

Assessing the Social Side of Corporate Sustainability

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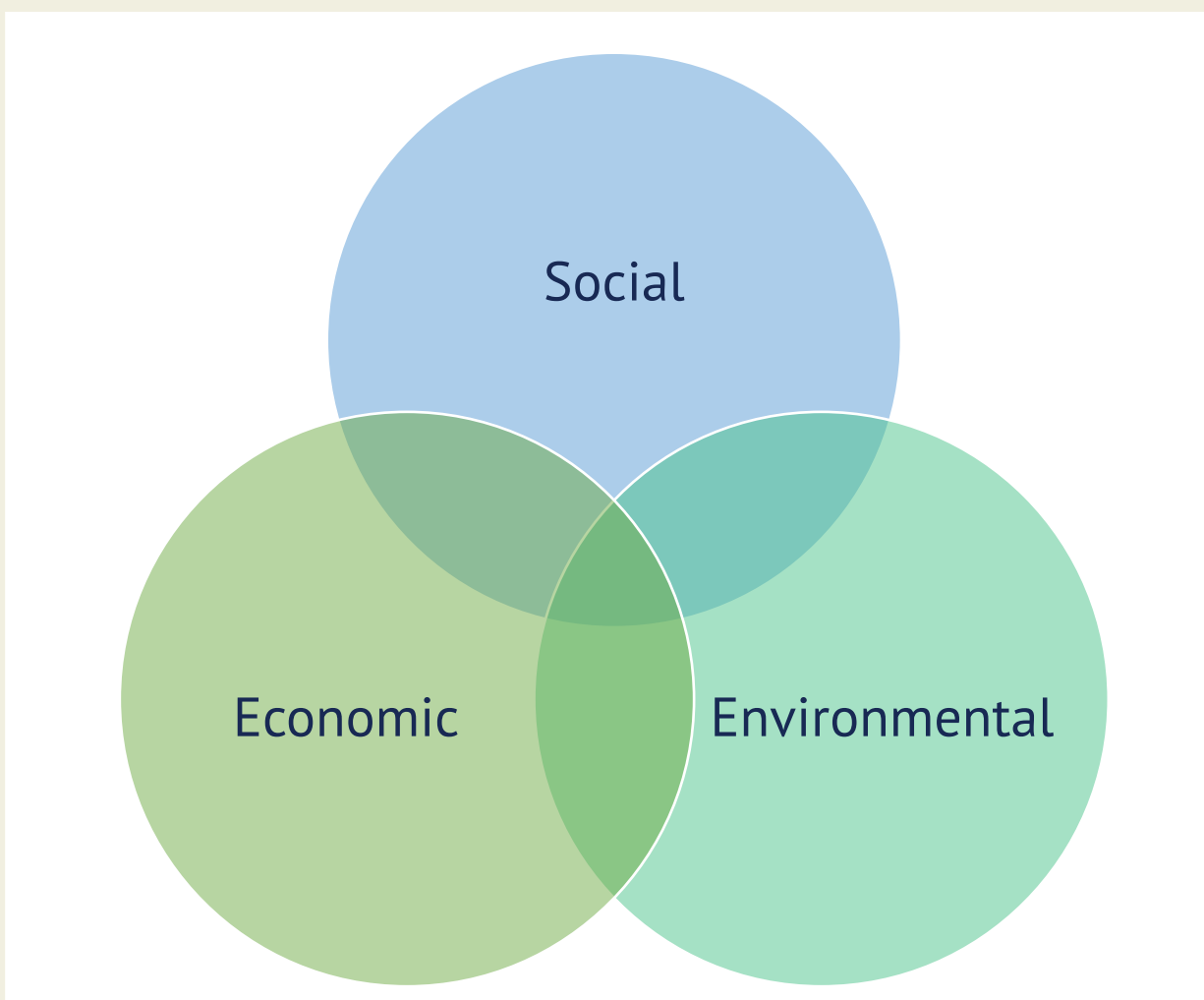
Abstract

The purpose of this study is to identify current social sustainability metrics in place and the role they play in fostering corporate social responsibility (CSR). In doing so, we felt it was necessary to examine consumer and stockholder demand for sustainable products and the overall net benefits of engaging in both environmental and social sustainability practices. Therefore, we decided to compile social and environmental sustainability metrics from our review and construct an all-encompassing sustainability evaluation framework that could be applied to any company based on its current practices. In the interest of time, we decided to center our framework around social and environmental sustainability in the agri-food industry and engage in a case study on two companies in order to see how the framework fares in real-world application against an already existing framework. Based off the data collected in the case study, we will assess the framework and its effectiveness. This information can be beneficial to corporations, small businesses, governmental agencies, shareholders, and consumers among other entities.

Introduction

In the preliminary stages of this study we engaged in a broad systematic review of corporate sustainability literature and the varying sustainability metrics aimed at consumers. We found that the sustainability metrics in place were sparse, unorganized, and not centralized in any manner. This made them inaccessible to both corporations and consumers. Additionally, social sustainability was either completely disregarded or overshadowed by environmental sustainability in many of the already established metrics. The development and execution of the framework is still in progress, however we expect that this framework will be successful in distinguishing companies that employ ideal or problematic practices. Given the extensive nature of this topic, there is a considerable amount of further research, development, and time needed to construct a centralized framework that communicates sustainability metrics regarding a company's business practices to internal and external individuals who seek this information prior to business-related decision making.

