# studies and perspectives

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Promoting corporate social responsibility in small and medium enterprises in the Caribbean: survey results

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UNITED NATIONS

ECLAC

60 ECLAC

SIXTY YEARS WITH LATIN AMERICA AND THE CARIBBEAN

Young Americas Business Trust

CAIC

THE CARIBBEAN ASSOCIATION OF
INDUSTRY AND COMMERCE (INC.)
The Caribbean Private Sector Organisation

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Executive summary

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC), jointly with the Organization of American States, The Young American Business Trust (YABT) and The Caribbean Association of Industry and Commerce (CAIC) are developing the project. "Promoting Corporate Social Responsibility in Small and Medium Enterprises (SMEs) in the Caribbean. An activity of this project included the application of a survey that undoubtedly will aim to measure the different dimensions of CSR in the region.

The main purpose of this survey has been to create a detail CSR database that provides specific information from the sample of SMEs Caribbean firms. The survey has sought to capture regional corporate views and practices regarding CSR among SMEs in the sustainable development framework. The survey also provides accurate and up to date information to ensure that CSR concept and methodologies are adapted for the Caribbean context and that it will contribute to the development and research of CSR policies in the region.

The survey was divided in three sections: identification of SMEs selected in the sample, profile of the companies sampled and a detailed description of CSR activities carried out by these companies (internal, external and environmental CSR activities).

The minimum sample requirement put forward for this study was 365 companies proportionally distributed across the five pilot countries: Barbados, Guyana, Jamaica, St. Lucia and Trinidad & Tobago. The sample was subdivided in 3 or 4 industries per country, according to their economic relevance. This minimum sample size would satisfy the 95% confidence level and + 5 confidence interval or

margin of error that is commonly accepted for such survey studies. To meet this rigorous requirement, the survey had to gain responses from 5% of the total population of registered business establishments in the pilot countries and target industries (the total sample pool being 7,188 companies). In addition, the sample emphasizes the small and medium enterprise sectors which have traditionally fallen behind in the CSR movement. Thus, the company sample required 287 SMEs, representing 80% of the total.

After three months of surveying the response obtained, including the results of the pilot sample (15 firms from 5 countries), this was 83% of the minimum required sample, or 305 companies. The proportional sample targets for Jamaica, Guyana, St. Lucia and Trinidad & Tobago were all met. The shortfall of 17% is attributed to the omission of results from Barbados. Despite the regional workshop in Barbados, the general survey was not applied in this country and thus this analysis only includes the results of the other four countries. Therefore, when the sample target of 76 companies for Barbados is removed, the survey achieved the desired sample size to ensure a 95% level of confidence in the results with a + 5% margin of error, which is standard for such studies.

During the surveying process in Guyana, Jamaica, St. Lucia and Trinidad & Tobago, local surveyors reported many challenges. In all the countries, a common limitation was a lack of awareness, knowledge, or concern about CSR among the companies surveyed. Other limitations cited by surveyors included difficulty finding companies willing to cooperate due to time factors and concerns for company confidentiality . Also, although the head of the company was invited to respond to the questionnaire, other managerial staff were the ones actually responding and therefore lacked some of the answers requested in the survey. It has been a well documented experience of researchers collecting primary data in most developing countries that attaining more than a 5% response rate is overly ambitious. Furthermore, past research has also shown significant difficulty in obtaining high response rates from the SME sector. Since this group was heavily represented in the target sample of this study, the surveying exercise was particularly challenging.

The majority of Caribbean companies in the four countries of the survey still have not integrated CSR into their operations. When CSR principles are entrenched in the company culture, they should be reflected in the company's internal guidelines, such as codes, policy statements and plans, in the same way that more traditional business strategies are outlined. Such integration is very low across all the countries and industry sectors investigated.

CSR programs are not integrated into organizational structure. In the four Caribbean countries, only 6% of companies were in this situation and, typically, the company owner or CEO held the ultimate responsibility for dealing with CSR. While inclusion of the owner/CEO in CSR decision making is important, there is evidence that better decisions are made through collaborative consultation across the company in order to understand organizational priorities, resource allocation, strengths and weaknesses. CSR decision making is still highly centralized and non-inclusive. CSR decision making for SMEs is twice as likely to be done by the owner compared to large companies. Boards of Directors play a stronger role in CSR decision making in larger companies. This is a positive development since the Board's support for CSR initiatives strengthens the argument for actual implementation.

The survey has shown that CSR programs are not a budget priority. About 50% of Caribbean companies do not allocate any specific funding for planned CSR activities. The most popular way of financing CSR activities is through an annual allocation in the company's yearly budget. Nearly three times more SMEs had absolutely no CSR budget allocation compared to larger companies. Although most companies could not clearly identify the amount spent on CSR per year, the majority of those that did indicated a range of about 1-5% of their yearly budget.

CSR is most often motivated by the desire to improve the company's image. CSR is therefore a mechanism through which companies gain more public visibility and in particular, gain more attention from stakeholders they may view as most important to their business, such as customers, regulators or financiers. The tendency of companies to view CSR as a means of improving corporate image can make companies vulnerable to "cosmetic activities" instead of pursuing a sustainable CSR approach. Other main motivators of CSR in companies included improving employee situations and gaining competitive advantages against competitors. The relatively lower ranking of competitive advantage as a CSR motivator may be because of the weaker link that companies make between CSR and competitiveness. . The fourth most important motivating factor was giving back to local communities. This perhaps points to a trend of companies moving away from philanthropic activities, and towards a commitment to satisfy this same motivation within a sustainable context of CSR.

Overall there is a poor alignment to national goals. Less than a third of the companies in the sample tied their CSR activities to wider national sustainable development goals regardless of the country in which they were located. While one of the reasons for this may be a lack of in foresight in the company, it may also be on the part of national authorities who have not clearly defined national sustainable development goals. This point was often cited by companies surveyed. However, it does not appear that most companies view CSR as a national level issue that can be approached in a unified way, for a single cause. This is also perhaps due to the framing of CSR as a means to gain competitive advantages over competitors. Also, companies view CSR activities as a strategy that includes an investment with a desire for a bottom-line outcome, whereas national goals aim at improving the public good and may not fully justify a company's CSR investment for itself. Overwhelmingly, larger companies tended to more closely align their CSR policies to national goals in all the countries surveyed except Jamaica. In Trinidad & Tobago, the government has aggressively worked with the more lucrative private sector industries such as energy, finance and construction to fund national projects such as the implementation of a national university, etc. In Jamaica, SMEs appeared more closely aligned. For example, foreign aid from USAID is geared towards implementing projects to make SMEs competitive and improving their operations.

Over two-thirds of companies in the study did not report on their CSR activities. This is, perhaps, attributable to the ad-hoc nature of implementing CSR programs instead of designing a systematic approach of CSR. Without a systematic approach, information is more difficult to gather and process into a form that benefits the company as a whole. In most cases, when companies generate CSR reports, they are motivated by corporate image objectives, or in a genuine effort to follow the principles, guidelines, or indicators incorporated in different initiatives, such as the UN Global Compact or the Global Reporting Initiative (GRI). Several larger companies are leading the process of providing annual sustainability reports which continue improving in quality, and stimulating SMEs to follow their example. In the case of multi-national corporations, some requirements for improved information provided stems from their own headquarters, in order to comply with regulations, access other markets, or to strengthen relations with their stakeholders. This survey reflects very few third party certification reports despite the growing surge in the number of NGOs and private organizations offering various CSR certification programs. It may be that such programs are seen as adding little value to local companies' operations or simply that Caribbean companies have had less exposure to them.

The internal aspect of a company's CSR includes treating workers respectfully, fairly and equitably; and ensuring that good governance includes guarding against corrupt practices.

More than half of the companies surveyed did not provide their workforce with benefits such as health and life insurance, and pension or contributions plans. Twice as many larger companies provided long-term benefits such as life insurance, pensions and contributions plans compared to

SMEs. Large companies may have more vested interests in their workforce because they value their employees' experiences and specialized training, which the company itself provided. Other benefits, such as maternity and health insurance, are more prevalent but still very far from the standard among Caribbean companies in the survey. The sectors with the poorest track record of employee benefits/rights are commercial trade and tourism and hospitality. This situation can be attributed to the fact that these sectors have high levels of turnover, an important temporary workforce, and a significant number of part time and seasonal staff. In addition, these sectors have arguably no requirement for very specialized training in comparison to manufacturing for example. Therefore, the workforce in the services sectors, and in particular the part-time and seasonal staff, tend to be especially vulnerable.

Very few companies have official policies to ensure gender and ethnic balance in their workforce. Most companies surveyed, however, did indicate that unofficially they were aware of maintaining such balances. Companies based recruitments on merit first, then other aspects including gender and ethnic balance may come into consideration later on. In this sense, Guyana and Trinidad & Tobago were more ethnically diverse than the other two countries of the sample. Also, companies in these two countries had a slightly higher incidence of ethnic balance policies than others. Most companies supported youth employment in their workforce with various apprenticeships and trainee programs.

Less than one-third of companies surveyed signed collective bargaining agreements with employees or their representatives (such as unions). This is a prevalent weakness in company's CSR programs since without strong representation, employees are left highly vulnerable to the actions of owners and company management. In general, SMEs are particularly sensitive to this situation since twice as many of them, compared to larger ones, do not have collective bargaining arrangements. In times of difficulty, one of the easiest means of cutting costs is to reduce the workforce; therefore, the strength of collective bargaining mechanisms is especially relevant. Sector analysis shows that the industries with the least collective bargaining agreements are the commercial trade, tourism, and finance and business services sectors due to high level of turnover. St. Lucia and Guyana showed the most vulnerable situation in compared to Trinidad & Tobago and Jamaica, which have a longer history of developing trade unions.

Only 20% of companies implemented dispute resolution mechanisms to deal fairly with workforce complaints. This lack of systematic policy for dispute resolution and the increased lack of transparency allow for unfair practices and even subject the company to unfair claims. Despite the lack of established mechanisms, the majority of SMEs surveyed stated that they have good communication channels open to employees. They have informal means of workforce communications which include open discussion, employee suggestion boxes and regular employee meetings.

Very few companies surveyed wanted to divulge information pertaining to company corruption. As such, it is not possible from the small sample of companies providing data to make general conclusions in this regard. However this study is able to conclude that very few companies prioritize training management or employees in Anti-Corruption practices. Those that do are usually in the finance sector, which is in the practice of conducting financial operations as part of their regular services. Also, while some companies are able to report that there have been instances of internal corruption, few details are forthcoming except where matters have taken the legal route and are recorded by the courts. Minor corruption practices such as petty stealing by employees was admitted to in some instances but not in terms of amount of losses.

In terms of the external aspects of CSR which include its engagement of stakeholders, interactions with the community, use of local suppliers, product and service quality and achieving customer/ client satisfaction, less than a quarter of the companies surveyed saw the need to

regularly engage their salient stakeholders in their CSR planning process. Involving stakeholders can assist with the screening and scoping of potential initiatives and in fine tuning and targeting the objectives and the implementation strategy for maximum results. Each industry sector engages stakeholder groups in varying degrees based on their corporate objectives. For example, the energy industry is the most engaged with the community of any sector because of the impact of their production process on the environment of the community. Another case is the tourism sector which engages with local communities through their workforce and the indigenous and local nature of Caribbean tourism. Large companies are more likely to engage their shareholders and SMEs are more likely to engage their local communities. The least engaged stakeholders overall were government regulators and business partners.

The most common strategies that companies use to integrate themselves with the local community are investing human and financial resources in community projects such as infrastructure development or training and sponsoring community activities and initiatives. In this sense, a fine line is drawn between traditional philanthropy and the CSR paradigm. There is little difference in the types of projects engaged in between large and small companies; differences existed mostly in the scale of the projects. Companies in different industry sectors all supported community skill training, despite some differences in industry emphasis. For example, the tourism sector generally contributed more towards social programs, while the energy sector contributed more to health and wellness programs in communities. The reasons for such differences require a more in depth analysis.

There continues to be a loud call for involvement of local goods and services providers in all industry sectors across the four Caribbean countries and particularly in the servicing of government contracts and doing business with foreign multinationals operating in the region. For a company, utilizing local suppliers is a critical part of its CSR program since this is a way to build its business while simultaneously integrating with the local economy. A little more than half of the companies in the survey had a policy of utilizing local suppliers when possible. This may also be because companies benefit from lower costs of using local suppliers as well as faster turn around times and greater access to service providers in comparison to waiting for foreign suppliers to arrive. However, more than 30% of large companies utilized local suppliers than compared to SMEs. Many of them claimed that they would use local suppliers if the goods were available. National policies also influenced the amount of local suppliers used by companies. For instance, the authorities in Trinidad & Tobago have progressively been calling on multinationals and large companies to increase local suppliers in their contracting and 80% of companies surveyed are trying to use local suppliers.

There is a need to modernize customer service systems which means companies engaging in CSR are likely to have feedback channels for customers which allow communications regarding product and service quality. By gaining positive and negative feedback, companies can make adjustments and improvements that enhance their products and services and allow them to provide the best quality to their market. Companies are still not taking advantage of the internet, websites and email to create avenues for this feedback and communications. The use of such technologies is very low across all sectors although about twice as many large companies have implemented these measures than SMEs.

Regarding environmental commitment, only about a quarter of companies surveyed were committed enough to the environment as part of their CSR strategy. While more large companies than SMEs documented their environmental commitment, the service sector including finance, tourism and commercial trade were the least committed.

Lack of environmental performance was seen when most companies did not go beyond a broad commitment statement and give specific aspects of their environmental goals. Less than 20%

of companies bothered to set environmental targets and deadlines for improvements. It can be assumed that the environment was not a priority for most companies, especially SMEs.

Only about one-third of the companies surveyed reported expenditure or investment on environmental CSR. Companies most frequently invested in training their staff in environmental awareness and management skills. Other activities, such as retrofitting processes and putting in pollution control technology, were also cited as areas of expenditure. About half of the companies surveyed were interested in improving their energy efficiency. This interest in such improvements may be due to the immediate results seen in the monthly electricity bills which are highly tangible and therefore justifiable to companies.

Less than one in five companies implemented or were in the process of implementing an environmental management system (EMS). The salient point here is that more than 80% of companies therefore do not have systematic or structured approaches to environmental CSR. There are four times fewer SMEs with EMS than larger companies. Without an EMS providing a framework for the company's environmental CSR program, it becomes difficult to record, justify and quantify expenditures and measure improvements. It also reduces the company's transparency since it cannot back up its claims of improvement. Reasons identified by companies for not implementing EMS included high cost, lack of expertise, no relevance to their type of operations, and no regulatory requirement for EMS.

Companies are more motivated to implement environmental CSR because of the reduced operational risk and lower operational costs it may provide. For SMEs the license to operate that such initiatives could provide was also very important but less so for larger companies. Again it is observed that companies are most motivated by the factors that bring about the most tangible bottom-line benefits. Other indirect benefits, or benefits accrued over a longer term, are not as motivating. Such factors as gaining competitive advantage may not be fully appreciated by companies especially SMEs. Larger companies were more than three times as motivated by the possibility of reducing their compliance costs as SMEs. This may be because of the significantly higher cost of compliance for the larger operations and the greater complexity of issues they have to comply with. Depending on country and industry, it may also be because SMEs are held to less regulatory pressure than their larger counterparts.

Half of the companies surveyed kept no environmental records, and 25% more said that a formal request to them was the only way to receive information on their environmental CSR. Companies tended to be a little more guarded about providing environmental performance information in light of possible penalties and a bad image they may acquire if they were not performing up to par. Even though there are environmental regulations in the Caribbean countries surveyed, it is interesting that half of the companies do not keep environmental records. Some larger companies now produce a separate environmental report on a yearly basis. This trend is likely to change for companies that are interested in moving towards a sustainability report, where all aspects of CSR, including environment, are highlighted in one comprehensive document

I. Introduction

In November 2007, a three-day regional seminar to strengthen the competitiveness of CARICOM SMEs took place in Barbados with the aim of encouraging companies to incorporate CSR practices into their business strategy. The participants represented over 25 SMEs from Barbados, Jamaica, Guyana, St. Lucia and Trinidad and Tobago. During the workshop, the participants were introduced to Corporate Social Responsibility (CSR) tools and resources, as well as local case studies. On the last day of the workshop, the pilot survey was conducted using a draft of the CSR questionnaire applied here, in order to test the questionnaire as a suitable data collection instrument. Sixteen companies responded and minor adjustments were made to the final questionnaire.

The minimum sample requirement put forward for this study was 365 companies proportionally distributed across the five pilot countries: Barbados, Guyana, Jamaica, St. Lucia and Trinidad & Tobago. The sample was subdivided in 3 or 4 industries per country, according to their economic relevance. This minimum sample size would satisfy the 95% confidence level and + 5 confidence interval or margin of error that is commonly accepted for such survey studies (Rivera, 2002; Shah, 2007). To meet this rigorous requirement, the survey had to gain responses from 5% of the total population of registered business establishments in the pilot countries and target industries (the total sample pool being 7,188 companies). In addition, the sample emphasizes the small and medium enterprise sector (SMEs) which have traditionally fallen behind in the CSR. Thus, the company sample required 287 SMEs, representing 80% of the total.

After three months of surveying the response obtained, including the results of the pilot sample, this was 83% of the minimum required sample, or 305 companies. The proportional sample targets for Jamaica, Guyana, St. Lucia and Trinidad & Tobago were all met. The shortfall of 17% is attributed to the omission of results from Barbados. Despite the regional workshop in Barbados, the general survey was not applied in this country and thus this analysis only includes the results of the other four countries. Therefore, when the sample target of 76 companies for Barbados is removed, the survey achieved the desired sample size to ensure a 95% level of confidence in the results with a + 5% margin of error, which is standard for such studies.

