



*Empowered lives.
Resilient nations.*

ACROSS - Actions of Innovative Urban Support Scheme for Economic Growth

Rustavi Innovation Network CSR STRATEGY

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in cooperation with Rustavi Innovation Network

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What is Corporate Social Responsibility (CSR)?

The International Organization for Standardization (ISO) uses the term 'social responsibility' to define CSR as "The responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- contributes to sustainable development, including the health and welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behavior;
- is integrated throughout the organization and practiced in its relationships.

The Organization for Economic Cooperation and Development (OECD) defines 'responsible business conduct' in its Guidelines for Multinational Enterprises as "The positive contributions that multinational enterprises can make to economic, environmental and social progress, and to minimize the difficulties to which their operations may give rise." The European Commission in its Communication (25.10.2011 COM (2011) 681 final) for CSR, has adopted a new definition of CSR which puts more demands on businesses. The Commission promotes a new definition of CSR as "responsibility of the enterprises for their impact on society". A prerequisite for the fulfillment of this responsibility is to respect the existing legislation and collective agreements between the social partners. To fully respond to their corporate social responsibility, companies should establish procedures for integrating social, environmental and ethical aspects and aspects of human rights and consumers rights, both in their business activities and in their basic strategy in close collaboration with stakeholders, to create, to the maximum possible degree, common values for their owners / shareholders and other stakeholders and the society as a whole and to identify, prevent and reduce the potential adverse consequences.

Corporate social responsibility (CSR) is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and "triple bottom line," to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as "responsible competitiveness" or "corporate sustainability." A key point to note is that CSR is an evolving concept that currently does not have a universally accepted definition.

The idea that businesses have social responsibilities is not new. Since the XIX century there are companies and entrepreneurs that have worried for their employees' welfare. The urgency to approach the topic in our time is due to factors like: globalization which grants great power to transnational companies by having control over multiple markets and suppliers, and become great employment generators; the biggest impact that critics have on the businesses since non-government organizations have developed into denouncing agents with great incidence in the companies' operations; the consumers' stronger demands to know the conditions under which the products they purchase were made and distributed; and also the higher expectations that society in

general has regarding the role that companies and entrepreneurs have to assume. It calls one's attention the leading role of some governments to speed up the incorporation of social responsibility in their daily activities.

CSR has the following characteristics:

- ✓ CSR's objective is to ensure the company's continuity in the long term.
- ✓ The sustainability factor is fully integrated within the strategy and entrepreneurial management
- ✓ It is a balanced and threefold approach to the company's economic, environmental and social aspects.
- ✓ It is a proactive and voluntary attitude towards improvements in those areas.
- ✓ It is a continuous process.
- ✓ A lot of attention is paid to stakeholders' interaction around the company.
- ✓ An extended responsibility is recognized by the producer that involves the entire chain of products and services.
- ✓ Emphasis is given to the internal and external communication of obtained results.

Building on a base of compliance with legislation and regulations, CSR typically includes "beyond law" commitments and activities pertaining to: corporate governance and ethics; health and safety; environmental stewardship; human rights (including core labor rights); sustainable development; conditions of work (including safety and health, hours of work, wages); industrial relations; community involvement, development and investment; involvement of and respect for diverse cultures and disadvantaged peoples; corporate philanthropy and employee volunteering; customer satisfaction and adherence to principles of fair competition; anti-bribery and anti-corruption measures; accountability, transparency and performance reporting; and supplier relations, for both domestic and international supply chains.

Why is CSR important?

The activities of the private sector can have a significant impact on the environment, on communities and on the economy. Effectively recognizing and managing these environmental, social and economic costs, as well as the impacts, opportunities and risks they present is an indicator of a well-managed company. Companies that derive the most value from CSR have moved beyond considering it an "add-on" or a separate function. They embed CSR initiatives into their everyday business, strategically integrating and aligning them into their core functions.

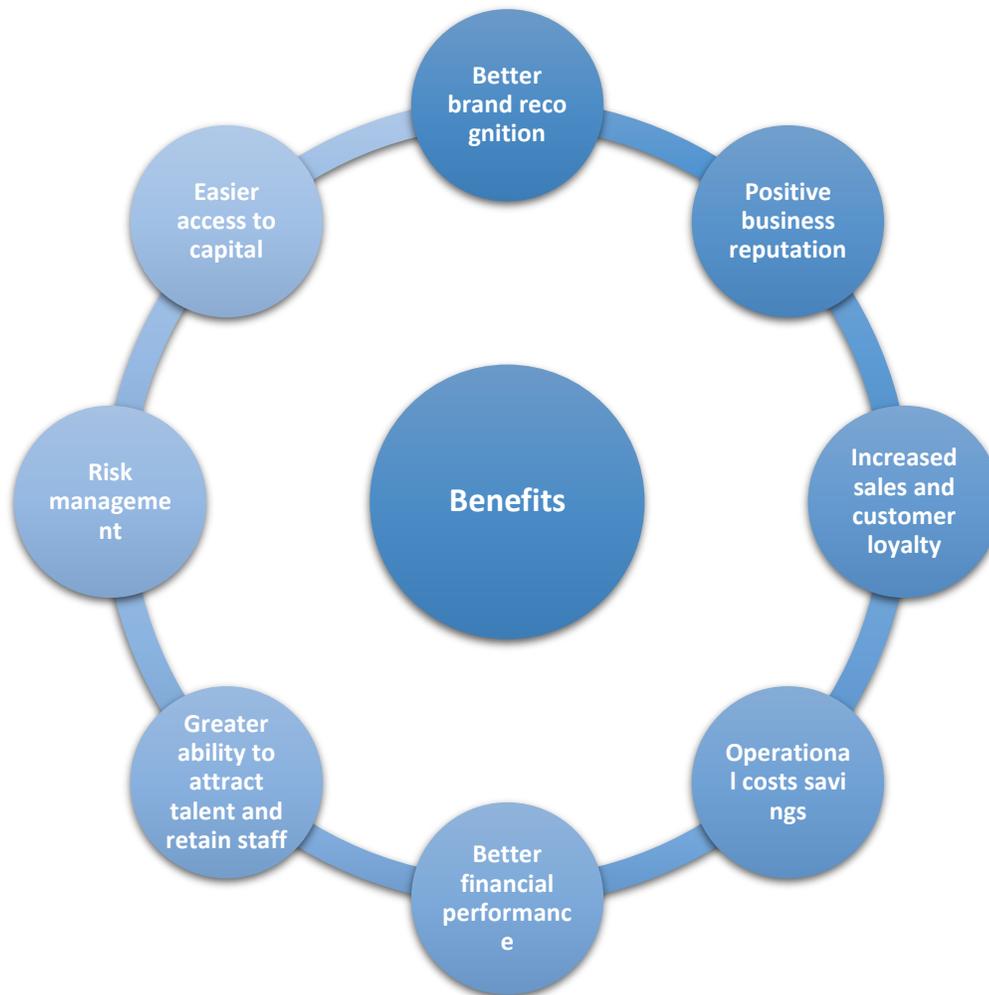
Environmental sustainability. Despite progress in minimizing the environmental impacts of the private sector, the costs of unsustainable business practices on the environment are significant. CSR initiatives, such as recognizing and managing the environmental, social and economic costs of production, are therefore a fundamental part of the response of the private sector to adapt business practices and to address unsustainable uses of the environment.

