



Materiality Analysis for CSR Reporting in Spanish SMEs

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Most corporate social responsibility (CSR) standards have not been designed to be implemented in small and medium sized enterprises (SMEs). Given that 99% of Spanish companies are SMEs, this study aims to propose a selection of basic CSR material issues that, because of their usefulness and significance, should be adapted to Spanish SMEs and their stakeholders. This study provides a CSR model for SMEs that includes the most important social, environmental, and corporate governance issues. This model, which is based on expert knowledge, is useful for integrating sustainability in the management of SMEs and enhancing the management of stakeholders.

Keywords: management, corporate social responsibility, small and medium sized enterprises, reporting, materiality, stakeholders

Introduction

Corporate social responsibility reporting in companies has strongly increased within the framework of self-regulation in recent years (Rasche, 2009). This framework has been developed using various tools, such as the international standards GRI Guidelines (Global Reporting Initiative, 2002; 2006), ISO 26000, and SA 8000; as well as specific tools and protocols. However, the majority of these international standards have not paid enough attention to the implementation of these tools in SMEs. More than 99% of the Spanish productive fabric is based on SMEs and these firms suffer certain monetary and information limitations when implementing CSR. This study therefore proposes a selection of basic CSR issues that are useful, significant, and adapted to the Spanish SMEs and their stakeholders. This study contributes to the development of a common framework for CSR reporting that will make the comparison and verification of information provided by the firms easier and more objective. Additionally, firms can use this tool in their internal assessment processes. The selection of issues will also make it possible to ensure that corporate information is more available to stakeholders.

The main aim of this study is to develop a proposal for helping the Spanish SMEs report the basic CSR issues. To this end, a materiality analysis

has been developed. This analysis was based on literature review, expert knowledge, and a survey conducted on a sample of Spanish SMEs.

As a result of the study, we propose a CSR model for SME reporting. This model includes the most important social, environmental, and corporate governance issues for SMEs. The model may be useful to integrate sustainability in the management of SMEs and to improve stakeholder management and relationships. In addition, the results are important for further CSR and sustainability development in SMEs.

The structure of this paper is as follows. The present introduction is followed by a description of the characteristic features in SMEs management, and the way these features influence CSR strategies. The third section defines the research design. The results of the study are analysed in the fourth section. The final part of the paper presents the main conclusions of the study.

CSR Management and Reporting in SMEs

CSR can be defined as an aggregate of the voluntary policies and subsequent management processes arising from corporate decisions aimed at achieving actions in the field of economics, environment, social development, and corporate governance (Muñoz et al., 2009). Consequently, CSR may be considered as an organisational instrument for implementing the concept of business sustainability (European Commission, 2002).

Although there are many academic articles related to the integration of CSR in companies, research on the implementation of CSR in SMEs is still at an early stage (Battaglia et al., 2010; Battisli & Perry, 2011; Rivera-Lirio & Munoz-Torres, 2010). As Morsing and Perrini (2009, p. 1) indicated: 'although it is much more complex to identify, investigate, and communicate CSR in the small business, we believe this area deserves more attention due to its potential impact on the global economy.'

In terms of CSR management, there seems to be a considerable consensus on the existence of significant differences in the way SMEs and large companies approach and integrate CSR strategies (Jenkins, 2006). Table 1 shows the distinguishing elements of CSR in SMEs. Some of the principal issues related to the management of CSR refer to transparency and accountability, frequently associated with CSR reporting. In recent years, the publication of sustainability reports has been established as the main mechanism for CSR reporting, and it is used by companies to communicate with their stakeholders and to explain strategies and outcomes in terms of sustainability and CSR (Etxeberria, 2009).

Given the distinct characteristics of these businesses, new tools, specifically aimed at small businesses, for defining and communicating CSR strategies are being generated. Various studies have emerged with the pur-

Table 1 CSR in SMEs: Some Distinguishing Elements

Definition of CSR	Obstacles/limits and issues to be developed
<ul style="list-style-type: none"> • Difficulty in understanding the concept of CSR • Concept seen as distant, possibly inoperative, or counter-productive • Activities performed seen as positive for the company and for a wide variety of interest groups • Company ethical values • Should be integrated in all elements of the business • Goes further than shareholder interests and creation of employment • Certificates used as a variable proxy for defining CSR • Participation in business organisations or openings to the public • Importance of character and values of company founders • Use of informal CSR policies 	<ul style="list-style-type: none"> • Anxiety that activities undertaken will be seen as efforts to gain publicity and some SMEs prefer not to communicate their activities in these areas • Consider that there is information about CSR, but insufficient practical and financial aid • Consider that public authorities are not doing enough • In general, social practices are not communicated. Some internal diffusion and external diffusion in company's area of influence • Not enough time • Planning horizon is short-term • Fear of making errors during the implementation of social and environmental policies • Lack of human, technical, and organisational resources