During the surveying process in Guyana, Jamaica, St. Lucia and Trinidad & Tobago, local surveyors reported many challenges. In all the countries, a common limitation was a lack of awareness, knowledge, or concern about CSR among the companies surveyed. Other limitations cited by surveyors included difficulty finding companies willing to cooperate due to time factors and concerns for company confidentiality . Although the head of the company was invited to respond to the questionnaire, other managerial staff was the ones actually responding and therefore lacked some of the answers requested in the survey. It has been a well documented experience of researchers collecting primary data in most developing countries that attaining more than a 5% response rate is overly ambitious. Furthermore, past research has also shown significant difficulty in obtaining high response rates from the SME sector. Since this group was heavily represented in the target sample of this study, the surveying exercise was particularly challenging.

Growing interest in CSR around the world is placing increased pressure on companies worldwide, including those in the Caribbean region, to incorporate such concepts in order to compete effectively. Such pressures may be institutionally based coming from governments and regulators, or they may be derived from local communities and the non-governmental, activist sector. Furthermore, companies may also be motivated to improve CSR in order to catch up with market leaders or to mimic more successful competitors (Shah, 2007). Demand for CSR is being fueled by the increasing pace of firms worldwide in enhancing performance and by continued economic deregulation and trade reforms that are putting pressure on firms to improve their overall performance and respond to market demands and conditions. For example, non-compliance with international labor standards has the potential to be used as a barrier to export certain products, and simple compliance with national laws may not suffice. Firms in the region need to be aware of the standards to which they will be held accountable in today increasingly globalized market.

A low level of CSR activity seems surprising considering the relatively high-income levels of the Caribbean countries and the numerous foreign firms that cater to Northern consumers in the tourism industry. While Caribbean CSR activity is not as high as in other parts of the hemisphere, strong movements exist to correct this, such as the ENACT environment program in Jamaica sponsored by the Canadian Government, and notable private sector driven initiatives in Trinidad & Tobago.

This report presents a profile of the companies responding to the survey, and provides an analysis of the baseline CSR profile of the sample group. The report is divided into three sections, each providing a detailed analysis of each dimension of CSR — internal, external and environmental. The last two sections discuss the results and recommendations on the way forward for CSR in the Caribbean; particularly with respect to SMEs.

II. Respondent group profile

Jamaica companies represent 43% of the total sample while Trinidad & Tobago represents 26%, St. Lucia represents 20%, and Guyana represents 11%. Of the industry sectors represented, 29% were Commercial Trade, 27% Manufacturing, 16% Tourism and Hospitality, 14% Communications/Transport/Storage, 7% Energy and 7% Finance and Business Services. It must be noted that special effort was also made to include the Agro-processing sub-sector, which comprised 16% of companies in the Manufacturing sector here.

FIGURE 1
RESPONDENT GROUP BY COUNTRY AND INDUSTRY
(Percentage)
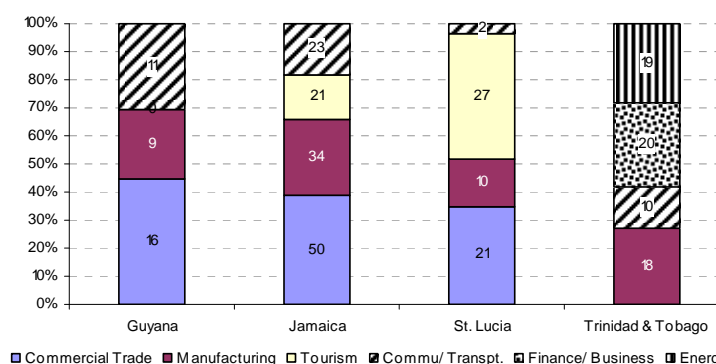
Source: prepared by the author.

Figure 1 above, describes the participation of specific economic sectors in each country of the sample; thus, the Guyana sub-sample included three

industry sectors, the largest of which was Commercial Trade which made up 50% of the sample. In Jamaica four industry sectors were included, again with Commercial Trade being the largest with 38% followed by Manufacturing with 27% of the sample. In St. Lucia, were sampled four industry sectors, Tourism made up 45% of the sample. In Trinidad & Tobago, four industry sectors were included with Manufacturing comprising 36% and 25% made up of Energy sector companies, with Trinidad being the only country in the group to include this industry sector.

Since this study focuses on SMEs, the larger percentage of the sample was composed of SMEs. The definition of SMEs used in this study is based on the number of employees. Thus, in Guyana, Jamaica, St. Lucia, and Trinidad & Tobago, SMEs are defined as companies with less than 50 employees. SME companies dominated the samples in Jamaica with 67%, 59% in both Guyana and St. Lucia, and in Trinidad & Tobago 44%, as illustrated in figure 2. 13% and 17% of companies in Guyana and St. Lucia respectively, did not provide information of their number of employees.

FIGURE 2
RESPONDENT GROUP BY COUNTRY AND COMPANY SIZE
(Percentage)
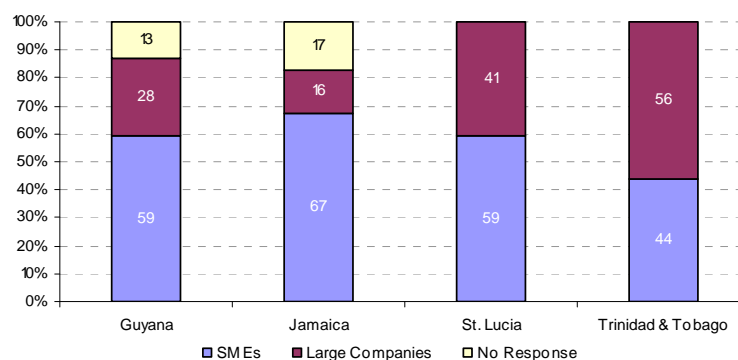
Source: prepared by the author.

It has been argued that only companies with enough revenue or capital resources can engage in CSR (Khanna, 2001; Dasgupta et al, 2000). Different ways to categorize company size includes using revenues or a combination of revenues and number of employees.

FIGURE 3
COMPANY REVENUES (2007)
(Number of companies)

Source: prepared by the author.

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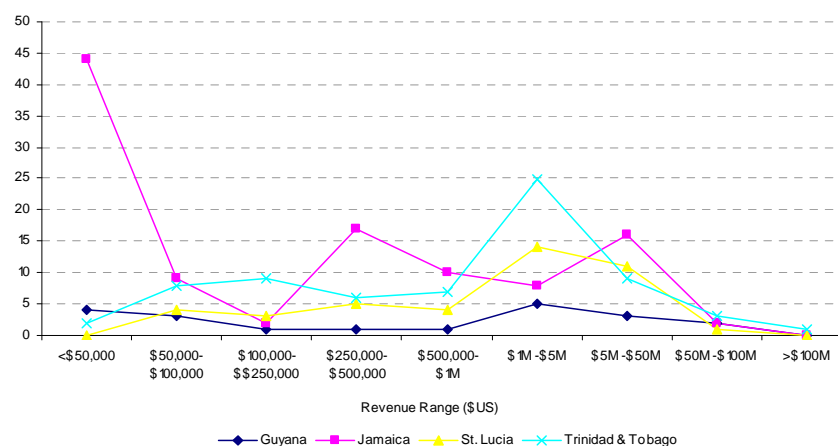
A total of 241 companies or 81% of the sample provided information about their 2007 revenues. Twenty one percent of companies had revenues of less than US$50,000. Of these, some 88% were from Jamaica only. Another 9% of the sample had revenues less than US$100,000, with nearly all being from Jamaica and Trinidad & Tobago. Forty-one percent of the sample reported revenues of over US$1 million. Within this range, Trinidad & Tobago accounted for 38% of these companies.

FIGURE 4
REVENUE BY COMPANY SIZE
(Number of companies)
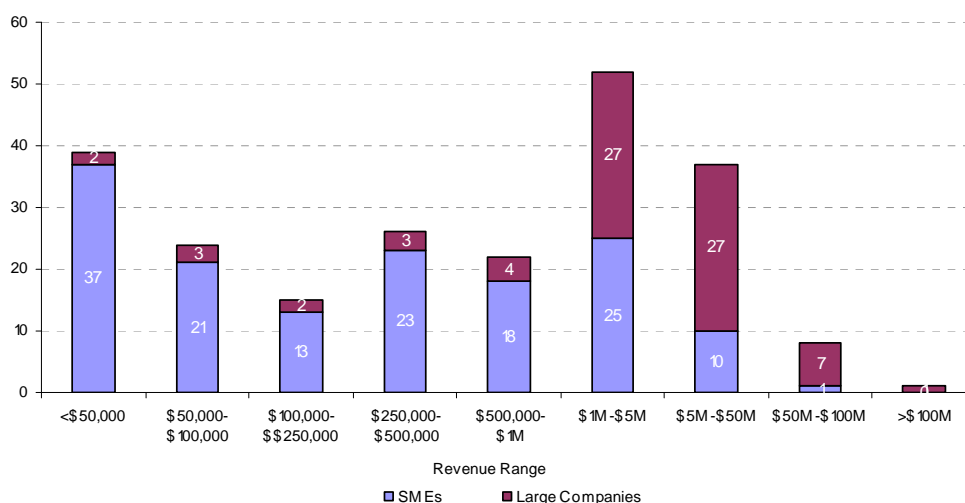
Source: prepared by the author

Of the 220 firms or 75% of sample reporting both revenues and size, some 63% of SMEs reported earning revenues of less than US$ 500,000. Conversely, 68% of large companies earned revenues over US$1 million. There is a strong correlation between size and revenue where smaller companies generally have lower annual revenue and larger companies have greater annual revenue. From the sample, an overwhelming 95% of companies earning less than US$50,000 annually were SMEs, whereas some 76% of companies earning over $5 million annually were categorized as large.

A. Public and private ownership

The sample attempted to include public or state owned companies in order to uphold one of the goals of the study in evaluating the CSR practices of companies across ownership structures. Thirty three companies or 11% of the total sample were categorized as public or state owned. Differences in CSR operations may exist between public and private companies depending on the goals of the organization. Usually, public companies must dually satisfy the targets of fostering economic growth and access to basic services as well as remaining profitable, while private companies aim to increase profits and growth while also abiding by regulatory and institutional requirements. The information obtained from state-owned company leaders will improve quality and access to regional specific data in order to foster appropriate design of public policies and promote the benefits of potential public-private partnerships.

FIGURE 5
PUBLIC AND PRIVATELY OWNED COMPANIES IN RESPONDENT GROUP
(Percentage)
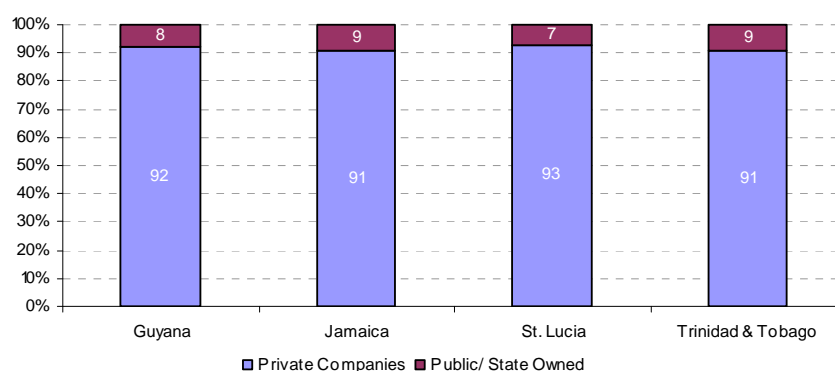
Source: prepared by the author.

Based on the responses of 70% of companies that provided information about their ownership, 9% of Jamaican and Trinidad & Tobago companies, 8% of Guyanese companies and 7% of St. Lucian companies were from the public or state sector as illustrated above in figure 5. Overall, the ratio of public sector to private sector companies in this study is 1:11.

III. Corporate social responsibility profile

The degree of a company's acceptance and integration of the CSR concept is directly reflected in the foundational tenants of the company. All important goals and objectives of the company are embodied in documents such as company codes, company policies and a company's periodic planning and project agendas.

CSR committed companies will, therefore, ingrain CSR goals into such documents where they can be put into practice. The company may adopt a CSR related Code of Conduct from which reference will be drawn in the design of strategies and plans for managing the organization, or the company may decide on adopting a CSR related policy which includes terms and conditions for overall governance of the organization. While many companies may not have CSR related documents fully defined and recognized as such, they may also actively incorporate dimensions of CSR in their operational plans with strategic, long-term and short-term programs. Of the total sample, 44% of companies have integrated CSR or elements of CSR in a company Code of Conduct, 40% in company policies, and 40% in company programs.

FIGURE 6
COMPANIES WITH CSR ELEMENTS IN INTERNAL DOCUMENTATION
(Percentage)
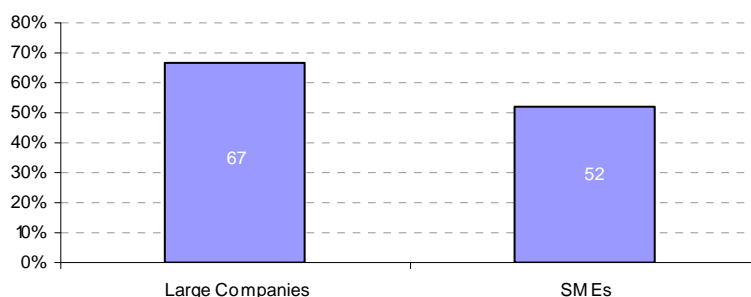
Source: prepared by the author.

About 58% of companies in the total sample have incorporated CSR, or some elements of CSR, into their internal guidance documents, either in their company code, policies, or program plans. Compared to the SMEs, 15% more of the large companies have incorporated elements of CSR in their guiding company documents. However, while some companies mention CSR elements in their codes, policies and programs and there is some correlation between the documenting of CSR and implementation of CSR within the company, there is little evidence that there is any measurement of impact of such statements. This suggests that there needs to be more focus on assisting SMEs with the CSR as an integrated process.

FIGURE 7
COMPANIES WITH CSR ELEMENTS IN DOCUMENTS BY INDUSTRY
(Number of companies)
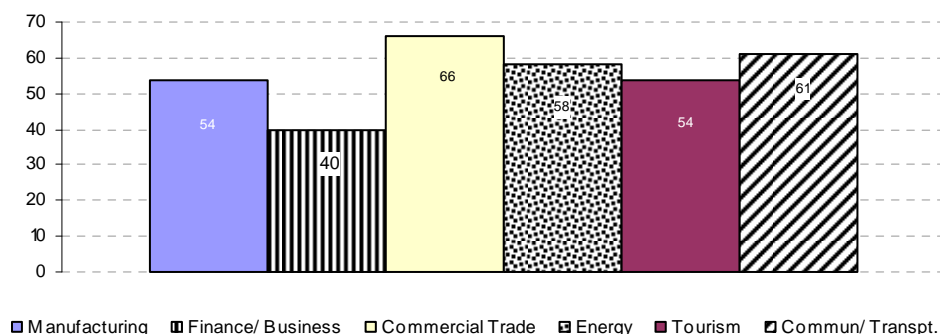
Source: prepared by the author

With respect to industry sectors, some variation also exists in the level of CSR's integration. For example, only 40% of companies in the finance and business sector include CSR into their internal documents, while as many as 66% of companies in the Commercial Trade and 61% in the Communications/Transport sectors have elements of CSR in their internal documents.

A. CSR decision making

Forty nine percent of companies cited their CEO or owner as the person who ultimately make the CSR decisions. These may include decisions on what CSR activities to pursue, the amount of funding to allocate to specific CSR projects, and identifying CSR opportunities for the company to engage in. Oftentimes, in SMEs, the owner makes the company's decisions on all aspects of operations including CSR. In the case of large companies that are more visible to the scrutiny of regulators monitoring CSR related elements, such as environmental practices and labor standards, the CEO is listed as the legal representative of the company and, hence, must sign off on major decisions. In fact, in both Jamaica and Trinidad & Tobago at present, the CEO is the person cited in regulatory warnings or the issuing of penalties to companies for environmental misdemeanors.

FIGURE 8
CSR DECISION MAKING COMPANIES
(Percentage)
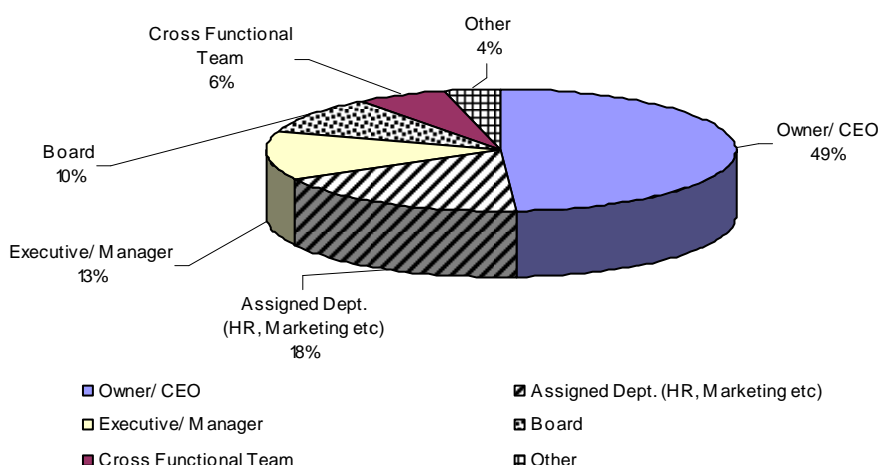
Source: prepared by the author

After the owner or CEO, 18% of companies cited departments assigned CSR portfolios as the ones making the CSR decisions. These include Human Resource departments and Marketing/Communications departments in most instances. Interestingly, only 6% of companies used cross functional teams to make CSR decisions. Cross functional teams are composed of employee representatives from the main parts of the organization, and such teams are often utilized in the planning of business strategies.