Economic sustainability. Economic activity is central to all companies – generating wealth for shareholders and employees. Responsibly managing the broader economic impacts of business, such as monitoring the labour conditions of key suppliers, is an important element of CSR, and is also an opportunity to ensure a company's long term competitiveness and profitability.

Social sustainability. Businesses are an integral part of the communities where they operate. Their success and "license to operate" are based on continued good relations with a wide range of individuals, groups and institutions. Companies are increasingly well positioned to confront a wide range of social issues, and are recognizing that actions in this area are increasingly scrutinized and publicized by consumers and the media. From employee well-being and local community development to major global issues, such as gender inequality, poverty, the spread of chronic diseases, human rights abuse and high child mortality rates, addressing these topics is in the long term self-interest of business.

Which are the benefits of Corporate Social Responsibility Policies?

Experience shows that CSR translates into tangible benefits for the organization, by achieving the strengthening of competitive advantages as well as new business opportunities. Specifically, some of the benefits companies obtain are:



Better brand recognition. CSR not only creates the Brand awareness among the consumers but also leads to a positive Brand Image in the minds of the potential consumers. Brands must be inspirational in a socially responsible way to its stakeholders. To achieve the same Corporate Social Responsibility has become more common business practices. Nowadays companies are strategically using CSR as a Marketing tool.

Positive business reputation. Organizations that perform well with regard to CSR can build their reputation, while those that perform poorly can damage brand and company value when exposed. Reputation, or brand equity, is founded on values such as trust, credibility, reliability, quality and consistency. Even for firms that do not have direct retail exposure through brands, their reputation for addressing CSR issues as a supply chain partner - both good and bad—can be crucial commercially.

Increased sales and customer loyalty. Improved citizen and stakeholder understanding of the firm and its objectives and activities translates into improved stakeholder relations. This, in turn, may

evolve into more robust and enduring public, private and civil society alliances (all of which relate closely to CSR reputation, discussed above). CSR can help build “social capital.”

Operational costs savings. These flow in particular from improved efficiencies identified through a systematic approach to management that includes continuous improvement. For example, assessing the environmental and energy aspects of an operation can reveal opportunities for turning waste streams into revenue streams (wood chips into particle board, for example) and for system-wide reductions in energy use, and costs.

Better financial performance. Corporate social responsibility manages reputation by creating good image in the mind of customers, suppliers etc. Stakeholders will think that when company is doing its social responsibility so, how company can do unethical activities with them therefore their trust will boost towards the company. Stakeholders trust directly impact on company’s success and profitability. Therefore, corporate social responsibility has positive impact on the financial performance of a firm.

Greater ability to attract talent and retain staff. This can be the direct result of pride in the company’s products and practices, or of introducing improved human resources practices, such as “family-friendly” policies. It can also be the indirect result of programs and activities that improve employee morale and loyalty. Employees are not only front-line sources of ideas for improved performance, but are champions of a company for which they are proud to work.

Risk management. Positive actions that reduce the negative impact of an organization on these issues can be seen as a way of managing risk. Better anticipation and management of an ever-expanding spectrum of risk. Effectively managing governance, legal, social, environmental, economic and other risks in an increasingly complex market environment, with greater oversight and stakeholder scrutiny of corporate activities, can improve the security of supply and overall market stability. Considering the interests of parties concerned about a firm’s impact is one way of better anticipating and managing risk.

Easier access to capital. Financial institutions are increasingly incorporating social and environmental criteria into their assessment of projects. When making decisions about where to place their money, investors are looking for indicators of effective CSR management. A business plan incorporating a good CSR approach is often seen as a proxy for good management.

Situation analysis

The quadruple helix working group of Rustavi uniting local government, business, education and NGO sector, was created under the project ACROSS - Actions of Innovative Urban Support Scheme for Economic Growth, in partnership with MEPCO and financially supported by the Czech-UNDP.

Rustavi Innovation Network

Rustavi Innovation Network unites local self-government, civil society, media and business organizations.

Public institutions

The following public institutions operate in the city of Rustavi:

Rustavi Municipality City Hall, which employs about 250 employees.

Rustavi City Council, with about 50 employees.

Administration of the State Representative in Kvemo Kartli region, with up to 30 employees.

Every year, certain resources are spent from the budget of Rustavi Municipality for retraining of employees and raising their qualifications. For this purpose, the city municipality applies to various organizations and service providers.

Also, Rustavi Municipal City Hall conducts special trainings for job seekers, where citizens can improve their basic skills in such matters as writing a CV, interviewing, etc.

Education

There are 27 public and 9 private schools in Rustavi. Also, in Rustavi operates vocational training college 'Modus', equipped with modern standards. The college has both short-term and long-term vocational training programs <http://www.modusi.ge/#>. The college can train up to 4,000 people a year. There is a fab-lab based on the college, equipped with modern technologies and designed for those with a desire for high-tech education and practice.

The college employs 42 people.

Civil society

There are 5 active civil society organizations that are operating in Rustavi Municipality and are involved in the process of improving ecosystem of the municipality. These are: Rustavi Office of the Georgian Young Lawyers' Association (GYLA); Siqa-Georgian Association of Educational Initiatives; Network of Centers for Civic Engagement – Rustavi Center; Orbeliani Georgia; Rustavi International Scout Center.

The main focus and activities of these organizations cover: protection of human rights; promoting effective governance; raising legal awareness; legal education, promote environmental, economic, social, educational, community, cultural, anti-corruption, youth and other issues through educational activities, promotion of civil society development, implementation of educational initiatives and democratic principles in Georgia. Also promoting dialogue between citizens, public,

private and non-profit institutions, by providing access to information and capacity building, advocacy and networking, civic activism, civic construction, community development.

The beneficiaries of the organizations are vulnerable population, juveniles, students, children, young people, adults, women, ethnic minorities, people with special needs, local government, business, non-governmental sector, media. Assessment of organizations shows that the main needs refer to relatively weak sides such as fundraising, project management, cooperation with businesses, monitoring and evaluation, strategic planning and effective PR.

