

Thomas Loew (Ed.)

# **The Results of the European Multistakeholder Forum on CSR in the View of Business, NGO and Science**

Discussion Paper

Berlin 2005

## **Abstract**

The discussion paper collects the statements of Business and NGO representatives on the results of the European Multistakeholder Forum on CSR (EMS-Forum). Most of the statements are available at the website of DG Employment and Social Affairs, but they are difficult to find and it requires a lot of downloading. The statements reflect the different positions of NGO and trade unions on one hand side and of business representatives on the other side.

The first contribution from the editor is a scientific analysis of the final report of the EMS forum. Loew shows among other, that the recommendations of the EMS-Forum do not appropriately reflect its previous analysis of barriers and drivers to CSR. And furthermore it turns out, that many recommendations can be transformed into a CSR management system.

**Thomas Loew (ed.)**

The Results of the European Multistakeholder Forum on CSR in the View of Business, NGO and Science, Berlin 2005

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## Content

<b>1. Introduction</b> .....	<b>3</b>
<b>2. Analysis of the Recommendations of the EMS-Forum</b> .....	<b>4</b>
<b>3. Statements from EU Officials</b> .....	<b>13</b>
3.1 <i>Welcome and Opening by Stavros Dimas European Commissioner for Employment and Social Affairs</i> .....	13
3.2 <i>Conclusion and next steps: Erkki Liikanen, European Commissioner for Enterprise and Information Society: "Corporate Social Responsibility - the way forward"</i> .....	15
<b>4. Statements from Business Organisations</b> .....	<b>18</b>
4.1 <i>Statement by Philippe de Buck, Secretary General UNICE</i> .....	18
4.2 <i>Statement by EuroCommerce</i> .....	20
4.3 <i>Statement by Viscount Etienne Davignon, President, CSR Europe</i> .....	21
<b>5. Statements from NGO's</b> .....	<b>22</b>
5.1 <i>Statement by Anne-Sophie Parent, President of Social Platform</i> .....	22
5.2 <i>Statement by Duncan McLaren, Chief Executive, Friends of the Earth Scotland, on behalf of the Green 8</i> .....	23
5.3 <i>Statement by Dick Oosting, Director, Amnesty International EU Office</i> .....	26
5.4 <i>Statement by FIDH: Time to Act - Holding Business Accountable to Human Rights</i> .....	27
<b>6. Statements from Labour Union Organisations</b> .....	<b>34</b>
6.1 <i>Statement by Alain Wolf, Secrétaire Général Adjoint, CEEP</i> .....	34
6.2 <i>Statement by Walter Cerfeda, ETUC</i> .....	36
<b>7. Open Letters and Resolutions</b> .....	<b>36</b>
7.1 <i>Open letter of the NGO: European CSR process must move from dialogue to action</i> .....	36
7.2 <i>CSR and football alike need common rules</i> .....	41
7.3 <i>ETUC Resolution on CSR</i> .....	42
<b>Annex</b> .....	<b>45</b>



## 1. Introduction

The papers used in this discussion paper were collected (and one was written) in preparation of a German multistakeholder workshop on CSR carried out September 21, 2004 in Berlin. It was the second of a series of three workshops in 2004 which were funded by the German Ministry of Environment. The workshops promote the exchange of ideas between government, business NGO and science on CSR and European process.

The discussion paper collects statements of business and NGO representatives on the results of the European Multistakeholder Forum on CSR. Most of them were presented at the Final High Level Meeting of the EMS Forum on June 29, 2004 in Brussels. The statements are available at the website of DG Employment and Social Affairs, but they are difficult to find and it requires a lot of downloading. Furthermore relevant open letters and position papers were collected. This discussion paper makes the access to the information much more easy.

To these statements a scientific analysis of the EMS Forum's final report is added. This contribution of the editor shows, that the recommendations of the EMS Forum do not appropriately reflect the forum's own analysis of barriers and drivers to CSR. Furthermore it turns out, that many recommendations can be transformed into a CSR management system. When this result was presented at the German multistakeholder workshop, it provoked a controversial discussion. A representative of the German Employers Federation (BDA) strictly objected to any idea of a management system for CSR and stressed that the forum never discussed nor would have accepted such idea.

The EMS Forum's final report *European Multistakeholder forum on CSR, Final results & recommendations*, can be downloaded at:  
[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20final%20report.pdf](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20final%20report.pdf).

## **2. Analysis of the Recommendations of the EMS-Forum**

Due to lack of time and funding there is no English translation for this section.

### **Analyse der Empfehlungen des Europäischen Multistakeholder Forums zu CSR**

*von Thomas Loew*

#### **2.1 Einführung: Meilensteine des europäischen CSR-Prozesses<sup>1</sup>**

##### ***Der europäische CSR-Prozess***

In den Jahren 2000/2001 begann die Europäische Union (EU) ihre eigene Auffassung zu CSR zu entwickeln. Dabei bezieht sich die EU auf ihre im Jahr 2000 in Lissabon verabschiedete Strategie. Demnach soll die EU bis 2010 zum „wettbewerbsfähigsten und dynamischsten Wirtschaftsraum der Welt werden [...], der fähig ist, ein dauerhaftes (sustainable) Wirtschaftswachstum mit mehr und besseren Arbeitsplätzen und einem größeren sozialen Zusammenhalt zu erzielen“ (Europäische Kommission 2001:2). An das sogenannte Lissabon-Ziel knüpft auch die EU-Strategie zur Nachhaltigkeit an. Sie wurde im Jahr 2001 veröffentlicht und bezeichnet CSR als einen wichtigen Beitrag der Wirtschaft zur Nachhaltigkeit, weshalb CSR entsprechend politisch gefördert werden soll (Europäische Kommission 2001).

##### ***EU-Grünbuch zu CSR***

Die erste grundlegende Publikation der EU zu CSR ist das ebenfalls 2001 veröffentlichte Grünbuch „Promoting a European Framework for Corporate Social Responsibility“ (Europäische Kommission 2001a). Die offizielle Übersetzung ins Deutsche trägt den Titel „Europäische Rahmenbedingungen für die soziale Verantwortung der Unternehmen“, obwohl in dem Grünbuch deutlich wird, dass die EU unter CSR die gesellschaftliche Verantwortung von Unternehmen versteht, die soziale und ökologische Aktivitäten gleichermaßen einbezieht. Eine Betonung der „sozialen Säule“ der Nachhaltigkeit liegt nicht in der Absicht der EU-Kommission. Auf das Grünbuch folgte eine erste Konsultationsphase der Kommission, deren Ergebnisse in der Mitteilung „Die soziale Verantwortung der Unternehmen: ein Unternehmensbeitrag zur Nachhaltigen Entwicklung“ von 2002 zusammengefasst sind (Europäische Kommission 2002a).

##### ***Das European Multistakeholder Forum***

Im Jahr 2002 setzte die Kommission den Konsultationsprozess fort und gründete das European Multistakeholder Forum on CSR (EMS-Forum) (Europäische Kommission 2002). Es hatte die Aufgabe, den Informationsaustausch zu CSR zwischen Fachleuten und Interessensgruppen zu unterstützen und Empfehlungen zur Förderung von CSR zu entwickeln. Damit wurde auf Politikseite zum ersten Mal ein breit angelegter Prozess initiiert, der Basis für eine europäische Verständigung zu Themen der nachhaltigen Unternehmensführung sein soll. Das EMS-Forum nahm seine Arbeit im Jahr 2002 auf und schloss sie im Sommer 2004 ab. In dem Gremium waren Unternehmensverbände, Gewerkschaften, Umwelt- und Sozial-NGOs sowie Verbraucherverbände vertreten. Vertreter der EU (Rat, Parlament, Wirtschafts- und Sozialausschuss) und transnationale Organisationen, die im Bereich CSR aktiv sind

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<sup>1</sup> This introduction is taken from Loew et al (2004).

(z.B. OECD und ILO), besaßen einen Beobachterstatus.

Die Teilnehmer des EMS-Forums arbeiteten auf zwei Ebenen: Auf High Level Meetings wurden Ausrichtung, Verfahrensweisen und Agenda festgelegt sowie Zwischenergebnisse zusammengeführt. Der eigentliche Erfahrungsaustausch fand in vier Arbeitsgruppen („Runde Tischen“) statt (Tabelle 1).

*Tabelle 1: Themen der Runden Tische des EMS-Forums (Quelle: Loew et al 2004 )*

<b>Runder Tisch</b>	<b>Themen</b>
Knowledge about CSR and good practice	<ul style="list-style-type: none"> <li>▪ Überblick über die Verständnisunterschiede zu CSR in verschiedenen Kulturen, Unternehmen und Industrien</li> <li>▪ Vorstellung von drei Initiativen zur Integration von CSR in Unternehmen</li> <li>▪ Identifikation von CSR-Prozessen, die Unternehmen in komplizierten Situationen helfen können</li> </ul>
Fostering CSR among SMEs	<ul style="list-style-type: none"> <li>▪ Bedeutung von CSR für KMU</li> <li>▪ Vorstellung von drei Praxisbeispielen aus KMU</li> <li>▪ Möglichkeiten zur Förderung von CSR speziell in KMU</li> </ul>
Diversity, convergence and transparency	<ul style="list-style-type: none"> <li>▪ CSR in den verschiedenen Organisationen (Unternehmen, NGOs, Verbraucher, EU u. nationale Regierungen)</li> <li>▪ Sicherung der Glaubwürdigkeit und Transparenz von CSR-Praxis und -Instrumenten</li> <li>▪ Darstellung des Nutzens von CSR für Unternehmen</li> <li>▪ Erfolgsfaktoren und Hindernisse</li> <li>▪ Behandelte Sachthemen: Labeling, Codes of Conduct, ökologisch ethische Geldanlagen (SRI), Berichterstattung</li> </ul>
CSR Development Aspects	<ul style="list-style-type: none"> <li>▪ CSR und Internationaler Handel sowie Entwicklungspolitik</li> <li>▪ ILO-Standards</li> <li>▪ CSR und Nachhaltige Entwicklung</li> <li>▪ CSR und die Verantwortung für Lieferanten: Beispiele aus Textil- und Schuhindustrie (→ soziale Aspekte) und aus der Palm-Öl Gewinnung (→ Umweltaspekte)</li> <li>▪ Bekämpfung von Korruption und Bestechung</li> <li>▪ Armutsbekämpfung</li> <li>▪ CSR-Management und ökonomische, soziale und ökologische Auswirkungen in den Entwicklungsländern</li> </ul>

### **Arbeitsgruppe Nationaler Vertreter zu CSR**

Parallel zum EMS-Forum wurde eine Arbeitsgruppe von Regierungsvertretern zu CSR (High Level Group National Representatives on CSR) eingerichtet, die einen systematischen Austausch zwischen den Mitgliedsstaaten und der für CSR zuständigen EU-Generaldirektion Arbeit und Soziales sicherstellen soll (Europäische Kommission 2003a). In diesem Gremium sind ausschließlich Mitarbeiter aus den für CSR zuständigen Ministerien der Mitgliedsstaaten vertreten. Im Gegensatz zum EMS-Forum besteht diese Arbeitsgruppe weiterhin fort.

### **Zukunft des EMS Forums und neue EU-Mitteilung zu CSR**

Die Empfehlungen des EMS-Forums wurden Ende Juli 2004 veröffentlicht. Unter anderem unter Berücksichtigung dieser Ergebnisse ist die Kommission dabei eine neue Mitteilung zu CSR zu entwickeln, die 2005 verabschiedet werden soll.

Voraussichtlich 2006, sollen die Mitglieder des EMS Forum wieder einberufen werden, um die bis dahin gemachten Entwicklungen zu evaluieren.

### ***Einschätzung des EMS-Forums und seiner Empfehlungen***

Das EMS-Forum und seine im Endbericht dokumentierten gemeinsamen Empfehlungen wurden auf dem letzten High Level Meeting diskutiert. Von allen Beteiligten wird der durch das EMS-Forum erzielte Erfahrungsaustausch zwar sehr geschätzt, da hierdurch in vielen Bereichen ein gemeinsames Verständnis zu den Inhalten von CSR entwickelt werden konnte. Doch machen die im Internet dokumentierten Redebeiträge der Teilnehmer deutlich, dass es sehr unterschiedliche Positionen zu den Empfehlungen gibt.

Grob betrachtet lassen sich bei der Beurteilung der Empfehlungen des EMS-Forums zwei Lager erkennen: Die Unternehmensverbände auf der einen sowie NGOs und Gewerkschaften auf der anderen Seite – wobei innerhalb dieser letzten Gruppe wiederum unterschiedliche Positionen im Detail bestehen. Die Geister beider Seiten scheiden sich vor allem an der künftigen Rolle des Staates: Während NGOs und Gewerkschaften darauf drängen, dass die EU, nationale Regierungen und Behörden ihre Möglichkeiten und Instrumente nutzen, um eine CSR-begünstigendes Umfeld für Unternehmen zu schaffen, sehen die Unternehmens- und Arbeitgeberverbände die Rolle von Regierungen und Behörden allein darin, Aufmerksamkeit für CSR zu schaffen.

Eurocommerce<sup>2</sup>(2004) als einzige unternehmensnahe Institution, deren Statement im Internet verfügbar ist, begrüßt die Empfehlungen EMS-Forums und betont, dass CSR nicht durch rigide gesetzliche Rahmenbedingungen erstickt werden dürfe, sondern vielmehr über den Dialog fortgesetzt werden müsse. Außerdem weist Eurocommerce auf Forschungsbedarf hinsichtlich eines CSR-orientierten Konsumentenverhaltens hin.

Die beteiligten Umwelt- und Sozial-NGOs schätzen die Empfehlungen zwar als einen guten Schritt in die richtige Richtung ein, bemängeln jedoch allesamt, dass sie nicht weitreichend genug seien, da sie nur den kleinsten gemeinsamen Nenner darstellen würden. So wäre eine Umsetzung aller Empfehlungen zwar hilfreich, doch reiche dies nicht aus, um das erforderliche Minimum an Unternehmensverantwortung und unternehmerischer Nachhaltigkeit zu erreichen (McLaren 2004)<sup>3</sup>.

Im einzelnen fordern die NGOs eine stärkere Verpflichtung der Unternehmen zu Transparenz, etwa durch eine Pflichtberichterstattung für große Unternehmen, die Offenlegung von Lobbyaktivitäten und Zahlungen an öffentliche Institutionen bzw. Staaten sowie die Bereitstellung umfassender CSR-bezogener Informationen für die Konsumenten am „Point of Sale“ (Parent et al 2004). Weiterhin wird eine systematische Überprüfung der Einhaltung von Codes of Conduct und freiwilliger Vereinbarungen sowie die Entwicklung geeigneter CSR-Normen gewünscht.