Notes Adapted from Battaglia et al. (2010); Jenkins (2006); Muñoz et al. (2009); Murillo and Lozano (2006); Roberts, Lawson, and Nicholls (2006).

pose to adapt the international standards and facilitate the production of sustainability reports by SMEs. Weltzien Hoivik (2011) provided insights into how ISO 26000 can be adopted by SMEs in order to embed a deeper understanding of CSR into the organization using a participatory dialogue process. Perera (2008) carried out a project that maps the materiality of the ISO 26000 Social Responsibility to SMEs through a global survey of 59 SMEs, 37 social responsibility consulting firms, and 16 National Cleaner Production Centres across the world. Global Reporting Initiative (2007) developed a guide for SMEs termed 'Five Steps' with the principal aim to help SMEs improve transparency in sustainability and CSR in the same way as many large companies. Borga et al. (2009), based on literature and case studies in the furniture industry, developed specific guidelines to help SMEs in the production of the sustainability report.

However, as Nielsen and Thomsen (2009) remarked, CSR communication in SMEs is still at an early stage. Interestingly, authors such as Fassin (2008) state that published reports do not reflect 'real' CSR and that this kind of formalisation may even be counter-productive. CSR communication in SMEs is sometimes perceived as informal, while personal relations are seen as very important – yet this vision of CSR communication in SMEs ignores the importance for SMEs of corporate communication, reputation, and stakeholder relations (Nielsen & Thomsenn, 2009). This point is re-

inforced by the fact that SMEs are increasingly dealing with companies that operate worldwide in a competitive and complex business environment (Parsa & Kouhy, 2008).

Therefore, in light of the peculiarities of CSR in small companies, our aim has been to identify a set of key CSR issues that are highly material and relevant for the Spanish SMEs and their stakeholders. We have constructed a CSR model for SMEs that includes the most important social, environmental, and corporate governance issues. This model may be useful for integrating sustainability into SME management and reporting, as well as improving the management of stakeholders.

Research Design

One of the aims of this research was to gain an understanding regarding the issues related to the management of CSR that are of greatest relevance or materiality for the Spanish SMEs. According to GRI (Global Reporting Initiative, 2006, p. 8) *materiality* is a principle which implies that 'the information in a report should cover topics and indicators that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.' In addition, GRI (Global Reporting Initiative, 2006) defines *relevance* as the degree of importance attached to each issue, indicator, or item of information – the term refers to the threshold at which information becomes sufficiently important to be disclosed.

In this context, this study analysed the materiality of CSR issues for SMEs. The analysis was based on the knowledge extraction process that was divided into the following phases: i) development of the initial draft of the main CSR material issues (based on the review of literature) followed by the expert review; ii) a telephone survey of 500 Spanish SMEs aimed at establishing the consensus on the indicators for the first step; and iii) an analysis of the results of the survey and the preparation of the proposal regarding basic CSR issues for the Spanish SMEs.

The research method used in the first step combines scientific evidence with consensus, i.e. considering the generally accepted opinion among a group of experts. The goal was to make an initial selection of the basic CSR indicators in SMEs. The indicators, for which consensus was not reached, were then evaluated by the SMEs using a survey. The RAND Appropriateness Method methodology – used in knowledge areas such as health sciences (Gonzalez et al., 2009) – was specifically simplified and adapted for the purpose of the study. As indicated by Campbell et al. (2002, p. 360), the RAND method 'is a formal group judgement process which systematically and quantitatively combines expert opinion and scientific (systematic literature review) evidence by asking panellists to rate, discuss, and then re-rate

indicators.' It was considered that the RAND method was an appropriate methodology and adaptable to the study. This decision was made because, as in the case of the process described by Campbell et al. (2002) of developing quality indicators in health care, a definition of material CSR issues for SMEs should take into account a number of points: i) the stakeholder perspectives of the issues; ii) the nature of the issue to be measured; and iii) the available evidence.

