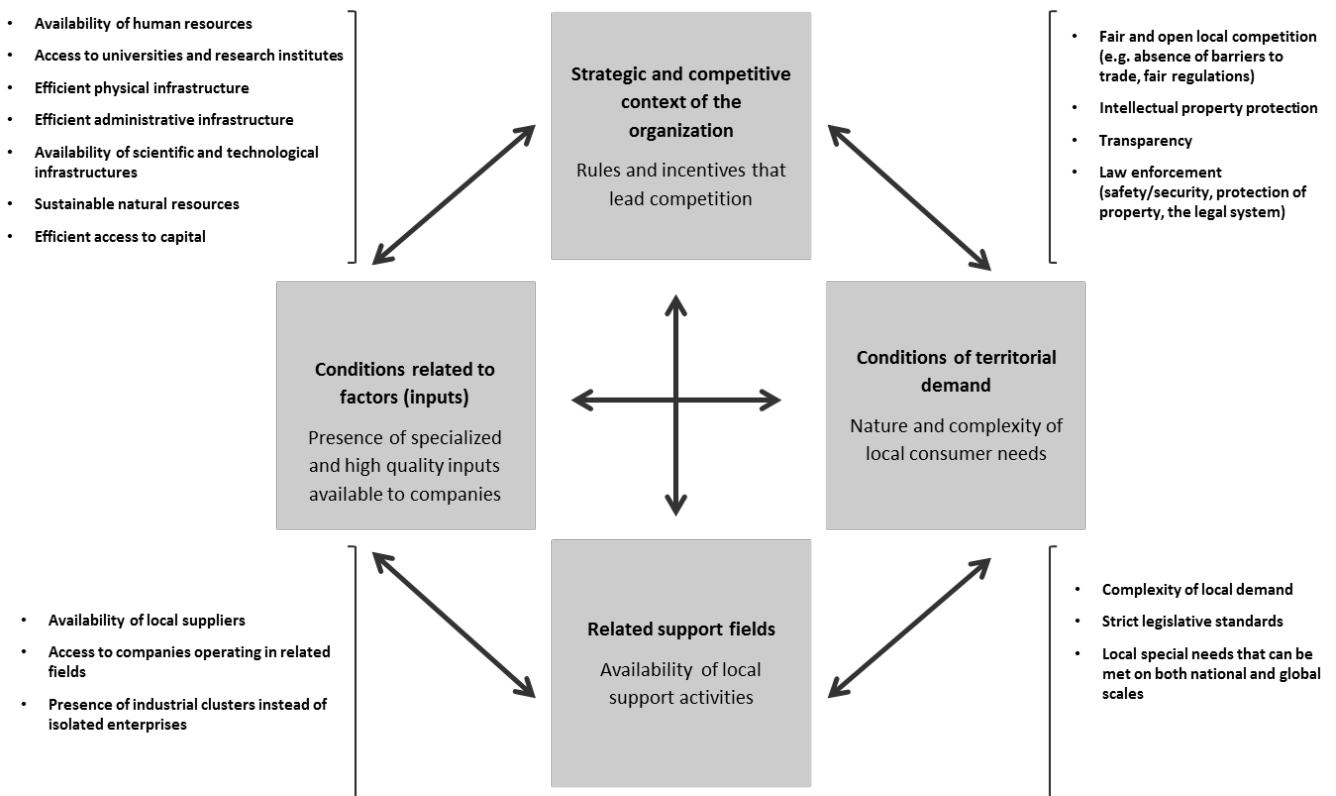


Figure 6 – Value chain in outside-in logic [17]



## PURCHASING FUNCTION DIALOGUE EXTENDED TO THE SUPPLY CHAIN

The exercise below proposes a methodology for allowing various functions to engage in dialogue with the Purchasing Function in order to bring into focus their own areas of influence on their respective supply chains and the resulting opportunity to encourage good behaviour among suppliers.

The exercise can be divided into three separate working groups and then a moment of final sharing.

**Group 1)** The Purchasing Function of organization “X” identifies the main types of procurement, selecting them by purchase volumes. Together with the other departments, it proceeds to identify those suppliers on which the organization can exercise some influence, taking into account the following factors:

- Ownership (if organization “X” owns some shares, it can certainly have an impact on supplier “Y”)
- Relative size of organization “X” and supplier “Y” (it is difficult to influence larger organizations)
- Relative importance of the customer organization “X”, in terms of revenues and volumes purchased from supplier “Y”
- Sensitivity and maturity of supplier “Y” (companies that already have a social responsibility policy are much more open)
- Proximity in the supply chain (direct suppliers are more easily influenced)
- Duration of contract (short-term relationships limit the power of influence)
- Existence of alternatives to the “Y” supplier (competitors)

It goes without saying that the stronger the bargaining power, the greater the power to also direct suppliers on issues of social responsibility and to find attention and cooperation with respect to the project.

**Group 2)** The Social Responsibility function, where it exists, and/or the Human Resources and Environment & Safety Functions identify the main risks of the commodity sector using information from media, stakeholders and/or direct knowledge. Potential direct and indirect responsibilities of the organization linked to improper or unlawful conduct of suppliers are identified.

**Group 3)** Research and Development (R&D), Innovation, Communication, and possibly other functions identify the opportunities offered by new technologies, new production processes, and new synergies/relationships that could help reduce risks and improve social and environmental performance in the supply chain.

### Final sharing moment

The results of the three group projects are shared and discussed in a plenary meeting. The minutes of the meeting can be used to create a strategy for Responsible Procurement

## 7 MATERIALITY

In a competitive context like the current one that is constantly evolving and where the success of an organization depends on its ability to understand and respond to external challenges, it becomes crucial to figure out what issues most directly impact the organization's activities. When these issues are recognized, the organization can deal with, manage, monitor and promptly respond to risks and/or opportunities that may occur.



The theme of materiality is one of the essential aspects for organizations that want to address the core subjects of their social responsibility.

Materiality means understanding in depth the impact that the core subjects of social responsibility have on an organization and its stakeholders.

The term materiality brings two concepts into play:

- understanding, in the range of all the repeatedly-mentioned core subjects, what (contents) is relevant in terms of social responsibility with respect to the context in which the organization finds itself and operates;
- understanding how much the relevant content is significant (up to what point and for whom).

The identification of material issues is not a simple exercise. While the methods developed from the perspective of economic and financial materiality capture only those relevant areas that impact performance or risks in the short term, from the perspective of UNI ISO 26000 the time frame shall consider not only short-term impacts and effects, but also ones in the medium to long term.

Given that, according to UNI ISO 26000, each core subject is relevant, it becomes essential to direct attention to more detailed levels, in order to be able to identify the "material" issues for the organization in terms of social responsibility and then try to:

- determine the issues that could affect the realization of a path to social responsibility in the medium to long term (in order to identify and classify issues according to relevance and from there in relation to their level of significance);
- consider the points of view of stakeholders, whose actions and decisions can affect the organization and on which the organization activities may have an effect and/or an impact (positive and/or negative).

Additionally, it seems clear how much an approach to the determination of materiality should be based on:

- a) a broad engagement that includes stakeholders (see next clause 8);
- b) a strong link to organizational governance and to the determinants of the value chain and of the creation of economic value (value drivers);
- c) a set of clear and transparent criteria that support the organization in deciding what is "material";
- d) an integration with governance itself, even more so given that organisational governance is the first of the core subjects to consider when defining a path to social responsibility.

How to determine the 'Materiality' of a core subject?

As already mentioned above, we have to distinguish between relevance and significance. According to UNI ISO 26000, an organization should first examine in depth all seven core subjects covered by the guidelines (human rights, labour practices, etc.), in order to help identify which issues (related to each core subject) are relevant to them.

A very effective tool for achieving this identification is the close examination of the organization activities through brainstorming and by involving all the front lines of the business. The understanding of the 'context' and the sphere of influence of the organization is critical in this exercise, as it implies the ability to reflect with a broad vision on the impact that the actions and decisions of the organization have, or might have, within the organization itself, and also on stakeholders and on sustainable development (and vice versa). An example is the failure to comply with human rights in the organization supply chain; if it happens even with only one of the organization suppliers, it would create reputational damage that would inevitably have an impact on the overall business activities of the organization, even if it should not have direct responsibility.

Once the organization has identified what issues from one or more of the core subjects are relevant to its decisions and activities, it is necessary to develop a set of criteria that help decide which of them are most significant. This means determining which issues are more important to the organization in terms of priority, e.g. the extent of the impact on stakeholders or sustainable development, potential impacts arising from a non-management of that very issue, perceptions and expectations of stakeholders, and in terms of the impact on the core business and/or on the value chain, etc..



#### RELEVANCE AND SIGNIFICANCE

According to UNI ISO 26000, an organization should consider all core subjects in order to be able to identify what the relevant issues are. For this purpose, the engagement of all stakeholders, internal and external, is required. Once the relevant issues identified, it is necessary that the organization develops criteria by which to decide which issues have greater significance and are important for the organization. The issues that are typically considered significant are: lack of respect of the law, discrepancies related to international norms of behaviours, potential violations of human rights, activities that threaten life or health, and activities that could severely impact the environment.

The organization shall also refer to best practices, e.g. in the industry or among competitors, to identify the most significant issues. In some cases, an organization may, in fact, believe that, because it operates in an area where there are laws and regulations that address the core subjects of social responsibility, the respect for the law is sufficient to ensure that all the issues are kept under control. Nonetheless, such behaviour could lead to a major misunderstanding because respect for the law is a fundamental duty of any organization and an essential part of its social responsibility. A careful review of the core subjects of UNI ISO 26000 could instead reveal that certain relevant issues are not regulated or are covered by regulations that are not adequately enforced or are not explicit or sufficiently detailed.

It is clear how much the systematic and structured stakeholder engagement is another fundamental element in determining significance, both to broaden perspectives on core subjects and issues, and to capture inputs on prospects and emerging needs that, at the moment, do not seem particularly critical but could become such in the future.

As indicated in more detail in clause 8, the views of the stakeholders shall always be considered and appropriately integrated into the reflections internal to the organization. This helps obtain an effective analysis in which the final outcome is generally defined by a materiality matrix (see example in Figure 7), such as the one represented below:

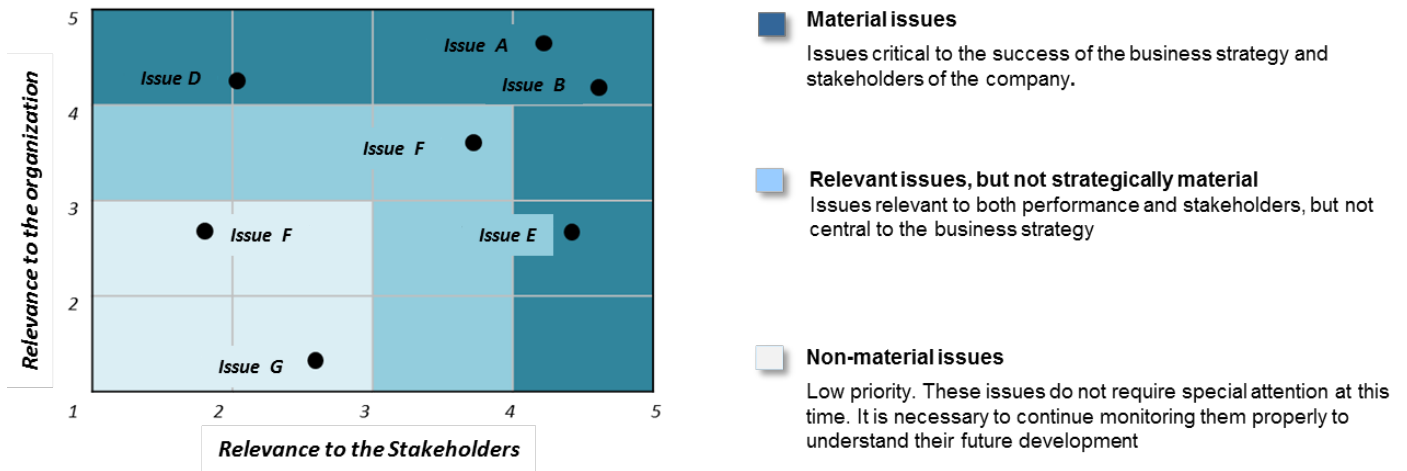


Figure 7 - Example of a materiality matrix [18]

The matrix is a tool that, in a simple and intuitive way, relates relevant issues (i.e. relevant and significant) identified by the organization as part of the core subjects with the points of view of the stakeholders.

