

Irish Institute of Pensions Management



Irish Institute of Pensions Management

A Corporate Social Responsibility journey
- developing a best practice programme

Presented by Gerry Loughrey



Personal Ethics

Corporate Ethics

CSR in Irish Life



Personal ethics

Are you an ethical person?

What's your position? (Examples)

- Employing/Promoting staff
- Conflict of Interest
- Gifts

Are you a good role model?



The five universal ethical values

Honesty

Respect

Responsibility

Fairness

Compassion



Drafting your personal ethical code*

Lying and deceiving are wrong except for:

- Inflating or exaggerating your qualifications on your resume
- Exaggerating benefits or hiding deficiencies to a customer
- Making promises that you do not intend to keep
- Telling lies to someone from a competitor organisation
- Not correcting misimpressions

Stealing is wrong except for:

- Copying/downloading music or movies
- Inflating billable hours
- Borrowing without permission
- Taking office supplies
- Profiting from other's ignorance

Harming is wrong except for:

- Harming in self-defence
- Threatening to harm
- Working for an organisation whose products harm innocent people
- Imposing undisclosed risks on others
- Inciting violence

*Adapted from "Ethics (for the real world)" – Howard/Korver Harvard Business Press



Personal ethics

Are you an ethical person?

What's your position? (Examples)

- Employing/Promoting staff
- Conflict of Interest
- Gifts

Are you a good role model?



Corporate Ethics

Are there 'good' companies and 'bad' companies?

Ethical positions: Apple/Nike/Johnson & Johnson/Boots

Why are some companies more ethical than others?

What is the benchmark?

- The law
- Peer companies
- Ethical principles

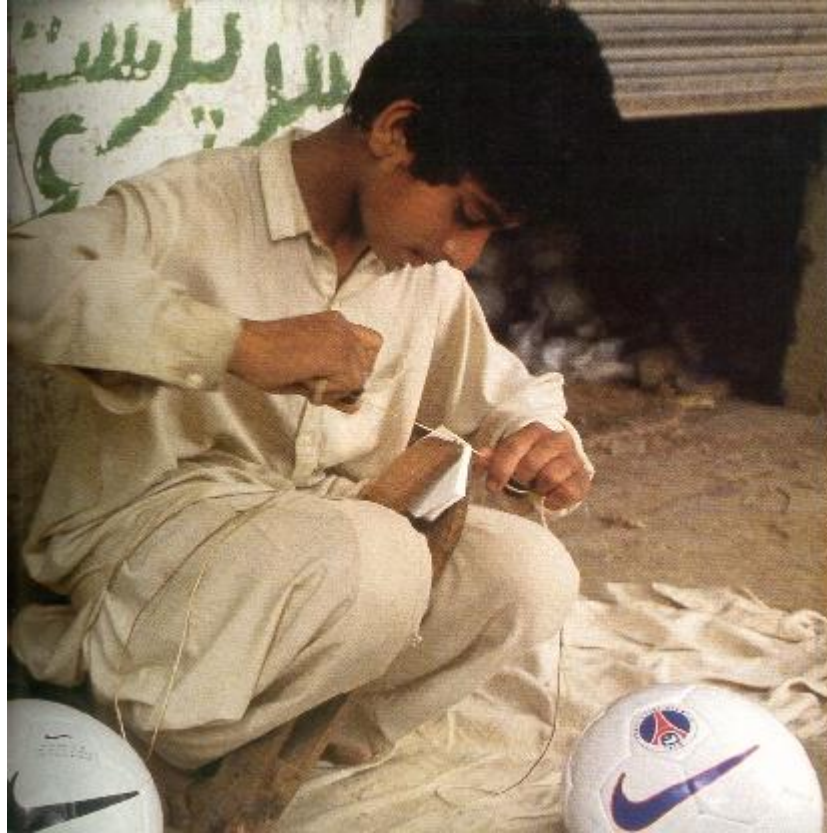
Do you work for an ethical organisation?



Foxconn China



1996: Nike-Pakistan



Nike Code of Conduct (Extract)

EMPLOYMENT is VOLUNTARY

The contractor does not use forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor. The contractor is responsible for employment eligibility fees of foreign workers, including recruitment fees.

EMPLOYEES are AGE 16 or OLDER

Contractor's employees are at least age 16 or over the age for completion of compulsory education or country legal working age, whichever is higher. Employees under 18 are not employed in hazardous conditions.

CONTRACTOR does NOT DISCRIMINATE

Contractor's employees are not subject to discrimination in employment, including hiring, compensation, promotion or discipline, on the basis of gender, race, religion, age, disability, sexual orientation, pregnancy, marital status, nationality, political opinion, trade union affiliation, social or ethnic origin or any other status protected by country law.