Under this premise, the first phase of the study was divided into several sub-phases: i) an analysis of the literature on CSR tools and CSR studies in SMEs in order to create an initial set of social, environmental, and corporate governance issues; ii) a study and evaluation of the initial proposal for CSR material issues by a group of experts; and iii) discussion aimed at reaching a consensus with a group of experts on the results of the initial consultation.

After this first phase of the investigation, an initial proposal regarding the material CSR issues for the Spanish SMEs was obtained. Indicators that were agreed to be important by all of the experts were included in the questionnaire for the telephone survey of 500 Spanish SMEs. The development of this part of the research deepened our understanding of the perception of SME managers regarding CSR management (Fassin, 2008).

The final phase of the investigation focused on the analysis of the results of the telephone survey and the creation of the model for CSR reporting by SMEs. The most important social, environmental, and corporate governance issues for SMEs were included in this model. The model was expected to be useful for integrating sustainability in the management of SMEs and improving the management of stakeholders and relationships.

Analysis of Results

Phase One: Scientific Evidence and Expert Group Consensus

As the first step, a thorough analysis of the various tools used for CSR and sustainability management in SMEs was performed. In parallel, results of the previous research undertaken by the team related to the subject were also used (Escrig, Muñoz, & Fernandes, 2010; León, Muñoz, & Chalmeta, 2010; Muñoz et al., 2009; Rivera-Lirio & Muñoz-Torres, 2010). As a result of the analysis, a group of potentially relevant stakeholders in the field of SME was identified – employees, society, customers, corporate governance, environment, and suppliers – and a set of issues related to the socially responsible management of those stakeholders (Annex 1).

As the next step, a study of the materiality of selected issues was performed in order to determine the subjects to be included in the survey. The analysis was based on the opinion of several experts, who provided expert knowledge that was used to ensure the suitability of the questions included

in the survey. The work with the group of experts took place in late 2010, and it was divided in the following two stages:

Stage 1: Compiling the Expert Opinions

During this stage, a group of qualified experts was selected. The group members completed and returned a previously developed questionnaire. The questionnaire was intended to determine the materiality of a set of general issues regarding corporate social responsibility. The materiality of each issue was determined using five parameters (Lydenberg, Rogers, & Wood, 2010):

- *Financial performance and/or economic-financial risks:* Degree of importance or influence of the issues on economic performance and company risks.
- *Competitive position and strategic expectations:* Degree of strategic importance for the company and/or perceived importance of the competition.
- *Interest groups:* Degree of influence that the management of the issue may have on the decisions of stakeholders.
- *Future regulations:* The likelihood of the issue being regulated in the future, and thus offering the opportunity to obtain a strategic advantage by anticipating such regulation.
- *Opportunity for innovation:* Degree to which knowledge/abilities held by the company may foster innovation as a result of managing this issue.

After collecting the questionnaires completed by the experts, the materiality of the issues was studied with the use of statistical analysis – with averages used as a measure of importance and typical deviation as a measure of consensus. This analysis enabled classifying the issues raised into two groups:

1. Issues that are clearly material:

- Development of products that are beneficial from a social/environmental perspective
- Stable employment
- Pollution, effluents, and waste
- Training and education/professional development
- Investment in environmental R&D + i/clean technology
- Marketing
- Client satisfaction
- Product safety/health and safety of clients
- Health and safety at work/working conditions

2. Issues of doubtful materiality:

- Product cycle management
- Resource use
- Transparency and communication
- Evaluation and monitoring
- Hiring practices/local hiring
- Codes of conduct
- Social action
- Director salaries
- Recycling
- Environmental management systems
- Compliance with regulations
- Cooperation with local industries
- Managing the interests of shareholders
- Customer privacy
- Sustainable behaviour among clients
- Local community/local development
- Reconciling work and family life
- Discrimination/diversity and equal opportunities
- Education and environmental awareness
- Labelling of products and services
- Freedom of association and collective bargaining
- Transparency
- Nature and biodiversity
- Harassment
- Unfair competition
- Corruption and bribery
- Rights for ethnic minorities
- Forced labour and child exploitation