Rustavi Network ecosystem and CSR

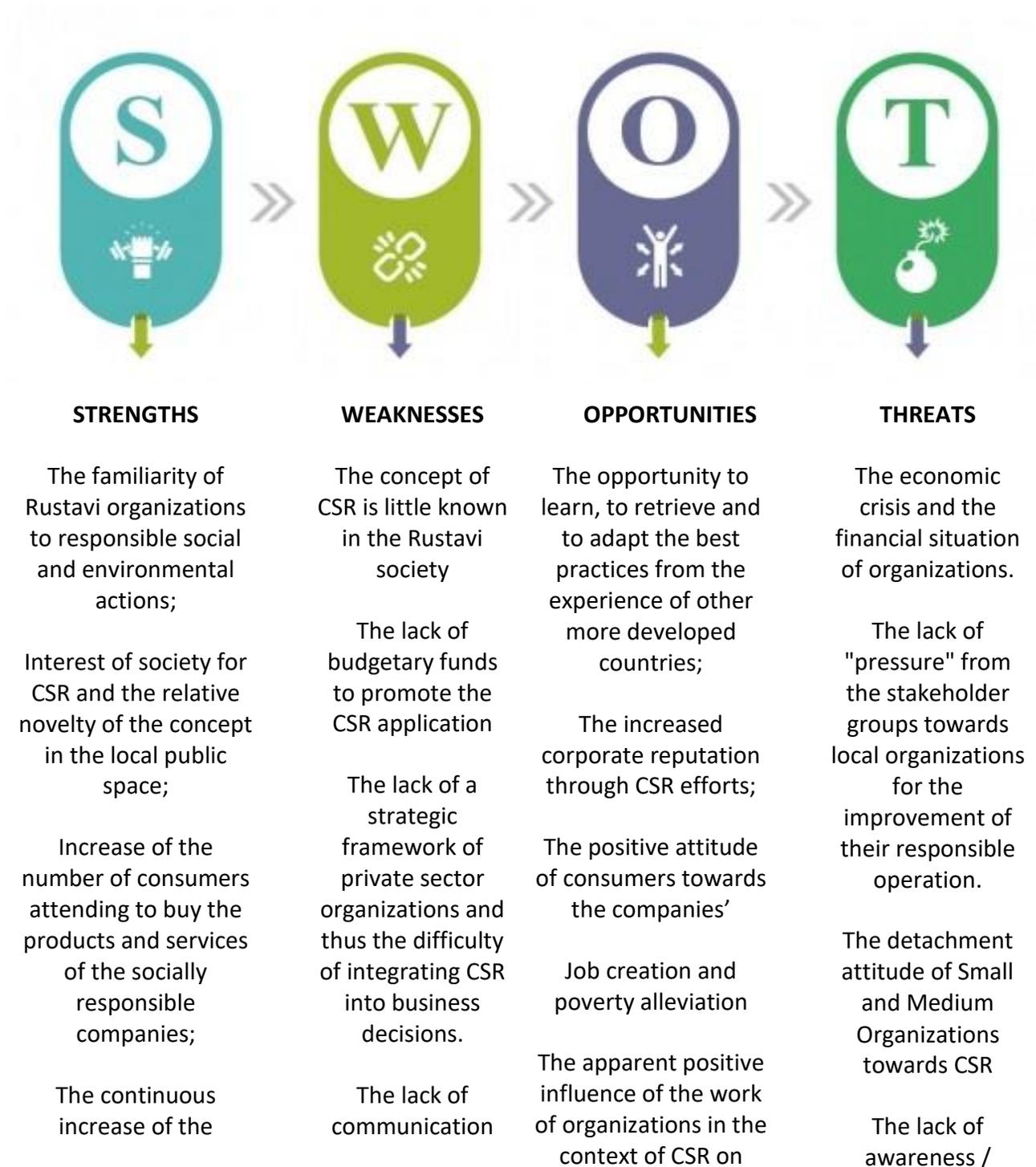
Main findings show that CSR in Rustavi seems to be in the early stages of implementation.

- The majority of local enterprises recognize the importance of the issues addressed by CSR mainly because they believe that through CSR they may have better information and contact with their stakeholders, gain better internal functioning, but also can contribute more to the social benefit. On the other hand, businesses that give small degree of importance to the issues of CSR are mainly companies of limited size who believe that the nature of their activity is not, at least directly, related to the issues of CSR.
- Limited knowledge and understanding. The overall attitude of the enterprises is presented torn in terms of knowledge and understanding of the concept of CSR since 30% of them appear to know or understand this concept quite well while the remaining 70% states that they know or understand it to a lesser extent.
- The perception about the meaning of CSR is decisively influenced by the way each organization is involved with these issues. The application practices of responsible entrepreneurship, such as the support of social and environmental programs seem to be more familiar to local organizations with respect to the definition of the concept of CSR.
- Almost half of the local organizations of the private sector claim that they adopt CSR practices. Nevertheless, by data analysis, it seems that a substantive percentage of the organizations that implement various actions without strategic direction, usually do not comprehend that these actions come under CSR field.
- Organizations, who declare they implement CSR practices, have not published a Social Report or Sustainability Report, mainly because they do not consider it necessary.
- Local companies lack the systematic involvement in CSR. There is no separate CSR department or manager, and these functions are combined by other structural units.
- Factors that discourage the implementation of CSR practices are: Current financial state of enterprise; Financial crisis; and Enterprise's size.

- Big enterprises have implemented at least 1 corporate responsibility project in the last 3 years. While most of small companies have not carried out such activity.
- The criteria and process for charity and sponsorship activities are not formally described by most organizations.
- The most popular topics covered by the corporate responsibility activities of Rustavi-based organizations are: environment protection and poverty reduction.
- Factors that could function as an additional motive to the undertaking of CSR actions by local companies are named: Consultations on CSR; Understanding the benefits of CSR; and Knowledge of best practices of other companies.
- The ability of NGOs to influence business and government is very limited. On the one hand, most of them have little knowledge of corporate social responsibility and fails to properly realize its importance for the development of the country. On the other hand, they fail to collaborate with businesses and motivate companies to take more responsible approaches. Regional NGOs, which usually monitor the activities of companies, are quite weak.
- The regional media is even less aware of the CSR. It fails to cover the irresponsible actions of companies and stimulate their accountability, as well as to update this topic in general.
- The responsible initiatives of the companies mostly cover social sphere. Such initiatives are unsystematic, fragmented. They mostly had a one-time form of charitable activity rather than sustainable outcome and development-oriented programs. Experience in proper management, monitoring of implementation and evaluation of results of such activities or programs is also very low.
- Companies do not feel significant pressure from consumers and society to demand to take more responsible actions and be accountable for the social and environmental impacts of their operations.

Rustavi Innovation Network ecosystem SWOT analysis:

The following analysis outlines the basic picture of CSR in Rustavi, which has constituted the point of reference for the formulation of the CSR and particularly the guidance and proposed measures that will help mitigate the barriers and improve the conditions for the development of CSR in the city.



number of the CSR initiatives;	mechanisms of CSR actions	consumer behavior of citizens.	education and therefore ignorance about CSR
The high degree of involvement of civil society organizations in CSR.	The limited implementation of international CSR standards by organizations.	The inclusion of responsible entrepreneurship in the educational process to create conditions for the development of the relevant culture for future managers of organizations.	The lack of awareness and inaction of citizens and consumers.
	The lack of basic structures for managing CSR		
	The lack of dialogue with stakeholders on CSR	The recognition of the importance of CSR from the private and the public sector at ideological and value level.	
	The limited accountability and reporting practices on CSR issues.	The establishment of incentives while promoting initiatives that will contribute to the proper information and training of enterprises in the modern conception of CSR.	