In einem gemeinsamen offenen Brief (Parent et al 2004) fordern die NGO die EU-Kommission und den Europäischen Rat auf, dem Dialog nun Taten folgen zu lassen und entsprechende Gesetze sowie Mechanismen zu entwickeln, um Unternehmen zu Transparenz zu verpflichten und Rahmenbedingungen für den „Business Case CSR“ zu schaffen. Dies würde neben mehr Transparenz auch eine Berücksichtigung von CSR-Belangen im Rahmen der öffentliche Beschaffung und bei Subventionen erfordern.

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<sup>2</sup> EuroCommerce represents the retail, wholesale and international trade sector in Europe. Its more than 100 members include commerce federations in 28 European countries, European and national associations representing specific branches of commerce and individual companies.

<sup>3</sup> Die hier zitierten Statements von Eurocommerce (2004), McLaren (2004), und Parent et al. (2004) sind in diesem Diskussionspapier abgedruckt.



## **2.2 Der Endbericht des EMS Forums und seine Empfehlungen**

### **2.2.1 Definition, vereinbarte Standards und Einflussfaktoren**

Der eigentliche Endbericht des EMS Forums umfasst lediglich 18 Seiten. Im umfangreichen Anhang sind unter anderem die Abschlussberichte der vier Runden Tische dokumentiert (European Multistakeholder Forum on CSR 2004).

In der Einleitung des Endberichts wird das gemeinsame Verständnis von CSR dargestellt, das auf der CSR-Definition im CSR-Grünbuch (Europäische Kommission 2001b) sowie in der Kommissionsmitteilung zu CSR (Europäische Kommission 2002b) basiert und diese weiter konkretisiert.

Das EMS-Forum verweist im ersten Teil des Berichts auf die Bedeutung bereits verabschiedeter Prinzipien, Standards und Konventionen. Mit Blick auf die Unternehmen werden genannt:

- die ILO Deklaration zu Grundprinzipien multinationaler Unternehmen und Sozialpolitik (von 1977, überarbeitet 2000),
- die OECD Guidelines for Multinational Companies (von 1976, überarbeitet 2000),
- und der UN Global Compact.

Darüber hinaus wird auf eine Reihe weiterer Dokumente verwiesen, die sich zwar primär an Staaten und Regierungen richten, Unternehmen bei der Entwicklung ihrer CSR-Politik jedoch ebenfalls inspirieren können.

Der zweite Teil des Endberichts widmet sich den Einflussfaktoren von CSR, die in Treiber, Hemmnisse und kritische Erfolgsfaktoren unterteilt werden. Insbesondere in der Kategorie der Treiber werden zahlreiche Faktoren angesprochen, die bereits in der Diskussion um Umweltmanagementsysteme und eine umweltorientierte Unternehmensführung eine zentrale Rolle spielten, beispielsweise Kostensenkung, Mitarbeitermotivation, Differenzierung im Wettbewerb etc. Bei den Hemmnissen wird deutlich, dass CSR im Vergleich zum Umweltmanagement ein breiteres Themenfeld umfasst, gleichzeitig aber noch nicht annähernd aufgearbeitet ist. Entsprechend fokussieren die Hemmnisse auf die Komplexität, die schwierige Wahl passender Instrumente und Ansätze sowie die Probleme, eine passende externe Unterstützung zu finden.

Die dargestellten Erfolgsfaktoren sind dagegen wieder weitgehend deckungsgleich mit jenen, die in der Forschung zum Umweltmanagement angeführt werden: Glaubwürdige Verankerung im Unternehmen durch Commitment der Führungskräfte, Integration von Werten in Strategie und Tagesgeschäft, kontinuierliche Lern- und Verbesserungsprozesse, interne und externe Kommunikation etc.

Damit sind die vom EMS-Forum zusammengestellten Einflussfaktoren letztlich als wenig überraschend einzustufen, wenngleich sie für Personen, die sich bislang kaum mit Managementsystemen beschäftigt haben, eine hilfreiche Zusammenstellung bieten.

## 2.2.2 Empfehlungen des EMS Forums

Das EMS-Forum unterscheidet bei seinen Empfehlungen in drei Bereiche:

- a.) Förderung der Aufmerksamkeit zu und des Wissens über CSR
- b.) Entwicklung von Kapazitäten und Kompetenzen zur breiten Umsetzung von CSR
- c.) Sicherstellung einer Umgebung, die eine CSR orientierte Unternehmensführung ermöglicht.

Die einzelnen Empfehlungen innerhalb dieser Bereiche sind weiterhin nach Ansatzpunkten zu differenzieren, woraus sich die in Tabelle 2 dargestellte Gliederung ergibt.

*Tabelle 2: Structures of the Recommendations of the EU-EMS-Forum on CSR (Eigene Darstellung auf Basis European Multistakeholder Forum on CSR (2004))*

Area	Raising awareness and improving knowledge on CSR	Developing the capacities and competences to help mainstreaming CSR	Ensuring an enabling environment for CSR
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• Raising awareness of core values and key principles embodied in reference texts (R1)</li> <li>• Collecting, exchanging and disseminating information about CSR (R2)</li> <li>• Researching and improving knowledge about and action on CSR (R3)</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing the capacity of business to understand and integrate CSR (R4)</li> <li>• Building the capacity of "capacity builders" (R5)</li> <li>• Including CSR in education and the curriculum (R6)</li> </ul>	<ul style="list-style-type: none"> <li>• Creating the right conditions for CSR (R7)</li> <li>• Developing stakeholder dialogue (R8)</li> <li>• The role of public authorities / EU (R9)</li> </ul>
<b>Main Target Groups</b>	Public authorities Research	Business Education	Public authorities Business
<b>Contribution</b>	CSR - Stakeholder	CSR - Stakeholder	CSR - Stakeholder

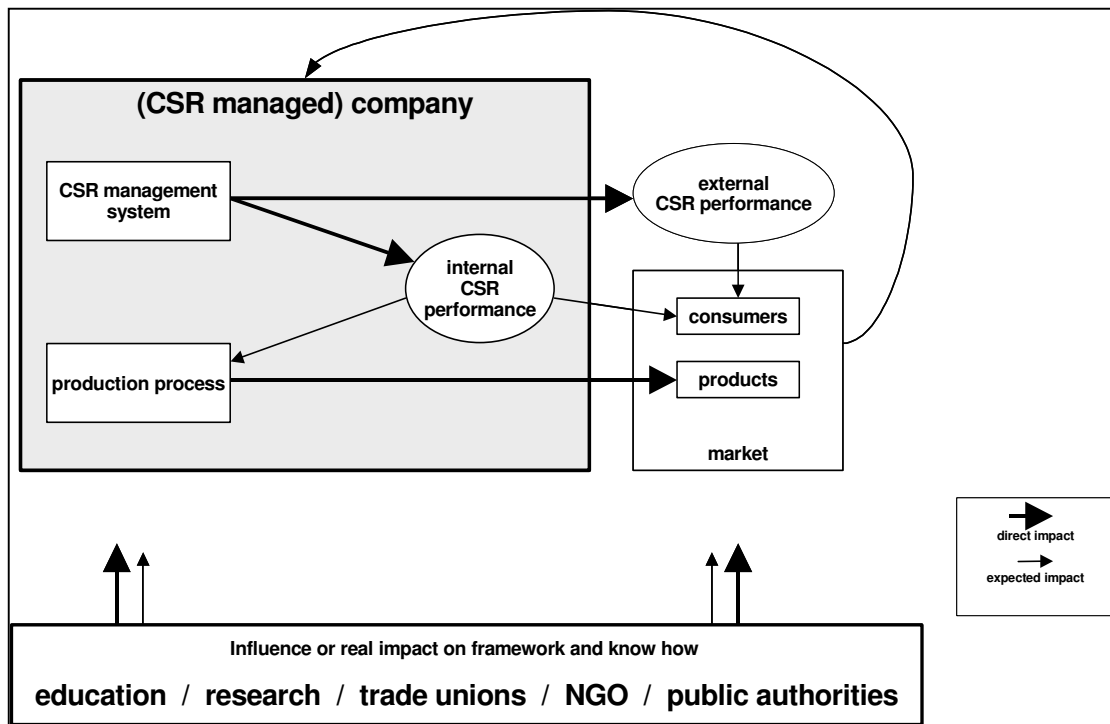
Trotz dieser Gliederung bleiben die Empfehlungen des EMS-Forums vergleichsweise unübersichtlich. Legt man jedoch ein Modell zugrunde, das die Unternehmen, ihre Wertschöpfung und ihr gesellschaftsbezogenes Verhalten (CSR) in den Mittelpunkt stellt, ergibt sich ein deutlicheres Bild. Es wird erkennbar, dass die Unternehmen letztendlich aufgefordert sind, ein CSR-Managementsystem aufzubauen, das u.a. folgende typischen Elemente eines Managementsystems enthält:<sup>4</sup> ein klares Bekenntnis zu CSR, Werte und Visionen, Ziele, Austausch mit den Stakeholdern, Kommunikation, geeignete Managementinstrumente, u.a. Kennzahlen mit Bezug auf die Ziele, Mitarbeiterqualifikation etc.

Dieses CSR-Managementsystem soll sowohl zu internen CSR-Erfolgen – insbesondere bei den Mitarbeitern –, als auch zu externen CSR-Erfolgen führen.

<sup>4</sup> Die angeführten Bestandteile eines Managementsystems werden zum Teil in den Empfehlungen und zum Teil in den Einflussfaktoren angesprochen. Der Begriff Managementsystem wird in dem Abschlussbericht nicht verwendet.

Hierfür sind vor allem die vielfältigen positiven sozialen Auswirkungen und die Verbesserung der Umweltleistung angeführt, von denen wiederum ein positiver Effekt für Produktivität und Absatz erwartet wird – Zusammenhänge, die der Bericht unter der Kategorie „Treiber“ darstellt.

Abbildung 1: CSR-Management(system) to interpret the recommendations of the EU-EMS-Forum (source: own)



Neben den Unternehmen werden als weitere Akteure insbesondere Behörden und Regierungen, Bildungsträger die Forschung und allgemein CSR-Stakeholder, also Gewerkschaften, unternehmensnahe Verbände sowie Umwelt- und Sozial-NGOs mit Empfehlungen angesprochen. Sie sollen

- Know how für die Unternehmen, respektive für die Einführung eines CSR- Managements bereitstellen (education, research, exchange of experience),
- die Unternehmen motivieren,
- auf den Markt als Nachfrager einwirken und
- Aufmerksamkeit bei den Marktteilnehmern wecken.

### 2.2.3 Besonders hervorzuhebende Empfehlungen

Die einzelnen Empfehlungen sind im Anhang zugeordnet nach Akteuren und Zielsetzung vollständig abgebildet. Folgende Empfehlungen und Schlussfolgerungen sind besonders hervorzuheben, da sie unter anderem einen besonderen Entwicklungsbedarf implizieren, weitreichend sind oder besonders kontrovers diskutiert wurden.

### **Berücksichtigung sozialer Aspekte und Umweltschutz in der Supply Chain**

Das EMS Forum empfiehlt den verstärkten Erfahrungsaustausch zwischen Herstellern und Lieferanten, um ein nachhaltiges Supply Chain Management aufzubauen. Dazu soll das Verständnis zu den relevanten Aspekten und den Verantwortlichkeiten in den Beschaffungsketten weiter entwickelt werden. Dies beinhaltet die Frage danach, wie sich Lieferanten und die Umgebung ihrer Standorte (communities) über das Einkaufsverhalten positiv beeinflussen lassen. Besondere Aufmerksamkeit soll dem Einbezug und dem Beitrag von KMU, insbesondere in den Ländern des Südens gewidmet werden.

Weiterhin wird in diesem Kontext auch empfohlen, dass die Unternehmen untereinander sowie mit ihren Verbänden und Anspruchsgruppen kooperieren, Netzwerke bilden und Brancheninitiativen ins Leben rufen.

(Siehe die Empfehlungen unter 4. *Enhancing the capacity of business to understand and integrate CSR*)

### **Einführung eines CSR-Managements**

Im Endbericht des EMS Forums wird – sicherlich bewusst – nicht von einem CSR-Management gesprochen, obwohl die Empfehlungen und die Erfolgsfaktoren auf zentrale Elemente eines Managementsystems enthalten. Vor dem Hintergrund der Erfahrungen mit Managementsystemen (z.B. Qualität, Umwelt, Sicherheit) ist es indessen naheliegend, dass Unternehmen für eine effiziente und effektive Verbesserung ihrer CSR-Leistung ihre Managementsysteme entsprechend anpassen. Findet dies systematisch statt, so ist von der Implementation eines CSR-Managementsystems zu sprechen – was zu neuen Fragen führt:

- Können Unternehmen bei der systematischen Implementation von CSR durch Leitfäden oder Standards effizient unterstützt werden?
- Wie sinnvoll ist es, CSR im Rahmen verschiedener, organisatorisch nur lose miteinander verknüpfter Teilsysteme (z.B. Umweltmanagement, Personalwesen, Supply Chain Management) zu realisieren?
- Sollten CSR-Managementsysteme künftig ähnlich wie Umweltmanagementsysteme gefördert werden?

### **Verbesserung der Marktbedingungen für CSR-aktive Unternehmen**

Nur zwei Empfehlungen zielen auf die Verbesserung der Marktbedingungen für Unternehmen die ihre gesellschaftliche Verantwortung /CSR wahrnehmen.

- Die öffentliche Hand ist aufgefordert einen geeigneten rechtlichen Rahmen und die entsprechenden ökonomischen und sozialen Bedingungen sicher stellen, die es Unternehmen mit weitreichenden CSR Aktivitäten ermöglichen von dieser Vorreiterrolle am Markt zu profitieren.<sup>5</sup>
- Weiterhin sollen die EU Institutionen und die Regierungen insbesondere durch eine angemessene Handels- und Entwicklungspolitiken und internationale Vereinbarungen einen geeigneten Kontext für CSR schaffen.<sup>6</sup>

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<sup>5</sup> The EMS-forum recommends that [...] public authorities ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from this in the market place, both in the EU and globally (R.7).

<sup>6</sup> The Forum recommends that [...] EU institutions and governments be consistent across policy areas, taking a lead in moving towards the goal of sustainable development, both within Europe and at a global level, in particular through appropriate trade and development policies and international agreements, thereby setting a context for CSR (R.9).