Stage 2: Work Session with the Experts

In the framework of stage 2, an expert panel was held in order to analyse and discuss the results of the previous stage, and to reach a consensus regarding the classification of the issues. During the discussion, special attention was paid to those issues where materiality was not agreed upon by the various experts ('issues of doubtful materiality'). The experts argued the reasons for their classification, discussed the ratings assigned to each of the parameters of evaluation, and compared their values with those of other experts. During the process of reflection, the experts reconsidered

Table 2 Issues That the Expert Panel Believes to Be Clearly Material

Stakeholder	CSR issue
Customers	Development of products that are beneficial from a social/environmental perspective Marketing Client satisfaction Product safety/health and safety of clients
Environment	Pollution, effluents, and waste Investment in environmental R&D + i/clean technology Resource use (energy, water, materials) Recycling
Society	Local community/local development Cooperation with local industries Transparency and communication
Employees	Stable employment Training and education/professional development Health and safety at work/working conditions Reconciling work and family life Discrimination/diversity and equal opportunities

their positions regarding the materiality of various issues considered as doubtful and several issues were consequently reclassified as being clearly material (see Table 2). The results of this discussion enabled the design of the questionnaire that was used in the telephone survey.

Table 2 reveals that corporate governance and supplier management were considered by the experts as not being important issues with respect to CSR management in SMEs. The reasons given in the case of corporate governance focused on the small size of the shareholdings in this type of business and the concentration of ownership and control – as well as the absence of formal mechanisms for structuring control systems.

The reasons for not including supplier management in the analysis of CSR were varied and reflected the bargaining power of small companies. Either the power of a small company to establish conditions is very limited, or small companies face oligopolistic market structures in the supply of raw materials, and these factors prevent them from establishing mechanisms for selecting suppliers.

Phase Two: Development and Implementation of the Telephone Survey of 500 Spanish SMEs

Based on the meeting with the expert panel, it was concluded that it was necessary to translate the issues into practical questions that could be handled in the time available for the telephone survey and would be easily

understood by the respondents. The key aspect in the development of the questionnaire was the wording of the questions: The objective was not to discover to what extent the company has implemented CSR policy, but to discover the importance that the company management attaches to the issue. The survey was, therefore, aimed at managers or directors of small companies.

The survey was conducted during the third quarter of 2010, and 500 SMEs, employing between 10 and 200 people, were contacted. The firms operate in the following sectors: food and agriculture, industry, construction, and services – all the Nielsen areas were taken into account. The survey included a total of 29 questions that were associated with the preparation of annual reports in the widest sense, as well as social and environmental information related to various stakeholders (suppliers, customers, shareholders, the environment, employees, and society).

Phase Three: Analysis of Survey Results and Proposal of Material CSR Issues

Analysis of Survey Results

After conducting the survey and analysing the results, some preliminary conclusions were drawn. Figure 1 illustrates the averages and the standard deviations of responses to survey questions. The labels correspond to the numbering system for the questionnaire. In Tables 3, 4, and 5, the first column refers to the stakeholder involved in the issue and the second column shows the question used for each issue.

1. It is worth noting that none of the evaluated issues was scored as immaterial or irrelevant, since the minimum average score was 3.49 (minimum 1, maximum 5).
2. There was a significant consensus on the issues with highest rating. However, there was little consensus on the issues with lower scores; furthermore, there were major discrepancies between business managers regarding their importance. As a result, no issue could be excluded a priori as immaterial.
3. Three zones of evaluation could be defined for the various issues raised in the survey. These zones were defined by the average deviation values found in the responses received. The following, A, B, and C, zones of analysis were established, which were defined in order of the most-to-least importance as given by the respondents.
4. An analysis of the issues evaluated in Zone A (Table 3) reveals that there was little consensus and a generally low evaluation of the importance of issues linked to corporate governance and supplier relationships. It can also be seen that the issues in Zone A clearly

