



WORLD GROWTH

Corporate Social Responsibility ANNEXES

A World Growth Report

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A.1 CARREFOUR

Carrefour, based in France, is the world's second-largest international food retailing chain. It has a large number of retail operations in developing and emerging economies, including Asia, Central America and Africa.

Its Industrialized Economy CSR activity/policy prioritizes employee rights and sustainability. The former is achieved through a 'Charter for Commitment', principally a labor policy that imposes social conditions on suppliers throughout the value-chain.¹

Carrefour assesses suppliers' overall performance against the Charter through random spot-checks/audits and can impose corrective action requests should a supplier not meet the Charter's social standards.² It does this in collaboration with the International Federation for Human Rights (FIDH). FIDH and Carrefour have established INFANS, a governing committee, which acts as the auditing body.

Carrefour is committed to sustainability targets in line with: the Roundtable for Sustainable Palm Oil (RSPO) to source 100 per cent certified sustainable palm oil by 2015; WWF to procure and give preference to FSC-certified paper products, and; the Consumer Goods Forum 'zero deforestation' target, which outlines development of actions to 'help achieve'

zero deforestation through procurement policies for select commodities.³ Further, Carrefour has worked with WWF to establish a self-assessment tool for its French suppliers based on 49 environmental criteria. Carrefour has stated that it plans to introduce this tool in other countries.

The company's strategies to increase employment levels and reduce consumer costs in developing/emerging economies are commendable. It offers preferential employment opportunities for people with a disability in Romania, Turkey and Brazil; its obesity programs improve health services in Argentina and Greece; and, it invests in vocational training for socially excluded youth in China. Carrefour also benefits Chinese producers through favorable long term partnerships and necessary skilling and training to build rural capacity.

However, its CSR framework controls and manages the value-chain in Emerging Markets and permits non-commercial factors – those deemed relevant in Western countries – to override economic development considerations. However, the company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

1. Carrefour Charter for Commitment, accessed at: <http://www.carrefour.com/cdc/responsible-commerce/our-social-and-ethical-approach/the-group-and-its-suppliers/>.

2. In Bangladesh the Carrefour group and the FIDH, with assistance from a local NGO performed 2,067 social audits in 7 years 2000 to 2007. Carrefour Social Responsibility, Relations with Suppliers and Contractors, accessed at: <http://www.carrefour.com/docroot/groupe/C4com/Commerce%20responsable/Espace%20ISR/Responsabilit%C3%A9%20sociale/SOCIAL%20RESPONSIBILITY-%20SUPPLIERS.pdf>;

3. Carrefour Responsible Sourcing, accessed at: <http://www.carrefour.com/cdc/responsible-commerce/our-commitment-to-the-environment/responsible-sourcing/>; See CGF release, accessed at: http://www.ciesnet.com/pfiles/press_release/Press_Release_2010/2010-11-29-ClimateProtection.pdf

TABLE A.1.1: CARREFOUR: INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	In 2009, it signed the Copenhagen Communiqué on climate change and raised its energy efficiency target from 20% to 30% between 2004 and 2020 (Annual Sustainability Representative, 2009, p68). To achieve this target, it has implemented a strategy and a multi-annual program worth €30 million per annum (ibid).
	Recycle manufacturing & consumer waste	It committed to withdrawing all free disposable plastic checkout bags by the end of 2012. In France 2008, it signed an agreement with French Environment and Energy Management Agency (ADEME) to test a system to reuse packaging and to analyze an organic waste management scheme (ASR, 2009, p.67).
	Require sustainable supply chain solutions	<ul style="list-style-type: none"> • In 1992, it launched Quality Lines to integrate environmental and social criteria into own-brand product lines. These criteria impose conditions on suppliers (www.carrefour.com, Quality Lines, 2006). • Since 1998, it has worked with WWF to control wood supply and promote FSC (Forest Stewardship Council) (ASR, 2009, p. 66). • It is a member of the Consumer Goods Forum (CGF) and is committed to 'help achieve' zero deforestation rates by 2020 (CGF Press Release, 2010). • It is a founding member of the Roundtable on Sustainable Palm Oil (RSPO). To this effect it is committed to using RSPO certified palm oil in its own-brand products by 2015 (ASR, p.69); and is committed to sourcing 100 per cent of palm oil 'sustainably' by 2020. • In 2005 in association with WWF it launched a Responsible Fishing Range to combat illegal fishing and ensure products come from sustainable sources. In 2007 it used policy advice from WWF to stop selling certain species and to identify 'sustainable' sources (www.carrefour.com, Responsible Sourcing).
	Support animal welfare	The Quality Lines initiative has standards specific to animal welfare in relation to agriculture and farming conditions, slaughtering practices and in use of GMO products in feed (Ibid).
	Reduce toxicity	It employs recognized toxicology experts to improve the safety and consumer friendliness of its cosmetic products (Ibid).
Labor & Human Rights	Engage with organized labor	In 2001, it signed a protocol agreement with the Union Network International (UNI) to allow workers world-wide to join trade unions and engage in enterprise bargaining activity (UN Global Compact Carrefour Research paper, 2007, p.2).
	Encourage ethical supply chains	<ul style="list-style-type: none"> • It operates a Charter for Commitment to impose compliance controls on suppliers throughout the value-chain. To do this it collaborates with the International Federation for Human Rights (FIDH). Along with FIDH it has established INFANS, a governing committee, which acts as a third party audit provider (ASR, 2009, p. 57). • As part of the Global Social Compliance Programme, a business unit of the Consumer Goods Forum (CGF) it monitors labor conditions in its plants. In 2009, 852 audits and corrective action plans were carried out.' It uses results to harmonize working regions (ASR, 2009, p. 57).
Governance	Strengthen law enforcement	It claims to contribute to combatting the illegal wood trade by working with the EC to implement FLEGT (Forest Law Enforcement on Governance and Trade) regulations (www.carefour.com, Responsible Sourcing).
	Improve transparency & corruption	It has membership/association with the United Nations Global Compact; it ascribes to the Compacts principles on anti-corruption (ASR, 2009, p. 56).
Community Support	Support social & cultural groups	<p>Community support initiatives include (ASR, 2009):</p> <ul style="list-style-type: none"> • Assisting employees to access franchising through bridging schemes such as a lease-management system. • In 2008, 7.4 million hours of employee training were given in nine training centers worldwide at an average of 15.9 hours per employee. Employee provision to obtain diplomas and vocational certificates through undertaking training.
Economic Development	Reduce resource consumption	It requires its suppliers to integrate water management practices. It targets water consumption per sq. meter of sales floor. Current figures indicate a 5 per cent reduction on 2008 levels (ASR 2009, p. 67).
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	It has undertaken advocacy campaigns to protect against dengue fever and the H1N1 flu virus in its Asian stores (ASR, p.60).

A.1 CARREFOUR

TABLE A.1.2: CARREFOUR - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<i>No relevant CSR activity in Emerging Markets</i>
	Reduce solid waste	It introduced waste sorting and recycling operations in Brazil in 2009 (Annual Sustainability Report, 2009, p.34).
	Improve sanitation	The Carrefour Foundation has financed sanitary audits carried out by the Foundation Alfort (www.carrefour.com/fic/home/).
Labor and Human Rights	Increase employment	<ul style="list-style-type: none"> • It offers preferential employment programs for people with disabilities in Romania, Turkey, Brazil, Colombia, and Malaysia. • In Brazil and Argentina it offers qualification-based training for young people from underprivileged homes (Annual Sustainability Report, 2009, p.59). • In China it supports the Young Bakers Program, providing bakery apprenticeships to orphans (aged 18 to 22). The program awards a diploma qualification and provides access to an industry based internship to improve employment outcomes. • In Argentina it supports the Open Hands Vocational Integration Program. It provides vocational training, advice to those looking for work, as well as guidance and funding for the creation of micro-enterprises (Foundation Carrefour).
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	Carrefour China claims to promote the direct purchase of fresh products, cutting out intermediaries to offer local producers better prices while lowering costs for Chinese consumers. In 2009, direct supplies represented 60% of Carrefour China's fruit and vegetable orders.
	Raise living standards	Carrefour China engages in long-term training partnerships in quality and modern farming production techniques. In 2009, more than 1,000 farmers representing 250 cooperatives from nine provinces took part in these training programs (ASR, p.62).
	Eradicate poverty	<i>No provision to ensure supply-chain policies protect jobs</i>
Health	Improve health services	<ul style="list-style-type: none"> • It ensures employees receive social coverage in all markets. Where a local institutional system doesn't provide these, it sets up health, welfare and pension schemes to replace or complement local schemes (ASR, p.60). • It supports child obesity prevention programs to promote good eating habits in Greece and Argentina (ASR, p.54).
	Control of leading diseases (e.g. Malaria, TB)	It has undertaken advocacy campaigns to protect against dengue fever and the H1N1 flu virus in its Asian stores (ASR, p.60).

Coles is an Australian supermarket chain owned by Wesfarmers. It currently holds the second-largest market share in Australia, behind Woolworths.

Coles CSR program commits to sustainable supply chain solutions of its own-brand products and adheres to ethical supply chain standards. These include meeting conditions of non-governmental interest groups beyond statutory compliance, such as the WWF and the Marine Stewardship Council (MSC). It also adopts WWF and MSC policy advice on contracting suppliers from sustainable fisheries and in procurement of timber and palm oil products.⁴

Coles utilizes third-party auditors to undertake assessments of its supply chain against varied sustainability and ethical criteria. It also recognizes a range of standards from other non-governmental organizations such as the RSPO.

