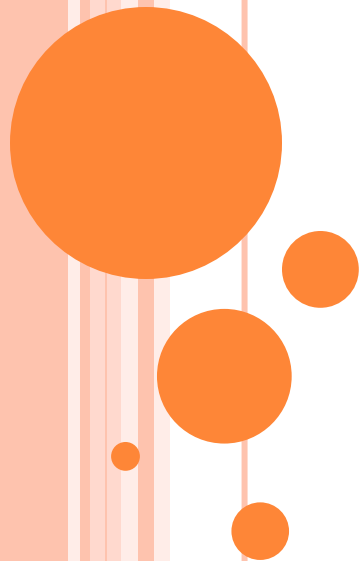# OeAD Alumni Talks

CORPORATE SOCIAL RESPONSIBILITY - OPPORTUNITIES FOR COMPANIES AND SOCIETY

Dr. Sandra Aparcana

24.10.2013

PRESENTATION OUTLINE

- Country background
- Studying in Austria, Boku University
- Presentation: Corporate Social Responsibility
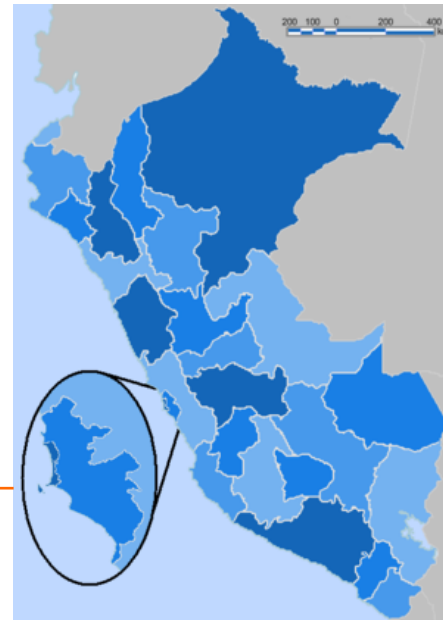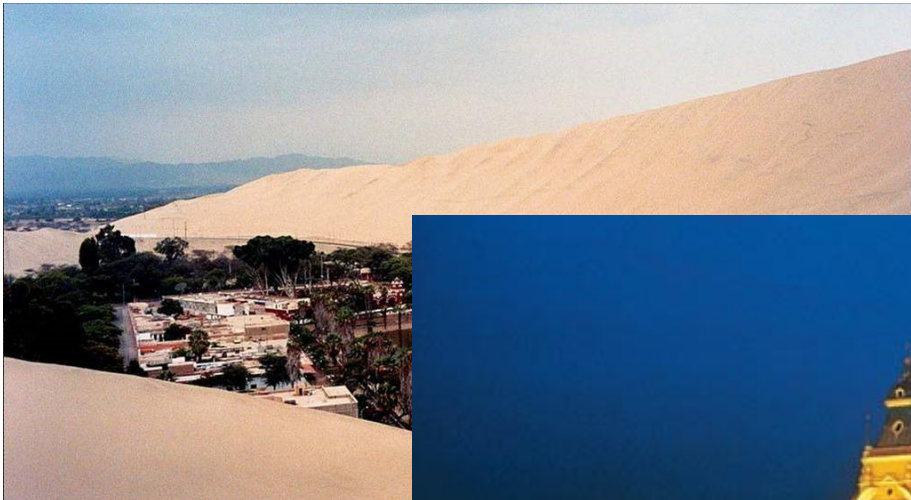- Research topic: social sustainability

Peru

FACTS

- 30 million people,
- Capital: Lima - 8.5 Million people
- Official languages: Spanish, Quechua, Aymara
- Area: 1,285,216 km²
- Geografic regions: Coast, Highlands and Rainforest, administrative regions: 25
- Religion: catholic

My hometown: Lima

Coast

Highlands

Rainforest

STUDYING IN AUSTRIA, BOKU UNIVERSITY

- Start: October 2009
- End: August 2013
- Doctoral study in waste management
- Doctoral thesis:

"Development of a social impact assessment methodology for recycling systems in low income countries"

University of Natural Resources and Life Sciences, Vienna

University of Natural Resources and Applied Life Sciences, Vienna
Department of Water, Atmosphere and Environment
Institute of Waste Management

Peter Lechner
Marion Huber-Humer

Peter Beigl
Erwin Binner
Oliver Gamperling
Pia Paola Huber
Sandra Lebersorger
Sabine Lenz
Roland Linzner
Katharina Meissl
Peter Mostbauer
Gudrun Obersteiner
Stefan Salhofer
Silvia Scherhaufer
Felicitas Schneider
Ena Smidt
Johannes Tintner

Thomas Ebner
Michael Neuwirth
Reinhold Ottner

Iris Krenn-Strizsik
Helmut Dier
Zorica Stamenkovic

Lukas Egle
Cornelia Gutmann
Lisa Habenicht
Florian Part

Institute of Waste Management/Instituto para la Gestión de Residuos

ABF Team

WHAT IS CSR?