Social vs. Environmental vs. Economic Sustainability



AlterEco Sustainability Assessment Comparison

Our Framework

Category	Parameter	Score	Category Total	Count (Applicable Fields)	Percentage
Social	** No Child Labor	1	8	9	89%
	** No Human Rights Infringements	1			
	No False Advertising	1			
	Diversity and Opportunity	0			
	Overall Customer Satisfaction	0			
	Communication to Customers and Stakeholders	1			
	Transparency and Labeling on Products	1			
	Training and Educational Opportunities	NA			
	Good Employee Benefits and Practices	NA			
	No Malicious Political Influence	1			
Economic	Health and Safety Measures	1			
	Additional Metrics and Certifications	NA	1.5	2	75%
	Profitability	0.5			
Environmental	Additional Metrics and Certifications	NA	1	4.30	100%
	Involved in Environmental Development	1			
	Evaluation of Whole Supply Chain	1			
	Sustainable Food Packaging	1.00			
	Sustainably Sourced	1			
Additional Metrics and Certifications		0.3			
Total:			13.8	15	92.00%
Weighted Total:			105.2	115	91.46%
Total With Transparency Score:					90.00%
Weighted Total With Transparency Score:					91.06%

Weight of Each Category:	Yes
Social:	11
Economic:	0
Environmental:	4

Certifications and Standards:
 Climate Neutral Certification Standard (CNCS) Certified? Yes
 B-Corp Certification Score 80 and Above? Yes
 Fair Trade (Crop Specific) Certified? Yes
 Rainforest Alliance (Crop Specific) Certified? No
 Fairwild Certified? No
 Fair for Life/For Life Certified? Yes

Good Shopping Guide

Alter Eco Ethical Rating
 Parent company: Ecotone Ltd

Environment	Animal	People	Other
Environmental Report ✓	Animal Welfare ✓	Armaments ✓	Ethical Accreditation ✓
Genetic Modification ✓	Vegetarian/Vegan ✓	Political Donations ✓	Public Record Criticisms ✓
Organic ✓		Fairtrade ✓	Brand/Product Ethics ✓
Nuclear Power ✓			Company Group Rating ✓

Results

This bar chart indicates that the Good Shopping Guide, a website that touts its socially ethical scores for corporations, does not effectively assess social sustainability for corporations, but instead environmental. This is because the created Excel framework ensures that there is emphasis into every facet of social sustainability through preliminary research along with the social category being weighted considerably more than the others, so the framework should be a reliable indicator of how socially sustainable a corporation is. On this framework, both companies scored consistently high on both the weighted percentage and the weighted percentage with transparency, which is the number of applicable fields filled out. On the other hand, the Good Shopping Guide scored both companies had stark differences in scores with Alter Eco scoring the highest and Tony's not receiving the approval of their personal metric framework. This variation in scores from the Good Shopping Guide in contrast to the consistent scores in our framework indicates that their framework does not assess social sustainability, but instead environmental, and the research done into their custom metric confirms this as most categories and fields pertain mostly to the environment.



Tony's Chocolonely Sustainability Assessment Comparison

Our Framework

Category	Parameter	Score	Category Total	Count (Applicable Fields)	Percentage
Social	** No Child Labor	1	8.55	10	90%
	** No Human Rights Infringements	1			
	No False Advertising	1			
	Diversity and Opportunity	1			
	Overall Customer Satisfaction	0			
	Communication to Customers and Stakeholders	1			
	Transparency and Labeling on Products	1			
	Training and Educational Opportunities	1			
	Good Employee Benefits and Practices	0.75			
	No Malicious Political Influence	1			
Economic	Health and Safety Measures	1			
	Additional Metrics and Certifications	0.2	2.1	2	105%
	Profitability	0.1			
Environmental	Additional Metrics and Certifications	1	4.00	4	100%
	Involved in Environmental Development	1			
	Evaluation of Whole Supply Chain	1			
	Sustainable Food Packaging	1.00			
	Sustainably Sourced	1			
Additional Metrics and Certifications		NA			
Total:			15.05	16	94.06%
Weighted Total:			114.45	126	90.83%
Total With Transparency Score:					94.09%
Weighted Total With Transparency Score:					91.22%

Weight of Each Category:	Yes
Social:	11
Economic:	0
Environmental:	4

Certifications and Standards:
 Climate Neutral Certification Standard (CNCS) Certified? No
 B-Corp Certification Score 80 and Above? No
 Fair Trade (Crop Specific) Certified? No
 Rainforest Alliance (Crop Specific) Certified? No
 Fairwild Certified? No
 Fair for Life/For Life Certified? No