Coles supports social and cultural groups in Australia with a fundraising based Community Program. It also funds an Indigenous Program to provide vocational training in rural communities and makes charity contributions to lead organizations that support indigenous educational outcomes.

Coles does not operate outside of Australia. However, it is commercially active in sourcing from a number of developing/emerging economies in Asia, the Americas, Africa and the Pacific region. Its CSR policy does not invest into development outcomes in Emerging Markets.

Coles' CSR framework imposes conditions on its suppliers, many of which are located in Emerging Markets. Such practices can place demands on operators who may have difficulty absorbing the costs of meeting the voluntary certification standards. However, the company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

4. Coles Seafood Sustainability, accessed at : <http://seafood.coles.com.au/Coles-Seafood-Sustainability.aspx>

A.2 COLES

TABLE A.2.1: COLES: INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	<p>It undertakes the following initiatives to manage climate change through its Energy Efficiency Program (Community and Sustainability Report, 2010, p. 16):</p> <ul style="list-style-type: none"> • It has installed anti-condensate heater controls to glass door freezer cases. • It has fitted 100 stores with automatically controlled lighting systems which reduce store lighting during non-trading hours. • It has commenced installing energy efficient lighting.
	Recycle manufacturing & consumer waste	<p>Its recycling initiatives include (CS&R, p.16-18):</p> <ul style="list-style-type: none"> • Collection of chicken fat and donut oil at 125 stores to recycle into low-grade lubricants and biofuels. • Participation in the National Packaging Covenant to reduce waste and promote product stewardship in packaging. • Requirement to meet packaging specifications for in-store initiatives such as Shelf Ready Packaging.
	Require sustainable supply chain solutions	<p>It sets out a commitment to use sustainable certified palm oil in own-brand products by 2015, initiatives to achieve this include (Coles Ethical Sourcing Online):</p> <ul style="list-style-type: none"> • Membership of the RSPO, with a commitment to sourcing all palm oil products from RSPO certified sources by 2015. This includes moving toward labeling palm oil where it is used in own brand products; developing its own brand cleaning and laundry product range with palm oil sourced from sustainable sources; removing palm oil from bakery products including Ginger Kisses and lamingtons and also from Coles Choc Top, Coles Sultanas and Coles Instant Noodles. <p>Other supply chain initiatives include:</p> <ul style="list-style-type: none"> • An association with the RSPCA to source free range pork produced under RSPCA certified farms. • A seafood sourcing policy based on advice from major conservation organizations such as WWF and the Marine Stewardship Council (MSC) (Coles Seafood Online). • A commitment to phasing out own brand cage eggs by 2013. It has reduced the price of own brand RSPCA certified free range eggs to incentivize the transition away from cage laid eggs (Animal Welfare Online). • Indigenous heritage product range. Each product sold contributes up to AUD 20c to assist Indigenous people through the Coles Indigenous food fund (Coles Indigenous Online). • Private label Fairtrade certified products (CS&R, p. 15). • Tuna range certified as Dolphin Safe under Earth Island Institute Certification (Ibid).
	Support animal welfare	<p>It works with its pork suppliers to phase out the use of sow stalls by 2014 (Coles Animal Welfare Online). It also sources and sells products which are certified under animal welfare criteria, for example RSPCA certified free range eggs (Coles Animal Welfare Online).</p>
	Reduce toxicity	<p>In 2010, it prohibited the use of BPA (Bisphenol A) in baby bottles in response to concerns over chemical destabilization (CS&R, p. 14).</p>
	Labor & Human Rights	Engage with organized labor
Encourage ethical supply chains		<p>Its Ethical Sourcing Policy requirements cover issues such as child labor, illegal labor, employee working hours, freedom of association and ethical standards. Policy activity requires suppliers of own-brand products to self-assess their level of compliance against the policy. A further 398 suppliers, which operate in non-OECD member countries, are in the process of being reviewed with a view to being certified to its Ethical policy (Ethical Sourcing Policy).</p>
Governance	Strengthen law enforcement	N/A
	Improve transparency & corruption	<p>It introduced uniform pricing for grocery products in 2010 to improve transparency and consistency of its product offering (CS&R, p.12).</p>
Community Support	Support social & cultural groups	<p>It operates several Indigenous support programs, these include (Coles Indigenous Program Online):</p> <ul style="list-style-type: none"> • Product offerings which raise money to support the Coles Indigenous Food Fund. • Provision of vocational certificates to Indigenous workers at remote Arnhem Land stores. • Charity contributions to lead organizations which support educational outcomes for Indigenous students. <p>It supports community programs, these include for example (Coles Community Program Online):</p> <ul style="list-style-type: none"> • A local community program to support local clubs i through fundraisers, raffles and community days. • Nelson Bay walk-a-thon to raise money for the NSW Cancer Council. • The Coles Care for Kids Appeal with the Royal Children's Hospital Foundation.

TABLE A.2.1: COLES: INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Economic Development	Reduce resource consumption	To reduce water consumption it has undertaken the following initiatives(C&SR, p.20): <ul style="list-style-type: none"> • Installation of low flow water devices • nstallation of 55,000 liter water tanks to establish a low maintenance gardens in facility surrounds • Toilet urinal conversion to allow low flush and low flow control devices to taps and showerheads.
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	It is a major sponsor of Coeliac Awareness Week 2010 to further awareness of coeliac disease and improve diagnosis (C&SR, p.13)

TABLE A.2.2: COLES - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<i>No relevant CSR activity in Emerging Markets</i>
	Reduce solid waste	<i>No relevant CSR activity in Emerging Markets</i>
	Improve sanitation	<i>No relevant CSR activity in Emerging Markets</i>
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	<i>No relevant CSR activity in Emerging Markets</i>
	Eradicate poverty	<i>No provision to ensure supply-chain policies protect jobs</i>
Health	Improve health services	<i>No relevant CSR activity in Emerging Markets</i>
	Control of leading diseases (e.g. Malaria, TB)	<i>No relevant CSR activity in Emerging Markets</i>

A.3 NESTLÉ

Nestlé is the world's largest food producer. It sources raw materials from all markets and its 6,000-plus food lines are available across the globe.

Nestlé has an active CSR policy. It prioritizes sustainability measures as well as governance and economic development. This includes efforts to manage climate change with energy efficiency programs and participation in industry conventions such as the Carbon Disclosure Project (CDP). It sponsors non-governmental research into recycling awareness and enacts environmental policy through 'Green' supply chain activities. It subscribes to the Consumer Goods Forum 'zero deforestation' target, which requires development of sustainability standards on select commodities along the supply chain. It also requires supply certification systems be met, such as Rainforest Alliance, Fairtrade, UTZ Certified, RSPO and FSC.

Nestlé reduces its consumption of water in line with SAI Platform agricultural frameworks, and is an active founding member to the CEO Water Mandate, an initiative to improve water reporting and management processes. Nestlé enlists a third party auditor to assess company and supplier performance against local laws and regulatory conventions.

Nestlé has operations in all major Emerging Markets. Its CSR policy reflects this penetration with investment sustainability measures. It supports pollution awareness programs, has invested in water filtration systems to

provide clean drinking water to local people in select emerging economies, and has upgraded sanitation facilities in community schools surrounding its factories. It supports the Global Water and Sanitation Initiative.

Nestlé supports increased employment in emerging economies. It has partnered with a development institute to provide farmers with market access for waste products such as cattle manure, leading to substantial jobs growth and supports vocational training and funds formal apprenticeships such as the Technical Skills Scholarship Programme (TSSP).

Nestlé's performance against ECSR principles is in general commendable, covering the full gamut of CSR activity. Nevertheless it has CSR policies which could potentially hinder economic development in Emerging Markets.

Nestlé's participation in a number of certification schemes such as the RSPO, Fairtrade and the International Cocoa Initiative impose conditions along the supply chain, which are effectively dictated by NGOs and interest groups, not international conventions or statutory obligations. This could impose unnecessary controls on supply providers which don't have the means to respond to Nestlé's sustainability standards. This is not countered by a policy that ensures that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