FREEDOM of ASSOCIATION and COLLECTIVE BARGAINING are RESPECTED

To the extent permitted by the laws of the manufacturing country, the contractor respects the right of its employees to freedom of association and collective bargaining. This includes the right to form and join trade unions and other worker organizations of their own choosing without harassment, interference or retaliation.

COMPENSATION is TIMELY PAID

Contractor's employees are timely paid at least the minimum wage required by country law and provided legally mandated benefits, including holidays and leaves, and statutory severance when employment ends. There are no disciplinary deductions from pay.

HARASSMENT and ABUSE are NOT TOLERATED

Contractor's employees are treated with respect and dignity. Employees are not subject to physical, sexual, psychological or verbal harassment or abuse.

WORKING HOURS are NOT EXCESSIVE

Contractor's employees do not work in excess of 60 hours per week, or the regular and overtime hours allowed by the laws of the manufacturing country, whichever is less. Any overtime hours are consensual and compensated at a premium rate. Employees are allowed at least 24 consecutive hours rest in every seven-day period.



Johnson & Johnson

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Johnson & Johnson



Boots

Employee health and well-being was a focus of attention for the company from 1900 – providing welfare, education and sports and social facilities for employees

A school was opened to provide academic and vocational education for younger employees

Boots established pension funds and gave extended holidays to employees



Corporate Ethics

Are there 'good' companies and 'bad' companies?

Ethical positions: Apple/Nike/Johnson & Johnson/Boots

Why are some companies more ethical than others?

What is the benchmark?

- The law
- Peer companies
- Ethical principles

Do you work for an ethical organisation?



Four ethical perspectives

Good Character (Aristotle's Virtues/'The Golden Mean')

Duty (Immanuel Kant)

Justice & Rights (John Rawls/'Veil of Ignorance')

Consequences



Corporate Whistleblowers



Cheryl Eckard



Michael Woodford

Four ethical perspectives

Good Character (Aristotle's Virtues)

Duty (Immanuel Kant)

Justice & Rights (John Rawls/'Veil of Ignorance')

Consequences



Corporate Social Responsibility (CSR)

Definition

CSR v CR

Sustainability

Shared value



CSR Practice in Ireland

BITCI

Indigenous v Multinational Companies

The Responsibility Mark

How does your company rate?



CSR in Irish Life & Permanent

2005/2006: Building a programme

2007-2009: Consolidation & Review

2010 -2012: Impact of restructuring



CSR in Irish Life & Permanent

2005/2006: Building a programme

Assessment of activities & Benchmarking

Gap analysis

Proposals and new initiatives

CR Reporting



CSR in Irish Life & Permanent

2005/2006: Building a programme

The “Balanced Scorecard” approach

Workplace	Marketplace	Environment	Community
<ul style="list-style-type: none">• Diversity• Work-life Balance• Learning & Development	<ul style="list-style-type: none">• Access to products & services• Customer Satisfaction• Supplier Relationships	<ul style="list-style-type: none">• Energy Management• Waste Management• Materials Consumption	<ul style="list-style-type: none">• Community Partnerships• Charitable Donations• Employee Volunteering
<i>Potential benefits</i>			
<ul style="list-style-type: none">• Reduced turnover/costs• Improved productivity	<ul style="list-style-type: none">• Customer loyalty• Increased market share	<ul style="list-style-type: none">• Cost reduction• Business opportunities	<ul style="list-style-type: none">• Brand reputation• Employee development



CSR in Irish Life & Permanent

2005/2006: Building a programme

New initiatives

Workplace

- Employment of people with disabilities
- Equality/diversity audit
- Speaking up policy
- Comprehensive data

Marketplace

- Plain English
- Customer Satisfaction reporting (incl. complaints)
- New products
- Accessibility

Environment

- Green energy
- Electronic communications
- Refurbishment & IT upgrades

Community

- Staff Charities
- Community Partnerships
- Charitable Donations
- Employee Volunteering

CSR in Irish Life & Permanent

Community programmes



Youth Citizenship Awards



Ethnic Entrepreneur Awards



TILDA Study of Ageing



Care & Repair Services

CSR in Irish Life & Permanent

2005/2006: Building a programme

Assessment of activities & Benchmarking

Gap analysis

Proposals and new initiatives

CR Reporting



CSR in Irish Life & Permanent

2007/2009: Consolidation & Review

Recognition and awards

Review and reassessment



CSR in Irish Life & Permanent

2007/2009: Consolidation & Review

Recognition and awards:

- Chambers Ireland
- O2 Ability Award
- Plain English
- Green Award
- ACCA CR Reporting Award
- Participation in BITCI Europe



CSR in Irish Life & Permanent

2010- 2012: Impact of restructuring

Recession and cutbacks

Separation

Maintaining a scaled back programme



CSR in Irish Life - The Future

Sale

Culture, values and branding

The influence of stakeholders

A new position on CSR



Irish Institute of Pensions Management

