

EFQM FRAMEWORK FOR SUSTAINABILITY



EFQM[®]
Leading Excellence

EFQM

SHARES WHAT WORKS

We are committed to helping organisations drive improvement through the EFQM Excellence Model, a comprehensive management framework used by over 30,000 organisations in Europe.

To help you implement our Model, we provide training and assessment tools as well as recognition for high performing organisations. But our real talent comes from gathering good practice and sharing them through our network.

We at EFQM, a not-for-profit membership Foundation founded in 1989, aim to share what works, through case studies, online seminars, working groups, conferences and thematic events.

Sharing our members' enthusiasm, their motivation and the results they achieve; that is what we work for.



WE SUPPORT THE UN GLOBAL COMPACT

EFQM not only supports the ten principles of the UN Global Compact, we actively promote them to our Members and the wider global community through the EFQM Excellence Model. The introduction to the 2013 Model states “an excellent organisation will respect and comply with the 10 principles of the UN Global Compact, regardless of whether legally obliged to do so.” In this way we ensure that every organisation that uses the EFQM Excellence Model is aware of the ten principles of the UN Global Compact.

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FOREWORD

Georg Kell

Executive Director, United Nations Global Compact



Over the past decade or so a global movement has materialised stressing the interdependence between long-term corporate performance and environmental stewardship, social responsibility, and good governance. What began as ad-hoc damage-control responses by business to environmental accidents, corruption scandals or accusations of child labour in supply chains, has evolved into a proactive, coherent global movement. As business has gone global in recent decades – spurred by technology and liberal trade and investment – so too has the idea and practice of corporate responsibility. Today, a common understanding is emerging around the world: a company's long-term financial success goes hand in hand with its record on social responsibility, environmental stewardship and corporate ethics.

With the corporate sustainability movement now in full force it is clear that collaboration is the means to achieve transformative growth. Through coordinated action spanning over more than a decade the UN Global Compact and EFQM have together worked to support companies along the sustainability journey, helping to facilitate the effective translation of corporate sustainability principles into practice.

The Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate policies and practices. Launched in 2000 with 40 companies, it today is the largest corporate sustainability initiative in the world, with over 8,000 companies based in 145 countries.

EFQM, with 25 years of experience in the organisational competitiveness space, is uniquely positioned to support all types of organisations, private, public or non-profit, along the sustainability journey. The EFQM Sustainability Framework incorporates the UN Global Compact ten principles and emphasises transparency and disclosure of best practices, giving companies across sectors and regions a unique tool to successfully manage their sustainability strategy.

The pursuit of corporate sustainability is one of continuous improvement; EFQM and the UN Global Compact are committed to providing the pathways towards a more sustainable marketplace.

Georg Kell
Executive Director, UN Global Compact

A handwritten signature in black ink, appearing to read 'Georg Kell', written in a cursive style.

Introduction

When the EFQM Excellence Model was first issued in 1992, it was the inclusion of a criterion called “Impact on Society” that caused the most discussion. What did this mean... and why was it so important? Since then, the knowledge and understanding of topics like ‘Corporate Social Responsibility’ and ‘Sustainability’ have progressed significantly. Most organisations have some sort of sustainability activities and there are many tools, initiatives and reporting frameworks to help organisations develop strategies and policies in this area. But still people struggle to integrate these activities into “the way they work”. And after more than 20 years, this is still the area where the vast majority of organisations we assess have most opportunities for improvement.

Back in 2004, EFQM produced the “Framework for Corporate Social Responsibility” to provide organisations with a framework to help assess and improve the approaches they had adopted to managing their Corporate Social Responsibilities. This framework drew together the expertise from a number of leading companies, as well as including the then recently formed United Nations Global Compact.

This new EFQM Framework for Sustainability has again drawn on the expertise of a group of leading companies and the UN Global Compact. It also incorporates the numerous changes that have been made to the EFQM Excellence Model in the intervening years.

The structure of this framework follows that of the EFQM Excellence Model 2013. Some of the detail within is taken directly from the Model to ensure consistency. However, many new examples of what we’d expect to observe in an “excellent organisation” have been added. These are designed to help understand what’s possible and inspire your own sustainability program.

But remember, this is a non-prescriptive assessment framework. It’s designed to be used in any organisation, regardless of size or sector. You may feel that some of the examples are not relevant to your organisation. As with any assessment, you need to keep an open mind and ask the right questions to ensure this really is the case. You might well be surprised with some of the answers.