TABLE A.3.1: NESTLÉ: INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	Aims to reduce GHG emissions by improving energy efficiency and increasing the use of renewable energy. It does this in the following areas (Creating Shared Value, 2009, p.59-60): <ul style="list-style-type: none"> • Directly controlled operations. • Direct and in-direct supply-chain initiatives, through the Sustainable Agriculture Initiative Platform. • Energy efficient consumer products i.e. Nespresso. • Participation in the Carbon Disclosure Project (CDP) to measure and disclose GHG emissions and climate change strategies to the international community.
	Recycle manufacturing & consumer waste	It supports initiatives to recycle packaging and consumer waste, and to inform consumers through the use of labeling and recycling symbols. It also invests in consumer awareness programs. For example: <ul style="list-style-type: none"> • It sponsored a study with the WWF and the National University of Sciences & Technology to assess the environmental impact of used PET bottles in three major Pakistani cities (CSV, p.66).
	Require sustainable supply chain solutions	It is also involved with supply-chain verification and certification schemes, such as Fairtrade, FSC, UTZ Certified and Rainforest Alliance and is a member of the Roundtable on Sustainable Palm Oil (RSPO) and the Consumer Goods Forum (CGF). Initiatives include: <ul style="list-style-type: none"> • The Greening the Supply Chain (GSC) program in the Philippines, which requires businesses to develop environmental management systems (EMS) to improve supply chain sustainability (CSV, p. 60); • Consumer Goods Forum (CGF) commitment to achieve zero deforestation rates by 2020 (CGF Press Release).The Sustainable Agriculture Initiative of the Food Industry (SAI-Platform) co-founded with DANONE and Unilever encourages the use of sustainable agricultural practices along their supply chain through six working groups (cereals, coffee, dairy, fruit, potatoes and vegetables, and water and agriculture) (CSV, p.72)
	Support animal welfare	The Nestlé Purina's Pets for People initiative supports animal welfare organizations. In 2009, Nestlé Purina provided \$US15 million in donations to organizations. Nestlé Purina provides care and adoption for more than 1.5 million pets annually (www.nestlepurina.com).
	Reduce toxicity	N/A
Labor & Human Rights	Engage with organized labor	It has partnerships with unions and organized labor associations, including: <ul style="list-style-type: none"> • International Cocoa Initiative, which identifies best labor practices using assistance from the cocoa industry, NGOs and trade unions, to eliminate child labor in cocoa growing areas (CSV, p.15). • Guidelines for Colombia process, an adaptation of the Voluntary Principles on Security and Human Rights, which involves companies, NGOs, trade unions and government (CSV, p.84).
	Encourage ethical supply chains	<ul style="list-style-type: none"> • Its Supplier Code aims to implement ethical supply chain practices. Introduced in 2008, it has been communicated to 165,497 suppliers. All suppliers are screened through its internal risk assessment to identify suppliers with a high-risk potential against criteria (CSV, p. 71). • Manufacturing sites require certification against ISO 14001 and OHSAS 18001 standards (CSV, p.51)
Governance	Strengthen law enforcement	Its policy is to abide by national laws in all countries in which it has operations and to comply with the Fundamental Conventions of the International Labor Organization (ILO) (CSV, p.84). Compliance with local laws is assessed by an independent audit program CARE (compliance Assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity), which covers the areas of human resources, safety and health, business integrity and environment. More than 950 assessment audits have been undertaken since 2005, with 435 audits taken place in 2009 (CSV, 2009, p.85).
	Improve transparency & corruption	Nestlé's Corporate Business Principles incorporate the UN Global Compact (UNGC) Principles on Anti-Corruption. These principles are supplemented through business activity under the CARE compliance program (CSV, p.17). Reports on the total number of business units analyzed for risks related to corruption (CSV, p.101)
Community Support	Support social & cultural groups	It has implemented an initiative to accelerate gender balance. The objective is to guarantee that it provides an environment, culture and leadership conducive to achieve a balanced gender mix and to optimize the talents of both men and women (CSV, p.62).

A.3 NESTLÉ

TABLE A.3.1: NESTLÉ: INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Economic Development	Reduce resource consumption	<ul style="list-style-type: none"> • It identifies and implements projects to reduce its use of water, non-renewable energy and other key natural resources. • It works under the framework of the Sustainable Agriculture Initiative (SAI), a food industry-led group, to promote and develop sustainable agriculture and resource consumption (CSV, p.57). • It is the founding signatory of the CEO Water Mandate, an initiative led by the United Nations Global Compact. It aims to improve and reporting and management process to develop water management solutions. • It has assisted in promoting water to the WEF agenda and is a member of the Water Footprint Network. • It aims to be the most efficient water user among food manufacturers. In 2009, the company withdrew 143 million m³ of water – a decrease of more than 3.2% compared to 2008 (CSV, 2009, p.55).
Health	Improve access to medicines	Over 95% of its factories either have workplace wellness programs in place or are under development. Nearly all (96%) provide preventive medicine programs, for example vaccinations, blood glucose and lipid profiles (CSV, p.89).
	Control of disease (HIV/AIDS)	<p>It supports awareness raising activity of HIV/AIDS and other diseases, for example:</p> <ul style="list-style-type: none"> • Nestlé South Africa introduced free anti-retrovirals for all HIV+ employees in early 2004. • The Sustainable Tree Crops Program provides West African farmers with HIV/AIDS and Malaria prevention information.

TABLE A.3.2: NESTLÉ - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<p>It improves air and water pollution in local communities where it operates, these include:</p> <ul style="list-style-type: none"> • The installation of 113 clean drinking water fountains in schools close to the Bilaspur Village, India factory and provision of community awareness education on pollution reduction schemes (Nestlé Rural Development Report, 2010, p.30). • A water filtration plant at its Kabirwala factory in Pakistan which provides clean drinking water to 5000 people in the local community (p.72) • Support for the Global Water and Sanitation Initiative (GWSSI) of the International Federation of Red Cross and Red Crescent Societies (IFRC) (p.72) • It works with the Swiss Development Agency and a consortium of Swiss companies in Colombia to assess their water footprints.
	Reduce solid waste	The Cagayan de Oro Nescafé factory in the Philippines has a solid waste management program. As a result waste segregation, recycling and composting practices are implemented in the company's factories and offices (SR, p 32; Nestlé Online MDG 7). It also trains farmers in Kelantan, Malaysia on waste management techniques.
	Improve sanitation	<p>It improves community sanitation facilities where its factories operate. Examples initiatives includes:</p> <ul style="list-style-type: none"> • In Sri Lanka, it has upgraded sanitation facilities in schools surrounding the Kurunegala factory (SR, p.30). • In girls' schools surrounding villages near its Moga factory in India it has improved the sanitation facilities (Ibid). • In 2010, it and the International Federation of the Red Cross (IFRC) signed a new global three-year partnership worth CHF 2.25 million with a key focus on sanitation initiatives (SR, p.57). • It supports the SuizAgua project, in conjunction with the Swiss Development Agency and a consortium of Swiss companies, to design and improve sanitation and environmental education in Colombia (Ibid).
Labor and Human Rights	Increase employment	<p>It supports employment opportunities. Initiatives include:</p> <ul style="list-style-type: none"> • Commitments to strengthen local educational systems where it builds factories (SR, p.22). • In Indonesia it operates two biogas projects in a three-year partnership with the Humanist Institute for Development Cooperation (HIVOS) to help dairy cooperatives gain access to biogas units to convert methane from their cattle's manure into useable energy. This has facilitated the employment of an estimated 8300 people (CSV, p.29).

TABLE A.3.2: NESTLÉ - EMERGING MARKET ECONOMY CSR (ECSR) (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<p>It has no policy in place to ensure supply-chain policies do not disadvantage local producers. However other development initiatives include:</p> <ul style="list-style-type: none"> • Assistance to local farmers in Côte d'Ivoire to increase output, improve product quality and reduce their environmental impacts. It has established plant research facilities, where higher yielding, disease-resistant varieties are developed. It also runs field trials and employs a large number of agronomists who provide training and consultation on farming practices (CSV, p.9). • Assistance to farmers to produce and sell higher-value products than they previously grew. In Yunnan Province, China, it introduced the opportunity for farmers to produce coffee in an area with no previous history of coffee-growing (CSV, p.25).
	Raise living standards	<ul style="list-style-type: none"> • It provides training programs for its employees in Emerging Markets, ranging from literacy and numeracy skills, to vocational trade training and formal apprenticeships. For example in the Philippines it supports the Technical Skills Scholarship Programme (TSSP) (Nestlé MDG 8 Online). • Support for the Village Women Dairy Development Program in Punjab, India, which advises female dairy farmers on efficient water usage and other agricultural practices (CSV, p.74).
	Eradicate poverty	The Rural Poverty Reduction Through Livestock Development Project launched in March 2009, and co-funded by Nestlé Pakistan and the Swiss Agency for Development and Cooperation (SDC), offers dairy farmers training, technical assistance and veterinary services, and links with local businesses (CSV Rural Development Report, 2010, p.43).
Health	Improve health services	<p>It improves health services in local communities, examples of activity include:</p> <ul style="list-style-type: none"> • The Centro Comunitario Nestlé, in alliance with the Fondo Para Niños de México, to offer complimentary health services to more than 1000 children of local farmers (CSV RD, p.49). • Health and Nutrition Program in association with The Union of Farmers' Organization from Quinde County (UOCAQ) in the north-west of Ecuador. The objective is to make rural cocoa communities aware of health risks and provide guidance on how to eat in a balanced way (CSV RD, p.60). • Contributions to improve health in rural areas through its Popularly Positioned Product (PPP) program, by providing affordable sources of essential nutrients, which are not readily available in local foods. Examples include fortifying Maggi cubes with iodine in Central and West Africa, where good sources are not always available (RDR, P.21).
	Control of leading diseases (e.g. Malaria, TB)	<p>It supports awareness raising activity of HIV/AIDS and other diseases, for example (CSV, p.27):</p> <ul style="list-style-type: none"> • Nestlé South Africa introduced free anti-retrovirals for all HIV+ employees in early 2004. • The Sustainable Tree Crops Program provides West African farmers with HIV/AIDS and Malaria prevention information.

A.4 PROCTER AND GAMBLE (P&G)

Procter and Gamble (P&G) is ranked by Forbes as the world's 35th largest company. It is a manufacturer of consumer goods, predominantly health and household goods.

P&G's CSR Activity/Policy has allocated significant resources to environmental protection and sustainability along the supply chain. It has incorporated NGO frameworks into its policies.

It subscribes to the Consumer Goods Forum (CGF) 'zero deforestation' target, which requires development of sustainability standards on select commodities along the supply chain. It operates complementary programs to the CGF commitment. In association with the WWF it initiated a Global Partnership to promote 'sustainable production' of product and manufacturing inputs and 'sustainable consumption' in the community.⁵ The partnership focuses on energy and water conservation in P&G facilities and on sourcing of materials based on environment certification standards, including RSPO and FSC.

P&G invests in control of disease through an extensive HIV/AIDS policy. It assists employees with HIV/AIDS with access to medication and implements prevention strategies such as awareness training, counseling and testing services.

P&G's CSR framework is active in emerging economies and encompasses select priorities such as improving air and water pollution, as reflected in its Children's Safe Drinking Water (CSDW) Program; improving health standards by establishing vision clinics in China; and, activities to raise living standards such as its Seeds of Passion Program in Poland.