Nicht angenommen wurden die Vorschläge von den NGO, dass bei der öffentlichen Beschaffung oder auch bei der Vergabe von Fördermitteln und Förderkrediten CSR Anforderungen gestellt werden.

### **Berichterstattung**

Berichterstattung und Dialog wird grundsätzlich als sehr wichtig eingestuft. Den Unternehmen wird empfohlen, dass sich die Unternehmensleitung zu Transparenz und Kommunikation über CSR bekennt und sicher stellt, dass die dazu erforderlichen Voraussetzungen im Unternehmen geschaffen werden. Die Unternehmen sollen die für Sie am besten geeigneten Formen und die Wege der Berichterstattung selber entwickeln.<sup>7</sup>

### **2.3 Fazit**

Auf Basis der hier durchgeführten Analyse lässt sich folgendes Fazit ziehen:

1. Der im EMS Forum geführte Dialog hat das gemeinsame Wissen über die Inhalte, Möglichkeiten und Grenzen von CSR gefördert.
2. Kritische Punkte werden in dem Empfehlungen des EMS Forums kaum angesprochen.
3. Die Empfehlungen des EMS Forums in der Regel sind wenig konkret und bleiben deutlich hinter den Analysen (→ Einflussfaktoren) zurück. Naheliegende Konkretisierungen wie z.B. Managementsysteme werden nicht vorgenommen.
4. Wenngleich bei den identifizierten Treibern einerseits ökonomische Vorteile und damit auch der Markt als besonders wichtige angesprochen und andererseits Aufwand und Kosten für CSR-Aktivitäten als ein Hemmnisfaktor identifiziert werden, gibt es keine substanziellen Empfehlungen, wie dazu beigetragen werden kann, dass CSR- Aktivitäten von Unternehmen stärker als bisher vom Markt belohnt werden. **Die Empfehlungen zur Entwicklung der marktlichen Rahmenbedingungen sind daher unzureichend.**

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Hinweis:

Die Statements von Eurocommerce (2004), McLaren (2004) und Parent et al. (2004) sind in diesem Diskussionspapier abgedruckt.

### **3. Statements from EU Officials**

#### **3.1 Welcome and Opening by Stavros Dimas, European Commissioner for Employment and Social Affairs**

On behalf of the European Commission, I would like to welcome you to the concluding meeting of the 'EU Multi-stakeholder Forum on CSR'. I would also like to thank all those who have participated in the Forum for their sterling work in a challenging field for business and for all the parties concerned.

CSR has been a priority issue on the EU agenda since the Lisbon Summit in March 2000, when EU leaders made a special appeal to companies' sense of social responsibility. The Commission has defined CSR as 'the business contribution to sustainable development', in other words a development model where economic growth, competitiveness, social justice and environmental protection go hand in hand and mutually reinforce one another.

Through responsible behaviour, businesses can make a contribution to helping the EU achieve its strategic goal of becoming the most competitive and cohesive society in the world in the medium term. CSR can also play a role in harnessing the potential of globalisation and in developing better global governance, as the recent Commission Communication on the social dimension of globalisation has underlined. In this context, our efforts to encourage CSR are also complementary to EU policies and commitments promoting sustainable development globally, notably in the follow-up to the Johannesburg Summit as well as in relation to the Doha Development Agenda.

Within Europe, the CSR debate launched by the Commission's Green Paper on CSR in July 2001 has now reached a mature stage. CSR is no longer an unknown concept for European companies and stakeholders. An increasing number of enterprises, including SMEs, have recognised the benefits of engaging in CSR. This is not an obscure or fashion-driven practice, but simple common sense and enlightened self-interest. Enterprises realise that they are essential actors in society : they contribute to, and benefit from, a thriving and healthy society.

Even though CSR relates to voluntary behaviour of companies, it does not mean that it should be unilateral. In order to ensure credible and effective CSR policies, these need to be developed, implemented and evaluated with the involvement of the most affected stakeholders. For the Commission, dialogue and partnership are key to promoting CSR.

It is in this spirit that the Commission set up the EU Multi-stakeholder Forum on CSR. The objective was to ensure that CSR becomes not only business-led but also stakeholder-led by gathering together employers, trade unions, NGOs, consumers and investors representatives to try to identify common solutions that meet their diverse needs and expectations. The Forum has worked under a clear mandate and deadline: to improve knowledge on CSR and explore the possibility of defining common guiding principles for instruments and practices before summer 2004. The approach we chose is 'bottom up' in order to allow for real ownership of the solutions by the parties. The emphasis is on credibility, transparency and effectiveness of CSR policies and practices.

The targets set for this Forum were ambitious, we are aware of that. It is also clear that there are great expectations of the results of this exercise. From the beginning, the Commission has said that it did not want to set up 'just another talking shop'. The Forum has been a challenging experiment for all concerned. For the first time at EU

level, traditional social partners were gathered at the same table with business networks and civil society organisations. With the Forum, the Commission has put its faith in the willingness and ability of the parties to work together in a constructive way and to reach consensus on the challenges raised by CSR.

It seems that this gamble has paid off. I am informed that all of you have participated actively in the process with strong commitment and an open mind, discussions have been of a high quality and the working climate has been positive. We know the volume of resources – in terms of time and effort – which you have put into this process.

The Commission is looking forward to seeing and discussing concrete and practical results from the Forum. I have said that expectations of the Forum are high, both on the part of the Commission and beyond. The Commission is thus looking for tangible outcomes from the Forum and a clear reference framework for CSR.

To conclude :

- It is important for us to bear in mind that CSR cannot be imposed or directed from above. However, it is also true that we need common CSR standards if best practice today is to become the norm tomorrow. We thus need to reach out to the many companies which are not practicing CSR. At the end of the day, we can all benefit from an environment in which such standards are respected by all.
- The Commission gave the Forum a certain latitude to develop its conclusions. But the Commission will not sidestep its own responsibilities in the field of CSR. We will carefully assess the Forum's results and, on this basis, we will map out the future steps. This is not the final chapter for CSR at EU level, but just one stage in a process.

I would like to thank you for your attention and in particular to thank those who have worked to produce the Forum Report which the Commission will take into account when drafting its CSR policy paper in the second half of this year.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20SD.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20SD.htm) (06.09.2004)



### **3.2 Conclusion and next steps: Erkki Liikanen, European Commissioner for Enterprise and Information Society: "Corporate Social Responsibility - the way forward"**

Ladies and Gentlemen,

#### **Introductory remarks**

It gives me great pleasure to be here today.

Today's meeting comes just in time for me to be able to conclude the work that we started together almost 2 years ago. This process has been an interesting journey for everyone concerned, and the Forum has done an excellent job.

We have done our best to facilitate this complex and innovative process and I am glad that we are all here today to discuss the concrete results of what we set out to do in October 2002.

#### **Forum process**

This process has been a successful experiment, which showed that stakeholder dialogue can lead to cooperation and in good faith between parties with very different views. It can even lead to a sense of 'team spirit' among those most closely involved in the process.

What has been achieved through this Multi-stakeholder Forum cannot be measured only in terms of what is on paper.

It also has to be measured in terms of 'intangibles': the trust and good will built up between participating organisations and the dynamics created within each organisation.

From what I have heard, the Forum process has driven internal change in some of the organisations involved and leveraged learning and understanding about CSR. This is an important part of what corporate social responsibility is all about.

#### **Acknowledgement**

I am, of course, glad that the process also delivered a concrete, tangible deliverable in the form of a Forum report which represents a consensus view among all the different stakeholder groups. This is no small achievement.

I would like to acknowledge the effort that has gone into this work by all the Forum participants. Drafting the final report was only the tip of the iceberg. Work involved the preparation of 12 Round Table meetings and mobilising your membership networks to identify and select more than 50 good practice cases which were presented during Round Table discussions.

It also involved coordinating the views of your members on the different issues discussed on such diverse topics as knowledge and research, small-and-medium-sized enterprises, CSR in developing countries and transparency of CSR tools and practices.

I would also like to give special thanks to the expert rapporteurs who were not only instrumental in drafting the various reports, but also in facilitating the discussions. A wealth of material and knowledge has been assembled in these Round Table reports which are part of the final package.

## **Assessment Forum report**

We welcome the progress the Forum has made in agreeing on a shared and enriched understanding of what CSR means. This baseline understanding builds on the Commission definition and reaffirms that CSR is the voluntary integration of environmental and social considerations into core business operations over and above legal obligations and is based on dialogue with stakeholders.

I think it is also healthy that the report points to the boundaries of the CSR concept and to the limits of what it can achieve. CSR is only one instrument among others to achieve sustainable development outcomes and we should be careful not to have unrealistic expectations of the role business can and should play in resolving ethical and societal problems.

In order to be effective, it is therefore important that CSR is embedded in overarching strategies and policies to promote economic, social and environmental progress and that actions are carried out in partnership between different stakeholder groups, including public authorities.

The report and its recommendations confirm our impression that more progress could be achieved with relation to the first Forum objective of “improving knowledge about CSR through the exchange of experience and good practice”. This led to the formulation of six sets of recommendations on how to raise awareness and build capacities and competencies in order to mainstream CSR.

We very much welcome these recommendations, most of which are addressed to enterprises themselves and their stakeholders. There is, however, also a role for public authorities and the European Commission in these areas.

We will try to support your efforts since we have an interest in encouraging responsible business behaviour, not just among a few leading companies, but among the mainstream of European enterprises including SMEs, as a way of contributing to the Lisbon goals.

In my view, our approach should be very much focused on what is now often called ‘corporate social opportunity’. This is a positive, proactive approach, emphasising win-win opportunities for business and society and aiming at performance improvements, product and process innovations and opening up new market opportunities.

Of course, the Forum also set itself a second objective, namely to “explore the appropriateness of establishing common guiding principles” for CSR practices and instruments.

It is hardly surprising, that progress on this more controversial objective proved to be difficult. We knew that there were divergent views among the different stakeholder groups since the process started and some of these differences have remained.

Some common ground could, however, be found and the Forum report states that “a good balance between comparability, consistency and flexibility” can be achieved through market-led, voluntary bottom-up and multi-stakeholder approaches and other drivers.

I am also pleased that the Forum was able to formulate a set of recommendations on the issue of transparency, which is key for enhancing trust and credibility in CSR.

## **Next steps**

The challenge for all the parties involved is how to put into practice these recommendations which, while being ‘soft’ instruments, represent a high level of ambition and a best practice approach in the field of CSR.

Everyone will have to take their responsibilities: enterprises, business organisations, trade unions, NGOs and consumer organisations, investors, research and higher education institutions and, last but not least, public authorities including the EU.

We acknowledge that demands for more transparency and accountability should not be addressed to enterprises alone, but are a legitimate concern also regarding the operation of public authorities and other organisations.

For its part, the European Commission committed itself in the 2002 Communication to publish a report on its social and environmental performance this year. Your feedback on our first sustainability report would, of course, be most appreciated in a spirit of mutual learning and continuous improvement.

We take note that you have invited the Commission, together with stakeholders, to convene a first joint review in two years' time of progress made on the Forum's recommendations, and of the trends, developments and innovations in CSR.

It is important to keep the momentum going which has been generated by the Forum process and further thought will have to be given to the concrete modalities of achieving this.

The Commission is open to contributing to the implementation process if this is considered useful by stakeholders, and to participating in exploratory work on any of the 'areas for further consideration' identified in the Round Table reports, either because time was too short or because consensus was not yet possible at this stage.

As you know, the Commission will adopt a new Communication on CSR by the end of this year to assess progress on the EU's CSR strategy, of which the Multi-Stakeholder Forum is a key element. In this context, we will examine how the Commission can best contribute to implementing and taking forward the Forum recommendations.

We will also need to consider how the European approach fits into the wider global picture, where important developments have also taken place this month, notably the Global Compact's Leaders Forum in New York last week.

We would, however, encourage all the stakeholder groups not to wait for our policy paper or the 2006 review meeting before starting to translate words into action.

The Commission will, in fact, launch a major campaign to raise awareness specifically targeted at SMEs this September. Two of the Forum member organisations - Eurochambres and UEAPME - will implement the campaign through their national and regional networks in 29 European countries. You will be invited to the high level launch event which will take place in Brussels at the end of September.

The conference organised by the Dutch Presidency this November will provide another opportunity to keep the ball rolling and to spread the message of CSR also to the new Member States. The conference will certainly provide a valuable platform for exchanging and mainstreaming best practices in CSR and building on the work of the Multi-Stakeholder Forum.

Thank you all and 'au revoir'.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20EL.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20EL.htm) (06.09.2004)

## 4. Statements from Business Organisations

### 4.1 Statement by Philippe de Buck, Secretary General UNICE<sup>8</sup>

Businesses, large or small, play an important role in contributing to sustainable economic, environmental and social development in the societies in which they operate. The business contribution to sustainable development and the related CSR-debate have been subject to increased attention in recent years at local, national and international level, and also at European level.

UNICE has engaged in this debate at EU level, following publication of the Commission's Green Paper and Communication on CSR, because it felt it important to foster a better understanding of CSR. This has also been our main aim within the Forum.

The Forum now comes to an end. This is the occasion to look at what has been achieved throughout this twenty-month process and to evaluate it.

Looking at the process from an organisational and procedural point of view, the UNICE assessment is not very positive. The process has been unnecessarily complicated, complex and heavy, resulting in an almost unworkable amount of organisational and coordination implications, between stakeholders, between stakeholders and the European Commission, and between the members of the different constituencies.

The assessment of the methodology chosen, particularly for the Roundtables, is more positive and in our view has helped the process. The rapporteurs have played an important and positive role as facilitators.

Looking at it from a content-oriented point of view, it is fair to say that discussions within the Forum have not been easy, particularly because of

- the high complexity of the subject;
- very different understandings on some issues and diverging views, resulting in situations in which Forum participants seemed to speak no common language;
- very different expectations.

However, despite these difficulties, discussions within the Forum have triggered a learning process, which has enabled participants to benefit from dialogue and to explore a number of issues to the largest extent possible in this particular EU-level setting.

It is against this background that UNICE assesses the final Forum report which delivers the summary and conclusions of this learning process and complex debates.

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<sup>8</sup> The roots of the Union of Industrial and Employers' Confederations of Europe (UNICE) go back to the period shortly after the second World War. There was a fundamental need for a period of reconstruction and co-operation in economic development throughout the continent. One aspect of this co-operation was the founding in 1949 of the *Conseil des Fédérations Industrielles d'Europe (CIFE)*, and, within this organisational framework, the *Union des Industries des pays de la Communauté européenne*, begun by the national industrial federations from the six member states of the European Coal & Steel Community, initially to monitor this community. It was a natural evolution for this body to become the *Union des Industries de la Communauté européenne (UNICE)* in March 1958, to track the political consequences of the community created by the Treaty of Rome. As the EEC broadened and deepened, so UNICE also grew. In 2004 there are now 36 members and 3 observers from 30 countries, including the European Union countries, the European Economic Area countries, and some central and Eastern European countries ([www.unice.org](http://www.unice.org)) .

