Business Working Responsibly
Mark Standard
Version 5
Executive Summary

Contents

CEO Forward

The first version of the Business Working Responsibly Mark was launched 10 years ago. Business in the Community Ireland saw the need for a third party verified standard to be offered for companies that wanted to objectively demonstrate that their management systems were aligned with the state-of-the-art in sustainable and responsible business. The first certified companies saw in the certification process an opportunity to differentiate from competitors, to stand-out from other sites in multinational global contexts and to communicate in a different way about the excellence of their practices.

Fast forward to 2021, sustainability is a top concern for any business. Society, regulators, investors, customers and employees demand transparency, accountability, high standards and evidence that businesses are being managed in a responsible way. Equally, the climate emergency and the growing inequality on our society, exposed bare by the pandemic are shining a light on business. Sustainability is more than competitive differentiation. Sustainability is an opportunity to future-proof the business model and to design and launch products and services for a growing market that demands sustainability credentials.

Sustainability is an evolving journey and through its first decade, the Business Working Responsibly Mark has reflected the changing landscape of sustainability. Through multi-stakeholder consultation, Business in the Community has further evolved the contents of the Mark and designed the certification process that is effective and can be embedded into the management systems of businesses.

It gives me great pleasure in presenting Version 5 of the Business Working Responsibly Mark as the fundamental standard that will allow businesses to develop a credible, meaningful roadmap to sustainability. I am particularly inspired by the new structure of the standard, focused around a strong foundation on governance and incorporating new and vital dimensions of economic impact.

The ambition of Business in the Community Ireland is for the Business Working Responsibly Mark to become the leading standard for business that can foster a culture of continuous improvement, ongoing accountability and leadership for sustainability.

The planet, society, employees, customers, investors are expecting more businesses to be part of a change towards a low carbon and inclusive future for all.

We look forward to continuing to build the next generation of responsible and sustainable business.

Tomás Sercovich

Introduction

Established in 2010, the Business Working Responsibly Mark ('the Mark') has become one of Ireland's top standards for CSR and Sustainability. The Mark assesses the full Management System from Context to Continuous Improvement across four broad pillars:
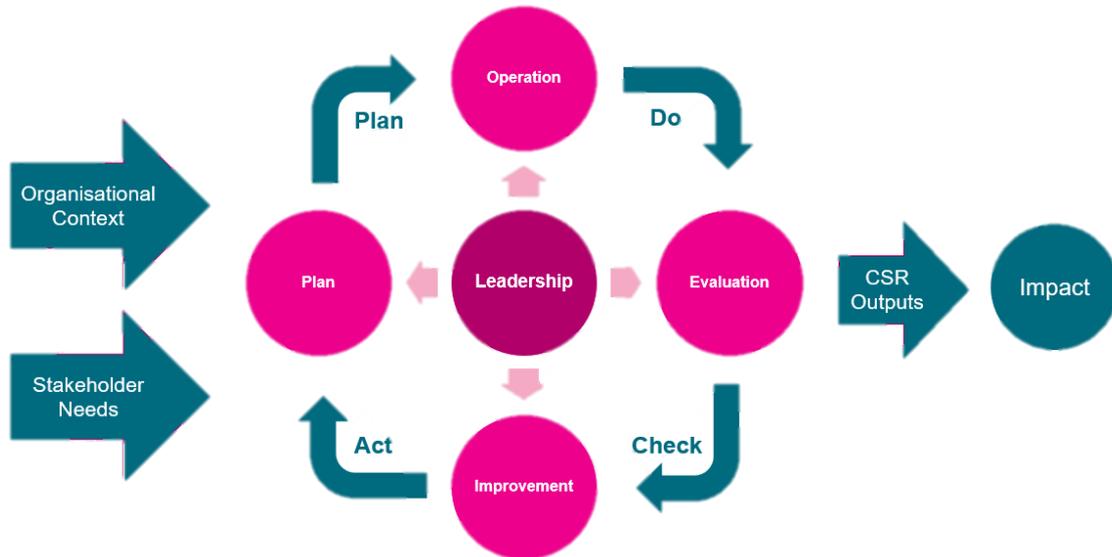
- Governance
- Economy
- Social
- Environment

The Mark is independently audited by the National Standards Authority of Ireland (NSAI). The NSAI is an external standard certification body and audit service. The NSAI will act independently to perform its work and communicate its results to the certifying body, Business in the Community Ireland.   Once achieved, certification is valid for three years subject to the terms of the Mark Membership Agreement (see Mark Certification Cycle for additional details).