On balance P&G investment into CSR certification schemes which are generally dominated by Western market interests overlook the development needs of emerging/developing countries. The company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

5. Procter & Gamble, Sustainability Report 2010 Summary, accessed at: http://www.pg.com/en_US/downloads/sustainability/reports/PG_2010_Sustainability_Overview.pdf.

TABLE A.4.1: P&G - INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	It is committed to deliver a 20 per cent reduction (per unit of production) in CO2 emissions and energy consumption in line with its 2012 sustainability goals, activities include: <ul style="list-style-type: none"> • Implement energy efficiency measures throughout its facilities. • Transition fuel sources towards cleaner alternatives. • Utilize energy-efficient modes of transporting finished products to end customers. • Publicly disclose greenhouse gas and energy usage data through its Company Sustainability Report and the Carbon Disclosure Project (CDP). (Sustainability Report, 2010, p.36)
	Recycle manufacturing & consumer waste	It is committed to deliver a 20 per cent reduction (per unit of production) in disposed waste from its plants in line with 2012 sustainability goals: <ul style="list-style-type: none"> • Work toward having all waste ends up in a valued waste stream i.e. recycling, composting or waste-to-energy. • Use 100 per cent renewable or recycled materials for all products and packaging. • Design products that conserve resources using a Life Cycle Assessment (LCA) approach (SR, 2010, p.74).
	Require sustainable supply chain solutions	It requires suppliers to meet 'sustainable' supply-chain conditions, these include: <ul style="list-style-type: none"> • Ensuring that the safety of forestry and manufacturing operations for employees and the environment. • Documenting that wood is legally harvested and that other legal requirements are met. This includes giving preference to sourcing FSC certified products. • Ensuring that suppliers practice principles of sustainable forest management in relation to sourcing of wood, as verified by forest and chain-of-custody certification schemes such as FSC. • Ensure palm oil is sourced from certified suppliers under RSPO standards (SR, p. 66, 29). • Track toward the Consumer Goods Forum (CGF) commitment to zero deforestation rates by 2020 by enlisting sustainability standards on supply providers (CGF Press Release, 2010).
	Support animal welfare	It replaces animal testing with computer models, synthetic materials and published scientific studies where possible. It has invested more than US\$270 million in developing and adapting alternative product testing methods. (SR, 2010, p.26)
	Reduce toxicity	<ul style="list-style-type: none"> • It has a long-term operational goal to reduce toxic emissions to zero. It reports annually on the release of toxic chemicals to the air, water, and land. • It aims to continue to remove all Polyvinyl Chloride (PVC) from packaging materials (SR, p. 39, 22, 74)
Labor & Human Rights	Engage with organized labor	N/A
	Encourage ethical supply chains	It operates Sustainability Guidelines for Supplier Relations such as complying with all applicable laws, prohibiting commercial bribery and advocating for universal human rights. Prospective suppliers are measured against these criteria and periodic performance audits are undertaken to measure compliance (SR, p.69).
Governance	Strengthen law enforcement	It claims to meet or exceed the requirements of all environmental laws and regulations and to use environmentally sound practices even when in the absence of governmental standards (SR, p.24).It operates an internal code of conduct. This code applies to all directors, officers, and employees and is designed to help ensure business integrity with all applicable laws and Company policies (SR, p.15).
	Improve transparency & corruption	Commercial bribery is prohibited under its Sustainability Guidelines for Supplier Relations (SR, Supplier Relations Policy).
Community Support	Support social & cultural groups	It supports community investment, including sustainability fairs, bike-to-work events and community service days (SR, p.51).

A.4 PROCTER AND GAMBLE (P&G)

TABLE A.4.1: P&G - INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Economic Development	Reduce resource consumption	<ul style="list-style-type: none"> • In association with WWF it has initiated a Global Partnership to promote 'sustainable production' of product and manufacturing inputs and 'sustainable consumption' in the community. The partnership focuses on energy and water conservation in its facilities and on sourcing of materials based on third party environmental certification standards (SR 2010, p.29). • Its approach to improve water management processes include for example awareness raising efforts of water-related issues with its consumers, stakeholders, and business partners with the aim of sustainable water use (SR, p.38).
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	<p>Its HIV/AIDS policy includes (SR, p.61):</p> <ul style="list-style-type: none"> • Promoting employee and family awareness and prevention programs. • Offering medical plans that assist employees with HIV/AIDS to get life-prolonging medication. • Establishing baseline measurements, such as for knowledge, attitude, perception, and disease prevalence. • Conduct risk analysis and impact assessments to consider issues such as impacts on customers, suppliers, and health care facilities. • Implement prevention strategies, such as awareness training, voluntary counseling, and testing for HIV/AIDS and sexually transmitted disease (SR, p.60). • P&G partners with UNICEF to help eliminate maternal & neonatal tetanus (MNT) (SR, p.43)

TABLE A.4.2: P&G - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	Its Children's Safe Drinking Water (CSDW) Program supports communities in Emerging Markets by distributing PUR packets, a water purifying technology it developed in association with the U.S. Centers for Disease Control and Prevention (CDC). Through this method it aims to provide 2 billion liters of clean drinking water every year by 2020, it is estimated to support 10,000 lives and prevent 80 million days of diarrheal illness on an annual basis (P&G Sustainability Online).
	Reduce solid waste	Its 2020 Environmental Sustainability Target intends to pilot studies in Emerging Markets to understand how to eliminate landfilled/dumped consumer soil waste (SR, p.73)
	Improve sanitation	It operates hand washing education programs for children and helps to build hand washing facilities in schools in emerging regions where diarrhea disease and repertory illness are common (SR, p.44).
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	Its Seeds of Passion Program targets on children from economically and socially unprivileged areas of Targówek, Poland. It provides opportunities for them to develop their skills to have a stronger start in adult life. The program reaches 650 children per year. Annually, more than 600 hours of educational activities and workshops are led by its volunteers and partner organizations. The program is being expanded to reach 50,000 children over the next two years throughout Poland (P&G Sustainability Online).
	Eradicate poverty	<i>No relevant provision to ensure supply-chain policies protect jobs</i>

TABLE A.4.2: P&G - EMERGING MARKET ECONOMY CSR (ECSR) (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Health	Improve health services	<ul style="list-style-type: none"> • It has partnered with vision care leader Luxxotica to help children at Our Hope School in Anhui Province, China to create the community's first vision clinic. Students and community members underwent comprehensive vision screenings and were outfitted with free eyeglasses (SR, p.43). • The Manchay Vive program was created to reduce infantile morbidity in Manchay, Peru. It offered preventive activities intended to generate a culture of health (P&G Sustainability Online).
	Control of leading diseases (e.g. Malaria, TB)	<p>Its HIV/AIDS policy includes (SR, p.61):</p> <ul style="list-style-type: none"> • Promoting employee and family awareness and prevention programs. • Offering medical plans that assist employees with HIV/AIDS to get life-prolonging medication. • Establishing baseline measurements, such as for knowledge, attitude, perception, and disease prevalence. • Conducting risk analysis and impact assessments, considering issues such as impacts on customers, suppliers, and health care facilities. • Implementing prevention strategies, such as awareness training, voluntary counseling, and testing for HIV/AIDS and sexually transmitted disease (SR, p.60). • It partners with UNICEF to help eliminate maternal & neonatal tetanus (MNT) (SR, p.43).

A.5 STAPLES

Staples claims to be the world's largest office-supply chain store, with retail stores operating in more than 26 countries.⁶ More than half of the company's sales are in North America.

Staples CSR policy includes provisions on climate change, recycling and procurement standards, as well as community support and governance measures. To address climate change it is an active member of the Carbon Disclosure Project (CDP). For recycling it requires vendors to certify their facilities to the ISO 14001 environmental management standard, it operates an extensive ink recycling program and commits its North American Copy and Print stores to use 50 per cent FSC Certified post-consumer recycled paper.

In association with the Dogwood Alliance it is a co-founder of the Carbon Canopy, a multi-stakeholder initiative with conservation groups to increase efforts to certify forest management practices to the FSC standard. In 2009 Staples developed a sourcing policy that requires it to preference FSC-certified paper.

The Staples Foundation for Learning support's NGOs that provide educational and job skills programs for underprivileged community groups. For governance

it provides anti-corruption training to employees and has accorded additional responsibility to its global finance directors to serve as anti-corruption liaisons in operating regions.

As an office supplier of paper and stationery, its main suppliers are located in Southeast Asia and South America. It does not operate any relevant CSR activity in these Emerging Markets. In particular it has no relevant provision to ensure supply-chain policies do not disadvantage local producers or to ensure supply-chain policies protect jobs.

