



CSR: Another Hospital Infection?

Michael Hoare traces the roots of the Corporate Social Responsibility debate and reveals an exciting initiative for our industry.

What's all the fuss about?

We hear a lot these days about ethical retailing and Corporate Social Responsibility (CSR), but is it a new phenomenon? On 17th March the Government launched its International Framework for Corporate Social Responsibility with some fanfare, so I thought it was about time to revisit the subject.

A quick search of the files on my hard drive suggests that I have written about CSR, in one way or another, on about 37 different occasions since the end of 2003 alone, which suggests it's an important issue.

Company profiles as early as 2002 were talking in terms of a Company's Social Responsibility index alongside their 'fat-cat' quotient. (In case you're wondering, HSBC scored 5/10 for the former and 8/10 for the latter in *The Times* profile). Job ads for Chief Executives were specifying individuals who 'Increasingly see CSR as an essential component of a successful business strategy'.

So CSR is quite a new phenomenon then?

Well no actually! A television programme called 'Battle for the Amazon' reminded me recently that the foundations were laid in the 70's and 80's when Greenpeace alerted the world to the environmental havoc being wreaked on the rainforest by international big business. With the benefit of hindsight we can now see that Greenpeace overestimated the damage being done – but to good effect, because three decades later it is clear that it was those early warnings that put environmental stewardship, ethics and latterly CSR on the international business agenda.

So what does CSR mean now?

In our own sector we generally think of the Kimberley Process as the most prominent, and arguably first, in a long line of initiatives that forced us to think of the effect of our actions on others. There have been many more, and the No-Dirty-Gold campaign is but the latest to prick our collective conscience.

In common with other retailers our CSR issues tend to focus on the supply chain. In the clothing trade, high profile revelations of sweatshops and child labour resulted in the termination of many contracts with manufacturers in developing countries. Sometimes this has led to the accusation that some businesses are merely fulfilling CSR compliance criteria to avoid criticism, rather than displaying true CSR vision.

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However, a number of (mostly high profile) retailers have subsequently begun to adopt a more constructive approach, preferring to help overseas suppliers to develop acceptable labour conditions, only terminating contracts if suppliers continually fail to make improvements.

Also, as the media, non-governmental organisations (NGO's) and consumer interest in CSR continues to grow, retailers are increasingly providing CSR reports alongside traditional financial reports. However, much of industry is opposed to EU proposals to make CSR reports mandatory.

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Sceptics may voice the view that retailers are not responsible for protecting consumers from the consequences of their own stupidity or sloth – arguing that this is one is for the politicians. This is to misunderstand, or deny the unique role retailers perform. They are, like it or not, the interface between consumers and the supply chain. An increasingly informed customer expects answers about his or her concerns about authenticity and ethics, – and looks to us to supply them.

The spectrum of CSR issues is also far wider than just labour rights. The Government's strategic framework envisages international, sustainable developments that include: human rights, trade and investment, poverty eradication, environmental protection, and corruption. A tall order? Yes – but if we all work on the areas that we know,

we can exert some influence back up the supply chain.

What about the jewellery sector?

Companies from a cross-section of the diamond and gold jewellery business, including the National Association of Goldsmiths and CIBJO, have come together to form the Council for Responsible Jewellery Practices (CRJP). This is a not-for-profit organisation that currently has 14 founding members representing the supply chain, from mine through to retail. They are committed to promoting responsible business practices in a transparent and accountable manner throughout all areas of the industry.

Council members believe that a co-ordinated worldwide approach to addressing ethical, social and environmental challenges will drive continuous improvement throughout the jewellery industry, to the benefit of industry stakeholders everywhere. This, in turn, will maintain and promote consumer confidence in our industry. The Council will enable the industry to work together to improve standards and practices, and reduce duplication of efforts as a result

The initiative is unique because it aims to cover ethical, social and environmental issues across every step of the diamond and gold jewellery supply chain, no matter how large or small the business, in all geographies.

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What does that mean in practice?

Specifically the Council will endeavour to reinforce confidence in the diamond and gold supply chain by:

- Developing a 'Responsible Practices Framework', in consultation with key stakeholder groups, that will define the ethical, social and environmental standards to which all members commit to conduct their businesses.
- Making it a condition of membership that members apply the 'Responsible Practices Framework' through an implementation process that will include self-assessments and that is evidenced through a system of independent third party monitoring.
- Working with industry participants to advise on business responsibility issues as they arise and offering guidance on the use of the 'Responsible Practices Framework' to implement responsible business practices.
- Promoting awareness and understanding of key ethical, social and environmental business responsibility issues by working with all stakeholders including (but not limited to) industry participants, trade organisations, governments and civil society representatives.
- Acting as an advocate for business responsibility within the industry and developing initiatives to address ethical, social and environmental challenges through publicly and privately financed projects.
- Working with stakeholders and industry participants to

continuously improve conformance with the standards and processes set out above, and ensuring that they are relevant and achievable, while addressing key ethical, social and environmental challenges with due regard to the business objectives of the industry.

- Encouraging members to promote the adoption of the 'Responsible Practices Framework' amongst their business partners.
- Seeking to be inclusive and extending the membership opportunity throughout the industry.

Can we get involved?

The Council has already started a consultation process and will consult widely with stakeholders interested in ethical, social and environmental issues within the diamond and gold jewellery supply chain. Through a series of rolling consultation exercises, the Council will seek feedback on its activities, the draft 'principles' and the development of an implementation process. The Council will seek opportunities for creative partnership with society and government.

Those wishing to join the consultation process should email:

consultation@responsiblejewellery.com

Note: This article was written by Michael Hoare and first published in 2006.

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