The Mark is:

- Reviewed annually and updated with input from Industry and other internal and external stakeholders to remain current with sustainability trends. Significant content and process changes occur within a three-year cycle. The most recent version, Version 5: August 2021 will be available for certifications commencing in 2022.
- Third party verified by the National Standards Authority of Ireland (NSAI).
- Originally inspired by ISO26000 and BITCI's more than 20 years of experience, the Mark now incorporates other standards and frameworks into content scope like GRI, the SDGs, SA8000, and various relevant ISO standards and guidance documents (e.g., 20400, 37000).
- A strategic management assessment framework which facilitates internal organisational collaboration and supports the integration of environmental and social imperatives into core business practices.
- Open to all organisations.

The Mark Management System

The Mark Management System is formed by the aspects listed on the diagram below.

CONTEXT	LEADERSHIP	PLANNING
• Related business goals and supporting strategies • Understanding needs/expectations of stakeholders • Identifying trends and managing risks and opportunities	• Commitments with underpinning strategies and policies • Advocacy role of the Governing Body and senior leadership • Formal oversight (aligning roles and accountabilities with commitments)	• Defining the management system and its supporting resources and processes • Setting near term objectives, targets and metrics aligned with strategic goals

OPERATION	EVALUATION	IMPROVEMENT
• Resourcing (documented plans, trained staff, infrastructure & budget) to carry out objectives • A work environment (culture) that aligns with commitments	• Monitoring, evaluating, and reporting progress against goals and objectives • Evaluating the effectiveness of the actions taken	• Taking corrective and preventative actions • Capturing leading practices and organisational knowledge • Utilising lessons learned to shape systemic improvements

Initial Mark Certification Process

Mark Certification follows a three-stage process.

```
[ Initial      ]  [ Pre-Audit ]  [ Certification ]
[ Assessment   ]  [ Review    ]  [ Audit         ]  →
```

The first stage is an Initial Assessment where materiality is agreed (see "Defining Materiality" below) and gaps or potential non-conformities are identified in the management systems underpinning all topics (particularly those which are deemed highly material). Gaps are identified through interviews with key organisational personnel and evidence review of documents which underpin the topic's management system. There is a single management system which underpins the entire structure (Governance), which is generally then supported by topical management systems which provide more detailed guidance to the specific Mark indicators. During the Initial Assessment, the entire series of management systems is thoroughly reviewed.

The second stage is a Pre-Audit Review (Mock Audit) where the organisation has an opportunity to provide additional evidence to demonstrate conformity. This may be evidence that was developed following the Initial Assessment process or it might be evidence that was already in place but not shown during the Initial Assessment process. The Mock Audit follows the same structure as the Certification Audit (overall management system audit, process audits, and employee interviews) but in a compressed duration compared to the Certification Audit. The Mock Audit may identify additional nonconformities that should be addressed before the Certification Audit.

The third and final stage of the certification process is the Certification Audit. Like the Mock Audit, the Certification Audit is an opportunity to assess management system conformity. The Certification Audit is conducted by the NSAI on behalf of the certifying body, Business in the Community Ireland. The audit can be anywhere from 2 days to 5 or more depending upon the scope and complexity of the organisation being audited. The audit will identify strengths, weaknesses, and nonconformities. Nonconformities are classified as either Major or Minor. Major nonconformities are systemic failures in the management system which threaten an organisation's ability to achieve its CSR and Sustainability goals. They represent a barrier to certification and must be closed (and verified by the NSAI) prior to certification being granted.

Once certification is granted, it is valid for three years subject to the terms of the Mark Membership Agreement.

