

A vertical decorative border on the left side of the slide, filled with various hand-drawn icons. These include a sun, a house with people, a calculator, a magnifying glass, a tree, a dollar sign, a ribbon, a gift, a globe, a wind turbine, a speech bubble with 'DEDICATED', a speech bubble with 'PASSION', a speech bubble with 'DEDICATED', a lightbulb, a gift, and a ribbon.

CSRWORKS

Creating National Standards
for CSR Measurement

March 27, 2018

Overview

- Trust Trends
- Stakeholder Expectations
- Professional Services Sector
- NSF 391.1 Story
- Critical Success Factors



Trust Trends A

- 20 of 28 countries distrusted
- Trust Gains in China, UAE, South Korea
- Extreme Trust losses in US(-37), Italy(-21), Brazil(-17), India(-13),
- South Africa(-17), Colombia(-13)
- Trust in business increases in 14 of 28 markets, but US(-10)

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Trust Trends B

- Employers Trusted Around the World 72 percent
- 2:1 companies trusted to take specific actions that increase profits and improve economic and social conditions
- 64 percent say CEOs should take lead on change
- Nearly 7 in 10 respondents say building trust is # 1 job for CEOs



Trust Trend C: Trust Building Mandates

- Invest in Jobs
- Promote Equal Opportunity
- Safeguard Privacy
- Drive Economic Prosperity
- Provide for Future Generations
- Improve Quality of Life
- + 20 others

Stakeholder Expectations

- Consumers
- Client requirements in RFPs
- 3rd party platforms for SCM
- 400 sustainability related regulations/guidelines across 64 countries
- Stock Exchanges
- Federal, state and local legislation
- Disclosure and reporting standards
- Employees
- Investors



Professional Services Sector

- 20.7 million people
- Knowledge-based, professional, high \$\$, low capital \$\$
- Multi-dimensional
- \$5 trillion a year by 2020
- Small, medium, large enterprises
- Private + public
- Buyer + Supplier

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NSF 391.1 Opportunity

OPPORTUNITY STATEMENT

How does the professional services sector demonstrate sustainability performance for buyers and suppliers, respond to high stakeholder expectations for accountability and transparency, while simplifying procurement process for its industry, customers, and business partners?

Context



\$66.9 billion
GSA spend:
"hot spot" for
category
management



Sustainability
integrated
into client
RFPs,
standards,
legislation



New
Sustainability
Issues: SDGs,
Diversity,
HWB, Clean
Energy,
Income



Lack of trust
=sustainability
as a strategy +
trust builder



High
consumer and
employee
expectations



Sustainability
Risk as part of
Enterprise Risk
Management

SWOT ANALYSIS

STRENGTHS

- > Sector specific approach
- > 80/20
- > Shared “survey fatigue” pain
- > Collective voice
- > Multi-stakeholders

WEAKNESSES

- > Multi-stakeholders/multi-views
- > No precedent
- > Points-based not guidance
- > People + Knowledge= Product
- > Diversity of businesses

OPPORTUNITIES

- > Making it relevant for all
- > Inclusion
- > Innovation
- > GSA/EPA engagement
- > Integration of 4 pillars

THREATS

- > Many voices
- > Rigorous but attainable
- > Weighting of sections
- > Incremental but keep pace
- > Navigation as buyers+ suppliers

THE SOLUTION = NSF 391.1

- Multi-stakeholder voluntary consensus ANSI process
- 4+ years for development
- 4 pillars: Econ, Social, Environmental, Supply Chain
- Minimum performance requirements + Pre-requisites
- Points and results based not guidance or framework
- 2 levels of certification/requires 3rd party certification
- Achieve minimum points in all 4 categories/50 for BL, 70 for Leadership
- New KPIs : Supply Chain, Diversity, Health + well being, Community

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CRITICAL SUCCESS FACTORS

- Market Opportunity
- Multi-stakeholder engagement, including government
- Build upon existing tools and standards
- NSF 391.1 provided sector specific benchmarking
- Involvement of voice of small business
- Alignment with SDGs

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A SENSE OF PURPOSE

Society is demanding that companies both, public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and communities in which they operate.

Larry Fink, Chairman and CEO, BlackRock, Inc.