CSR strategy policy for Rustavi Innovation Network member organizations

Objectives of this CSR strategy is to increase the number of organizations that recognize and incorporate CSR in their strategic directions and in their daily operations, along with the sustainable development principles. This will lead to an economy that will be operating on the basis of achieving high levels of competitiveness and that will be developing on the axis of long-term sustainability.

The strategic objectives are the following:



General principles of strategy policy

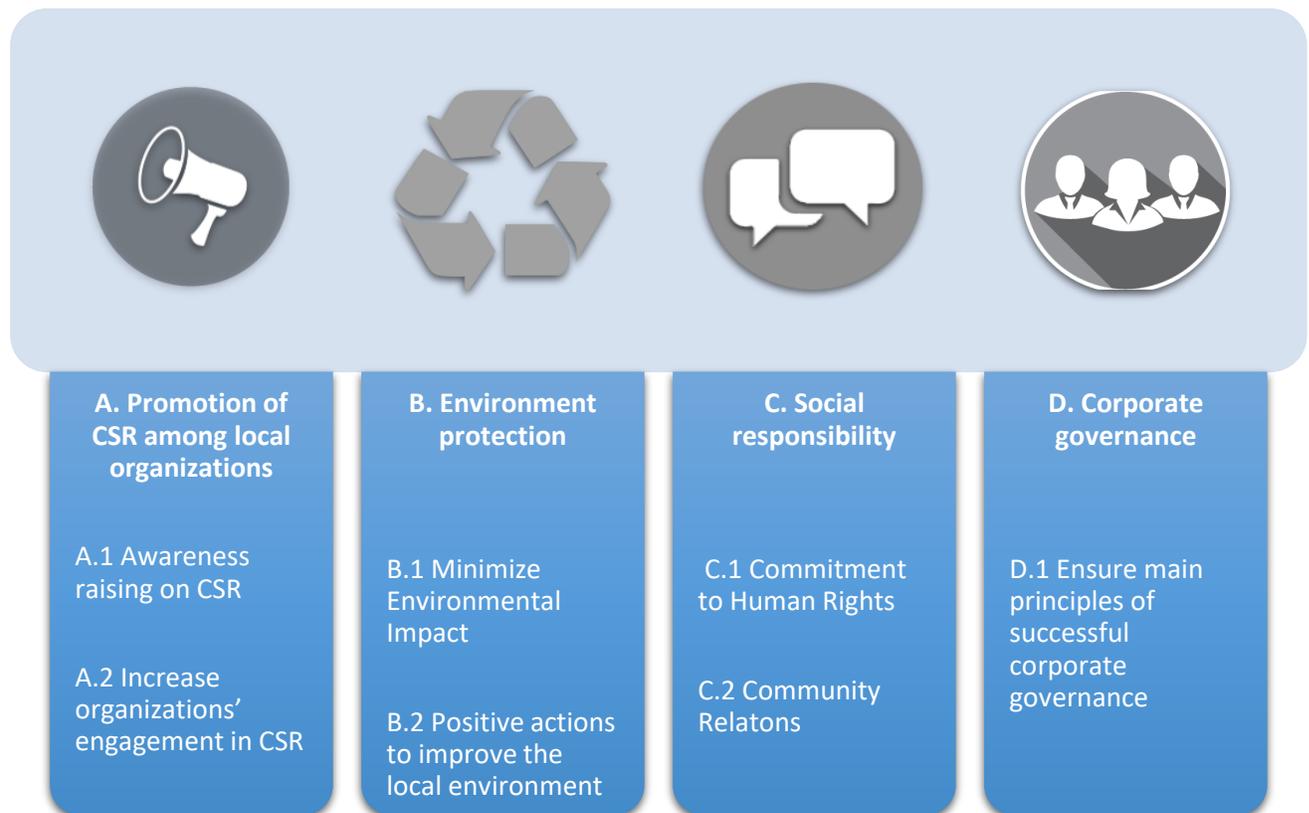
Evaluated CSR strategy and action plan is based on the following principles:

1. Key international CSR instruments. A number of the leading CSR instruments that have been developed or endorsed by governments at the international level, or by intergovernmental bodies. Some involve important multi-stakeholder participation and contributions: United Nations Global Compact. The Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived mainly from the following sources: Universal Declaration of Human Rights; International

Labour Organization Declaration on Fundamental Principles and Rights at Work; 1992 Rio Declaration on Environment and Development; and United Nations Convention against Corruption. The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

2. Compliance with current national laws and regulations.
3. Maintaining corporate governance practices based on ethics, business transparency and diversity: respecting the rules of the free market and free competition, and rejecting any illegal or fraudulent practice contrary to the rules of good governance.
4. Communication and dialog with all stakeholders, based on transparency, truth and commitment, as fundamental pillars for building stable relationships that generate trust.
5. Commitment to transparency, as a way of conveying and generating trust and credibility among stakeholders. Disseminating relevant and truthful information regarding the performance and activities, complying with any legal requirements that may exist regarding public information.
6. Commitment to Human Rights. The network respects, defends and protects Human Rights, contained in the International Bill of Human Rights, the Conventions of the International Labor Organization (ILO), and the Declaration on Fundamental Principles and Rights at Work. Therefore, in the Human Rights field, the network undertakes to:
 - a) Avoid practices that are discriminatory or damage people's dignity.
 1. Striving for a decent, safe and healthy working environment, adopting rules and procedures in the area of occupational health and prevention of occupational risks, avoiding any kind of discriminatory attitude, intimidation or violence, in any of their manifestations due to sex, race, creed, religion, age, disability, political beliefs, sexual disposition, nationality, citizenship, marital status or socioeconomic status.
 - a. 2. Rejecting child labor and forced or compulsory labor.
 - b) To respect its employees' freedom of union, association and group negotiation and respect the role and responsibilities that apply to the representation of workers in accordance with current legislation.
7. Conservation and promotion of the Environment. The network encourages its members to conduct activities with a firm commitment to contribute to sustainability from an environmental perspective, materialized through the integration of the environment into the business, the promotion of environmental responsibility, preservation of biodiversity, prevention of pollution, efficient management of resources and adaptation and mitigation of climate change.
8. Promotion of social responsibility, with active participation in national and international reference forums and organizations that promote behavior and commitment aligned with the content of this CSR Policy.
9. Anti-corruption. Businesses should work against all forms of corruption, including extortion and bribery.