Good Shopping Guide

Tony's Chocolonely Ethical Rating
 Parent company: Tony's Chocolonely Ltd

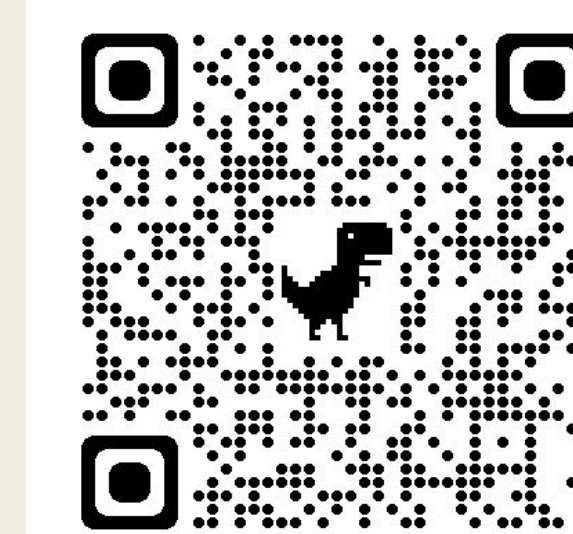
Environment	Animal	People	Other
Environmental Report -	Animal Welfare ✓	Armaments ✓	Ethical Accreditation X
Genetic Modification -	Vegetarian/Vegan X	Political Donations ✓	Public Record Criticisms -
Organic X		Fairtrade ✓	
Nuclear Power ✓			

Discussion & Future Research

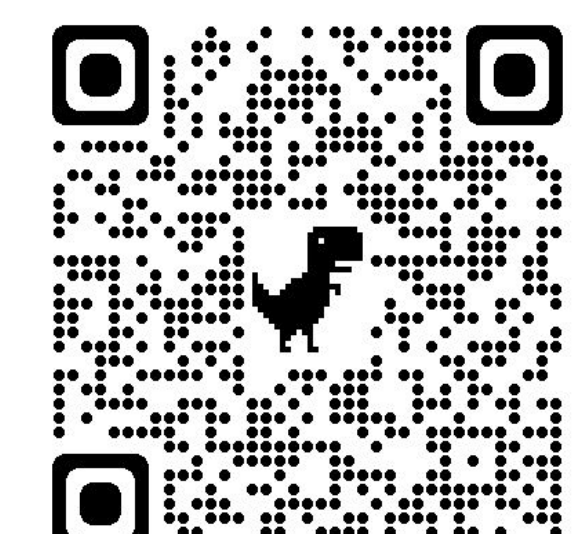
It is important to note that this framework is only in its preliminary stage. While it is designed with consumer-reporting and accessibility in mind, the metrics could be more in depth and well rounded to ensure an even more reliable score. Moreover, given the time constraints we faced, we were limited in the number of companies and industries we could assess and compare to the Good Shopping Guide's (GSG) score. In making the framework with consumer reporting in mind, it was imperative to weigh in a company's transparency regarding both their social and environmental sustainability initiatives, which suggests why there is such a considerable difference in scores for Tony's Chocolonely. That said, this contrast between scores is something that is worthy of further investigation. We want to reiterate that this framework needs more fine-tuning, however, it is still an important step in making information regarding a corporation's sustainability accessible.

The future research opportunities that stem from this foundational framework are numerous. We ultimately imagine a database being constructed that compiles scores from a consumer-reported framework and reports said scores to anyone who desires at a moments notice. Something of this nature would allow consumers, shareholders, and other corporations to reinforce their consumer/business related decisions and ultimately drive-up demand for CSR.

References



Literature Review



Methods

- The researchers started by gathering research surrounding social sustainability by creating a literature review.
- The literature review included research surrounding what social sustainability metrics are, which metrics are already established, gaps in the research, etc.
- The researchers created the framework by using Microsoft Excel to utilize a binary system of 1 for yes, 0 for no, and NA for not applicable to be able to answer questions that directly tie back to sustainability metrics in the three main categories of economic, environmental, and social sustainability.
- The Excel then gave a percentage grade of each category and then as a whole to give a sustainability percentage along with one with transparency.
- It also can weigh a certain category by a multiple if there was a need to focus or emphasize a specific portion like we are doing with social sustainability.
- The researchers then determined that the Excel framework needs to be tailored to the chocolate and cocoa industry.
- Added that some metrics are pivotal (this type of question is labeled accordingly and indicated with a "**") and that if it is answered as "no" it will give the category a 0%.
- They also created a new section for each category where users can state the number of additional certifications or metrics that adds up to .5 instead of 1.
- Researchers added weights for each section and the number of metric-based questions in each category because it would be more representative, and this was found to be more accurate to assessing social sustainability.
- Along with this, the researchers weighted the economic category at 0, with an emphasis on social with it being weighted at an 11 and environmental at a 4.
- Added the inclusion of questions that are directly tied to recognized sustainability metrics, and when the user answers "yes" to these it will automatically fill in areas concurrent with the framework and the recognized metric.
- Finally, once the results and scores of the two companies (Alter Eco and Tony's Chocolonely) were evaluated using the researcher's framework, they were compiled and compared to the score for the same two companies on the website Good Shopping Guide on a clustered bar chart.