FIGURE 9
COMPARISON OF CSR DECISION MAKING BY COMPANY SIZE
(Percentage)
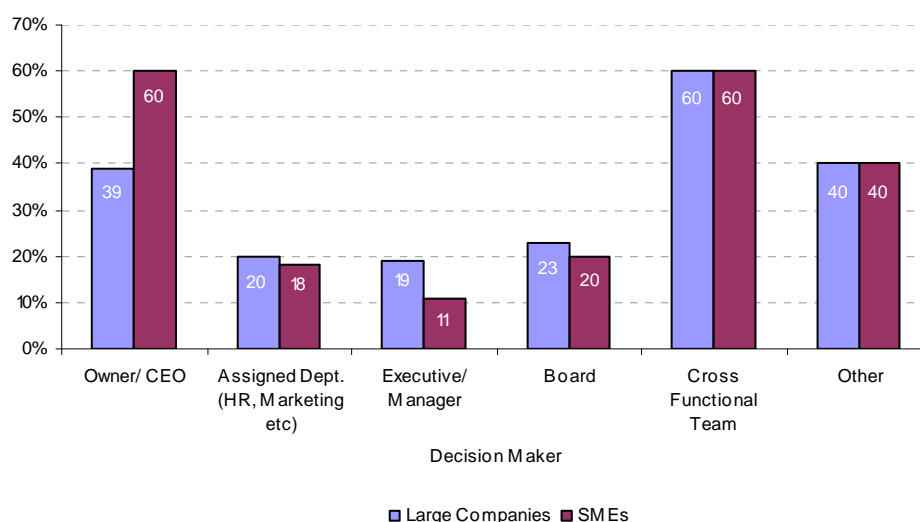
Source: prepared by the author

In comparison to large companies, twice as many SMEs regard their owner or CEO as the main CSR decision maker. Large companies also cite their board of directors as the main CSR decision maker more often than SMEs, with 23% and 2% respectively. These observations reinforce the point that in SMEs owners are the main decision makers with vested interests in all aspects of the company's operations. Also, SMEs often do not have a Board of Directors, and the leaders of the company are in fact the owners.

B.   Source of CSR funds

Another aspect of including CSR elements into the company is the financing of CSR activities. There must be a present source of funding to draw on for an investment in CSR, which will then later yield results. Funds may be utilized to strengthen institutional capabilities, generate projects, and monitor and evaluate results of CSR initiatives. The source of CSR funds is important because its origin can indirectly illustrate the importance of CSR in the company. This may in fact be equally, or more telling, than the actual amounts of finances allocated. For instance, CSR may be more integrated in a company that funds its CSR programs from an annual allocation, since this puts CSR priority even with other traditional operational areas that need annual allocations such as operations, marketing and administration.

When companies make do with ad hoc funding with respect to CSR projects, this may be interpreted as CSR not having sufficient enough priority to merit an assigned portion of the company's budget and instead has to make do with whatever funds can be complied together at that point in time. CSR programs funded in this way are more vulnerable to elimination in the scheme of the company's operations. However, 47% of companies did not identify any source for funding their CSR initiatives.

FIGURE 10
FUNDING CSR IN COMPANIES
(Percentage)
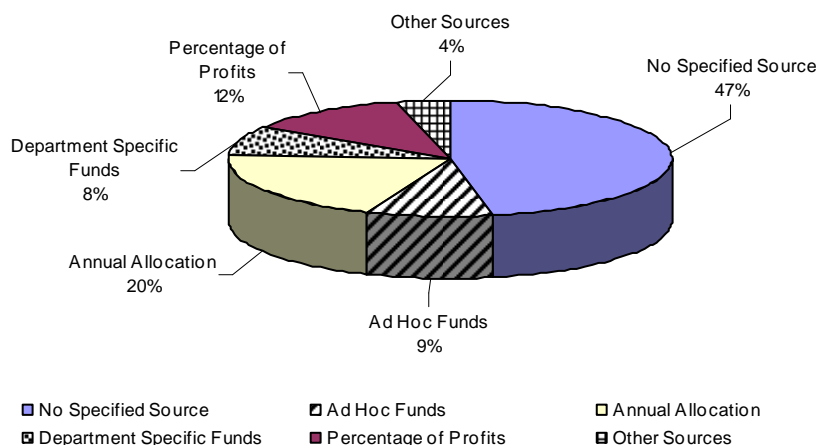
Source: prepared by the author

Of the companies surveyed, only 13% provided an estimation of their yearly CSR expenditure. Of these companies, 22% spent between 0.1-1% of their annual budget on CSR, 24% spent between 1-3%, 24% spent between 3-5% and 30% of these companies spent more than 5%. From these findings, it appears that most companies have not yet identified their CSR activities and therefore do not actively keep records of the investments made in CSR activities. This indicates a lack of accountability as to whether or not CSR investments are tied to the company's bottom-line. The company investing in CSR activities will be unable to tie an investment to a desired outcome if the amounts invested are not recorded. Also, few companies have accounting guidelines which they can use to record what constitutes their CSR investment or expenditures.

FIGURE 11
SOURCES OF CSR FUNDS BY COMPANY SIZE
(Percentage)
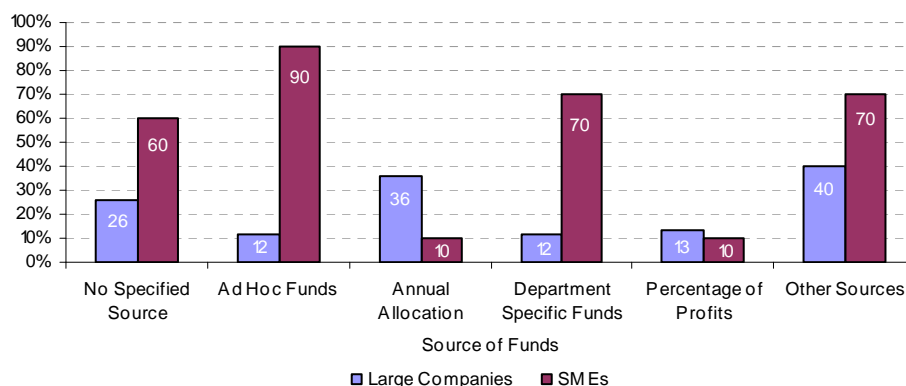
Source: prepared by the author

From the 66% of companies that provided the survey with size and CSR funding information, the most significant funding mechanism for large companies' CSR programs was through an annual allocation in the company budget, which contributed 36% for large companies. Twenty-six percent of large companies reported that they did not have any specific funds assigned for CSR, while 60% of SMEs claimed the same. From the results, it appears that SMEs are more unlikely to have funds established for CSR activities even when there may be a decision to undertake such activities.

C.　CSR motivations

Companies may be motivated to incorporate CSR into their operations by several different factors. Researchers point out the growing pressure on companies to promote CSR come from institutional forces such as government regulators, the public, local communities, and industry associations like the Chamber of Commerce. As the concept of CSR becomes more visible and better understood, companies have also begun to identify reasons for delving into CSR activities. Companies prioritize motivations for CSR according to how they perceive themselves gaining the most tangible and intangible benefits. An understanding of the factors that motivate CSR in companies is necessary for the development of programs that encourage CSR.

FIGURE 12
COMPARISON OF CSR MOTIVATIONS BY COMPANY SIZE
(Percentage)
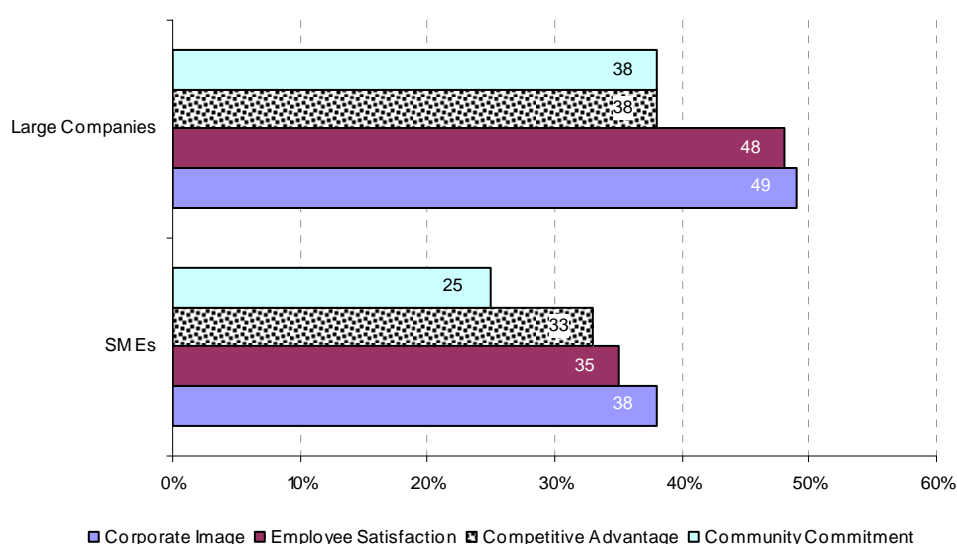
Source: prepared by the author

Interestingly, the survey did not find any significant difference in the main motivators of CSR in large companies versus SMEs. Both groups were interested in developing their CSR because they thought it improved their corporate image, gave employees a sense of satisfaction, provided some competitive advantages and contributed to their commitment to local communities. There were however several differences in the priority of motivations in each of the industry sectors as shown in figure 13.

FIGURE 13
MOTIVATIONS FOR CSR IN COMPANIES BY INDUSTRY SECTOR
(Percentage)
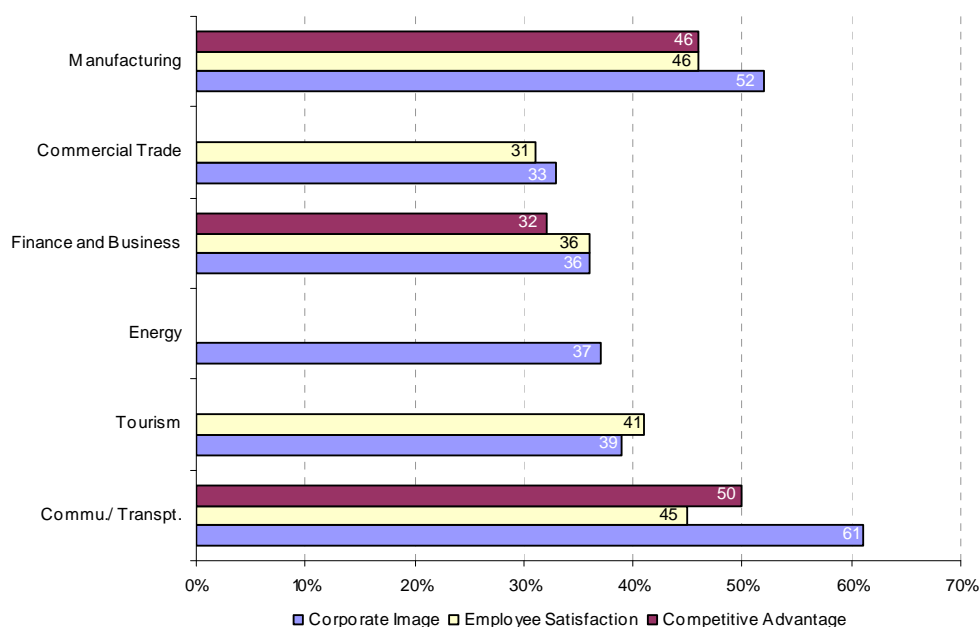
Source: prepared by author.

Improving corporate image was identified as the most significant motivation of Manufacturing and Commercial Trade sectors. The concept of CSR as a means to achieving competitive advantages was not seen as a motivator by the Tourism or Commercial Trade sectors, and interestingly was not the top motivator for any of the industry sectors, Even before surveying, this was predicted to be a possible reason for lack of CSR in the region, but with these survey results, the evidence is clear. This result is interesting considering the current research focus trends attempting to link competitive advantages to CSR practices. Companies may not yet be at a stage of development in their CSR programs to identify and experience such advantages. Also, community commitment was only identified as the top motivator by the communications/transport and the energy sectors. The Energy sector was motivated equally by all factors mentioned above while all six industry sectors reported that employee satisfaction is a main motivator for investing in CSR activities.

D. CSR and national goals

Corporate CSR can be coupled with wider national goals of sustainable development in order to promote developing economies such as those of the Caribbean. While business and industry plays the important role of driving the economy, increasing income, attracting foreign investors, and providing employment, the proper integration of corporate CSR with national goals can lead to increased resources, new programs, and additional efforts in improving key quality of life areas such as a cleaner environment, better labor conditions, and healthy communities. It may be of national interest to encourage companies to align their CSR programs to national goals. It is important to emphasize that CSR is related to voluntary activities and goes beyond legal regulations. However, company behavior is usually led by legal frameworks such as environmental laws.

FIGURE 14
COMPANIES WITH CSR PROGRAMS ALIGNED TO NATIONAL GOALS
(Percentage)
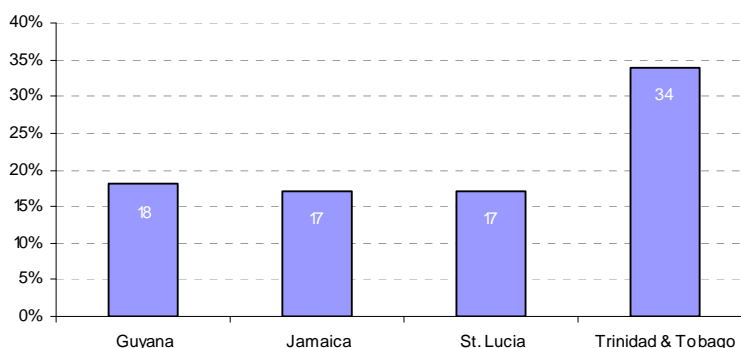
Source: prepared by author.

In Trinidad & Tobago, over a third of the companies surveyed reported that their CSR programs are aligned with or contribute to wider national goals of sustainable development. In Jamaica, St. Lucia and Guyana, the link between CSR programs and national goals is very weak. Interestingly, state owned companies accounted for 35% of those in Jamaica with CSR aligned to national goals, and 24% in Trinidad & Tobago. Therefore, 6 of the 8 Jamaican state-owned companies and 5 of the 7 Trinidadian state-owned companies in the sample aligned their CSR to their country's national goals.

FIGURE 15
COMPANIES WITH CSR ALIGNED TO NATIONAL GOALS IN EACH COUNTRY BY SIZE
(Percentage)
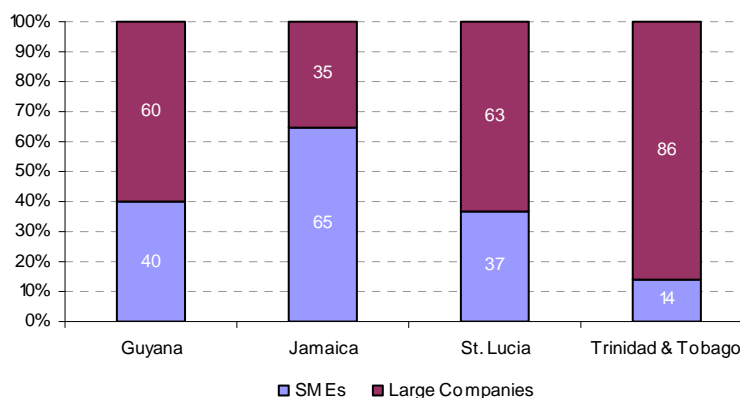
Source: prepared by author.

There are also clear differences in the alignment of CSR programs in large and SME companies between countries. In Trinidad, among the companies that reported alignment of their CSR programs to national goals, 86% were large companies and in Guyana and St. Lucia were approximately 60% and 63% respectively. However, in Jamaica, more SMEs aligned their CSR programs to national goals than large companies, with the SMEs accounting for 65%.

E.   Reporting on CSR

Companies may want to report on their CSR activities to shareholders and stakeholders alike. Informing stakeholders about the companies CSR practices is oftentimes a key means to gaining support for programs and accruing positive benefits from the investment in CSR. Companies may use CSR reporting as a way of highlighting their efforts to the public or as a means of assessing the impact of its investment, and deciding on the continuance of CSR programs. At present, all CSR reporting is voluntary and not required by any of the four countries' authorities. The decision to report CSR investments is made by the company. The form of the company's report is also highly subjective and depends on the goals of the company producing the report. There are several guidelines that companies can utilize if they require guidance.

FIGURE 16
CSR REPORTING BY COMPANIES
(Percentage)
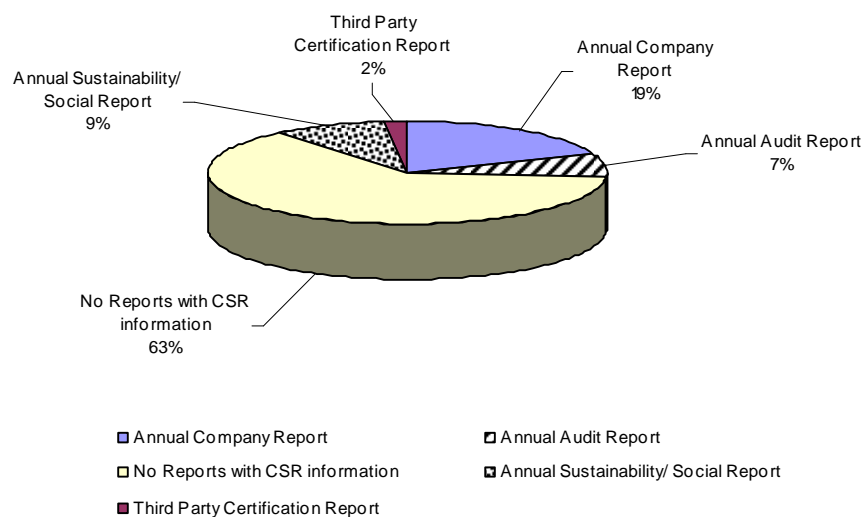
Source: prepared by author.