The final report is not perfect. But is a joint report and joint contribution to the CSR debate by the stakeholders that have participated in the Forum, and it builds on the common understanding that has been gained. As such this report constitutes an achievement and provides added-value to the CSR debate at EU-level in general on which all stakeholders should be able to build in the future.

The report responds to the double objective(1) set for the Forum:

- It provides a clearer understanding of CSR: of the concept by offering a base-line understanding between stakeholders and of what motivates and influences business, of obstacles and success factors for CSR, based on findings from case-studies and discussions.
- It also highlights a number of references for companies that can provide guidance in the development of CSR approaches, but confirms the need for approaches and tools that are adapted to companies' circumstances (their size, capacities, specific situation and operations, and expectations of stakeholders). It also emphasises the importance of stakeholder dialogue and communication/transparency policies, when it comes to enhancing the credibility and success of CSR practices.
- In addition, the report offers a number of recommendations to different players, which can usefully contribute to CSR development.

UNICE urges the Commission to take account of the Forum's final report and findings for its own Communication. It stresses however that public policies in support of CSR must respect the voluntary nature of CSR, support dynamism and the development of a competitive edge and should not be mixed up with other policies pursuing different objectives.

UNICE will publish the Forum report on its website as an important contribution to the CSR debate and, moreover, play its role in raising awareness and knowledge about CSR and in promoting the concept. Its member federations are already engaged in numerous activities at national level and will also play their role.

Finally, UNICE is looking forward to meeting again in two years' time to review progress in the areas of recommendations and more generally also look at trends, developments and innovations with regard to CSR.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20UNICE.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20UNICE.htm) (06.09.2004)

## 4.2 Statement by EuroCommerce<sup>9</sup>

As a member of the European Multi-Stakeholder Forum on Corporate Social Responsibility and one of the first sectors to have signed a statement on CSR with its social partners, EuroCommerce welcomes the final forum report and the forum recommendations.

In EuroCommerce we are pleased that the Forum benefited from a number of commerce company cases, testifying that commerce is an innovative sector. Many commerce companies are involved in CSR and incorporate CSR into the essence of their business serving the needs of millions of consumers every day.

As a result of our commitment to raise awareness on CSR and to continue stakeholder dialogue, EuroCommerce is one of the few sectors that signed a European statement on CSR in the context of its European Social Dialogue with our social partners UNI-Europa Commerce. This statement commits both sides to continue promoting CSR best practices and defines CSR to be voluntary, going beyond legislation.

Why we support the final forum report

- After 18 months of discussions the innovative multi-stakeholder Forum has submitted a consensual report with mutually reinforcing recommendations, taking sufficiently into account the views and opinions of all sides.
- The report views CSR in a global context and the Forum dedicated one Roundtable to “Development aspects” of CSR. The report rightly states that European companies operating in the developing world have a unique possibility to improve social and environmental standards, but are also often confronted with major challenges, such as weak governance.
- In the call for improving the knowledge on CSR, EuroCommerce is committed to raise awareness about CSR through numerous channels and we will publish the report on our website and disseminate its recommendations to our members.
- EuroCommerce looks forward to contributing to the setting up a European web-portal on CSR, sharing best practice approaches and knowledge about CSR tools & practices.
- We welcome the fact that the report acknowledges the business case of CSR in the internal drivers section, especially the point on attracting a skilled workforce.

Some points of consideration:

- Given the importance of the global context, especially in the area of international supply chains, EuroCommerce feels that sustainable trade and development policies should be specified by ensuring that CSR does not lead to new non-tariff trade barriers harming trade with developing countries.
- In all future debates the global context of CSR should play an important role

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<sup>9</sup> Established in 1993, EuroCommerce represents the retail, wholesale and international trade sectors in Europe. Its membership of over 100 includes commerce federations in 29 European countries, European and national associations representing specific branches of commerce and individual companies ([www.eurocommerce.be](http://www.eurocommerce.be))

and more dialogue is needed with all stakeholders, including representatives from developing countries.

- As a consumer driven sector we believe that consumers are an important driver of CSR and the role of consumers merits further examination.

What next?

EuroCommerce is aware that CSR will become increasingly important in the coming years for both large and small companies, because on a voluntary basis companies see the benefit of going beyond legal compliance by engaging with stakeholders and developing new and innovative CSR practices and tools.

However if CSR opportunities are stifled by rigid frameworks that oblige companies to tick boxes rather than putting their energy in exceeding society's expectation of a successful economic, social and environmental business-case, then many senior executives and small business owners will ask what they have to do, not what they can do.

Therefore, EuroCommerce looks forward to future discussion on CSR and we are confident that the final forum report with its recommendations will serve as the basis for the European Commission when drafting the planned Communication on CSR.

About EuroCommerce

EuroCommerce represents the retail, wholesale and international trade sector in Europe. Its more than 100 members include commerce federations in 28 European countries, European and national associations representing specific branches of commerce and individual companies.

Commerce represents the closest link between industry and the nearly 450 million consumers across the whole of Europe. It is a dynamic and labour intensive sector, which plays a significant role in the European economy. It generates 13% of the EU-25's GDP. The sector comprises 5,3 million companies, of which 95% are small enterprises, so vital to Europe's economic and employment prospects. It is also a major employer providing jobs to 26 million people.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20Eurocommerce.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20Eurocommerce.htm) (06.09.2004)

### **4.3 Statement by Viscount Etienne Davignon, President, CSR Europe<sup>10</sup>**

The statement is not available

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20CSR%20Europe.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20CSR%20Europe.htm) (06.09.2004)

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<sup>10</sup> The European Business Network for Corporate Social Responsibility (CSR Europe) is a non-profit organisation that promotes corporate social responsibility. Its is to help companies achieve profitability, sustainable growth and human progress by placing corporate social responsibility in the mainstream of business practice ([www.csreurope.org](http://www.csreurope.org)).

## 5. Statements from NGO's

### 5.1 Statement by Anne-Sophie Parent, President of Social Platform<sup>11</sup>

#### The value of the dialogue

As has been agreed both myself on behalf of the Social Platform and Duncan McClaren from Green 8 will speak at this initial round of interventions.

Since the European Multi-Stakeholder Forum on Corporate Social Responsibility was established in October 2002, NGOs from the social, environment, human rights, development, and consumer sectors have participated actively in the debate.

Although we knew from the beginning that the process was most likely to be limited, we NGOs and consumer groups decided to give it a fair try because we thought it could help increase positive and reduce negative impacts of business on society and the environment. We are also convinced that the EU could and should play an important role to make CSR efficient and credible and that the debate between the business community, trade unions, civil society organisations and other stakeholders could help.

From the beginning our aim has been indeed to lay the groundwork for a **European framework for CSR**.

So after 20 months of intense discussion we have a final report which, although significant progress has been made in some areas, still reflects a number of the limitations of the Forum we were expecting.

We regret that the stakeholders have not been able to formulate together a coherent vision and ambition on the role of the EU in establishing a European framework for CSR.

But let's look first at the progress made. Agreement has been reached on a range of substantive recommendations which we welcome. For example,

- Recommendation 4 calls for "increased exchange of experience between purchasers and suppliers in order to build capacities in sustainable supply chain management. This should improve understanding of global supply chain issues and companies responsibilities, including how purchasing practices impact suppliers and their communities.
- Recommendation 4 also calls on companies striving for greater integration of CSR to examine their performance in relation to their CSR objectives using key performance indicators (KPIs), to undertake impact assessment, and report on their achievements
- Recommendation 7 states clearly that public authorities should ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from this in the market place, both in the EU and globally: what we call

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<sup>11</sup> The Social Platform was established in 1995 and brings together around forty European non-governmental organisations, federations and networks which are working to build an inclusive society and promote the social dimension of the European Union. The members of the Social Platform represent thousands of organisations, associations and voluntary groups at local, regional, national and European level representing the interests of a wide range of civil society. These include organisations of women, older people, people with disabilities, people who are unemployed, people affected by poverty, gays and lesbians, young people, children and families. Member organisations also include those campaigning on issues such as social justice, homelessness, life-long learning, health and reproductive rights and racism ([www.socialplatform.org](http://www.socialplatform.org)).



creating an enabling environment.

- Recommendation 9 calls on the EU and / or Member States to consider and evaluate how to use public funds in the most responsible and effective manner, taking into account environmental and social, as well as economic considerations.

What is important is that these recommendations, among others, are positively taken up by the Commission and moved from words to actions. And that they are implemented under a EU framework which will act as a support to the voluntary commitment of a steadily growing number of companies.

The NGOs across the different sectors share the same vision on CSR, which we have put forward consistently over the last 20 months. We feel that for CSR to be credible and for it to develop into a useful tool to promote sustainable development it should:

- be based on **internationally agreed standards and principles**;
- **involve stakeholders** from the early stages of CSR strategy development;
- be supported by an **independent monitoring/verification**.

To achieve this one of the key tools that we have supported throughout the Forum's work is social reporting. NGOs believe that without meaningful disaggregated information about the impacts of companies and products on human rights, society and the environment, there is a gap in transparency and credibility in CSR.

To counter balance this implies mandatory social and environmental reporting, disclosure of payments and lobbying to public authorities, and provision of comprehensive point of sale information about products and services, for companies over a certain size. Reports must be based on common reporting standards for all companies and there must be public access to information on company and product CSR performance.

The real challenge identified by the Forum's debate is a political one: should public authorities step into the CSR arena and start developing policies, setting standards and where necessary enforcing them?

We feel that what CSR needs to become efficient is proactive and consistent public policies to create the right enabling environment and ultimately to ensure accountability by all companies. That means that the Commission, Council and Parliament, which have not taken active part in the Forum, must now take the lead role in the development of an effective EU framework for CSR.

The Social Platform accepts this report as a fair record of the deliberations of the Forum and in doing so hands the flame to the EU Institutions with the sincere hope that they will be able to come soon with clear proposals for a EU framework for CSR.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20Social%20Platform.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20Social%20Platform.htm) (6.9.2004)

## 5.2 Statement by Duncan McLaren, Chief Executive, Friends of the

## **Earth Scotland, on behalf of the Green 8<sup>12</sup>**

I'll try to be brief, but it is hard to reflect the broad diversity of civil society in just a few minutes.

It is easy, here in Brussels, to see the world in a distorted way. Small questions of policy or the phrasing of a report assume great urgency. The important issues – too hard to tackle – are too often left for another day, another Commission.

So we were happy when the Commission announced the formation of this Multi-Stakeholder Forum [on corporate social responsibility]. We saw a chance that the power and energy of European enterprises would be directed towards solving critical challenges – dramatically reducing consumption of environmental resources so as to create quality of life within pressing environmental limits; and building inclusive societies, closing the gap between rich and poor communities and between rich and poor countries. After all, these problems have got much worse in recent decades, not better. As our market economies have grown, so have the market distortions of environmental and social externalities, as businesses respond to real financial pressures to externalise their costs. And as externalities have grown, public trust in business has plummeted.

The agenda for the Forum asked broadly the right questions: how could we deliver transparency to help rebuild trust from stakeholders from both the global north and the global south; how could we stimulate innovation to internalise externalities; and above all, how could we ensure convergence of CSR practices so that the potential benefits of CSR could be achieved and the risks of 'greenwash' avoided.

The procedures and membership of the Forum gave us cause for concern. Why, we asked, had a new 'stakeholder family' of business organisations been created, producing a structural imbalance in the Forum? Why were there so few resources available to bring representatives of affected communities in Southern countries to offer their experiences to the round tables? Why was the Commission resistant to discussion of public policy initiatives in the round tables?

Nonetheless the G8 engaged in the process in good faith. The resulting debates offered real insights into the opportunities for businesses to contribute to sustainability; and to the barriers and drivers that force companies to behave irresponsibly. But this report does not fully reflect the richness of those debates. Sadly, it reflects a flawed analysis and portrays an unrealistic consensus – a lowest common denominator approach to the proposals put forward by stakeholders.

If the proposals set out here were adopted by all companies they would be beneficial. But even together they do not constitute the minimum needed to deliver corporate accountability and sustainability. They should stimulate a few more businesses to adopt CSR voluntarily. This 'common platform' must be built on, and rapidly. But because the forum do not come to consensus on verification, reporting and public policy, the recommendations in the report alone will not encourage the vast majority of businesses to abandon their current strategies and put CSR practices at the heart of their operations, thus internalising social and environmental

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<sup>12</sup> The eight largest European environmental organisations, the Green 8, have been working together to advise the Convention on issues relevant to environment, sustainable development and participatory democracy. 4 Members of the Green 8 are content partners of EurActiv: World Wide Fund (WWF), European Policy Office, European Environmental Bureau (EEB), European Federation for Transport and Environment (T & E) and Birdlife International. The other members of the Green 8 are Can Europe, Friends of the Earth Europe, Friends of Nature International and Greenpeace.

externalities. They will not stem the growing tide of environmental and social unsustainability. Worse, because the report does not deliver a framework for CSR, there is a risk that it could be abused to justify the continuation of irresponsible and unsustainable business models, in the same way as companies such as Shell and Enron have abused CSR processes to conceal continued irresponsible and unethical business practices.

Moreover, we believe that the process has been a missed opportunity to advance Europe's leadership on sustainable development. We remain convinced that corporate social responsibility could contribute to the delivery of sustainable development, but only if it is placed within a regulatory framework (not just a 'reference framework') which ensures:

- Mandatory corporate transparency on environmental and social performance and impacts
- Enforceable stakeholder rights to information, participation and accountability
- Public procurement and investment rules that discriminate in favour of companies whose responsible performance can be independently verified
- Clear standards and practices for the independent verification of corporate performance
- Tax reforms to internalise the environmental and social costs

From our experience within and outside the Forum, we are confident that the breadth of the views, values and interests of those European businesses best placed to take advantage of such reforms and deliver a sustainable and competitive economy for the 21st Century are not fully reflected in the report.

The Green Eight and Friends of the Earth accept this report as a fair record of the previous deliberations of the Forum, but do not see it as an exhaustive set of recommendations for the Commission and the participants. Like ETUC, we request that the record of today's formal speeches be annexed to the report so as to make this clear.