Mark Certification Cycle

The Mark follows a tri-annual certification cycle as shown in the following diagram.
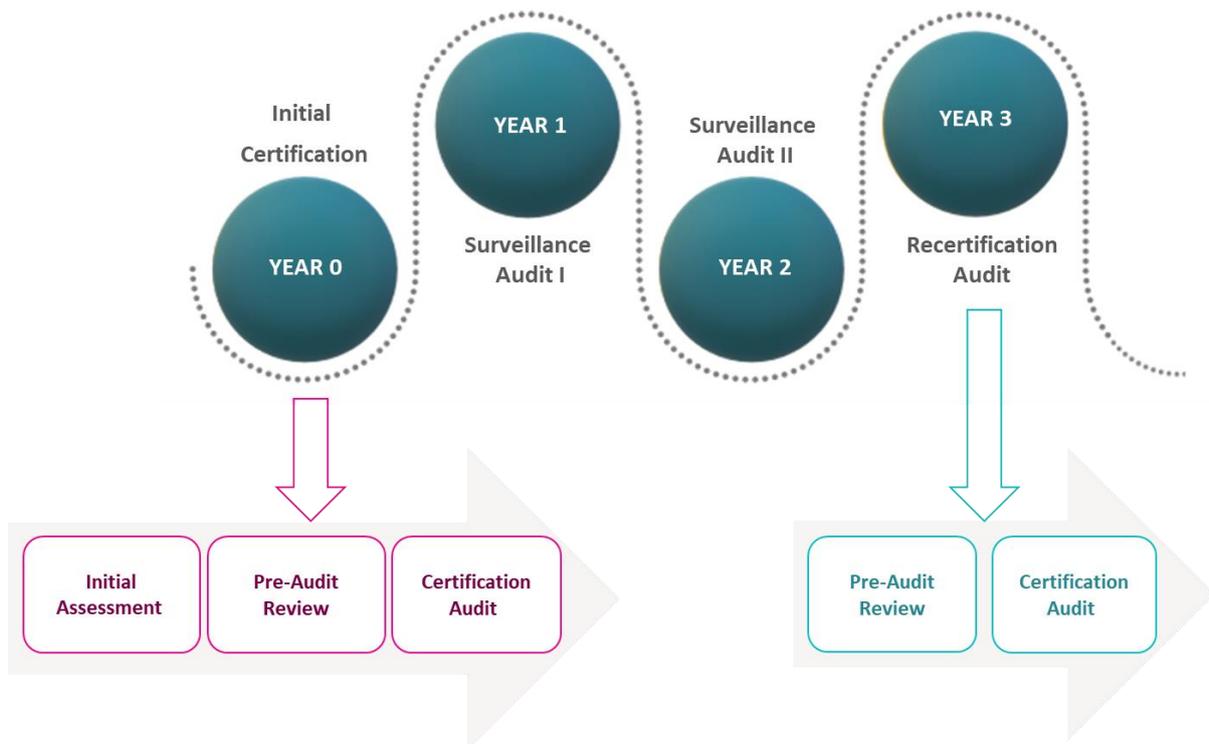
- **Initial Certification:** Initial verification of implementation of the criteria as outlined in the Business Working Responsibly Mark Standard (Version 5:2021). Additional details are below in the Initial Mark Certification Process section.
- **Surveillance Audits (I & 2):** Annual follow up to verify ongoing compliance with criteria outlined in the Mark Application for Membership to the Scheme.
- **Renewal or Recertification Audit:** The initial certification will be valid for three years from the date of issue. A new audit must be carried out before the certification expiry date. Once this audit is successfully concluded, a new certificate will be issued valid for three years.

The Network for Responsible Business

Defining Materiality

Topic materiality (or relevance) guides the Mark assessment as the organisation is required to present a more robust management system for highly material topics. For the purposes of certification, materiality will be agreed per the criteria below in consultation with the organisation and BITCI subject matter experts during the Initial Assessment phase. It is important to note that identifying materiality is solely for the purpose of achieving the Business Working Responsibly Mark certification and is not intended to be a substitute for a materiality analysis or other formal stakeholder consultation mechanism to determine topical relevance.

Highly Material topics

Highly material topics are those that may reasonably be considered strategically important to the organisation and/or reflected by the organisation's or sector's impact on stakeholders.

In general, highly material topics refer to:

- A sectoral priority.
- A core organisational priority or part of the business model.
- The potential for the organisation to impact significantly and directly.
- Formally or informally recognised as highly material by stakeholders.

Material topics

- Non-core organisational priority.
- The potential for the organisation to impact to a lesser degree directly or indirectly.
- Formally or informally recognised as material by stakeholders.

Non-Material topics

- Little to no ability for the organisation to impact.
- Little to no recognition of this as a priority by the organisation and/or its stakeholders.

List of Possible Material Indicators

The Business Working Responsibly Mark examines 15 indicators across the organisation's value chain encompassing a broad scope of CSR & Sustainability. These indicators are assessed for an individual organisation based on the level of materiality as noted on the previous pages.

