

CSR CONTINUUM WORKING DRAFT

Corporations typically operate at one of the following levels along the CSR continuum:

| Stage | Pre-CSR | Basic CSR | Proactive CSR | Integrated CSR | Mission-Driven CSR |
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| Approach | <ol style="list-style-type: none"> Does not view itself as responsible for its social or environmental performance No obligation beyond profits Adheres to the lowest acceptable or legal standard | <ol style="list-style-type: none"> Subscribes to basic level of CSR performance as “good business” Doesn’t believe business has a responsibility to improve social or environmental conditions Manages its liabilities by obeying the law and labour, environmental, health and safety regulations Bases decisions on “compliance” considerations – i.e. compliance with norms and laws: what is legally required and charitable? Takes an ad hoc approach to CSR, typically in response to crisis or vocal stakeholder concerns; focuses on external relations issues | <ol style="list-style-type: none"> CSR is perceived as a strategic business opportunity; identifies areas where CSR can be good for business and invests in those as opportunities Moves from defense to offense: realizes it can save costs with proactive eco-efficiency and community investment programs Business model is not influenced by firm’s CSR objectives Bases decisions on traditional benefit/cost analysis: what is financially justified? | <ol style="list-style-type: none"> CSR objectives affect business model: CSR institutionalized by embedding CSR policies, procedures and practices throughout operations to ensure integration of sustainability into decision-making Integrates CSR into key business strategies Anticipates wider consequences of decisions and builds this awareness into decision-making processes CSR practices used as a strategic differentiator Bases decisions on emerging global norms of integrity, ethics and justice: what is morally expected? | <ol style="list-style-type: none"> Mission or purpose of business is to improve conditions in society or the environment |
| Sample Practices | <ol style="list-style-type: none"> Fights against regulations that promote sustainability Defends against attacks to its reputation that in the short term could affect sales, recruitment, productivity and the brand Avoids environmental and social measures not required by law | <ol style="list-style-type: none"> Informal or limited corporate commitment to CSR Informal and ad hoc CSR programs Charity, staff, customer and environmental programs are basic, traditional and minimal Treats environmental and social initiatives as costs Develops and implements policies and procedures in order to minimize any social or environmental damage that might result from their | <ol style="list-style-type: none"> Incorporates CSR into vision, mission, values, though doesn’t integrate CSR system into its performance management program One or two CSR business strategies to grow markets, generate revenues and improve conditions, e.g. a renewable energy business line for an oil and gas company; affordable housing or micro-finance programs | <ol style="list-style-type: none"> Incorporates CSR into vision, mission, values Board oversight and CEO management/ leadership on CSR Integrates CSR into performance management systems Makes CSR commitment, develops policy to formalize commitment; creates programs to implement policy; evaluates success and measures progress; involves | <ol style="list-style-type: none"> All of integrated CSR practices plus products, services, processes and profits are used to advance sustainability and improve world conditions Creates opportunities for customers and the public to advance sustainability Develops partnerships with stakeholders to tackle social and environmental issues Initiates public policy dialogue on key CSR |

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| | | business activities 6. May inform selected stakeholders of activities, for example, customers or government 7. Marketing and public relations is the focus of communication 8. No CSR reporting, beyond a basic promotional summary of community activities | for banks and credit unions 3. Sustainability function is entirely managed in specialty department 4. Develops partnerships with stakeholders to identify innovative product and service solutions 5. More substantive CSR reporting, including a few CSR indicators | stakeholders in program development and evaluation; reports on CSR progress 5. Establishes formal and consistent CSR programs; CSR is integrated into corporate objectives, key business strategies and business plans 6. Identifies and manages its positive and negative socio-economic and environmental impacts 7. Establishes, and tracks performance against stretch indicators of success; benchmarks performance against other companies and industries 8. Engages stakeholders in two-way CSR dialogues; involves them in developing strategic business objectives as they relate to CSR goals 9. Promotes CSR within industry 10. Marketing efforts focused on reputation management | issues 5. Marketing efforts are focused on social and environmental causes to create awareness, change public and corporate behaviour and move public policy towards greater sustainability |
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The development of this CSR continuum is sponsored by Envision Credit Union, First Calgary Savings and Credit Union and Vancity Credit Union and is based on research conducted by Coro Strandberg in the study “The Future of CSR” (http://www.corostrandberg.com/pdfs/Future_of_CSR.pdf) and by Bob Willard in his book The Next Sustainability Wave. It draws upon the Business for Social Responsibility publication: “Fade, Integrate or Transform? The Future of CSR”, by Allen White (http://www.bsr.org/CSRResources/ResourcesDocs/BSR_200508_Allen-White_Fade-Transform.pdf) and “The Path to Corporate Responsibility” by Simon Zadek in the Harvard Business Review, December 2004.

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