

Corporate social responsibility is defined as a “continuing commitment to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families and the local community, and society at large”¹.

CSR² has been in practice for years but one event in April 2013 brought it to the forefront. The Rana Plaza garment factory in Dhaka, Bangladesh collapsed, killing more than 1,100 workers, and leaving hundreds injured and traumatized. It stands out among tragedies because well-known international companies were among those who did business with Rana Plaza due to its low labor costs. The changes in labor practices around the world that this tragedy precipitated were beneficial to large numbers of workers.

Trained as an ISO 9001 & CSR auditor, I visited companies where employees were pleased to work with an efficient and respectful management. In other contexts, workers had little motivation because their managers showed little or no respect towards their employees. A wide array stands between these two extremes, illustrating the importance of the ‘S’ in ESG. Social metrics are needed to evaluate and measure businesses.

The growing importance of CSR

For years, the workforce was taken for granted and few corporations recognized and rewarded their staff for their performance. Employees had a voice in most countries where audits took me: in Western Europe, their opinion was a crucial component of the audit, and usually showed an equitable CSR approach. This was not the case in Northern Africa.

Another catalyst is the rising importance of ethics. This trend increases the need for social audits.

CSR certifications are now required to enter new markets. It is not unusual for corporations to extend the rule one step further: they now request to audit their suppliers’ major suppliers.

Ethics within CSR

Some organizations started including ethics years ago. However, few had regulatory measures protecting their employees. Before 2013, little attention was given to safe and healthy working

¹ CSR Definition: www.wbcsd.org.

² CSR means corporate social responsibility.

conditions for workers in all industries. The Rana Plaza collapse in Bangladesh showed inhumane working conditions to the world, that stood horrified.

The United Nations published in 2013 ten human right principles to prevent abuse in the workplace. Shortly after, the International Labor Organization set up four fundamental employment principles. While ethical awareness expanded globally, large corporations started respecting employees' rights in compliance with international regulations. Companies also started monitoring their suppliers to check the ethical compliance within their supply chain.

Social responsibility auditing has become an efficient way at evaluating working conditions and ethical practices within industries. Through my tenure as CSR auditor, I came across working conditions described for their uniqueness in my book *Journal of a social auditor*.³ Each assessment brought a different light on working conditions; some companies welcomed change while others did not. Companies that were compliant with audit requirements and welcomed opportunities for improvement, generally offered healthier and safer working conditions to their employees.

How to measure CSR?

CSR is a vast territory: different steps of the audit offer opportunities to create indicators that are measured and improved over time. Qualitative data is harder to evaluate so quantitative values are usually considered: throughout the next chapters, indicators are suggested for each step of the CSR audit, offering options to analyze the 'S' within ESG.

0-0-0

³ *Journal of a social auditor*: <https://imago-int.eu/editorial>