In conclusion, regardless of the positions of the different stakeholder groups, the Commission can helpfully act on the Forum's recommendations. But more action is both essential and urgent. Our support for this ongoing process is conditional on action. We urge the European Commission to take prompt action, beginning with its coming Communication, to deliver the framework set out above, and the economic, social and environmental benefits it would bring.

I also wish to thank the rapporteurs and others for their hard work in bringing the process this far, and providing this platform for future progress.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20G8.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20G8.htm) (06.09.2004)

### **5.3 Statement by Dick Oosting, Director, Amnesty International EU Office**

Amnesty International has been talking to companies for over twenty years. Twenty years of dialogue shows that we consider dialogue to be important, and it shows that we don't give up easily. So after twenty months of the Multi-Stakeholder Forum we will certainly continue.

However, the Multi-Stakeholder Forum (MSF) was not just another round of dialogue. It set us all on a course – as Commissioner Dimas said: it is not the final chapter. The question is, what should the next step be? For some, that is just more dialogue. For others, including the NGOs, it should be to take CSR to develop a framework of accountability. It should be a phase in which public authority takes the lead.

Undeniably, the MSF has created a political moment. The Commission, but also the Council, will have to choose: to have more dialogue, or to go also beyond dialogue. Putting it more crudely: for EU institutions to stay on the sidelines, or to take responsibility themselves.

If the MSF marks a political moment, it is important to note that that is linked to a broader political context. A parallel can be drawn to the UN Global Compact, set up four years ago by Kofi Annan as a forum for business and civil society to discuss how to promote standards and advance dialogue and good practice. Dialogue again... and the similarity is striking. NGOs like Amnesty International and Oxfam have participated from the start knowing full well that it would be an uphill struggle to get beyond the mantra that 'CSR = voluntary only'.

The Global Compact (GC), which as it happened also met during the last few days, has reached the point where NGOs after four years wonder whether they can continue. They are increasingly concerned about misuse of the GC by companies who see CSR merely in public relations terms, about their reluctance to move into action, about the lack of progress to complement corporate responsibility with corporate accountability. At the same time NGOs saw efforts by GC business participants to undermine other important initiatives, notably the clarification of responsibilities of companies in the field of human rights currently taking place in the UN.

At the last session of the UN Commission on Human Rights in Geneva, the proposed Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with regard to Human Rights ran into an unholy alliance of business and certain governments, creating a climate in which 'Norms' almost became a dirty word. And yet, these Norms do nothing more, or less, than structuring existing international human rights standards and obligations and relate them to business. It was argued that these standards and obligations cannot bind companies, only governments. But surely that means that it is the legitimate business of governments, of public authority, to ensure that they are met, also by companies. You can't have it both ways.

The taboo around the Norms and the critical phase of the Global Compact highlight the dilemma we are in – we, stakeholders, as it were condemned to each other in dialogue, but also you, public authority, facing the choice I referred to before: stay on the sidelines or take responsibility? It shall be clear that Amnesty International considers a choice to stay on the sidelines to mean that the process will remain 'just a talking shop', in the words of Commissioner Dimas.

Surely we cannot afford to have another two years of talking shop only, I am glad the

Commissioner agrees. Therefore the most important thing now is to get clarity, for the EU to get off the fence and make its choice. The Commission in the policy paper that is to follow the MSF, the Council and in particular the Dutch Presidency in the November CSR conference that right now shows signs of shaping up into another big talking shop. We need the EU to take the lead.

Let me end on human rights responsibility. Government, national and international, bears primary responsibility for the protection of human rights. Non-state actors such as companies, in the Universal Declaration of Human Rights referred to as 'organs of society', also have the responsibility to respect, promote and secure human rights. A growing number of businesses operate across boundaries in a way that exceeds the regulatory capacities of any one national system.

With increasing influence come increasing obligations and responsibilities. These responsibilities are taken by growing numbers of companies, but they are still a minority. Given the importance of business, its potential, its impact not only positive but also negative, the responsibilities must be complemented by real accountability that will ultimately make all companies perform in accordance with the vision set out in this report. That vision is good, but it needs more than dialogue to make it happen.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20AI.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20AI.htm) (6.9.2004)

#### **5.4 Statement by FIDH: Time to Act - Holding Business Accountable to Human Rights<sup>13</sup>**

##### **Time to Act : Holding Business Accountable to Human Rights A Contribution of the International Federation for Human Rights (FIDH) to the European Multi-Stakeholder Forum on Corporate Social Responsibility**

###### ***Introduction***

The International Federation for Human Rights (Fédération internationale des Ligues des Droits de l'Homme – FIDH) has 142 member organisations, all dedicated to promoting and protecting the rights enshrined in the Universal Declaration of Human Rights, and covering all the continents. As it receives regular information from its members concerning this question, the FIDH has been particularly attentive to the risks associated with globalization for developing countries. The internationalisation of economic relationships has been encouraged by the progressive elimination of barriers to foreign direct investments and by the strengthening of the protection of these investments, results which have been achieved through the conclusion of a large number of bilateral investment treaties. Many of these bilateral investment treaties impose obstacles to the regulation by the host States, mostly developing countries, of the activities of multinational enterprises operating on their territory either directly or through the setting up of subsidiaries. Even where the developing

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<sup>13</sup> The Fédération Internationale des Droits de l'Homme (FIDH) represents 141 organisations acting for human rights in nearly 100 countries. FIDH was set up in 1922. It co-ordinates and supports their activities and provides them with a voice at the international level ([www.fidh.org](http://www.fidh.org)).

countries receiving foreign direct investments are not prohibited from acting to better regulate the activities of multinational enterprises operating under their jurisdiction, they may be reluctant to do so, because of the risk that investors will move to other jurisdictions, competing for investments which may be a source of economic growth, may contribute to creating employment, and may encourage the transfer of technologies.

In the view of the FIDH, therefore, the industrialized countries, including the member States of the European Union, have a duty to act to better control the corporate actors which are domiciled in their jurisdiction. They must ensure this control, which developing States hosting the investments from multinational enterprises are prohibited from exercising, or may be unable or unwilling to exercise.

It is against this requirement that the results of the European Multi Stakeholder Forum on Corporate Social Responsibility are to be assessed. The FIDH, like a number of other non-governmental organisations and a panoply of research centres in universities or foundations, has been following the emergence of CSR practices since many years. It has identified certain good practices in the field. It has also denounced situations where the ways of acting of corporations do not meet up to the expectations raised by their discourse, for instance by the adoption of codes of conduct. But in the view of the FIDH, the European Union and its member States are more than observatories. They are not simply there to organize roundtables, to identify positive developments and express regrets about less encouraging evolutions. They have a power to regulate non-State actors, especially to ensure that international human rights are not violated by these actors. Under the relevant international instruments, in fact, they are under an obligation to adopt measures to ensure that private actors do not violate the fundamental rights of others : what they are prohibited from doing directly, they should not tolerate indirectly where the violations have their source in the acts of non-State actors.

The FIDH is grateful to the European Commission for having set up the European Multi Stakeholder Forum on Corporate Social Responsibility, indeed a much needed exercise in sharing knowledge, and for having being so active in encouraging all the interested parties to invest in the process. However, what the European Commission has done, any organisation, whether public or private, could have done as well, provided with the necessary means. It is time, now, that the Commission takes responsibility for translating the discourse on CSR into effective regulation. Every day, human rights are violated with the complicity or the active participation of corporate actors which are insufficiently regulated by their home State, because the States where they operate cannot impose on them effective regulations in the social, environmental or human rights fields, or because – more frequently – the local governments themselves are the prime violators of the human rights of their own populations.

In the view of the FIDH, now is the time to act. The European Commission should make concrete proposals, of a regulatory nature, to put an end to the existing situation of impunity. The European Multi Stakeholder Forum on Corporate Social Responsibility was launched based on the premise, which all participants agreed to, that CSR is about “the voluntary integration of environmental and social considerations into business operations, over and above legal requirements and contractual obligations. CSR is about going beyond these, not replacing or avoiding them”. In fact, while dialogue within the Forum has been developing, almost nothing has been done to develop these legal requirements and contractual obligations, which that dialogue should not have replaced. In the impression of many, the Commission has been invoking the dialogue which is now coming to a close to refuse to take responsibility where it could have acted better and more efficiently.

This impression must be dispelled. The FIDH calls upon the Commission to take initiatives in the five following areas

***Developing European Public Procurement law in accordance with the requirements of human rights***

The Member States should be encouraged to include a concern for human rights in their public procurement policies. Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134 , 30.4.2004, p. 114) does not go far enough in that direction. In accordance in that respect with the case-law of the European Court of Justice, that Directive does provide that contract performance conditions may seek to favor the employment of people experiencing particular difficulty in achieving integration, the fight against unemployment or the protection of the environment, or that they may include a requirement, for instance, that the contractors comply with the basic conventions concluded within the International Labour Organisation (ILO), to the extent that these conventions are implemented in national legislation (Article 26).

This however is insufficient. What is needed is that the Member States may decide to award their public contracts only to economic operators which undertake to respect, ensure the respect of, and protect human rights in their spheres of activity and influence, and who effectively agree to submit to monitoring procedures which ensure that this undertaking is complied with. There are no insuperable technical obstacles to providing for this possibility. In particular, the authorization of States to rely on such an “ethical clause” to select their contractors will not necessarily lack the required objectivity, and create the risk of discrimination or non-transparent practices. For instance, the Member States could be authorized to require that economic operators wishing to compete for the awardance of public contracts agree to abide by the Guidelines for Multinational Enterprises set up by the Organisation for Economic Co-operation and Development, and to comply with any procedure initiated within those Guidelines.

Directive 2004/18/EC already provides that economic operators who have participated in a criminal organisation or who have been found guilty of corruption or of fraud to the detriment of the financial interests of the European Communities or of money laundering may be excluded from public contracts (Article 45). It would have been desirable, and it would have been an important contribution to enhancing the credibility of the discourse of the European Union institutions on corporate social responsibility, to go further. For instance, economic operators who have been found by a judgment having the force of res judicata to have committed, or to have aided and abetted to commit, or to have been complicit in, violations of the fundamental rights of workers as enumerated in the 1998 Declaration of the International Labor Conference on Fundamental Rights and Principles at Work, should be excluded from public contracts, just like under the current Directive they should be excluded if they have been found in violation of national legislation implementing Directives 2000/78/EC or 76/207/EEC. A similar exclusion should be imposed on those undertakings which have been found liable on the basis of the United States Alien Tort Claims Act 1789 (U.S.C. § 1350 (1994)), as the finding of such a liability would mean that the concerned undertaking has violated specific norms universally recognized as part of the “law of nations”.

***Contributing to the promotion of the OECD Guidelines for Multinational Enterprises***

The FIDH also believes the European Commission could do more to contribute to the multinational enterprises domiciled in the European Union complying with the

OECD Guidelines for Multinational Enterprises and submitting to the control mechanisms of the revised Guidelines (2000). It could, for instance, create contact points in the EU Delegations in third countries, thus facilitating the lodging of complaints against EU-based multinationals for their activities abroad. The “EU contact points” should be recognized the same role as the national contact points instituted in each country of the OECD : they should promote the OECD Guidelines by reaching out to those affected by the activities of EU-based multinationals operating in third countries, especially the representatives of local communities, trade unions and non-governmental organisations ; they should handle enquiries about the Guidelines ; they should aid in the interpretation of the Guidelines ; and they should receive complaints, whenever Member States, enterprises or trade unions, but also “other parties concerned”, allege that a particular enterprise has violated the Guidelines.

### ***Securing the credibility of codes of conduct***

The FIDH also believes that the current proliferation of codes of conduct, while encouraging in principle as it demonstrates a willingness by business actors to accept that they have a responsibility which goes beyond making profit for their shareholders, also may constitute a problem. The codes of conduct are of very variable quality. They may or may not include a reference to certain fundamental standards, such as the 1998 ILO Declaration on Fundamental Rights and Principles at Work and the Universal Declaration on Human Rights. They may or may not be combined with credible, external monitoring of the activities of the enterprise which adopted the code of conduct, and its sub-contractors on whom it may impose that they comply with the same norms. They may or may not be interpreted as prohibiting the enterprise to work in certain countries, where any investment per necessity would contribute to repressive governmental activities, as they may contain varying understandings of the conditions under which an investor should be seen as sharing complicity with the local government, for human rights violations committed by the regime of the host State.

The difficulty with these strong variations in the quality of codes of conduct is that such codes are now quickly losing their credibility. The consumer is uncertain about how to interpret them. In turn, even some enterprises most committed to assuming their environmental, social and ethical responsibilities may feel that it is in their interest to adopt the least constraining code of conduct possible : if consumers do not see any difference between the multiples codes which exist, why would an economic actor choose to impose on itself more constraints rather than less ? The current situation is one in which, because of the proliferation of codes, the worst codes have the capacity to crowd out the better ones. It is a situation in which the enterprises most committed to assuming their social responsibilities are being penalized for making this choice, as less scrupulous competitors dress up codes of conduct which are lacking both in terms of content and in terms of control mechanisms but which, in the eyes of the consumer, are hardly distinguishable from the better codes of conduct.

The FIDH believes the European Commission has a crucial role to play in response to this situation. The Commission noted in its July 2001 Green Paper on corporate social responsibility that monitoring is important to “secure the credibility of codes of conduct”. It should immediately set up the European Monitoring Platform called for by the Resolution adopted on 15 January 1999 by the European Parliament, or transform the Multi-Stakeholder Forum on CSR into such an Observatory, and entrust it with the following tasks :



- as proposed by the European Parliament in its Resolution on the Commission Green Paper on promoting a European framework for corporate social responsibility (C5-0161/2002 – 2002/2069(COS), para. 13-14), this Observatory should register the codes of conduct adopted by enterprises domiciled in the EU, and verify these codes against minimum internationally applicable international standards such as the OECD Guidelines for Multinationals, the ILO Core Labor Standards, the Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, adopted in August 2003 by the United Nations Sub-Commission on the Promotion and Protection of Human Rights (E/CN.4/Sub.2/2003/38 (2003)), of the UN Global Compact;
- the Observatory should receive complaints about non-compliance by an undertaking with its own, self-chosen, code of conduct, and publicize the results of its findings as to whether the complaint has prima facie sufficient grounds or not.

In the view of the FIDH, this should not be seen as imposing new burdens on enterprises, but rather as clarifying the existing situation. A code of conduct advertising the practices of an enterprise to its consumers, whose choices may be influenced by this presentation, is already binding on the enterprise to the extent that it publicizes this code. Such a code, if not complied with by the enterprise, already may be seen as constituting misleading advertising in the meaning of Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising, as amended by Directive 97/55/EC of the European Parliament and the Council of 6 October 1997 (OJ L 290, 23.10.1997, p. 18, corrigendum OJ L 194, 10.7.1998, p. 54).