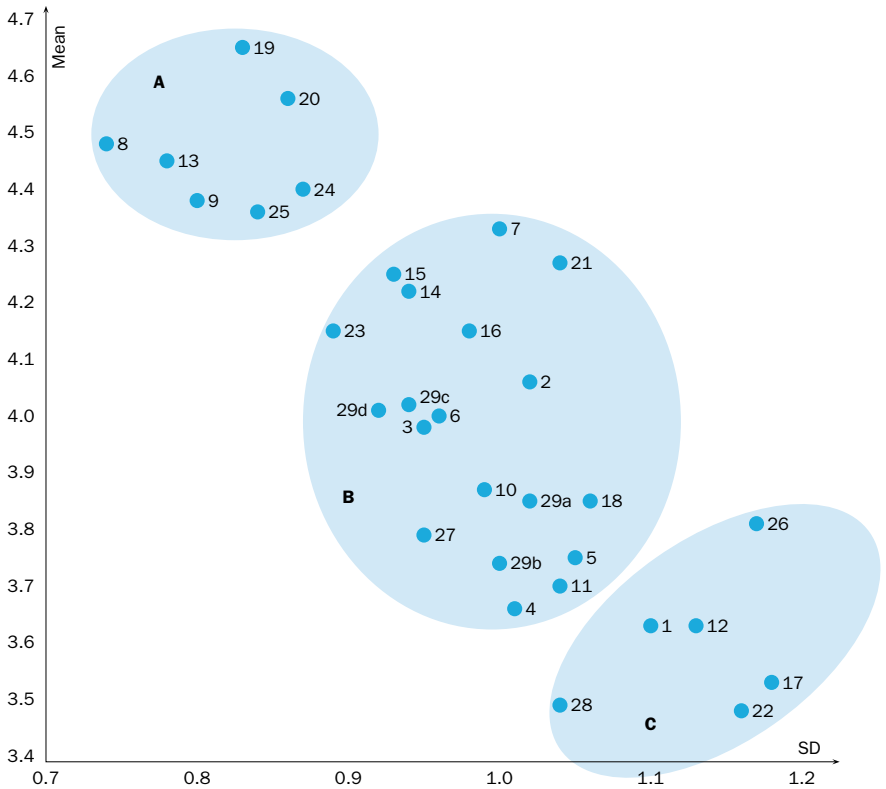


Figure 1 Average Deviation Analysis of the Survey Results

Table 3 Issues in Zone A

Stakeholder	Code	CSR issue
Customers	8	Customer privacy
	9	Compliance with regulations
Environment	13	Nature and biodiversity
Society	25	Unfair competition
	24	Corruption and bribery
Employees	19	Forced labour and child exploitation
	20	Harassment

correspond to CSR issues covered by the national legal framework and international standards. The results are consistent with Gjølberg (2009), who highlighted the fact that many Spanish companies adopt international standards such as GRI, ISO and Global Compact.

5. Within Zone B (Table 4), there are issues relating to all stakeholders with the exception of ‘society.’ The majority of those issues are directly

Table 4 Issues in Zone B

Stakeholder	Code	CSR issues
Customers	10	Sustainable behaviour among clients
	7	Labelling of products and services
	23	Compliance with regulations
Corporate governance	11	Managing the interests of shareholders
Environment	15	Product cycle management
	14	Environmental management systems
	18	Education and environmental awareness
Suppliers	3	Evaluation and supervision
	2	Hiring practices
	4	Codes of conduct; Social and environmental commitments
	6	Codes of conduct: Stable relation with suppliers
	5	Hiring practices/local hiring; Sust. behaviour with clients
Employees	21	Discrimination/diversity and equal opportunities
	16	Freedom of association and collective bargaining

Table 5 Issues in Zone C

Stakeholder	Code	CSR issue
Corporate Governance	12	Director salaries
Suppliers	28	Hiring practices/local hiring
Society	1	CSR information: Transparency and communication
	17	Social action: Corporate voluntary work
	22	Social action: Donations
	26	Minority ethnic rights

related to managing the supply chain. It can be clearly seen that there was consistency in the responses to the questions that are closely related, such as the questions regarding a code of conduct for dealing with suppliers. A possible explanation for this result could be related to the increasing CSR requirements in large companies across their supply chain (Department for Trade and Industry, 2002).

6. Most of the issues in Zone C (Table 5) are related to the 'society' stakeholder. Question 1 regarding the importance of reporting on social and environmental issues in either the annual accounting report or other voluntary reports, was rated with an average of 3.64 (minimum 1, maximum 5). This is a relatively low score, and there was also considerable dissent. Possible explanation for this result may be the fact that SME managers consider other uses of this information to be more important in relation with the stakeholders – given that there was less disagreement and evaluations were higher when the information focused on generating specific advantages for the company,

Table 6 Core Material Issues

Stakeholder	CSR issue
Customers	Development of product benefits that are beneficial from a social/environmental perspective Marketing Client satisfaction Product safety/health and safety of clients Client privacy Compliance with regulations
Environment	Pollution, effluents, and waste Investment in environmental R&D+i/clean technology Resource use (energy, water, and materials) Recycling Nature and biodiversity
Society	Local community/local development Cooperation with local industries Transparency and communication Unfair competition Corruption and bribery
Employees	Stable employment Training and education/professional development Health and safety at work/working conditions Reconciling work and family life Discrimination/diversity and equal opportunities Forced labour and child exploitation Harassment

such as improvements in economic performance, market position in comparison with the competition, strategic advantage relative to future regulation, and opportunity for innovation.