The Mark Version 5 Content
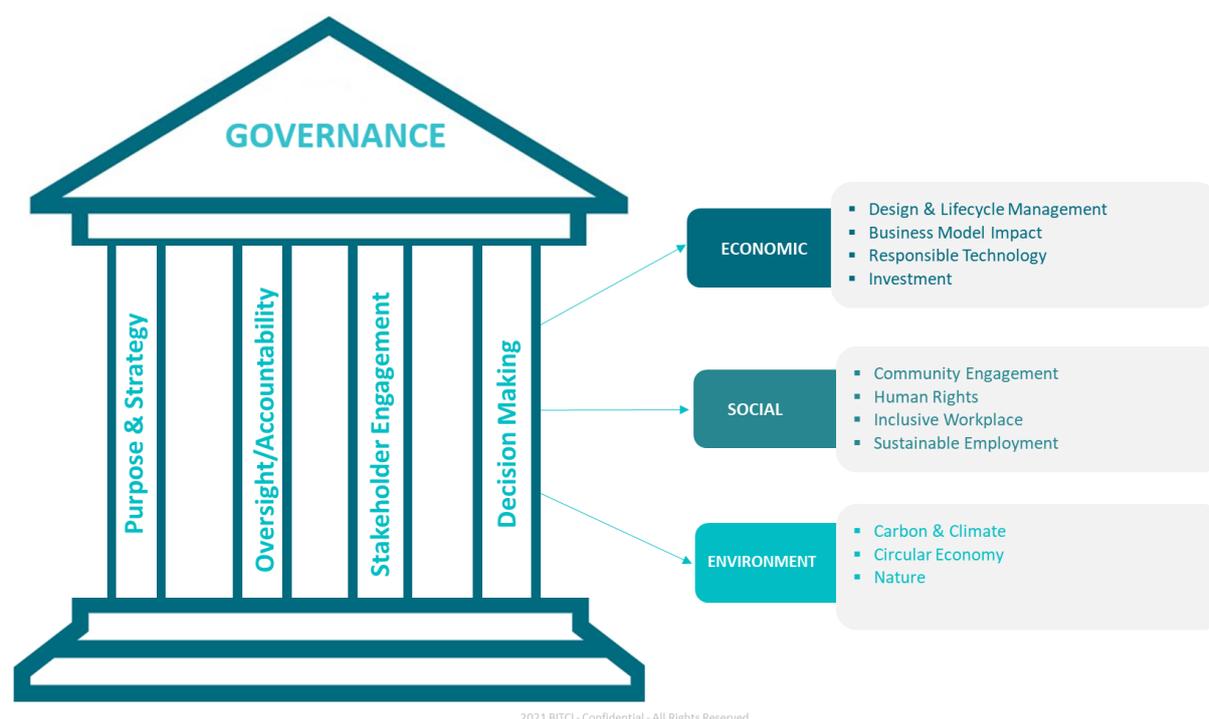
Note: In the Mark Standard, all highly material topics will use the term "shall" to denote the mandatory nature of each requirement of the management system. Material topics will use the term "should" to denote the best practice nature of each requirement of the management system.

Transitioning from Version 4 to Version 5

Transitioning from Version 4 to Version 5 will occur for new certifications and recertifications from 2022 to 2025, with the intention of all certified organisations migrated to Version 5 by December 2025. For new certifications, this will be a "content only" transition where organisations are brought through the three-stage certification cycle described above using the Version 5 content.

For recertifications, the transition process may be content only (for organisations who certified in 2021 or under the process pilot in 2020) or may be content and process (for organisations who certified prior to 2021 and who did not participate in the 2020 pilot). Regardless of complexity, every organisation will be given sufficient notice and support between 2022 and 2025 to make the transition as efficiently as possible.

Standard Structure

The Mark V5 Standard is structured into 4 pillars (Environmental, Economic, and Social which are underpinned by Governance) and within those four pillars there are 15 indicators (or topics). Each indicator follows the same format with four sections: Principle, Maturity Level, Change from Version 4, and Guidance. For reference each indicator has also been aligned with the most relevant Sustainable Development Goal (SDG) and Global Reporting Initiative (GRI) indicator. The following describes the three key sections of each indicator.

Principle

Each indicator begins with the Principle (or definition). This provides high level clarity to the scope for the indicator. Here is an example from the Strategic Purpose indicator under Governance.

Principle: An organisation's purpose reflects the value the organisation brings to society.

Key areas this topic considers:

- *How the organisation ensures that its purpose expresses its intentions with respect to the organisation's stakeholders, societal expectations, and nature.*

- *How the organisation ensures that its values and culture are aligned to deliver on its purpose by demonstrating that values are in practice across the organisation, staff are encouraged to apply values in everything they do, and values guide decision-making, especially on complex issues.*

- *How an organisation's strategy incorporates all critical ESG dimensions at its core and balances value generation under present conditions and innovation to generate value for the future.*

Maturity Levels

There are three levels of maturity for each indicator described as well, which provided more detailed clarity through example of immature, mature, and highly mature. In order to achieve Mark certification, organisations must be at the Mature level for highly material topics, as it is at this level where a robust management system is required. Again, here is an example from the Strategic Purpose indicator under Governance.