***Combating impunity for human rights violations committed in third countries by EU-based multinational enterprises, or with their complicity***

Multinational enterprises based in the EU which commit, or are complicit in, human rights violations abroad, especially in developing countries whose governments may lack the incentives, the power, or even the will to sanction such violations, should not enjoy impunity within the European Union. They are civilly liable to the victims of such violations : this is already a possibility under Council Regulation n° 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ L 12, 16.1.2001, p. 1), Article 2(1) of which states that “persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State”. However, the FIDH is aware that victims of human rights violations in which corporations domiciled in the EU have a responsibility do not in fact rely on this possibility. This may be due to obstacles such as the geographical distance from the place where such violations occur to the jurisdictions of EU Member States, or the absence the class action mechanism which has been so useful in the context of the Alien Tort Claims Act creating a comparable basis for jurisdiction for the United States federal courts. However one obstacle could be that victims are simply unaware that this possibility exists, or that the Member States, despite the clear terms of Regulation n° 44/2001 – previously the 27 September 1968 Brussels Convention – have not clearly attributed to their national jurisdictions a competence to receive civil suits from victims having suffered violations abroad, in circumstances which could trigger the civil liability of a corporation domiciled on the territory of an EU Member State. The FIDH would welcome a study by the European Commission on the approach adopted by the Member States on this matter. Such a study, insofar as it could lead to improving the uniform implementation of Regulation n° 44/2001 with regard to extra-territorial jurisdiction, could contribute to the elimination of remaining distortions of competition

within the EU, where the Member States adopt diverging approaches on this issue.

More importantly, the FIDH believes that, in certain circumstances where serious human rights violations have occurred in which a corporation based in the European Union shares a responsibility, the possibility must exist to engage the criminal liability of that corporation. Recalling the position adopted on this issue in the report presented within the EU Network of Independent Experts on Fundamental Rights on the activities on the European Union in 2003, the FIDH notes that Articles 31, e), and 34 EU could provide the legal basis for the adoption of a Framework Decision providing that Member States criminalize serious infringements of human rights committed by corporations having their registered office, principal place of business or centre of operations in a Member State of the European Union, irrespective of where these infringements have been committed, without prejudice to the possibility of involving the civil or criminal liability of the natural persons who are directly responsible for the violations. Council Framework Decision 2003/80/JHA of 27 January 2003 on the protection of the environment through criminal law (OJ L 029 of 5.2.2003, p. 55) is based on such broad interpretation of Article 31, e) TEU, and it also combines the liability of natural persons with that of legal persons. Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector (OJ L 192 of 31.07.2003, p. 54) also was adopted on the basis of Articles 29 and 31, e), EU, and encourages the Member States to take the necessary measures to establish their jurisdiction where the offence has been committed by one of their nationals or for the benefit of a legal person that has its head office in their national territory (Article 7 § 1, b) and c)). These examples show that, if the political will is there, the tools are available to be used.

### ***Imposing a ban on investments in States committing gross and systematic human rights violations***

Finally, the FIDH considers that in certain cases, the EU should impose economic sanctions, in the form of investment pullout and the imposition of a ban on the export of financial services, on certain States, and should consequently impose on EU-based corporations to leave those countries and to renounce any further investment in those countries in the future. Such a decision would be justified in the face of gross and systematic human violations in a country, when these are such that no foreign investor can claim to be able to remain in that country without his presence being supportive of the repressive policies of the government of the host State, and provided that direct aid to civilian populations is not interrupted and the sanctions therefore do not lead to a deterioration of the condition of the local communities.

Burma (Myanmar) presents us with a such a case since many years, as recognized in particular by the International Labour Organisation and the United Nations. In fact, Burma is the only country where any investment immediately disqualifies the investor in the ethical fund 'Freedom and Solidarity' set up by the FIDHD, and which rates enterprises according to their performance in the field of human rights. Drawing its conclusions from the many reports documenting gross human rights violations in Burma and the continued imposition of forced labour by the military junta in power, the United States Congress has adopted P.L. 108-61 (the Burmese Freedom and Democracy Act of 2003), which includes a ban on all imports from Burma, a ban on the export of financial services by U.S. persons to Burma, and an asset freeze on certain named Burmese institutions. In the report submitted to the Congress on 28 April 2004 pursuant to section 8(b)(3) of the Burmese Freedom and Democracy Act, the U.S. Department of State notes that "the import ban implemented in 2003 would be far more effective if countries importing Burma's high-value exports (such as natural gas and timber), (...) would join us in our actions. Other U.S. measures, such as the ban on new investment in Burma and the ban on the export of financial

services to Burma would also be more effective were the EU and others to take similar steps” (our emphasis).

Indeed, it is a matter of serious concern to the FIDH that despite all its insistence on the need for corporations to act responsibly, the European Union has still not imposed a ban on European investments in Burma. European companies still are present there, thus creating the impression by their presence that the military junta can go about its business as usual, and objectively encouraging the regime to persist in its repressive policies. Of course, the European Community has prohibited to grant, sell, supply or transfer technical assistance related to military activities in Burma and to provide arms and related material to any person, entity or body in, or for use in Burma/Myanmar; and it has prohibited to provide financing or financial assistance related to military activities for use in Burma/Myanmar (see most recently Council Regulation (EC) No 798/2004 of 26 April 2004 renewing the restrictive measures in respect of Burma/Myanmar and repealing Regulation (EC) No 1081/2000, OJ L 125 of 28.4.2004, p. 4). However, this remains short from imposing the kinds of sanctions the United States has chosen to impose, and which the opposition to the military junta and the International Labor Organisation have called for. It is also notable in the view of the FIDH that, although the Council has imposed certain sanctions on members of the military junta and persons who are cooperating with the Burmese regime and support their repressive policies (Council Decision 2003/907/CFSP of 22 December 2003 implementing Common Position 2003/297/CFSP on Burma/Myanmar, OJ L 340, 24.12.2003, p. 81), there is no mention of directors of European enterprises which have invested in Burma, and remain there in the face of unanimous criticism by NGOs and calls from the ILO to withdraw, although persons heading State Economic Enterprises in Burma are mentioned.

The FIDH has been one of the most active non-governmental organisations in denouncing the conditions in which the French multinational Total (now TotalFinaElf) has been present in Burma since 1995, in a joint venture with the California-based Unocal and the MOGE gas company owned by the military junta (State Law and Order Restoration Council, ‘SLORC’). That this enterprise still is present in Burma, supporting the regime by the important economic contribution it makes to its repressive policies, is simply unacceptable and should not be tolerated.

The FIDH considers that the approach of the EU to the question of Burma – strong vocal condemnation, but little desire to actually enforce measures which may hurt European enterprises – illustrates the difficulty to move to effective action where important economic interests are involved. The FIDH regrets this, and it believes that it is both possible and necessary to move further on this issue.

### **Conclusion**

The FIDH is aware that, in the current discourse on CSR, two tales coexist. One is that there exists a powerful business case for improving practices based on corporate social responsibility. The logical consequence which follows is that market mechanisms – the sanctioning by the consumers and the workforce in particular – should impose socially responsible practices to corporations, and that therefore regulation to impose CSR ‘from above’ would be, at best, useless, and at worst, counterproductive, as this would discourage voluntary initiatives by enterprises motivated by the desire to attract consumers and retain the most talented employees. A second tale is that imposing strong regulations on corporations, especially on their activities abroad the EU, would be threatening their competitiveness vis-à-vis, especially, other corporations, based in particular in other OECD countries. These tales contradict one another. Either CSR is good for business, and then imposing it rather than relying on market mechanisms to

encourage it, may not be damaging for European corporations in the international marketplace; or CSR imposes costs on enterprises, and therefore we should avoid imposing too severe requirements on enterprises in the name of CSR, not to threaten their ability to compete with enterprises from other industrialized countries.

The view of the FIDH however is that not only are these presentations contradictory and self-defeating; they also miss the point. Imposing on multinational enterprises that they comply with internationally recognized standards in the field of labor rights, environment, and human rights, has nothing to do with economic considerations, and all to do with the contribution the EU and its Member States can make to the realisation of an international order in which the rights and freedoms of the Universal Declaration of Human Rights can be fully realized (Article 28, UDHR).

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20FIDH.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20FIDH.htm) (06.09.2004)

## **6. Statements from Labour Union Organisations**

### **6.1 Statement by Alain Wolf, Secrétaire Général Adjoint, CEEP<sup>14</sup>**

Le thème de la Responsabilité Sociétale des Entreprises est d'une importance majeure pour un développement harmonieux, équilibré et durable des activités humaines prenant en compte les considérations économiques, sociales, environnementales, territoriales et temporelles, dans le contexte des grands défis du monde contemporain (pauvreté, rareté des ressources, sauvegarde de l'environnement...).

En tant que partenaire social représentant des employeurs qui organisent et fournissent des services qualifiés d'intérêt général, le CEEP, solidaire de la famille des employeurs, se sent à la fois concerné et en même temps un peu spécifique.

Le CEEP adhère à l'idée que l'Europe, dans le respect de sa diversité de cultures et de traditions et dans toute sa dimension élargie à 25 Etats, soit en pointe dans ce domaine, dès lors que cela ne la conduit pas à se tirer une balle dans ses propres jambes, dans le contexte mondial.

Sous l'effet conjugué des évolutions technologiques, économiques et financières internationales et de l'irruption de l'opinion publique dans ce qui était jusqu'alors leur domaine, les entreprises et organismes producteurs de biens et de services connaissent des changements et sont en mutation accélérée.

En réalité, les évolutions et les changements concernent aussi le comportement des salariés, des clients, des citoyens : c'est l'ensemble de nos sociétés qui est en mutation rapide.

Face à ces évolutions, le cadre juridique, les normes et le Droit, évoluent à un

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<sup>14</sup> The European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP), whose origins date back to 1961, is the European Association representing enterprises and employers' organisations as with public participation and enterprises carrying out activities of general economic interest, whatever their legal ownership or status. CEEP is an international non-profit making association established for scientific purposes. At present, CEEP has several hundred member associations, enterprises and organisations in over 20 countries ([www.ceep.org](http://www.ceep.org)).

rythme beaucoup moins rapide que les systèmes de production et d'échanges devenus internationaux.

C'est pourquoi les entreprises et organisations européennes ont été invitées par la Commission à promouvoir leur responsabilité sociale en élaborant volontairement leurs propres règles de fonctionnement au delà de ce qui est obligatoire.

Elles ont aussi la liberté de ne pas le faire.

Le CEEP encourage le développement de la Responsabilité sociétale de l'entreprise par des initiatives prises au meilleur niveau dans les domaines économique, environnemental ou social et notamment par:

- le dialogue transparent et réciproque avec toutes les parties concernées de la société ;
- la clarté des pratiques et des instruments ;
- l'échange réciproque d'informations et d'expériences dans le cadre de cette responsabilité.

Ni la prise en compte de leur responsabilité sociétale par les entreprises et les organisations, ni même sa reconnaissance par les parties prenantes, ne va de soi.

Le CEEP tient à souligner que dans une telle démarche volontaire qui demande du temps, les conditions de succès reposent sur une analyse lucide des avantages et des risques, sur la capacité opérationnelle de l'entreprise ou de l'organisation, sur la pertinence des instruments employés ainsi que sur l'engagement courtois et constructif de partenaires crédibles.

Je voudrais conclure par 3 points :

Premièrement l'un des mérites de la responsabilité sociétale des entreprises est d'avoir rendu évident que, à l'ère de la mondialisation, le dialogue social national ou local n'est plus suffisant. L'économie contemporaine exige de nouveaux espaces de dialogue social, « régional » et mondial.

Deuxièmement le marché est un dispositif interactif qui permet aux hommes d'entreprendre librement des activités mutuellement avantageuses. Il repose sur un système complexe de valeurs librement mises en œuvre parmi lesquelles la confiance, le respect des engagements, l'honnêteté en affaires, l'épanouissement humain et matériel jouent un rôle considérable. Dès lors l'enjeu est de savoir comment réguler la concurrence au plan mondial :

- par le bas, c'est le dumping et ses conséquences
- vers le haut, en s'appuyant sur l'avantage compétitif de ces valeurs.

Enfin, dans le cadre de discussions internationales, la RSE établit un corpus européen permettant de passer d'initiatives ponctuelles à une ligne d'action claire pour de futures négociations relatives notamment au GATT et au GATS.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20CEEP.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20CEEP.htm) (06.09.2004)

## 6.2 Statement by Walter Cerfeda, ETUC<sup>15</sup>

The statement is not available. See below: 7.3 ETUC Resolution on CSR page 42ff.

Source:

[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20040629%20speech%20ETUC.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20040629%20speech%20ETUC.htm) (06.05.2005)

## 7. Open Letters and Resolutions

### 7.1 Open letter of the NGO: European CSR process must move from dialogue to action

29 June 2004

To: Commissioner Liikanen,

Commissioner Dimas,

Taoiseach Bertie Ahern

Prime Minister Jan Peter Balkenende

European Parliament

#### **NGOs call on Commission and Council to shift gears after Multi-Stakeholder Forum: European CSR process must move from dialogue to action**

NGOs from the social, environment, human rights, development, and consumer sectors have participated actively in the work of the European Multi-Stakeholder Forum on Corporate Social Responsibility over the past twenty months. Although aware of its likely limitations, we entered into the process in the light of the urgent need to increase positive and reduce negative impacts of business on society and the environment, and in recognition of the important role the EU can play to this effect. We were also convinced that it was important to participate in this initiative to promote CSR through raising levels of understanding and fostering a dialogue between the business community, trade unions, civil society organisations and other stakeholders. We were committed to the prospect that the process was to lay the groundwork for a European framework for CSR.

Not surprisingly, the final report of the Forum reflects a number of the limitations we faced. It has clearly not been possible to formulate together a coherent vision and ambition in the Forum conclusions on the role of the EU in establishing a European framework for CSR.

The report contains a range of substantive recommendations which merit consideration. For example the Forum calls for ...

- increased exchange of experience between purchasers and suppliers in order to build capacities in sustainable supply chain management, through improved understanding of global supply chain issues and responsibilities, including how purchasing practices impact suppliers and their communities. (Recommendation (R) 4)

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<sup>15</sup> The European Trade Union Confederation (ETUC) was established in 1973 to provide a trade union counterbalance to the economic forces of European integration. Following the changes in Central and Eastern Europe, a large number of new trade unions have joined our ranks. At present, the ETUC has in its membership 76 National Trade Union Confederations from a total of 34 European countries, as well as 11 European industry federations, making a total of 60 million members ([www.etuc.org](http://www.etuc.org)).

