

# P1 Governance, Risk and Ethics

## June 2017

### Question 3ai

Honey Buzz has a robust corporate social responsibility strategy and adopts a strategic CSR approach to its business.

A CSR strategy of a company is its strategy of how it will fulfil its social responsibilities.

The CSR strategy of Honeybuzz is to protect the environment by introducing a natural honey substitute as an initiative to protect the population of honeybees and donating its proceeds to help with the decline of bee population research.

A strategic CSR is an approach to conducting business in which the main strategy of the business is to operate in a socially responsible way.

In this case HoneyBuzz was created to help with the issue of declining population of honey bees

### Question 3aii

The social ecologist approach is being adopted by Grunwald in this case.

In this approach the belief is that the damage caused to the environment due to business activities must be reduced.

Grumwald believes that overproduction of honey has led to its gradual depletion, and thus makes active efforts to protect the environment and the damage caused to it by the honey production industry.

### Question 3b

A social audit is conducted to check whether the targets set by the organisation have been achieved or not.

An environmental audit seeks to evaluate how well a company is performing with the aim to protect the environment.

An environmental audit can help Honeybuzz to identify possible liabilities and threats and can also serve as a form of marketing where investors who are interested in the wellbeing of the environment would want to invest in the company.

The three stages of the environmental audit would include

- 1 Evaluate and identify metrics to environmental performance
- 2 Assess the actual compliance of the organisation to the set of metrics
- 3 create an auditor's report on the variance or compliance.

A social audit would help honeybuzz to evaluate if they serve the needs of the society.

### **Question 3c**

An environmental footprint measures the impact of an organisations activities on the environment  
The impacts Honeybuzz would have on the environment are as follows –

- 1 It could lead to the depletion of natural resources
- 2 It could lead to residual air emissions
- 3 It could lead to the change in the quality of local life
- 4 It could lead to losses that cannot be uncompensated for
- 5 The production could lead to excessive noise pollution