As the figure shows, the materiality matrix is usually divided into areas which identify, respectively:

- *material issues (relevant)*, or areas of interest and intervention, considered critical by both the organization and its stakeholders, that necessarily shall be taken into consideration with high priority by management;
- *relevant issues*, but not material from a strategic point of view, are areas of interest and intervention that, despite having a degree of significance, are not a priority to the organization strategy at the time. These areas shall still be monitored, as they may reveal themselves or emerge as critical in the near future, especially if the interest of the stakeholders were to grow;
- *non-material issues*, or those that emerged as a low priority for both the organization and its stakeholders, but which shall be continuously monitored.

If the point of view of stakeholders is critical in an analysis of materiality, it is important to recognize that there are issues that could be significant for the organization even if the stakeholders did not identify them as such.

In general, the more "mature" (namely "significant") an issue is, the more essential it is for the organization to manage it; likewise, the organization has a competitive advantage when it begins to control a subject that, even if not fully mature, has a potentially high impact on its strategy and/or its organizational governance. Conversely, if it is noticed that at any given time the organization is devoting time and resources to the control of subjects that the external context does not consider relevant, it would be an opportunity to review its objectives referring to the external context itself.

Materiality is not, in fact, a static factor, but changes over time.

Advantages and disadvantages of using a materiality matrix are shown in the following table:

<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
It provides a visual frame with a simple interpretation	For some issues, it is difficult to quantify values with respect to the variables considered by the axes
It is easy to determine which are the relevant material issues and which ones are not	It is necessary to establish thresholds to identify which issues will be materially relevant and which ones will not
Only two variables are taken into consideration to determine the materiality of the different issues	A different weight shall be given to the different axes to correctly determine which issues are materially relevant and which are not

To sum up, the analysis of materiality on one hand considers the relevant issues and impacts that are most interesting to stakeholders and on which the organization is held responsible for being 'accountable'. On the other hand, it considers the issues that are most relevant to the organization itself, that is, reflecting the significant issues chosen among one or more core subjects on it is focusing its strategic and operational efforts in order to prevent and/or mitigate risks and seize opportunities.

To summarize these two perspectives on the materiality matrix that constitute the results of the analysis, it is possible to determine if the importance the organization attributes to a subject (or to any subject in the identification of the issues on which to work using the principles of social responsibility defined in UNI ISO 26000 is greater, equal to, or less than the importance attributed by the stakeholders. The organization can then evaluate the alignment between its own strategic positioning and the expectations of its own reference context.

One moves from the viewpoint of minimizing impacts to a viewpoint of integrating social and environmental variables into strategic assessments.

From this initial reflection, then, we reach a more balanced and in-depth analysis of the so-called materiality, which should lead to:

- identifying relevant issues;
- from among these, identifying those that are significant, therefore, defining their priority.

An example of questionnaire for the analysis of materiality is given in Annex C.



## FROM THE ANALYSIS OF MATERIALITY TO ACTION PLAN

In the exercise below, it is proposed to apply the analysis of materiality in initiating an action plan that is based on the core subjects.

The first step consists of selecting, among the seven core subjects, the one on which the organization decides to start its own path to social responsibility.

Suppose that LABOUR PRACTICES has been chosen as the first core subject.

The second step identifies those issues that the organization considers most relevant among the different issues described in the core subject LABOUR PRACTICES.

The issues can be identified among those referred to in UNI ISO 26000 within the LABOUR PRACTICES core subject or other issues, as long as they relate to LABOUR PRACTICES. At least in the first instance, relevant issues shall be identified from among those laid down in UNI ISO 26000 and defined within the chosen core subject.

To understand what is meant by relevance, see the box "Relevance and significance" in clause 7. For this purpose, consult Annex A.

The third step, therefore, consists in identifying the relevant issues from those defined for the core subject LABOUR PRACTICES:

1. Employment and employment relationships
2. Conditions of work and social protection
3. Social dialogue
4. Health and safety at work
5. Human development and training in the workplace

Since, when making a choice, the organization shall also take into account the impact of its decisions and activities on stakeholders, it is appropriate to involve stakeholders in the identification process. For this specific point, see the clause on "stakeholder engagement" discussed in clause 8. Here, for simplicity, the approval of the stakeholders in the identification is taken for granted.

However, it is important to recognize that issues could be relevant even if the stakeholders have not identified them as such.

It is implied that two different organizations may make two different choices.

For example, an organization that proposes to deal with protection of health and safety at work can probably identify as relevant:

- health and safety at work
- human development and training in the workplace

while an organization dealing with trade union relations can probably identify as relevant:

- conditions of work and social protection
- social dialogue.



## FROM MATERIALITY ANALYSIS TO ACTION PLAN – continued

So the fourth step consists in having identified the two relevant issues that, using the example of an organization that deals with protection of health and safety at work, would be:

- health and safety at work
- human development and training in the workplace

The fifth step consists in deciding which of the two selected issues is more significant, that is, which one is more important to the organization.

Significance, which is equivalent to importance, can be determined by using the proposed materiality matrix in Figure 7, thus inferring the activities to be implemented from the relevant "material issues."

Suppose the chosen organization determines that health and safety at work is more significant.

The sixth step consists in establishing priorities regarding the actions to be taken for that issue chosen as the most significant. Therefore, the priorities result from the greater significance that this issue has, at that particular time, in that context, from the impact it generates, and from the correlated expectations of the given organization.

The actions to be taken may be identified, at least in the first instance, among those provided for in UNI ISO 26000 within the issue "health and safety".

For example, the sample organization may decide to:

- record and investigate health and safety incidents and problems in order to minimize or eliminate them;
- address the specific ways in which occupational health and safety risks differently affect women.

In this specific case, since the actions indicated by UNI ISO 26000 can be used by all types of organizations regardless of their size and geographical location, and since it is quite clear that some actions in our country fall within the law, organizations are invited to define actions that, with reference to those provided for in UNI ISO 26000, go beyond mere compliance with the applicable laws.

In fact, the conclusion of the proposed procedure leads to the initiation of an action plan, starting from the core subjects, continuing with the identification of those issues that are relevant, and then identifying those that are most significant.



## FROM MATERIALITY ANALYSIS TO ACTION PLAN – continued

As a further exemplifying contribution, see below a few possible actions under the issue "health and safety at work."

1. The organization has adopted and maintains measures that reduce the level of risk, past and present, in the organization's operations and/or activities by following forms of prevention from a perspective of gender, through at least two of the following activities
  - reporting of near-accidents and/or avoided accidents, differentiating by cause, age, origin, and gender
  - work history and differentiated medical health screening
2. The organization has adopted and maintains policies, procedures and/or operational plans to support the management of differences and diversities, beyond that required by relevant legislation, including at least three interventions among the following:
  - support and/or assistance for relatives and/or similar individuals in cases of disability
  - hiring of people with disabilities
  - facilitation of the inclusion of disabled persons or minorities in general (linguistic, ethnic, religious, etc.)
  - support to reintegrate disabled persons at work.
3. The organization has adopted and maintains policies, procedures and/or operational support plans for human resources, also for the reconciliation of work/life periods, including at least four of the proposed actions from the following:
  - a) benefits for the employees, such as subsidized loans, food stamps, inside or outside canteen on the basis of agreements, internal or external kindergartens on the basis of agreements
  - b) types of flexible working hours (part time flexibility inbound and outbound; vertical and horizontal part-time) and teleworking
  - c) re-employment programs
  - d) lifelong training for the development of individual skills
  - e) detection and monitoring initiatives for individual and organizational well-being and for counselling services.

The proposed measures, which have different significances for the consequential impacts on workers, will have different priorities for action defined by the organization as part of its governance after having taken into account relationships with society and stakeholders.

In a nutshell, the materiality analysis helps identify, within the core subjects, the issues on which to focus action, since it is in relation to those issues that the organization has an impact on their stakeholders and it is "observed" by them.

The materiality analysis has two basic uses:

- a) as input to the organizational governance of social responsibility;
- b) as a guide for the identification of the topics on which to report.

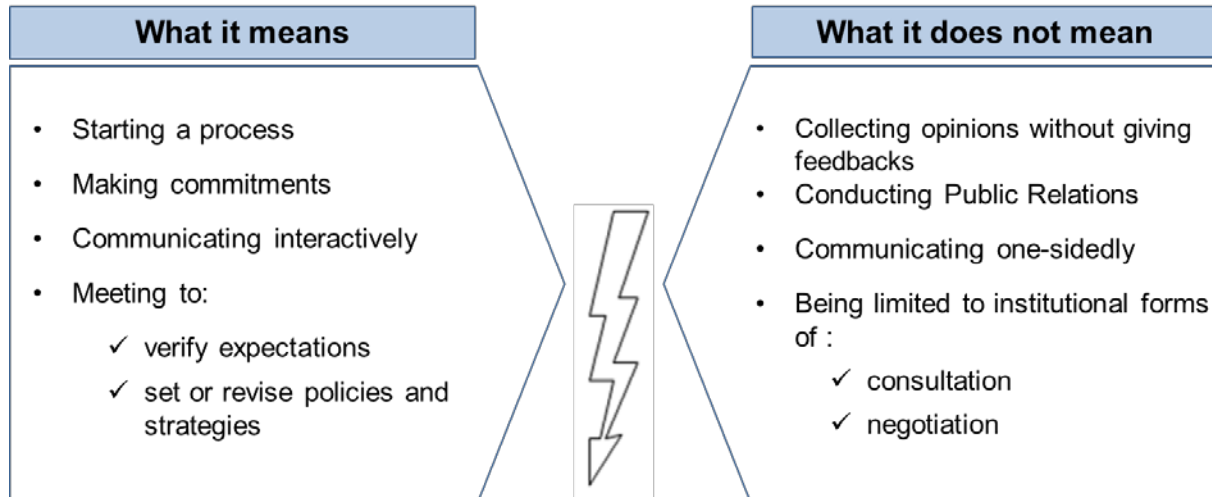
This second aspect will be addressed in clause 11.

## 8 ENGAGEMENT OF STAKEHOLDERS

### 8.1 GENERAL

UNI ISO 26000 defines stakeholders as "individuals or group that has an interest in any decision or activity of an organization". Stakeholder engagement is, according to UNI ISO 26000, the range of activities undertaken by an organization to create opportunities for a dialogue with its stakeholders, in order to provide an informed basis for decisions to be taken. Since stakeholders may have different expectations from each other and in most cases different from those of the organization, the organization shall find a balance among the various expectations and values by following an approach as collaborative as possible.

Stakeholder engagement allows an organization to create sustainable value in the long term. It is, therefore, a strategic full-court commitment to the core subjects of social responsibility that, as schematically illustrated in Figure 8, cannot be reduced to mere formal initiatives or initiatives dictated by marketing needs.



**Figure 8 - Strategic Commitment**

Materiality, completeness, and responsiveness are the three keywords to be used for appropriate stakeholder engagement. As indicated in clause 7, materiality refers to the issues of a social or environmental nature that are most significant for an organization and its stakeholders. The stakeholder engagement shall be complete, so that an organization knows not only the impact of its actions and decisions on stakeholders, but also what they think of that impact. The term responsiveness refers to the fact that organizations shall provide an adequate and short-term response to the expectations and the demands raised by stakeholders.



Organizations, in the stakeholder engagement process, should also consider those stakeholders who have no voice to express their views, e.g. future generations or the ecosystem.

There are many benefits that an organization can receive when it engages stakeholders in particular those listed below.

First, an organization that has positive relationships with stakeholders improves its risk management skills. If for some reason the stakeholders are not satisfied with decisions and actions taken by an organization, the latter can change its actions, thereby preventing negative impacts on society and the environment resulting from actions and decisions that are not oriented to the creation of value. This reduces the costs of managing and resolving possible conflicts. In practice, the organization that engages stakeholders applies an approach that identifies and evaluates the nature of the risks (risk-based approach), and then manages them according to the criteria of social responsibility.