Proposal Regarding Material CSR Issues for SMEs

Tables 6 and 7 contain the final proposal of issues considered as material for Spanish SMEs. Table 6 lists the 23 issues considered as ‘key issues’ for proper management and communication of sustainability in SMEs – as identified by their positioning in Zone A of the survey. This selection of major issues excludes the management of the relationship with suppliers and organisational governance. The management of these two stakeholders was considered immaterial by the expert group, and that assessment was confirmed by the results of the survey.

Following the completion of the session with the group of experts and the subsequent survey, an analysis of the results enabled the selection of

Table 7 Complementary/Additional Material Issues

Stakeholder	CSR issue
Customers	Compliance with regulations
Employees	Discrimination/diversity and equal opportunities Freedom of association and collective bargaining
Customers	Sustainable behaviour among clients Labelling of products and services
Corporate Governance	Managing the interests of shareholders Director salaries
Environment	Product cycle management Environmental management systems Education and environmental awareness
Suppliers	Evaluation and supervision Codes of conduct Hiring practices/local hiring
Society	CSR information: Transparency and communication Social action Minority rights

a core subset of the issues proposed in the first phase of the investigation.

The high average values scored for other issues raised in the survey, and the lack of consensus among experts regarding their materiality, are a positive factor when proposing additional information structures to be considered by companies that, because of their specific characteristics, may need to disclose information covering all stakeholders.

Conclusions

The study was conducted following a review of the CSR norms and standards that are most widely accepted by academic and professional experts, as well as a survey of 500 Spanish SMEs.

The results reveal that Spanish SMEs give great importance to the correct management of 23 basic issues relating to customers and employees – as well as the environment and society in general. In addition, some 16 additional issues of lesser materiality for smaller SMEs were also identified. These issues were mostly related to corporate governance and supplier management.

This study contributes to the business practices on CSR reporting in SMEs. It offers a CSR model for reporting that includes the most important social, environmental, and corporate governance issues focused on the specific approach and entrepreneurial character of the small business. This model identifies the basic issues on CSR reporting obtained from a consultation process with key stakeholders, such as academic and professional

experts and employees or owners of SMEs. The consultation process, which has been carried out by means of an expert panel and a survey, has enabled the analysis of materiality of sustainability held by Spanish SMEs. This analysis provides a wealth information on the perception of these companies regarding sustainability and the impact of sustainability on business management, as well as the disclosure of information regarding social, environmental, and corporate governance.

As in any empirical study, the findings presented are conditioned to some limitations. Due to the exploratory and qualitative nature of the study, the sample is limited. This study is focused on Spanish SMEs and other studies might, therefore, replicate this study to other countries with the aim of comparing the findings. As Gjølborg (2009) emphasises, the nationality of a company affects its CSR practices, and the comparison of CSR results across countries needs a complex analysis of structural, institutional and political-economic factors.

Other limitation concerns the stakeholders used in the research. Although this study takes into account the plurality of perspectives, it cannot address all stakeholders such as non-governmental organisations or governments. Future studies could include other stakeholders consequently complementing the results.

The aim of this study, to examine the materiality of CSR issues in SMEs, is a first step to improve voluntary guidelines and legislation of reporting and advance the integration of sustainability into management system in the small business. Future research should address those basic issues and determine key performance indicators for measuring sustainability performance and risks to encourage effective CSR practices in SMEs.