Whilst the UNGC Principles are not explicitly referenced within the EFQM Excellence Model, the actions that support the effective implementation of them can be clearly linked to the EFQM Criteria. The table below gives some examples of how the Principles link to the Criteria:

Example of Action	EFQM Criterion
Principle 1 – Support and respect the protection of internationally proclaimed human rights	
<ul style="list-style-type: none"> ■ Provide safe and healthy working conditions. ■ Guarantee freedom of association. 	<p>3e</p> <p>3a</p>
Principle 2 – Make sure they are not complicit in human rights abuses	
<ul style="list-style-type: none"> ■ Establish procedures for identifying and managing risks and opportunities related to human rights, and for addressing human rights impacts. ■ Put in place management systems for human rights policy implementation, monitoring and reporting across the company. 	<p>2c</p> <p>1b</p>
Principle 3 – Uphold the freedom of association and effectively respect the right to collective bargaining	
<ul style="list-style-type: none"> ■ Ensure that company policies and procedures do not discriminate against individuals because of their views on trade unions or for their trade union activities. ■ Provide information needed for meaningful bargaining. 	<p>1d</p> <p>3a</p>
Principle 4 – Eliminate all forms of forced and compulsory labour	
<ul style="list-style-type: none"> ■ If relying on labour providers for recruitment, ensure that no forced labour is supplied. ■ Write employment contracts in language easily understood by workers, indicating the scope of and procedures for leaving the job. 	<p>4a</p> <p>3c</p>
Principle 5 – The effective abolition of child labour	
<ul style="list-style-type: none"> ■ Be aware of countries, regions, sectors, economic activities where there is a greater likelihood of child labour. ■ Develop and implement mechanisms to detect child labour. 	<p>2a</p> <p>4a</p>
Principle 6 – Eliminate discrimination in respect of employment and occupation	
<ul style="list-style-type: none"> ■ Implement policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff. ■ Establish programs to promote access to skills development training. 	<p>3a</p> <p>3b</p>
Principle 7 – Support a precautionary approach to environmental challenges	
<ul style="list-style-type: none"> ■ Develop a code of conduct or practice for its operations and products that confirms commitment to care for health and the environment. ■ Create a managerial committee or steering group that oversees the company application of precaution, in particular risk management in sensitive issue areas. 	<p>1a</p> <p>1b</p>
Principle 8 – Undertake initiatives to promote greater environmental responsibility	
<ul style="list-style-type: none"> ■ Develop sustainability targets and indicators (economic, environmental and social). ■ Work with suppliers to improve environmental performance, extending responsibility up the product chain and down the supply chain. 	<p>2d</p> <p>4a</p>
Principle 9 – Encourage the development and diffusion of environmentally friendly technologies	
<ul style="list-style-type: none"> ■ Provide information to consumers and stakeholders about potential environmental risks of products and services. ■ Establish sustainable production and consumption programmes with clear performance objectives to take the organisation beyond compliance in the long-term. 	<p>1c</p> <p>5d</p>
Principle 10 – Work against corruption in all its forms, including extortion and bribery	
<ul style="list-style-type: none"> ■ An employee training programme on how to identify bribery and corruption. ■ Adopt internal reporting procedures. 	<p>3b</p> <p>4e</p>

EFQM Framework for Sustainability - Summary

This document describes the success criteria for Sustainability and maps them to the EFQM Excellence Model, thus ensuring a comprehensive and balanced approach to planning and implementing Sustainability.

Leadership in Sustainability can include:

- Securing their future by defining and communicating a core purpose that provides the basis for their overall Vision, Mission, values, ethics and corporate behaviour, aligned with the concept of sustainability. How sustainability is included in the culture (e.g. vision, mission and values).
- Using approaches to understand, anticipate and respond to the different needs and expectations of their key stakeholders. How the sustainability strategy and plan developed takes into consideration Stakeholders' needs.
- Defining and using a balanced set of results to review progress, provide a view of long and short-term priorities and provide sustainable benefits to all their stakeholders.
- Inspiring people and creating a culture of involvement, ownership, empowerment, improvement and accountability through their actions, behaviours and experience.
- Considering "People, Planet and Profit" as a reference when balancing the sometimes conflicting imperatives that they face.
- Being transparent and accountable to their stakeholders and society at large for their performance. How progress against sustainability performance is reported externally How awareness on sustainability issues is driven externally and internally.
- Ensure their people act ethically, responsibly and with integrity. How excellent does the organisation's governance structure ensure compliance and anti-corruption standards are met?

Strategy in Sustainability can include:

- Gathering stakeholders' needs and expectations for input to the development and review of their strategy and supporting policies, remaining alert to any changes.
- Using mechanisms to identify and understand both short and long-term changes in their external environment and translate these into potential future scenarios for the organisation.
- Adopting effective mechanisms to manage the strategic risks identified through scenario planning. How excellent have key risks been identified and what actions are they taking to ensure continuity?
- Integrating the concepts of sustainability within their core strategy, value chain and process design and allocate the resources required to deliver goals on what matters most. How the sustainability strategy and plan developed focuses on the "right things".
- Setting clear goals and targets to measure progress against their sustainability strategy.