Strategy policy priorities:



A. Promotion of CSR

A.1. Awareness raising on CSR	
Specific objectives	A.1.1. Increase interest, educate network members and encourage to implement CSR A.1.2. Provide consultation services and best practice sharing on CSR A.1.3. Raise awareness on the social role and benefits of CSR A.1.4. Increase transparency and communications with society;
Relevant activities	Share and communicate the value of corporate social responsibility to employees and the community; Collect informational and educational materials related to CSR along with the right of all network members to have access in it;

	<p>Implement educational seminars and workshops of discussion by activity sector on the benefits of CSR in collaboration with specialized government bodies and NGOs;</p> <p>Make information about CSR and the civic activities being undertaken by enterprises more widely known among the public with the aim of increasing transparency and improving decision-making guidance for relevant target groups;</p> <p>Encourage network members to actively participate in national level CSR awards;</p> <p>The establishment of annual conferences for the promotion of best practices on CSR with the participation of distinguished speakers, aiming the discussion and presentation of the latest trends on sustainable development;</p> <p>Collect, evaluate and select good CSR practices for publication, and dissemination through media and social networks;</p> <p>Create a working group in cooperation with specialized bodies and representatives of enterprises and organizations to collect, evaluate and select the best environmental practices of local enterprises and public institutions for publication purposes;</p> <p>The website is a tool that is increasingly being used by all organizations therefore it would be appropriate to create a special section where policies on the environment and other social issues will be reported. It may also include reports and publications and recent information on responsible entrepreneurship.</p> <p>Organize meetings on CSR issues (e.g. Environment, Human Rights, Corruption) with the participation of representatives from the relevant governmental bodies, corporations, NGOs, Media, residents of the area for the discussion of the issues they are facing and the possible ways to solve them.</p>
Indicators	<ul style="list-style-type: none"> » Number of educational seminars and workshops on CSR and organizations participating; » Informational and educational materials collected related to CSR; » Network members participating in national level CSR awards; » Collected and evaluated good CSR practices for publication;

	» Number of organizations reporting about responsible entrepreneurship.
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international instruments; → Availability of financial resources; → Readiness and experience of organizations to responsible social and environmental actions; → Interest of society for CSR and the relative novelty of the concept in the local public space; → The high degree of involvement of civil society organizations in CSR.

A.2 Increase organizations' engagement in CSR	
Specific objectives	<p>A.2.1. Increase the number of organizations practicing CSR;</p> <p>A.2.2. Provide training, coaching and consultation services;</p> <p>A.2.3. Encourage and provide experience sharing and pro-active communication among network members.</p>
Relevant activities	<p>Conduct analysis of corporate documents, processes and activities, to determine where the company is in relation to CSR, how adequate processes and structures are in the context of corporate responsibility, and where change is needed.</p> <p>Launch a guidance and coaching programs for small and medium-sized enterprises (SMEs) on topics related to corporate social responsibility.</p> <p>Promote regional and national activities and 'round tables' that target the sharing of information and experience between larger companies and SMEs</p> <p>Develop strategic partnerships within the network with the aim of using positive business examples and good experiences to disseminate corporate social responsibility and facilitate its successful implementation.</p> <p>Partnerships with NGOs, as an educational vehicle for educating small-medium enterprises (e.g. on environmental issues) but also for training and providing expertise on specialized issues (such as Human Rights and Corruption issues);</p>

	<p>Introduce tools to master the basic principles of CSR (for example popularization events such as sale of own products);</p> <p>Increase interest of companies in CSR via encouraging them to participate in national level CSR awards;</p> <p>The organization of workshops, with respect to CSR management issues, with the cooperation and participation of enterprises which have greater ability and experience with CSR, for the promotion of best CSR practices in SMEs;</p> <p>Organize meetings on CSR issues (e.g. Environment, Human Rights, Corruption) with the participation of representatives from the relevant governmental bodies, corporations, NGOs, Media, residents of the area for the discussion of the issues they are facing and the possible ways to solve them;</p> <p>Support organizations to define corporate social responsibility for the company;</p> <p>Support to establish metrics for measuring the impact of the company's CSR practices.</p> <p>Establish positive and pro-active relationships among network members.</p>
Indicators	<ul style="list-style-type: none"> » Number of guidance and coaching programs launched; » Number of regional and national activities and 'round tables'; » Number of workshops and seminars; » Number of meetings on CSR issues with the participation of representatives from the relevant governmental bodies, corporations, NGOs, Media, and etc. » Number of consultations and local organizations participating in CSR activities.
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international instruments; → Availability of financial resources; → Readiness and experience of organizations to responsible social and environmental actions; → Interest of society for CSR and the relative novelty of the concept in the local public space; → The high degree of involvement of civil society organizations in CSR.

B. Environment protection

B.1. Minimize Environmental Impact	
Specific objectives	<p>B.1.1. Develop environmental policies and actions plans reflecting commitment to the environment in company's management model;</p> <p>B.1.2. Ensure recycling and waste management policies;</p> <p>B.1.3. Prevent pollution;</p> <p>B.1.4. Ensure sustainable energy and resource consumption policies;</p> <p>B.1.5. Provide environmentally conscious products and services.</p> <p>B.1.6. Establish environmental risk management.</p> <p>B.1.7. Conduct environmental impact assessment.</p> <p>B.1.8. Introduce Eco-efficiency.</p>
Relevant activities	<p>Define company's environmental principles in the Health, Safety and Environment Policy, applicable throughout the company in order to minimize the environmental impact.</p> <p>Introduce safety and environment management system, based on a set of requirements, procedures, and guidelines that are continually adapted and updated in accordance with international best practices.</p> <p>Approve a new corporate standards and guidelines for safety and environmental risk management to ensure that the risks that might affect the safety of the environment are identified, studied, and minimized.</p> <p>Ensure that environmental programs and initiatives are integrated into regular planning and budgeting cycles and business cases.</p> <p>Establish using of environmentally-friendly technologies.</p> <p>Introduce recycling and waste management policies;</p> <p>Introduce sustainable energy and resource consumption policies.</p> <p>Focus on reducing energy, water use, and emissions.</p> <p>Centralize and optimize waste management.</p> <p>Support environmentally friendly disposal practices.</p> <p>Conduct actions to recycle materials and reuse materials.</p> <p>Conduct actions to prevent pollution (air, light, soil, etc.)</p> <p>Make effective use of water and other resources.</p>