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Annex 1 Description of Areas Initially Identified

	Issue	Description
Employees	Stable employment	Job security in the workplace through permanent employment contracts and activities to promote staff cohesion and a sense of belonging.
	Freedom of association and collective bargaining	Right of employees to join and form groups with legitimate aims, and to be represented by independent trade unions.
	Training and education/ Professional development	Ongoing employee access to training to enable them to improve their job and/or social skills, as well as guarantees personal and professional development in the company.
	Reconciling work and family life	Flexible schedule, telecommuting option, flexible leave of absence, flexibility for family care, aid for child care, school support, health insurance, life and/or accident insurance, risk prevention measures beyond the mandatory, etc.
	Health and safety at work/working conditions	Safe environment and working conditions appropriate to the tasks being performed. Risk prevention plans, as well as resources necessary for the proper management of work accidents.
	Forced labour and child exploitation	Policy against child labour and forced labour, as well as related procedures and programs. Report on monitoring systems and results.
	Harassment	Prevention of workplace bullying with policies and procedures to prevent employee harassment.
	Discrimination/diversity and equal opportunities	Fair pay and equal opportunities for advancement and improvement, regardless of sex, disability, or other criteria.

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Annex 1 *Continued from the previous page*

	Issue	Description
Society	Rights for ethnic minorities	Policies, guidelines, and procedures to manage the needs of ethnic minorities.
	Local community/local development	Measures to encourage the relationship with the community – such as attending meetings for community issues, training for people in the community, transfer of facilities for community use, purchasing of local products, etc.
	Corruption and bribery	Policies and management systems, and compliance mechanisms related to corruption and bribery – aimed at the company and employees.
	Transparency and communication	Published information on policies and outcomes regarding sustainability.
	Cooperation with local industries	Cooperation with local companies to benefit the economic, social, and/or environmental community.
	Unfair competition	Prevention of conduct that is contrary to free competition by implementing policies, procedures, and suitable management systems.
	Social action: donations, philanthropy, voluntary work, sponsorship	Encouragement of volunteering among employees, support for stable economic sponsorship, and support for employment by groups that encounter problems finding jobs, etc.

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	Issue	Description
Clients	Product security/health and client safety (product impacts)	Policies, practices, and procedures to evaluate and analyse the impacts of products on the health and safety of clients.
	Labelling of products and services	Suitable labelling that provides relevant information for the customer and assists their buying decisions.
	Marketing	Honest promotional activities and sponsorship appropriate to the company's strategic objectives – as well as activities promoting sustainability and management of social and environmental issues.
	Client privacy	Suitable treatment of personal data on clients.
	Compliance with regulations	Strict enforcement of the most restrictive legal framework that is applicable to the company according to its activities and location(s).
	Sustainable behaviour among clients	Establishment of policies and practices that encourage clients to behave in a socially responsible manner.
	Client satisfaction	Policies and practices to increase client satisfaction/well-being/quality of life.
	Development of product benefits that are beneficial from a social environmental/perspective	Product development and/or services that encourage sustainable development.
Governance	Transparency	Policies, practices, and procedures to ensure that information provided to governing bodies is useful and accurate.
	Managing the interests of shareholders	Policies and practices to defend the rights of shareholders – such as voting rights and information.
	Director salaries	Pay and reporting policy.
	Review panels	Review panels established in the governing bodies to ensure the proper functioning of various processes, business units (special emphasis on CSR panel), and other elements of the company.

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Annex 1 *Continued from the previous page*

	Issue	Description
Environment	Resource use (energy, water, and materials)	Control procedures and management of resources employed, savings plans, recycling, etc.
	Pollution, effluents, and waste	Control and management of pollution and waste resulting from the business, traceability of origin and destination.
	Product cycle management	Management of main environmental impacts of products and services during life cycle.
	Recycling	Policies for recycling resources consumed.
	Investment in environmental R&D + i/clean technology – Eco-efficiency	New cleaner product design and implementation of clean technologies.
	Environmental management systems	Environmental management systems for the management of environmental impacts, as well as disaster prevention and appropriate response to accidents.
	Education and environmental awareness	Actions to raise employee awareness.
Suppliers	Nature and biodiversity	Corporate action with respect to their impacts on living beings and the environment.
	Codes of conduct	Codes of conduct with suppliers to specify criteria beyond the strictly economic and ensure long-term business relations.
	Evaluation/ supervision	Awareness that suppliers must comply with tax laws and labour contracts and set minimum standards. Mechanism to detect and eliminate abusive practices against suppliers.
	Hiring practices/ local hiring	Selection of suppliers based on commitment to corporate social responsibility; avoidance of dealings with companies that violate the rights of workers according to the ILO (for suppliers from outside the European Union).

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