As a paper supplier its procurement policy, as is evidenced in its CSR, is particularly relevant to the development of industry in its main sourcing regions, Southeast Asia and South America. Implementing FSC certification imposes a significant cost burden on small forestry operations without delivering a price premium for suppliers. However, the company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

6. See: http://www.staples.com/sbd/cre/marketing/about_us/index.html

TABLE A.5.1: STAPLES INC - INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	<p>Its GHG reduction target is 7% in North America by the end of 2010 on 2001 levels. Initiatives used to achieve this include:</p> <ul style="list-style-type: none"> • Requiring its retail stores to qualify for the ENERGY STAR standard. • Active membership to the Carbon Disclosure Project (CDP). • Support for logistics optimization through improved distribution planning and use of technology such as electronically limiting its fleet to 60 miles per hour. • Purchasing renewable energy certificates (RECs) and invests in solar renewable technologies (Staples Soul Online).
	Recycle manufacturing & consumer waste	<p>Its recycling activity includes (Staples Soul Online):</p> <ul style="list-style-type: none"> • Collection and recycle of 55 million ink cartridges annually in North America. • Investment in environmentally efficient facilities in North America. • Use of FSC certified post-consumer 50 per cent recycled paper in all North American Staples Copy and Print shops. • Work with recycling vendors that are pursuing or have earned certification to either the EPA Responsible Recycling standard or the E-Stewards Recyclers Program. • Require vendors to certify their facilities to the ISO 14001 environmental management standard.
	Require sustainable supply chain solutions	<p>Its Sustainable Paper Procurement Policy includes the following directives (Staples Soul Report 2009; Sustainable Paper Procurement Policy):</p> <ul style="list-style-type: none"> • It gives preference to paper products certified to the FSC standard. Where this is not possible due to market conditions it will pursue other standards including PEFC, SFI or SFM. • In association with the Dogwood Alliance it has co-founded the Carbon Canopy. It is a multi-stakeholder initiative with conservation groups, wood products companies and landowners to protect forests, combat climate change and assist in the delivery of sources of FSC certified paper and wood products. It aims to increase efforts to certify forest management practices to the FSC standard (Staples Soul Online). • In 2009 it signed a sourcing agreement with Rainforest Alliance to assist it with establishing timber purchasing policies and implementing a sourcing program in line with FSC supply conditions (Staples Investor Online). • It offers FSC certified paper products. This offering supports its public announcement in 2008 that it intends to move the majority of its paper products to FSC certified paper by the end of 2010. In 2007 it committed to changing all standard paper offering for black and white high speed copy jobs in all retail stores to FSC certified printing paper. • It sells paper products if deemed non-controversial by national and international organizations such as the UNEP, FAO, WWF, ICUN and Rainforest Alliance. <p>As part of its Ethical Sourcing Policy it undertakes the following initiatives:</p> <ul style="list-style-type: none"> • In 2010 it announced a new supplier strategy named Race to the Top. It requires suppliers to compete in terms of product quality, cost and features, and to find solutions to product manufacturing, packaging and distribution to reduce environmental impacts (Staples Investor Online). • In Australia it operates the EarthSaver product category. Such products must meet one or more criteria on recycled content, end-of-life management, low ecological footprint, sustainable sourcing or energy conservation. • In North America it operates the EcoEasy product category. These products certify that they meet specific environmental criteria such as recycled content and third-party certifications (Staples Soul Online).
	Support animal welfare	N/A
	Reduce toxicity	Staples e-waste aims to reduce toxic components in land and water. It also purchases non-toxic renewable materials where possible (Staples Soul Online).
Labor & Human Rights	Engage with organized labor	N/A
	Encourage ethical supply chains	N/A

A.5 STAPLES

TABLE A.5.1: STAPLES INC - INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Governance	Strengthen law enforcement	Its Supplier Code of Conduct requires suppliers of own-brand products to adhere to all applicable environmental laws, as well as health, safety and labor standards. Factories are audited for compliance against the Code's criteria (Staples Supplier Code).
	Improve transparency & corruption	<ul style="list-style-type: none"> • It provides anti-corruption training to its global finance directors and has given them additional responsibility to serve as anti-corruption liaisons in operating regions (Staples Annual Report 2009) • It provides online training or instructor led workshops for junior associates who work in or travel to regions with high corruption
Community Support	Support social & cultural groups	<p>It operates the Staples Foundation for Learning. Its mission is to support NGOs that provide educational and job skills programs for all people, activity includes:</p> <ul style="list-style-type: none"> • \$US 640, 000 in grants to support youth development programs in North America (2010). • Donation of \$US1.5 million to NGOs that its employees are involved with (Staples Soul Online, 2009).
Economic Development	Reduce resource consumption	N/A
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	It provides employees with comprehensive disease management programs (Staples Soul Online).

TABLE A.5.2: STAPLES - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<i>No relevant CSR activity in Emerging Markets</i>
	Reduce solid waste	<i>No relevant CSR activity in Emerging Markets</i>
	Improve sanitation	<i>No relevant CSR activity in Emerging Markets</i>
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	<i>No relevant CSR activity in Emerging Markets</i>
	Eradicate poverty	<i>No relevant provision to ensure supply-chain policies protect jobs</i>
Health	Improve health services	<i>No relevant CSR activity in Emerging Markets</i>
	Control of leading diseases (e.g. Malaria, TB)	<i>No relevant CSR activity in Emerging Markets</i>

Tesco is a UK-based grocery and general merchandise retailer. It is the world's third-largest retailer by revenue. Its retail operations are predominantly in developed economies, with further stores in China, Malaysia and Thailand. Tesco sources from more than 40 countries across Asia and Africa. More than 90 per cent of its sales are in the UK and European Union.

Tesco prioritizes the full scope of CSR measures. For example, it is the founding member of the Ethical Trading Initiative (ETI), which requires supplies to meet working, labor, and employment standards. Compliance is independently audited against ETI criteria. Tesco gives preference to suppliers that comply with ETI standards.

Tesco also preferences suppliers who use Fairtrade cotton, cocoa and coffee, RSPO certified palm oil, FSC paper and sustainably sourced fish products. It subscribes the Consumer Goods Forum 'zero deforestation' target,

which outlines development of actions to 'help achieve' zero deforestation through procurement policies for select commodities.

To improve transparency standards it is active in ethical trade forums such as the Global Social Compliance Program (GSCP), the Supplier Ethical Data Exchange (SEDEX) and the MFA Forum.

Tesco does not have any relevant CSR activity/policy in Emerging Markets where it operates grocery and general merchandise stores as well as sources large product quantities. Tesco has undertaken joint activity with Chatham House and the UK Department for International Development to assess the effectiveness of retailer supply chains in reducing poverty. However, the company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

A.6 TESCO

TABLE A.6.1: TESCO - INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	<p>It has set targets to reduce GHG emissions during the heating, cooling and lighting of its stores and during transportation of its products, these include:</p> <ul style="list-style-type: none"> • By 2012 it aims to halve distribution emissions of each case of goods delivered, against a baseline of 2006. • New stores built between 2007 and 2020 will emit half the CO2 of a 2006 new store. • By 2050 it aims to become a zero-carbon business. • By 2020 it aims to reduce emissions of the products in its supply chain by 30%. <p>To achieve these targets it is undertaking numerous programs, these include for example:</p> <ul style="list-style-type: none"> • Education programs on climate change for 12,000 children in Turkey. • A commitment to increase the number of products with a carbon emissions labels to 500, and invest in customer awareness marketing of the label in the UK. • Establishing carbon neutral demonstration stores to illustrate the potential for further investment. • Adhering to the Consumer Goods Forum (CGF) Sustainable Consumption Institute Report principles (Corporate Responsibility Report, 2010, p.8-10)
	Recycle manufacturing & consumer waste	<p>Targets for waste management, these include (CRR, p. 21):</p> <ul style="list-style-type: none"> • 100 per cent diversion of waste from landfill to a combination of reducing, reusing and recycling waste materials. • Adhering to The Global Packaging Project industry-wide standards on packaging sustainability in association with the Consumer Goods Forum (CGF). • Provision of recycling facilities to customers in select stores.
	Require sustainable supply chain solutions	<ul style="list-style-type: none"> • It administers a rating scale for suppliers based on 'ethical performance'. Admission to its A-List provides suppliers with preferential avenues to plan business demands and pay scales over the long-term (CSR, p.33). • It requires suppliers to procure and produce from products labeled as certified under ethical criteria. This includes FSC or PEFC certified timber products where the market cannot meet FSC requirements; Fair Trade cotton, cocoa and coffee; RSPO certified palm oil products; and, responsibly sourced fish products (CSRR, p.34). • It is tracking toward the Consumer Goods Forum (CGF) commitment to zero deforestation rates by 2020 by enlisting sustainability standards on supply providers (CGF Press Release, 2010).
	Support animal welfare	<p>It undertakes various initiatives in support of animal welfare:</p> <ul style="list-style-type: none"> • It requires farms to meet livestock standards and codes of practice that are above minimum industry standards. Activity under the code includes independent audits by Integra FoodSecure to assess compliance. • Consumer product labeling is used to certify products in support of animal welfare. These include, such as Freedom Food, Willow Farm and Red Tractor Food Standards. • It prohibits animal testing on cosmetic products and prohibits the use of sow stalls in intensely farmed chickens (CSR, p.35; www.tescofarming.com).
	Reduce toxicity	N/A
Labor & Human Rights	Engage with organized labor	<p>It has taken preventative measures to minimize the use of short term agency labor in its supply chain. It works with the Gangmasters Licensing Authority (GLA) to develop standards on how to minimize the use of agency labor. It ran a series of 13 workshops to UK suppliers to educate them on preventative measures (CSR, p32).</p>
	Encourage ethical supply chains	<ul style="list-style-type: none"> • It is a founding member of the Ethical Trading Initiative (ETI); it requires all suppliers to meet the standards as set out in the ETI Base Code. The ETI includes an independent audit program to evaluate supplier compliance against ETI criteria, these include for example: Child labor prohibition; fair working hours; assurance of regular employment; and payments sufficient to meet living expenses (CRR, p.31-32). • It operates a whistle-blowing program for employees to raise ethical issues confidentially. The Group Audit Committee undertakes investigations and annual reviews of the programs performance (CSR, p.49).