	<p>Follow best practices when disposing garbage and using chemical substances.</p> <p>Introduce performance monitoring and performance evaluation mechanisms and conduct environmental auditing.</p> <p>Promote green procurement. The organization must take into account not only the price and quality of products, materials, services to be procured, but also their impact on the natural environment and thus make a procurement decision.</p> <p>Introduce eco-efficiency in company's management strategy. Which means doing more with less and is based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution.</p> <p>The organization should introduce and implement programs to identify and avoid environmental risks related to its activities, products and services; Procedures should also be developed to neutralize the expected consequences in a critical situation (accidents, leaks, etc.), to provide appropriate information to the government or the public, and to take compensatory measures.</p> <p>Before launching a new project / activity, the organization should assess its potential impact on the environment and make decisions based on the results of this assessment.</p> <p>Use, develop and facilitate the development of environmentally friendly technologies. The organization uses environmentally friendly technologies in its activities, tries to make its products environmentally friendly. In addition, the organization promotes the development of new environmentally friendly technologies in various ways.</p> <p>Communication / Public Reporting. Information about the impact on the environment of the company, as well as the measures taken and the results achieved, disseminated inside and outside the company.</p>
Indicators	<ul style="list-style-type: none"> » Number of organizations introducing commitment to the environment in company's management model; » Number of organizations introducing recycling and waste management policies; » Number of organizations preventing pollution;

	<ul style="list-style-type: none"> » Number of organization introduce recycling and waste management policies; » Number of organizations providing environmentally conscious products and services; » Number of organizations promoting green procurement. » Positive and negative media coverage.
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international instruments; → Readiness of organizations to responsible social and environmental actions; → Interest of society for environmental actions; → The high degree of involvement of civil society organizations in environment protection.

B.2. Positive actions to improve the local environment	
Specific objectives	<p>B.2.1. Ensure that apart from legal obligations, environmental programs proactively protecting environment are integrated into regular planning and budgeting cycles and business cases;</p> <p>B.2.2. Strengthened commitment to the environment through collaboration with organizations, projects, and with communities in neighborhood;</p> <p>B.2.3. Support environmental protection through awareness and training programs.</p> <p>B.2.4. Promote volunteering;</p>
Relevant activities	<p>Promote environmental and social contribution activities.</p> <p>Contribute in education (seminars, trainings, consultations) activities related to environment protection.</p> <p>Implement and expand environmental activities in collaboration with stakeholders.</p> <p>Encourage employees to volunteer and take part in environmental activities through programs organized internally or externally.</p> <p>Ensure best practice sharing on environmental protection, like – Some organizations find the cost-savings they generate from simple environmental measures (such as reductions in paper consumption, energy savings from energy efficiency measures or facility</p>

	<p>improvements that reduce workplace accidents) can be used as a set-aside to fund other environmental initiatives.</p> <p>Organizing reforestation;</p> <p>Introduce innovative methods of environment protection;</p> <p>Sponsor volunteering events from other organizations.</p> <p>Establish recycling practices.</p> <p>Introduce international best practices and experience.</p> <p>Ensure inter-sectoral cooperation to plan and implement joint activities.</p> <p>Encourage businesses that show concern for reducing their environmental footprint and for generating positive community benefits.</p> <p>Refuse single-use items (especially plastic).</p> <p>Conduct environment clean-up activities.</p> <p>Communication / Public Reporting. Information about the company's environmental activities, measures taken and the results achieved, disseminated inside and outside the company.</p>
Indicators	<ul style="list-style-type: none"> » Number of environmental activities; » Number of seminars, trainings, consultations and related activities on environment protection issues; » Number of volunteering activities; » Number of organizations involved in recycling practices; » Number of inter-sectoral cooperation activities; » Number of clean-up and reforestation activities. » Positive and negative media coverage of environmental programs;
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international instruments; → Readiness of organizations to responsible social and environmental actions; → Interest of society for environmental actions; → The high degree of involvement of civil society organizations in environment protection.

C. Social responsibility

C.1 Commitment to Human Rights	
Specific objectives	<p>C.1.1. Ensure Civil and political rights</p> <p>C.1.2. Ensure Economic, social and cultural rights</p> <p>C.1.3. Protect labor rights</p>
Relevant activities	<p>Protect the right to life and health, to which the organization can have a significant impact through its activities, products and services.</p> <p>Introduce control and monitoring mechanisms to detect and prevent human rights violations.</p> <p>Develop and conduct impact assessment indicators in the context of human rights, as well as periodic risk analysis.</p> <p>Contribute to maintaining working environments that are free of harassment and behavior that is violent or offensive to people's rights and dignity, and guarantee that, if it occurs, there are appropriate procedures for dealing with the problem.</p> <p>Provide trainings for staff on human rights issues in general, as well as the organization's human rights policies and procedures.</p> <p>Follow national and international labor laws and voluntary standards. (Labor Code; International Labor Organization (ILO) standards; UN Conventions; International Framework Agreements (IFAs)/ Global Framework Agreements (GFAs). OECD Guidelines for Multinational Enterprises; UN Global Compact; Management systems Standards, etc.)</p> <p>Introduce discrimination detection, prevention and response systems.</p> <p>Ensure freedom of expression.</p> <p>Ensure freedom of peaceful assembly and association.</p> <p>Ensure the right to a fair hearing before taking any internal disciplinary action.</p> <p>Cooperate with other organizations and government agencies to ensure the implementation of human rights.</p>

Ensure employee's working conditions and rights.

Ensure diversity and equal opportunities.

Ensure health, safety and protection of all stakeholders.

Establish schemes and opportunities for learning and development.

Introduce company's policy in Human Right field to all stakeholders.

Achieve an optimal level of occupational security and achieving a working environment that allows company's professionals to carry out their work in the best physical and psychical conditions and conditions of well-being.

Promote the establishment of payment conditions that guarantee a decent salary, acknowledging the effort and contribution of employees to the company profit.

Offer employees the opportunity to channel and develop their most charitable side through Corporate Volunteering, in accordance with company's general volunteering plan.

Striving for a decent, safe and healthy working environment, adopting rules and procedures in the area of occupational health and prevention of occupational risks, avoiding any kind of discriminatory attitude, intimidation or violence, in any of their manifestations due to sex, race, creed, religion, age, disability, political beliefs, sexual disposition, nationality, citizenship, marital status or socioeconomic status.

Reject child labor and forced or compulsory labor.

Guarantee the right of employees to a workday that respects their right to rest and that facilitates flexi-work practices, acknowledging employees' need to balance their work life with other interests and responsibilities.

Guarantee people's right to personal data privacy.

Create a Guide to the Practical Application of Human Rights, which takes the following action areas into consideration: (a) internal, involving all company management and employees, (b) external, which involves stakeholders that are related to the company, suppliers and contractors.