A second benefit enjoyed by an organization that engages stakeholders in a proper way is the ability to achieve its sustainability goals earlier and more thoroughly, such as, for example, reducing pollution, improving health and safety of employees, or increasing productivity.

Finally, a systematic dialogue activity with stakeholders allows for greater capitalization of resources (know-how, technology, human and relational capital) for solving problems and achieving goals that could hardly be pursued individually.

Stakeholder engagement may be divided into three phases:

1. identification of stakeholders and topics (core subjects and/or issues) to be discussed;
2. planning and implementation of the engagement;
3. measurement of the engagement process.

Focusing on the internal dimension of the organization for example, we can identify workers as stakeholders to whom the organization intends to pay attention and address social responsibility actions.

It is possible to begin a discussion with the workers in order to enable them to identify one or more issues within a given core subject with which to engage the organization. This time of discussion can take place through semi-structured interviews, focused questionnaires, and requests for tips to identify one or more topics (core subjects and/or issues) on which to start the discussion.

When the topics are chosen, meetings or focus groups can be called in which workers are invited to express their needs and expectations. It is necessary to verbalize the emerging ideas in order to take them into account, both for defining strategies or policies, and for reviewing the topics to be covered in the sustainability report.

The next step may include the definition of actions to implement under the issues, the time within which to achieve them, the resources to be committed, and the indicators designed to measure the degree of implementation of the actions themselves.

The degree to which the workers' expectations are satisfied and the outcome of the impact of actions on the degree of workers' welfare, are the measures of a correct process carried out in steps 1 and 2, as well as the level of engagement achieved.

A further example of stakeholder engagement, in this case external, might be as follows.

Let's imagine being a food industry company wanting to launch a project related to the implementation of social responsibility actions in the production chain (upstream and downstream) so as to define the products in a "socially responsible" way and then communicate this commitment to final consumers. The aim is to check the feasibility of the initiative with all the players in the production chain, and also to verify their perceptions with respect to the idea of working together to brand their products socially and ecologically. It is evident that a successful outcome of the initiative depends greatly on the cooperation of all stakeholders in the production chain.

The first step, in this case, is a benchmarking activity implemented in the national and international market in order to understand if and how the reference sector is moving. Benchmarking helps to understand which of the core subjects of social responsibility are more monitored by competitors with reference to sustainable products. It also helps identify core subjects that are not currently monitored, but that might emerge as strategic/relevant in the near future. The result of this activity leads to preparation of a materiality matrix (see clause 7).

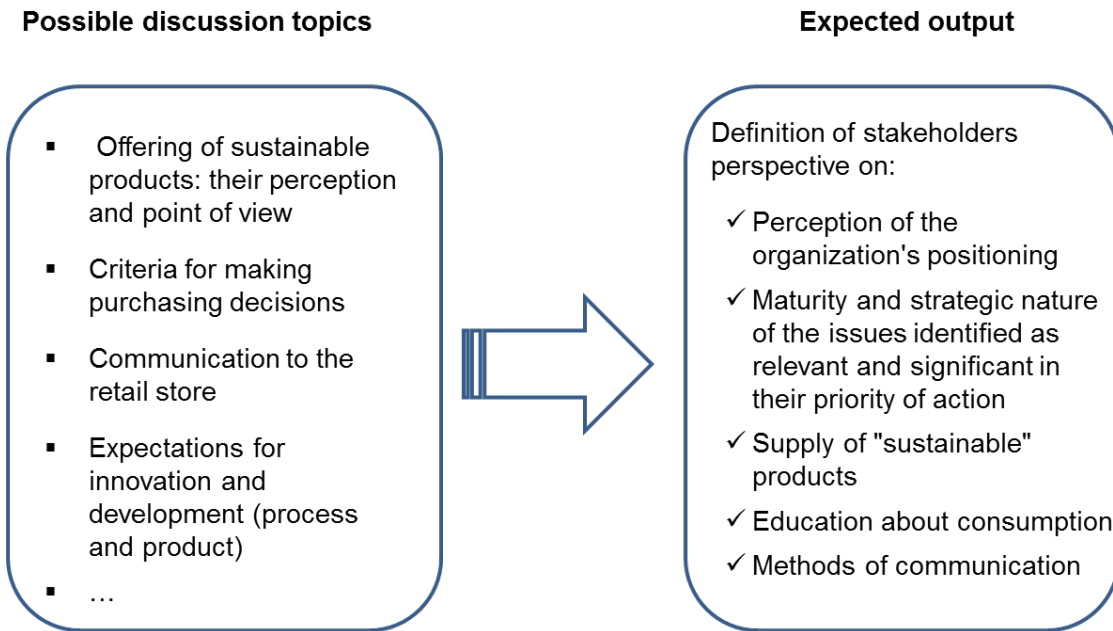
With the benchmarking results, it is then necessary to have the organization reflect and understand if and to what degree the core subjects that emerge as relevant are monitored. This phase is crucial because it is necessary to understand at a top management level how much the organization is willing to invest in the initiative, whether it has the resources (economic, but not only), and whether is ready to manage the outcomes of stakeholder engagement that could open up new and unexpected scenarios, regardless of the impacts. The discussion within the company's functions also allows the state of the existing relationships to be reconstructed with the identified categories of stakeholders (in terms of critical issues/opportunities). The discussions also establish which dialog channels are already open, who manages them, what consequences would result from the engagement of that kind of interlocutor, etc., and would then lead to the actual selection of the interlocutors to involve in the following discussion.

This is a crucial moment in which the different functions of the organization are required to work together in order to give a name to, and systematically classify, what is already done in the organization, even in an unconscious and non-structured way.

It is only at the end of this activity that the organization will be able to open to an external dialogue.

The organization at this point shall convene those involved in its production chain, downstream (retailers) and upstream (suppliers), for a structured discussion to understand the feasibility of the initiative. The interlocutors will have very specific identities, 'personal' histories behind them, and different cultures and backgrounds. One idea might be to organize one or two focus groups (one for each category of identified stakeholders) or, alternatively, to assemble both groups of interlocutors to work together in a single discussion. The choice depends on many factors that previous phases usually help clarify, not least the 'level' of preparation and awareness with which stakeholders come to the discussion. It is evident that existing channels for dialogues with the organization suppliers or retailers on the front of 'social responsibility' are of great help for the management of the discussion.

This dialogue aims to select and further specify relevant and significant issues to the organization, as identified through benchmarking and internal reflection, enriching them with external and qualified points of view of those who are privileged and strategic interlocutors of the organization and the catalysts of consumers' needs. A representation of a possible organization of the discussion (see Figure 9) with reference to the example is given below:



**Figure 9 - Sample representation for the discussion framework**

In order for the stakeholders to actively take part in and contribute to the discussion, forms that have been previously sent to the participants are usually arranged around the table.

The first part of the form provides a summary of the key elements of the strategy and of the future actions planned by the organization in the field of social responsibility, with reference to the "investigated" products.

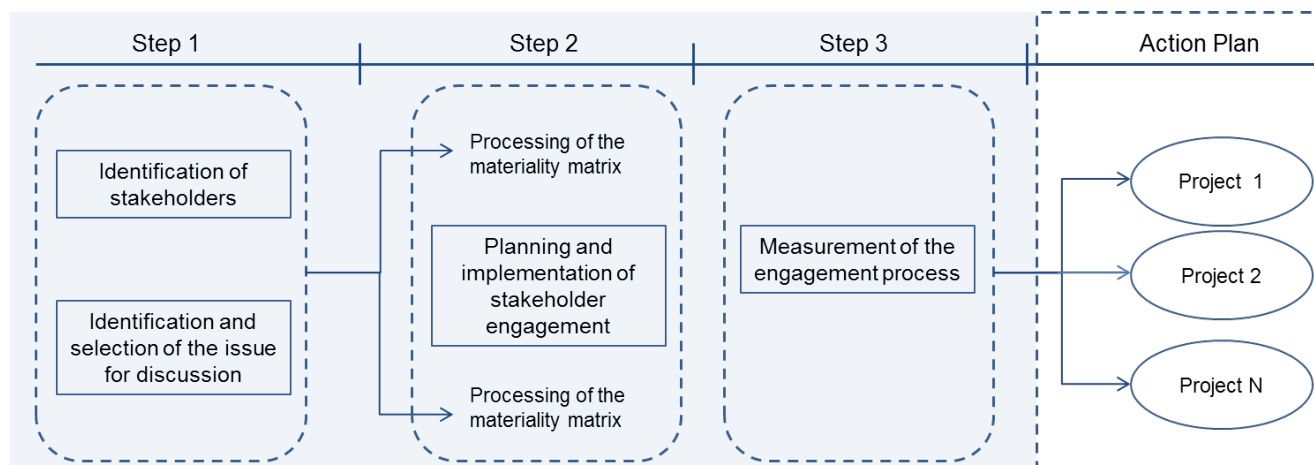
The second part of the form lists some questions that facilitate the group discussion: they could be topics related to the shared definition of macro-objectives, or refer to individual actions of social responsibility, etc.

The gathering of opinions and feedback from stakeholders, achieved through the discussion, is then integrated in the materiality matrix, thus contributing, with reference to our example, to the definition of the key messages of social responsibility that shall be conveyed about the products to consumers.

More generally, an activity engaging stakeholders shall always end with an implementation phase that follows the definition of the action plan. The plan shall be shared with the top managers previously involved in the choice of the core subjects for the discussion with the stakeholders. The action plan, as shown below, contains a number of short/medium/long term initiatives to be implemented, allocating responsibilities within the organization, as a result of internal discussion and discussion with external stakeholders.

It is the organization that decides the choice of interventions on which to primarily focus, creating, where appropriate, a series of "projects" to implement strategies, policies, and initiatives which have resulted from the suggestions that emerged from the discussion.

In any case, the account of the discussion's results shall be sent to all external stakeholders who are involved in the project. Figure 10 schematically illustrates the following steps for the stakeholder engagement.



**Figure 10 - Diagram of steps for the stakeholder engagement**

It is clear that having achieved a structured dialogue with strategic partners ex-ante contributes significantly to the success of the initiative, laying the foundation for future alliances, for the benefit of all stakeholders, with less cost and greater effectiveness and efficiency.

In addition, as highlighted in UNI ISO 26000, a proper dialogue with stakeholders implies independence of the parties and transparency in the financial support of stakeholders by organizations.

## 8.2 ISSUE IDENTIFICATION FOR THE DIALOGUE WITH STAKEHOLDERS - STEP 1

The identification and mapping of stakeholders is a crucial first step that shall be done starting with the strategic objectives of an organization divided in various issues.

In the case of an organization that has the strategic objective of improving the conditions of its workers - whether employees, partners, or suppliers - the issues of the objective is may be to improve working conditions in subcontracting, the strengthening initiatives on health and safety, the promotion of equal opportunities, etc. From these issues related to the strategic goal, the organization can identify its main stakeholders, such as trade unions and suppliers.

In identifying stakeholders, the organization should take into account the fact that some of them are internal, such as workers and shareholders, and other external, such as local communities, public authorities, and non-governmental organizations. It is important that the stakeholders are sufficiently representative and credible.

Since stakeholder identification and mapping should result from the strategic objectives of the organization, this step should be structured into two operational macro-activities.

1. Document analysis. An analysis of institutional documents (strategic plan, sustainability report, etc.) and internal materials such as, for example, climate surveys, investigations of participatory processes, reporting on complaints, etc., aiming to:
  - identify topics related to organizational activities and understand how these relate to expectations or concerns of its stakeholders;
  - detect the perception of possible deviations between what the organization is doing (or perceived to be doing) and what stakeholders expect it to do;
  - identify those who are "owners" of the relationship with the different stakeholders, in order to highlight the main topics with potential elements of criticality and opportunity.
2. Internal engagement. Having as a basis for the discussion the facts that resulted from the document analysis, it is critical to conduct structured interviews with top management and/or all company functions involved in the relationships with the various categories of stakeholders to be involved. The goals of these interviews are:
  - to share strategic objectives of the engagement;
  - to validate feedback on the importance and value of various stakeholders in order to begin the definition of those to involve in the process;
  - to identify issues that will be discussed in the engagement phase (validating those that emerged from the analysis and identifying others);
  - to relate issues, just as they are identified, with the objectives of organization strategy and social responsibility included in institutional documents.

