

STAKEHOLDER ENGAGEMENT

Creating a global CSR policy

Orange has spent more than a year developing a corporate social responsibility policy that will apply in the 20 countries where it operates. The process of developing the policy has yielded some useful lessons for other companies considering how best to create an international CSR strategy

How does a company begin the lengthy process of ensuring that its values are aligned with those of the societies in which it operates? More than a year ago the mobile phone company Orange began a detailed exercise to find answers to just that question.

The work began in early 2001, when Orange decided to examine how, as a company operating in 20 countries, it could create an international corporate social responsibility programme. 'We realized our rapid expansion was going to bring new responsibilities for us in the communities where we operate,' says group head of corporate social responsibility Brigid Burnham.

'It was clear that as we were growing we needed to address our broader ethical, social and environmental responsibilities by setting our policies and practices within an overall framework and outlining our global position on CSR', she adds.

What Orange has learned along the way should help other companies considering how best to develop an international CSR policy.

The first step, taken in March 2001, was to establish an in-house international CSR steering

group composed of 22 senior representatives from Orange departments where a co-ordinated CSR policy was expected to have the greatest impact, among them human resources, procurement and corporate affairs.

The role of the group, says Burnham, was to develop a group-wide strategy to 'embed the principles of CSR across the organization'.

Shortly afterwards the steering group began detailed research into the views of its stakeholders. With a CSR consultancy, First&42nd, providing expert advice, the group set up a 'scoping study', arranging face-to-face interviews with more than 300 Orange employees, including board members and senior managers, and convening focus groups of junior and middle managers. 'The idea was to find out what people understood by CSR, where they felt we should be going as an organization, and what they felt the risks were to the brand as we grew in size,' says Burnham.

The detailed results remain confidential for commercial reasons, but Orange says senior managers were reassured to find 'a consensus that

■ the Chatterbooks national reading programme for schoolchildren aged between four and 12 operates at 50 UK public libraries and forms one element of Orange's overall CSR activity



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we are a brand which can support strong values, and that CSR is a valuable way of helping to achieve this'. The interviews also uncovered a great deal of CSR activity that had previously been invisible. 'We found a lot going on within the company already, but needed a central framework for embedding CSR across the group,' she says.

To get a clearer idea of how the public in different countries viewed the company's responsibilities, Orange commissioned market research in Denmark, Egypt, France, Slovakia, Thailand and the UK. Despite cultural differences, there was a pattern to the responses: people felt mobile phone companies should offer greater access to communications technology, tackle social exclusion and improve their environmental

performance. The research also uncovered 'overwhelming support' for an increase in Orange's CSR activity. 'Overall, people felt CSR could be an important business differentiator and that it influenced consumer purchasing behaviour. This gave us a strong mandate to develop a CSR framework.'

Orange then carried out a best-practice benchmarking study of 14 multinational companies, including HSBC, IBM, Microsoft and Shell, in seven industry sectors. Burnham says this yielded useful ideas when formulating Orange's CSR strategy. 'It helped us to understand in a structured way what these companies were doing, how they were doing it and how they were embedding it across the group. We looked at whether they had stated business principles, whether they verified their reports and how they cascaded their policies across the group.'

Once these three research projects were completed, the CSR steering group put its recommendations to the executive board, which approved a roadmap for implementing CSR across the organization. Orange will shortly publish a group-wide 'CSR statement of intent' detailing Orange's business principles and commitments. This will be followed by a group CSR web site, which will provide details about Orange's CSR activities and will link to the CSR sections of individual market web sites. Orange's CSR strategy will be underpinned by the core principles outlined in the statement of intent, and will involve independently verified social and environmental auditing and reporting in each market where Orange operates. The strategy will also entail a corporate community involvement programme embedded across the organization.

The first three public Orange CSR reports, based on expert systems including the Global Reporting Initiative guidelines, and using key performance indicators tailored specifically to its business, will appear in 2003 and will focus on the social and

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environmental impact of its operations in France, Switzerland and the UK. 'The statement of intent is the first concrete outcome we can communicate to the outside world', says Burnham. 'It's a stake in the ground, setting out our business principles and stating how we intend to put them into practice.'

Burnham says the two most important lessons learned are the value of consultation with a wide range of stakeholders and the need to ensure all those involved feel they are helping to create the policy. 'If people don't think they have been part of the process, the policy won't work', she says.

'Consultation is absolutely critical. You have to get people to buy into a process that in the long term will lead to change. We are committed to demonstrating that we can live up to the principles we are setting out'.

■ Further information: Brigid Burnham, group head of corporate social responsibility, on brigid.burnham@orange.co.uk, or visit www.orange.co.uk/about/community

the company

Orange is one of the world's largest mobile communications companies, with more than 40 million customers in 20 markets worldwide. By 2005 Orange says its brand will be present in markets covering 1.5 billion people. The company:

- published a UK combined social and environmental report in May 2002. It first published an environment report in 1999
- runs 'Team Challenge' days at which staff take part in community activities such as renovating a public area in an east London cemetery which is now a large wooded park
- has a 'Business Ambassadors Scheme' which involves Orange staff in initiatives such as making presentations to schools
- was one of the first businesses to join the UK government's New Deal for Communities, which aims to regenerate rundown areas. Under the scheme it has built up a relationship with a school in Bristol, where it helps pupils learn business skills and offers mentoring and work placements.

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Orange has decided that if CSR is worth doing, it is worth doing well. It has undertaken a serious and initially costly exercise to engage both its internal and external stakeholders in the 'what' and the 'how' of a global CSR programme. Orange is undertaking this work with a full awareness of the risks entailed in putting its head above the parapet. These risks help to explain why companies are sometimes reluctant to publicize their CSR activities, no matter how laudable those activities may be.

Particular points to note are:

- the international scope of this CSR initiative
- the company has been at pains to seek the views of its employees
- the use of social audits benchmarked against key performance indicators.

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