Nearly two-thirds of companies in the sample did not report on any of their CSR activities. This means that even if CSR activities are being undertaken, the public and other stakeholders are not aware of it. The main mode for reporting or documenting CSR activity was through the company's annual report. Usually, this would include highlights of CSR activities undertaken in the financial year, but are seldom listed as CSR. Rather, these activities are often highlighted under traditional departments or operations, such as public relations or marketing. Nine percent of companies produced annual social reports or sustainability reports. These were mostly large companies and this type of report form highlighted non-financial information. Such reports were often used for marketing purposes, but several large companies have initiated sustainability reports for the first time in order to follow the Global Reporting Initiative and other voluntary international guidelines. Seven percent of companies reported that stakeholders could find reference to their CSR activities in their annual financial audit reports where CSR contributions and expenditures are listed. Least popular was third party certifications where companies subscribe to CSR related certification schemes promoted by NGOs or other organizations. In order to maintain their certification, companies prepare and submit an annual report to such parties for verification of their CSR activities.

FIGURE 17
USE OF CSR REPORTING MECHANISM BY COMPANY SIZE
(Percentage)
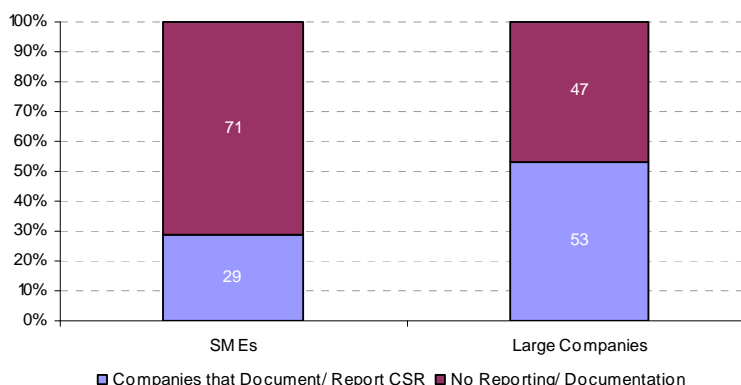
Source: Prepared by author

The proportion of SMEs that report on their CSR activities is less than the proportion of large companies that report on their CSR activities by 24%. These results illustrate that the majority of Caribbean companies, especially SMEs, need assistance and encouragement in CSR reporting. One reason that they may not report CSR is that they have not identified their CSR activities as such and therefore do not report them. For instance, survey respondents commented on their companies' philanthropy and charity but referred to these separate from CSR.

The energy sector was the most active in CSR reporting with 58% of companies in the sample providing some kind of CSR documentation. By comparison, 25% of companies in the commercial trade sector provided CSR reports or documentation. The annual company report was the most popular means of CSR reporting by all sectors except Finance and Business Services where the Annual Audit report was more popular, with 30% of companies utilizing it. The Annual Sustainability or Social Report was used by 21% of Energy companies, the most of any industry sector in this study.

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IV. Internal dimensions of corporate social responsibility

A. Worker benefits

Companies that practice CSR have to review their treatment of their workforce. They must both abide by the national laws and international treaties and guidelines on labor rights and worker benefits. Providing employees with benefits can result in increased productivity as well as heightened employee morale which in turn can result in higher retention rates of employees. This may lead to benefits for the employer, especially if the company has invested in training them.

FIGURE 18
COMPANY BENEFITS TO WORKFORCE/EMPLOYEES
(Percentage)
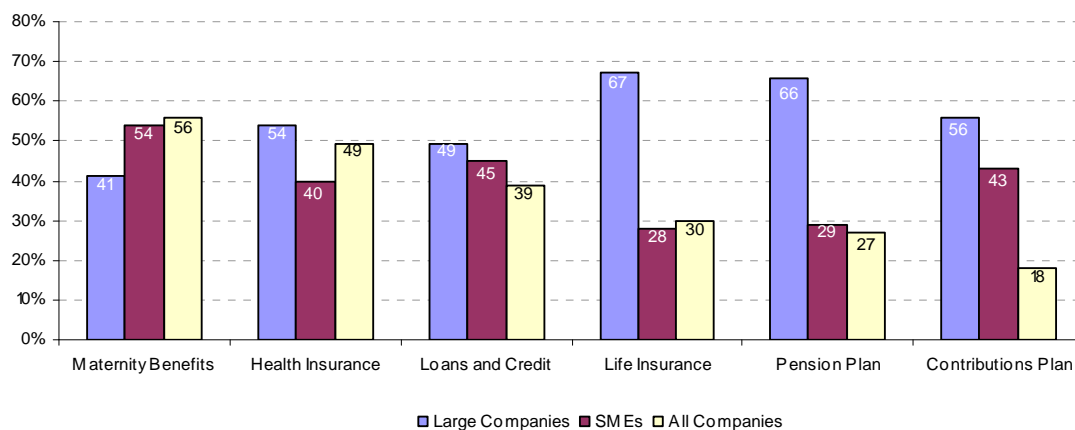
Source: prepared by author.

The results show a range of variation in common workforce benefits/rights across large and small companies. Some expected results of note are that 37% more large companies provide its employees with pension plans than do SMEs and 39% more large companies offer workers life insurance than do SMEs. Interestingly, about 13% more SMEs offer employees maternity benefits than do large companies.

FIGURE 19
WORKFORCE BENEFITS BY INDUSTRY SECTOR
(Percentage)
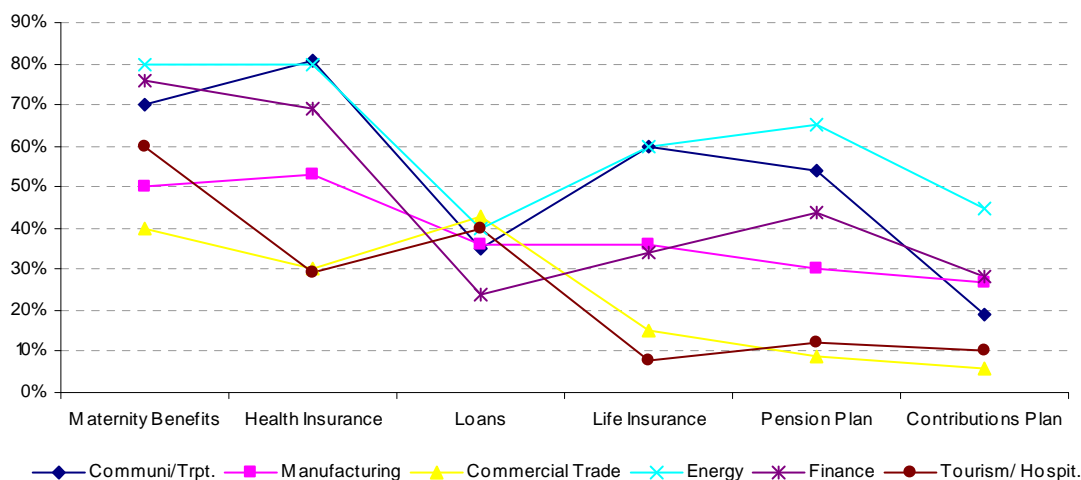
Source: prepared by author.

Reviewing employee benefits across sectors, it is observed that the commercial trade sector provides the least maternity benefits (approximately 40% of companies); the tourism and hospitality sector provides the least health insurance and life insurance (approximately 29% and 8% of companies respectively); the finance and business sector provides the least loans to employees (approximately 24% of companies); and the commercial trade sector provides employees with the least pension plans and contributions (approximately 9% and 6% of companies respectively). The sectors with the most temporary or part-time workers, commercial trade and tourism and hospitality, are the ones least likely to offer contributions and pension plans which are benefits usually reserved for full-time or permanent employees.

B. Recruitment

Another aspect of internal CSR includes a fair and equitable policy in hiring and recruitment practices. There should be no discrimination by gender, ethnicity or age in the workforce.

FIGURE 20
COMPANIES THAT ADDRESS GENDER, ETHNICITY AND YOUTH IN THEIR WORKFORCES
(Percentage)
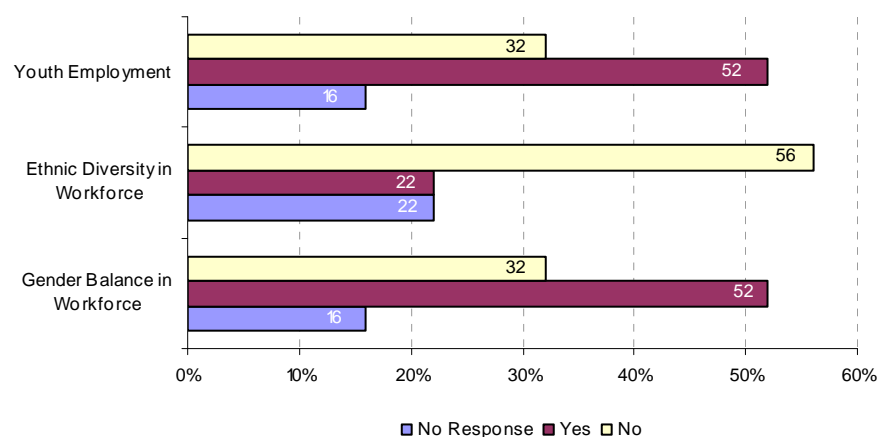
Source: prepared by author.

Positive efforts to employ youths into the workforce were the most common policy towards workforce equity. Only about 29% of companies employed policies to ensure a gender balance and only 22% have employee policies to ensure an ethnic balance.

C. Collective bargaining

Companies can decide to withdraw employment as their needs dictate. As such, collective bargaining through unions and other employee representative groups, offers a means for workers to retain some leverage in negotiating the value of their services. Through collective bargaining agreements, companies and workers can negotiate wages, work standards, schedules, compensation and other issues.

FIGURE 21
COLLECTIVE BARGAINING AGREEMENTS WITH WORKFORCE
(Percentage of companies)
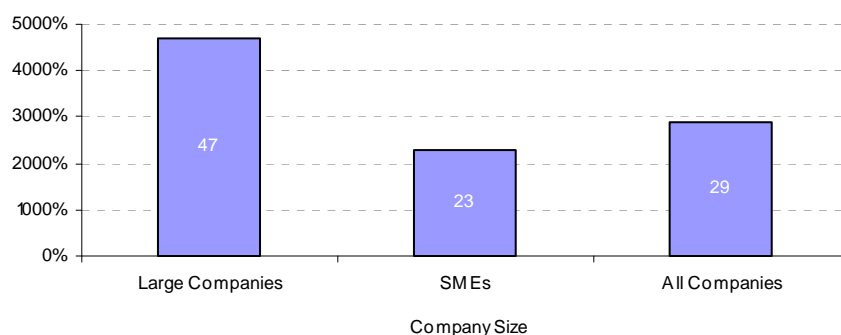
Source: prepared by author.

Some 29% of companies surveyed have signed collective bargaining agreements with their workers. Nearly twice as many large companies have signed such agreements as SMEs (47% compared to 23% respectively). The power position offered by unions also differs by industry sector and country.

FIGURE 22
PERCENTAGE OF COMPANIES WITH COLLECTIVE BARGAINING AGREEMENTS BY COUNTRY AND INDUSTRY
(Percentage)
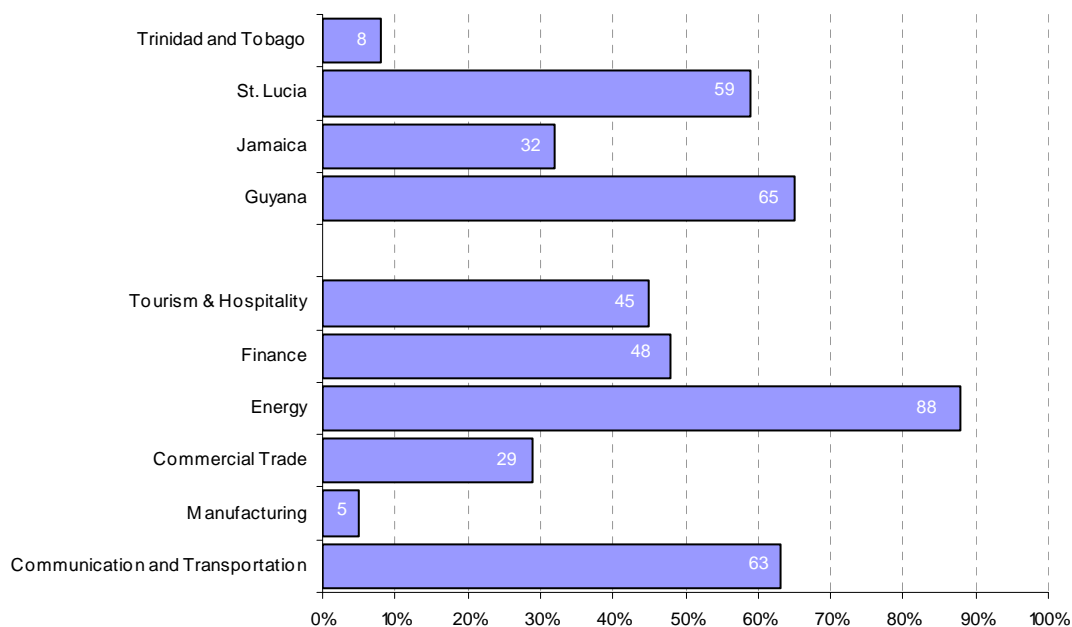
Source: prepared by author.

The survey results show more collective bargaining agreements in the communications and transport (approximately 63%) and energy sectors (approximately 45%) and the least in the finance and business sector (approximately 12%). By country, the survey shows that Trinidad & Tobago has the most companies with collective bargaining agreements (approximately 38%), while St. Lucia has the least with 16%.

D. Communication with workforce

Maintaining proper channels of communications between management and workforce ensure that workers opinions are heard and management can make informed response decisions. This ensures business continuity, productivity, less down time, and a more equitable work environment. Oftentimes, companies must establish a set of rules to manage disputes and complaints from workers. Some companies may follow formal guidelines for legal and transparency purposes while other may have less formal mechanisms to resolve workforce issues.

FIGURE 23
COMMUNICATIONS WITH WORKFORCE
(Percentage)
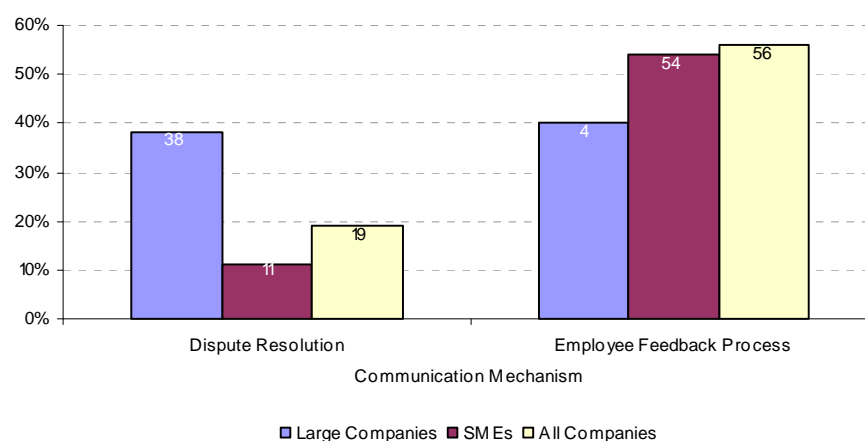
Source: prepared by author.

The survey showed that only about 19% of companies implemented formal dispute resolution mechanisms while approximately 56% of companies had less formal employee feedback mechanisms such as routine meetings and employee surveys. Nearly three times as many large companies as SME had dispute resolution mechanisms while 14% more SMEs have less formal employee feedback mechanisms than large companies.

E. Using local suppliers

As good corporate citizens, companies should attempt to utilize the resources and services provided by local suppliers, before looking to foreign suppliers. By doing business with the local suppliers, resources are re-circulated within the local operating environment rather than being lost externally. This energizes the local economy and provides economic growth opportunities. It also provides a chance for local suppliers to work with business partners in order to learn and share best practices, and enhance their service quality.

FIGURE 24
COMPANIES WITH LOCAL SUPPLIER POLICIES BY COUNTRY, INDUSTRY, AND COMPANY SIZE
(Percentage)
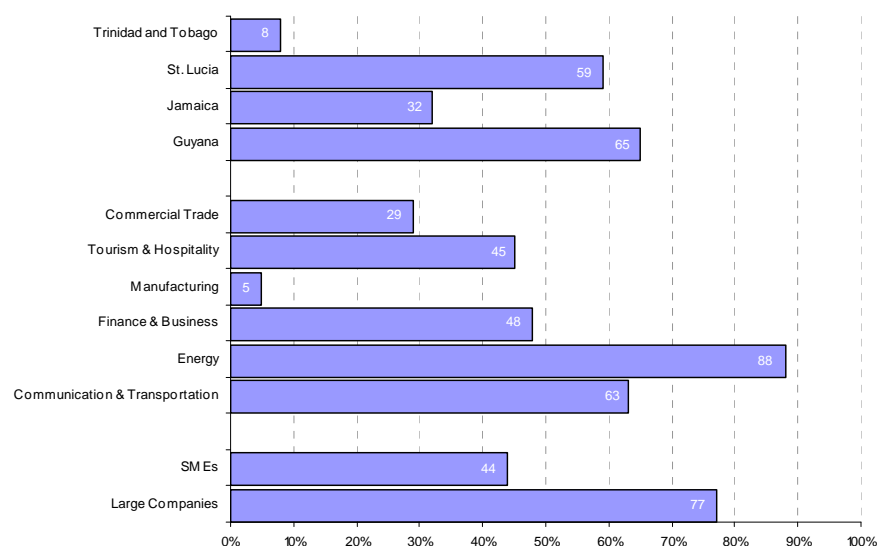
Source: prepared by author.