UNI ISO 26000, with its seven core subjects, proved to be a very useful tool in conducting the above activities, especially during early experiences with engagement, together with a scenario analysis (external benchmarking) aimed at identifying which, if any, relevant core subjects are monitored by other benchmark organizations in the field.



#### **STAKEHOLDER IDENTIFICATION: SUPPLIER AND TRADE ASSOCIATIONS**

Suppliers deserve special attention because they can influence the organization and are influenced by it in turn. By definition, this makes them stakeholders. The most interesting suppliers for an organization are those who generate a significant percentage of their revenues from the organization; these suppliers, in fact, depend critically upon the organization. With its social responsibility provisions, the organization may direct suppliers to adopt good behaviours exceeding those legally-required.

Other critical suppliers are those on which the organization heavily depends; those who are exclusive sources of purchased goods or those who supply important volumes of purchased items. In these cases, the organization may not have negotiating power capable of directing the supplier, so the most sensible social responsibility strategy is to look for valid alternatives in the market so as not to depend too heavily on a partner that is difficult to control.

Among the stakeholders to be considered are the representative trade associations of suppliers, where a given branch is able to exercise significant influence on the organization or, vice versa, is significantly affected by it.

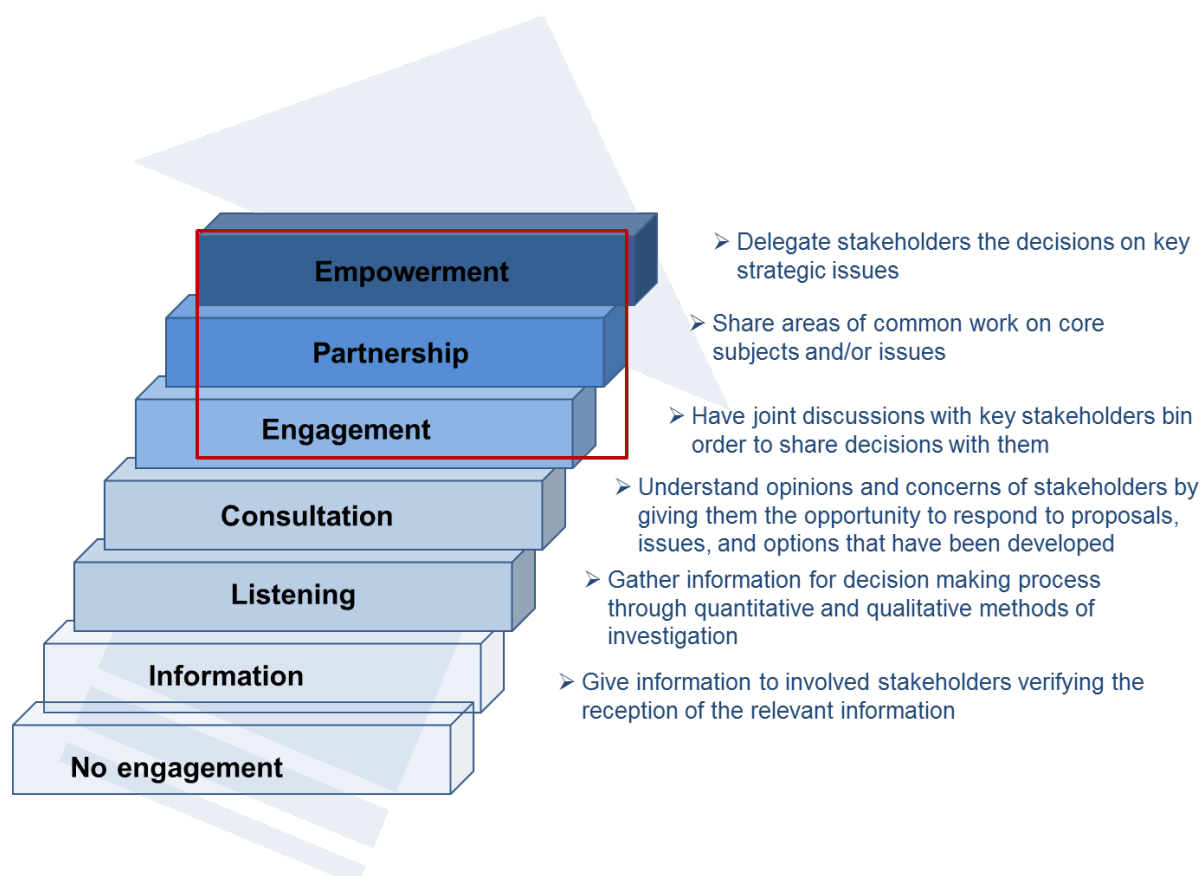
### 8.3 PLANNING AND IMPLEMENTING STAKEHOLDER ENGAGEMENT - STEP 2

There are many ways and means available to engage stakeholders. As for the way, the dialogue with stakeholders can be promoted directly by the organization or take place after a specific request from the stakeholders themselves.

With regard to the means, on the other hand, the approaches may vary from passive interactions, where stakeholders only acquire information (from monitoring the relationship with stakeholders to information on the organization performance, from interaction targeted to objectives specific to some stakeholders to consultation on core subjects that the organization considers strategic for itself), to situations where the stakeholders themselves are launching and designing the process; in this case we speak of inclusion, engagement, and participation.

The techniques that can be used are many: seminars, interviews and public meetings, online consultations, market research, and focus groups or multi-stakeholder forums.

As shown in the diagram in Figure 11, the greater the change one wants to generate, the "higher" the kind of engagement to be activated.



**Figure 11 – Engagement activities with stakeholders**

It is essential, in all cases, that such engagement is neither sporadic nor limited to socio-environmental reporting activities. Whatever the method chosen, but more so in the case of multi-stakeholder workshops, it is desirable to ensure the full participation of top management in:

- a) defining the objectives of the day;
- b) choosing the issues to be addressed;
- c) giving spur-of-the-moment comments at the end of the discussion.

It is also desirable to focus on the choice of participants in order to:

- ensure a fair balance among the various categories of stakeholders, making sure they are all represented with reference to the identified issues and to the objectives to be achieved;
- make sure that experts of the identified issues are invited, both for sharing best practices, and to provide technical evaluations and explore possible areas of collaboration.

An internal reflection, conducted in advance about the organization ability to respond to any expectations that emerge from stakeholder engagement activities, complements and completes this phase of identifying priorities and planning the engagement.



#### **PLANNING THE ENGAGEMENT OF SUPPLIER STAKEHOLDERS**

There are several channels available to organizations that wish to engage their suppliers in a monitoring process considering the principles of social responsibility.

An ideal process could be divided into the two following steps:

1. to explain, in a letter, the significance of the project, noting that the values expressed in the policy are a guarantee for the entire supply chain;
2. to engage with suppliers, through meetings and seminars, on the practical application of the values set out in the policy, clarifying the monitoring mode, in order to avoid misunderstandings or unnecessary worries.

It is very important that the awareness-raising activity with suppliers is conducted with the involvement of the functions that normally maintain relations with them in order to ensure continuity and consistency in communication. The ideal team for this important activity can include representatives of the purchasing and social responsibility functions, where present.

It may be useful to involve, for their information, the same trade associations that represent the monitored production chains. Their presence can help reinforce the message that the process has positive objectives of transparency, system growth, and development of the operators who can provide guarantees and commitments to improvement.

In some areas, the complexities and difficulties are such that they require a common strategy with a wide range of organizations including, in addition to enterprises (even competitors), trade associations, trade unions, any non-governmental organizations active in the territory/field, etc. More stakeholders can join efforts in sharing "responsible lobbying" actions, aimed at a transparent and constructive dialogue with institutions.

## 8.4 MEASUREMENT OF STAKEHOLDER ENGAGEMENT PROCESS - STEP 3

After having identified and conducted a mapping of stakeholders and having therefore planned their engagement, the next step is to measure the effectiveness of that engagement, not necessarily in order to comply with demands of stakeholders, but to respond in a concrete and real way to their expectations. Operationally, this involves the verification of the consistency between expectations and results achieved through the engagement and the ability to translate what the stakeholders have learned into objectives and actions.

The value of the engagement can be reinforced by the use of a variety of indicators and their constant monitoring, during and after the implementation of the process, in order to verify its consistency with the original objectives. From this point of view, the activity of being accountable can make a decisive contribution; a chapter of the sustainability report, for example, can contain a list of the stakeholders involved and subsequent opportunities for dialogue over the time.

The perception of the stakeholders involved is also an important indicator of the effectiveness of the dialogue. If this is difficult at an early stage, once the process has reached its maturity (especially when it becomes institutionalized), the organization can invite the same stakeholders to share the design and implementation of their engagement strategies and related goals and objectives.

In any case, the involved stakeholders shall be reassured that their voice will be heard and that their contribution will impact the decision-making processes.

After measuring the effectiveness of stakeholder engagement, the organization can proceed with the definition of an action plan, setting out the actions necessary to eliminate or at least mitigate any problems arising from the interaction with the different stakeholders and identifying the appropriate responsibilities within the organization.

The action plan follows the logic diagram shown below in Figure 12.

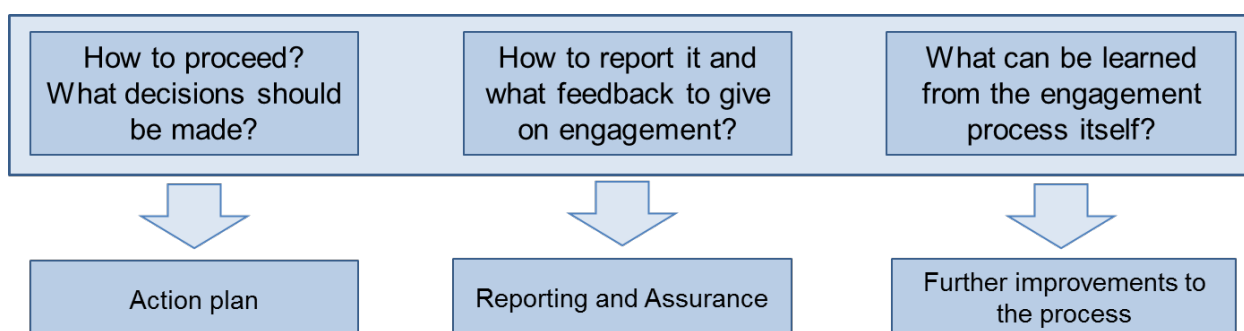


Figure 12 – Logic diagram for action plan

## 9 SELF-ASSESSMENT, GAP ANALYSIS, ACTION PLAN AND IMPLEMENTATION PHASE

### 9.1 SELF-ASSESSMENT

One of the basic fundamental practices introduced by UNI ISO 26000 is to recognize social responsibility; this means that each organization shall identify the issues related to the impacts of its



decisions and activities and understand what incentives are available to maximize opportunities and positive impacts, thereby contributing to sustainable development.

It is therefore necessary to stop and think, focusing on issues considered relevant. One of the ways to organize this reflection might be a self-assessment that allows:

- a) taking a snapshot of the organization state of the art with respect to the governance of sustainability;
- b) identifying the stakeholders that are affected by the decisions and activities mentioned above;
- c) evaluating, where applicable, the existence and maturity of the governance systems that are in place (such as the management system and the organizational model);
- d) assessing which elements to introduce to strengthen organization governance and contribute to sustainable development.

Self-assessment can be initiated by an internal facilitator, for example the manager of Social Responsibility, and enabled widely with the support of a representative for each business function.

Self-assessment can take the form of group work, for example, a workshop, lasting four to six hours in which the internal facilitator and the function representative animate a reflection guided by a reference checklist and record the main results.

All function managers should participate to this activity, and possibly other figures identified as relevant because of the strategic nature of the task, their experience, and other personal characteristics. Anyone who is interested should be allowed to participate.