- **Corporate social responsibility:** Policy, management strategy and processes for the identification, avoidance and/or mitigation of environmental, social and economic impacts of the decisions taken by a company.

   First: Determination of <u>the sphere of influence</u> through the definition of:
  - geographic location;
  - relevant regulation;
  - sector codes of conduct or practices;
  - the company's vision, mission, values and codes of conduct
  - Stakeholders (workforce, business partners, clients, community, etc.)

Company´s stakeholders

Source: CSI EU

APPROACHES FOR CSR

- ISO 26000 social responsibility (It provides guidance , **so it cannot be certified unlike other ISO standards**)

"It provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society" (www.iso.org)

PRINCIPLES ISO 26000

- Accountability
- Transparency
- Ethical behaviour (honesty, fairness, equity, integrity, anti corruption, etc.)
- Respect for stakeholder interests
- Respect for the rule of law
- Respect for international norm of behaviour
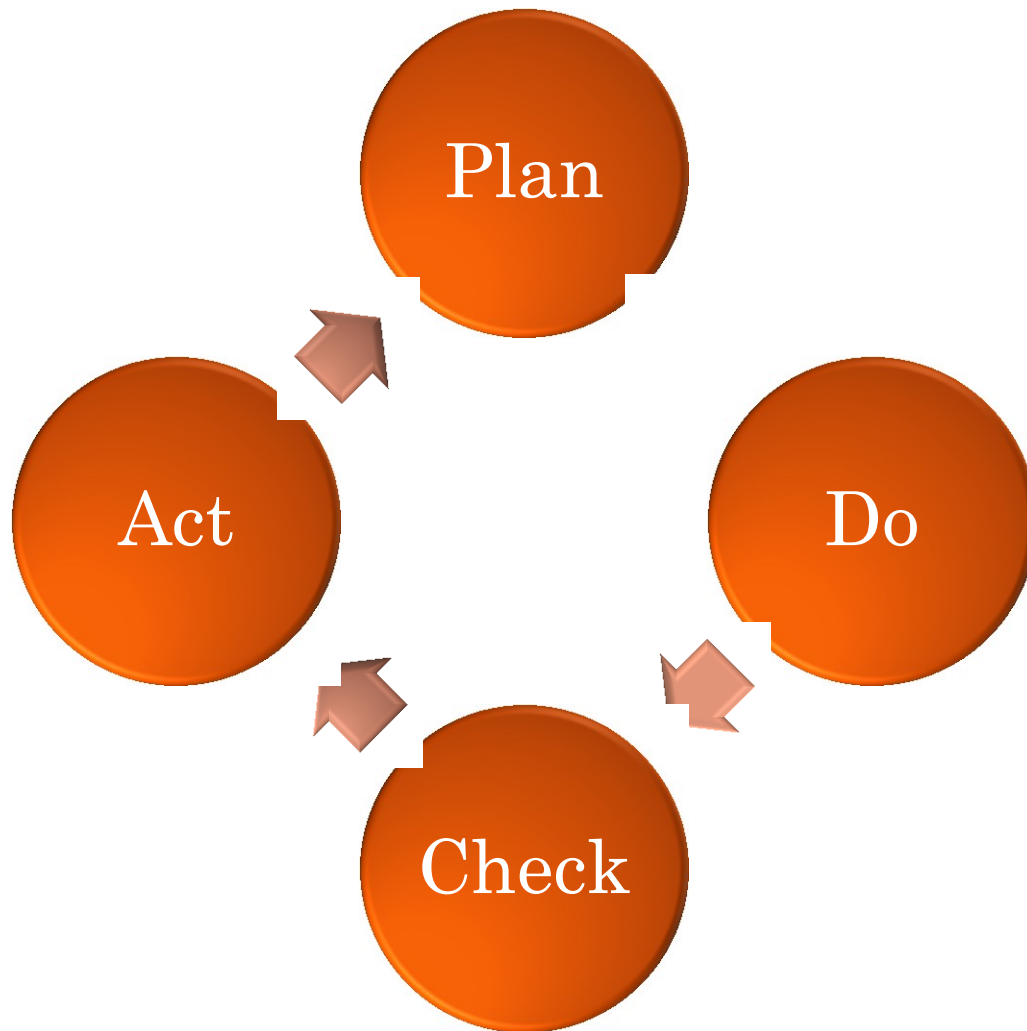- Respect for human rights