People in Sustainability can include:

- Managing recruitment, career development, mobility and succession planning, supported by appropriate policies, to ensure fairness and equal opportunities.
- Developing people's skills and competencies to ensure their future mobility and employability. How excellent does the organisation deploy their approaches for "Training and Development".
- Encouraging their people to be ambassadors of the organisations' image and reputation.
- Ensuring a healthy life at work and work / life balance in the reality of 24/7 connectivity, increasing globalisation and new ways of working. How excellent does the organisation deploy their approaches for "Life at Work".
- Respecting and embracing the diversity and rights of their people and the communities and markets the organisation serves. How excellent does the organisation deploy their approaches for "Diversity & Human Rights".

EFQM Framework for Sustainability – Assessment Guide

1. Leadership

EFQM CRITERION DEFINITION

Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the ongoing success of the organisation.

1a. Leaders develop the mission, vision, values and ethics and act as role models.

Examples could include:

- Creating a vision, mission and values for the organisation that incorporate the principles of the “triple bottom line”.
- Ensuring the organisation supports and respects the protection of internationally proclaimed human rights and is not complicit in human rights abuses (see UNGC Principle 1 & 2).
- Championing the organisation’s values and are role models for integrity, social responsibility and ethical behaviour, both internally and externally, to develop and enhance the organisation’s reputation.
- Securing their future by defining and communicating a core purpose that provides the basis for their overall Vision, Mission, values, ethics and corporate behaviour.
- Setting and communicating a clear direction and strategic focus; they unite their people to share and achieve the organisation’s Mission, Vision and goals.

1b. Leaders define, monitor, review and drive the improvement of the organisation’s management system and performance.

Examples could include:

- Delivering high levels of stakeholder confidence by adopting effective mechanisms to understand future scenarios and effectively manage strategic, operational and financial risks.
- Defining and using a balanced set of results to review progress, provide a view of long and short-term priorities and manage the expectations of the key stakeholders.
- Evaluating the set of results achieved to improve future performance and provide sustainable benefits to all their stakeholders.

1c. Leaders engage with external stakeholders.

Examples could include:

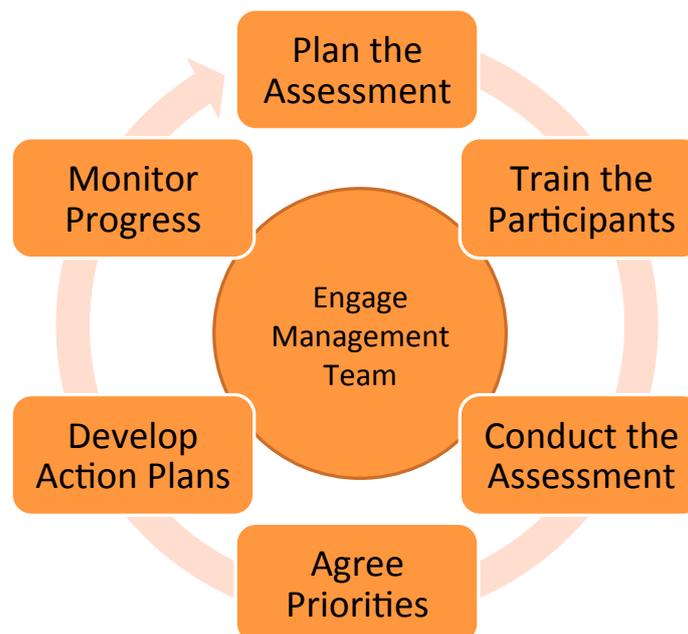
- Encouraging their stakeholders to participate in activities that contribute to wider society.
- Establishing shared values, accountability, ethics and a culture of trust and openness throughout the value chain.
- Being transparent and accountable to their stakeholders and society at large for their performance.
- Ensure their people act ethically, responsibly and with integrity.
- Using approaches to understand, anticipate and respond to the different needs and expectations of their key stakeholders.
- Ensuring transparency of financial and non-financial reporting to relevant stakeholders, including appropriate governance bodies, in line with their expectations.

Introduction to Self-Assessment

A self-assessment is a comprehensive, systematic and regular review by an organisation of its activities and results referenced against the EFQM Excellence Model or one of the EFQM Frameworks, such as this Framework for Sustainability. The self-assessment process allows the organisation to discern clearly its strengths and areas in which improvements can be made and culminates in planned improvement actions that are then monitored for progress.

A Sustainability self-assessment will give you a holistic overview of your organisation's status in implementing social software and in achieving the desired results. It can help you to:

- Understand how effectively you are deploying your strategy.
- Identify the cause and effect relationships between the things you do and the results you achieve.
- Identify your current strengths and prioritise opportunities for improvement against your strategic goals.
- Identify opportunities for benchmarking; both in terms of things you can share and things you want to learn.
- Establish a baseline position so you can measure your progress over time.



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