TABLE A.6.1: TESCO - INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Governance	Strengthen law enforcement	N/A
	Improve transparency & corruption	It uses the ETI to conduct transparency audits to ensure suitable labor conditions and levels of business integrity are being met. It is an active participant on transparency issues in ethical trade forums such as the Global Social Compliance Program (GSCP), the Supplier Ethical Data Exchange (SEDEX) and the MFA Forum in Bangladesh (CSRR, p.34).
Community Support	Support social & cultural groups	It funds a Diversity Council to support social and cultural groups in the company. Its Lesbian, Gay Bisexual and Transgender (LGBT) Community Group organizes events, provides a mentoring service and acts as a network between LGBT employees (CSR, p.48).
Economic Development	Reduce resource consumption	<ul style="list-style-type: none"> In 2007 it committed £25 million to create a Sustainable Consumption Institute (SCI) at the University of Manchester, England. The SCI works with the CGF to research fundamental questions about how to promote sustainable consumption (CSR, p.14) In 2010, it commissioned Environmental Resource Management (ERM) to measure its direct and indirect water footprint. Outcomes from the report will factor into its water strategy to be released in 2011 (CSR, p.16).
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	To assist with heart disease prevention it has removed 2500 tons of saturated fat from products since 2005 (CSR, p.41).

TABLE A.6.2: TESCO - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<i>No relevant CSR activity in Emerging Markets</i>
	Reduce solid waste	<i>No relevant CSR activity in Emerging Markets</i>
	Improve sanitation	<i>No relevant CSR activity in Emerging Markets</i>
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	<i>No relevant CSR activity in Emerging Markets</i>
	Eradicate poverty	There is no policy that makes explicit reference to eradicating poverty. However, in 2009, in partnership with the UK Department of International Development and Chatham House, it began a program to study how effective retailer supply chains are in reducing poverty, increasing opportunity and helping to meet the Millennium Development Goals (Tesco CSR Report, 2010, p.32).
Health	Improve health services	<i>No relevant CSR activity in Emerging Markets</i>
	Control of leading diseases (e.g. Malaria, TB)	<i>No relevant CSR activity in Emerging Markets</i>

A7. UNILEVER

Unilever is considered one of the world's top-five FMCG (fast moving consumer goods) companies. The company is based in both the United Kingdom and the Netherlands.

Unilever's CSR framework encompasses the majority of activity/policy relevant to industrialized markets. It has, for example, established the 'Unilever-Greenpeace Sustainable Palm Oil Coalition.' The coalition commits Unilever to source 100 per cent certified palm oil by 2015⁷ and a further commitment to source only certified raw agricultural materials by 2020.⁸

Unilever's sustainability policies preference FSC-certified paper and packaging, Rainforest Alliance certified tea products and Roundtable on Sustainable Soy certification.⁹ It subscribes to the Consumer Goods Forum 'zero deforestation' target, which outlines development of actions to 'help achieve' zero deforestation through procurement policies for select commodities.

Unilever supports reducing resource consumption as co-founder of the Water Footprint Network (WFN) with WBSCD, WWF, UNESCO and others. It has made a commitment double the proportion of its portfolio that meets nutritional standards, based on globally recognized dietary guidelines.

In Emerging Markets Unilever complies with multiple ECSR priority areas. For example, by 2020 it has committed to bring safe drinking water to 500 million people in developing economies. It also works with research institutes to improve water resource management and conservation in South Africa. It operates substantial jobs growth activities to boost livelihoods in rural emerging economy regions. Still, Unilever lacks any explicit policy to further economic growth and raise living standards and improve service delivery.

More than 50 per cent of Unilever's turnover came from Emerging Markets in 2010. However, its CSR policies could potentially restrict development in these markets. Unilever has been subject to considerable pressure from NGOs based in Western countries – particularly Greenpeace – to adopt normative policies that reflect the sustainability orthodoxy in those countries. These policies are often at odds with the development needs of emerging and developing economies. The company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

7. Unilever RSPO summary, accessed at: <http://www.unilever.com/sustainability/environment/agriculture/palmoil/rsपो/index.aspx>.

8. Unilever SLP (2010), p.7, accessed at: http://www.unilever.com/images/UnileverSustainableLivingPlan_tcm13-239379.pdf

9. Unilever Sustainable Paper & Board Packaging Sourcing Policy, accessed at: http://www.unilever.com/images/sd_paper%20-policy-FAQ_tcm13-222239.pdf

TABLE A.7.1: UNILEVER - INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	It has committed to halve greenhouse gases across its product range lifecycle by 2020. GHG reduction initiatives include (Sustainable Living Plan, 2020, p.13): <ul style="list-style-type: none"> • Encourage market awareness on sustainable laundry process • Double the use of renewable energy to 20% by 2020 • New factories to emit half GHG than the impact of current ones. • Reduce GHG from global logistics by 2020 at or below 2010 levels.
	Recycle manufacturing & consumer waste	<ul style="list-style-type: none"> • It works in partnership with industry, governments and NGOs to increase recycling and recovery rates on average by 5% by 2015, and by 15% by 2020 • It improves consumer ease of recycling products at end of life • It increases use of recycled material in product packaging by 2020. (SLP, 2010, p.17).
	Require sustainable supply chain solutions	<ul style="list-style-type: none"> • It co-chairs the Consumer Goods Forum (CGF) and is tracking toward the Consumer Goods Forum (CGF) commitment to zero deforestation rates by 2020 by enlisting sustainability standards on supply providers (CGF Press Release, 2010). • It is a Founding member of the RSPO. • Source 100 per cent of raw agricultural products 'sustainably' by 2020 (SR, p.7). • It supported a moratorium on deforestation for oil palm in Southeast Asia (2008). • It has formed a Sustainable Palm Oil Coalition with Greenpeace. • Continues its membership with the Forest Footprint Disclosure Programme, an initiative to assist suppliers with sustainable sourcing (Sustainable Development Overview, 2009, p.23). • It gives preference to FSC certified forest products and recognizes the FSC certification scheme as the most comprehensive Forest Management Certification Scheme globally (Unilever Sustainable Paper & Board Packaging Sourcing Policy). • Formed a sustainable soy-bean initiative in Indonesia 2000 (SDO, 2009, p.32). • It has committed to Fairtrade certification and supply standards for its Ben & Jerry's Ice-Cream range (SDO, p.9). • Source all tea for Lipton and PG Tips tea bags in Western Europe from Rainforest Alliance Certified (ibid).
	Support animal welfare	It has developed a 'Sustainable Agriculture Code.' It covers 11 indicators, including animal welfare. Major initiatives include cage-free eggs and long-term sustainable sourcing goals to purchase all animal-derived ingredients from certified suppliers (SDO, 2009, p.20).
	Reduce toxicity	It is in process of developing plans to source chemical materials sustainably (SLP, p.19).
	Labor & Human Rights	Engage with organized labor
Encourage ethical supply chains		Supports a small-holder farm initiative in association with Oxfam to link 500,000 small-holder farmers into its supply chain through 'improved agricultural processes.' (SLP, 2010, p.32).
Governance	Strengthen law enforcement	N/A
	Improve transparency & corruption	<ul style="list-style-type: none"> • Its Code of Business Principles includes anti-corruption principles and company guidelines on transparency (Code of Business Principles, 2010, p.2). • It is a signatory to the UN Global Compact which includes principles on anti-corruption in business operations (SDO, 2010, p. 7).
Community Support	Support social & cultural groups	Community investment and partnership programs include: <ul style="list-style-type: none"> • Novella Partnership, a program founded in 2002 with the World Agroforestry Centre (ICRAF) and the World Conservation Group (WCG) to support 'sustainable enterprise and forestry' for local community groups in Ghana, Tanzania and Nigeria. The program assists communities with Allanblackia production.
Economic Development	Reduce resource consumption	<ul style="list-style-type: none"> • Halve the water associated with the consumer use of its products by 2020. • Use of supply chain and production standards (as noted above) to prevent degradation of natural resources. (SLP, 2010, p. 7). • Co-founded of the Water Footprint Network (WFN) with WBSCD, WWF, UNESCO and others to assist in measuring water impacts (SDO, 2009, p. 24).

A7. UNILEVER

TABLE A.7.1: UNILEVER - INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	<p>By 2020 it will double the proportion of its portfolio that meets nutritional standards, based on globally recognized dietary guidelines, initiatives include:</p> <ul style="list-style-type: none"> • An association with Boston University to motivate 100 million people to take the Heart Age test with its Flora and BeceL brands by 2020. • By 2012 remove all Trans-fats originating from hydrogenated vegetable oils. • By 2015 endorse labeling initiatives to show energy per portion and % guidelines for daily amounts on all food products (SLP, 2010, p.11).