The two sessions of the workshop are:

1. brainstorming;
2. collecting information and documentation.

In the first session of the workshop, space is given for open reflection, hence following a brainstorming model. Spontaneous comments shall be encouraged. The hierarchy should not be allowed to dominate discussion; often a lot of interesting ideas come from non-senior figures or from new hires. All participants are invited to speak on every issue, regardless of their working area.


In the first brainstorming session, the internal facilitator and the function representative animate reflections on:

- a) what are the impacts on the internal and external dimensions of the organization, including the environment;
- b) what incentives are already present and what can be done to enhance these impacts.

In the second session, when collecting information and documentation, the internal facilitator and the function representative consult the different function representatives on procedures and

behaviours that are already present in order to manage impacts, especially the negative ones. In this second session, it is more natural that answers should be provided by the function managers. However, any comment or enrichment of the discussion is welcome.

The table below shows a sample method on how to conduct self-assessment for which the organization has previously identified the issues from each core subject, such as the result of the materiality analysis, as referred to in clause 7. Note that the self-assessment on the core subject of organizational governance flows from the answers given related to other core subjects.

 **Outline to conduct self-assessment in relation to core subjects**

		<b>Stakeholder engagement (Clause 8)</b>	<b>Action plan and implementation phase (Clause 9.3)</b>	<b>Monitoring and Measuring (Clause 10)</b>	<b>Reporting</b>	<b>Risk mitigation</b>
<b>Organizational Governance</b>	Human Rights: for each relevant issue	<ul style="list-style-type: none"> <li>- How are the stakeholders involved in these issues?</li> <li>- How are expectations, necessities, and needs of the stakeholders incorporated in the decision-making process?</li> </ul>	<ul style="list-style-type: none"> <li>- What are policies and/or procedures that regulate these issues (in groups or locally)?</li> <li>- What are the plans that define activities, actions, and initiatives for any considered issue?</li> <li>- Are policies, procedures and plans revised periodically in light of the stakeholder expectations'?</li> </ul>	<ul style="list-style-type: none"> <li>- How is the implementation of these issues monitored? (with internal audits or by other means)</li> <li>- Were KPIs drawn to help monitor each issue?</li> <li>- Are well-defined KPIs used?</li> <li>- Are they examined in light of reviews of policies, procedures and action plans?</li> </ul>	<ul style="list-style-type: none"> <li>- Which forms of accountability for responsibility are in place?</li> <li>- Which reporting models are used?</li> <li>- Which KPIs?</li> <li>- Is reporting only internal or is it accessible to stakeholders?</li> </ul>	<ul style="list-style-type: none"> <li>- What more could be done in order to contribute to sustainable development through actions associated with the issues?</li> </ul>
	Labour Practices: for each relevant issue					
	Environment: for each relevant issue					
	Fair Operating Practices for each relevant issue					
	Consumer issues: for each relevant issue					
	Community: for each relevant issue					

The self-assessment grid for core subjects requires (for each of the core subject foreseen and possibly each issue) the answer to a series of questions related to:

1. Stakeholder engagement
2. Action plan and implementation steps
3. Monitoring and measuring
4. Reporting

5. Risk mitigation.

It is possible and useful to attribute scores to each category (stakeholder engagement, implementation, monitoring and measuring, and reporting), so as to empirically measure the degree of maturity achieved. It is suggested that a qualitative/quantitative score be attributed to each category based on positive responses to questions.

The risk mitigation category does not contribute directly to the score, but it remains as an element for the identification of possible improvements.

By way of example, we propose the following scoring:

0 = ongoing reflection but no activity/procedure in place that allow giving a positive feedback to questions.

1 = taking charge with some partial initiative/procedure that allow giving a positive feedback to at least one question.

2 = taking charge in a more structured way with initiatives/procedures that allow giving positive feedback to all questions, although to some only partially.

3 = taking charge in a systematic and complete way, with initiatives and procedures that allow giving positive and comprehensive feedback to all questions.

Similarly, one can refer to another tool useful for measuring the level of integration of social responsibility achieved by each organization. For this purpose, please refer to the use of a list of indicators, borrowed from the "Platform of Corporate Social Responsibility Indicators"<sup>1</sup> that organizations can freely implement in order to measure their level of social responsibility for which the principle references are shown in Annex D.

## **9.2 GAP ANALYSIS**

The result of the self-assessment described in clause 9.1 should provide an understanding of the elements listed below:

- a) core values of the organization, documentation system supporting the implementation of the principles as actual behaviours, level of transparency in the conduct of its business, social responsibility initiatives already present and the relative internal and external communication levels;
- b) identification of all actions implemented to improve quality, environment, health and safety at work, etc., as well as training programs for employees and awareness-raising initiatives for the community;
- c) mechanisms and procedures for control and monitoring;

---

<sup>1</sup> Working project developed by the Italian Ministry of Economic Development, Ministry of Labour and Social Policies, Ministry of Agriculture and Forestry, National Contact Point (NCP), INAIL and Regions.

- d) internal and external drivers that encourage the organization to take a systematic approach to social responsibility;
- e) identification of the impacts resulting from the activities of the organization and from other organizations related to it as part of its production chain;
- f) needs expressed by stakeholders (internal and external), as well as their actual level of effective and ideal engagement;
- g) level of maturity, expressed by a score, with the immediate identification of areas of higher/lower control.

Specifically, the assignment of a score facilitates a later gap analysis.

The term gap analysis encompasses the series of actions that allow the identification of the actual positioning of an organization in certain areas with respect to the positioning that the organization aims to achieve

Gap analysis, therefore, highlights the gap between the status quo performance that is being examined and the desired level of performance. It also suggests what activities to undertake in the action plan below in order to fill that gap, thus facilitating the identification of possible interventions/activities/socially responsible actions to implement and their priority.

Gap analysis can follow self-assessment, where the management has identified a desired level of behaviour and sustainability of performance and is willing to check for any deviation of the actual situation from the desired one.

## 9.1 ACTION PLAN AND IMPLEMENTATION STEPS

Once a possible deviation is identified, the interventions needed to enable the organization to achieve the desired objectives shall be defined. An action plan shall be established, therefore, that will guide the organization through the implementation phase of individual interventions.

The action plan serves, in essence, as a "vademecum" internal to the organization for facilitating the implementation process and actions that stem from it, according to the criteria of time, resources involved, and feasibility.

The action plan shall, at least, include the mitigating actions for the identified risks and extend to all actions deemed essential to the improvement the organization path towards full implementation of social responsibility.

Despite directly resulting from the gap analysis, the action plan shall concretely identify achievable actions, taking into account:

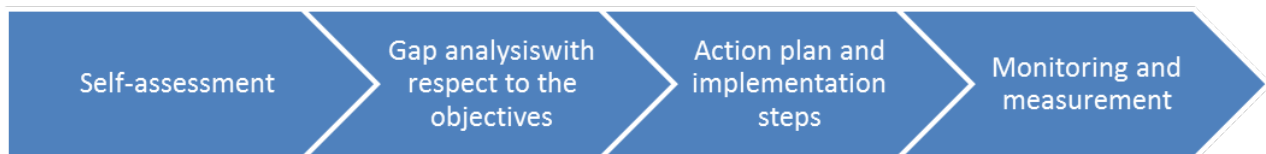
- Impacts of actions: in terms of relevance, strategic value, benefits for the organization and its stakeholders over time, that is with assessments in the short, medium, and long term. Sometimes small actions can have a significant impact, while large unfinished projects can damage the organization credibility.

- Resources: to ensure that the actions identified are completed under the terms and conditions established, it is essential to be aware of the resources required for implementation. This means identifying those responsible for each activity within the organization and, from outside the organization, the stakeholders who are invited to collaborate (community representatives, public or private sector, trading partners, etc.).
- Timing: actions can be divided into steps, each with its own timing and its own deadline.
- Ongoing verifications: there should be a number of intermediate sessions where the organization takes stock of the situation and ensures that the activities are following the desired path.

The implementation step means the real implementation of the actions resulting from the gap analysis and formalized in the action plan.

After the implementation step, a monitoring and measurement step shall always follow to provide evidence of all the activities supported by the organization.

The diagram in Figure 13 illustrates the different steps that characterize the process of application of UNI ISO 26000.



**Figure 13 - Diagram of UNI ISO 26000 implementation process**

## **10 MONITORING AND MEASUREMENT**

Monitoring and measuring systems are consistent and synergistic tools for a better understanding of the social responsibility performance of an organization, including those related to risk management.

It is very likely that the organization already has an active internal monitoring system in place. For example, if the organization has a management system (for security, the environment etc.), periodic audits will take place in order to verify compliance with the standards used for reference and with internal procedures. And, in the presence of an organizational model that is in accordance with Legislative Decree 231/01, audits are carried out in order to verify the implementation of the model's processes.

Independently of these situations, it is possible that an internal function can perform periodic monitoring activities to verify the application of UNI ISO 26000 as well as mandatory rules and internal procedures.

Data collection and reporting systems should also be taken into account whether aimed internally (monitoring of the indicators for the proper management of the social responsibility processes) or

externally (Sustainability Report). It is also true that the collection of data for reporting purposes is the backbone of the monitoring and measurement system.

Applying criteria defined in the UNI ISO 26000 does not necessarily mean adding new methods/channels of monitoring and measurement. If anything, it requires a reading of the existing tools and responsible functions in order to rationalize and promote synergy.

In clause 9.1, devoted to self-assessment, it is proposed to use a self-assessment diagram to map the present monitoring and control tools in order to cover various core subjects of UNI ISO 26000. Self-assessment helps to take a snapshot of the existing state of monitoring. The next stage, gap analysis, helps to highlight any deficiencies that need to be remedied by new actions, activities, and interventions, all to be measured and monitored by appropriate indicators.

In this clause, monitoring refers to those activities (e.g. auditing) aimed at collecting evidence proving that a particular process:

- complies with the principle of legality
- complies with related procedures/internal instructions
- complies with the action plan.

A prerequisite for the application of UNI ISO 26000 is to respect the law; "it is in fact the purpose of UNI ISO 26000 to encourage organizations to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility."

Measurements refer to those structured processes of meaningful data collection, conducted by relevant indicators, interpreted on the basis of the outcomes, and useful in measuring and demonstrating the performance of social responsibility by an organization.

An activity shall be linked to measurements over time in order to verify its implementation according to planned actions. Moreover, this allows intervening with support actions, for example by increasing resources if there is evidence that the timescale is not respected.



#### Value of measurement

It may be useful to focus on the reasons for an effective system for measuring and monitoring. Robert Kaplan stated "You cannot manage what you cannot measure, and this does not allow you to improve your business success." Let's try to break this statement into its two main components:

1. I cannot manage what I cannot measure
2. I cannot improve what I cannot measure

Finally, we shall consider that the principles of transparency and accountability that underpin UNI ISO 26000 require the organization ability to provide the stakeholders with information and data on core subjects, for which a measuring system with data collection procedures and identification of suitable indicators is required.

The monitoring and measurement system shall be able to:

- identify lack in the application of legal requirements and other requirements defined by the organization;
- have suitable and appropriate indicators, defined in relation to issues addressed in the context of the core subjects. They shall be able to provide internal and external stakeholders an accurate picture, complete and understandable, of the organization contribution in favour of sustainable development and the fallout that has ensued on the various stakeholders and the environment;
- govern the implementation process, internal monitoring, and data collection not only for the purpose of the responsibility to be accountable, but in order to enhance the synergy among functions, the rationalization of commitment, and the sharing of results;
- assess the implementation of measures envisaged in the action plan, ensuring timeliness;
- identify and measure business risk, including reputational risk.