Some 91% of companies responded to questions about their use of local suppliers. Among these, it was observed that approximately 55% of companies had a policy of trying to source goods and services from local suppliers. This comprised approximately 77% of all large companies and 44% of all SMEs surveyed. From a country perspective, 80% of companies from Trinidad & Tobago reported having policies to use local suppliers compared to 65% of companies from Guyana, 59% of companies from St. Lucia, and only 32% of companies from Jamaica. The substantial percentage of companies in Trinidad is attributable to national guidelines on requiring "local content" in the awarding of contracts, especially for government contracts. This is particularly heeded in the Energy sector which makes up a large proportion of the Trinidad sample.

FIGURE 25
CONTRACT GIVEN TO LOCAL SUPPLIERS 2007 BY INDUSTRY
(Percentage of companies)
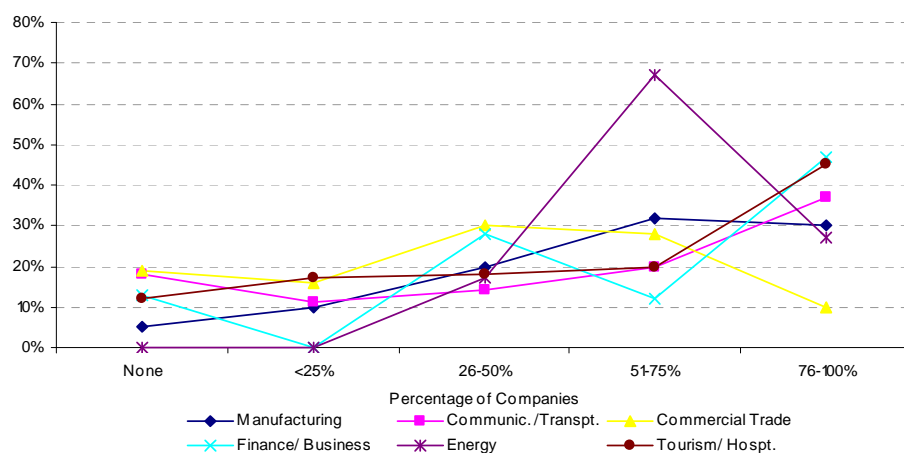
Source: prepared by author.

The survey shows that 88% of Energy companies have local supplier policies and over 60% of these companies gave between 51-75% of their contracts to local suppliers in 2007. By comparison the Commercial Trade sector had only 29% of companies with local supplier policies and about 60% of these companies gave local suppliers less than 50% of their contracts in 2007. Nearly 50% of Finance and Business companies provided local suppliers with 76-100% of their contracts, the most of any industry sector.

FIGURE 26
CONTRACT GIVEN TO LOCAL SUPPLIERS 2007 BY SIZE
(Percentage of companies)

Source: prepared by author.

It is interesting that there is a similar trend in the amount of contracts given to local suppliers in 2007 by large and SME companies. Approximately 20% of both large and SME companies gave about 50% of their contracts to local suppliers, and about 30% of both large and SME companies gave local suppliers more than 75% of their contracts in 2007.

F.   Anti corruption[1]

It was observed that there was some reluctance by companies to provide this type of information as many became very defensive to this part of the questionnaire. For this reason, one must be cautious in interpreting the results of the survey. It is felt that the results of the "Anti-Corruption" part of the survey suffers from a significant amount of social desirability bias (Crowne, 1979). Here, companies may have provided responses based on what they believe are the socially acceptable answers and what the surveyor wanted to hear. It was also often found that companies interpreted "corruption" as a political issue. This was especially prevalent in countries such as Trinidad & Tobago and Jamaica, which both just emerged from a period of national elections when this survey was undertaken.

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[1] The Inter-American Convention against Corruption and the Mechanism for follow up on the Implementation of the Inter American Convention against Corruption, as well as the Millennium Development Goals, are tools to address the incidence of corruption in Latin American and the Caribbean countries; including not only governments but other stakeholders as well. Corrupt practices account for large portions of national resources being wasted and drained to the detriment of local economies and communities. This Convention was ratified by 33 of the 34 active members of the OAS. The only country that has not ratified is Barbados. The mechanism has been signed by 30 countries members of the OAS.

FIGURE 27
COMPANIES WITH ANTI-CORRUPTION CODES BY SIZE
(Percentage)
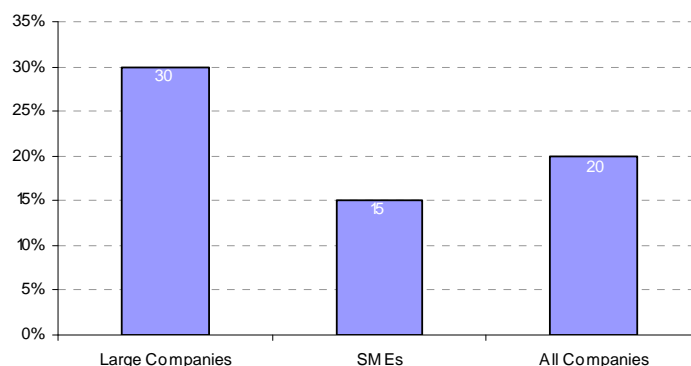
Source: prepared by the author.

Only 20% of companies in the survey have Anti-Corruption codes, guidelines or policies. Interestingly, nearly twice as many large companies have such codes as SMEs (approximately 30% to 15% respectively). This indicates that larger companies are more aware of the scrutiny from regulators and stakeholders and are, perhaps, held to more stringent regulations and reporting requirements than SMEs.

FIGURE 28
COMPANIES WITH ANTI-CORRUPTION CODES BY INDUSTRY AND COUNTRY
(Percentage)
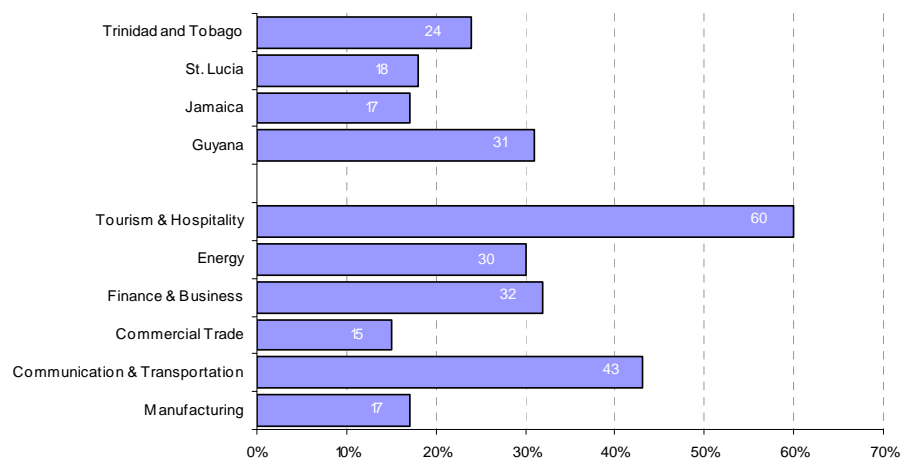
Source: prepared by author.

While all countries attempt to address issues of corporate corruption and ensure corporate transparency, there is far less enforcement than needed for proper safeguarding. This survey found that Guyana has the most companies with anti-corruption policies (31%). Again, it is possible that social desirability bias came into play since common anecdotal information suggests that Anti-Corruption policies in the Caribbean including Guyana are much less frequent than suggested by these responses. By industry sector, communications and transport and finance and business have the most companies with Anti-Corruption policies (43% and 32% respectively) while the tourism and hospitality sector has the least number of companies with Anti-Corruption policies (approximately 6%).

V. Dimensions of CSR: external

A. Stakeholder engagement

A successful corporate CSR program must resonate with the company's stakeholders. These stakeholders may include customers, government regulators, shareholders, company employees, local communities and business partners among others. The level of inclusion of stakeholders in the company's process of CSR planning and implementation will directly relate to the acceptance and success of such programs by a wider community. Without the input of the company's external stakeholders (that is, those impacting and being impacted by the company's CSR) companies' CSR programs can lack the focus required to obtain that desired bottom-line business benefit from investment.

FIGURE 29
INTENSITY OF INVOLVEMENT OF DIFFERENT STAKEHOLDER
GROUPS IN COMPANY CSR
(Percentage)
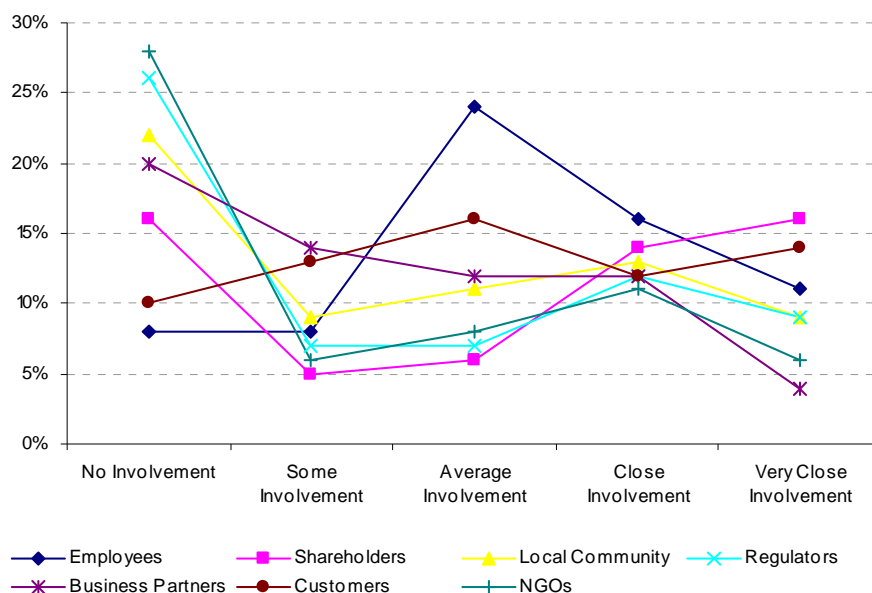
Source: prepared by author.

Overall, it was found that relatively few companies engage stakeholder groups in their CSR planning and implementation process. As observed, perhaps the most engaged stakeholder group is employees. Arguably, the least engaged is the government regulators group. One of the widest differences in stakeholder engagement is with NGOs, where nearly 30% of companies never engage NGOs in their CSR planning and implementation and only approximately 6% reported that NGO involvement with their CSR programs was "very close".

FIGURE 30
ENGAGEMENT OF COMPANIES WITH STAKEHOLDER GROUPS BY COMPANY SIZE
(Percentage)
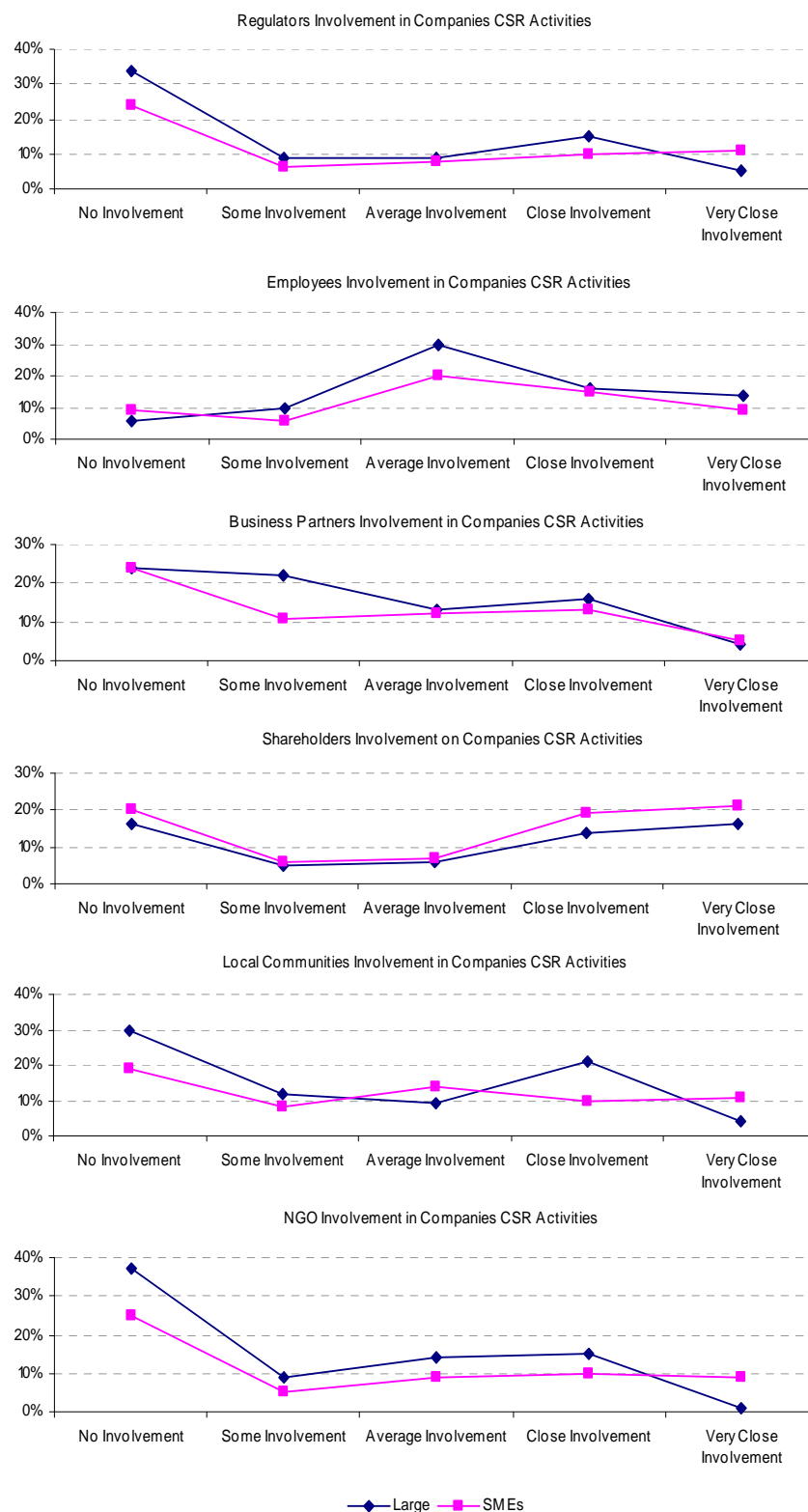
Source: prepared by author.

There are also differences in the degree to which large and SME companies engage their stakeholders in CSR programs. When planning and implementing their CSR initiatives large companies were overall more engaged with government regulators, employees, business partners and NGOs. On average large and SME companies engaged their local communities with similar intensities, although, at the upper end of the scale, about 12% of SMEs and 4% of large companies reported their local community engagement at "very close". When planning and implementing their CSR initiatives, SMEs were overall more engaged with their shareholders than large companies. This likely reflects the fact that "shareholders" of most SMEs are the direct owners and their families who have significant interest in company success, and are the decision makers on all aspects of the company's operations.

The observed differences in the level of CSR involvement of the various stakeholder groups within each industry sector may be attributed to the importance of the stakeholder group to the operations and survival of the industry. Over 30% of manufacturing companies ranked employees, shareholders and customers as being "close or very closely" involved in their CSR programs. Over 30% of energy companies ranked employees and shareholders as being "close or very closely" involved in their CSR programs, and 27% of energy companies were involved with NGOs in CSR programming, which was more than any other industry sector. Employees, shareholders, customers and local communities were the most important stakeholders for the communications/ transport sector. Forty-one percent of companies in this sector reported that local communities were "close or very closely" involved in their CSR programs. The results show that employees and shareholders were more involved with the Finance and Business sector than other stakeholders, and the most important stakeholders for the Tourism and Hospitality sector were local communities and business partners, where 27% and 23% of companies respectively ranked them as "close or very closely" involved in their CSR programs.

B.   Community services/ contributions

Companies must consider two points in the development of their CSR programs – first, what are the most relevant projects to invest in which will provide a good chance of success and second, will it provide bottom-line dividends upon completion. It is therefore useful to understand what types of CSR initiatives companies have been engaged in their communities, as this provides a deeper understanding of the types of projects that the companies value, as well as the less popular types of programs.

FIGURE 31
COMPANIES PROVIDING VARIOUS COMMUNITY SERVICES BY COUNTRY
(Number of Companies)
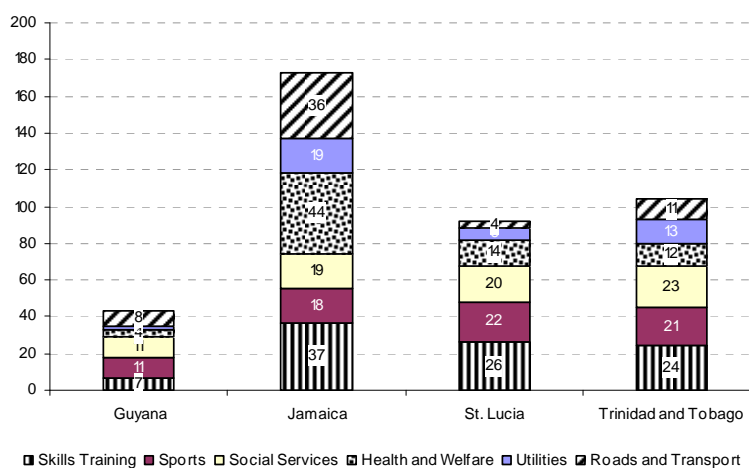
Source: prepared by author.

In Guyana, the most popular CSR projects that companies engaged in related to sports and social services. This included initiatives such as improving local sports facilities, and providing upgrades to community meeting places, markets and schools. In Jamaica, the most popular initiatives were skill training and health and welfare oriented. Companies with skill training programs provided rural communities with training opportunities in basic computer skills, and livelihoods for women, such as garment sewing and snack food production. The most important health and welfare initiatives focused on HIV/AIDS education and awareness. In St. Lucia and Trinidad & Tobago, the most popular initiatives by companies were in skill training and sports. However, this study was unable to identify programs for specific age groups, such as senior citizens after their retirement.