TABLE A.7.2: UNILEVER - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<ul style="list-style-type: none"> • By 2020 it intends to bring safe drinking water to 500 million people to help reduce the incidence of life-threatening diseases (Sustainability Report, p.6). • The Unilever Centre for Environmental Water Quality (UCEWQ) at the Rhodes University Institute for Water Research was established also in 2002 to help South Africa conserve and protect its water resources (Unilever Sustainability Online).
	Reduce solid waste	Unilever Ghana assists in turning plastic waste materials into flower pots and other plastic items, which are sold by people who are otherwise unemployed. It is working with industry and government bodies to expand this initiative and help reduce the amount of plastic waste sent to landfill (Unilever Sustainability Online).
	Improve sanitation	By 2015, its Lifebuoy sanitation soap brand aims to change the hygiene behavior of 1 billion consumers across Asia, Africa and Latin America by promoting the benefits of hand washing with soap at key times (Unilever Sustainable Living Plan, 2010, p.9).
Labor and Human Rights	Increase employment	<ul style="list-style-type: none"> • It operates the Shakti initiative, a door-to-door selling operation in India that provides work to people in poor rural communities. It intends to increase the number of Shakti sales personal from 45,000 in 2010 to 75,000 in 2015. It operates similar schemes in Bangladesh, Sri Lanka and Vietnam (SLP, p.21). • In Indonesia it works with local farmers to boost livelihoods from growing black soybeans by providing them with technical assistance to improve quality and productivity (Unilever Sustainability Online). • Paprika partnership in South Africa to assist local communities with essential farming and business skills. (SDO, 2009, p.32).
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	<i>No relevant CSR activity in Emerging Markets</i>
	Eradicate poverty	It founded and supports the Business Alliance against Chronic Hunger (BAACH) aims to improve the living standards of Kenya's peasant farmers. The Alliance's action plan calls for improving production of staple and high-value crops and strengthening entrepreneurial skills to encourage business (Unilever Sustainability Online).
Health	Improve health services	<ul style="list-style-type: none"> • Hindustan Lever (HLL) works with local partners to provide basic medical services in villages near to its personal care products factory at Doom Dooma, India where many of the communities lack access to modern medical facilities (Unilever Sustainability Online). • It supports The Lifebuoy Friendship Hospital, a floating hospital boat which operates in areas of Bangladesh with limited access to health services. It provides basic healthcare, immunizations and minor surgery. During 2007 it carried out 1,425 operations. In total, 52,000 people have received health care treatment and advice on board (Unilever Sustainability Online).
	Control of leading diseases (e.g. Malaria, TB)	<ul style="list-style-type: none"> • Along with five other companies it launched the Neighbors against AIDS coalition in Kenya in 2002. It supports community feeding programs for families that are incapacitated to do so due to HIV/AIDS. It provides vitamin supplements to sufferers to boost their nutrition levels. It has also set up the Kenya HIV Business Council. The Council encourages companies to adopt workplace HIV/AIDS programs (Unilever Sustainability Online). - In South Africa it has developed HIV/AIDS prevention programs both for employees and the wider community. The company supports programs ranging from awareness initiatives to voluntary counseling, testing and treatment and care (Unilever Sustainability Online).

Walmart is the world's largest retailer. Its retail operations are predominantly in the United States, with additional stores in Central America, China, Japan, India, Brazil and countries throughout Europe. In North America, more than 40 per cent of its sales are of its private label products. Its suppliers are located across the globe in all continents.

Its CSR framework covers the majority of activity/ policy areas. It requires direct import, non-branded and private label suppliers declare that their factories are compliant with social and environmental regulations and that production from these factories receives audit ratings that meet social and environmental best practice.

In 2008 Walmart announced that by 2012, 95 per cent of its supply chain would comply with internal social and environmental standards. Factories would be audited and preconditioned to meet one of its two highest rating standards.¹⁰

Other key CSR Activity/Policy includes: commitment to the Consumer Goods Forum (CGF) 'zero deforestation' target, which outlines development of actions to 'help achieve' zero deforestation through procurement policies for select commodities; the Walmart foundation's support of initiatives to improve community livelihoods; and, a Global Anti-Corruption policy and related program.

In Emerging Markets Walmart has shown some interest for CSR priorities. This includes charity donations in China to promote pollution reduction measures, commitments to global packaging reduction targets, and founding the Pact for Eradication of Slave Labor in Brazil. Notably, Walmart is a member of the Global Business Coalition on HIV/AIDS, tuberculosis and Malaria (GBC Impact).

Walmart's supplier policies are extensive, and these policies are most likely in place as a measure for customer protection and risk management. However, there is also the risk that these policies – if overly burdensome for suppliers in Emerging Markets – could have a negative financial and economic impact. The company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

10. Walmart Global Sustainability Report, accessed at: <http://cdn.walmartstores.com/sites/sustainabilityreport/2010/WMT2010GlobalSustainabilityReport.pdf>.

A.8 WALMART

TABLE A.8.1: WALMART - INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	<p>It claims to manage its impact on climate change through operational efficiency, renewable energy targets and overall GHG reductions. By 2012 it aims to reduce GHG emission levels by 20% on 2008 levels. Activity includes (Global Responsibility Report, 2011, p. 11-12):</p> <ul style="list-style-type: none"> • Store prototype designs to reduce CO2 emissions. Achieved through reducing voltages and utilizing energy-efficient appliances. • Thin-film solar panels installed to store rooftops. • Wind-farm investments in select regions. • Investments in food distribution technologies powered by hydrogen fuel cells.
	Recycle manufacturing & consumer waste	<p>Current recycling and waste management activity includes (GRR, p.95):</p> <ul style="list-style-type: none"> • Recycling 14 million pounds of tire rubber into outdoor mats. • Recycling 325,000 pounds of polystyrene for use in its poster and picture frames. • Improve the sustainability of all jewelry packaging and to use recycled material to produce jewelry pallets and boxes. • Eliminate landfill waste from US stores by 2025. • Reduce plastic shopping bag waste by an average of 33 per cent per store by 2013.
	Require sustainable supply chain solutions	<p>Current activity requiring sustainable supply-chain solutions includes:</p> <ul style="list-style-type: none"> • Requirement for 95% its direct import factories to receive one of its two highest ratings in audits for environmental and social practices. • Requirement for all direct import, no branded and private label suppliers declare that their factories are compliant with local social and environmental regulations by the end of 2011. • In partnership with the Global Forest and Trade Network it requires timber-sourcing from sustainable sources and best practices in supply management of forestry products, including FSC timber (GRR, p.31). • It requires palm oil sourced from third party certified suppliers in its entire private brand products globally by the end of 2015 (GRR, p.99). • It operates a Supplier Development Program (SDP) to audit suppliers and impose restrictive measures on their activity should it not meet SDP criteria. • It is tracking toward the Consumer Goods Forum (CGF) commitment to zero deforestation rates by 2020 by enlisting sustainability standards on supply providers (CGF Press Release, 2010).
	Support animal welfare	N/A
	Reduce toxicity	The Tierra Fertil program provides advice to farmers on the responsible use of agrochemicals (GRR, p.29).
Labor & Human Rights	Engage with organized labor	<p>It promotes organized labor, examples include:</p> <ul style="list-style-type: none"> • It is the founder of the Tirupur Exporters' Association (TEA) in association with Gap, H&M and other brands. This multi-stakeholder group, comprised of brands, industry associations, NGOs and trade unions is focused on improving working conditions for employees in the apparel industry (GRR, p.77). • It is a founding member of the Global Social Compliance Program (GSCP). Its aim is to improve working and environmental conditions for suppliers across all major sectors in the global supply chain (Ibid).
	Encourage ethical supply chains	Its Statement of Ethics details how the suppliers should be contracted. The selection of suppliers must be made on the basis of objective criteria, including integrity, quality, price, delivery, adherence to schedules, product suitability, maintenance of adequate sources of supply, and in line with its purchasing practices and procedures (Statement of Ethics, 2008, p.25).
Governance	Strengthen law enforcement	N/A
	Improve transparency & corruption	It operates under a Global Anti-Corruption Policy. It prohibits paying, promising, offering, or authorizing a payment, directly, indirectly, or through a third party, money or anything of value to a government official or political party for the purpose of influencing an official act or decision in order to obtain or retain business or secure an improper advantage (SOE, 2008, p.22).
Community Support	Support social & cultural groups	<p>The Walmart foundation supports initiatives to improve community livelihoods in focus areas: educational investment, developing economic opportunity for stakeholders and environmental sustainability. Current examples include:</p> <ul style="list-style-type: none"> • A 5 year grant to the National Urban League (NUL) to create workforce development activities. This involved a \$US10 million investment to veteran affairs to support job readiness and training of returned servicemen and women (Walmart Diversity and Inclusion Plan, p.15). • In 2010, it donated \$US1.2 million to the National Council of La Raza (NCLR) to improve long-term career prospects for Latinos in the retail and green jobs sectors (SR, p.30).

TABLE A.8.1: WALMART - INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Economic Development	Reduce resource consumption	It is committed to the preservation of natural resources, examples include: <ul style="list-style-type: none"> • Walmart China has committed to cut water usage in all of its stores by half by 2010. • Walmart Mexico will reduce water use by 20 per cent by 2013 (2008 Baseline). • It will source forestry products from FSC certified sources where possible. • The implementation of waste water reclaim systems, sensor faucets, pressure-reducing valves and passive use strategies, to reduce water usage across its global operations. This has seen a 54.2% reduction since 2005 (GRR, p.92).
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	It is a member of the Global Business Coalition on HIV/AIDS, TB and Malaria (GBC Impact)

TABLE A.8.2: WALMART - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	In 2009, Walmart China donated \$US120, 000 to the China National Youth Sustainability Innovation Competition to encourage community interest in innovation to reduce pollution (Sustainability Report 2010, p.26).
	Reduce solid waste	It is committed to a 5 per cent packaging reduction target globally by 2013 (2008 baseline) and packaging neutral by 2025 (SR, p. 33-34).
	Improve sanitation	<i>No relevant CSR activity in Emerging Markets</i>
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	In 2009 Walmart Brazil announced a Pact for Eradication of Slave Labor. It establishes commercial restrictions for companies and/or people identified in their supply chain that adopt slave labor work practices (SR, p.16).
	Eradicate poverty	The Walmart Foundation donated \$US1 million to CARE, a leading humanitarian organization to fight global poverty. Projects funded through this grant assisted impoverished women in Peru, Bangladesh and India to increase their income through education, job training and an entrepreneurial support program (SR, p.30).
Health	Improve health services	<i>No relevant CSR activity in Emerging Markets</i>
	Control of leading diseases (e.g. Malaria, TB)	It is a member of the Global Business Coalition on HIV/AIDS, TB and Malaria (GBC Impact).