- business to progress in their CSR efforts by examining their performance in relation to their CSR objectives, and learn from this; e.g. through key performance indicators (KPIs), impact assessment, and report on these achievements (R 4)
- public authorities to ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from this in the market place, both in the EU and globally (R 7)
- EU and / or Member States to consider and evaluate how to use public funds in the most responsible and effective manner, taking into account environmental and social, as well as economic considerations (R9)

Taken together the recommendations, if they are fully implemented by the relevant actors, will help to generate a significant advance. For that to happen, however, it will be necessary to develop them into a proper framework that complements the voluntary commitment of a steadily growing number of companies with proactive and consistent public policies to create the right enabling environment and ultimately to ensure accountability by all companies.

The real challenge arising out of the Forum is a political one, namely for public authorities to step into the CSR arena and shift gears from merely moderating dialogue to developing policies, setting standards and where necessary enforcing them. There needs to be proactive and consistent public policies to create the right enabling environment and ultimately to ensure accountability by all companies. Concretely, this means that the Commission, Council and Parliament, which have been neutral or absent throughout the Forum, must now take the lead role in the development of an effective EU framework for CSR.

As NGOs across the different sectors we share the following basic vision on CSR, which we have put forward consistently over the period of the Forum:

- **Our common goal is to improve business practices to increase positive impacts and reduce negative impacts on society and the environment.** Voluntary initiatives are not enough to reverse the unsustainable impacts of corporate activities or to meet the standards set by existing agreements such as the ILO declaration, OECD guidelines, the Millennium Development Goals and human rights treaties. Improving business impacts requires changes in companies' core business activities, throughout the supply chain, and in the consumption of its products or services. It also requires responsible behaviour to be internalised in corporate governance, strategy and business models so that businesses meet the standards set in existing agreements.
- **Ensuring corporations are legally accountable to their stakeholders is essential.** Only binding legal measures will establish a general incentive for responsible corporate behaviour which matches their general incentive to be profitable. This requires rights for stakeholders to hold companies to account for their impacts and duties on companies and their directors. It also needs effective monitoring and verification of business performance. Furthermore, only those approaches to responsible behaviour elaborated in concert with all stakeholders will bring sustainable results.
- **Accountability requires high and consistent levels of transparency about business activities and products which cannot be achieved by voluntarism only.** Stakeholders need meaningful disaggregated information about the impacts of companies and products on human rights, society and the environment. This implies mandatory social and environmental reporting, disclosure of payments and lobbying to public authorities, and provision of comprehensive point of sale information about products and services. Reports must be based on common reporting standards for all companies and there must be public access to information on company and product CSR performance.
- **The business case for responsible behaviour must be created and supported by public intervention.** The role of public authorities - including the EU institutions - is essential to deliver a level playing field through legislation and ensuring compliance with

existing standards; and to use public policy measures including public procurement and public subsidies to stimulate responsible behaviour.

- **We expect the EU institutions to take a leadership role in Europe and globally**, to ensure that European companies live up to our common expectations wherever in the world they operate, and to stimulate convergence of standards and practices of responsible behaviour around the world.

In light of the above, we believe that CSR will not be credible unless it is based on the following key criteria, which we have advanced throughout the Forum's work:

1. It is based on **internationally agreed standards and principles**<sup>16</sup>;
2. It **involves stakeholders** from the early stages of CSR strategy development;
3. *There is **independent monitoring/verification**.*

*Whilst we believe that EU-level dialogue between stakeholders can continue to play a useful role in advancing CSR, the compromise nature of the Forum's conclusions demonstrates that voluntary agreement between the stakeholders on corporate responsibility without a common system for corporate accountability is not enough to create the necessary EU framework for CSR.*

*As NGOs committed to turning that weakness into strength and putting the Forum's results into action, we therefore call upon the **European Commission** to bring forward proposals for a European framework to ensure that all corporations comply with our three key criteria for credible CSR. We call on the **European Parliament** to play a central driving role in advancing the debate and to hold the Commission and the Council to account. We call on the **European Council** and specifically on the incoming Dutch Presidency through its November CSR conference to provide strategic direction to move the process from dialogue to action.*

*Sincerely,*

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<sup>16</sup> Many international and standards and principles exist, some of which are mentioned in Part I of the Forum report. This is by no means an exhaustive list and indeed there are many areas where standards still need to be developed. In a CSR context, what is important is how these principles are translated into practice and how they are localised to stakeholder's demands and concerns.





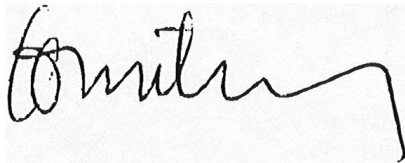
**Anne-Sophie Parent**

President, Social Platform



John Hontelez

Secretary General, European Environment Bureau - On behalf of the Green 8<sup>17</sup>



**Dick Oosting**

**Director, Amnesty International**

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<sup>17</sup> Green 8

- European Environmental Bureau
- Climate Action Network Europe
- Friends of the Earth Europe
- Friends of Nature International
- Transport & Environment
- World Wide Fund for Nature European Policy Office
- Greenpeace European Unit
- Birdlife International



**Paul**

**Chief Executive, Traidcraft Exchange**

**Chadler**



Jim Murray

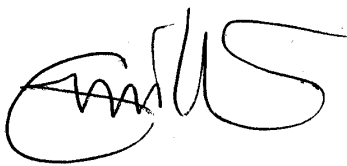
Director, BEUC, the European Consumers' Organisation



Sidiki KABA

FIDH President

Fédération internationale des ligues des droits de l'Homme



Camilla Toulmin

Director, International Institute for Environment and Development (IIED)

Source: by e-mail from Socialplatform

## 7.2 CSR and football alike need common rules

*By Anne-Sophie Parent, president of the Platform of European Social NGOs, responsible for coordinating the input of NGOs to the Forum*

For the last 18 months, NGOs have taken part in the Multi-stakeholder Forum on Corporate Social Responsibility, set up by the European Commission in the attempt to frame a European way for CSR. The Forum has been an intensive process, involving employers' organizations, business networks, trade unions and NGOs in discussion and negotiation. NGOs have devoted much time and efforts to contribute to the debate in a constructive manner, as we believe that CSR could become a useful tool to promote sustainable development.

In recent years, CSR has gained growing recognition as a new form of governance in business by some and a mere public relation exercise by others. For the true believers CSR is "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis".

Whilst the voluntary action of companies engaged in CSR can help, NGOs have insisted in every round table debate, in every case study presentation, that CSR must not be seen as a replacement for regulatory instruments – both current and those which are necessary in the future if the EU is to achieve one day its objective of *sustainable economic growth with more and better jobs, greater social cohesion, and a cleaner, safer and healthier environment*.

This said, we feel that CSR could play an important role if it is given the necessary framework to be effective. For CSR to deliver though, it needs to be credible both for internal as well as external stakeholders and that requires a common framework for accountability, it needs a common set of rules.

Take football. In the very beginning, each football club had its own rules, but they soon agreed that for the sake of the players and the public, they needed to develop common rules. So although playing football is not compulsory, those who engage in that activity follow its regulations and obey common competitive rules and referee systems; the same applies to CSR. Unless a common framework is developed, both the companies willing to engage in CSR (i.e. the players) and the external stakeholders (the public) will not develop trust in CSR. CSR will continue by many to be perceived as a mere PR exercise.

What CSR needs to become credible and effective is: international agreed independent standards for measuring corporate behaviour (similar to the laws of the game developed by FIFA for football), common reporting standards for all companies based on these instruments (competition rules), independent monitoring and auditing of CSR claims made by corporations (independent referees).

Without a common framework for corporate accountability, companies who engage in CSR will play alone in front of an empty stadium and even the most committed players will soon lose interest in the process. A common framework is needed to create a common level playing field.

As the final report of the Forum is published, NGOs can't but acknowledge their disappointment on the conclusions, which fail to give guidance on the standards and tools to adopt in order to advance CSR.

Now, it is the duty of public authorities to ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from market forces when doing so.

The ball now is on the European Commission's camp. Next week, at the last high level meeting of the Forum, NGOs will call on the Commission to play FIFA's role and to bring forward proposals for a European framework to ensure that all players comply with the laws

of the game. We also believe the European Parliament should play a more central role in advancing the debate and the European Council should create joint initiatives to monitor and evaluate the contribution of CSR to the Lisbon and Göteborg goals.

Source: by e-mail from Socialplatform

### **7.3 ETUC Resolution on CSR**

#### Corporate Social Responsibility

Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 9-10 June 2004 Employees Financial Participation

1 – The journey begun by the European Commission back in July 2001 with the Green Paper on Corporate Social Responsibility (CSR) which was intended to launch a debate on "how to build a partnership for the development of a new framework for the promotion of corporate social responsibility, taking account of the interests of both business and the various stakeholders", will reach an important milestone on 29 June when the Multi-Stakeholder Forum comes to an end and the key elements of its final report are presented.

2 – Our priorities need, of course, to be set afresh as a result of this busy agenda.

3 – In the current context of globalisation, the Executive Committee reaffirms its call for European businesses to behave with growing responsibility, in a manner that is firstly consistent with the content of the Lisbon strategy (particularly the development of the quality of work and employment, sustainable development and the European social model across the world) and secondly consistent with the Commission Communication from July 2001 on promoting core labour standards.

4 – The Executive Committee confirms that CSR should complement, but in no way replace, legislation on social and environmental rights or standards set by collective bargaining. Thus, no company failing to comply with agreements, legislation or the social dialogue can be defined as socially responsible. Moreover, ETUC is demanding that social dimension be taken into account in world trade.

5 – In public at every opportunity and also in the forum, ETUC has sought to clear up uncertainties or confusion surrounding the nature of CSR and actions taken by companies in that connection. Some progress has been made on worker participation and respect for legislation and bargaining. However, the following key misconceptions need to be rectified:

- the illusion that CSR would sweep away the balance of power, as the employer's responsibilities are diluted;
- the illusion that all stakeholders are on an equal footing in this policy;
- the illusion that the 'voluntary' method or other 'best practices' would be enough to assert CSR.

6 - The Executive Committee stresses that, rather than being regarded as an added extra, CSR must permeate the very being of the company and its governance, colouring its ongoing production and taking on board social and environmental issues in its day-to-day management.

7 – As such, ETUC rejects a philanthropic or 'public relations' approach to CSR. It believes that CSR must constitute a challenge not just globally and for developing countries, but also for an enlarged and integrated European Union of 25 Member States.

8 – In this case, the prerequisite for CSR is respect for collective bargaining and laws, which means companies must act to:

- promote collective bargaining where there it is insufficient or even nonexistent;
- enhance the involvement of trade unions, workers and their representatives as well as the respect for and defence of their rights.

9 – ETUC therefore affirms that one of the key components of CSR is the quality of industrial relations within a company.

In fact, it would be a contradiction in terms if a company failing to apply a collective agreement or respect an employment contract was deemed 'socially responsible'.

In other words, a company can only be responsible vis-à-vis the outside world

The ETUC Executive Committee sees this responsibility as meaning:

- showing respect for industrial relations;
- promoting solid participation structures using ongoing consultation and information processes, particularly within European Works Councils;
- developing vocational skills and lifelong training for workers;
- respecting health and safety standards and adopting preventive policies;
- promoting gender equality;
- finding a way for the social partners to work together, enabling them to anticipate change and manage restructuring;
- promoting the social and fundamental rights of workers;
- enhancing the quality of work;
- defending and integrating the most vulnerable groups, such as youngsters, disabled people or immigrants.

10 – The Executive Committee acknowledges that CSR needs to be the result of a voluntary process, and reaffirms that this voluntary commitment needs to be shaped by guidelines set at European level. Without a framework, the voluntary approach is unacceptable. When a company opts to be socially responsible, it must do so within precisely defined guidelines and with the involvement and input of the trade unions.

11 – Admittedly, international reference standards already exist, being set, amongst other things, by ILO fundamental conventions, OECD guidelines and the United Nations. However, the EU's CSR model also needs to be based on European values that are consistent with the Lisbon Strategy, the European social model and the Charter of fundamental rights.

Consequently, we are calling on the European Commission to set behavioural standards so that a single framework can be created that contains the criteria with which companies must comply if they choose to be socially responsible. This will prevent these companies from unilaterally setting their own criteria. The requirement that CSR go beyond the law and existing rules does not mean that companies can adopt an 'à la carte' approach to CSR focusing on certain social and environmental factors, while ignoring others.

12 – Given the context of globalisation, particularly post-Cancun, an extra effort is required to impose rules of responsibility so that rights can be extended throughout the world with a view to combating 'bad practices' or social dumping and getting to grips with companies which exploit poorly or completely unprotected regions.

13 – ETUC is calling on the European Commission: to set standards and precise criteria and, in particular, to insist that large companies produce an annual report on the action they have taken in terms of social and environmental impact which must be submitted to the relevant European Works Council;

- to promote standards covering all corporate governance, not just the certification of end products, but also transparency and quality throughout the chain of production, including the traceability of products, subcontracting, supply and relocation;
- to adopt a consistent policy for promoting CSR, setting access criteria for the use of Community funds and thereby encouraging positive selection. ETUC is calling for these criteria to specifically cover structural funds, export credits and public procurement contracts.
- to promote a resource centre with real and active participation by the social partners and other stakeholders so as to support policies on information, training and exchanges of know-how and positive practices.
- to have codes of conduct and/or labels or similar certificates developed by using clearly drawn up procedures and checks managed by the Commission and in conjunction with certification agencies and/or instruments, and based on contributions and input from the trade unions and NGOs. These must meet verified criteria so that their representativeness and legitimacy can be ascertained.
- Lastly, ETUC is calling on the European Commission to set up a permanent monitoring body to verify compliance with European standards. ETUC also wants the Commission to publish an annual report measuring the progress made on CSR and submit these reports to the social partners in the forum.

14 – ETUC reiterates that it is in favour of entering into a partnership with representative, legitimate and independent NGOs and stakeholders outside the company which share our values and which can play an essential complementary role in linking up internal and external corporate social responsibility in areas that are of concern to them.

15 – The priorities and points stressed in this resolution not only represent our position, which will be presented at the aforementioned concluding conference, but also propose content to be included in the forum report and be taken into account in the European Commission's future activities and initiatives.