CORE ISSUES ISO 26000

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- Community involvement and development

HOW TO IMPLEMENT CSR

Plan

Do

Check

Act

How to implement CSR?: Plan

- **Determination of key characteristics of the company regarding to social responsibility**. Determining the relevant issues of social responsibility within each core subject and in identifying the organization's stakeholders

- **Understanding the Social Responsibility of the Organization:** self-evaluation of the company in the context of social responsibility: comprehensive, proactive process to identify the current and potential negative social, environmental and economic impacts of an organization's decisions and activities, with the aim of avoiding and mitigating those impacts.

HOW TO IMPLEMENT CSR?: PLAN

- Stakeholder dialogue and cooperation to understand the impacts of the company on their stakeholders and their expectations
- Top management commitment to SR
- Designation of the SR Team within the company
- SR Policy
- Training and capacity development regarding SR
- SR goals, time planning

HOW TO IMPLEMENT CSR?: DO

- Assignation of resources
- Implementation of changes
- Enhancing credibility regarding SR through Intern and extern communication

HOW TO IMPLEMENT CSR?: CHECK

- Measurement and reporting

HOW TO IMPLEMENT CSR?: ACT

- Reviewing and improving an organization's actions and practices related to social responsibility SR

EXAMPLES OF CERTIFICATIONS FOR ENSURING COMPLIANCE OF SR

- ISO 14000 or EMAS for environmental management system.
- OSHAS-18000 for health & safety
- SA-8000 for labour standards.
- GRI for sustainability reporting.
- International Sustainability platforms and initiatives such as UN Global Compact,
- Product certifications and sustainability labels to certify environmentally and socially friendly products and processes.

Act

Check:

How?

Do

Sustainability assessment

Plan
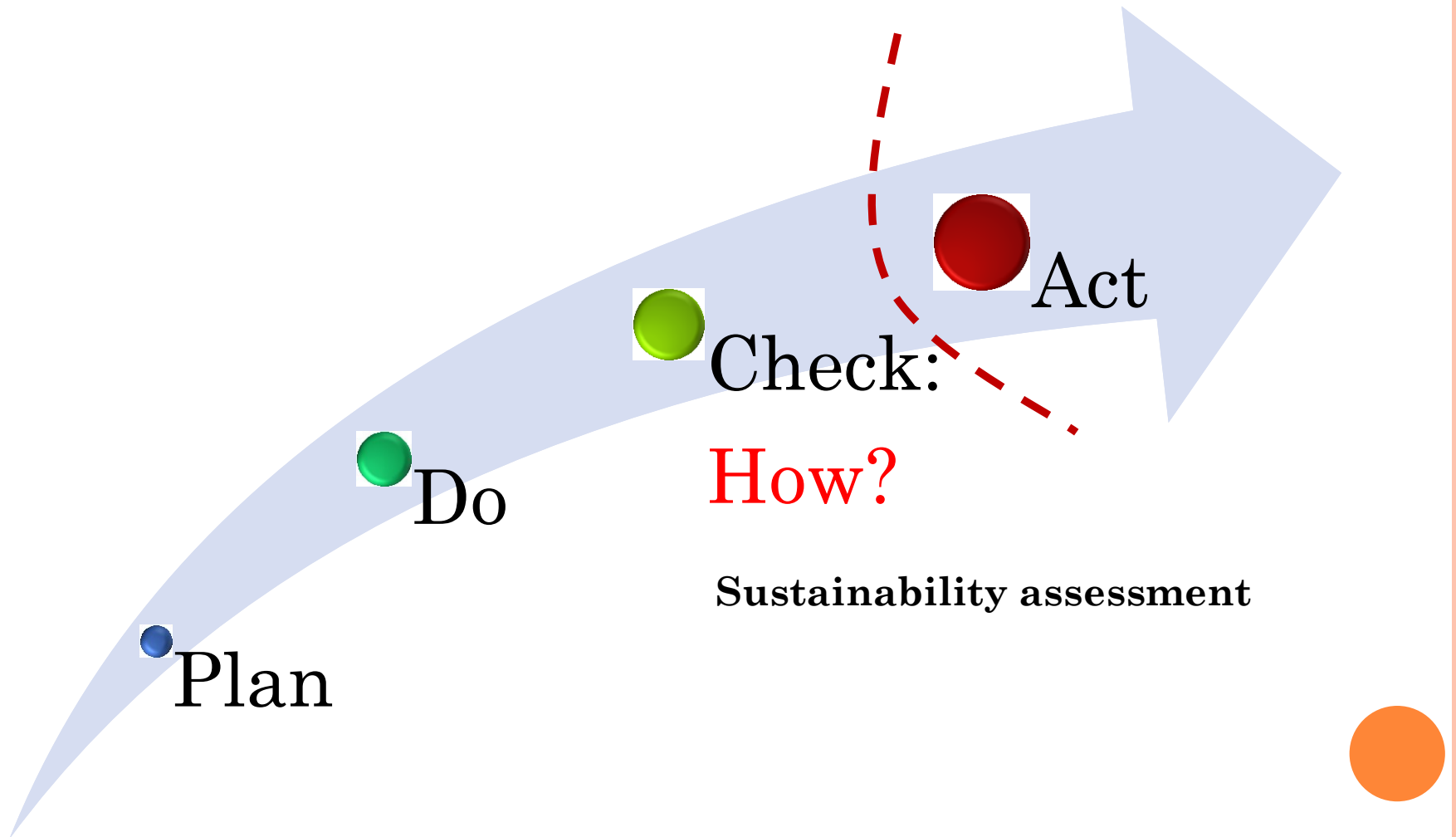
SUSTAINABILITY ASSESSMENT: HOW?