A9. WOOLWORTHS

Woolworths is the largest supermarket chain in Australia, owned by Woolworths Limited. Its operating revenue exceeds AUD 42 billion.¹¹ All of its operations are in Australia. However, it sources considerably from Emerging Markets for its private labels.

Woolworths CSR framework covers with most Activity/Policy areas. It has committed to substantial carbon reduction and recycling targets, and is an active member of the Consumer Goods Forum and its subsidiary labor and working conditions policy unit the Global Social Compliance Program.

Woolworths operates an Ethical Sourcing Policy based on the Ethical trading Initiative (ETI) and acts on policy advice from conservation groups such as WWF. Under the policy all direct and indirect suppliers must comply

with supply chain, labor and production standards, and manufacturing practices. The current policy includes a commitment to source 100 per cent RSPO certified palm oil for its private label products by 2015.

Woolworths was under considerable pressure to adopt a policy to source only FSC-certified material for its private label paper products. However, the company opted for a broader sourcing policy once the difficulties of securing an adequate supply of FSC fiber became apparent.

Woolworths' operations are in Australia, so any direct CSR activity in emerging markets would be minimal at best. However, the company's policies do not ensure that any CSR measures it takes do not economically disadvantage suppliers in emerging markets or developing countries.

TABLE A.9.1: WOOLWORTHS: INDUSTRIALIZED ECONOMY CSR

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Manage climate change	It has a 40% carbon reduction target for its facilities by 2015. It reports its progress to the Carbon Disclosure Project (CDP). In 2010 it invested \$AUD13 million into carbon reduction initiatives. Examples of these initiatives include: <ul style="list-style-type: none"> Investing in Green Store design to address sustainability concerns Modification of store and facility lighting to T5 energy efficient lamps Air-conditioning innovations to include adaptive start controls. (Woolworths Corporate Sustainability Report, 2010, p. 45-51)
	Recycle manufacturing & consumer waste	Its recycling targets and initiatives include (CSR, p.53-54): <ul style="list-style-type: none"> Establish a supplier forum to devise sustainable packaging solutions. Implement a waste audit program for all stores and distribution centers. Achieve zero food waste in internal waste stream by 2015. Invest in organic recycling technologies for recycling food waste. Operate a food rescue program to divert food waste to community distributions centers and food banks.
	Require sustainable supply chain solutions	In association with WWF it adheres to RSPO certified palm oil supply and FSC timber product supply conditions (CSR, p.65); it is a member of the Consumer Goods Forum (CGF). Additional activity includes (CSR, p.63-65): <ul style="list-style-type: none"> Otway Free Range pork in 272 of its Australian supermarkets. RSPCA accredited Free Range pork in New South Wales, Australian Capital Territory and parts of Victoria. A generic policy of avoiding Genetically Modified (GM) products where possible. Products sourced and produced under Fairtrade conditions. On pack labeling of palm oil derivatives when greater than 5% of weight PEFC certified products
	Support animal welfare	Its Quality Assurance (WQA) standard includes an animal welfare module for all livestock products. These requirements are audited as part of the WQA audit program. <ul style="list-style-type: none"> It sources products certified as in support of animal welfare, this includes cage-free eggs and sow stall free pork products (CSR, p.64).
	Reduce toxicity	N/A

TABLE A.9.1: WOOLWORTHS: INDUSTRIALIZED ECONOMY CSR (CONTINUED)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Labor & Human Rights	Engage with organized labor	<ul style="list-style-type: none"> It is an active member of the Global Social Compliance Program (GSCP) a business unit of the Consumer Goods Forum (CGF), a multi-stakeholder program which coordinates labor standards and compliance controls on GSCP members (CSR, p. 63). Its Ethical Sourcing Policy includes principles on freedom of association and collective bargaining. Audits of the supply chain are conducted to assess compliance (CSR, p.72).
	Encourage ethical supply chains	<ul style="list-style-type: none"> Its Ethical Sourcing Policy preconditions suppliers to meet ethical criteria; it is based on the Ethical Trading Initiative (ETI) and international labor organization conventions. All suppliers are required to comply with the policy. Audits by third-party certification bodies are conducted to assess compliance (CSR, p.63). It conducts staff training and capacity building for its procurement team on Ethical Sourcing Policy (Woolworths Ethical Sourcing Policy, p. 2-4).
Governance	Strengthen law enforcement	Its Ethical Sourcing Policy includes principles on meeting domestic and international regulatory and legal conventions (ESP, p. 2).
	Improve transparency & corruption	<ul style="list-style-type: none"> It is a member to the Global Reporting Initiative (GRI). The GRI reporting framework sets out the principles and indicators to measure transparency and accountability of business operations (CSR, p.6). Its Ethical Sourcing Policy and internal Code of Conduct includes principles on anti-corruption and bribery. All its suppliers are expected to comply with policy requirements (CSR, p.6, 71).
Community Support	Support social & cultural groups	<p>Its activity toward supporting social and cultural groups includes (CSR, p73):</p> <ul style="list-style-type: none"> It aims to have a 33% representation of women as non-executive Directors at Board level and within its senior executive group by 2015 as part of the Australian Securities Exchange Corporate Governance guidelines for diversity. It commits to Indigenous employment through participation in the Australian Employment Covenant (AEC). It has commenced development of a Reconciliation Action Plan (RAP) for Indigenous employment. It promotes employment of people with a disability through the Australian Employers Network on Disability.
Economic Development	Reduce resource consumption	<p>Its initiatives for water efficiency include (CSR, p.52):</p> <ul style="list-style-type: none"> A reduction commitment of 200 million liters by 2010. It claims a 302 million liter saving. Developing a more complete baseline of metered water usage. Developing a Water Wise project nationally for all its supermarkets. Invest in large-scale rainwater harvesting in distribution centers.
Health	Improve access to medicines	N/A
	Control of disease (HIV/AIDS)	<p>It advocates for healthy lifestyles through internal and community health initiatives, these include (CSR, p.33):</p> <ul style="list-style-type: none"> The Fresh Food Kids program to promote healthy lifestyles to lower the risk of developing preventable diseases.

10. Walmart Global Sustainability Report, accessed at: <http://cdn.walmartstores.com/sites/sustainabilityreport/2010/WMT2010GlobalSustainabilityReport.pdf>.

11. See: Woolworths Annual Report 2010, p.78.

A.9 WOOLWORTHS

TABLE A.9.2: WOOLWORTHS - EMERGING MARKET ECONOMY CSR (ECSR)

AREA	CSR PRIORITY	ACTIVITY / POLICY
Sustainability	Improve air and water pollution	<i>No relevant CSR activity in Emerging Markets</i>
	Reduce solid waste	<i>No relevant CSR activity in Emerging Markets</i>
	Improve sanitation	<i>No relevant CSR activity in Emerging Markets</i>
Labor and Human Rights	Increase employment	<i>No relevant CSR activity in Emerging Markets</i>
Governance	Improve service delivery	<i>No relevant CSR activity in Emerging Markets</i>
Economic Development	Support economic growth	<i>No provision to ensure supply-chain policies do not disadvantage local producers</i>
	Raise living standards	<i>No relevant CSR activity in Emerging Markets</i>
	Eradicate poverty	<i>No relevant provision to ensure supply-chain policies protect jobs</i>
Health	Improve health services	<i>No relevant CSR activity in Emerging Markets</i>
	Control of leading diseases (e.g. Malaria, TB)	<i>No relevant CSR activity in Emerging Markets</i>

There is no consensus definition for Emerging Markets. World Growth has combined the classifications of three data providers – the Economist Intelligence Unit, the FTSE Group and Dow Jones – to compile a list of Emerging Markets.

- Argentina
- Bahrain
- Brazil
- Bulgaria
- Chile
- China
- Colombia
- Czech Republic
- Egypt
- Estonia
- Kuwait
- Latvia
- Lithuania
- Malaysia
- Mauritius
- Mexico
- Morocco
- Oman
- Pakistan
- Peru
- Philippines
- Poland
- Qatar
- Romania
- Russia
- Saudi Arabia
- Singapore
- Slovakia
- South Africa
- Sri Lanka
- South Korea
- Taiwan
- Thailand
- Turkey
- UAE



About World Growth

World Growth is a non-profit, non-governmental organization established with an educational and charitable mission to expand the education, information and other resources available to disadvantaged populations to improve their health and economic welfare. At World Growth, we embrace and celebrate the new age of globalization and the power of free trade to eradicate poverty and improve living conditions for people in the developing world.

Our Philosophy

World Growth believes that helping the developing world realize its full potential is one of the great moral aims for those of us fortunate to live in the wealthy developed world. We also believe that a misdiagnosis of what ails the underdeveloped world has yielded policy prescriptions that have been useless or even harmful to the world's 'bottom billion.'

World Growth believes that there is enormous untapped human and economic potential around the world. In order to unlock that potential, and allow the poorest of the world's poor a better life, it is necessary to realize changes in institutions and policies that permit growth and human flourishing.

Instead of aid and handouts, what the populations of developing countries need are social and political situations and infrastructure that foster productive economic activity and generate robust economic growth. These include, but are not limited to, property rights and protections, the rule of law, free markets, open trade, government accountability and transparency.

For too long, well-meaning governments, aid agencies and others have promoted policies that fail to address the true problems that afflict poor societies. As a result, too many people around the globe remained locked in pre-modern conditions where their talents and inherent capacities are shackled.

The people of the developing world are fully capable of helping themselves to ensure a more prosperous existence. The path to prosperity does not begin with handouts from the West. Instead it requires identifying the genuine obstacles to growth and highlighting paths to reform that will yield sustainable and lasting change.

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