Indicators	<ul style="list-style-type: none"> » Number of companies creating and applying Guide to the Practical Application of Human Rights in their everyday activities; » Number of companies applying national and international labor law standards in companies' polices; » Number of companies introducing control and monitoring mechanisms; » Number of researches conducted to identify company's extent to which the company protects human and labor rights; » Number of violations (e.g. discrimination;) detected and response measures; » Number of companies and educational trainings (Human rights; Health and safety issues;) provided to staff; » Number of organizations practicing internal and external audits of health and safety; » Number of organizations practicing mechanisms for rewarding and encouraging employees, etc.
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international laws and instruments; → Acknowledgement of companies that protection of human and labor right is related to company's reputation and positive image, loyalty of employees; and investment attractiveness that affects company's success. → The high degree of involvement of civil society organizations in CSR. → Interest of society for human and labor right protection;

C.2. Community Relations	
Specific objectives	<p>C.2.1. Direct company's activities to maximize positive impact on the community well-being and reduce the inflicted damage.</p> <p>C.2.2. Identify community problems and needs and contribute to solving these problems.</p> <p>C.2.3. Establishing bilateral trust-based relations with the public.</p>
Relevant activities	<p>Conduct constant dialogue with local community to identify, address and prevent issues that are important to the community. Hold regular meetings with various community groups on social investment and community development programs.</p>

	<p>Pay specific attention the interests and needs of vulnerable groups.</p> <p>Take active part in local associations, forums and networks.</p> <p>Creating jobs and developing the professional knowledge and skills of the local population.</p> <p>Support employment of local workers.</p> <p>Collaborate with local government to create jobs and improve local community.</p> <p>Introduce local economic development programs (e.g. support social entrepreneurship; youth start-ups, etc).</p> <p>Involvement of local suppliers / local small companies in supply chains.</p> <p>When deciding on procurement and investments, the company considers the goals of local social and economic development.</p> <p>Develop technologies and ensure their availability. The organization can help make these technologies accessible to all through training, partnership projects and other activities.</p> <p>Big enterprises to support development of small business through introducing special programs, supporting local suppliers, community consulting practices, etc. that will strengthen local community.</p> <p>Support local community members to start a small business</p> <p>Support education and culture development, through supporting local community members education, and development of quality of education system, and access to education.</p> <p>Support local culture development though programs e.g. exhibitions, festivals etc. Also, support protection of cultural heritage.</p> <p>Conduct infrastructure projects, (e.g. rehabilitation of buildings, roads, hospitals etc.) in cooperation with local government.</p> <p>Raising awareness about health care issues and threats and their prevention, as well as serious diseases.</p>
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	<p>Participate in state health programs, to facilitate access to medical care, medicines and vaccines, to support a healthy lifestyle.</p> <p>Also try to reduce or completely eliminate the negative impact of consumption of the organization's products and services or production processes on human health.</p> <p>Support local community development projects through grants, sponsorship, scholarships.</p> <p>Establish a corporate fund that provides financial support for various community development projects in the priority areas identified by the organization;</p> <p>Support local civil society organizations, through grants and funding. In this case, local civil society organizations become partners in the implementation of community-funded community programs.</p> <p>Introduce philanthropy. Supply of materials / products (e.g., food to the homeless shelter; medicine, and etc. for vulnerable groups, etc.); Granting the right to use the building owned by the organization for a certain period of time (e.g. organization dedicates its own building to an exhibition of paintings, etc.); Providing services free of charge;</p> <p>Support and encourage Corporate Volunteering/Employee Volunteering. Providing for local needs - time, physical labor, knowledge and professional skills.</p> <p>Encourage Employee donations for local community development.</p>
Indicators	<ul style="list-style-type: none"> » Number of companies practicing constant dialogue with local community to identify, address and prevent issues that are important to the community. » Level of involvement of local community in dialogue with local business. » Number of organizations participating in local associations, forums and networks. » Number of companies and number of jobs created; » Level of employment of local staff. » Number of economic development programs (e.g. support social entrepreneurship; youth start-ups, etc). » Number of businesses supporting small business or start-ups through introducing special programs, supporting local suppliers, community consulting practices, etc.

	<ul style="list-style-type: none"> » Number of education, cultural, infrastructure and health care programs supported. » Number of local civil society organizations supported, through grants and funding. » Number of philanthropy programs and activates provided. » Number of organizations donating to local community development. » The value of community investments and charitable / philanthropic donations. » The number of people or organizations that were beneficiaries of the organization's community investments. » Employees involved in corporate volunteering programs; number of hours spent on volunteering by them; » Positive and negative media coverage of community programs;
The conditions for implementing interventions in this priority	<ul style="list-style-type: none"> → National and international laws and instruments; → Acknowledgement of companies that strong and positive community relations is related to company's reputation and positive image, loyalty of employees; and investment attractiveness that affects company's success. → The high degree of involvement of civil society organizations in CSR. → Interest of local community. → 'Social license' for community activities; Establishing a relationship of mutual trust with the public benefits both, business and local community.

D. Corporate governance

D.1. Ensure main principles of successful corporate governance	
Specific objectives	<p>D.1. Introduce company Transparency D.2. Introduce company Accountability D.3. Introduce company Responsibility D.4. Introduce company Fairness</p>
Relevant activities	<p>Through an integrated management system for fast decision-making and execution, improve operational speed and ensure sound, transparent management.</p> <p>Ensure that the organization is conducted in all respects according to rigorous ethical, professional and legal standards.</p> <p>Ensure all the laws that regulate and apply will be complied with.</p> <p>Company produces all necessary information for stakeholders and ensures that stakeholders have confidence in the decision-making and management processes of the service provided, by the conduct and professionalism of all staff. Organization do this by continually training and developing the staff.</p> <p>Ensure all groups and individuals with whom organization has a business relationship are treated in a fair, open and respectful manner.</p> <p>Ensure that competition is reasonable and based upon the quality, value and integrity of the services being supplied.</p> <p>Ensure feedback on performance is actively sought, and organization encourages customers to give feedback on performance and ensure that all customer comments are analysed, responded to and where appropriate, acted upon.</p> <p>Introduce an early warning system against all risk and ensure efficient risk management system.</p> <p>Develop control and internal/external auditing. Introduce International Standards on Reporting and Auditing (Global Reporting Initiative /GRI; AA 1000; ISAE 3000).</p>