Sustainability assessment

Environmental impact assessment

Economic impact assessment

Social impact assessment

- ELCA
- EIA
- Footprints

- Life Cycle Costing,
- Economy-Wide Material Flow Analysis,
- Cost and Benefits analysis
- Full costing analysis
- Indicators and Index

- Qualitative assessment based on literature review and Interviews,
- Expert judgment/evaluation
- No life cycle perspective
- Assessment of individual aspects, not as a whole system
- Qualitative Score cards
- **sLCA**

SOCIAL IMPACT ASSESSMENT

- Social Life Cycle Assessment
- OECD Better life index (http://www.oecdbetterlifeindex.org/countries/austria/)
- Indicators (quantitative and qualitative)
- Human development index (measurement of longevity, education and standard of living –GDP per capita)
- ….

SOCIAL LIFE CYCLE ASSESSMENT (SLCA)

- Assessment of social impacts along the life cycle of a product
- Follows the ISO Framework (4 Phases)
- Social impact categories depend on the analysed product
- Fulfil criteria depend on local and international social criteria (ILO conventions, Human rights, laws)
- No standardized indicators or aggregation methodologies

THIS METHODOLOGY WAS ALREADY USED FOR:

- For Notebooks (Ökoinstitut, GreenDelta)
- Database for social hot spots (GreenDelta, Germany)
- Study for PET Bottles in Mautitius (Foolmaun et al. 2012)
- sLCA for cheese production in New Zealand
- Until now: only for products

SOCIAL IMPACT CATEGORIES AND SUBCATEGORIES ACCORDING UNEP, 2009

Stakeholder	Impact categories	Sub categories
Workers	•Human rights •Working condition •Health and Safety	Child Labour
		Fair Salary, usw.
Local community	•Cultural heritage •Health and Safety	Local employment
		Socio – economic repercussions, usw.
Society	•Cultural heritage •Contribution to economic development	Socio – economic repercussions, usw.
Consumers	•Human rights •Health and Safety •Socio economic repercussions	•Consumers Privacy •Health and Safety
Value chain actors	•Socio economic repercussions	Fair competicion
		Supplier relationships, usw.