FIGURE 32
TYPES OF COMMUNITY SERVICES PROVIDED BY SIZE OF COMPANY
(Number of companies)
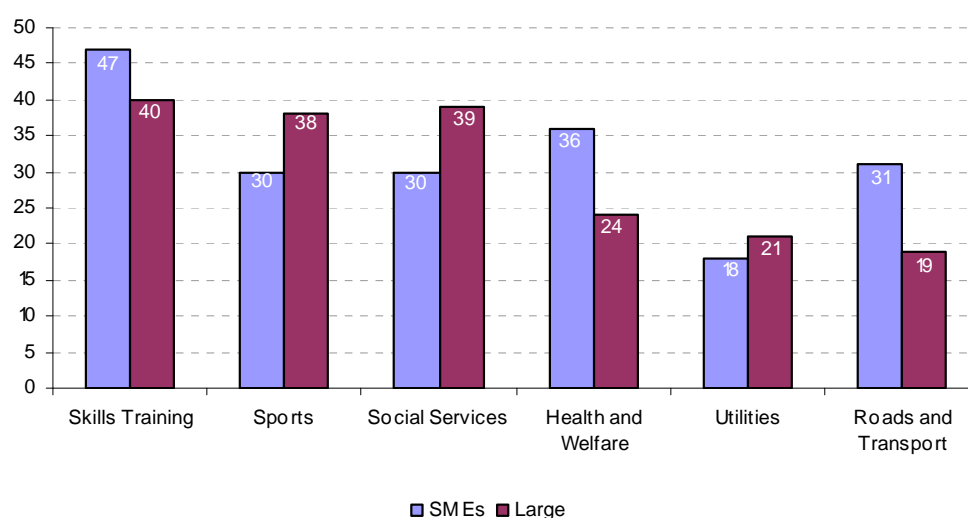
Source: prepared by author.

There was no significant difference in the diversity of projects undertaken by large or SME companies. However, large and SME companies differ in the scale of investment in each project type, with larger companies able to contribute more resources and investment in comparison to SMEs.

FIGURE 33
TYPES OF COMMUNITY SERVICES PROVIDED BY INDUSTRY SECTOR
(Number of Companies)
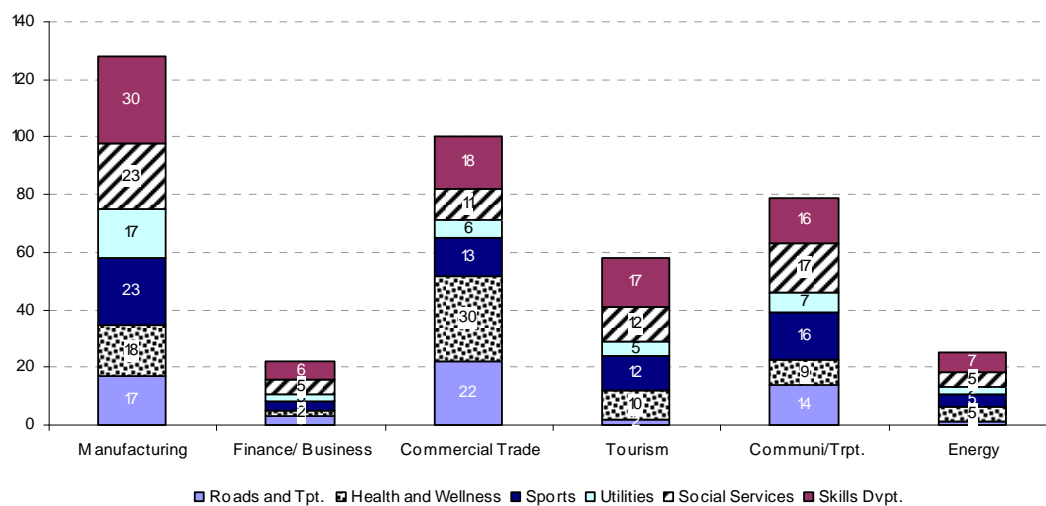
Source: prepared by the author.

Different industries placed emphasis on a wide range of community services they offered as part of their CSR activities. For instance, the Manufacturing sector and the Tourism sector both emphasized providing social services to communities while the Energy sector and the Commercial Trade sector emphasized providing health and wellness programs to communities. The survey showed that all industry sectors were involved in providing communities with skills training.

C. Product and service quality

Less than 3% of companies in the total sample reported that they had to recall products or discontinue services because of copyright or patent infringements, erroneous labels on products, or false advertising of services. While these results may indicate high product and service quality of the companies, it could perhaps also be an indication of insufficient monitoring of quality regulations in the Caribbean region. It may therefore be that such low percentages are a reflection of this minimal enforcement. Eleven percent of companies reported having to recall products or discontinue services because of low quality standards. Forty-four percent of these came from the manufacturing sector alone.

D. Customer/ client satisfaction

Company survival, corporate financial sustainability, growth and expansion are all central goals of any company. Key to achieving these goals is maintaining customer or client satisfaction by continuously providing top quality products and services. The provision of top quality products and services is also an important aspect of a company's CSR. To facilitate this, the company's customer base must be able to provide feedback on the quality of goods and services provided. This facilitates engagement of this important stakeholder group as well as provides a way for companies to gather information helpful in order to make improvements.

FIGURE 34
MODE OF CUSTOMER SATISFACTION FEEDBACK USED BY COMPANIES
(Percentage)
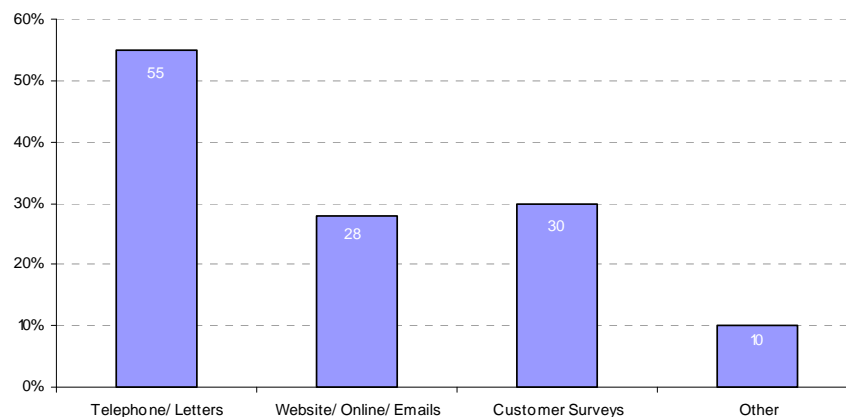
Source: provided by the author.

It was found that only approximately 28% of companies utilized information and computer technologies (ICTs) such as websites, online e-mails and message services to allow customers to provide feedback. Heightened company CSR includes allowing customers the most efficient avenues to express themselves to the company. It is clear from these results that Caribbean companies are not utilizing ICT technologies to the extent that will keep them competitive in the wider market.

FIGURE 35
COMPARISON OF CUSTOMER FEEDBACK BY COMPANY SIZE
(Number of companies)
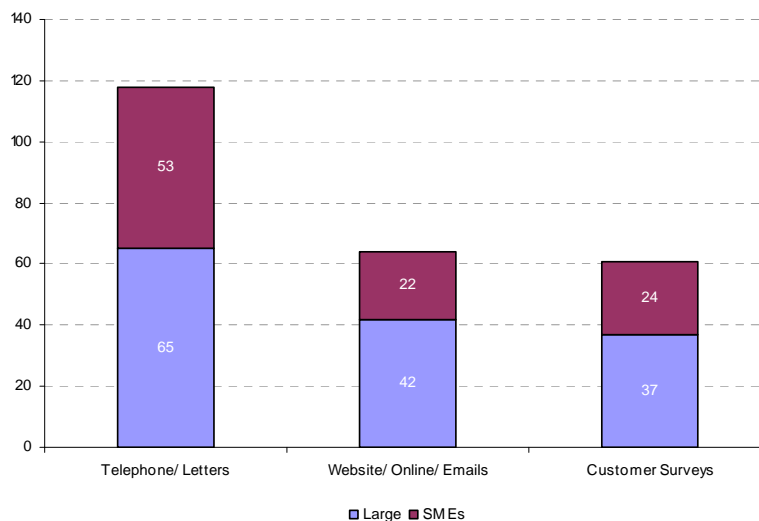
Source: prepared by author.

One of the reasons for the lack of utilization of ICT technologies may be the lack of resources or expertise to implement such systems. Approximately two times more large companies utilized e-mails, websites and other ICT services to ensure customer feedback than their SME counterparts.

VI. Environmental dimensions of corporate social responsibility

A.   Environmental commitment

Companies that are more committed to caring for the environment as a main component of their CSR strategy are more likely to have such goals embodied in their official guiding documents, such as the company's vision or mission statement, policy statement and strategic plans.

FIGURE 36
INCORPORATION OF ENVIRONMENT IN COMPANY GUIDELINES
(Percentage)
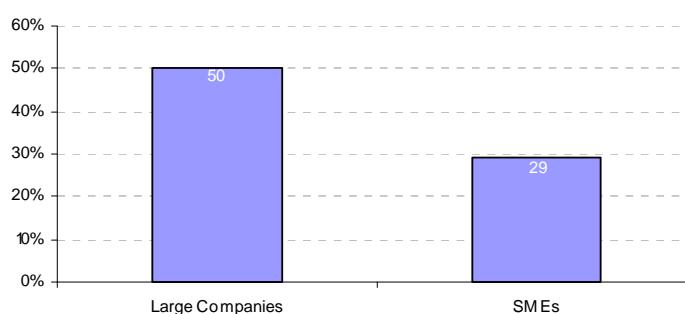
Source: prepared by the author.

It was found that 26% of companies directly or indirectly referred to the environment in their vision or mission statement while 32% did so in one of their fundamental company policies and 31% did so in their corporate strategic plans. Interestingly, a similar percentage of large companies and SMEs (26%) directly or indirectly referred to the environment in their vision or mission statement but 12% more large companies did so in their policy documents and in their strategic plans than SMEs. Overall, 50% of large companies mentioned the environment in some type of guideline, whereas only 29% of SMEs did.

FIGURE 37
INCORPORATION OF ENVIRONMENT BY INDUSTRY SECTOR
(Percentage)
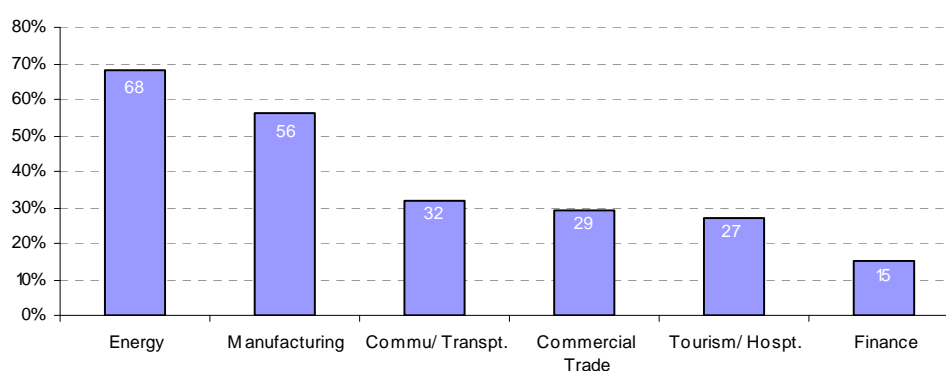
Source: prepared by the author.

Companies were also asked about more specific environmental commitments embodied in their guiding documents and plans. This is important since there continues to be a preponderance of "green washing[2]" attempts by many companies globally to make broad environmental statements and

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[2]   Green washing refers to the attempt by an organization to conduct activities geared towards making them appear environmentally responsible to the public eye and the regulators, but do not actually have any positive impact on the company's environmental performance. Companies that "green wash" do so in order to gain the benefits of having an environmentally friendly image without actually having to commit investment to being so.

declarations, but few implement specifics that make positive improvements. Interestingly, 68% of Energy companies incorporate the environment in their company guideline documents while on the other end of the scale, only 15% of the Finance and Business service companies incorporate the environment.

FIGURE 38
TYPE OF ENVIRONMENTAL COMMITMENT BY COMPANIES
(Percentage)
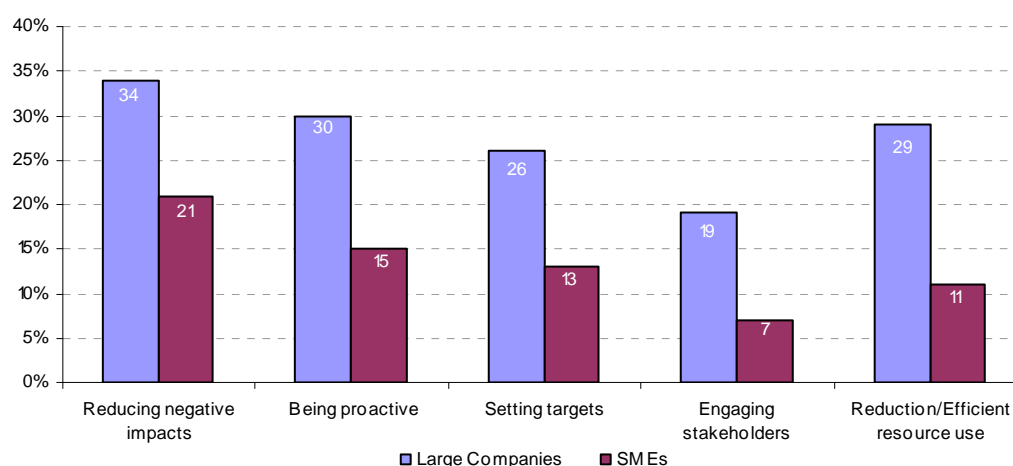
Source: prepared by the author.

It was found that 26% of companies emphasized reducing negative impacts of their operations on the environment (or conversely 19% mention taking steps to make a positive impact). However, only 16% of companies committed to any targets, while only 11% committed to engaging stakeholders on their views of the company's environmental issues. Most large companies committed to reducing negative impacts (34%), being proactive (30%) and efficiently using raw materials (29%), while SMEs were most committed to reducing negative impacts (21%), and less than 15% of SMEs had any other stated environmental commitment.

B. Environmental expenditure

Good measures of a company's commitment to environmental aspects of CSR are the amount actually invested by the company on environmental improvement programs and the company's priority areas for expenditures on environment improvements.

FIGURE 39
AREAS OF ENVIRONMENTAL INVESTMENT/ EXPENDITURE FOR COMPANIES
(Percentage)
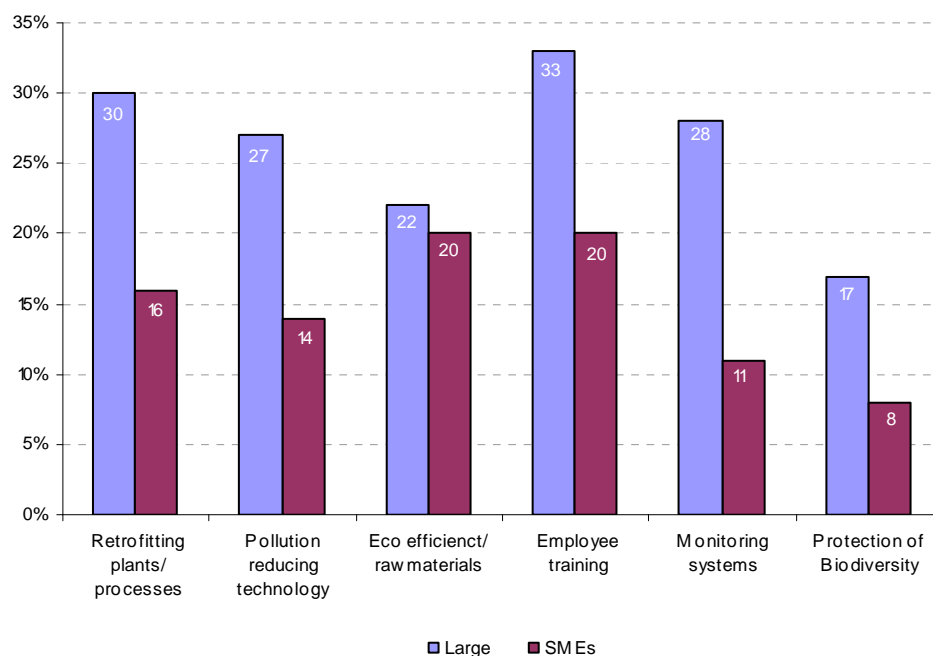
Source: prepared by the author.

It was found that approximately 25% of companies invested in employee and community environmental awareness and protection training programs. Approximately 20% of companies invested in retrofitting and reengineering their production plants and processes to improve environmental quality by installing pollution reducing technologies and utilizing more environmentally friendly raw materials. Only 10% of companies invested in the protection of biodiversity and natural resources. Based on comments of survey respondents it is clear that protection of biodiversity is the single area that companies perceive they are least connected to, and which least impacts their operations.

C.   Relevance of environment to company operations

Companies tend to engage in environmental CSR initiatives closely tied to their operations and those that they perceive will most likely affect their bottom-line. If companies do not look at environmental issues from this business-CSR perspective, then they may not achieve the desired CSR benefits. It is, therefore, necessary to identify the most important environmental issues for each company's operations.