	<p>The company keeps the board independent from management through special guidelines and regulations.</p> <p>Ensure efficient and effective management through Planning, Organizing, Leading, Staffing, Controlling guidelines and procedures.</p> <p>Ensure efficient use of resources.</p> <p>Apply activities to increase company's credibility.</p> <p>Apply principles to keep a balance between economic and social benefit.</p> <p>Develop a CSR strategy through: Build support with CEO, senior management and employees; Research what others are doing, and assess the value of recognised CSR instruments; Prepare a matrix of proposed CSR actions; Develop ideas for proceeding and the business case for them; and Decide on direction, approach, boundaries and focus areas.</p> <p>Implement CSR commitments through the following: Develop an integrated CSR decision-making structure; Prepare and implement a CSR business plan; Set measurable targets and identify performance measures; Engage employees and others to whom CSR commitments apply; Design and conduct CSR training; Establish mechanisms for addressing problematic behaviour; Create internal and external communications plans; and; Make commitments public.</p> <p>Conduct a CSR assessment through: Assemble a CSR leadership team; Develop a working definition of CSR; Identify legal requirements; Review corporate documents, processes and activities, and internal capacity; and Identify and engage key stakeholders</p> <p>Assure and report on progress through the following: Measure and assure performance; Engage stakeholders; and Report on performance, internally and externally.</p> <p>Prepare sustainability reports. Report on the economic, environmental and social aspects of the company's socially responsible activities and programs. The information presented in the report should be accurate, reliable, fact-based, verifiable and complete.</p> <p>Conduct Verification/conformity assessment.</p>
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	<p>Introduce regulations against bribery and corruption.</p> <p>Conduct education of employees on the issue of transparency.</p> <p>Hold assessment of practices for identifying the risks related to corruption.</p> <p>Adopt practices against any form of bribery and extortion both to their internal and external environment.</p> <p>Ensure clear visibility through the utilized supply chains to know where products are being moved from and to.</p> <p>Training will be provided to relevant people on environmental and social issues affecting the logistics supply chains.</p> <p>Conduct a documented environmental and social assessment for every new contracted partner.</p>
Indicators	<ul style="list-style-type: none"> » Number of organizations introducing transparent management. » Number of organizations introducing ethical, professional and legal standards. » Number of organizations producing all necessary information for stakeholders. » Number of trainings conducted for staff on transparency, » Number of organizations conducting internal/external auditing. » Number of organizations introducing International Standards on Reporting and Auditing (Global Reporting Initiative /GRI; AA 1000; ISAE 3000). » Number of organizations conducting a CSR assessment. » Number of organizations developed a CSR strategy. » Number of organizations preparing sustainability reports. » Number of organizations conducted Verification/conformity assessment. » Number of organizations introducing regulations against bribery and corruption. » Number of organizations adopting practices against any form of bribery and extortion both to their internal and external environment.

	<ul style="list-style-type: none"> » Number of organizations conducting a documented environmental and social assessment for every new contracted partner. » Number of organizations adapting Planning, Organizing, Leading, Staffing, Controlling guidelines and procedures. » Number of organizations introducing regulations/guidelines for keeping the board independent from management. » Positive and negative media coverage of community programs.
<p>The conditions for implementing interventions in this priority</p>	<ul style="list-style-type: none"> → National and international laws and instruments; → Corporate governance receives high priority on the agenda of policymakers, financial institutions, investors, companies and academics. → Corporate governance is the only means for companies to achieve corporate goals and strategies. → Benefit for firms, such as: Increasing the firm's market value; Increasing the firm's rating; Increasing competitive power; Attracting new investors, shareholders and more equity; More or higher credibility; Enhancing flexible borrowing condition/facilities from financial institutions; Decreasing credit interest rate and cost of capital; New investment opportunities; Attracting better personnel / employees; Reaching new markets. → The high degree of involvement of civil society organizations in CSR.

Monitoring and Evaluation

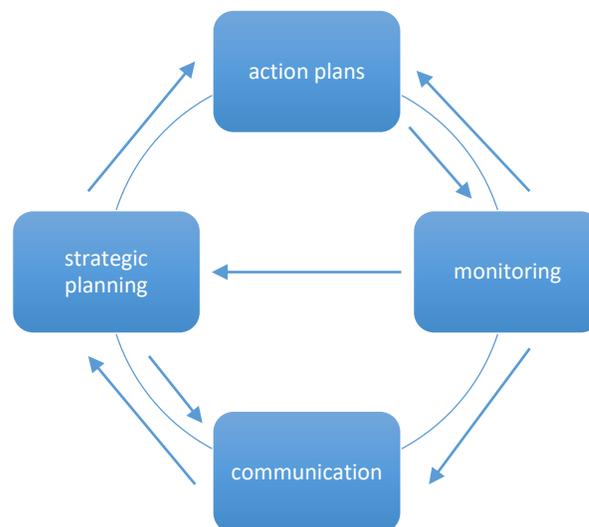
Rustavi network will create a permanent internal body, with executive duties, which will be responsible to conduct monitoring of strategy and action plan implementation and present an annual report on the achievements of network members in CSR direction.

With the information derived from verification and reporting, the network is in a good position to rethink its current approaches and make adjustments. An evaluation allows the network to see whether it is on course, and what it needs to do to be more effective. It enables the network to:

- determine what is working well, why and how to ensure that it continues to do so;
- investigate what is not working well and why not, to explore the barriers to success and what can be changed to overcome the barriers;
- revisit original goals and make new ones as necessary.

This base of information should allow the network members to determine whether the current CSR approach is achieving its objectives and whether the implementation approach and overall strategy are correct. An evaluation not only helps identify valuable information about process and performance, it also helps identify internal partners, and can help develop more “joined-up” management.

In this stage, cyclical revisions are done to analyze the results from the defined indicators and verify if they are fulfilling the strategic objectives. The outcomes of this process result in an adequate space to correct any deviances, make adjustments and identify new improvement opportunities.



To do this revision, indicators’ and action plans’ advancement information will be gathered, activities which are under the CSR manager’s responsibility.

Then, that information is presented during a network monitoring management meeting where:

- ✓ Indicators results and causes are analyzed.
- ✓ Action plans advancement is analyzed.
- ✓ Decisions are made based on actions to be executed to improve the obtained performance and prevent or correct problems.

The network member organizations' evaluation is conducted on a regular basis (once a year). Such an evaluation covers comparing the results of the company's activities with the results of previous years to identify progress and measure progress towards the objectives set, as well as to identify problem areas where improvements and changes are needed. The evaluation phase is very important. At this point the company/organization needs to decide what will remain unchanged and what changes are needed to improve CSR performance.

The Network member organizations/companies assessment will answer the following questions: How realistic were the objectives set; Were the objectives reached; Lessons learned; How accurately were the evaluation indicators selected; Have any new circumstances been identified that need to be addressed by the company.

The evaluation can be conducted by the organization itself (internal audit) or a group of external specialists (external evaluation / independent audit). External evaluation / audit means an inspection / evaluation conducted by a third party, an independent audit. Independent evaluation / audit is performed by organizations or individuals who have no financial, organizational, personal or other interests related to the company and its employees. It can be a specialized audit company, a civil expert organization, etc. In the case of an external independent audit, a report / report will usually be developed and made available to the public or to a specific third party. In this case, auditors prepare a separate report for the company's management, presenting and documenting key results, as well as analyzing the organization's weaknesses and opportunities for performance improvement.

By reviewing and adapting the CSR strategy, the company can improve its operations and results in the CSR context. To this end, the company may revise its objectives, commitments and, where necessary, make changes. Adaptations to the company's CSR policies and strategies may result from changing circumstances, legislative changes, or changing public expectations.

Once a year the network will be at a stage in which communication of these results to the different stakeholders may start through the sustainability reports of its members' achievements.

To write the sustainability reports, the company uses the information on past performance coming from the monitoring process and it may also include information from improvements or goals it expects to reach in the future – based on strategic planning. Once sustainability reports have been published and circulated, the company receives feedback from stakeholders. This information has to be used as material for the strategic planning stage, and consequently determine new improvements that can be incorporated into the company's sustainability model and support to reach goals set by the network within its CSR strategy.