The table below shows some common problems:

<p><b>Identification of key indicators</b></p>	<p>Indicators have not been identified, but rather, qualitative elements that are not measurable and quantifiable</p> <p>The indicators are not clear and simple to stakeholders</p> <p>Progressive, constant, and systematic attention is needed</p>	<p>Inability to account for the "dictatorship of numbers"</p> <p>Even if the indicators are relevant, stakeholders do not understand them</p> <p>The list is too limited</p>
<p><b>Performance monitoring</b></p>	<p>A person is not assigned to monitoring</p> <p>The frequency is not adequate</p>	<p>Nobody is actually monitoring</p> <p>Doing it late often means having costs without results</p>
<p><b>Lack of interrelations</b></p>	<p>There is no synergy between the process of data collection for the purposes of responsibility to contribute to sustainable development and the accountability for its contribution to stakeholders</p>	<p>Working on parallel tracks, the same data and information is requested several times by different parties</p>

Precise indicators are not suggested in the present UNI PdR 18:2016, since they are already available in literature and specialist documents dedicated to reporting activities (e.g. the GRI G4 guidelines, which are easily combined with the same UNI ISO 26000 thanks to a synoptic reading document). The same goes for indicators in the Platform of Corporate Social Responsibility Indicators, already quoted and consultable at [www.businessethics.it](http://www.businessethics.it).

However, since it is useful and of primary importance with respect to reporting activities to use indicators to measure the implementation and the level of advancement of social responsibility actions, it is advisable to use indicators which have the following features:

- periodically observed indicators (e.g. annually);
- complete indicators, hence referring to organization-wide activities, with selective in-depth analysis levels, because the survey shall also be agile and easy to use and therefore cannot always focus on details;
- indicators designed so that the results may also be read from an external point of view, thus not limited to activity and output elements, but extended to usage, quality of services and impacts of the initiatives undertaken;
- reliable indicators, i.e. based on objective data and information, reliable and verifiable, acquired through a methodologically correct observation system;
- indicators that enable a bridge to be built between past and future, helping to read the results both in terms of performance and of stocktaking in order to define the priorities for the periods that follow;
- open indicators, deliberately submitted for evaluation and dialogue, usable in terms of communication and as basis for discussion;
- specific and dedicated indicators that depend on the type of organization, whether public, private, profit, non-profit, of different size, etc., in order to have the most efficient and appropriate measure possible.

## 11 ACCOUNTABILITY AND COMMUNICATION

The first of the principles of social responsibility, as laid down by UNI ISO 26000, is the principle of accountability, which is the responsibility of an organization to account for its impacts on society, economy, and environment.

UNI ISO 26000 emphasizes the importance of accountability.

Effective accountability shall take into account the following factors

1. Inclusiveness – It defines the ability to identify the main interlocutors (mapping of stakeholders), and to interact with them (engagement) in order to understand their expectations. As seen in the clause dedicated to stakeholder engagement, a systematic dialogue shall be the starting point for any efficient implementation of an action plan for social responsibility. In this sense, any action of communication or accountability should be the most natural representation of it;
2. Materiality – It defines, as seen in clause 7 dedicated to it, the ability to identify core subjects, or, within core subjects, relevant issues most significant to the organization and for each stakeholder group with which it interacts;



3. Correspondence – It defines the ability to provide an adequate response, through actions, decisions, and timely communications on those issues identified as relevant. The organization is responsible for its choices and strategic decisions; to listen to its stakeholders does not necessarily mean to support every request, but to respond to such requests by clarifying its own policy and taking responsibility.

Figure 14 shown below briefly illustrates these factors:



**Figure 14 – Explanatory diagram of the elements for effective accountability**

According to UNI ISO 26000 reporting shall:

- Take place at regular intervals;
- Provide comparable information over time;
- Indicate objectives and complete and timely performance on core subjects and the issues for which actions and activities have occurred;
- Describe how and when stakeholders have been involved in the preparation of reporting.

It is evident that a sustainability report is a way to meet the accountability requirement.

Further confirmation of the affinity between the spirit of UNI ISO 26000 and the guiding principles of accountability is located in the document "GRI and ISO 26000: How to use the GRI Guidelines in conjunction with ISO 26000". The document allows us to capture the strong synergies of approach between ISO and Global Reporting Initiative.

In a nutshell, both ISO and GRI assume that an organization needs to analyse its sustainability context (the market conditions, regulatory framework, stakeholders, and risks and opportunities) and identify core subjects and issues of social responsibility on which to focus its accountability.

On these subjects and issues, an organization needs to illustrate its management approach (policies, procedures, management system and controls) and therefore report some indicators proposed by the GRI grid.

The correlation between UNI ISO 26000 and the GRI document is very strong. An organization that has followed a process - as defined by UNI ISO 26000 - of the identification of core subjects and issues and of their governance, has those mechanisms (decision, implementation, monitoring) that will allow it to report in a transparent way to its stakeholders about priorities. For these organizations, the GRI G4 Guidelines can be a useful reference for the structuring an index for the sustainability report and for identifying the most appropriate and efficient indicators. Moreover, using the GRI G4 Guide as a reference allows relating to an internationally-recognized model.

Conversely, an organization that decides to report without having governance for social responsibility could struggle in meeting the requirements of GRI G4, probably lacking policies and governance and monitoring systems. It is increasingly clear how governance of social responsibility and accountability are closely linked. Governance without accountability would be incomplete; accountability without governance would be very difficult, probably ineffective and it would be reduced to an exercise in data and collection of events which occurred in the last year, attempting "afterwards" to highlight a virtuous trend.

It should be said that no matter how the GRI guidelines established themselves as the reference model for reporting, there is no obligation for organizations to prefer this model to the detriment of others. UNI ISO 26000 does not offer suggestions about possible indicators. Therefore, each organization is free to choose whether to rely on the experience of existing models (e.g. GRI) or whether to identify its own specific indicators. It is also possible to use GRI indicators in combination with others specific to the organization.

To be faithful to the spirit of UNI ISO 26000, what matters is being able to report objectives and performances related to those core subjects and issues of social responsibility identified by the materiality analysis.

An ideal process for the preparation of a sustainability report should include the following steps:

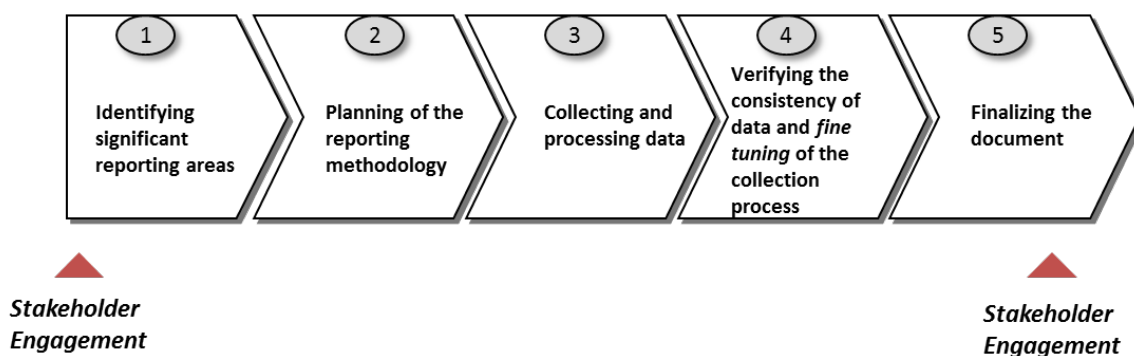
- a) identification of core subjects and issues of social responsibility, also in consultation with stakeholders;
- b) illustration of policies and objectives for each core subject/issue, linked to indicators and target values;
- c) reporting of the activities aimed at the implementation of these policies and the achievement of objectives;
- d) reporting of the achieved results (both positive and negative) through quantitative or qualitative indicators.

This kind of path is within the reach of all organizations, even of small and medium size, that may not have an interest in dealing with international reporting models.

It is necessary to focus on the issues taken into consideration and to transparently declare objectives and actions, remembering that the ultimate goal of a sustainability report is for it to be read.

The reports shall be clear, understandable and above all be of interest to the stakeholders, providing them with information and answers about the activities carried out, their level of implementation, their effectiveness, on the results achieved, and on significant impacts related to social responsibility and sustainable development.

In a more operational way, it is possible to implement the process of reporting as illustrated below in Figure 15:



**Figure 15 - Stages of a typical path of defining a sustainability report**

It is important to define a gradual path, capable of involving all business departments around its definition, asking each one to measure the achievement of objectives from a perspective of mutual co-responsibility.

Sometimes the preparation of a Sustainability Report by small and medium enterprises may appear as an excessive burden in terms of cost, schedule, and resources.

A possible alternative is the use of a joint approach, a collective responsibility to be accountable within an industrial district or through industry associations, using potential of scale economies of scale and benefiting from 'systemic logic' throughout the cluster.

Another way for small and medium enterprises to be accountable is represented by a Charter of Commitments that shall be public (for example, made available on the website) and shall contain measurable objectives. This is not an abstract statement of principles, but rather a set of tangible and verifiable promises that the organization makes to its stakeholders, also pledging to publicly and annually account for performance and results. This is a simplified form but still a very effective means of accountability.

According to its own context and analysis of materiality, an organization communicates its distinctive commitments, together with the indicators by which to measure them. Afterwards, typically twelve months later, it will disclose its performance and results. It is worth remembering that the value and success of the initiative lies in the responsibility of publicly assuming commitments and reporting

their performance in a transparent way, not so much in having demonstrated 100% achievement of all commitments.

At the level of an individual SME, other external communication actions can also be undertaken, such as:

- mailing lists, newsletters, and regular communications on the latest activities;
- organization of events to promote the undertaken initiatives;
- meetings with stakeholders and the public;
- information contained in the website/blog of the SME;
- information shared through social networks.



### Communication to consumers

Several lines of evidence confirm the growing sensitivity of Italian consumers towards social responsibility and sustainability of organizations and its influence on behavioural and purchasing decisions.

More than half of Italians are convinced that attention to social responsibility and sustainability by consumers is expected to increase in the future, while only a fraction of them believes that it is destined to decline.

Furthermore, the economic crisis cycle has affected consumer attitudes in a non-cyclical way. Consumers feel the need for a new paradigm that restores a personal and collective sense of action and trust in private and public institutions.

More than half of Italians believe that "at the exit from the crisis of the recent years our consumption pattern will be different from the past", a number that is growing steadily in recent years.

There are, in particular, three changes foreseen that should outline the new profile of the consumption model:

- the reduction of unnecessary and costly consumption, the elimination of the superfluous, the orientation to greater sobriety and parsimony;
- a responsible use of products to make them last longer;
- a shift towards more sustainable products and brands in social and environmental terms.

## ANNEX A – CORE SUBJECTS AND ISSUES OF SOCIAL RESPONSABILITY

<b>Core subject: Organizational Governance</b>
<b>Core subject: Human Rights</b>
<ul style="list-style-type: none"> <li>Issue 1: Due diligence</li> <li>Issue 2: Human rights risk situations</li> <li>Issue 3: Avoidance of complicity</li> <li>Issue 4: Resolving grievances</li> <li>Issue 5: Discrimination and vulnerable groups</li> <li>Issue 6: Civil and political rights</li> <li>Issue 7: Economic, social, and cultural rights</li> <li>Issue.8: Fundamental principles and rights at work</li> </ul>
<b>Core subject: Labour practices</b>
<ul style="list-style-type: none"> <li>Issue 1: Employment and employment relationships</li> <li>Issue 2: Conditions of work and social protection</li> <li>Issue 3: Social dialogue</li> <li>Issue 4: Health and safety at work</li> <li>Issue 5: Human development and training in the workplace</li> </ul>
<b>Core subject: The Environment</b>
<ul style="list-style-type: none"> <li>Issue 1: Prevention of pollution</li> <li>Issue 2: Sustainable resource use</li> <li>Issue 3: Climate change mitigation and adaptation</li> <li>Issue 4: Protection of the environment, biodiversity and restoration of natural habitats</li> </ul>
<b>Core subject: Fair operating practices</b>
<ul style="list-style-type: none"> <li>Issue 1: Anti-corruption</li> <li>Issue 2: Responsible political involvement</li> <li>Issue 3: Fair competition</li> <li>Issue 4: Promoting social responsibility in the value chain</li> <li>Issue 5: Respect for property rights</li> </ul>
<b>Core subject: Consumer issues</b>
<ul style="list-style-type: none"> <li>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</li> <li>Issue 2: Protecting consumers' health and safety</li> <li>Issue 3: Sustainable consumption</li> <li>Issue 4: Consumer service, support, and complaint and dispute resolution</li> <li>Issue 5: Consumer data protection and privacy</li> <li>Issue 6: Access to essential services</li> <li>Issue 7: Education and Awareness</li> </ul>
<b>Core subject: Community involvement and development</b>
<ul style="list-style-type: none"> <li>Issue 1: Community involvement</li> <li>Issue 2: Education and culture</li> <li>Issue 3: Employment creation and skills development</li> <li>Issue 4: Technology development and access</li> <li>Issue 5: Wealth and income creation</li> <li>Issue 6: Health</li> <li>Issue 7: Social investment</li> </ul>

## ANNEX B – ASSESSMENT CHECKLIST FOR ORGANIZATIONAL GOVERNANCE IN ACCORDANCE WITH UNI ISO 26000

This checklist shows a series of questions related to the key steps required for a full implementation of UNI ISO 26000. Organizations can deal with these requisites to identify their level of maturity in the governance of social responsibility, possibly highlighting gaps to be filled.