Source:

<http://www.etuc.org/EN/> (08.09.2004)

## Annex

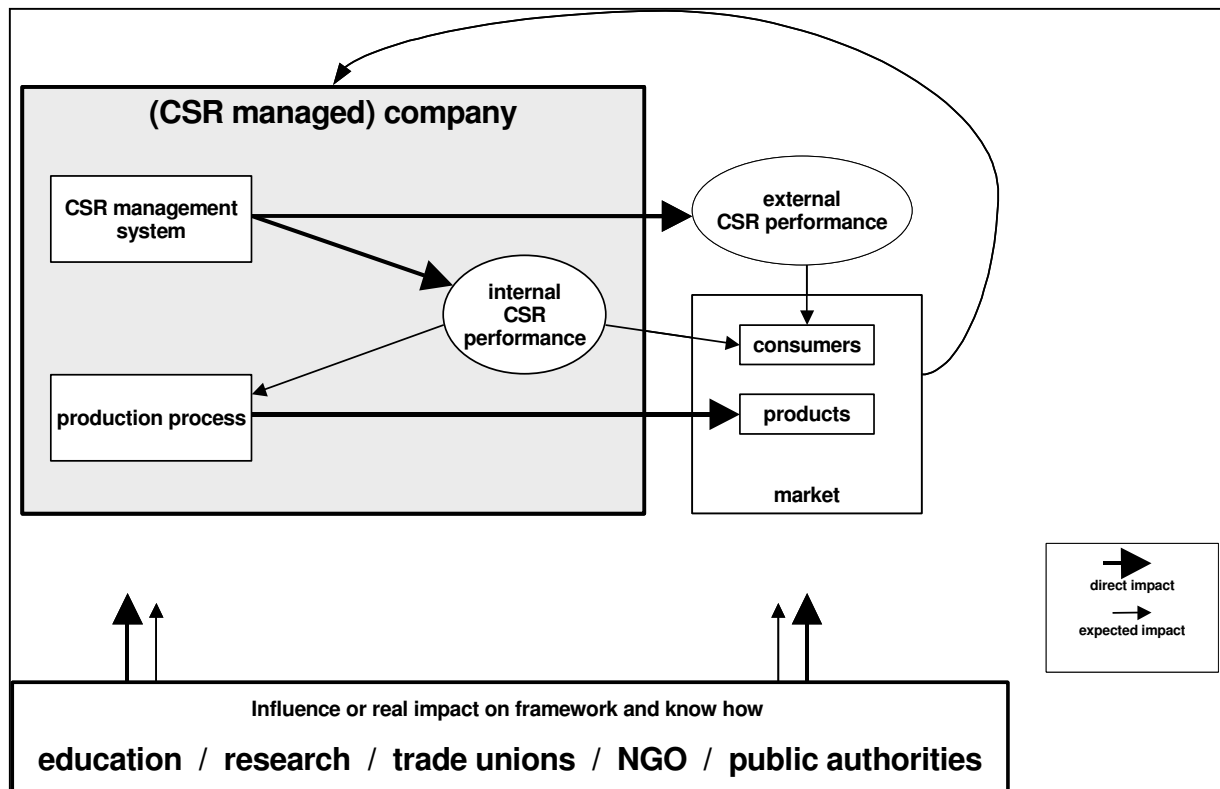
### Overview on the Recommendations of the EU-EMS Forum on CSR

#### Introduction

The following overview contains the single recommendations of the EU EMS Forum. In order to achieve a better overview the recommendations are sorted by stakeholder-groups and targets. Recommendations which refer to several stakeholder-groups and/or targets were sorted only to one stakeholder-group and/or target.

By doing so a new picture of the recommendations results. As a whole they form elements of a management system plus actions which support companies to set it up (see fig. 1). The full analysis is given by Loew in its paper "Analyse der Empfehlungen des Europäischen Multistakeholder Forums zu CSR" (see chapter 2 of this discussion paper).

Figure1: CSR-Management(system) to interpret the recommendations of the EU-EMS-Forum (source: Loew 2005)



## **Overview**

### **1 Recommendations to companies**

#### *1.1 Implementation of a Corporate CSR Management*

##### 1.1.1 Identification of relevant CSR Aspects

##### 1.1.2 Tools and approaches

##### 1.1.3 Qualification and learning processes

##### 1.1.4 Supply Chain

#### *1.2 Communication*

### **2 Recommendations to EU, Governments, Public Authorities**

#### *2.1 Rise Awareness in Business*

#### *2.2 Assistance to Corporate CSR Management*

#### *2.3 Improve Market Framework*

#### *2.4 Improve General Societal Framework*

### **3 Recommendations to Research**

### **4 Recommendations to Education: Assistance to Corporate CSR-Management**

### **5 CSR – Stakeholders: Assistance to Corporate CSR Management**

### **6 Recommendations to several Actors**

#### *6.1 Assistance to Corporate CSR Management*

#### *6.2 Market Framework*

#### *6.3 Constructive Dialogue*



## **1 Recommendations to companies**

### **1.1 Implementation of a Corporate CSR Management**

#### **Identification of relevant CSR Aspects**

- The Forum recommends that companies, [...] identify what items are pertinent with regard to the company's vision and specific objectives, the risks and opportunities associated with its environmental and social footprint, the views of relevant stakeholders, the commercial sensitivity of certain data, and other possible competitive concerns; (R.7)

#### **Tools and approaches**

- The Forum recommends that companies, [...] identify and improving appropriate performance criteria and where relevant drawing inspiration from existing tools or making use of any of the many transparency frameworks currently available; (R.7)
- The Forum recommends to companies that, [...] they adapt tools to take account of their needs, circumstances and impacts. (R.4)
- The Forum recommends to companies that, [...] they be willing to progress in their CSR efforts by examining their performance in relation to their CSR objectives, and learn from this; e.g. through key performance indicators (KPIs), impact assessment, and reporting on these achievements. (R.4)
- The Forum recommends that companies, [...] consider the risks, opportunities and costs of suitable tools and / or systems to improve the robustness and assure the quality of data; (R.7)

#### **Qualification and learning processes**

- The Forum recommends that companies, [...] collect and using information to ensure a better understanding of the complexity of managing certain CSR issues and sometime conflicting expectations; (R.7)
- The Forum recommends to companies that, [...] people who work on CSR be trained in how to understand the economic, social and environmental impacts of their company. (R.4)
- The Forum recommends to companies that, [...] they focus on developing internal learning opportunities (which might include adapting everyday communications and meetings as well as formal training programmes directed towards the development of skills and competencies (R.4)
- The Forum recommends that companies, [...] develop a continuous learning process whereby the company can evaluate the overall impact of its practice, track changes in stakeholders' expectations, and share ist experience with others. (R.7)

## Supply Chain

- The Forum recommends, [...] co-operation within and between companies, business organisations, and stakeholders, towards developing opportunities to learn at the level of networks, sectoral initiatives, chains of suppliers and buyers, and partnerships; (R.4)
- The Forum recommends, [...] increased exchange of experience be organised between purchasers and suppliers in order to build capacities in sustainable supply chain management, through improved understanding of global supply chain issues and responsibilities, including how purchasing practices impact suppliers and their communities. There should be particular attention to the involvement and contribution of SMEs, and notably those in the South, and to examples of partnerships with larger companies which support engagement in CSR practices. (R.4)

## 1.2 Communication

- The Forum recommends that companies, [...] explore the most suitable channels of communication for them with a view to ensuring that information reaching different stakeholders is meaningful and credible to them; (R.7)
- The Forum recommends that companies, [...] have a clear commitment and strategy from the top towards transparency and communication on CSR, ensuring that roles and tasks for developing method and processes are clearly defined and assigned; (R.7)

## 2 Recommendations to EU, Governments, Public Authorities

### 2.1 Rise Awareness in Business

- The Forum recommends that ,[...] public authorities and all other stakeholders in their respective capacities and fields of responsibility increase awareness on the key principles and reference texts (examples given in Part One) and on how they have been and can be made understandable, tangible and be translated into practice. Awareness raising and promotion can take place in a variety of ways, for example via codes of practice, collective agreements, partnerships and global framework agreements. This should also include the supply chain, giving special attention to small and medium-sized enterprises. (R.1)
- The Forum recommends that ,[...] when fulfilling their responsibilities in relation to the texts in Part One, national, European and international public authorities co-operate closely with stakeholders in order to better understand how to promote these values and principles and how they can be taken up, implemented and monitored. (R.1)
- The Forum recommends that ,[...] public authorities examine their practices, know their social, environmental and economic impacts and disseminate best practice on their role as organisations, for example as employers and consumers. (R.9)

## **2.2. Assistance to Corporate CSR Management**

- The Forum recommends that ,[...] public authorities at different levels (EU, national, regional and local) recognise their contribution to driving CSR, alongside others, and in cooperation with stakeholders, assess and strengthen their role in raising awareness of, providing information on, promoting, and supporting the take-up, development and innovation of effective CSR, and the development of environmentally and socially responsible products and services; (R.9)

## **2.3 Improve Market Framework**

- The Forum recommends that ,[...] public authorities ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from this in the market place, both in the EU and globally. (R.7)
- The Forum recommends that ,[...] EU institutions and governments be consistent across policy areas, taking a lead in moving towards the goal of sustainable development, both within Europe and at a global level, in particular through appropriate trade and development policies and international agreements, thereby setting a context for CSR; (R.9)

## **2.4 Improve General Societal Framework**

- The Forum recommends that ,[...] EU institutions and governments step up their efforts towards a more coordinated policy approach, and that they implement the Lisbon goal and Gothenburg strategy; (R.7)
- The Forum recommends that ,[...] EU and / or Member States consider and evaluate how to use public funds in the most responsible and effective manner, taking into account environmental and social, as well as economic considerations. (R.9)
- The Forum recommends that ,[...] EU institutions and governments encourage and assist all countries to ratify and implement international conventions protecting human and social rights and the environment. (R.9)
- The Forum recommends that ,[...] as it is a clear responsibility of national governments to promote democracy and human rights, governments provide the appropriate legal framework for protecting human, social and economic rights of citizens, and a climate conducive to economic, environmental and social progress particularly in developing countries; (R.9)

## **3 Recommendations to Research**

Research is asked to develop know how for corporate CSR management and consult public policy how to improve the market framework. Due to the design of the recommendations to research it is not possible to sort them out to these two targets.

- The Forum recommends that, [...] more comparative, qualitative research on CSR be undertaken, particularly that which is multi-disciplinary, multi-stakeholder and action research based on real case studies; (R.3)
- The Forum recommends that, [...] different actors research specific aspects of the business case, trends in CSR, CSR takeup, practices, tools, and impact (i.e. their effectiveness in improving the social, economic and environmental impact of business). Special attention should be given in research projects to the following CSR areas, identified in the Round Table discussions: (R.3)
  - the impact at the macro-level of CSR on competitiveness and sustainable development;
  - Integration of social and environmental criteria in public procurement, and the impact of this;
  - supply-chain issues and the added value of partnerships between large and smaller companies;
  - best available technology transfer issues;
  - the relationship between corporate governance and CSR;
  - making CSR information accessible to consumers, investors and the wider public.
- The Forum recommends that, [...] these future initiatives build on those initiatives supported by the European Commission, through its various programmes such as the 6th Research Framework Programme.(R.3)

#### **4 Recommendations to Education: Assistance to Corporate CSR-Management**

- The Forum recommends that, [...] CSR and related topics be mainstreamed into traditional courses, in the curricula of future managers and graduate students, in executive education, and in other educational institutions. (R.6)

#### **5 CSR – Stakeholders: Assistance to Corporate CSR Management**

Some of the recommendations address “stakeholders” in general. This means that Trade unions, Business and Employers federations as well as social and environmental NGO are addressed.

- The Forum recommends that, [...] stakeholders consider co-operating in order to learn about obstacles and success factors in translating these principles and values into practice. (R.1)
- The Forum recommends that, [...] respective stakeholders work, individually and/or together, to elaborate user's guides such as those which exist from IOE or TUAC, devoted to deliver practical information on most relevant tools and principles identified in Part One. This information should be presented in a useful and understandable way for companies, including SMEs, and other stakeholders. (R.1)
- The Forum recommends that, [...] stakeholders contribute to this collection, diffusion and exchange of information on effective and credible CSR practices, tools and initiatives; (R.2)

- The Forum recommends that, [...] in order to make such information more publicly and easily available, there be a European multi-stakeholder run internet portal, inter-linking different stakeholders enabling them to learn; (R.2)
- The Forum recommends that, [...] information be also made publicly and easily available through existing stakeholder channels and sources which are close to the companies, in particular SMEs.(R.2)

## **7 Recommendations to several Actors**

### **2.5 Assistance to Corporate CSR Management**

- The Forum recommends, [...] increasing the general availability of easily accessible, ready-to-use, practical information and advice on how to secure coherent, incremental implementation of CSR within and across all functions / departments / operations / locations and enable each company to assess and learn from its own experience. (R.4)
- The Forum recommends that, [...] such organisations develop relevant understanding, skills and capacities on CSR; (R.5)
- The Forum recommends that, [...] people who work on CSR be trained to understand the economic, social and environmental impacts of relevant companies and how to support the development of best practices; (R.5)
- The Forum recommends that, [...] business advisors and support organisations which wish to do so, develop know-how on effective CSR practices, to contribute to capacity building, take-up and assisting businesses in their CSR efforts; (R.5)
- The Forum recommends that, [...] recognising that not all stakeholders have the resources required to take CSR initiatives forward, public authorities, companies and other stakeholders support capacity building activities. (R.5)

### **2.6 Market Framework**

- The Forum recommends that, [...] information about SRI funds and other funds, and their approach to CSR (funds and indices, their methodology and investment criteria) be gathered and made accessible, so that potential investors, and companies, can understand, evaluate and use them better. (R.7)

### **2.7 Constructive Dialogue**

- The Forum recommends that, [...] companies and stakeholders contribute to constructive dialogue from the development stage of companies' CSR activities on goals and progress thereby adding value to these activities; (R.8)
- The Forum recommends that, [...] for successful dialogue to take place there need to be clear understanding of roles and expectations, and a willingness to pursue

innovative, inclusive and dynamic cooperation and / or partnerships in good faith;  
(R.8)

- The Forum recommends that, [...] since they are an integral part of the company and are key players in realising CSR, dialogue with employees and trade union / worker representatives at company level is particularly important. Dialogue at other levels may also be relevant. (R.8)
- The Forum recommends that, [...] companies and stakeholders engage in dialogue at a local level on relevant issues, to ensure that local realities and concerns are understood and taken into account; (R.8)