FIGURE 40
RELEVANCE OF ENVIRONMENTAL ISSUES TO INDUSTRY SECTORS
MOST IMPORTANT ISSUES SHOWN
(Percentage)
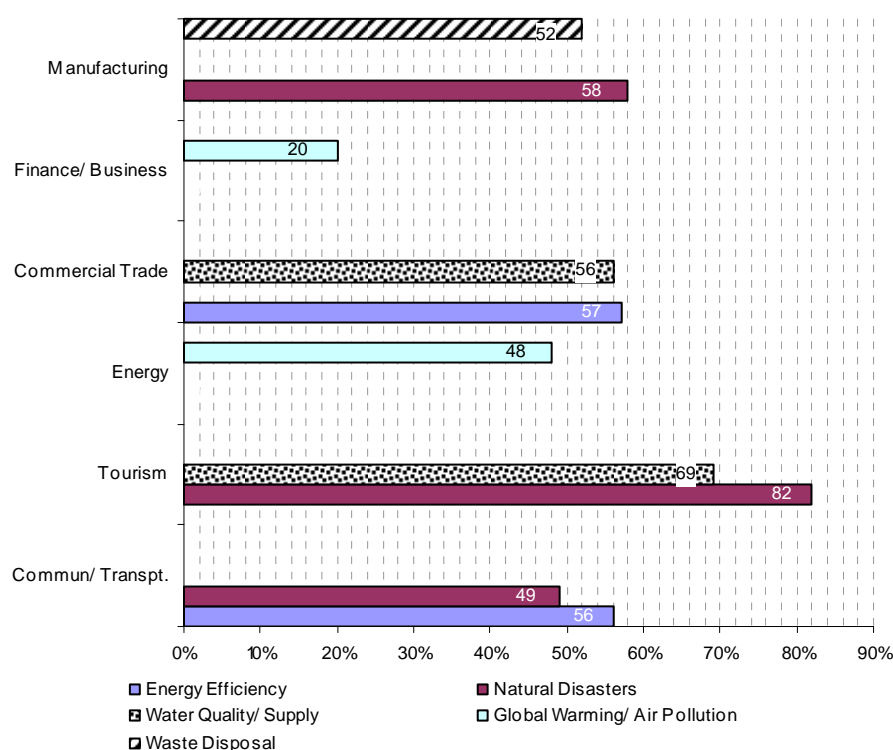
Source: prepared by the author.

The most important issues cited by companies in order of priority included occurrences of natural disaster such as hurricanes and floods (58%); improving energy efficiency and using less electricity (50%); ensuring water quality and reliable supply (47%); reducing amounts of waste generated in operations (43%); global warming (31%) and protection of biodiversity resources (26%).

The relevance of environmental issues varies according to the type of operations in each industry sector. Global warming and air pollution ranked among the most important issues by the Energy and Finance sectors. This may arise from the fact that energy companies are a major source of the expulsion of greenhouse gases and are subject to heavy regulation as well as scrutiny from other stakeholders. The Financial sector is also now very interested in global warming in the context of carbon financing facilities and investments in renewable, non-polluting technologies. Waste disposal and recycling was most important to the manufacturing sector which produces large amounts of waste by-products in processing operations. Attention to reducing waste in these processes can improve efficiency and raise productivity which motivates the manufacturers' to be interested in such issues. The Communications/ Transport and the Commercial Trade sectors were most interested in energy efficiency. Water quality and supply was rated as most important by the Tourism sector which depends heavily on for its hotel and restaurants operations. In addition, tourist attractions in the Caribbean include beaches, and rainforest attractions, which are all heavily dependent on natural water supplies for their sustenance. Natural disasters were rated most important by the Tourism and Communications/ Transport sectors. Since the region has been vulnerable to hurricanes, flooding and tropical storms, all of these can directly affect influxes of tourists, in addition to infrastructure, roads, and vehicle access in the communications/ transportation sector.

D.   Environmental management systems (EMS)

An EMS is a systematic approach for companies to bring environmental considerations into decision making and day-to-day operations. It establishes a framework for monitoring, tracking, evaluating, communicating and continuously improving environmental performance. It is a continual cycle of planning, implementing, reviewing and improving the processes and actions that an organization undertakes to meet its business and environmental goals.

FIGURE 41
EMS IMPLEMENTATION IN COMPANIES BY SIZE
(Percentage)
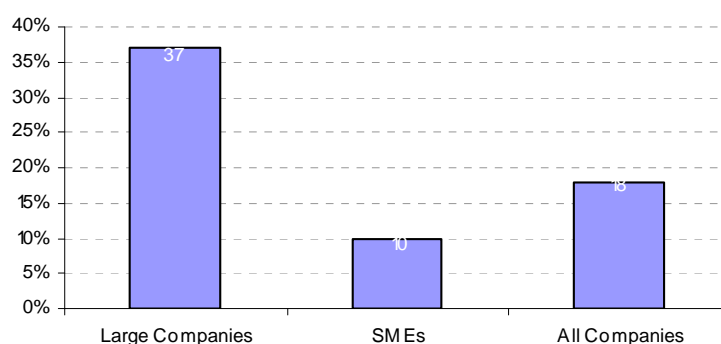
Source: prepared by the author.

Only 18% of companies have implemented some form of environmental management system. This included 37% of large companies and only 10% of SMEs. When asked reasons for not implementing EMS, the most popular answers included the high costs of implementation, a disregard for the environment as a priority area, a lack of expertise to assist with implementing a system, no need for the system to abide by local regulations, and simply the system's irrelevance to their operations.

Of the 18% of companies that implemented, or currently in the process of implementing an EMS, 76% of them reported that their EMS adheres to local environmental regulations, 42% reported that their EMS adheres to international guidelines, and 40% reported that their EMS takes corporate guidelines into consideration and adheres to other certification guidelines (such as ISO14001).

E.   Motivations for environmental responsibility

It is important to make a sound business case for companies to invest in corporate environmental responsibility as part of their CSR program. However, there exists a significant lack of information and understanding to the linkages between environmental and business success. This hinders the companies' abilities to identify why and where they should focus on environmental CSR, and hence, it results in poor performance and/or less emphasis in this aspect of their CSR programs.

FIGURE 42
MOTIVATIONS FOR ENVIRONMENTAL CSR IN SME AND LARGE COMPANIES
(Percentage)
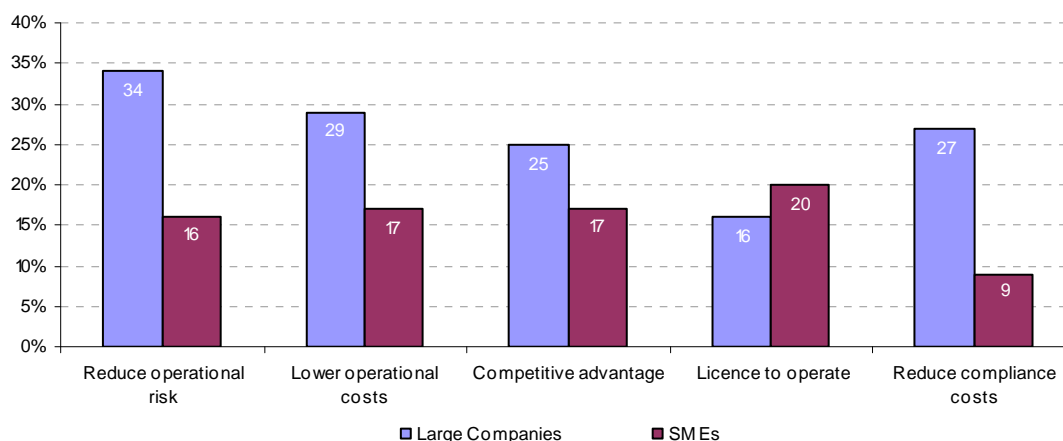
Source: prepared by the author.

The most important reason that companies engaged in environmental CSR was to reduce operational risks (21%), followed by wanting to lower operational costs (20%) and competitive advantages (19%). Only 15% of companies cited their reason for engaging in environmental CSR as wanting to reduce penalties for non-compliance.

It must also be noted that there are significant differences in motivations between large companies and SMEs. For example, while 34% of large companies cite reducing operational risks as a motivator, only 16% of SMEs do. Similarly, about twice as many large companies cited lowering operational costs and reducing compliance costs as motivators compared to SMEs. These findings suggest a lack of awareness for environmental CSR is more prevalent among SMEs than large companies.

Another motivation for environmental policy implementation is compliance to regulations. However, the lack of environmental policies is possibly related to the fact that few environmental regulations have been imposed on Caribbean industries. Also, those existing regulations suffer from a lack of enforcement. Even when enforced, the legal penalties and fines for environmental non-compliance are usually minimal (Ramlogan and Persadie, 2004).[3]

In this survey, companies often neglected to respond to questions pertaining to their environmental policies and regulations. Reasons for a lack of response may include the following assumptions: a concern for the company's confidentiality, a lack of knowledge regarding their own

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[3] Despite a lack of response from companies regarding environmental policies, the four countries in the general survey each have a general framework for environmental laws and regulations which may apply to the sectors and companies analyzed. For example in Jamaica, the Natural Resources Conservation Authority, established in 1991, has enacted a set of regulations that prohibit categories of enterprise, construction, and development without a permit. These regulations may affect some companies within the following sectors: manufacturing, tourism, and transport, storage, and communication. Also, Guyana implemented the Environmental Protection Act in 1996 which restricts the building, changing, or establishment of any structure, equipment or plant that releases contaminants in the environment. This legislation potentially impacts many companies within the manufacturing sector. In St. Lucia, a piece of environmental legislation impacting the tourism sector includes the Parks and Beaches Commission Act of 1983 which requires licenses for all businesses selling services or goods in a public park or beach. Lastly, in Trinidad & Tobago, the Environmental Management Authority, established in 2000, has implemented both the Noise Pollution Rules 2001, and the Water Pollution Rules 2001. These laws may require companies in the energy, manufacturing, or transport, storage, and communication industries to maintain pollution level below the permissible standards, or otherwise obtain necessary permits.

company's policies by the person completing the questionnaire, or a lack of understanding about the legislation at the local, national, or international levels. The company's desire for confidentiality could possibly be motivated by the company's minimal compliance with environmental laws. If so, the avoidance of such laws may be due to financial reasons or a lack of interest in the environment issues.

FIGURE 43
ACCESS TO COMPANY ENVIRONMENTAL RECORDS
(Percentage)
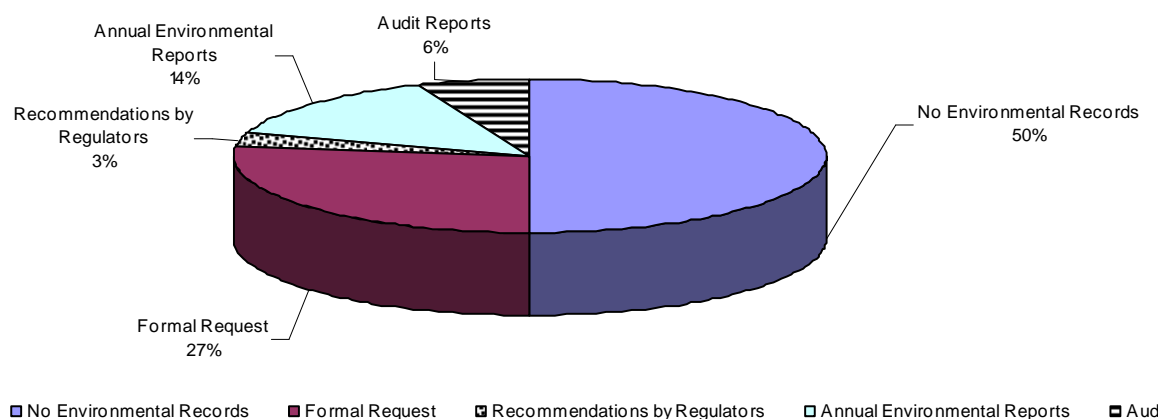
Source: prepared by the author.

Of the total sample of companies, 50% reported that they did not keep any environmental records. Twenty-seven percent of companies reported that stakeholders could obtain environmental information through a formal request. Annual environmental reports were only cited by 14% of companies, the majority of which were large companies.

VII. Final remarks

- Build CSR awareness and knowledge of the issues among all companies and particularly SMEs. Companies must be encouraged to commit to stated and documented policies, targets and goals. Especially regarding the environment, companies must be encouraged to make specific commitments rather than general statements that can not be implemented.

- Companies must be guided on how to integrate CSR into their organizational structures, business strategies, budgeting and decision making processes since currently, CSR is seen as a modular program rather than part of core operations.

- Companies should be informed of the potential benefits of CSR programming – both wider societal and regional benefits as well as more direct business benefits. In this way, companies will be dissuaded from being motivated by only their present focus on short-term and readily tangible CSR benefits, and they will better understand and strategize to obtain long-term and more sustainable CSR outcomes/results. Companies need to be advised on issues, such as competitive advantages to be gained by CSR, especially in their specific business contexts, in order for them to be motivated to implement policies.

- Companies need to be trained, or given access to resources, that will assist them in documenting, reporting and monitoring their CSR programming. This will improve transparency, which is presently lacking in all areas, especially environment. It is

recommended that companies be advised on reporting guidelines, such as the Global Reporting Initiative, and encouraged to develop standardized reporting guidelines on a regional, county and/or industry specific level.

- While workers' rights and equity are not as eroded as elsewhere in the Hemisphere, there is still a need to improve regulations that insist on benefit coverage for workers. Regional governments must be encouraged to strengthen requirements that companies provide benefits. Increased ability of workers to bargain collectively is needed to make them less vulnerable. More formal channels of communication and dispute resolution must be encouraged, especially as worker-employer issues become more complex.

- The gap between government's national sustainable development plans and how businesses approach CSR has to be bridged by both parties. Governments need to clearly delineate their objectives in the context of the private sector, and the private sector needs to foster a more collaborative relationship with government and regulators to develop programs of mutual and reinforcing benefit.

- More enforcement of regulations to ensure corporate good governance is needed since little public information is available and companies are unwilling to voluntarily provide details on corruption/anti-corruption. Of all the facets of CSR, in the Caribbean, Anti-Corruption has been the most non-transparent. More studies are required to collect data. Also, there may be a significant role for public-private sector organizations and partnerships to improve transparency.

- Stakeholders must be encouraged to become more engaged with companies in planning and developing CSR programs. Companies should actively engage their most important stakeholders in order to ensure that their CSR programming is on target and is of mutual value to them and their communities.

- At this point most companies engage with communities in a more philanthropic way than for CSR objectives. There is the need, therefore, for companies to conduct more detailed needs assessment and analysis to ascertain which can provide bottom-line benefits, financial or non financial, in order to structure such efforts under CSR with clear results.

- Companies must work with governments to improve local content regulations so that business trickles down through out the local economic sector and encourages growth of indigenous suppliers.

- Companies must be encouraged and urged to commit to a "culture" of product and service quality. One immediate need is to modernize the customer feedback systems to use information and communications technologies. Once this can be done, businesses will benefit from feedback from the market so they can improve their offerings which can then translate into bottom-line benefits.

- Environmental practices, in the context of CSR, must be linked to costs and benefits to justify investments. More systematic approaches to environmental CSR must be encouraged, such as EMS, because of the more technical and regulatory heavy nature of environmental issues. Companies also need more awareness for the wider environmental issues that can affect their operations given that many environmental issues are not visibly apparent in the short term and immediate scope of most companies.

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Annex

Annex 1   Corporate Social Responsibility Questionnaire

PROMOTING CORPORATE SOCIAL RESPONSIBILITY TO SMALL AND MEDIUM ENTERPRISES IN THE CARIBBEAN

PROJECT PARTNERS:

ORGANIZATION OF AMERICAN STATES (OAS)
UN ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN (ECLAC)
CARIBBEAN ASSOCIATION OF INDUSTRY & COMMERCE (CAIC)
YOUNG AMERICAS BUSINESS TRUST (YABT)

CORPORATE SOCIAL RESPONSIBILITY QUESTIONNAIRE

CSR refers to operating a business in a manner that meets and exceeds the ethical, legal, commercial and public expectations. CSR is seen by leadership companies as more than a collection of discrete practices or occasional gestures or initiatives motivated by marketing, public relations or other business benefits. It is viewed as a comprehensive set of policies, practices and programs that are integrated throughout business operations and decision making processes that are supported and rewarded by top management.

DATE:

COMPANY:

INTERVIEWEE:

JOB POST:

INTERVIEWER:

Instructions: Please answer the following questions as accurately and as detailed as possible. It is agreed that all company participating in this survey, including yours, will not be referred to by name. This information will not be shared with anyone not listed above as a project partner.

I. COMPANY PROFILE

1. WHAT IS THE COMPANY'S MAIN ECONOMIC ACTIVITY

   ☐ ENERGY   ☐ MANUFACTURING

   ☐ COMMUNICATIONS   ☐ TRANSPORT AND STORAGE

   ☐ TOURISM & HOSPITALITY   ☐ FINANCIAL AND BUSINESS SERVICES

   ☐ AGRO-PROCESSING   ☐ COMMERCIAL TRADE

   WHAT ARE THE PRIMARY PRODUCTS AND/ OR SERVICES OF YOUR COMPANY?

   ....

2. WHO IS YOUR COMPANY'S TARGET MARKET/ CUSTOMERS?

   ☐ LOCAL/ IN COUNTRY   ☐ REGIONAL   ☐ INTERNATIONAL   ☐ PUBLIC SECTOR

   ☐ PRIVATE SECTOR

3. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR COMPANY: PLEASE PROVIDE DETAILS WHERE APPROPRIATE:

   ☐ LIMITED LIABILITY   ☐ DIVISION OF A CORPORATION

   ☐ PARTNERSHIP   ☐ SOLE PROPRIETORSHIP

   ☐ JOINT VENTURE   ☐ SUBSIDIARY

   ☐ STATE OWNED   ☐ PRIVATE OWNED

   IF APPROPRIATE, DESCRIBE YOUR COMPANY'S SHAREHOLDER COMPOSITION:

   ....