In the table below, for each question, a requirement to be met is provided in the middle column and an optional one in the right column denotes excellence of governance.

The checklist also identifies a method for assigning assessment ratings and the subsequent calculation of a score, both for the purpose of self-assessment and for the purpose of benchmarking. The checklist can also be used by third party organizations that will be able to make a statement based on the assignment of a score.

To issue any statement, third party organizations shall follow criteria and procedures provided for by UNI EN ISO 19011 in the process of recognizing the requirements necessary for the allocation of relative scores.

It is possible that an organization shows some weaknesses (missing a requirement to be met) and at the same time, on other questions, presents elements of excellence (achievement of "nice to have" requirements). In this case, it is not possible to assign an average score. Organizations wishing to align themselves with UNI ISO 26000 shall first respond positively to all "to be met" requisites. Only when they have responded positively to all the "to be met" requirements, will it be possible to assign an enhanced score for excellent performances based on positive responses in the column "nice to have".

Legend for the allocation of the assessment rating:

0 = non-fulfilment of the requirement "to be met" (must-have)

1 = in progress/partially-implemented requirement "to be met" (must-have)

2 = present and fully-implemented requirement "to be met" (must-have)

3 = "nice to have" requirement also present

Requirement	To be met	"Nice to have"
1. Top Management has created and signed a document in which it undertakes to respect the principle of legality, to safeguard human rights and those of workers and the environment	Code of Ethics or of Conduct (or equivalent document) signed by Top Management	Code of Ethics is also signed by suppliers

Requirement	To be met	"Nice to have"
2. The principles of the Code of Ethics are embodied in policies and procedures that support their application in order to achieve specific objectives	Policies and procedures in support of the implementation of the principles of the Code of Ethics; measurable objectives of social responsibility	The social responsibility objectives are accompanied by quantitative indicators based on which they are periodically measured
3. Top Management is involved in an open scenario analysis of topics of social responsibility	Document with which Top Management performs an open scenario analysis (SWOT analysis) of topics of social responsibility	Document with which top management accepts the findings of the SWOT analysis in the strategic plan
4. The social responsibility objectives are included in the corporate objectives	Evidence that Top Management periodically reviews the achievement of corporate objectives, among which details of social responsibility goals are included	Social responsibility goals are integrated into the strategic plan
5. There is an awareness and training program for key stakeholders	Evidence of times and tools for raising the awareness and training of internal stakeholders	The awareness and/or training program is extended to suppliers
6. All company functions are involved and contribute to social responsibility goals	<p>Company procedures have been updated by integrating them, where necessary, with elements of social responsibility.</p> <p>The procedure for the selection and monitoring of suppliers also includes elements of social responsibility (protecting human rights, workers, and the environment, at the least)</p>	MBO for Managers depends on the achievement of corporate social responsibility goals
7. An assessment of risks is periodically carried out and is at least extended at to the possible risks of a breach of the rule of law, of human rights, and of the rights workers and the environment	Updated risk assessment document, extended to the risks in the supply chain	<p>Risk assessment is extended to all core subject of UNI ISO 26000</p> <p>Organizational Model in accordance with Legislative Decree 231/01</p>

Requirement	To be met	"Nice to have"
8. An analysis of the relevant core subjects is available. There is awareness of the relevant core subjects to the organization and its stakeholders	Documented materiality analysis	Evidence of a materiality analysis process with the active engagement of management and relevant stakeholders
9. There is a systematic process for the engagement of key stakeholders on core subjects/significant issues	Program for the engagement of the stakeholders, documentation evidence related to engagement activities	Evidence of structured feedback processes to stakeholders and/or evidence of changes made to policies, processes, procedures following the requests of the stakeholders involved
10. A self-assessment based on the diagram of clause 9 this of UNI/PdR 18:2016 has been performed	<p>Self-assessment report extended to core subjects of UNI ISO 26000 (Human rights, Labour practices, The Environment, Fair operating practices, Consumer issues, Community involvement and development).</p> <p>For each core subject the existence is verified of: strategies and policies; plans for implementation of these strategies and policies; control and monitoring systems; definition of objectives and targets; communication commitments; modalities of communicating commitments</p>	The results of the annual self-assessment process, carried out with the active involvement of management and all functions, are the inputs of the action plan
11. A gap-analysis has been performed	Evidence of a structured gap-analysis based on the guidelines provided in clause 9.1 of this UNI/PdR 18:2016	The results of the gap-analysis, carried out with the active involvement of management and all functions, are inputs of the action plan
12. There is an action plan	Evidence of an action plan with identified resources, roles, responsibilities, and times	Evidence of an action plan shared with stakeholders
13. There is a systematic monitoring process, integrated, based on internal audit results, on indicator trends, and on the progress of the action plan	Evidence of systematic and integrated monitoring (system that in an overall view includes internal control activities, analysis of the indicators, and the progress of the action plan)	Evidence that the monitoring extends to the supply chain



Requirement	To be met	"Nice to have"
14. There is a systematic accountability process aimed at the main internal and external stakeholders	Sustainability report that describes performance in relation to objectives	In addition to a sustainability report, the presence of reporting types "tailored" to the needs of the various priority stakeholders
15. Strategic decisions are made taking into account positive and negative externalities	There is a qualitative assessment system of the impacts of decisions and investments on society and the environment	There is a system of qualitative and quantitative measurement of decision impacts and investments on society and the environment. Where possible, externalities pursuing shared value solutions are maximized

Key for the assignment of a final score

Score:	Meaning	Evaluation result
From 0 to 14:	Not working on at a least one requirement	NONE
15	Working on all the requirements but not one is completely fulfilled	Initial level
From 16 to 24:	Working on everything, up to 9 requirements are fulfilled	In progress – intermediate level
From 25 to 29:	Working on everything, at least 10 requirements are fulfilled	In progress – advanced level
30	All requirements are fulfilled	Consistent
31-44	All requirements are fulfilled and some have reached the "nice to have"	Consistent and committed to excellence
45	Reached "nice to have" on all the requirements	Consistent and excellent

Scores of 3 and 1 for different requirements cannot be averaged.

**ANNEX C – EXAMPLE OF MATERIALITY ANALYSIS QUESTIONNAIRE**

PERSONAL INFORMATION	
Name (optional)	
Position	E.g. HR Manager
Country / Nation (optional)	
Stakeholder	<i>e.g. Shareholders, employees, customers, suppliers ...</i>

A stakeholder is a person of a group, organization, institution, or others who is affected by, or has influence over, the actions of the organization itself. Please complete this questionnaire by labelling the appropriate cells of this Word document with an "x" in digital format or compiled by hand.

Once completed, please send it to.....

Based on your knowledge and experience with the organization and its stakeholders, please complete your assessment of all the topics on the left side of the form in relation to:

- the importance to the organization by evaluating each of the topics below on the basis of the relevance to economic, environmental, and social issues.
- the importance to the stakeholders by evaluating each of the topics below on the basis of relevance to the decision-making process of your stakeholders.

**Use a range from 1 to 5**

- 1 - Not significant:** the topic has no impact on the organization or on the decision-making process of Stakeholders
- 2 – Little significance:** the topic has little impact on the organization or on the decision-making process of Stakeholders
- 3 - Significant:** the topic has an impact on the organization or on the decision-making process of Stakeholders
- 4 - Very significant:** the topic has a significant impact on the organization or on the decision-making process of Stakeholders
- 5 - Priority:** the topic has a strong impact on the organization or on the decision-making process of Stakeholders

If the issues is not relevant, please do not fill out the field.

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
1	ORGANIZATIONAL GOVERNANCE	STRUCTURES AND DECISION-MAKING PROCESSES	Implement processes, systems, structures, or other measures that allow the application of the principles and practices of social responsibility.											
2	HUMAN RIGHTS	DUE DILIGENCE	Exercise a due diligence process that includes a human rights policy, the means to integrate it throughout the organization, and actions to address the negative impacts of your decisions and activities or the negative impacts resulting from the activities of those with which you have relations.											
3	HUMAN RIGHTS	HUMAN RIGHTS RISK SITUATIONS	Strengthen the due diligence process to ensure respect for human rights if the organization is exposed to one or more circumstances in which human rights might be at risk (e.g. war or extreme political instability, drought, natural disasters, involvement in mining activities, operations' proximity to communities of indigenous people, activities that may involve children, corruption ..)											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
4	HUMAN RIGHTS	AVOIDANCE OF COMPLICITY	Exercise due diligence to make sure not to participate, facilitate or benefit from human rights violations and prevent and address complicity risks by integrating, in your processes of due diligence, common features of legal and social references.											
5	HUMAN RIGHTS	RESOLVING GRIEVANCES	Establish a mechanism to ensure that those who believe there were violations with regard to their human rights can submit them to the organization. The mechanisms should be legitimate, accessible, predictable, fair, consistent with human rights, and based on dialogue and mediation.											
6	HUMAN RIGHTS	DISCRIMINATION AND VULNERABLE GROUPS	Examine your own operations and the operations of other stakeholders within your sphere of influence (employees, partners, customers, stakeholders, members ..) to verify the presence of direct or indirect discrimination.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
7	HUMAN RIGHTS	CIVIL AND POLITICAL RIGHTS	Respect all civil and political rights: – life of individuals; – freedom of opinion and expression; – freedom of peaceful assembly and free association; – right to property											
8	HUMAN RIGHTS	ECONOMIC, SOCIAL, AND CULTURAL RIGHTS	Exercise due diligence to make sure not to be involved in activities that infringe, obstruct or impede the enjoyment of economic, social and cultural rights necessary to dignity and personal development, such as education, working in just and favourable conditions, freedom of association, appropriate level of health, nutrition, medical care and social protection.											
9	HUMAN RIGHTS	FUNDAMENTAL PRINCIPALS AND RIGHTS AT WORK	Not to obstruct freedom of association and effective recognition of the right to collective negotiation, not to use or benefit from forced or child labour. Adopt employment policies that do not discriminate against race, colour, gender, religion, nationality, social origin, political opinion, age, or disability.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
11	LABOUR PRACTICES	EMPLOYMENT AND EMPLOYMENT RELATIONSHIPS	Recognize and apply the appropriate institutional and legal framework, whether the work is done with an employment contract or a commercial contract, and ensure that all parties are entitled to understand their rights and responsibilities.											
12	LABOUR PRACTICES	CONDITIONS OF WORK AND SOCIAL PROTECTION	Ensure that the working conditions conform to national laws and regulations and are consistent with the applicable international labour regulations providing decent working conditions with respect to wages, hours of work, weekly rest period, holidays, health and safety, maternity protection, and the ability to combine work and family responsibilities.											
10	LABOUR PRACTICES	HEALTH AND SAFETY AT WORK	Develop, implement, and maintain a health and safety policy, and analyse and control health and safety risks generated by your activities. Provide the necessary safety equipment, including personal protective equipment, for the prevention of injury, diseases, and work accidents for emergency management.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
13	THE ENVIRONMENT	PREVENTION OF POLLUTION	<p>Identify the sources of pollution and waste generation linked to your activities.</p> <p>Implement measures to prevent pollution and reduce air emissions, discharges into water, waste generation, use and disposal of toxic and hazardous chemicals, and other identifiable forms of pollution. Gradually reduce direct and indirect pollution within your influence.</p>											
14	THE ENVIRONMENT	SUSTAINABLE RESOURCE USE	<p>Implement measures for the efficient use of resources and reduce your use of energy, water, and other resources by replacing non-renewable resources with alternative sustainable, renewable, and low impact resources.</p> <p>Use recycled materials and reuse water to the maximum extent possible, and manage water resources to ensure fair access for all users of a reservoir.</p>											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
15	THE ENVIRONMENT	CLIMATE CHANGE MITIGATION AND ADAPTATION	Mitigate the impacts of climate change related to your activities by identifying accumulated greenhouse gas emissions, direct and indirect, and by implementing optimized measures to progressively minimize greenhouse gas emissions.											
16	THE ENVIRONMENT	PROTECTION OF THE ENVIRONMENT AND BIODIVERSITY AND RESTORATION OF NATURAL HABITATS	Identify potential negative impacts on biodiversity and ecosystem services and take steps to eliminate or minimize these impacts											
17	FAIR OPERATING PRACTICES	ANTI-CORRUPTION	Identify the risks of corruption and implement and maintain policies and practices that prevent corruption and extortion.  Increase the awareness of your employees, representatives, contractors, and suppliers about corruption and how to oppose it											



KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
18	FAIR OPERATING PRACTICES	RESPONSIBLE POLITICAL INVOLVEMENT	Support public policies for the benefit of the whole society. Train your employees and representatives and raise their awareness on responsible political commitment and responsible contribution, and on how to deal with conflicts of interest.											
19	FAIR OPERATING PRACTICES	FAIR COMPETITION	Manage your business in a manner consistent with legal and regulatory dispositions related to competition and cooperate with the competent authorities. Establish procedures and other security measures to prevent participation in or complicity with anti-competitive behaviour.											
20	FAIR OPERATING PRACTICES	PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN	Promote social responsibility in your value chain by integrating ethical, social, environmental, gender equality, and health and safety criteria into your purchasing, distribution, and procurement practices and policies, in order to increase consistency with social responsibility objectives.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
21	FAIR OPERATING PRACTICES	RESPECT FOR PROPERTY RIGHTS	<p>Implement policies and practices that promote respect for property rights and traditional knowledge.</p> <p>Refrain from activities that violate property rights, including abuse of dominant position, counterfeiting, and piracy.</p>											
22	CONSUMER ISSUES	FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION AND FAIR CONTRACTUAL PRACTICES	<p>Communicate with consumers not undertaking any deceptive, misleading, fraudulent or unfair, or unclear or ambiguous practice, including omission of important information.</p> <p>Share information in a transparent manner, in such a way that it is easily accessible and comparable and provides the basis for an informed choice by the consumers.</p>											
23	CONSUMER ISSUES	PROTECTING CONSUMERS' HEALTH AND SAFETY	<p>Provide products and services that, under normal and reasonably foreseeable conditions of use, are safe for users and other people, their property and the environment.</p> <p>Assess the adequacy of health and safety laws, regulations, standards, and other specifications.</p>											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
24	CONSUMER ISSUES	SUSTAINABLE CONSUMPTION	<p>Promote effective education to enable consumers to understand the impacts of their product and service choices on their health and on the environment.</p> <p>Provide consumers with products and services that are beneficial to society and the environment, taking into account the entire life cycle, and reduce the negative effects on society and the environment.</p>											
25	CONSUMER ISSUES	CONSUMER SERVICE, SUPPORT, AND COMPLAINT AND DISPUTE RESOLUTION	<p>Take measures to prevent complaints by offering consumers (including sales and long distance purchases) the option of returning products within a specified period of time or obtain other appropriate remedies.</p> <p>Make use of procedures for dispute and conflict resolution or reimbursement.</p>											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
26	CONSUMER ISSUES	CONSUMER DATA PROTECTION AND PRIVACY	Avoid collecting and processing personal data that violate the consumers' privacy rights, by limiting the collection of personal data to information that is essential for the provision of services and products and that is provided with the voluntary and informed consent of consumers											
27	CONSUMER ISSUES	ACCESS TO ESSENTIAL SERVICES	Provide essential services to consumers (electricity, gas, water, sewage treatment, drainage and sewer systems, communication services) without interruption because of missed payment and giving them the possibility of a reasonable period of time to pay off their debts.  Operate in a transparent manner and provide information on prices and charges.											
28	CONSUMER ISSUES	EDUCATION AND AWARENESS	Verify that consumers are properly informed and educated, allowing them to decide on the basis of full knowledge.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
29	COMMUNITY INVOLVEMENT AND DEVELOPMENT	COMMUNITY INVOLVEMENT	Consult groups that represent the community in order to determine priorities for social investment and community development activities and to participate in local associations that enhance public good.  Encourage and support people in volunteering to help the community, contribute to the formulation of policies and the definition, implementation, monitoring, and evaluation of development programs.											
30	COMMUNITY INVOLVEMENT AND DEVELOPMENT	EDUCATION AND CULTURE	Promote and support education at all levels and take actions to improve the quality of and access to education, promote local knowledge, and help eradicate illiteracy.											
31	COMMUNITY INVOLVEMENT AND DEVELOPMENT	EMPLOYMENT CREATION AND SKILLS DEVELOPMENT	Analyse the impact of your investment decisions on the creation of new employment and, where economically viable, make direct investments that reduce poverty through the creation of new jobs.											
32	COMMUNITY INVOLVEMENT AND DEVELOPMENT	TECHNOLOGY DEVELOPMENT AND ACCESS	Contribute to the development of innovative technologies that can help solve social and environmental problems in local communities.											

KPI	CORE SUBJECTS	ISSUES	ACTIONS	SIGNIFICANCE FOR THE ORGANIZATION					SIGNIFICANCE FOR THE STAKEHOLDERS					
				1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	1 Not significant	2 Little significance	3 Significant	4 Very significant	5 Priority	
33	COMMUNITY INVOLVEMENT AND DEVELOPMENT	WEALTH AND INCOME CREATION	Help create an environment where entrepreneurship can thrive, bringing lasting benefits to communities and creating wealth and income through entrepreneurship programs, development of local suppliers, and employment of community members.											
34	COMMUNITY INVOLVEMENT AND DEVELOPMENT	HEALTH	Eliminate negative impacts on health from all production processes, products, and services provided by the organization and promote good health by encouraging healthy lifestyles, exercise, and nutrition. Raise awareness of health risks and serious diseases and how to prevent them.											
35	COMMUNITY INVOLVEMENT AND DEVELOPMENT	SOCIAL INVESTMENT	Encourage community involvement in the design and implementation of projects feasible in the long term and that contribute to sustainable development.											
List any other issues that you consider to be material or significant														

## ANNEX D – PLATFORM OF CORPORATE SOCIAL RESPONSIBILITY INDICATORS

The platform, which may be used by referring to <http://www.businessethics.it/>, constitutes a rationalization and simplification of social responsibility standards and models of organizations already known and in use such as:

- OECD Guidelines on the subject of responsible business conduct
- Guiding Principles of the United Nation on "Business and Human Rights"
- ILO standards (8 Conventions on human rights, working and children conditions, etc.)
- International Standard UNI ISO 26000
- Reporting and process standards (GBS GRI-G3 and GRI-4 or "G4", AA1000SES)
- SA8000 Standard
- Global Compact
- Legality rating of AGCM-Antitrust and Legislative Decree no. 231/01
- UNI EN ISO 14000/Emas
- OT24 INAIL Model

The platform is presented as a set of areas of intervention; within each area are given "actions" and "indicators" useful to create a path to social responsibility and/or to measure it through appropriate indicators.

In the path it is envisaged that every company has launched socially and environmentally responsible initiatives in each of the areas considered strategic in the concept of social responsibility; the number of interventions is calibrated to the size and field of activities of the organization itself.

Each organization is enabled to perform a self-assessment of its organization with a single "dashboard" of indicators, in the context of which it shall reach a minimum number of performed actions in order to be and or be considered to be socially responsible.

For further details, please see the above mentioned website: <http://www.businessethics.it/>

## BIBLIOGRAPHY

- [1] International Labour Organization (ILO): Forced Labour Convention C 29.1930
- [2] International Labour Organization (ILO): Freedom of Association and Protection of the Right to Organize Convention C 87, 1948
- [3] International Labour Organization (ILO) Right to Organise and Collective Bargaining Convention C 98, 1949
- [4] International Labour Organization (ILO) Equal Remuneration Convention C 100, 1951
- [5] International Labour Organization (ILO): Abolition of Forced Labour Convention C 105 1957
- [6] International Labour Organization (ILO) Discrimination (Employment and Occupation) Convention C 111 1958
- [7] International Labour Organization (ILO): Minimum Age Convention C 138 1973
- [8] International Labour Organization (ILO) Worst Forms of Child Labour Convention C 182, 1999
- [9] UN Guiding Principles for business and human rights, UN, 2011
- [10] OECD Recommendation (Global Forum on Public Governance, Towards a Sound Integrity Framework: Instruments, Processes, Structures and Conditions for Implementation), April 23, 2009
- [11] Recommendation of the Council on Improving Ethical Conduct in the Public Service Including Principles for Managing Ethics in the Public Service 23 April 1998
- [12] Decreto Legislativo 8 giugno 2001, n. 231 (in Gazzetta Ufficiale, 19 giugno, n. 140). - Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica, a norma dell'articolo 11 della legge 29 settembre 2000, n. 300 (Responsabilità amministrativa persone giuridiche) [Legislative Decree 8 June 2001, n. 231 (in the Official Gazette, June 19, n. 140). - Regulation of the administrative liability of legal entities, companies, and associations including those without legal status, in accordance with Article 11 of the Law of 29 September 2000 n. 300 (Administrative liability of legal persons)]
- [13] Legge 6 novembre 2012, n. 190 recante "Disposizioni per la prevenzione e la repressione della corruzione e dell'illegalità nella pubblica amministrazione", pubblicata in Gazzetta Ufficiale 13 novembre 2012, n. 265 [Law of 6 November 2012, n. 190 on "Measures for the prevention and repression of corruption and lawlessness in the public administration", published in Official Gazette of November 13, 2012, n. 265]
- [14] Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups Text with EEA relevance



- [15] GRI G4 Guidelines and ISO 26000: 2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction, January 2014
- [16] Il codice di condotta: uno strumento di Corporate Governance, Elisa Arrigo [The Code of Conduct: a Corporate Governance tool]:  
<http://www.unimib.it/upload/gestioneFiles/Symphonya/lastita/f20061/arrigoita12006.pdf>
- [17] Michael E. Porter and Mark R. Kramer, Strategy and society. The meeting point between competitive advantage and corporate social responsibility, February 2007
- [18] Accountability, The materiality report, 2006
- [19] “Imprese e organizzazioni per una crescita sostenibile. Il profilo di un’Italia che c’è”, GfK per Fondazione Sodalitas, 2015 [Companies and organizations for a sustainable growth. The profile of the Italy that is]
- [20] “Responsabilità e Regole. Insieme per la coesione sociale”, Fondazione Sodalitas, 2015 [Responsibility and Rules. Together for social cohesion"]
- [21] “Introduzione al Marketing Sostenibile”, Fondazione Sodalitas, 2013 [Introduction to Sustainable Marketing"]
- [22] “Per una Filiera Sostenibile. Il punto di vista di imprese e consumatori”, GfK per Fondazione Sodalitas, 2011 [For a Sustainable Supply Chain. The point of view of businesses and consumers]







Membro italiano ISO e CEN  
[www.uni.com](http://www.uni.com)  
[www.youtube.com/normeUNI](http://www.youtube.com/normeUNI)  
[www.twitter.com/normeUNI](http://www.twitter.com/normeUNI)  
[www.twitter.com/formazioneUNI](http://www.twitter.com/formazioneUNI)

**Sede di Milano**

Via Sannio, 2 - 20137 Milano  
tel +39 02700241, Fax +39 0270024375, [uni@uni.com](mailto:uni@uni.com)

**Sede di Roma**

Via del Collegio Capranica, 4 - 00186 Roma  
tel +39 0669923074, Fax +39 066991604, [uni.roma@uni.com](mailto:uni.roma@uni.com)