FURTHER DEVELOPMENT OF sLCA FOR MEASURING SOCIAL PROBLEMS IN LOW INCOME COUNTRIES – CASE STUDY: INFORMAL RECYCLING SYSTEMS

PhD research topic

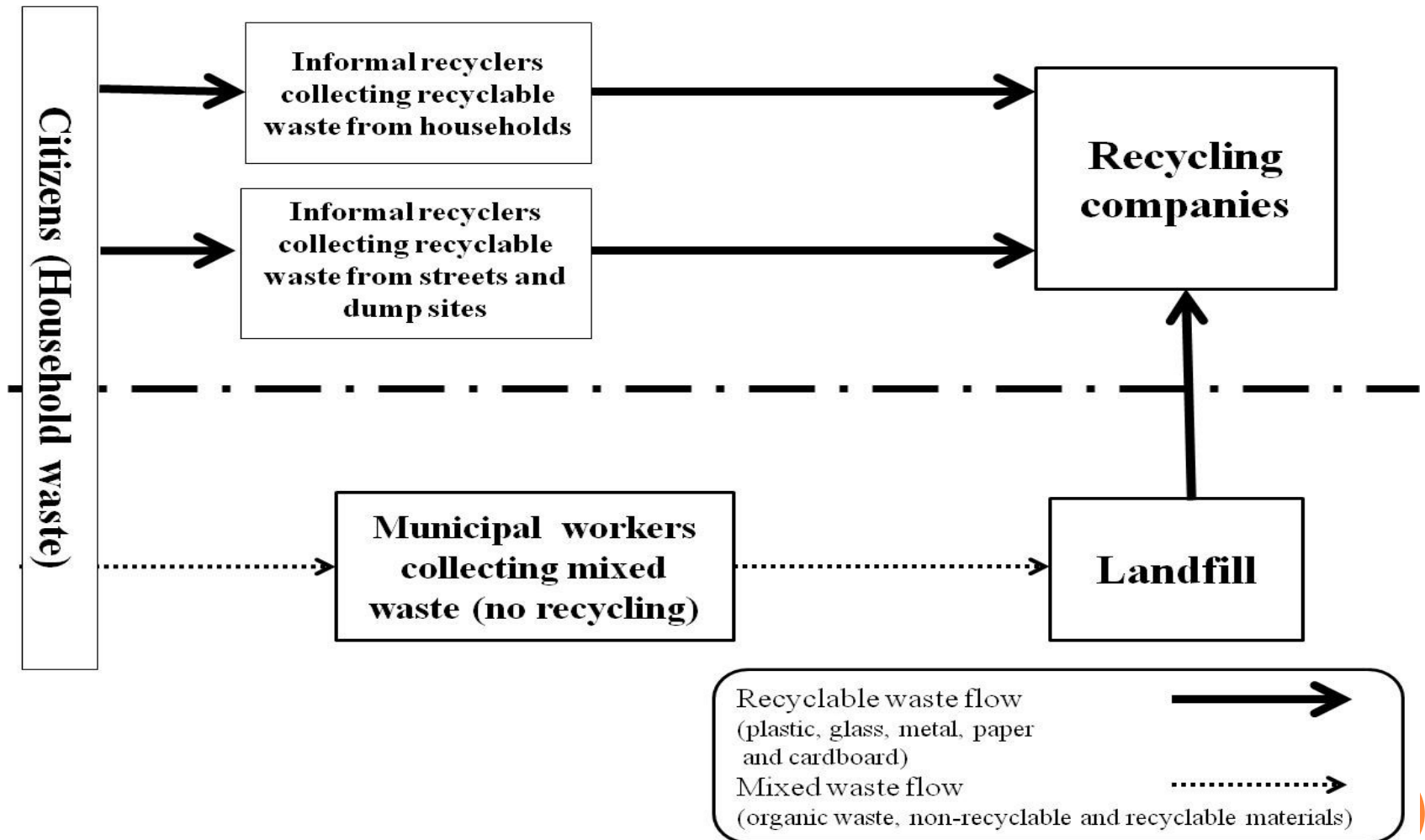# APPLICATION OF sLCA FOR RECYCLING SYSTEMS IN LOW INCOME COUNTRIES

- Waste managemen systems in low income countries are:
- Simple (dumping or landfilling)
- Operated by one stakeholder (municipality)
- Others stakeholders (informal) are excluded
- Low collection rate: in Peru 74%, Mexico 70%, und Uruguay 71%
- Low eficiency, poverty and few job opportunities - support the development of informal Recycling

FLOW CHART OF A TIPICAL WASTE MANAGEMENT SYSTEM IN LOW INCOME COUNTRIES

Citizens (Household waste)