4. HOW MANY EMPLOYEES DOES YOUR COMPANY EMPLOY AT PRESENT?

	FULL TIME	PART TIME
<10	☐	☐
10-25	☐	☐
26-50	☐	☐
51-100	☐	☐
101-250	☐	☐
250-500	☐	☐
> 500	☐	☐

5. WHAT WAS YOUR COMPANY'S APPROXIMATE ANNUAL REVENUES LAST YEAR [US$]?

   ☐ < $ 50,000   ☐ $500,000 - $1M   ☐ $ 20 M - $ 50 M

   ☐ $50,000 - $100,000   ☐ $ 1 M - $ 5 M   ☐ $100,000 - $ 250,000

   ☐ $ 250,000 – $500, 000   ☐ $ 50 M - $ 100 M   ☐ > $ 100 M

6. WHAT WAS THE AVERAGE PERCENTAGE TURNOVER OF STAFF OVER THE LAST YEAR?

	EXECUTIVES	OPERATIONAL STAFF	ENTRY LEVEL STAFF
0-25%	☐	☐	☐
25-50%	☐	☐	☐
50-75%	☐	☐	☐
75-100%	☐	☐	☐

2. CORPORATE SOCIAL RESPONSIBILITY PROFILE

7. DOES YOUR COMPANY HAVE ANY CSR…?

CODE OF ETHICS   ☐ YES   ☐ NO

POLICY STATEMENT   ☐ YES   ☐ NO

PROGRAMS/ ACTIVITIES   ☐ YES   ☐ NO

IF "NO" TO ALL THE ABOVE, PLEASE GO TO SECTION 3

8. WHO DECIDES, MANAGES AND CO-ORDINATES THE COMPANY'S CSR ACTIVITIES?

☐ CHIEF EXECUTIVE OFFICER   ☐ BOARD   ☐ MARKETING/ PR

☐ BUSINESS MANAGER   ☐ CROSS FUNCTIONAL TEAM   ☐ OWNER

☐ HUMAN RESOURCES   ☐ OTHER

9. WHAT SOURCES OF FUNDING ARE USED/ ALLOCATED FOR CSR INITIATIVES?

☐ ANNUAL ALLOCATION   ☐ PERCENTAGE OF PROFITS   ☐ AD HOC FUNDING

☐ DEPARTMENTAL FUNDS   ☐ NO SPECIFIED BUDGET   ☐ OTHER

WHAT PERCENTAGE OF THE ANNUAL BUDGET GOES TO CSR? ....

10. WHAT ARE YOUR COMPANY'S MAIN MOTIVATIONS TO ENGAGE IN CSR PROGRAMS?

☐ BETTER CORPORATE IMAGE, MARKETING AND ADVERTISING STRATEGY

☐ EMPLOYEE SATISFACTION AND FULFILLMENT

☐ IMPROVE COMPETITIVE ADVANTAGES, PRODUCTIVITY & BUSINESS OPPORTUNITIES

☐ REDUCE GOVERNMENT OVERSIGHT/ PRESSURES, GAIN REGULATORY EASE

☐ GAIN SUPPORT OF COMMUNITIES, MARKET AND STAKEHOLDERS

☐ DIRECTIVE OF BOARD AND//OR SHAREHOLDERS

☐ OTHER...

11. ARE THE COMPANY'S CSR POLICIES ALIGNED WITH NATIONAL DEVELOPMENT GOALS?

☐ YES   ☐ NO
IF "YES" HOW IS THIS ACHIEVED BY THE COMPANY? ....

12. DOES YOUR COMPANY PARTICIPATE IN ANY CSR INITIATIVES?

☐ GLOBAL ☐ REGIONAL   ☐ NATIONAL   ☐ OTHER
IF "YES", PLEASE STATE: ....

13. WHAT MECHANISMS DO YOUR COMPANY EMPLOY TO OBTAIN FEEDBACK FROM STAKEHOLDERS (IE EMPLOYEES, SUPPLIER, COMMUNITY) ON THE SUCCESS OF CSR PROGRAMS?

……………...

14. HOW CAN STAKEHOLDERS (IE EMPLOYEES, CUSTOMERS, AND COMMUNITY) LEARN ABOUT YOUR COMPANY'S CSR INITIATIVES?

☐ ANNUAL COMPANY REPORT   ☐ AUDITED COMPANY REPORTS

☐ THIRD PARTY AUDITED REPORT   ☐ ANNUAL SOCIAL/ SUSTAINABILITY REPORT

3. INTERNAL CSR ACTIVITIES

15. WHAT BENEFITS PLANS DOES YOUR COMPANY OFFER TO EMPLOYEES?

☐ MATERNITY/ PATERNITY   ☐ DEFINED CONTRIBUTIONS PLAN

☐ PENSION PLAN   ☐ HEALTH INSURANCE

☐ LIFE INSURANCE   ☐ LOANS/ ACCESS TO CREDIT

☐ TRAINING AND CAPACITY-BUILDING   ☐ OTHER...

16. HAS YOUR COMPANY TAKEN STEPS TO ADDRESS THE FOLLOWING?

NO   YES   IF "YES' WHAT STEPS?

GENDER EQUALITY/ BALANCE ☐   ☐   ....

ETHNIC DIVERSITY   ☐   ☐   ....

YOUTH EMPLOYMENT   ☐   ☐   ....

17. PLEASE SELECT THE TYPE OF ASSISTANCE PROGRAMS YOUR COMPANY PROVIDES TO EMPLOYEES; PLEASE PROVIDE DETAILS:

☐ FUNCTIONAL SKILLS DEVELOPMENT...

☐ MANAGEMENT/ ADVISORY...

☐ HEALTH AND WELLNESS..

☐ FAMILY & LIFESTYLE PROGRAMS..

☐ OTHER...

18. DOES YOUR COMPANY PROVIDE JOB RELATED TRAINING TO EMPLOYEES?

NO   YES   IF "YES' WHAT TYPE?

EXECUTIVE/ MANAGEMENT ☐   ☐   ....

PROFESSIONAL STAFF   ☐   ☐   ....

OPERATIONAL STAFF   ☐   ☐   ....

19. ARE THE COMPANY'S EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT?

☐ YES   ☐ NO

IF "YES, HOW MANY? ☐<25% ☐ 25-50% ☐ 50-75% ☐ 75-100%

20. DOES YOUR COMPANY HAVE THE FOLLOWING EMPLOYEE MECHANISMS...?

FORMAL DISPUTE RESOLUTION MECHANISM   ☐ YES   ☐ NO

EMPLOYEE FEEDBACK MECHANISM   ☐ YES   ☐ NO
(E.G. SURVEY, SOCIAL DIALOGUE, INFORMAL)

21. DOES YOUR COMPANY REGULARLY ASSESS THE IMPACT OF ITS INTERNAL POLICIES (E.G. POLICIES ON HUMAN RESOURCES, HIRING, SUCCESSION PLANNING, PROMOTIONS)?

☐ YES   ☐ NO   IF "YES" WHICH? ....

22. REGARDING LOCAL SUPPLIERS, DOES YOUR COMPANY HAVE ...?

A POLICY ON USING LOCAL SUPPLIERS?   ☐ YES ☐ NO

A SUPPLIER PERFORMANCE MONITORING SYSTEM?   ☐ YES ☐ NO

PROGRAM TO ASSIST SUPPLIERS WITH PERFORMANCE

WHAT PERCENTAGE OF CONTRACTS WENT TO LOCAL SUPPLIERS LAST YEAR?

☐ 0-25%   ☐ 26-50%   ☐ 51-75%   ☐ 76 – 100%

23. DOES YOUR COMPANY WORK WITH SUPPLIERS TO IMPROVE THEIR PERFORMANCE/ CAPABILITIES?

☐ YES   ☐ NO

IF "YES" PLEASE STATE IN WHAT AREAS YOUR COMPANY ASSISTS SUPPLIERS:

☐ OPERATIONAL ASPECTS   ☐ TECHNICAL COMPLIANCE   ☐ TENDER PROCESS

☐ QUALITY, ENVIRONMENT, HEALTH & SAFETY ☐ OTHER...

24. DOES YOUR COMPANY HAVE AN INTERNAL ANTI CORRUPTION CODE/ MONITORING SYSTEM?

☐ YES   ☐ NO   IF "YES" PLEASE DESCRIBE: ....

25. WHAT LEVELS OF EMPLOYEES ARE TRAINED IN ANTI-CORRUPTION PROCEDURES?

TOP MANAGEMENT: ☐ YES   ☐ NO

PROFESSIONAL/ MIDDLE MANAGEMENT: ☐ YES   ☐ NO

OPERATIONS STAFF: ☐ YES   ☐ NO

26. IN THE LAST FIVE YEARS HAS YOUR COMPANY FACED THE FOLLOWING ACTIONS CORRUPTION (E.G. ANTI COMPETITIVE BEHAVIOR, ANTITRUST, MONOPOLY, INSIDER DEALING, BRIBERY)? PLEASE DESCRIBE.

....

DID YOUR COMPANY TAKE ANY REMEDIAL / PREVENTATIVE MEASURES AFTER ANY OF THE FOLLOWING? PLEASE DESCRIBE.

☐ INCIDENTS OF IN COMPANY CORRUPTION

....

☐ INCIDENTS OF CORRUPTION WITH BUSINESS PARTNERS

....

☐ LEGAL CASES AND SANCTIONS

....

4. EXTERNAL CSR ACTIVITIES

27. FROM THE LIST BELOW, <u>TICK OFF</u> THE STAKEHOLDER GROUPS YOUR COMPANY REACHES OUT/ CONSULTS WITH ON CSR INITIATIVES? USING THE SCALE, SAY HOW INVOLVED STAKE HOLDERS ARE IN PROGRAM PLANNING AND IMPLEMETATION?

1 BEING NOT INVOLVED AND **5** BEING VERY INVOLVED

☐ EMPLOYEES   ☐1 ☐2 ☐3 ☐4 ☐5

☐ SHAREHOLDERS   ☐1 ☐2 ☐3 ☐4 ☐5

☐ LOCAL COMMUNITIES   ☐1 ☐2 ☐3 ☐4 ☐5

☐ REGULATORS/ GOVERNMENT   ☐1 ☐2 ☐3 ☐4 ☐5

☐ SUPPLIERS/ BUSINESS PARTNERS   ☐1 ☐2 ☐3 ☐4 ☐5

☐ CUSTOMERS   ☐1 ☐2 ☐3 ☐4 ☐5

☐ NON GOVERNMENTAL ORGS.   ☐1 ☐2 ☐3 ☐4 ☐5

28. WHAT TYPE OF PROJECTS HAS YOUR COMPANY ASSISTED THE LOCAL COMMUNITY WITHIN THE LAST FIVE YEARS? PLEASE DESCRIBE.

☐ TRANSPORT, ROADS..

☐ UTILITIES...

☐ HEALTH AND WELFARE..

☐ SOCIAL FACILITIES..

☐ SPORTS FACILITIES..

☐ SKILLS TRAINING/ EDUCATION...

☐ OTHER..

29. DOES YOUR COMPANY TAKE STEPS (E.G. LIFE CYCLE ANALYSIS) TO MINIMIZING HEALTH, SAFETY IMPACTS OF ITS PRODUCTS AND SERVICES TO THE PUBLIC?

☐ YES   ☐ NO   IF "YES" WHAT STEPS? ....

30. HAS YOUR COMPANY HAD TO RECALL PRODUCTS OR DISCONTINUE SERVICES IN THE LAST FIVE YEARS DUE TO ANY OF THE FOLLOWING ISSUES:

☐ LOW QUALITY STANDARDS ....

☐ COPYRIGHT/ PATENT INFRINGEMENT ....

☐ ERRONEOUS LABELS ....

☐ FALSE ADVERTISING ....

WHAT MITIGATION/ REMEDIAL MEASURES DID YOUR COMPANY TAKE?

....

31. DOES YOUR COMPANY HAVE ANY OF THE FOLLOWING **SYSTEMS** IN PLACE TO ENSURE CUSTOMER/ CLIENT SATISFACTION

☐ COMPLAINTS REPORTING (E.G. TELEPHONE, LETTERS)

☐ WEBSITE/ ONLINE / EMAIL COMPLAINTS SYSTEM

☐ CUSTOMER SATISFACTION SURVEYS

☐ OTHER ....

ENVIRONMENTAL CSR ACTIVITIES

32. DOES THE COMPANY INCORPORATE OR MENTION ENVIRONMENT IN IT'S...?

VISION / MISSION ☐ YES ☐ NO

COMPANY POLICY ☐ YES ☐ NO

STRATEGIC PLAN ☐ YES ☐ NO

IF "NO" <u>GO TO</u> QUESTION 33, IF "YES' DOES THE COMPANY'S STATED ENVIRONMENTAL COMMITMENT INCLUDE:

☐ REFERENCE TO REDUCING NEGATIVE OPERATIONAL IMPACTS

☐ REFERENCE TO PROACTIVELY MAKING POSITIVE ENVIRONMENTAL IMPACTS

☐ SETTING TARGETS FOR ENVIRONMENTAL IMPROVEMENT/ CONTINUOUS IMPROVEMENT

☐ ENGAGE STAKEHOLDERS IN DECISION MAKING AND PLANNING

☐ REDUCTION AND EFFICIENT USE OF RAW MATERIALS AND ENERGY CONSERVATION

33. WHAT ENVIRONMENTALLY RELATED INVESTMENTS AND/OR EXPENDITURES HAVE YOUR COMPANY MADE IN THE LAST FIVE YEARS? PLEASE PROVIDE DETAILS SUCH AS $ VALUE OR % OF ANNUAL BUDGET ALLOCATED)

☐ RETROFITTING/ RE-ENGINEERING OF PROCESSES, PLANTS...

☐ NEW POLLUTION REDUCING TECHNOLOGY/ EQUIPMENT ....

☐ ENVIRONMENTALLY FRIENDLY RAW MATERIALS AND PACKAGING ....

☐ EMPLOYEE AND COMMUNITY ENVIRONMENTAL PROTECTION TRAINING ....

☐ ENVIRONMENTAL MONITORING SYSTEMS FOR EMISSIONS/ EFFLUENTS ....

☐ PROTECTION OF BIODIVERSITY/ LAND/ FOREST/ NATURAL RESOURCES ....

☐ OTHER ....

34. HOW **RELEVANT** ARE THE FOLLOWING ISSUES TO YOUR COMPANY'S OPERATIONS?

   1 BEING LEAST RELEVANT   **5** BEING MOST RELEVANT

GLOBAL WARMING & AIR POLLUTION	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
BIODIVERSITY AND LAND CONSERVATION	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
WASTE DISPOSAL, RECYCLING & REDUCTION	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
ENERGY EFFICIENCY	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
WATER QUALITY AND CONSERVATION	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
NATURAL DISASTERS	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5

35. DOES YOUR COMPANY SUPPORT/ UNDERTAKE ANY OF THE FOLLOWING INITIATIVES? IF SO, PLEASE DESCRIBE:

☐ USE OF PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
....

☐ ENVIRONMENTAL AWARENESS EDUCATION TRAINING OF EMPLOYEES OR SUPPLIERS
....

☐ INVESTMENT IN NEW ENVIRONMENTAL / CLEAN TECHNOLOGIES
....

☐ REWARDS/ INCENTIVES TO EMPLOYEES OR SUPPLIERS FOR ENVIRONMENTAL PERFORMANCE
....

☐ LIFE CYCLE ASSESSMENT TO REDUCE IMPACT OF PRODUCTS AND SERVICES
....

☐ NUISANCE REDUCTION TO NEARBY COMMUNITIES (NOISE, SMOKE, ODOURS ETC.)
....

☐ DEVELOP ENVIRONMENTAL OR SOCIAL IMPACT ASSESSMENT FOR MAJOR PROJECTS
....

36. HAS YOUR COMPANY IMPLEMENTED AN ENVIRONMENTAL MANAGEMENT SYSTEM?

☐ YES   ☐ NO   IF "NO" PLEASE STATE WHY? ....

IF "YES", DO YOUR ENVIRONMENTAL POLICIES/ EMS ADHERE TO:

☐ INTERNATIONAL ENVIRONMENTAL LAWS/ GUIDELINES

☐ LOCAL ENVIRONMENTAL LAWS/ GUIDELINES

☐ CORPORATE/ INTERNALLY DEVELOPED GUIDELINES

☐ EXTERNAL/ THIRD PARTY VOLUNTARY CERTIFICATIONS (E.G. ISO14001)

37. WHAT ARE YOUR COMPANY'S REASONS FOR ADHERING TO ANY OF THE ABOVE LAWS/GUIDELINES/CERTIFICATIONS?

☐ ACHIEVE COMPETITIVE ADVANTAGES   ☐ GAIN ACCESS TO CAPITAL

☐ REDUCE COMPLIANCE AND PERMITTING COSTS   ☐ REDUCE OPERATIONAL RISKS

☐ LOWER OPERATING/ PRODUCTION COSTS   ☐ GAIN LICENSE TO OPERATE

☐ OTHER ....

38. HAS YOUR COMPANY EXPERIENCED ANY OF THE FOLLOWING IN THE LAST YEAR? PLEASE DESCRIBE INCLUDING NUMBER OF INCIDENTS AND WHAT REMEDIAL ACTIONS WERE TAKEN BY THE COMPANY:

☐ PENALTIES FOR ENVIRONMENTAL NON COMPLIANCE

....

☐ REGULATORY WARNINGS FROM AUTHORITIES

....

☐ ENVIRONMENTAL, HEALTH & SAFETY COMPLAINTS FROM NEABY COMMUNITIES

....

☐ ENVIRONMENTAL, HEALTH & SAFETY COMPLAINTS FROM EMPLOYEES

....

39. HOW CAN STAKEHOLDERS ACCESS YOUR COMPANY'S ENVIRONMENTAL RECORDS?

☐ FORMAL REQUEST   ☐ ANNUAL ENVIRONMENTAL STATEMENT

☐ RECORDS HELD BY REGULATORS   ☐ ACCESS TO AUDIT RESULTS

☐ OTHER ....

END. THANK YOU FOR PARTICIPATING

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