Immature	Mature	Highly Mature
• A purpose that is not aligned with stakeholders, societal expectations, and nature/environmental priorities. • Disjointed and incomplete CSR/Sustainability strategies that are not connected with the value the organisation brings to others.	• An overarching strategic purpose and a robust management system in place to ensure continuous improvement toward long term goals. • Medium to long-term focus. • Top-down governance and embedded into the organisation's operations.	• A purpose that is as much defined by social/environmental value as it is by profit. • A comprehensive and innovative business case. • Deep and progressive view of systemic issues which are being actively addressed through the organisation's purpose.

	• Values put into practice in everyday actions	• Demonstrated cross-industry partnerships and advocacy to advance societal awareness and engagement.

Change from Version 4

The change from Version 4 is provided as well to help provide clarity, particularly for recertifying organisations who would be more familiar with the prior five pillars and twenty-two indicators. Some are not significantly changed, some are quite dramatically changed, and as can be expected, some are completely new. Here is an example from again, the Strategic Purpose indicator under Governance: "*Expanded in scope and ambition from CSR Management and Communications which provided a foundational governance structure for all topics under the five Mark pillars. This version requires a more holistic approach more strategically aligned with business strategy.*"

Guidance

The final section for each indicator is Guidance which provides guidance in terms of adhering to the management system elements of the Mark V5 Standard. Each indicator follows more or less the same management system structure. There is some variation between indicators, but for every indicator with the exception of the role of the Governing Body (which contains explicit guidance regarding their oversight and accountability function) the following criteria is required. As stated above, highly material topics reference the term "shall" to indicate mandatory criteria and material topics reference the terms "should" to indicate best practice criteria.

- Context: The organisation shall/should have formal structures in place, guided by organisational values and codes of conduct that support INDICATOR NAME.
- The organisation shall/should undertake due diligence to identify, assess, prevent, monitor, and communicate the nature and extent of the opportunities and uncertainties or risks it faces in managing INDICATOR NAME.

  Due diligence shall/should include assessing the external environment including seeking stakeholder views, analysing customer and competitor information, monitoring industry and other relevant trends, and performing regular assessments of internal organisational capacity (strengths/weaknesses) and priorities.

- Leadership: The organisation shall/should have a documented commitment approved by the Governing Body, to conduct, establish, manage, and continually improve INDICATOR NAME. This documented commitment ideally would be regularly reviewed by key stakeholders and available to the public.
- The Governing Body shall/should provide rigorous oversight of INDICATOR NAME processes. This includes overseeing how the organisation's planning and resourcing activities are conducted to understand stakeholder needs and fully incorporate stakeholder feedback.
  The organisation's leadership (including the Governing Body) shall/should act as an advocate for change, communicating and inspiring action across the organisation.

- **Planning**: The organisation shall/should undertake INDICATOR NAME planning activities. Objectives, targets, and metrics that flow from commitments shall/should be set, resourced, and communicated.
- **Acting:** The organisation shall/should mobilise skilled resources and sufficient funding to take meaningful and measurable actions to achieve its plans.
- **Evaluation:** The organisation shall/should establish concrete measures to assess progress toward the established objectives and whenever possible, the impact of actions being taken. Measures should be tracked and regularly reported to relevant stakeholders (including but not limited to senior leadership and the Governing Body).
- **Improvement:** The organisation shall/should operate a formal continuous improvement process for INDICATOR NAME. The process should involve horizon scanning to identify trends and risks/opportunities, an assessment of the effectiveness of actions taken against existing objectives in achieving strategic commitments, and plan adjustments as necessary.
- The organisation's improvement process shall/should provide proactive course correction and reactive investigation and resolution mechanisms to ensure it achieves near term objectives and matures the INDICATOR NAME process.

Want to Know More?

Established in 2010, the Business Working Responsibly Mark ('the Mark') has become one of Ireland's top standards for CSR and Sustainability. If your organisation would like to know more about the Mark or would like to become one of our certified companies, please contact your Advisor (for members) or Maureen O'Donnell (modonnell@bitc.ie), BITCI's Mark Lead, to schedule an appointment to discuss requirements, timelines, fees, and to answer any questions you may have.

BUSINESS
IN THE
COMMUNITY
IRELAND