Informal recyclers collecting recyclable waste from households

Informal recyclers collecting recyclable waste from streets and dump sites

Recycling companies

Municipal workers collecting mixed waste (no recycling)

Landfill

Recyclable waste flow
(plastic, glass, metal, paper and cardboard)

Mixed waste flow
(organic waste, non-recyclable and recyclable materials)

INFORMAL RECYCLING SECTOR AND SOCIAL PROBLEMS

- Most of them are children or women, also families
- Income comes from the sale of materials
- Strong unstable income (depending on the market)
- Lack of own capital, no equipment
- Bad work conditions
- Motivation: poverty, poor education, no job opportunities
- Discrimination, social exclusion
- Child labour
- Non-attendance at school
- Incomplete education for adults
- Bad work conditions, health issues due to the direct contact with waste
- Bad housing conditions and no access to basic services (water, energy)

INFORMAL RECYCLER

Itinerant waste buyers (IWB)

www.unep.org.jp

Recycler auf der Straße

Einkauf von wiederverwendbaren
Materialen wie z.B. Glas, Metall, Aluminium, Papier, Karton,
alten Geräten etc. mit einer höheren Sortierungsreinheit)

Municipal waste Collection crew

Recycler auf Deponien

FORMALISATION STRATEGIES

To be evaluated: is this goal fulfilled after the formalisation?

- **Goal: Integrations of recycl[...] management syste[...] the [...] problems**.
- Implemented mostly by the municipality, NGOs
- Further stakeholders: Universitäten, Research institutions, Citizens
- Laws to support the process
- Some measures: increase of incomes, better work conditions, Training, awareness programs.

32

Methodology assessing social impacts of formalised recycling systems in low income countries
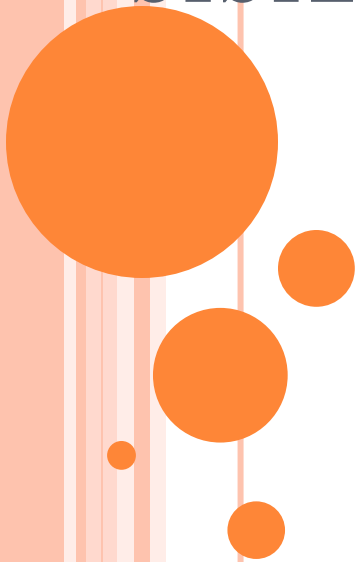
IDENTIFIED SOCIAL IMPACT CATEGORIES

Social impact categories	Sub categories
Human rights	Child labour
	Discrimination
	Freedom of association and collective bargaining
Work conditions	Fair income
	Working time
	Recognised employment relationships and fulfilment of legal social benefits
	Physical working conditions
	Psychological working conditions
•Socio economic repercussions	Education

INDICATORS AND DATA COLLECTION (sLCA INVENTORY)

- 26 indicators
- E.g.
  - No working children
  - Incomes: same or higher than the average income in waste sector
- Data collection: Desk study, Interviews
- Stakeholder:
  - Formalised recyclers
  - Municipality
  - NGOs
  - Others (depending on the recycling system)

ASSESSMENT OF TWO FORMALISATION STRATEGIES IMPLEMENTED IN PERU

- Cooperation with associated organised recyclers (Cañete und Colca)

- Further Stakeholders: NGO, Municipality

- Manual sorting
- Collection rate:15% of households
- Income: dependent on the sold materials

- No organised recyclers, only as workers for the municipality

- Municipality

- On conveyor belts
- Collection rate:38% of households
- Income: fix

SAN VICENTE DE CAÑETE

Das Colca Tal

SURCO

RESULTS OF SLCA

Social impact category	Social impact subcategory	Results at sub category level	
		Formalisation approach (operated by the municipality)	Formalisation approach (cooperation with recyclers´ associations)
		Santiago de Surco	San Vicente de Cañete and Colca Valley
Human rights	Child labour	1	1
	Discrimination	0	0
	Freedom for association and collective bargaining	0	1
Working Conditions	Working hours	1	0
	Minimum income, faire income	1	0
	Recognised employment relationships and fulfilment of legal social benefits	0	0
	Physical working conditions	0	0
	Psychological working conditions	0	1
Socio-economic repercussions	Education	0	0

Conclusions

- Need for further development of standardized assessment methodologies for CSR impacts

- The current focus is still the social company´s actions but no their real effects (exact impact pathways are not known)

- Need for a standardized sustainability impact assessment tool for company´s decision making process